

Ref. No.: BCML/30/MB/2025-26/05/TDDV

Date: 21st April, 2025

To,

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

Subject: Appointment Letter as Consultant for Technical Due Diligence & Valuation services for the account – M/s Seya Industries Ltd. ("SIL" or "Company")

1. This refers to your submission of financial quotes for the captioned account in response to seeking quotes for conducting Technical Due Diligence and Valuation of the captioned account for acquisition by National Asset Reconstruction Company Limited ("NARCL").
2. BOBCAPS has been appointed as a consultant for Financial Due Diligence, Valuation Assignment and Technical Due Diligence services for the captioned account by NARCL.
3. Based on our internal evaluation and the discussion we had with you, we are pleased to inform that you have been selected to provide assistance to BOBCAPS for providing Technical Due Diligence & Valuation services for the account of **M/s Seya Industries Limited**. The assignment will begin with immediate effect on signing of this appointment letter.
4. The scope of work for Technical Due Diligence & Valuation services is attached as **Annexure – I**.
5. The fees, costs and other expenses payable in relation to the services provided and the performance thereof shall be **Rs. 6.00 Lakhs** (all-inclusive excluding taxes and out of pocket expenses) based on the proposal submitted by you. The entire fees shall be payable on submission of final report. **Kindly note that OPE is capped at 5% of the fees.**
6. During the course of engagement and till the account gets acquired by NARCL, you represent that your firm is not undertaking (and shall not undertake) any other assignment for the account provided above. Further, you represent (and undertake to take appropriate steps to ensure) that neither your firm nor firm's staff/personnel are placed in position where (in reasonable opinion of BOBCAPS) there is or likely to be an actual conflict or a potential conflict after awarding of the said agreement.
7. Kindly note that notwithstanding anything contained under the proposal or otherwise:
 - a. NARCL or BOBCAPS shall not be liable to indemnify you (including your affiliates, agents, consultants, employees or any other person acting on your behalf) for any reason whatsoever;
 - b. No shareholder, officer, director, partner, principal, consultant, assign or employee of BOBCAPS shall have any obligation or liability towards you and accordingly, neither you nor your affiliates or persons claiming through you/them shall be entitled to take an

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action, claim or bring any proceedings relating to any agreement for or in relation to this appointment (including any aspect of the rating exercise) against any of them. It is clarified that any action, claim or proceeding that you or your affiliates may be entitled to initiate or join shall be limited to BOBCAPS only;

- c. BOBCAPS reserves the right to terminate the appointment by giving a written notice to that effect without assigning any specific reason/s.
8. If the appointment (and the terms set out above) is acceptable, kindly countersign at the space provided below and send an original of this letter to us.

Yours sincerely,

For and on behalf of **BOB Capital Markets Limited**

Signature:  

Name: Piyush Ranjan

Designation: Head – Debt Resolution

Date: 21st April, 2025

For and on behalf of **R K Associates Valuers & Techno Engineering Consultants (P) Ltd.**

Signature: _____

Name: _____

Designation: _____

Date: _____

Annexure I - Scope of Work

Company is currently a stressed asset and National Asset Reconstruction Company Limited (NARCL) is considering acquisition of debt of this company. As a part of advisory mandate, BOBCAPS is looking for appointment of an agency for below scope of work:

A. TEV

1. Review of the Company:

- Details of incorporation, current legal status of the Borrower.
- Brief history and background of the company along with details of the business and product segment as well as geographical presence
- Production capabilities and market it caters to
- Major trends of change in the company operational and business performance
- Details of the shareholding structure over the past 3 financial years along with details of changes in the shareholding
- Organization structure with background and profile of promoters, Directors, KMP, and key employees
- Overview of various departments/ verticals
- Group analysis and organogram
- Market research from secondary sources to assess potential revival of the business assuming buckets including information from market participant
- Understand the macro & micro reasons due to which the Company had come under stress and defaulted
- Details regarding other group companies, under CIRP / NCLT/ DRT.
- Debt profile – (Principal amount, interest and total dues) – facility wise, lender wise as well as security structure (mortgage) – facility wise as on date. (All FB & NFB)
- Debt profile as on NPA date.
- Liaison with IDCs to assess the transfer charges unearned fees or any other expenses.

2. Review of Regulatory and Compliance

- Review copies of all licenses, permits, certificates, authorizations, registrations, concessions, approvals, exemptions etc. from all governmental authorities. Identify gap, cost and time for rectification and implications
- Review if the Company has been or may be accused of violating any law or failing to possess any material license, permit or other authorization. Implication and rectification for the same with probable costs.
- Review all show cause notices / inspection reports received from various regulators and management responses to the same. Reasoned analysis, implications and probable cost of rectification.

3. Preparation of TEV Report and Financial Model

- The Consultant shall prepare an excel based interactive linked financial model with detailed assumptions, scenario and sensitivity, analysis. These should be shared with BOBCAPS while submitting reports.

- If it is a going concern or can be converted into a going concern, business projection for ensuing 5 years to be submitted in the report

4. Contractual Agreement

- Review of the all-active contracts, entered with developer/ client
- Review of all the signed contracts. Availability of support from OEMs – spares and consumables, repairs, warranties etc.; if no longer available, alternate arrangements/ options.

