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**TEV / LIE**

Project Appraisers

Corporate Valuers

Chartered Engineers

Consultants

Structural Engineers

Lenders Engineers

TEV Study

**YARDI PRABHU**

CONSULTANTS & VALUERS PVT. LTD.

AN ISO 9001 - 2015 CERTIFIED & CRISIL RATED COMPANY  
CORPORATE VALUERS AND CHARTERED ENGINEERS

## What is TEV Study ?

- An entrepreneur / industrialist desirous of setting up his own industry has to perform multifarious activities in a logical sequence.
- Setting up may be a new or an addition to the existing unit.
- He has to arrange finance for setting up the new industry or addition to the existing Unit.
- He has to obtain finance from the Bank / FIs. or from the market.
- Before obtaining finance from the Bank, the Bankers will conduct TEV study.
- Setting up of unit involves the following :
  - Selection of a product
  - Technical Appraisal
  - Assistance of financial Requirement
  - Arrangement for raw-material and manpower
  - Registration formalities.
  - Preparation of Project Report
  - Financial Appraisal
  - Apply for power connection
  - Installation of plant and machinery and trial run.
  - Preparation of Project Feasibility Study
  - Economic Appraisal
  - Construction of factory building
  - Marketing of products
  - Market Study
  - Selection / Location and Acquisition of land
  - Order for plant and machinery
  - Sales Realisation

## Is TEV Study mandatory for Banks ?

On the basis of policy of the Bank, the TEV Study limit has been fixed by the Bankers.

- TEV study is normally conducted for the loans from Rs.50.00 lakhs and above.
- TEV study is mandatory for the loans above Rs.10.00 crores.

## Why TEV Study Report is required for the Bank/ Lender?

- When a proposal for loan is received from the customer/ borrower, the Branch Manager will have to appraise the project to know whether the project is technically and financially viable?
- If the Bank lends the money, whether there will be regular repayment of loan?
- Whether adequate securities are available and what will be the FMV ?
- What is the position of financials of the Company ?

## What is the role of YPCVL ?

- YPCVL will collect the following information/ documents from the customer/ Bank.
- He will study the projections given in the project report.
- He will visit the site to verify the land, building, machinery etc as per the projections.
- Submit his report on financials and technical aspects of the unit to the Bank with his conclusion.

## DETAILS OF TEVs CONDUCTED BY YPCVL TO NAME A FEW

Name of the Bank	Name of the Company	Nature of activities	Project Cost (In. Crs)
State Bank of India, R.O., Goregaon (East)	Renew Distributed Solar Energy Private Ltd. (RDSEPL)	Proposed 4.477 Mwp DC Rooftop Solar PV Power Project	30.00
Jammu & Kashmir Bank Ltd., Mahim	J.K. Gypsum Pvt. Ltd.	Stationery Products Manufacturing Unit	18.40
UCO Bank, MCU, Andheri	Ankur Mayflower Associates	Proposed Redevelopment Project	65.85
State Bank of India, SME Backbay Reclamation, Nariman Point	Tiger Advisors LLP	Grid Connected Rooftop Solar PV (GC-RSPV) Power Project	4.27
State Bank of India, Ghatkopar (West)	New Bombay Paper Mills Pvt. Ltd.	Upgradation and Increase in production capacity of paper mill	11.25
State Bank of India, IFB, Andheri (East)	Manika Moulds Pvt. Ltd.	Proposed Plastic Injection Moulding Products Manufacturing Unit	22.52
Bank of Maharashtra, Baramati	Fortune Dairy Industrial Pvt. Ltd.	Proposed Integrated Milk Processing Plant	31.11
State Bank of India, MID Corporate Branch, Nariman Point	Statec Envir Engineering (India) Pvt. Ltd.	Proposed Grid Interactive 8 MW AC / 10 MWp DC Ground Mounted Solar PV Power Project	58.12
Private	Puranik Buildwell Pvt. Ltd.	Project is development of 318 Building of 4 and 7 stores	Phase I - 880.59 Phase II - 733.24
Allahabad Bank, Navyug Market Ghaziabad	Mridula Healthcare Pvt. Ltd.	Multi speciality Hospital Flores	23.71
State Bank of India, SME Backbay Reclamation Branch, Nariman Point	Hinduja Renewables Pvt. Ltd.	Proposed 5.443 MWp DC Rooftop Solar PV Power Project	27.76
IDBI Bank Ltd., Cuffe Parade	Puranik Builder Pvt. Ltd. (Developer)	Puranik City Reserva	839.82
UCO Bank, Nariman Point	Entertainment City Ltd.	Proposed 13 Screens Multiplex Cinema / Theme Theatre	44.80
Oriental Bank of Commerce, Andheri (East)	Bharat Infrastructure & Engg. Pvt. Ltd.	Proposed Redevelopment of Ganpati Niwas CHS Ltd.	138.80
Private	Satish Sugar Pvt. Ltd.	Zero Liquid Discharge Project for Existing 60 KLPD Distillery Unit	47.50
Indian Overseas Bank, Bangalore	Golden Hatcheries	Proposed "Grid Interactive Ground Mounted Solar Power Project with 6 MW DC Capacity	42.00
Punjab National Bank, Brady House, Fort	TV Vision Ltd.	Proposed Launch of Regional TV Channels	134.31
Private	Eurotas Infrastructure Ltd.	1.65 MMTPA Cement Grinding Unit	472.94
Central Bank of India, CFB Branch, Fort	Kores (India) Ltd.	Capital Expenditure (Capex) Project	29.57
Bank of Baroda, Fort	Wadhwa Realty Pvt. Ltd.	Redevelopment Project	636.20
IFCI Ltd., Nariman Point	Loma IT Park Developers Pvt. Ltd.	International Information Technology Park with support Services - Phase 1	705.21

