Infrastructure Valuation

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There are many opportunities for investors in infrastructure today. From roads, rail and airports to electricity, gas and water transmission and distribution, growth in this sector is multiplying exponentially around the globe. Companies, funds and investors in those funds have many choices when it comes to investing in these attractive yet challenging assets. Issues that include political and fiscal, economic, regulatory and operational risk management, together with access to funding are of particular importance to European investors. Above all, valuation plays a major role in how investors make decisions and how funds are managed.

What Is Asset Valuation?

Infrastructure Valuation is an important mechanism for demonstrating proper stewardship of public assets. It provides a means for quantifying the capital employed in the assets and the cost of use of the assets in delivering services to the public. The methodology used to calculate the current monetary value depends on the asset under consideration.

Drivers for Asset Valuation:

- Placing a monetary value on infrastructure assets emphasises their importance and hence the need to maintain them. Monitoring how the asset value is changing with time can indicate if costs are being unduly passed to future generations and can provide compelling arguments for investing in the preservation of the asset base.
- Experience in other countries (Finland, New Zealand, Australia, US, Canada) has shown that implementing financial reporting of asset values for infrastructure assets has a significant impact on how maintenance and renewal work is funded and utilised. This has generally resulted in an improvement in the maintenance of assets.
• It is, however important to recognise that asset value represents only the monetary value or capital value of the assets and not the service provided or the “worth” of the assets to society.

Asset Valuation Requirements

Financial Reporting Requirements:

• The methodology adopted for calculating asset values for an authority’s statutory accounts should comply with the Standard of Recognised Practise. The methodology should also be consistent with Financial Reporting Standards, consistency with Treasury’s Resource Accounting Manual is also desirable for the preparation of the Whole of Government Accounts.
• The principles, basis and rules comply with the aforementioned standards where appropriate.

Infrastructure Asset Management Requirements:

• Key objectives of highway Asset Management are to promote greater accountability and improved stewardship of public assets, and to systematically link resources to the delivery of an authority’s objectives.
• This programme of work influence the asset value, i.e. the work programme may maintain or increase the asset value or if it is not adequate, then the asset value may decrease. Monitoring asset value over time can therefore be used to demonstrate stewardship of assets. This information provides an important input to a business case for investing in the maintenance and upkeep of public assets.

RBSA’s role in Infrastructure Valuation:

Our dedicated Infrastructure Industry team has experience in the infrastructure sectors. RBSA Valuation Advisors LLP is a recognised leader in providing advisory solutions for infrastructure, merging specialised industry sector experience with portfolio valuation expertise aimed squarely at every stage of a fund’s lifecycle.

Credentials:

Following are select credentials in Infrastructure Sector:

• Independent Engineer Services for GIFT City Project at Gandhinagar, Gujarat on behalf of a Consortium of Banks & Financial Institutions
- Valuation of Fixed Assets including Generation Assets (Power Plants), Real Estate including Resource Valuation of Damodar Valley Corporation
- Valuation of Hyderabad Airport and Delhi International Airport for the purpose of Financial Reporting under IFRIC 12.
- Valuation of Land of Kandla Port and Gandhidham City of Kandla Port Trust (KPT) for the purpose of ascertaining lease rentals and reserve price of Land. We have also carried out valuation of the Salt Farms of KPT.
- Lender’s Engineer for a Toll Road project of State Highway (SH-7) leading from Deesa to Gundari in North Gujarat on behalf of Dena Bank
- Valuation, Technical Due Diligence and Feasibility Study of more than 10 land parcels across India for the purpose of acquisition by Tata Housing
- Physical verification, preparation of Fixed Asset Register (FAR) and Valuation of Specified Assets of HP State Electricity Board for reporting purposes.
- Valuation & Real Estate Due Diligence of Special Economic Zone (SEZ) situated at Vilayat Nagar, Gujarat for the purpose of Fund Raising.
- Valuation for Proposed Acquisition of Municipal / Hazardous Waste Landfill Sites of Hyderabad Waste Management Project and Mumbai Waste Management Ltd. (Ramky Group) by ONYX Asia Services
- Financial Advisory Services for Valuation of Equity Shares & Preparation of Information Memorandum of Nila Infrastructure Ltd. for fund raising through Private Equity / Strategic Partners.
- Financial Advisory Services for Valuation of Equity Shares of NCC Infrastructure Holdings Ltd. and NCC Power Projects Ltd. for Internal Management Review

**RBSA Services**

- Infrastructure Valuation
- Mines Valuation
- Infrastructure Advisory
- Share Holder Disputes India
- Loss of Profit Valuation
- Appraisal India
- Valuation of Brand
- Preparation of Information Memorandums
- Preparation of Detailed Project Reports
- Restructuring Valuation
Valuation

- Business Valuation
- Valuation of Brands, Intangible Assets & Intellectual Property
- Valuation of Financial Securities, Instruments & Derivatives
- Valuation of Industrial Assets, Plant & Machinery
- Valuation of Real Estate
- Valuation of Infrastructure Assets & Specialized Assets
- Purchase Price Allocations for Mergers & Acquisitions
- Impairment Studies for Tangible Assets
- Impairment Studies for Intangible Assets & Goodwill
- Mines, Mineral Advisory and Valuation
- Valuation of ESOPs and Sweat Equity
- Valuation for Tax, Transfer Pricing and Company Law Matters
- Fairness Opinions

Investment Banking

- Mergers & Acquisitions
- Transaction Structuring & Advisory
- Due Diligence – Financial, Tax and Business
- Fairness Opinion
- Corporate Finance Advisory
- Corporate Restructuring, Business Reorganization
- Partner Search and Joint Ventures

Advisory Services

**Financial Advisory for Dispute & Litigation**

- Valuation & Financial Advisory Services
- Loss Assessment, Damages & Loss of Profit Analysis
- Independent Expert testimony
- Anti-trust & Competition Advisory
- Post-Acquisition Disputes, Joint Venture & Shareholder Disputes
- Civil & Construction Disputes, Real Estate Disputes
- Environment Damage Assessment
- Intellectual Property Rights Dispute
- Forensic Audit
**Strategic & Risk Advisory Services**

- Techno Economic Feasibility Studies
- Economic Viability & Financial Appraisal
- Business Plan Preparation

**Real Estate Advisory Services**

- Financial Modeling and Highest & Best Use Studies
- Investment Related Due-Diligence Exercises

**Infrastructure Advisory Services**

- Bid Advisory and Bid Process Management
- Preparation of Information Memorandums
- Preparation of Detailed Project Reports

**Technical Assurance Services**

- Technical Due Diligence Reviews for Mergers & Acquisition
- Lender’s & Investor’s Engineer Services
- Independent Engineer’s Services
- Technical Opinion and Audits
- Chartered Engineer’s Opinion & Certification
- Project Cost Investigations & Forensic Advisory
- Project Appraisal and Monitoring

**International Reach**

- Australia
- Bahrain
- China
- Europe
- Germany