

Workshop On
Investment Banking
&
Project Finance
for
Young CAs

Debt Syndication Market Size

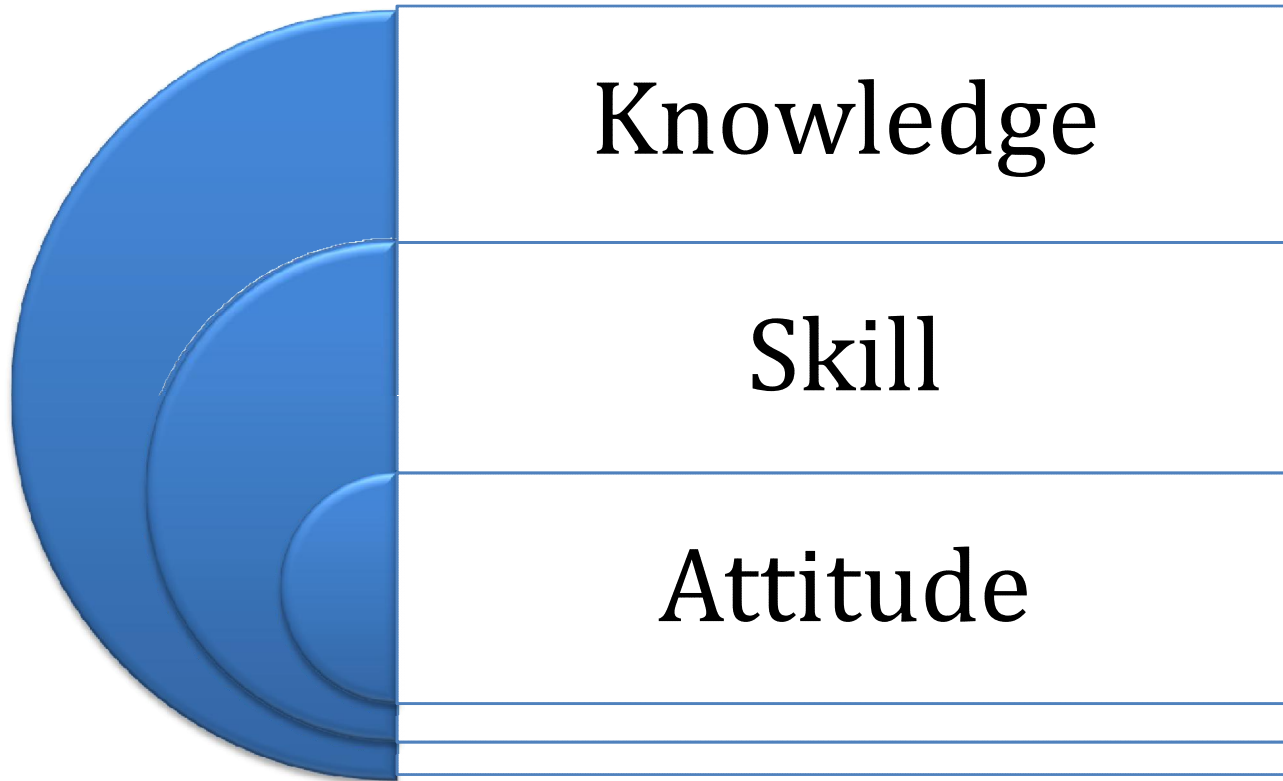
Total PSU
Advances
FY15
55,00,000 Cr

Increase in
Advances
YOY
10% - 15%

Approx Market
Size FY 16
1,92,500 Cr

Sr. No	Particulars / Year	FY 12	FY 13	FY 14	FY 15	FY 16 (Proj)
1	Advances (INR in Cr)	39,00,000	45,00,000	50,00,000	55,00,000	60,50,000
2	YOY Growth (%)		15%	11%	10%	10%
3	Increase in Advances		6,00,000	5,00,000	5,00,000	5,50,000
4	Syndication (%)		30%	35%	35%	35%
5	Loan Syndication Market Size		1,80,000	1,75,000	1,75,000	1,92,500

TO START WITH.....