## TEV STUDY FOR RESTRUCTURING PURPOSE

Name of the Bank	Name of the Company	Nature of activities	Project Cost (In. Crs)
Indian Overseas Bank, Malad (West)	Global Metal Forgings Limited	Debt Restructuring Proposal for CDR Purpose	Restructuring Proposal
Indian Overseas Bank, Mangalore	Mangalore SEZ Ltd.	5/25 Flexible Structuring Scheme	699.63
State Bank of India, Corporate Account Group, Ballard Estate	Jyoti Structures Ltd.	Debt Restructuring Proposal for CDR Purpose	Restructuring Proposal of Rs. 7,500 Crs. Debts
Corporation Bank, Lower Parel	Silver Global Services Pvt. Ltd.	Handling, Clearing & Servicing of Liquid Carrying Tank Containers	Debt Restructure Rs. 15.53 Crs. Debts
IDBI Bank Ltd., City M.S.M.E Centre, Guwahati	Hills Cement Company Ltd.	Cement Manufacturing Unit	Debt Restructure Rs. 153.88 Crs. Debt
Oriental Bank of Commerce, Marol Overseas Branch	Topman Exports Ltd.	Fabric Manufacturing Unit	Restructuring Proposal of Rs. 52.75 Crs. Debts

## **LENDERS INDEPENDENT ENGINEER (LIE)**

### **Who is Lender's Independent Engineer (LIE)?**

- After TEV study, the next step is appointment of LIE.
- The LIE can be an individual for a small project and a group of engineers or a venture management firm for bigger projects.
- They will act as a representative of the lender/ banker and get involved from the construction stage at the very inception and look after the interests of the lender.
- The LIE will visit the site at periodical intervals (once in a quarter) until completion of the project or any other short interval (say monthly) given by the lender.

### **What is the Role of LIE?**

Before Funds are released to the borrower, the Bankers need a report or certificate to release the funds to the borrower in a phased manner -

- The Banker will issue a letter of intent to act as LIE
- Study of the project report, TEV Study submitted by the borrower to the Bank.
- Land acquisition.
- Construction of building and procurement of plant and machinery.
- Obtain necessary plans, sanctions for construction of factory / plant.
- Environment and forest clearance.
- Availability of all statutory clearance for the project.
- Check facts and figures in the feasibility report with viable database and market research.
- Availability of electricity, water, labour, raw material, access roads, railways and communication facilities.
- Climatic and geological factors.
- Whether local people have any objection to the project.
- Obtain a certificate from the Chartered Accountant about sources and application of funds as on the date of the visit.
- Obtain a certificate from the Architect for the construction of building and percentage of completion.
- Obtain a schedule for completion of the project.
- Completion time and construction schedule.

