

Vastukala Consultants (I) Pvt. Ltd
106, 1st Floor, Gold Star Tower ,
576, MG Road,
Opp. Treasure island Mall, Indore
Indore - 452001, M-9819597579

No. TCC/2022-23/1120/E2

Date: 06/04/2022

Dear Sir,

Re: Empanelment of your company as Technical Consultant to undertake Techno-economic Viability (TEV) Study:

We refer to your application on the captioned subject. We are pleased to inform you that your company has been empanelled as Technical Consultant to undertake Techno Economic Viability (TEV) study for a period of three years or till further review whichever is earlier:

2. Your service will be utilized by our Branches/ Offices in Madhya Pradesh and Chhattisgarh State as and when the need arises subject to the following:
 - a. Your empanelment will be restricted to only conducting TEV study.
 - b. You should provide clarifications sought by the prospective lenders/Bank's branches on the TEVS report for which email ID and other contact details should be provided in the report itself.
 - c. You should verify the cost of assets from various documents for land: building, machinery and other fixed assets and details and extent of such verifications will have to be mentioned in the report. Where verification could not be carried out in certain assets, it should be brought out clearly in the report giving reasons.
 - d. You must list all applicable permission /approvals for the project and their current status will have to be given in the report.
 - e. You should describe all the assumptions underlying the projections as considered by you and/or the proponents while discussing the profitability projections.
 - f. Your report should mention the date of site inspection and names of persons carrying out then inspection (the site visiting persons to include technical person also). No TEV Report should be submitted if site visit had not been carried out.
 - g. You should not sublet/outsorce, any TEV study exercise assigned by our Bank, to any other outside consultant /entity. In case any help is taken from external experts, then the TEV Study report should be jointly signed by the external expert, clearly bringing out the role/scope of his/her involvement in the report along with Engineer/s (associated with you) involved in the TEV study.
 - h. You would be held responsible for the findings/suggestions/implications on the report of assignment undertaken by you for any overestimate, wrong estimate, underestimate etc. therein and withholding any information and you would be liable for action as deemed fit.



bank.sbi
0755-2575951, 2575947
0755-2575948
dgmsme.lhobho@sbi.co.in

लघु एवं मध्यम उद्यम व्यवसाय इकाई
स्थानीय प्रधान कार्यालय
होशंगाबाद रोड,
भोपाल - ४६२ ०११ (म.प्र.)

SME Business Unit
Local Head Office
Hoshangabad Road
Bhopal - 462 011 (M.P.)



- i. TEV report must be signed and authenticated by the technocrat viz you and/ or core member of your company having required qualification, experience and authority. The report for the job has to be sent directly to the Branch. You will arrange to forward one copy of the report submitted by you on each assignment undertaken by you to this office.
- j. You will maintain secrecy and confidentiality to the assignment/ business given to you by the Bank.
- k. You should undertake /commence the work only after receipt of a specific request from the Bank Officials/Branch Managers in writing.
- l. You will refrain from carrying out any financial transaction with the Bank's borrowers/prospective borrowers on whom the assignment is given to you.
- m. You have to submit a declaration that your company is neither interested as promoters / shareholders in the project entrusted for TEV study nor in any way involved in preparation of the project report.
- n. The empanelment will be no longer be valid if there is any major change in the management/employee pattern in your company and the position will be evaluated afresh for empanelment.
- o. You/ your company should not have been delisted by any Bank in the past for any act of commission or omission.
- p. The directors of the company should not be convicted for any offence and sentenced to a term of imprisonment by any court.
- q. The consultant is expected to carry out its assignment with due diligence and in accordance with prevailing standard of the profession.
- r. You should undertake to adhere to the scope of TEV study and report thereof, as brought out in **Annexure –A**.
- s. You should submit duly signed letter of indemnity for faithful performance and discharge of all your duties /works entrusted by the Bank, as per **Annexure –B** and a code of conduct as **Annexure - C**, as part of acceptance of empanelment as TEV.

3. You are advised that under no circumstances, you should use any legend containing the Bank's name or symbol on your letter heads signboards, name plates, visiting cards etc. You will not use this empanelment to canvas for your business.

4. The consultant shall not be assigned any assignment that by its nature may be in conflict with another assignment of the consultant. The consultant (including their experts and other personnel and sub consultants) who have close business or family relationship with the staff of the project implementing agency, who are directly or indirectly in any part of (i) preparation of DPR for assignment (ii) selection process for contract (iii) the supervision of such contact, may not be considered for that assignment.

5. For each of the assignment allotted to you, fees payable will have to be negotiated with the Bank. You will agree to charge/collect the fees in line with the indicative fees structure. The same may undergo change from time to time. You will be paid your charges lump sum only after satisfactory completion of the assignment. You should not collect any fees from the customer directly.



