

August 8 – 12, 2016

**Programme on
Management of
Non-Performing Advances:
Effective Strategies for
Prevention, Restructuring
and Recovery**

Coordinators

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Bank Management
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The management of non-performing advances continues to be a challenge for Indian banks given that the macroeconomic conditions have not fully stabilised and there appears to be very slow recovery. During the period 2012-16, there has been a significant rise in both the amount and percentage of NPAs. The stressed assets in the banking system have reached close to 14.5 % of total advances. The unprecedented rise in NPAs is a matter of concern for banks that they have to make higher provisions, thus putting their profitability, and thereby capital adequacy, under stress.

During the high growth phase of the economy (2002-2010) banks rushed to lend money to the corporates in all sectors without adequately assessing the demand and capacity requirements as well as the group leverages. The project appraisal process in banks appeared to be weak. With excess capacities, high leverages and a slow recovery in growth of the economy (both domestic and global) cash flows of companies were affected and they began to delay and later default on their dues to banks. In order to cut down the deteriorating assets on their books, banks aggressively restructured them in the hope of improvement in underlying economic activity, which continues to remain elusive. This has resulted in loans turning bad one by one. Indian banks are presently saddled with a Rs 95 trillion bad loan crisis.

The Reserve Bank of India has set a target of March 2017 to clean-up banks' balance-sheets and in response, banks have aggressively started reporting bad loans, which requires to set aside huge chunk of capital in the form of provisions against these bad loans. According to Morgan Stanley's estimates, Indian banks will need Rs 2.5 lakh crore in capital by 2019. According to the recent Financial Stability Report, a sharp deterioration of macroeconomic conditions could make the Indian banking system more vulnerable.

At the present juncture, Indian banks have to fight on two counts, viz. speedy recovery of bank dues from the existing NPAs and arresting further slippage in standard loan asset quality. In addition, the NPA portfolio needs to be analysed to determine the reasons for loan default, which could be due to both external and internal factors. Some of the significant internal factors include inadequate loan appraisal, weak post-sanction credit monitoring, faulty documentation, poor efforts for recovery, etc.

Given this background, there is a need to enhance knowledge and skills of branch managers of bigger branches and credit/recovery officers in controlling offices to arrest slippages and to recover the NPAs.

Objectives and Contents

- ❑ Recent trends in NPAs and reasons for loan default
- ❑ Latest IRAC guidelines
- ❑ Strategies for prevention of NPAs with emphasis on proper appraisal and due diligence
- ❑ Post-sanction supervision and follow-up, highlighting annual reviews and credit monitoring
- ❑ Debt restructuring and its impact on lending portfolios, role of corporate debt restructuring (CDR), recent trends in debt restructuring including SDR
- ❑ Rehabilitation of sick companies under SICA and recovery through Lok Adalats
- ❑ Expediting recovery through legal process and functioning of debt recovery tribunals
- ❑ Recovery strategies under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act: Procedural aspects
- ❑ Sale of loan assets to asset reconstruction company (ARC)
- ❑ Negotiating skills for loan recovery
- ❑ Global best practices in NPA management.

Methodology

Lectures will be supplemented with case studies, group discussions, sharing of experiences and best practices in NPA management by participants on the objectives enumerated above.

Target Group

Branch managers, credit officers, managers of specialised recovery branches, credit monitoring department and law officers in banks and financial institutions and executives in ARCs.

Dates

August 8 – 12, 2016

The programme will commence on August 8, 2016 at 9.00 am and conclude by 5.00 pm on August 12, 2016. Participants are requested to reach the NIBM campus by the evening of August 7, 2016.

Venue

NIBM Campus, Kondhwe Khurd
Pune, India.

Accommodation

The programme is fully residential. Participants will be provided well-furnished single room AC accommodation in the Institute's hostel complex on the campus. However, they will not be permitted to bring their family members to stay on the campus. In case any Officer/Executive with physical/medical disability is being nominated, kindly inform us in advance with particulars of disability to facilitate necessary arrangements.

The Institute has facilities for outdoor and indoor games and a large walking/jogging trail for physical fitness besides a yoga centre. Participants are therefore encouraged to bring appropriate clothes/gear.

Programme Coordinators

Dr Richa Verma Bajaj
Assistant Professor

Dr Vijay K Khanna, (FCA)
Professor

(Finance Area Group)

**Last Date for
Receiving Nominations:**
July 29, 2016

**Last Date for
Availing Early Bird Incentive:**
July 23, 2016
(See fee structure on
home page of the website)

Nominations and Enquiries

Please address your enquiries and nominations along with the fees to:

Dr Richa Verma Bajaj
Dr Vijay K Khanna
Programme Coordinators
National Institute of Bank Management
NIBM Post Office, Kondhwe Khurd
Pune 411 048, India.

Tel : 0091-20-26716000 (EPABX)
26716465/ 26716322 (Direct)

Fax : 0091-20-26834478

E-mail : richa@nibmindia.org
khanna@nibmindia.org

Website : www.nibmindia.org

Programme Fee (per participant)

US \$ 2000 for foreign participant

(See fee structure on home page of the website for incentive)

	Fee	ST	SBAC	Fee+ST+SBAC	TDS
Mem. Banks :	35000	4900	175	40075	3500
Non-Mem. Banks :	41000	5740	205	46945	4100

The fee includes the cost of tuition, board and lodging facilities, teaching material, etc. (Service Tax (ST) @ 14%, Swachh Bharat Abhiyan Cess (SBAC) @ 0.5% and TDS @ 10%. Kindly send the TDS Certificate on priority to NIBM).

Mode of Payment for Indian Participants

- The fee may preferably be transferred by RTGS/NEFT/ECS to our A/c No. 20002400021 with Bank of Maharashtra, NIBM Branch, Pune (IFSC Code MAHB0001124). NIBM PAN No. AAATN0040P and ST No. AAATN0040PST001.
- National Institute of Bank Management
NIBM Post Office, Kondhwe Khurd, Pune 411 048, INDIA.

Mode of Payment for Foreign Participants

Mode of Remittance: SWIFT*

1. Name & Address of our Bankers : **Oriental Bank of Commerce
C-2, Shop No. 4-5, Bramha Estate
Kondhwe Khurd, Pune 411 048
Maharashtra, India**
2. Name of the Account : **National Institute of Bank Management**
3. NIBM's Bank Account No. : **Current A/C 11281131004402**
with Oriental Bank of Commerce
4. Bank's Swift Code : **ORBCINBBFCP**
5. Oriental Bank of Commerce A/c No. : **36152559**
with Correspondent Bank
6. Preferred currency : **USD**
7. Correspondent Bank : **CITIBANK N.A.**
8. Swift code for Citi Bank : **CITIUS33**

*** The Foreign Bank Charges/ SWIFT charges/Commission is to be borne by the remitter. The fees mentioned in the invoice/brochure is to be paid to NIBM, net of all bank charges.**

***Payments will be accepted only through electronic mode.
Cheques/DDs/Pay Orders will not be accepted.**

- **For all electronic remittances, kindly send a confirmatory e-mail at: accounts@nibmindia.org giving details of the remitter and participant, name and dates of programme, etc.**

Please see programme fee structure on home page of the website for early bird incentive, incentives for SAARC and other developing countries, mode of remittance, Pune City route map and local conveyance.