

~~XXXXXXXXXX~~

INDICATIVE APPRAISAL FORMAT TO BE USED BY BANKS & FIs

Preliminary Appraisal

Name of the company :
Location :
(Regd. office/Admin. office) :
Deal received through :
Background :
Proposed Project & location :
Area of fund Utilization :
Promoters :
Present financial structure :

Rs. in Crore

Particulars	2010-11	2011-12	2012-13	2013-14
Sales				
Profit after Tax				
Equity Capital				
Loan Funds				

Projected profitability :

Rs. in Crore

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Sales					
Profit after Tax					
Equity Capital					
PAT margin%					

20009

जी. के. द्विवेदी/G. K. DWIVEDI
निर्देशक/Director
सामाजिक न्याय और अधिकारिता मंत्रालय
M/o. Social Justice & Empowerment
भारत सरकार, नई दिल्ली
Govt. of India, New Delhi

Indicative Due Diligence Modules to be adopted by Banks & FIs

Note: The information which are not available or not applicable may be marked NA against them.

I. Statutory documents of company

- a) Organization chart
- b) Company contracts (ownership/rental/debt/consultancy/warranty/supplier/client/representation)
- c) Shareholding pattern
- d) Information on subsidiaries/branch offices
- e) JVs, collaborations, tie-ups
- f) MOA, AOA
- g) Certificate of registration
- h) certificate of commencement of business
- i) latest telephone bill of company

II. Market & Competition

- a) Product description
- b) Technology
- c) Market/Industry analysis
- d) Competition analysis
- e) Clients
- f) Marketing strategy, distribution network, organisation of sales efforts, sales statistics

III. Business model & Strategy

- a) Target-performance comparison & evaluation
- b) Company profile/ history/ business model & business divisions
- c) Sourcing/ purchasing (raw material) , supplier information
- d) Product process, R&D activities, subcontractors
- e) Export rate, quoted currency, currency risk

IV. Management & Organization

- a) Management /board profile & remuneration/ contracts
- b) Directors board profile/ Promoters' Background & Remuneration/ Dependencies/ contracts, PAN No. of promoters, identification proof, IT returns of promoters for past 3 years.
- c) Mindset/ team dynamics
- d) Corporate governance, MIS
- e) Controlling, internal reporting
- f) Project Management, Product management, employee Involvement (TQM/TPM/CIP)
- g) Risk management & Mitigation plans/ Quality Standards
- h) Equity, corporate actions, dormant partners



30

V. Annual reports & Financial Data

- a) Accounting software, flowcharts, processes for liquidity planning, depreciation method & process tools
- b) Annual Reports of last 3 yrs including group companies
- c) Assets schedule, depreciation intangible assets
- d) IP rights, licenses, NDA, disputes
- e) Property rights, major assets
- f) List of debtors, volume of debt, credit ratings
- g) Cash pooling agreements
- h) List of accruals, pension liabilities
- i) P&L- statement (re-products, clients, business units, regions)
- j) Activity Based Costing/ Management (ABC/M)
- k) Contingent Liabilities
- l) Revaluation of Land, If any
- m) Dividends paid
- n) Basis of valuation
- o) Internal audit reports

VI. Business Plan review

- a) Projected Financial plan (P&L, balance sheet, cash flow)
- b) Sales plan (products, markets)
- c) Product plan
- d) HR plan
- e) Investment plan
- f) Liquidity plan
- g) Other, underlying assumptions
- h) Time frame for funds mobilization and utilization.

VII. Workforce & Employee Benefits

- a) List of employees & remuneration
- b) Detailed list of employees with highest level of earnings
- c) List of employees with access to company accounts
- d) HR contracts
- e) Employee benefits programs & costs
- f) Downsizing measures of previous yrs

VIII. Others

- a) Suppliers, Partners, MOU if any, exclusive rights etc.
- b) Insurances
- c) Product liability
- d) Environment issues/ Pollution level
- e) Communication with authorities

- f) Important Business Developments
- g) Legal disputes/ Allegation/ Charges against company/promoters if any
- h) Land lease papers
- i) Undertakings on the ongoing legal suits , if any or not
- j) Contact references of two people/clients using same technology
- k) Any other information, if any

IX. Accounts Inspection

1. System of Accounting (Manually, Tally, SAP etc.).
 2. CA Certificate for sources and utilization of funds.
 3. Check source/ receipt of funds with bank statement and books of accounts.
 4. Receipt of Share application money with bank statement and ledger/ CA certificate.
 5. Share capital accounts (Ledger) to check with Minute book/ROC return and check share register.
 6. Sanction and disbursement of loan: from letter of intent of institution/bank and disbursement with bank statement/CA certificate.
 7. Bank Reconciliation statement.
 8. Check cash payment systems.
 9. Loan from promoters: secured or not secured.
 10. Any other major receipt in the books of accounts.
 11. Expenses on land : source, if paid in cash or in lieu of share capital, if share capital whether share allotted or otherwise.
 12. Expenses on land development, expenses on building, boundary wall, road, etc.
 13. Paid in advance or in full for purchase of plant & Machinery.
 14. Expenses from 9 to 11 to verify from bills/invoices/purchase orders and payment to verify from books of accounts/bank statement including for purchases of fixed/moveable assets.
 15. Fixed assets Register to verify/check entries for fixed assets.
 16. Check preoperative expenses from ledgers, bank statements, vouchers, supports,
 17. Insurance cover for all fixed/moveable assets.
 18. Check deduction and payment of all statutory dues, Returns (Income Tax for 3 years, PF, ROC, VAT, Service Tax etc.) (Take a certificate from Company).
 19. Internal audit report if available.
 20. Balance Sheets of 2/3 previous years, if available.
 21. Appointments of Board of Director (for payment of salary/perks to MD, Whole time Directors).
 22. Contingent liabilities, Guarantee given by the company.
 23. Suits filed by the company and against the company and Director.
- * CA certificate for Sources & utilization of funds will be required
 ** Cross checking by bank statements and with ledger

