MC Approval Note

|  |  |
| --- | --- |
| Branch (Zone) | **DELHI Zone : DELHI 5 - REGION (Lajpat Nagar Branch)** |
| Loan Product | Home Loan - BT |
| Loan Amount | Rs. 450 Lac + Insurance |
| Borrower’s Name | 1. Mrs Abhijeet Kaur 2. Mr Rabinder Singh Bindra 3. Mr Karan Bindra 4. M/s Group 2 Care Services. |

# Executive Summary

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Particulars | Name | Age | | Relationship | | | | Qualification | | | | | Income Considered | |
| Applicant | Mrs. Abhijeet Kaur | 52 | | Self (Property Owner) | | | | Graduate | | | | | Y | |
| Co-applicant : 1 | Mr. Rabinder Singh Bindra | 59 | | Husband | | | | Graduate | | | | | N | |
| Co-applicant : 2 | Mr. Karan Bindra | 28 | | Son | | | | LLB | | | | | N | |
| Co-applicant : 3 | M/s Group 2 Care Services | Incorporated on 04.11.1970 | | Proprietorship firm | | | | - | | | | | Y | |
| Residence Address | A-622 Sushant Lok phase 1 Gurgaon Haryana. (Self Owned) | | | | | | | | | | | | | |
| Business Details of Financial Applicant | Names of the Business | Constitution | | Incorporation date | | | PAN & CIN | | | | | Industry | | |
| M/s Group 2 Care Services | Proprietorship firm | | 04.11.1970 | | | AIIPK8718M | | | | | Housekeeping & Allied Services. | | Y |
| Office Address | A-622 Sushant Lok phase 1 Gurgaon Haryana. (Self Owned) | | | | | | | | | | | | | |
| Loan Amount & Product | Loan Product | | Loan Amount | | | Income Method | | | | Total Exposure | | | | |
| Home Loan BT | | Rs. 450 Lac | | | Industry Margin | | | | Rs. 450 Lac | | | | |
| Property Address | Property Address | | | | Owner | | | | Area | | | Type of property | | |
| A-622 Sushant Lok, Phase 1 Gurgaon Haryana. | | | | Mrs. Abhijeet Kaur | | | | 418.60 Sq Yd | | | Residential | | |
| Property Valuation | MV in Rs. In Lacs | | | | Names of the Valuer | | | | Report Date | | | | | |
| Outer | Awaited | | | | NA | | | | NA | | | | | |
| Internal | Awaited | | | | NA | | | | NA | | | | | |
| Other Details | Date of Login | | | | 15.09.2016 | | | | Vertical(DHFL/DHFL/Premium) | | DHFL | | | |
| Tenure | | | | 216 | | | | FOIR | | 66.79% | | | |
| ROI | | | | **11.60** | | | | LCR | | Restricted to 75% | | | |
| EMI | | | | Rs 475147/- | | | | LTV | | Restricted to 75% | | | |
| Insurance | | | | As per system calculation | | | | PF | | As per norms | | | |
| Sourced By | | | | Fin linkers | | | | PD Done By | | Mr. Ajay Ahlawat (RCM). | | | |

# PD Detail: - PD done by Mr. Ajay Ahlawat (RCM) on customer Business premises at Block A 622 Sushant Lok Gurgaon Haryana and met Mr Abhijeet Kaur (Prop). PD found satisfactory.

# Case Type: Case is processed for Home Loan (BT) which shall be taken over from IIFL for Rs. 420 Lac with a seasoning of 10 MOB. Date of Sanction is 28/08/2015. Customer is applying loan for Balance Transfer of Rs 410 lacs & balance loan amount will be for Top up Propose. Mrs Abhijeet Kaur has applied for loan along with her husband Mr Rabinder Singh Bindra, Son Mr Karan Bindra & firm Group 2 Care Services also to be added as Co applicant.

# 

# Property Detail: Proposed property is situated at 622, Block A Sushant Lok Phase – I Gurgaon, Haryana. Presently property in self accommodation. This property was purchased by Customer in April, 2015. Area of Property is 418.60 Sqyd. Tentative Market value is around 575 lacs. Proposed property is B+G+2 storied building. Customer has occupied Basement for his business purpose & Ground floors for residential purpose rest of 2 floors are vacant.