The indicative fee structure for conducting TEV study is as follows:

S. No	Project Outlay	% of Project Outlay	Minimum	Maximum
1.	Less than or equal to Rs.2 Cr.	0.100	Rs.10,000	Rs.20,000
2.	More than Rs.2.0 Cr. but less than or equal to Rs.10.0 Cr.	0.075	Rs.20,000	Rs.60,000
3.	More than Rs.10.0 Cr. but less than or equal to Rs.25.0 Cr.	0.050	Rs.70,000	Rs.1,00,000
4.	More than Rs.25.0 Cr.	0.040	Rs.1,00,000	Rs.2,00,000

GST will be extra as applicable. Other incidental charges like cost of travel, stay, etc. to be decided jointly by Borrower, Bank & Consultant and will be borne by the unit.

6. You should note that the selection for empanelment does not amount to an appointment or right for an appointment to be made by the Bank and the Bank is free to avail the services of any Technical Consultant of its choice and no right exists for an empanelment Technical Consultants to claim that, they alone should be entrusted with the Bank's work.

7. Your opinion /certification would be an input for our decision making. Therefore, in the event your opinion /certification turns out to be untrue and factually incorrect causing loss to the Bank, we may seek such clarifications as may be required to investigate the matter and fix accountability. In the event, it is established that there was gross negligence/unfair practices/professional misconduct on your part or you had colluded with our customer in causing pecuniary damage/loss to the Bank, we may recommend your name for inclusion in the caution list being maintained by the Indian Banks Association (IBA) for circulation amongst member Banks.

8. In case any report submitted by you is found to be false or distorted and/or you are found adopting unfair practices and indulged in irregularity/ fraud, the bank can exercise right to inform/notify bodies like Institute of Engineers/ Surveyors/Chartered Accountant/Valuers and or professional bodies for such act/professional/misconduct and request for taking suitable action against you.

9 The Bank reserve the right to remove/ delist you/ your company from the panel without assigning any reason at any time. Your approval as empanelled Technical Consultants will automatically cease if any adverse feature is noticed or reported by our Branches/ Controllers. No claim in this regard shall be entertained.

10. TEV report to be submitted in the **prescribed format**. The points need to be covered in the TEV report may vary on the basis of nature of project/ activity/industry and may be decided by field functionary on case to case basis.

11. The Bank reserves the right to call additional information/ documents for verification as may be required as and when necessary or from time to time.



12. You have to open account in the name of company with any Branch of SBI for facilitating payment/ service charges for the service rendered by you.

13. Your performance will be reviewed from time to time and continuation/ renewal on panel would depend upon the quality of services/ performance and other related things prevailing at that time. For renewal you are required to apply along with all the required details in advance before the expiry of above mentioned period. Thereafter, review/ renewal will be taken at an appropriate time considering services provided by you to our operating functionaries. The Bank may in its sole discretion renew / continue your empanelment as Technical Consultant for further period as deem fit and proper on mutually agreed terms and conditions.

14. You are requested to return the duplicate copy of this letter duly acknowledge by the authorized signatory within fifteen days of date of this letter as acceptance of the above conditions. The empanelment will be effective only on receipt of your acceptance.

Yours faithfully,


Dy. General Manager (SME)

Enclosure :

- i) Guidance for Consultants on Coverage in TEV Study Report (Annexure -A).
- ii) Formate for Letter of Indemnity to be Executed by TEV Consultant (Annexure -B).
- iii) Formate for Code of Conduct to be Executed by TEV Consultant (Annexure - C).



Guidance for empaneled Consultants on coverage in Techno Economic Viability Study Report

Following aspects are expected to be covered in a typical techno-economic viability study report:

1. **ACTIVITY:** existing activity and proposed activity of the proponents / Company
2. **INSTALLED CAPACITY:** item wise installed capacity; existing and proposed installed capacity should be mentioned separately.
3. **BACKGROUND:** A brief background of the promoters, project and scope of project, expected implementation schedule and timelines along with brief details of request of proponents to Bank.
4. **PROMOTERS:** an objective assessment of promoters, their background, and relevant experience are expected to be provided. Financial information on existing business concerns of promoters / associate companies are also expected to be included.
5. **PRODUCTS / SERVICES:** The main product(s) that are /proposed to be manufactured or services that are/proposed to be offered. Description of products/services is to be provided. Quantitative projections vis-à-vis market size may also be provided. An analysis of proposed selling prices and those prevailing in the market and trend may also be brought out in the report.
6. **PROCESS & TECHNICAL KNOW-HOW:** complete description of Process involved along with details of various stages involved and stage-wise process parameters, yield, wastages. Batch process or continuous are expected to be covered. Process flow-charts with material and energy balance stage-wise, wherever applicable may be brought out; Heat Mass balance may also be given / discussed wherever applicable. If any special technical knowhow is required, details of arrangement of the same should be discussed. Other technologies available in the market with comments on comparison with rival technologies, advantages/dis-advantages of the proposed technology are to be discussed.
7. **MARKET & MARKETING ARRANGEMENTS:** Target market structure; general health of industry; Competitive scenario; Demand supply position; specific trade practices; and proposed arrangement for sales and marketing.
8. **REGISTRATIONS:** comments on requirement and status of all the Licenses/Consents/ No-Objections/ Clearances that may be required for the project.
9. **LOCATION:** description of location of the project and comments on suitability of the same.
10. **LAND & BUILDING:** description of land and building infrastructure and comments on the same.
11. **UTILITIES:** requirements of all the utilities and arrangements proposed; and comments on the same.
12. **PLANT & MACHINERY:** Description of all the plant and machinery proposed to be acquired; comments on balancing/adequacy of machinery, technological level especially in view of capacity proposed/assumed; machine suppliers and their credentials. In case of second hand machinery, availability of chartered engineer's certificate on age of machinery, condition of machinery, reasonability of cost, residual life and availability of spares etc. Complete statement of calculation of installed capacity and underlying technical basis should essentially be covered in the report.



13. **RAW MATERIALS:** required raw materials, quantitative requirements based on yield data, sources of supply, cost of raw materials and their availability position.
14. **MANPOWER & MANAGEMENT:** requirement of manpower and arrangement thereof along with comments on cost of manpower.
15. **COST OF PRODUCTION & PROFITABILITY**
1. Major assumptions both for sales figures as well as each of the expense head should normally be listed and comments should be offered on the same; necessary logic to be explained with evidence on which the same is based.
 2. Sensitivities analysis; DSCR calculations;
 3. Overall profitability (EBIDTA/Sales%) may be compared with industry averages and/or similar units depending on availability of data
16. **WORKING CAPITAL REQUIREMENT:** Description of inventory/WIP/receivable and creditors levels considered and comments thereupon.
17. **TERM LOAN REQUIREMENT:** working / assessment of Term Loan based on project cost estimates.
18. **COST OF PROJECT & MEANS OF FINANCE:** in case of existing operations an analysis of balance sheet may be provided; complete and detailed breakup of cost of project and comments thereupon including acceptability may also be provided. Provision and adequacy of interest during construction period and contingency should also be provided. Details and breakup of proposed means of finance should be provided along with comments thereupon.
19. **SWOT ANALYSIS, RISK FACTORS & RISK MITIGANTS:** A SWOT analysis may be provided in the report, bringing out strengths and weaknesses relating to the project alone while opportunities and threats relate to the industry as a whole.
20. **COMMENTS AND CONCLUSION:** clear conclusion on technical feasibility and economic viability may be incorporated in the report.



**LETTER OF INDEMNITY TO BE EXECUTED BY
Third-Party Services Providers (TPSPs) empanelled for TEV (Techno Economic Viability)**

To,
State Bank of India,

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Dear Sir/s

In consideration of State Bank of India , having its Local Head Office at Hoshangabad Road, Bhopal, (herein after called the "Bank" which expression shall include its successors and assigns) empaneling me /us on their panel of approved Third-Party Services Providers (TPSPs) for TEV (Techno Economic Viability) Study for the purpose of assessing/dispersing the credit limits granted or to be granted by the Bank to its various borrowers, I/We jointly and severally, extend this Letter of Indemnity.

Whereas by the letter of empanelment dated _____, the bank has empanelled me/us on their panel of approved Third-Party Services Providers (TPSPs) for TEV (Techno Economic Viability) study for the purpose of assessing/dispersing the credit limits granted/to be granted by the Bank, I/We jointly and severally agree as follows:-

I/We shall duly and faithfully perform and discharge all the duties in the works entrusted by the Bank and in relation to the purposes of empanelment, fairly without any favour or discrimination and I/we hereby undertake and agree you, your successors and assigns at all times and from time to time from and against all loss, damage and all actions, suits, proceedings, expenses, costs, charges and demands arising out of any act, lapses, defaults, negligence, errors, mistakes committed by me/us in performance of my/our professional obligations and I/we also hereby undertake and agree to pay to you on demand sums of money, costs, charges and expenses incurred in respect thereof and also to pay you interest on all such moneys at your ruling rate.

