

PUNE PEOPLES CO-OP. BANK LTD., PUNE
(Multi State Bank)

Credit Rating Format is approved in Board Meeting. The parameters used in credit rating are given below :

Sr.No.	Parameters	Marks
1	Financial Parameters	32
2	Security Parameters	15
3	Conduct of Account	24
4	Management Parameters	12
5	Business & Other Parameters	14
6	Other Business (Deposit or Loans from his reference)	03
	Total	100

l) Financial Parameter – (Maximum Marks 32) Marks

1. Current Ratio :	1.33 or above	4
	1.10 to 1.32	3
	1.00 to 1.10	2
	Less than 1.00	0
2. Debt Equity Ratio :	Less than 2.00	4
	2.00 to 3.00	3
	3.01 to 4.00	2
	4.00 to 5.00	1
	5.00 or above	0
3. Total Liabilities / TNW :	Less than 3.00	4
	3.01 to 4.00	3
	4.01 to 5.00	2
	5.01 to above	1
4. a) Gross Profit as % of Sales	Above 20%	2
	Above 10% to 20%	1.5
	Above 5% to 10%	1
	Below 5%	1
b) Net Profit as % of Sales	Above 5%	2
	Above 2% to 5%	1.5
	Up to 2%	1
	Loss	0
5. Retention of Profit (Average 2 years)	70% to 100%	4
	40% to 69%	2
	20% to 39%	1
	Less than 20%	0
6. a) DSCR (every projected year for projected finance)	Greater than	4
	1.50 to 1.99	3
	1.25 to 1,49	1
	Less than 1.25	0
	OR	
b) Diversion of Funds (For WC facilities)	No Diversion	4
	Minor Diversion	1
	Huge Diversion	0

Note : If both are applicable, average marks be given.

7. Sales achieved : (compared with targets accepted by Bank as per projections)	Above 90% Above 80% to 90% Above 70 % to 80%	2 1.5 1
8. Trends in Sales :	Consistently increasing Stability in sales Decreasing	2 1 0
9. Trends in Profit :	Increasing Profit Stable Profit Decreasing Loss	4 3 1 0

II) Security Prime & Collateral – (Maximum Marks 15)

1. Security Prime (Working Capital)	More than D.P. Just Adequate = D.P. Up to 10% below D.P. More than 10% below D.P.	8 6 4 0
2. Collateral Cover	100% and above 79 % to 99% 40% to 69% Less than 40% No Collateral	7 5 3 1 0

III) Conduct of Account – (Maximum Marks 24)

1. Overall operations of the Account (Regular overdrawn, Against Clearing, Cheque Disc., TOD Without limit and regular CRC Cheq. Returned to be treated As “ Poor ” operations of the Account)	Excellent Good Satisfactory Poor	4 3 2 0
2. Repayment of instalment and interest (CC/TL/WCTL etc.) Timely on or before due date (15 th of succeeding month Within 15 days from due date (last day of succeeding months After last date of succeeding month Any default in Non Fund Base Limit NPA		4 3 2 1 0
3. Submission of monthly security statements during last 12 months (Stock / Debtors Statements etc.) Prompt / Regular Late but < 1 Month Late but > 1 Month to 3 Months Late but > 3 Months		4 3 1 0

4. Compliance of Audit and Inspection Requirement / Statutory Auditors observations.	
No compliance required	4
Major items complied	2
Compliance Pending	0
5. Security Documentation (Mortgage, Noting, Power of Attorney etc.)	
Complete & in order	4
Documents incomplete due to valid reasons	2
Incomplete or Pending	0
6. Sales & other business routed through us	
Sales above 90%	4
Sales routed 80% to 89%	3
Sales routed 70% to 79%	2
Sales routed below 70%	0

Note : If Business A/c with other Bank is permitted, the turnover with other Banks to be clubbed with turnover in our Bank.

IV) Management – (Maximum Marks 12)

1. Promoters	
Professionally/Technically Competent /Experienced	4
Professionally/Technically Competent persons employed	3
Absence of Professionally/Technically Competent persons	1
2. Management	
Stable – No Change in past 3 years (except within family)	4
Stable – But not more than 1 change in last 3 years	3
Frequent Changes in resent past	1
3. Integrity	
Good	4
Satisfactory	3
Not Satisfactory	0

V) Business and Other Parameters – (Maximum Marks 14)

1. Business Parameter :	
Core / approved sector	2
Sensitive Sector	1
2. Satisfactory Account Relationship	
Above 5 years	3
3 to 5 years	2
1 to 3 years	1
New or less than one year	0
3. Industry / Business Prospects	
Excellent	3
Good	2
Poor	1

4. Irregular Direct / Indirect Liabilities	
No irregular Direct / Indirect Liabilities	2
Irregular Indirect Liabilities	1
Irregular Direct Liabilities	0
5. CIBIL	
Good	2
Satisfactory	1
Not Satisfactory	0
6. Any Legal Action	
No any Action	2
Action taken & Settled	1
No response	0

**VI) Other Business (Deposits or Loans – From his references)
(Maximum Marks 03)**

Received	3
Not Received	0

Total Marks Obtained	/100
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Sr.No.	Parameters	Marks	Tick where applicable
1	AAA	Above 80	
2	AA	71-80	
3	A	61-70	
4	BB	51-60	
5	B	Upto 50	

According to above parameters credit rating to be done account wise (for each business activity of a group or party separate credit rating for each business to be done.)

Prepared by -

Name : General Manager

Sign :