**Applicant’s Details :**

Mrs. Abhijeet Kaur 52 years is a Graduate residing in self owned house at 622 Block A Sushant Lok, Gurgaon Haryana. Her family includes her husband Mrs Rabinder Singh Bindra & Sole Child Mr Karan Bindra. Applicant is carrying on a business of providing Housekeeping & Hospitality Services to various corporate clients. She is involved in the same line of business since last 16 years. Husband Mr Rabinder Singh Bindra is carrying on a business of trading of auto parts of heavy goods vehicles in Kashmiri Gate. Son Mr Karan Bindra is partner in a law firm name Knowledge Information Access Associates LLP.

**Business model of M/s Group 2 Care Services:**

Mrs. Abhijeet Kaur is carrying on a proprietorship firm under the name & Style of Group 2 care services which is engaged into the supplying of manpower for housekeeping and other facilities. The firm was started by her mother in 1970 and she took over the business in 2000. Presently Customer is having clients from various type of industries such as Banks, Call Centre, Corporate Offices, food industries, Telecommunication & Airlines etc Currently she is providing manpower to companies’ like- HDFC Bank, Ratnakar Bank, Creative art Education Society, CTBC Co Ltd, Indian Overseas Bank, Old World hospitality Pvt Ltd, Siti cable, HBL global, Telecom Network Solution Pvt Ltd etc. There are around 650 people on her payroll and month ESI and PF is deposited. Salary ranges from 8k-33k according to the skills. Monthly salary outflow is around Rs. 65 lacs. Monthly bills are raised to the companies and are cleared by 15th-20th of next month. Firm is registered under DVAT (074560308474) & Service Tax (AIIPK8718MST001). Applicant also supplies housekeeping material to the companies. Hence, both receipts and sales are reflecting in the books.

**Services provided by company**

* Reception, Area Sitting & Furniture.
* Office cum Working Area.
* Director Room, meeting room & other Dignitaries Cabin.
* Pantry Area.
* Wash Room & Toilet area.
* Glasses, Glass Partition & Door.
* Wall Dusting.
* Server Area.

**Profile of Co-Applicant:-**

Co applicant Mr Rabinder Singh Bindra is carrying on a business of Trading of auto parts of heavy Goods Vehicle in Kashmiri Gate Delhi. Business premises are self owned.

Mr. Karan Bindra is partner in a law firm- KIAA, LLP. The firm was formed in 2011 and they specialize in foreign investments law in India along with civil litigations, M&A, International arbitration, commercial law, company law, banking etc. There are total 3 partners in the firm and their team is affiliated with Delhi Bar Council, Supreme Court bar association, Delhi High court bar association, American Bar Association etc. He is sole child of applicant.