(Handwritten signature)

Credit Enhancement Guarantee Scheme for the Scheduled Castes (SCs)

Application for Invocation of Guarantee Cover and Preferment of Claim under CEGSSC

In terms of Clause 10, Chapter-V, Annexure-I of Credit Enhancement Guarantee Scheme for Scheduled Castes (CEGSSC), we prefer the claim as under:

1. Online Claim Application Ref.No _____ Date _____
2. Details of Operating office & Lending Branch:
 - a) Member ID _____
 - b) (i) Lending Branch Name _____ (ii) Village / Town _____
(iii) District _____ (iv) State _____
(v) Tel.No. (STD code) _____ No. _____
(vi) E-mail _____
3. Borrower's / Unit's Details:
 - a) Name _____
 - b) Complete Address _____
 - c) District _____ d) State _____
 - e) Tel.No. (STD code) _____ No. _____
4. Status of Account (s):
 - a) Date on which a/c was classified as NPA _____
 - b) Date of reporting of NPA to IFCI _____
 - c) Reasons for a/c turning NPA _____

 - d) Date of issue of Recall Notice _____
5. Details of Legal Proceedings:
 - a) Forum through which legal proceedings were initiated against borrower (Please tick one)
Civil Court/DRT/LokAdalat/Revenue recovery Authority/Securitisation Act,
2002(SRFAESIA)/
Others (please specify) _____

b) Suit / Case Registration No. _____ e) Date _____
d) Name of the Forum and location: _____ e) Amount Claimed _____
f) Current Status / Remarks _____

g) Whether recovery proceedings have concluded? Yes / No

6. Term Loan (TL) / Composite Loan Details:

(All amounts to be in Rs.)

S. No	CGPAN	Date of last disbursement	Repayments		Outstanding as on the date of NPA #	Outstanding stated in the civil suit / case filed #	Outstanding as on the date of lodgment of claim #
			Principal	Interest & Other Charges			

#- Mention only Principal and interest outstanding

7. Security & Personal Guarantee Details

(All amounts to be in Rs.)

Particulars	Security		Networth of Guarantor(s)	Reasons for reduction in the value of Security, if any
	Nature	Value		
As on date of Sanction of Credit				
As on date of NPA				
As on date of lodgment of Claim				

35

(Signature)

जी. के. द्विवेदी/G: K. DWIVEDI
निर्देशक/Director
सामाजिक न्याय और अधिकारिता पत्रालय
M/o. Social Justice & Empowerment
भारत सरकार, नई दिल्ली
Govt. of India, New Delhi

8. Recoveries made from Borrower / Unit after a/c classified as NPA

(All amounts to be in Rs.)

S. No	CGPAN	Term Loan / Composite Loan		Mode of @ Recovery
		Principal	Interest & Other Charges	

@- Please indicate mode such as sale of security, subsidy received after date of NPA, One Time Settlement (OTS) etc.

If recovery is done through OTS, indicate the date of seeking approval of IFCI for OTS

9. Total amount for which guarantee claim is being preferred:

(All amounts to be in Rs.)

S. No.	CGPAN	Loan / Limit covered under CGS	*Amount Claimed

*Amount eligible for claim is 75% of:

Term Loan / Composite loan: Lower of

a) Principal amount outstanding in the account as on the date a/c was classified as NPA after netting off any repayment / recovery made under the a/c after date of NPA

or

b) The TL / Composite Loan covered under the CGS

Declaration and undertaking by MLI (Bank / Institution)

(To be signed by the officer not below the rank of Assistant General Manager of Bank or equivalent rank)

Declaration- We declare that the information given above is true and correct in every respect. We further declare that there has been no fault or negligence on the part of the MLI or any of its officers in conducting the account. We also declare that the officer preferring the claim on behalf of MLI is having the authority to do so.

We hereby declare that no fault or negligence has been pointed out by internal / external auditors, inspectors of CEGSSE or its agency in respect of the account(s) for which claim is preferred.

Undertaking- We hereby undertake:

- To pursue all recovery steps including legal proceedings
- To report to IFCI the position of outstanding dues from the borrower on half-yearly basis as on 31st march and 30th September of each year till final settlement of guarantee claim by IFCI.
- To refund to IFCI the claim amount settled along with interest thereof at 4% over and above the prevailing bank rate, if in the view of IFCI we fail or neglect to take any action for recovery of the guaranteed debt from the borrower or any person from whom the amount is to be recovered.
- On payment of claim by IFCI, to remit to IFCI all such recoveries, after adjusting towards the Legal expenses incurred for recovery of the amount, which we or our agents acting on our behalf, may make from the person or persons responsible for the administration of debt, or otherwise, in respect of the debt due from him / them to us.

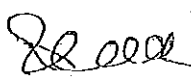
Signature _____

Name of the official _____ Designation _____

MLI Name & Seal _____

Date _____ Place _____

- IFCI reserves the right to ask for any additional information, if required.
- IFCI reserves the right to initiate any appropriate action / appoint any person / institution etc To verify the facts as mentioned above and if found contrary to the declaration, reserves the right to treat the claim under CEGSSC invalid.


जी. के. द्विवेदी/G. K. DWIVEDI
निदेशक/Director
सामाजिक न्याय और अधिकारिता मंत्रालय
M/o. Social Justice & Empowerment
भारत सरकार, नई दिल्ली
Govt. of India, New Delhi