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?