

CREDIT  
APPRAISAL

A BANKER'S  
PERSPECTIVE



➤ PROMOTER

➤ PROJECT

# PROMOTER

MAN BEHIND THE PROJECT

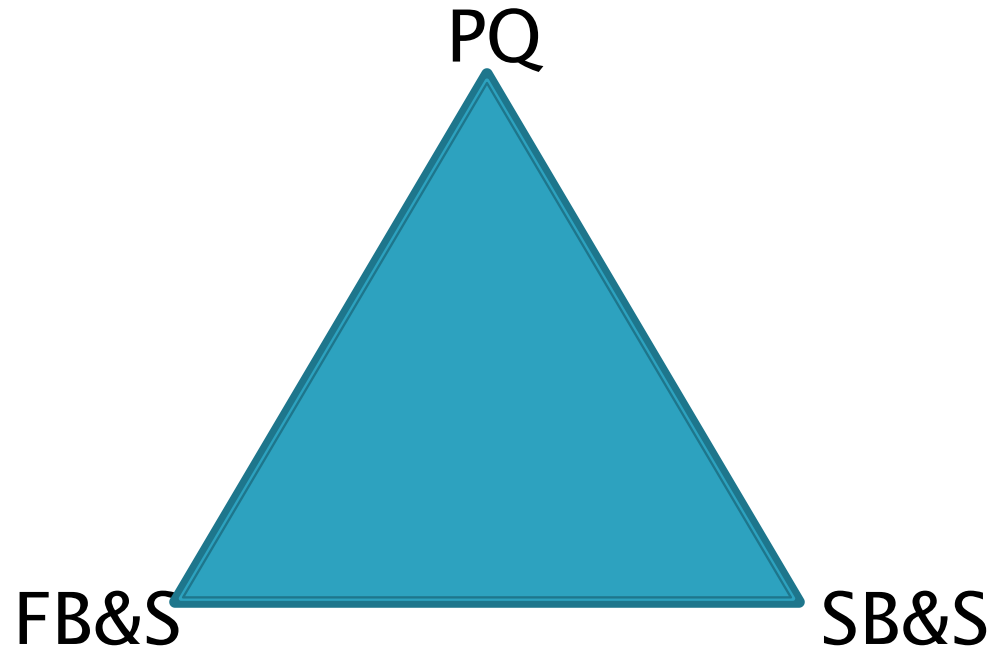
# PROMOTER

Family background &  
standing

Self background & standing

Passion Quotient

# PROMOTER



# PASSION QUOTIENT THUMB RULES

- **Be prepared to notch down**
- **Be flexible**
- **Face your fears, and be prepared to take a setback**
- **Keep an ear to the ground, and look for windows of opportunities**
- **Focus**
- **Believe in yourself**
- **Don't over-plan or over-research**
- **Don't get bogged down by your qualifications**

# PROJECT

- ✓ Technical Appraisal
- ✓ Economic Appraisal
- ✓ Commercial Appraisal
- ✓ Financial Appraisal

# PROJECT

## Sensitivity Analysis



# STEPS TOWARDS PERFECTION

- **Cost of project & Means of Finance**
- **Due Diligence**
- **Technical specifications of Machinery**
- **Moratorium Period**
- **Project contracts**
- **Role of professional**
- **Golden Rules of Good Financial Management**
- **Credibility Trap**

TWO GOLDEN RULES  
OF  
GOOD FINANCIAL  
MANAGEMENT

# 1<sup>st</sup> GOLDEN RULE

***“ Never invest your money without ensuring that the asset you acquire can generate a return which is at least equal to the cost of your capital ”***

# 2<sup>nd</sup> GOLDEN RULE

***“Invest your money in such a way that the assets will generate an inflow of funds before the liabilities demand an outflow ”***

**QUESTIONS?**

**THANK YOU**