

**Training Programme on
Credit Appraisal, Risk Analysis & Entrepreneur Assessment
17-22 December, 2012**



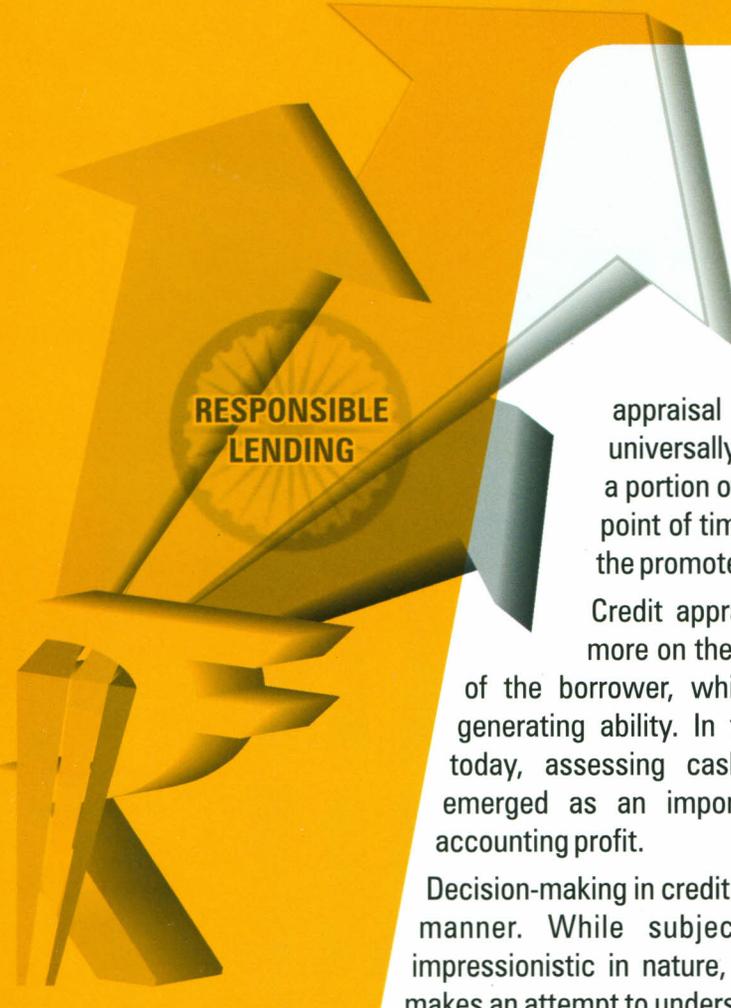
Project Formulation & Analysis

Emerging Skills in Project Financing

Entrepreneur Assessment & Selection



**Entrepreneurship
Development
Institute of India
Ahmedabad, Gujarat**



RESPONSIBLE LENDING

Rationale

Till about 1990, credit was considered a scarce commodity & hence there was a need to optimally use resource towards creation of primary assets. But lately, cash-flow based assessment method of appraisal of credit has come to be accepted universally. In this, the lending institution finances a portion of the cash gap or deficit occurring at any point of time while the remaining portion is met by the promoters as their margin.

Credit appraisal methods should, therefore, focus more on the assessment of the repayment capacity of the borrower, which in turn, depends on his/her cash generating ability. In the entire credit assessment process, today, assessing cash profit/availability of cash-flow has emerged as an important criteria compared to assessing accounting profit.

Decision-making in credit may be done in a subjective or objective manner. While subjective decision-making is generally impressionistic in nature, an objective decision making process makes an attempt to understand various aspects of risk contained in the credit proposal, to the extent possible. While a subjective assessment of business integrity of an entrepreneur has a rather large role to play in the decision-making process, an objective analysis injects a certain degree of refinement in it.

Today, the concept of 'responsible business', involving the principle of "triple bottom line" - a sustainability concept - is gaining ground.

Objectives

The broad objective of the programme is to orient and strengthen the skills of credit officers engaged in project formulation and risk analysis, selection of the entrepreneur based on his competencies and understanding the need of responsible lending. The specific objectives of the programme are to;

1. develop overall project appraisal and risk analysis skills of participants in terms of loan & working capital credit appraisal.
2. develop an understanding of responsible business and responsible lending.
3. evolve risk frame work covering management, financial and operational parameters.
4. equip the participants with skills to identify the competencies of entrepreneurs using specific behavioral tools and techniques.
5. develop an understanding of full recourse viz. limited resource funding.