### **Review of finance by LIE**

- Total requirement of funds for successful completion of the project, taking into consideration the escalation factor.
- Availability of funds with the construction agency.
- Mode of funds for the entire project.
- Mode of schedule of payments.
- Plan for utilization of funds.

### **After release of funds by lender and during execution of the project.**

#### **Frequent visits to site to ensure :**

- Adherence to the construction programme.
- Judicious utilization of funds.
- Procurement of equipment and raw materials.
- Judicious deployment of plant, machinery and equipment.
- Monetary returns to the lender as per schedule
- Liaison between lender and borrower.
- Assessment of likely risks and suggest measures to mitigate them including providing suitable assistance for transfer of risk to insurance agencies.
- Monitoring implementation of environmental norms.
- Quality assurance and quality control.
- Whether payments to sub-contractors, suppliers, staff, workers and other agencies are being made as per schedule.

**AS A READY REFERENCE, WE ARE FURNISHING BELOW THE GIST OF LIE ASSIGNMENTS HANDLED BY YPCVL -**

Name of the Bank	Name of the Company	Nature of activities	Project Cost (In. Crs)
Yes Bank Ltd., Elphinstone Road	Poddar Housing and Development Ltd. and Satre Infrastructure Pvt. Ltd.	SRA Residential Project	112.80
Yes Bank Ltd., Elphinstone Road	Sahana Properties and Resorts Private Limited	SRA Residential Project	Construction Status
Axis Finance Ltd., Worli	Puma Realtors Pvt. Ltd.	Land & Building project known as "Ireo Rise"	Construction Status
State Bank of India, IFB - Andheri	Manika Moulds Pvt. Ltd.	Plastic Injection Moulding Products Manufacturing Unit	22.52
Yes Bank Ltd., Elephinstone Road	Ekta Housing Pvt. Ltd.	Land and Building Redevelopment project	36.84
Canara Bank, Shirdi Branch	President Inn	Land and Building known as Hotel President Inn	11.89
Bank of India, LCB, Andheri (West)	Jawala Real Estate Private Limited	Land and Buildings Project Named as "The Park"	1649.40
State Bank of India, IFB - Cuffe Parade	Romell Properties Pvt. Ltd.	Residential Project	143.39
Canara Bank, Prime Corporate, Bangalore	Texport Industries	Garment Industry	95.00
Punjab National Bank, LCB, Ludhiana	Rohan Rajdeep Kerala Road Projects Ltd.	Two Laning of Existing Major District Road having total length of 25 KMS on (DBFMT) on annuity basis	100.00
Axis Bank Ltd., Mumbai	Soham Estate	Residential Project known as Tropical Lagoon	Construction Status
Punjab National Bank, Kasturba Market, Solapur	Laxminarayan Spinners (I) Pvt. Ltd.	13056 Spindleage Cotton Spinning Mill Project	50.00
Dena Bank, Juhu, Vile Parle	Ishaan Clubs & Hotels Pvt. Ltd.	Club Hotel Project	94.19
IDBI Bank Ltd., Nariman Point	Tulip Silk Mills Pvt. Ltd.	Expansion Project	76.77
Bank of India, MID Corporate Branch, Andheri	PNP Polymers Pvt. Ltd.	12,600 MTPA Manufacturing Project of Nylon Poy & FDY	115.00
Punjab National Bank, Ambawadi, Ahmedabad	Jindal Worldwide Limited	Expansion Project	38.72

**EMPANELMENT**

WE ARE EMPANELLED WITH MANY PREMIER BANKS / FINANCIAL INSTITUTION FOR TEVs AND LIE AS UNDER :

- Allahabad Bank
- Bank of Baroda
- Bank of Maharashtra
- Central Bank of India
- IFCI Limited
- Janata Sahakari Bank Ltd., Pune
- Punjab National Bank
- UCO Bank
- United Bank of India
- Vijaya Bank and other Banks
- ADCB Ltd.
- Bank of India
- Canara Bank
- Corporation Bank
- Indian Overseas Bank
- Oriental Bank of Commerce
- State Bank of India
- Union Bank of India
- Vasai Janata Sahakari Bank Ltd.

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