5. Project Related Study:

- Conduct technical due diligence of the Project which would, inter-alia include – site visit, study of its facility, its capacity, details of machines/equipment & configurations & warranties, generation technologies including layouts of the site; whether it is commensurate to the Project scope and life of the plant and machinery.
- Current status of the site. Assessment of the sites to meet operational requirements/ objectives.
- Adequacy of the present Infrastructure including land, raw material arrangement, stocking, transportation etc. and continued availability thereof for the balance life of the Project including infrastructural bottlenecks, if any.
- Technology used, capex/investments requirements, maintenance
- Raw material security/ requirement as per the contracts.
- Detailed comments on claims/arbitration/dispute cases including, inter alia claim analysis by counter parties with estimated timelines for likely conclusion of such cases and a fair estimate of the value of the same. Estimate of time and cost likely to be incurred to be factored in valuation.

6. General

- Review of the order book and future potential for the business
- Review of O&M Cost and future adequacy requirements
- Overall comment on the Technical Capability & infrastructure of the Project.
- General Comment on the present status of the Project and whether the Project would be able to operate over the balance life of the Project; analysis of physical condition of the plant
- SWOT and Risk Analysis (identification, mitigation measures, if any) of the Project so as to establish technical competence over others; risk and challenges matrix and mitigation recommendations.
- Working capital assessment
- Problem/ break-down history and preventive measures; root cause analysis.
- Review of health, safety and environment practices/arrangements.
- Technology, Equipment, Availability of Spares
- Review of all deposit accounts detail of the borrower as its crucial in decision making (including margin of LC/BG)
- Review of statutory dues including EPFO, gratuity, GST, income tax and any other government dues.
- Review of workmen/employees dues.

7. Other

- Production capabilities and market it caters to
- Details of disputed revenue - by customers, rates etc (any other categorization) followed by the management
- Industry/Sector analysis
- Details of transactions/agreements with affiliates and related parties especially with respect to prices, payment terms, etc
- Review copies of all licenses, permits, certificates, authorizations, registrations, concessions, approvals, exemptions etc. from all governmental authorities. Identify gap, cost and time for rectification and implications
- Review if the Company has been or may be accused of violating any law or failing to possess any material license, permit or other authorization. Implication and rectification for the same with probable costs
- Review all show cause notices / inspection reports received from various regulators and management responses to the same. Reasoned analysis, implications and probable cost of rectification

8. Miscellaneous:

- The Scope of work mentioned above is indicative only and is non-restrictive in nature.
- The Consultants who are selected shall enter into an Engagement Agreement / Non-Disclosure Agreement with BOBCAPS, which would include customary representations and warrants, fee structure, scope of services, conflict of interest, governing law, dispute resolution etc.
- The Consultant would be exchanging certain correspondence with BOBCAPS and other connected with the TEV exercise and therefore, the Consultant shall keep all paper properly documented and may produce the same as and when required by BOBCAPS.
- The team and the leader of the team committed by the Consultant in the proposal should remain committed and available to BOBCAPS until the completion of the TEV exercise. The Consultant shall not change the Key person of the Team. However, in case there is a change in the Team due to reason beyond the control of the Consultant, suitable replacement would be made, with due consultation with BOBCAPS and without adversely affecting the output of the assignment. If, however, there is any, the Consultant shall immediately inform BOBCAPS.
- Consultant Team to include sector specialist as required.

ANY OTHER ISSUES EMERGING DURING DELIBERATIONS ON PRESENTATION OF THE DRAFT REPORT.

B. Valuation

1. Valuation of Assets:

- Ensure to Carry out valuation - Market Value / Realization Value / Distress Value to facilitate / Determine the acquisition price for debt of the Borrower proposed to be acquired in accordance with internationally accepted and widely used valuation methodologies. The valuation to be carried out by IBBI empanelled valuer only.
- The Consultant shall consider various methodologies such as Discounted Cash Flow, Earnings and Growth, Comparable Companies and Past Transaction Multiples etc. and the merits and demerits of each methodology along with applicability thereof in the valuation of specific investment shall also be commented upon.
- The Consultant shall undertake a comprehensive valuation exercise by one or more methodologies, applying weightages for such methodologies with justification for such weightages.
- The Consultant will carry out a sensitivity analysis to provide valuation range based on change in input factors.
- Agency to provide assumptions and working for arriving at the valuation of Physical assets of the Company.
- Detailed comments on claims/arbitration/dispute cases including, inter alia claim analysis by counter parties with estimated timelines for likely conclusion of such cases and a fair estimate of the value of the same. Estimate of time and cost likely to be incurred to be factored in valuation.
- Review of the arbitration cases and impact of the same on the valuation of the Company.
- Determination of Enterprise value of the company if it is a running entity or potentially operationalize company.

2. Miscellaneous:

- The Scope of work mentioned above is indicative only and is non-restrictive in nature.
- The Consultants who are selected shall enter into an Engagement Agreement / Non-Disclosure Agreement with BOBCAPS, which would include customary representations and warrants, fee structure, scope of services, conflict of interest, governing law, dispute resolution etc.
- The Consultant would be exchanging certain correspondence with BOBCAPS and other connected with the Valuation exercise and therefore, the Consultant shall keep all paper properly documented and may produce the same as and when required by BOBCAPS.
- The team and the leader of the team committed by the Consultant in the proposal should remain committed and available to BOBCAPS until the completion of the Valuation exercise. The Consultant shall not change the Key person of the Team. However, in case there is a change in the Team due to reason beyond the control of the Consultant, suitable replacement would be made, with due consultation with BOBCAPS and without adversely affecting the output of the assignment. If, however, there is any, the Consultant shall immediately inform BOBCAPS.
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