KEY FEATURES



BUSINESS DEVELOPMENT



TRUST (Heart)

- Openness / honesty
- Genuine care – Client problem solving approach
- Common linkage- getting the client connected to places/persons who matter to him
- Reference

CAPABILITY (Brain)

- Product knowledge (market, product, institutions etc.)
- Track record
- Knowledge about industry
- Commitment – client can see through it

BUSINESS DEVELOPMENT



+ Trust – Capability

- Does not follow up or client does not reply to e-mail, client does not give information

- Trust + Capability

- Work/mandate is not converted
- Partial mandate
- No risk mandate to client

+ Trust + Capability = Relationship

CLIENT MEETING



- Collecting all Information about Client- Products, Promoters, Industry
- Media Coverage
- Understanding Requirements
- Value addition
- Set clear expectations to the extent possible
- Building Trust Factor to be combined with Capability

POST CLIENT MEETING



- Getting all the desired information as per standard checklist
- Reading thoroughly all the documents/agreements
- All requisite approvals required and time frame for its availability
- Analyzing all information
- Try to solve client's needs with various optimum solutions within lending parameters

PROCESS - Signing of Mandate

- Fee
- Milestones for the Payment
- Transaction Value
- Exclusive or Names of Lenders/Financial Institutions to deal with
- Time Frame
- Scope of work

PROCESS – Preparation of IM & FM

- Information about Group
- Company Information
- Project Information
- Financial Statements
- Industry Scenario
- FM : All ratios, EBIDTA%, PAT%, Current Ratio, TOL/TNW, D/E, DSCR
- CMA data

Table of Contents

EXECUTIVE SUMMARY

1. Information about the Group

1.1 About the Group

1.1.1 Investors/Shareholders

1.1.2 Team Members

1.1.3 JV Company group structure

1.1.4 Other Ongoing Hotel Projects

1.1.5 Investment Strategy

1.1.6 Brand Positioning and Brand & Management

1.1.7 Investment Procedure

2. Information about Company

2.1 About the Company

2.1.1 Directors Detail

2.1.2 Share Holding Pattern

2.1.3 Balance Sheet

2.1.4. Debt Profile

3. PROJECT DETAILS

- 3.1 Cost of the Project:
- 3.2 Project Details & Cost Estimates
- 3.4 Means of Finance
 - 3.4.1 Promoter Contribution
 - 3.4.2 Term Loan
- 3.5 Implementation Schedule
- 3.6 Technical Consultants
- 3.7 Hotel Management
- 3.7 Brand and Marketing

4. LOCATION AND SITE ANALYSIS

- 4.1 About the city:
- 4.2 Old Mahabalipuram Road
- 4.3 Project Site
- 4.4 Site Photographs

5. SUPPLY AND DEMAND

- 5.1 Overview of Existing Hotel Market

6.PROJECT FINANCIAL

7.PROPOSED TERM SHEET

8.DISCLAIMER

PROCESS – NBG Clearance, Appraisal & Sanction

- Various levels of clearance
- What is NBG
- Preparation of detailed appraisal note
- Internal Rating
- TEV Report
- Terms & Conditions

PROCESS – Post Sanction



- Valuation
- Legal search report
- Documentation
- Disbursement

ISSUES & CHALLENGES DURING EXECUTION



- Upfront Equity
- Security
- Personal Guarantee
- Rate of Interest
- Tenure of the loan & Moratorium
- DSRA
- Time Frame
- Other Terms & Conditions

SUCCESS FOR EXECUTION



- Client Relationship Management -
Know more about the client
- Bank/FI Relationship Management
- 80% work done in the first few minutes, USPs
- Far sightedness – anticipate what questions/issues could come
- Think like the person to whom you are presenting the case

PAYMENT COLLECTION



- More powerful
- More work to get done

THANK YOU