

Credit Appraisal Bankers' Perspective

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Understanding the Project

- Is it a Brown field or Green field Project?
- Who are the Promoters?
- Where is the location? What is magnitude? What is the final product?
- Who is a EPC contractor? How the feedstock be procured?
- Who is supplying technical know how?
- What are the dependencies and the constraints?
- Who are the competitors?
- Is the feasibility report available?

Credit Worthiness

- Promoters' background and credit history
- Promoters' personal assets
- Promoters' source of equity
- In case of brown field project – Last three to five years audited financials of existing project, Management quality, Market share, etc.

Feasibility report

- Market feasibility
- Sources and utilisations of funds
- Projected financials
- Projected key ratios
- Computation of interest and repayments schedule
- Various stress scenarios
- Independent review of financial model
- Technical feasibility

Statutory or Regulatory clearance

- KYC of Promoters
- Credit worthiness of Promoters
- Company registration
- Project and land clearance
- Environmental clearance
- Import / Export license
- Any other statutory requirements

Key Contracts

- EPC Contract
- Power / Fuel supply contract
- Feedstock / raw material supply
- Offtake / Sales orders
- Recruitment / Manpower
- Insurance
- Legal

Risks Analysis

- Economic risks
- Regulatory risks
- Market risks
- Feedstock supply risks
- Forex risks
- Technology risks
- Environmental risks
- Location risks
- Operational risks

Credit Rating

- RBI Guidelines
- Banking rules & regulations
- Basel II & III norms – Three Pillars i) Minimum capital requirement ii) Supervisory review iii) Market discipline
- Internal Ratings of the Bank
- Moody's, S&P & Fitch (International)
- Crisil, ICRA, CARE, BWR & SMERA (Indian)

Limits & Exposures

- Country limits
- Sector limits
- Industry limits
- Group limits
- Counterparty limits
- Currency limits

THANK YOU

Any Questions Please?