6. enlighten the participants on sources of information required for marketing and technical analysis.
7. equip the participants on emerging skills in appraisal so that they become confident about their role as credit analysts.

Who Can Participate

- Middle and front line managers and officers involved in credit appraisal in banks, financial institutions and investment promotion agencies.
- Officials of specialized industrial finance & SME branches involved in CREDIT decision making.
- Officers involved in viability gap funding of infrastructural project.
- Executives working in large NBFC and investment banks.
- Executives involved in loan syndication in Commercial Banks, Technical Consultancy Organizations, Chambers of Commerce & Industry Associations.

Programme Contents

Module I : Project Formulation and Risk Analysis:

- Analysis of various facets of project appraisal, working capital; their assessment & financing.
- Framework of credit risk assessment for long term & short term financing.
- Understanding key success requirement of project & matching with entrepreneurial traits.

Module II: Responsible Business and Lending:

- Understanding the relevance of responsible business & its scope for sustainable growth of credit.
- Concept & practices of responsible lending for inclusive growth.
- Streams of responsible business & lending in India.

Module III: Entrepreneur Assessment & Selection:

- An overview of the present Entrepreneur Assessment System.
- Focused Behavioral Event Interview (FBEI) Technique – Process, methods, problems and strategies.
- Introduction to entrepreneurs' competencies and their association with successful implementation and management of business plan.

Module IV: Emerging Skill in Project Financing

- Project Financing versus Infrastructure Financing.
- Viability Gap Funding and Models of Public-Private Partnership (PPP)
- Abandonment Analysis

Pedagogy

The programme will be highly interactive in nature. Classroom lectures will be supported by presentations of analytical tools and frame of references. Case studies, syndicate discussions, group presentations, role-plays and experiential learning will be extensively followed.

Faculty

The programme would be primarily conducted by EDI faculty members who have been conducting such programmes nationally or internationally under the aegis of UNIDO and other international agencies. Experts from industry, financial institutions and banks would provide special inputs.

Venue & Date

This is a residential programme and will be conducted on EDI campus at Ahmedabad during 17–22 December, 2012.

Course Fee

Fee for participants from India and Nepal is Rs. 36,750/- (Indian Rupees) + Service Tax @ 10.3%. For International Participants, the fee is US \$ 1000. The fee includes course material and boarding and lodging (air-conditioned accommodation on twin-sharing basis at EDI campus).

How to Apply

Nominations must be sent in the enclosed proforma and mailed along with a demand draft of ₹36,750/- + Service Tax @ 10.3% or US \$ 1000 drawn in favour of EDI, Ahmedabad. Nomination form can also be downloaded from EDI website: www.ediindia.org and can be sent to:

Mr. D.M. Parikh, Programme Director, Email: dmparikh@ediindia.org

Last date for receiving nominations is **10th December, 2012**.

Feedback

Almost all the participants of our previous programmes have opined that the contents are exhaustive and all encompassing. They have rated the programme inputs as extremely useful and especially appreciated the training methodology and exercises included in the curriculum. Commenting on the faculty members, the participants have observed that they are experts in their fields and immensely resourceful.





About The Institute

Entrepreneurship Development Institute of India (EDI) is an autonomous, not for profit institution sponsored by the all India financial institutions namely; the IDBI Bank Ltd, IFCI Ltd., ICICI Bank Ltd. and the State Bank of India (SBI). It is an acknowledged national resource institution committed to investment promotion, entrepreneurship education, training and research. Its efforts in spearheading entrepreneurship movement in India and other developing countries have led to the emergence of a range of training programmes and workshops in the areas of investment promotion and entrepreneurship development.



Ever since its inception in 1983, the institute has worked with around 75 developing countries thus helping them build capabilities for industrial development. So far, over 500 professionals from developing countries have benefited from EDI's capacity building programmes. EDI is regularly conducting capacity building programmes for credit officers since last more than two decades & so far more than 500 credit officers have been trained.



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(As on 9th August, 2012)

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Dr. Dinesh Awasthi

Director
Entrepreneurship Development
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