



ಭಾರತೀಯ ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್
भारतीय स्टेट बैंक
STATE BANK OF INDIA

The Director(s),
R.K Associates Valuers &
Techno Engineering Consultants (P) Ltd,
D-39, 2nd Floor,
Sector-2, Noida- 201301 (Delhi NCR)

Ref: TEV/DVL/2024-25

Date: 06/04/2024

Dear Sir,

DHRUVADESH VENTURES LLP
TEV STUDY

The above mentioned firm has approached us for sanction of credit facilities for Construction of Hotel/Resort in tie up with TAJ Group. In this regard we request you to provide TEV report. Scope of work is attached for your reference. The report should also cover the aspects discussed in the earlier term sheet shared by you. TAT for TEV report shall be maximum 4 weeks.

Kindly arrange to submit the report at the earliest.

Yours faithfully

ಭಾರತೀಯ ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ವತಿಯಾಗಿ. ಕೃತೆ ಭಾರತೀಯ ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್
For STATE BANK OF INDIA

M. S. E. Branch
ಸಹಾಯಕ ಮಹಾ ಪ್ರबंधक, एस.एम.ई. शाखा, हुबल्लि.
Asst. General Manager, SME Branch, HUBBALLI.

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ವೀರ ಅನೇಕ್ಸ್, ಸರ್ವೋದಯ ಸರ್ಕಲ್
ಹತ್ತಿರ, ಕುಸುಗಲ್ಲ ರೋಡ್, ಕೆಶವಾಪುರ
ಹುಬ್ಬಳ್ಳಿ-580 023

एस. एम. ई. शाखा (04091)
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S. M. E. Branch (04091)
Vir Annexe, Near Sarvodaya
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HUBBALLI - 580 023

SCOPE OF WORK –INDICATIVE FOR TEV

Background of Promoters/ Project

- Background of Promoters, their overall experience, details of their Group Companies and its past financials. Status of Group Company Loan Accounts i.e., whether Standard or NPA
- Profile of the Sponsor & concessionaire
- Background of the Project and Project Specific experience of Promoters in executing similar projects
- Purpose of TEV
- Assessing the capacity of promoters to bring equity and ability to arrange funds for cost overrun should be made as a part of the TEV Report
- Site Visit Observations

Technical Feasibility

- Assessment of the available land in use for the project
- Assessment of suitability and availability of infrastructure available for the activity of the company along with ESG Impact Study
- Availability of skilled manpower and Technology
- Assessment of existing capacity
- Assessment of Implementation Schedule
- Critical Success Factors
- Validation of Cost of Project
- Requirement of Applicable Statutory Approvals & its status as on the date of conducting of TEV study

Market Potential

- Present and future Macro-economic scenario both local and global aspects (Size, Trend, Regulations, Government Support and incentives etc.)
- Assessment of marketing infrastructure available
- Demand-Supply Analysis
- Competitive Analysis
- Industry Scenario (Macro & Micro)

Financial Viability

- Assessment of future cash flows and profitability of the project
- Financial viability of the unit based on the financial projections, profitability (income and costs), cash flow, IRR, DSCR, DE, TOL/ATNW, MPBF etc.
- Conduct sensitivity analysis of the project
- Assessment of Cost of Project, Means of Finance and Source of Promoter's Contribution

SCOPE OF WORK –INDICATIVE FOR TEV

Management Capabilities

- Assessment of management capabilities and Corporate Governance with covering following key areas:
1. Acquisitions, Sale and Investments
 - ✓ Whether company is sticking to their core competencies
 - ✓ Diversification steps
 - ✓ Shareholders wealth protection
 2. Compensation
 - ✓ Whether Management is paying exorbitant amounts to Managers?
 - ✓ What level of compensation would be too high or low, as per peer comparison/ industry average
 3. Stock buyback and insider trading (applicable in case of listed companies)
 - ✓ How long the management holds shares.
 - ✓ Buyback history and anecdotes
 4. Debt Discipline
 - ✓ Whether management is sincerely looking forward to deleverage or its mostly change of hands?
 - ✓ Or there is a trade-off in lowering firm's cost of capital.
 5. Goals and Strategies
 - ✓ Evaluating company's mission statement and strategy.
 6. Length of Tenure
 - ✓ The length of tenure, the CEO and the top management has been associated and serving the company-serves as an important indicator.
 7. Investor Presentation
 - ✓ Takeaways from company's latest investor presentation and the press release.
 8. Market Intelligence
 - ✓ How is the management's reputation in the market, industry and employees?
 9. Environmental and Social concerns are also to be discussed in the report.

SWOT Analysis

- SWOT Analysis to be carried out to identify the key internal and external factors which are important for success of the project.
- Strength and weakness (internal to company) – Evaluating experience, team size and expertise, machinery level, patents and intellectual property and location.
- Opportunities and threats (external) that are going on outside the company, in the larger market such that competitor's action and analysis, prices of raw materials, change in law, regulatory aspects and trends.
- Risk & Mitigation analysis