I/We further specifically agree that this Indemnity shall continue to remain in force and I/We shall continue to be liable there under for all losses, damages, costs, charges and expenses arising out of any act, lapses, defaults, negligence, errors, mistakes committed by me/us in performance of my/our professional obligations and shall be binding on me/us and our legal and personal representatives, successors and assigns.

Yours faithfully,

Signature

(Name of the Approved TEV
Study Provider)



Place:

Date:

**CODE OF CONDUCT TO BE EXECUTED BY
Third-Party Services Providers (TPSPs) empanelled for TEV (Techno Economic Viability) Study**

I/ We hereby undertake to strictly adhere to the following Code of Conduct:

A. Integrity and Fairness

1. A TEV Consultant shall, in the conduct of his/its business, follow high standards of integrity and fairness in all his/its dealings with his/its clients.
2. A TEV Consultant shall maintain integrity by being honest, straightforward, and forthright in all professional relationships.
3. A TEV Consultant shall endeavour to ensure that he/she/it/they provides true and adequate information and shall not misrepresent any facts or situations.
4. A TEV Consultant shall refrain from being involved in any action that would bring disrepute to the profession.
5. A TEV Consultant shall refrain from being involved in any action that would bring disrepute to the profession.

B. Professional Competence and Due Care

1. A TEV Consultant shall always render high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment.
2. A TEV Consultant shall continuously maintain professional knowledge and skill to provide competent professional service based on up-to-date developments in practice, prevailing regulations/guidelines, and techniques.
3. In the preparation of a TEV report, the TEV Consultant shall not disclaim liability for his/its expertise or deny his/its duty of care, except to the extent that the assumptions are based on statements of fact provided by the subject firm (i.e., whose TEV report is undertaken) or its auditors or consultants or information available in public domain and not generated by the TEV Consultant.
4. A TEV Consultant shall not carry out any instruction of the subject firm in so far as they are incompatible with the requirements of integrity, objectivity, & independence.

C. Independence and Disclosure of Interest

1. A TEV Consultant shall act with objectivity in his/its professional dealings by ensuring that his/its decisions are made without the presence of any bias, conflict of interest, coercion, or undue influence of any party, whether directly connected to the assignment or not.
2. A TEV Consultant shall not take up an assignment, if he/it or any of his/its relatives or associates is not independent in terms of association to the subject client.
3. A TEV Consultant shall maintain complete independence in his/its professional relationships and shall conduct the assigned work independent of external influences.
4. A TEV Consultant shall, wherever necessary, disclose to the Bank, possible sources of conflicts of duties and interests, while providing unbiased services.
5. TEV Consultant shall not indulge in "mandate snatching (to undertake assignments for TEV



inspection of a particular site / unit using unscrupulous means)" or offering "Convenient Report" in order to cater to a client's needs.

6. As an independent entity, TEV Consultant shall not charge success fee (Success fees may be defined as a compensation / incentive paid to any third party for successful closure of transaction. In this case, favorable TEV report).

D. Confidentiality

1. A TEV Consultant shall not use or divulge to any other party any confidential information about the subject client for whom TEV study is conducted, which has come to his/its knowledge without proper and specific authority or unless there is a legal or professional right or duty to disclose.

E. Information Management

1. A TEV consultant shall ensure that he/ it maintains written contemporaneous records for any decision taken, the reasons for taking the decision, and the information and evidence in support of such decision. This shall be maintained so as to sufficiently enable a reasonable person to take a view on the appropriateness of his/its decisions and actions.
2. A TEV consultant shall appear, co-operate and will provide all information and records in case of any need or legal or statutory or professional requirement.

F. Gifts and hospitality:

1. A TEV consultant or his/its relative shall not accept gifts or hospitality which undermines or affects his independence as a TEV consultant.
Explanation: For the purposes of this code the term 'relative' shall have the same meaning as defined in clause (77) of Section 2 of the Companies Act, 2013 (18 of 2013).
2. A TEV consultant shall not offer gifts or hospitality or a financial or any other advantage to a public servant or any other person with a view to obtain or retain work for himself/ itself, or to obtain or retain an advantage in the conduct of profession for himself/ itself.

G. Remuneration and Costs

1. A TEV consultant shall provide services for remuneration which is charged in a transparent manner, is a reasonable reflection of the work necessarily and properly undertaken, and is not inconsistent with the applicable rules.
2. A TEV consultant shall not accept any fees or charges other than those which are disclosed in a written letter with the person to whom he would be rendering service.

H. Occupation, employability and restrictions

1. A TEV consultant shall refrain from accepting too many assignments, if he/it is unlikely to be able to devote adequate time to each of his/ its assignments
2. A TEV consultant shall not conduct business which discredits the profession.

Date :

Place :

Signature

(Name of TEV study Provider)