**Key Financial of M/s. Group 2 Care Services**

|  |  |  |  |
| --- | --- | --- | --- |
| **Profit & Loss Account** | **31.03.15 (In Lacs)** | **Growth %** | **31.03.14 (In Lacs)** |
| Net Sale | 1226.12 | 4.17 | 1177 |
| Other Income (incidental to Business Income) | 0.00 | -100.00 | 0.19 |
| Other Income (Non Business income - Interest Income) | 0.00 | #DIV/0! | 0.00 |
| **Total Income** | **1226.12** | **4.16** | **1177.20** |
| Raw Material Cost (Operating Expenses) | 236.51 | 19.29 | 160.35 |
| Direct manufacturing expenses | 0.00 | 0.00 |  |
| Operating Expenses |  | 0.00 |  |
| Wages |  | 0.00 |  |
| **Gross Profit** | **989.62** | **80.71** | **1016.84** |
| Administrative Expenses | 914.20 | 74.56 | 956.57 |
| Selling & Distribution Expenses | 0.28 | 0.02 | 0.07 |
| **PBDIT** | **75.14** | **6.13** | **60.20** |
| Depreciation | 13.20 | 1.08 | 7.52 |
| Interest | 40.73 | 3.32 | 35.12 |
| Non cash expenses written off |  | 0.00 |  |
| **Profit Before Tax** | **21.21** | 1.73 | **17.57** |
| Tax | 15.18 | 1.24 | 22.70 |
| **PAT** | **6.03** | 0.49 | **-5.13** |
| **Cash Profits** | **19.23** | **1.57** | **2.38** |
| Salary to Partner/Director |  | 0.00 |  |
| Interest Expenses paid to partners/director |  | 0.00 |  |
| **Actual Cash Profit** | **19.23** | 1.57 | **2.38** |
|  |  |  |  |
| **Balance Sheet** | **31.03.15 (In Lacs)** | **Growth %** | **31.03.14 (In Lacs)** |
| Share Capital | 216.99 | 251.26 | 61.77 |
| Reserves & Surplus(excluding revaluation reserve) | 0.00 | #DIV/0! |  |
| **Total Net worth** | **216.99** | **251.26** | **61.77** |
| Revaluation Reserve | 0.00 | #DIV/0! |  |
| **Adjusted Net worth** | **616.99** | **898.79** | **61.77** |
| Long Term Loans from Banks/FI | 282.81 | 149.39 | 113.40 |
| Working Capital Limits from Banks/FI's |  | #DIV/0! |  |
| **Total Borrowings from banks/FI/NBFC's** | **282.81** | **149.39** | **113.40** |
| Unsecured loans (others) | 149.51 | -3.45 | 154.86 |
| Unsecured loans from partners/shareholders | 400.00 | #DIV/0! |  |
| **Current Liabilities & Provisions** | 287.78 | -6.67 | 308.35 |
| Creditors and Others Payable | 287.78 | -6.67 | 308.35 |
| Deferred tax Liability |  | #DIV/0! |  |
| **Total Liabilities to outsiders** | **720.10** | **24.89** | **576.61** |
| **Balance Sheet Total** | **1337.09** | **109.45** | **638.38** |
| Fixed Assets less depreciation | 142.60 | 37.78 | 103.50 |
| **Investments** | **27.03** | **0.00** | **27.03** |
| Liquid/Marketable Investments | 27.03 | 0.00 | 27.03 |
| Group Co. Investments | 0.00 | #DIV/0! |  |
| Unquoted/Dead Investments | 0.00 | #DIV/0! |  |
| **Current Assets:** | **1167.45** | **129.88** | **507.85** |
| Deferred Tax Asset |  | #DIV/0! |  |
| Inventories | 18.60 | 20.56 | 15.43 |
| **Receivables / Debtors** | **359.84** | **10.60** | **325.36** |
| Debtors > 6 months |  | #DIV/0! |  |
| Debtors < 6 months | 359.84 | 10.60 | 325.36 |
| Cash and Bank | 230.07 | 250.48 | 65.64 |
| **Loans & Advances** | **558.94** | **451.11** | **101.42** |
| Loans & Advances given to directors/partners and Group companies etc | 0.00 | #DIV/0! |  |
| Loans and Advances given to others | 558.94 | 451.11 | 101.42 |
| Misc assets |  | #DIV/0! |  |
| **Balance Sheet Total** | **1337.09** | **109.45** | **638.38** |
|  | **0.00** |  | **0.00** |
| **Ratios** |  |  |  |
| Average Collection Period | 107.12 |  | 100.90 |
| Average Days in Inventory | 28.70 |  | 35.11 |
| Inventory to Cost of Goods Sold | 0.08 |  | 0.10 |
| Current Ratio | 4.06 |  | 1.65 |
| Liquidity Ratio | 3.99 |  | 1.60 |
| Debt Equity Ratio | 1.99 |  | 4.34 |
| Interest Coverage Ratio | 1.84 |  | 1.71 |
| DSCR | 0.59 |  | 0.59 |
| DSCR after the proposed Loan | 0.45 |  | 0.45 |
| Gross Profit Margin Ratio | 80.71 |  | 86.39 |
| Net Profit Margin Ratio | 0.49 |  | (0.44) |
| Cash Profit Ratio | 1.57 |  | 0.20 |
| Growth in Sales | 4.17 |  | #DIV/0! |
| Growth in Net Profits | (217.49) |  | #DIV/0! |
| Inventory Turnover | 12.72 |  | 10.39 |

* Turnover is in increasing trend. Firm has reported growth of 4.17% as against TO of last year.
* Secured loan of Rs 282.81 lacs pertains to AL taken from KMPL & Volkswagen & Property loan from ICICI Bank. All of these loans has been closed.
* Out of the total Unsecured loan of Rs 549.51 Lac 149.51 belongs to Business loan taken from financial institution & belongs to friends & Relatives.
* As per form 26AS & Vat returns of FY 2015-16 firm has reported TO of Rs 1140.93 Lacs.

