

INTRODUCING CERTIFICATE COURSE IN SME FINANCING



ifbi

Institute of Finance, Banking & Insurance

- India's Largest Banking Education & Training Institution
- Over 19,000 Placements • Trained Over 85,000 Industry Professionals

INTRODUCTION

Small and Medium Enterprises (SMEs) are an integral part of the Indian Economy. They are said to be responsible for driving various innovations and competition in many sectors. Besides being the largest providers of employment in the country, they also contribute significantly to the Gross Domestic Product (GDP) and exports. Many organisations founded by first generation entrepreneurs, have emerged successful. However they also face specific challenges in gaining market share, sourcing finances for capital investments, working capital and for other activities. Though belated, the policy makers have woken up to the requirements of this sector. Banks traditionally have played a major role in the growth of this segment. This has now become a very important business vertical for the banks. As a result there is an increasing need for skills among banking professionals in areas of business development, understanding financial needs of SMEs, assessment and appreciate risks involved for servicing this segment

IFBI's CERTIFICATE COURSE IN SME FINANCIING

In order to meet the growing need for trained professionals in the field of SME financing, IFBI has come out with a certification course in SME Financing under its CPE Series-Banking. It will cover deeper appreciation of the special challenges faced by the segment and will address the specific skill-set needed for assessment and management of risks associated with financing this segment. The course will help gain indepth understanding of concepts and practices relating to SME finance. As a result it will enable professionals to engage with clients, articulate domain knowledge and carry out various functions in the field.

Upon completion of the course, the learner will be awarded an industry endorsed certificate. The course will ensure entry in a field of specialisation much sought after by bankers with higher possibilities for accelerated growth in career especially due to the talent dearth in this area.

COURSE OBJECTIVES

This course has been designed specifically for Junior and Middle Level Executives to:

- Understand the role and importance of SME sector in Indian Economy
- Appreciate the support systems/ Government directives for development of this sector
- Equip them with necessary techniques for meeting the credit needs of this sector

COURSE DESCRIPTION

TOPIC	COVERAGE
Overview of SME sector	Contribution of the sector to Indian Economy, Historical evolution, definition of micro, small and medium enterprises, the challenges faced by them and the advantages to banks in financing them
Institutional support	Role and functions of SIDBI, Industrial Development Corporations, State Finance Corporations, NSIC, KVIC
Regulatory framework	Priority sector lending guidelines, Kapoor and Nayak committee recommendations, Cluster approach, Preferential purchase policy, SME Exchange and other guidelines MSMED Act-Important provision
Financial Analysis	Components of Balance sheet, important financial ratios and method of computing them and their interpretation, the importance of historical and peer level comparison and the limitations of ratio analysis
Working Capital	Operating cycle and various stages, the need for holding at different stages and the factors determining the same
	Traditional method, Turnover method, MPBF method and Cash Budget method, How different types of units need to be assessed under a particular method, types of facilities
	Importance of trade in economy, assessment for a trader, role of sundry creditors
	Criteria, eligibility for sanction of composite loan, advantages
	Difference between funds and cash, steps in constructing a funds flow statement, Analysis of the statement and possible remedial action
Project Appraisal	Components: Assessment of managerial, economic, technical and financial areas, Computation of DSCR, fixing repayment course, sensitivity analysis, NPV/IRR, payback period concepts
Non fund based limits	Types of costs : Fixed and variable, contribution, Calculation of BEP in terms of sales volume, sales amount and capacity utilisation
	Various types of letters of credit and their use, assessment method, Guarantees; their purpose, types and assessment, precautions to be taken while sanctioning these facilities, advantages over fund based limits
Credit Administration and Monitoring	Need for documentation, common documents, their execution and custody, limitation laws
	Pre-sanction requirements, documentation, conducting operations in the account, inspection of stock, unit, monitoring receivables, stock statements and other data, review/renewal
Stressed Assets Management	Important signals like stagnat stocks, return of cheques/bills, delay in payment of instalments and interest, irregularity in account, non submission of financials, labour unrest etc along with the possible action available to unit/bank
	Definition of a sick and potentially sick unit, the reliefs and concessions available, carving out the irregular portion and drawing up a rehabilitation course
	Restructuring of advances, compromises through lokadalat, bankadalat and bank's/RBI schemes, Filing suits in DRT/civil courts
Credit risk assessment	Credit risk rating, internal and external ratings, SMERA and their ratings and significance, risk pricing, CIBIL
CGTMSE Scheme	Important provisions of the scheme, eligibility, premium, reporting ,notice of default and submission of claim
BCSBI Code	Historical background, key provisions of the code and their implications for the banks

METHODOLOGY

The course will be taught with the help of case studies, real life examples, and general discussions. Online database resources will be used wherever necessary.

COURSE DURATION: 24 hours

COURSE SUITABLE FOR

- Officers in branches and controlling offices of commercial banks who have just moved into this vertical or most likely to take on responsibilities in this area
- Practicing managers who wish to stay tuned to SME sector

IFBI ADVANTAGES

- Set up by NIIT, Asia's No.1 in IT Education and Training and ICICI Bank, the No.1 Private Sector Bank in India.
- Over 16,000 placements and more than 65,000 industry professionals trained.
- Fast-track Career courses in Banking, Financial Services and Insurance.
- Domain knowledge, customer orientation, technology and application embedded in all courses.
- Experienced industry practitioners as faculty.
- World class courseware designed by Industry experts.
- Unique training methodology - case studies, e-learning, simulators, role plays, activities, seminars, projects etc.
- On line assessments.
- 100% placement support.
- Over 25 leading organisations recruit IFBI students.



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For further details, log on to www.ifbi.com, Call (Toll free) 1800 266 8000

