

# SUGGESTED CONTENTS IN AN INFORMATION MEMORANDUM/ PROJECT REPORT/BUSI. PLAN

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- Introduction
- Promoters & their back ground
- If existing concern, past working results
- Existing Banking arrangements
- Particulars of Group concerns, their summarised financials for past three years

Contd...

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# SUGGESTED CONTENTS IN AN INFORMATION MEMORANDUM/ PROJECT REPORT

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- Cost of Project
- Means of Finance
- Working Capital Requirement
- Implementation Schedule
- Status of Government Approvals
- Raw Materials & Other inputs
- Utilities

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# SUGGESTED CONTENTS IN A BUSINESS PLAN/PROJECT REPORT

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- Marketing & Selling Arrangement
  - Projections of Profitability
  - Conclusion
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# BRIEF PARTICULARS OF THE CONCERN

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- Name
  - Address and other particulars of Regd. Office, works, corporate office
  - Sector
  - Date of Incorporation, Date of Business commencement
  - Group to which it belongs
  - Priority, if any
  - Chief Promoter / Contact Person with communication particulars
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# BACKGROUND

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- In case of an existing concern, it must contain why the proposed expansion or diversification is envisaged
- If the company is approaching the same funding agency for the second time, its past track record must be highlighted
- Chronological sequence of events culminating into the present project/scheme should be explained
- Track record with all the Banks/FIs should be highlighted, both for the applicant company as well as in respect of group companies

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# BACKGROUND

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- Any default, in any of the group concerns, however small, should not be hidden and should be suitably explained with reason
  - In a para, brief particulars of the proposed scheme/expansion should be enumerated
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# PROPOSED PROJECT / SCHEME

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- Scope of the scheme – what exactly the scheme envisages e.g. Capacity & products in case of new units, Expansion of existing capacity, Power Generation, Diversification
- Manufacturing Process with flow chart – it is suggested that this part should be in consultation with the Company's technical person
- Location , Suitability for future needs

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# PROPOSED PROJECT / SCHEME

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- Technical arrangement – both during implementation as well as for regular operation
  - In case of turnkey supply – Write up on the Supplier, his client reference list should be included
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# PROMOTERS

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- Name of each promoters, age, qualification, experience
- Technical/academic/industrial; excellence or expertise recognitions
- Family tree – Evolution of the business to the current level
- Company's and Groups turnover, cash accruals and tangible networth for the last two to three years can be given to strengthen the case

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# PROMOTERS

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- Brief write-up on major group concerns – Sales, Net profit, Cash Accruals, Networth , Bankers and borrowings
  - Stake of the Institutions in the Group
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# MANAGEMENT AND ORGANISATION SET UP

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- Board of Directors , Independent Directors and Nominee Directors should be indicated
  - Organisation Set up – Key personnel and their qualification and experience, how long they are with the Company, Academic & Professional excellence should also be highlighted – Low attrition indicates +ve
  - Succession Plan – Lender / Investor will be keen on this count
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# RAW MATERIALS AND CONSUMABLES

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- Requirement of raw materials and consumables at 100% capacity utilisation
  - Sources
  - Alternative raw material suitability in case on main raw material becoming scarce/expensive
  - If imported, availability of import substitute
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# UTILITIES

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- Power – requirement and source – SEB Supplies and own generation
  - Water – requirement. For process and domestic usage- municipal supplies and bore/open wells – water treatment plant if envisaged
  - Fuel – requirement and source
  - Steam – requirement and boiler capacity
  - Effluent treatment – primary, secondary and tertiary – environment clearances
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# HUMAN RESOURCES

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- Total work force
  - Technical/Skilled
  - Supervisory
  - Unskilled
  - Contract labour
  - Availability of above at proposed location
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# IMPLEMENTATION SCHEDULE

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- Be realistic, things don't happen the way planned
  - Nobody is going to blame the promoters for early implementation
  - PERT / CPM Chart is desirable for proper monitoring even in case of small projects
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# COMPARISON OF PROJECT COST

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- Capitalisation cost
  - Comparison with similar units
  - If varies materially, explanation there off
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# CLEARANCES

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- Industrial license / SIA acknowledgment
  - NA use permission for land
  - Pollution Control Board Consent
  - Power sanction
  - Other applicable clearances
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# MARKETING AND SELLING ARRANGEMENT

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- No market – no success
  - Industry scenario – existing capacity build up
  - Company's marketing plan/strategy – if firm ties up is made, include all salient features
  - Demand Supply position – can be got from various web sites now- some paid sites also supply requisite information
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# CONCLUSION

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- A para should be added that in view of the strength of the promoters, product and satisfactory financial parameters, the project can be considered as a bankable proposal.
  - List of annexures may be indicated for ready reference.
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