**Details of Major Clients as reflecting in Form 26AS ( A.Y. 2016-17 )**

* HDFC Bank LTD
* CTBC Bank CO LTD
* Creative Arts Education Society
* Indian Overseas Bank
* Old World Hospitality Pvt Ltd
* Raghav Life Style Production
* State Bank of Bikaner & Jaipur
* The Ratnakar Bank Ltd
* HBL Global Pvt Ltd
* Indusind Bank Ltd

**Existing Loan Details of Individuals-:**

Presently Applicant is having 6 Business loans, two auto loan & one home loan. Consolidated Emi is all of these loan is Rs 1369854. Out of which Emi of Rs 948495 is belongs to home loan which is to be balance transferred & the loans which has been closed or going to be closed with in 12 months so we have not considered these loan in obligation. Repayment of all running & closed loan is awesome.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Loan Type** | **Borrower name** | **Financer** | **Loan amount** | **EMI** | **MOB** | **Repayment** | **Consider**  **In FOIR** |
| BL | Group 2 Care Services | Bajaj Finserv | 24.5 Lac | 90428 | 6/36 | HDFC Bank a/c 6622 | Y |
| HL | Abhijeet Kaur | IIFL | 414.88 Lac | 479375 | 10/180 | HDFC Bank a/c 6622 | NO (To be Balance Transferred) |
| AL | Abhijeet Kaur | Tata Capital | 34.2 Lac | 121933 | 11/36 | HDFC Bank a/c 6622 | Y |
| AL | Abhijeet Kaur | KMPL | 8.88 Lac | 28864 | 17/36 | HDFC Bank a/c 6622 | Y |
| BL | Group 2 Care Services | Deutsche Bank | 50 Lac | 180134 | 15/36 | HDFC Bank a/c 6622 | Y |
| BL | Group 2 Care Services | Bajaj Finserv | 20.50 Lac | 75924 | 10/36 | HDFC Bank a/c 6622 | N |
| BL | Group 2 Care Services | Religare | 18.50 Lac | 67345 | 8/36 | HDFC Bank a/c 6622 | N |
| BL | Group 2 Care Services | Edelweiss | 30.24 Lac | 110859 | 0/36 | HDFC Bank a/c 6622 | N |
| BL | Group 2 Care Services | Tata Capital | 25 Lac | 105023 | 10/36 | HDFC Bank a/c 6622 | N |
| BL | Group 2 Care Services | Capital First | 30 Lac | 109969 | 7/36 | HDFC Bank a/c 6622 | N |
|  |  |  | Total Emi | 1369854 |  |  |  |
|  |  |  | Not in obligation | 948495 |  |  |  |
|  |  |  | Obligated | 421359 |  |  |  |

# Loan Eligibility Calculation:

Case is structured under the Industry Margin Method. Industry margin of 15% is considered for loan eligibility which is applicable for executive search.

|  |  |  |
| --- | --- | --- |
| **Particular** | **FY (2015-16)** | **FY (2014-15)** |
| **M/s Group 2 Care Services** | **30/09/2015** | **4/12/14** |
| **Turnover** | **122,612,639** | **117,700,096** |
|  |  |  |
| **Average turnover** |  | **122,612,639** |
| **Industry Margin** |  | **15.00%** |
| Profit Margin |  | 18391896 |
| Less :(OD Interest -P& L a/c) |  | **0** |
| PBT |  | 18,391,896 |
| Less Tax |  | **1,517,942** |
| NPAT |  | 16,873,954 |
| Monthly Income |  | 1,406,163 |
|  |  |  |
| Total Income |  | 1,406,163 |
| IIR |  | 70% |
| Available income as per IIR |  | 984,314 |
| Less: Fixed Obligation |  | **421,359** |
| Income Available to Services DHFL EMI | | 562,955 |
| Tenure |  | 216 |
| ROI |  | 11.60% |
| Emi Per Lacs |  | 1,105 |
| **Loan Eligible (In lacs)** |  | **509.464** |
| Loan recommended |  | 450 |
| EMI on proposed Loan |  | 497,247 |
| Actual IIR |  | **65.33%** |

