

June 12 – 21, 2017

Programme in
Credit Analysis

**Focus on Lending to Manufacturing
and Services Sector**

Coordinators

Dr Elizabeth James

Prof N Ramani



**National Institute of Bank Management
Pune, India**

Programme in Credit Analysis

Focus on Lending to Manufacturing and Services Sector

Credit growth in the banking sector continues to fall and has now registered a growth rate of 4.8% as on February 17, 2017 as per data from the Reserve Bank of India (RBI). In fact, bank credit growth has been falling for years as banks get wary of lending to companies for fear of a spike in bad loans. Estimates suggest stressed assets, in various baskets of technicalities, were at least 12.5% of the total loans, or about Rs 9.5 lakh crore of loans, in the system. The reasons include domestic and global economic slowdown, delays in statutory and other approvals especially for projects under implementation, aggressive lending practices during the upturn as evidenced from high corporate leverage, laxity in credit risk appraisal and loan monitoring in banks, and lack of appraising skills for projects that need specialised skills, thus resulting in acceptance of inflated cost and aggressive projections.

A rigorous credit analysis exercise has to be undertaken to prevent an asset from becoming stressed. Credit analysis is the quantitative and qualitative analysis of a company and the industry in which it operates, which help to determine the company's debt service capacity, or how capable it is to pay back its principal payments to the bank or other creditors. It is concerned with identifying, evaluating and mitigating those risks which may result in a company not being able to meet its creditors' claims. It also involves the examination of the link between management performance or capacity and the working relationship of a company's assets, liabilities and equity as shown on its balance-sheet, the result of its operations as reflected in its income statement and cash flow. The evaluation of a company's financial statements and the ratios that indicate the efficiency of the company's performance will thus provide an indicator of the probability of success of the ability to service its debt in the future.

As it is a 10-day programme, adequate time shall be devoted to focus on the whole process under credit appraisal for all major sectors. In addition, industry visits scheduled in the programme will enhance learning.

Target Group

Credit analysts and credit officers in Scale I, II and III with a minimum of two years experience in credit. Junior level credit analysts/credit officers from commercial banks, infrastructure finance companies, NBFCs, cooperative institutions and credit rating agencies would find the programme to be useful.

Objectives

This programme lays emphasis in training credit officers to process credit appraisal note with full understanding by quantitatively and qualitatively analysing a proposal submitted by the borrower. The programme will include all the components of credit management with the help of case studies. Hence the programme will have a structured and systematic approach to evaluate the credit standing of a company and assess the relative attractiveness of the risk-return profile of the investing/lending proposition in manufacturing and services sector from large and mid-corporates, SMEs, etc.

Course Content

- ❑ An overview of the credit market.
- ❑ Business environment and strategy analysis: Understanding companies' business decisions, scrutiny of a company's competitive strategy for product mix and cost structure.
- ❑ Economic analysis: Identifying key economic variables for the future performance of the company.
- ❑ Industry analysis: Impact of the prospects and structure of the industry on a company's profitability.
- ❑ SWOT analysis.
- ❑ Financial statements analysis: Common size statements, trend analysis, ratio analysis and cash flow analysis.
- ❑ Financial and non-financial covenants.
- ❑ Credit appraisal and assessment of working capital and term loan requirements under various segments: Corporates and SMEs under both manufacturing and services enterprises, agro-projects and emerging new sectors.
- ❑ Lending to infrastructure.
- ❑ Non-fund-based facilities: Types of LCs and BGs; estimation of requirements.
- ❑ Channel finance.
- ❑ Receivables financing: Bill discounting and bill purchase.
- ❑ Financing exports and imports.
- ❑ Rating of borrowers.
- ❑ Study visits to manufacturing units in Pune will be arranged for participants.

Pedagogy

The methodology for the programme has been designed to give experiential and participatory learning to the participants. Accordingly, lecture sessions, exercises, case analysis, group discussions and interfaces with practitioners and visit to manufacturing units in Pune will be facilitated.

Dates

June 12–21, 2017

The programme will commence at 9.00 am on Monday, June 12 and conclude by evening on Wednesday, June 21, 2017.

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 Elizabeth James
Assistant Professor

Prof N Ramani
Visiting Faculty as an Industry Expert

Last Date for Receiving Nominations:

June 2, 2017

Last Date for Availing Early Bird Incentive of 5%:

May 27, 2017

(See fee structure on
home page of the website)

Nominations and Enquiries

Please address your enquiries and
nominations to:

Dr Elizabeth James
Prof N Ramani
Programme Coordinators
National Institute of Bank Management
NIBM Post Office, Kondhwe Khurd
Pune - 411 048, India.

Tel. : 0091-20-26716000 (EPABX)
26716219 (Direct)
26716284 (Direct)

Fax : 0091-20-26834478
E-mail : elizabeth@nibmindia.org
ramani@nibmindia.org

Website : www.nibmindia.org

Programme Fee (per participant)

US \$ 3200 for foreign participant

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

	Fee	ST	SBAC	KKC	Fee+ST+ SBAC+KKC	TDS
Mem. Banks	61200	8568	306	306	70380	6120
Non-Mem. Banks	70800	9912	354	354	81420	7080

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%, Krishi Kalyan Cess (KKC) @ 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*

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