**Observations on Banking:**

Presently customer is operating two Current accounts & One saving account in HDFC Bank. Proper business transaction is reflecting in banking. Consolidated Annualized credit in both Current accounts is Rs 1366.33 Lac & ABB is Rs 21.85 Lac. Healthy ABB in all accounts. Normal transaction is observed in saving account. Overall banking habit is satisfactory.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Account Holder Name | Bank’s Name | A/c Type | ABB | Remarks |
| M/s Group 2 Care Services | HDFC Bank Ltd a/c no 00032000026622 | C/A | 1877930 | Credit summation of Rs. 1295.14 Lacs in Last 12 month with total 779 credit entries |
| M/s Group 2 Care Services | HDFC Bank Ltd a/c no 13762020000548 | C/A | 307835 | Credit summation of Rs. 71.18 Lacs in Last 12 month with total 841 credit entries |
| Mrs Abhijeet Kaur | HDFC Bank Ltd a/c no - 13761000012850 | Saving | 106408 | Credit summation of Rs. 40.43 Lacs in Last 12 month with total 33 credit entries |

# Concerns in Individual and Corporate CIBIL:

|  |  |
| --- | --- |
| **Name** | **Remarks** |
| Mrs Abhijeet Kaur | Applicant is having 51 accounts out of which 40 accounts are with zero balance. Presently 9 accounts are live. DPD observed in credit card of 205 days. Which has been closed? Repayment of all running loans & Closed loans is Satisfactory. |
| Mr Rabinder Singh Bindra | No adversities observed |
| Mr Karan Bindra | No adversities observed. |

**Verification:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Date of Verification | Name of the Agency | Status | Remarks |
| Residence | 13.09.2016 | Onicra | Received | Positive |
| Employment | 13.09.2016 | Onicra | Received | Positive |
| ITR Verification | 08.08.2016 | KSWD | Received | Positive |
| Bank Statement | 05.08.2016 | Astute | Received | Positive |
| Google Check | 13.09.2016 | Internal | No adversity |  |
| CIBIL | 05.08.2016 | In house | No adversity | Satisfactory |
| CA Membership | 13.09.2016 | In house | Positive |  |

# Sanction Conditions

* Disbursal Subject to all BT Formalities.
* Updated foreclosure letter from IIFL required at the time of disbursement.
* Statement of account is required of Home loan from IIFL.
* Sanction letter & Bank statement from which Emi is paid of auto loan running of Rs 8.49 Lac of Mr Karan Bindra.
* LTV & LCR to be restricted to 75%.
* Applicant form is required of Mr Karan Bindra & Group 2 Care Services proper filled & duly signed.
* Provisional financials of M/s Group 2 Care Services to be provided of FY 2015-16.
* Fresh CIBIL to be generated before disbursal. If applicants availed any new loan/fresh enquiry than sanction will be reappraised or cancelled.

# Deviations and Mitigates

|  |  |  |  |
| --- | --- | --- | --- |
| S No | Deviation | Mitigates | Deviation Level |
| 1 | CIBIL Adversity- DPD 205 days reflecting in Credit Card. | Repayment of all running loans clear | L-3 |
| 2 | Recent Loan enquiries | Undertaking shall be submitted prior to disbursal | L-1 |

**Strengths of the Case**

* 16 Years working experience in same line.
* Services offered to reputed clientele which includes nationalised Banks & Private Banks.
* Business turnover is validating from Banking, 26AS & Vat returns.
* Turnover is in increasing trend.
* Good churning levels in current account of M/s Group 2 Care Services Pvt Ltd.
* Good Asset Base.
* Satisfactory RTR of running loans.
* Satisfactory PD done by Mr Ajay Ahlawat (RCM).

# Recommended by

|  |  |  |  |
| --- | --- | --- | --- |
| Officer’s Name | Designation | Sign Date | Signature |
| Dilip Shah | Area Credit Manager |  |  |
| Ajay Ahlawat | Regional Credit Manager |  |  |
| Anju Mohanty | Zonal Credit Manager |  |  |
| Rahul Kishore | Zonal Business Head |  |  |

# Approved By

|  |  |  |  |
| --- | --- | --- | --- |
| Officer’s Name | Designation | Sign Date | Signature |
| Mr. Ameya Ghanekar | NCM |  |  |
| Mr. Rishi Anand | Product Business Head |  |  |
| Mr. Harshil Mehta | CEO |  |  |

# Annexure:

1. CAM sheet
2. Residence Verification report
3. Office Verification report
4. ITR Verification report
5. Financial verification
6. Cibil Reports