Banking, Financial Services & Insurance Board



BROCHURE

CERTIFICATE COURSE ON CREDIT MANAGEMENT IN BANKS

ICMAI
भारतीय लागत लेखाकार संस्थान
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
Statutory Body under an Act of Parliament
(Under the jurisdiction of Ministry of Corporate Affairs)

Headquarters:
CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110003

Kolkata Office:
CMA Bhawan, 12, Sudder Street, Kolkata - 700016

About The Institute

The Institute of Cost Accountants of India was first established in **1944** as a registered company under the Companies Act with the objects of promoting, regulating and developing the profession of Cost Accountancy. On **28th May, 1959,** the Institute was established by a special **Act of Parliament,** namely, the **Cost and Works Accountants Act, 1959** as a statutory professional body for the regulation of the profession of Cost and Management accountancy. The Institute is under the administrative control of **Ministry of Corporate Affairs, Government of India.**

The Institute has since been continuously contributing to the growth of the industrial and economic climate of the country. The Institute is the only recognised statutory professional organisation and licensing body in India specialising exclusively in Cost and Management Accountancy.

International Affiliation

The Institute of Cost Accountants of India is Founder member of International Federation of Accountants (IFAC), Confederation of Asian & Pacific Accountants (CAPA) & South Asian Federation of Accountants (SAFA). The Institute, being the only institution from India, is a member of the Accounting Bodies Network (ABN) of The Prince's Accounting for Sustainability (A4S) Project, UK and International Valuation Standards Council (IVSC), UK.

Institute's Strength

The Institute is the largest Cost & Management Accounting body in the World, having a large base of about 1,00,000 CMAs either in practice or in employment and around 5,00,000 students pursuing the CMA Course.

Institute's Network

Institute's headquarters is situated at New Delhi with another office at Kolkata. The Institute operates through four Regional Councils at Kolkata, Chennai, Delhi and Mumbai as well as through 112 Chapters situated in India, 11 Overseas Centres abroad, 2 Centres of Excellence, 61 CMA Support Centres and 401 Recognized Oral Coaching Centres.

Vision Statement

"The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally."

Mission Statement

"The Cost and Management Accountant professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting."

Course Objective

The world is increasingly getting inter-connected and complex. Bank Credit mechanism has also undergone phenomenal changes in recent years. Few years ago, Credit meant only Cash Credit, Overdraft and Term Loan. Today quasi credit facilities like Letters of Credit, Bank Guarantees, Co-acceptances, Buyer's Credit and Supplier's Credit etc. are gaining predominance. Keeping in view of importance of Credit Management by banks, The Institute of Cost Accountants of India offers the **Certificate Course** on **Credit Management (CCCM).**

Professionals dealing with Finance or Financial Institutions in one way or other need to possess knowledge of 'Credit Management' guidelines of Financial Institutions like Banks, so that they can provide Value Additive Services to their clients like recommending to the banks the business proposals of entrepreneurs, performing preliminary credit appraisal on behalf of the banks and collate additional supporting information required by the banks/credit institutions etc.

In addition to the above, this course is also useful to the professionals who are dealing with:

- ✓ Various assignments like Forensic Audit, Stock and Book Debts Auditor (As recognized by IBA)
- ✓ Issuance of Compliance Certificate for Banks by practicing professionals in areas like Consortium and Multiple Lending by Banks (RBI Guidelines)
- ✓ Acting as Agencies for Specialized Monitoring (As recognized by IBA)
- ✓ Assignments like 'Concurrent Audit' of Banks and 'Credit Audit' of the Banks.

The Course provides a holistic insight into the various dimensions in Bank Credit Management.

Online Admission Link:
https://eicmai.in/advscc/DelegatesApplicationForm.aspx

CPE Credit: 10 hours
for members of The Institute of Cost Accountants of India

Course Eligibility

FCMA/ACMA/those who have qualified Final CMA examination, Final year Students of the CMA Course/Any Graduate.

Course Duration

a) Classroom Learning of 3 hours per day in the Weekend through online mode
b) 50 Hours on-line Coaching.
c) 2 months course
d) Online Examination for 100 marks

Course Fees

Course Fees (including learning kit) of Rs. 6,000/- plus GST of 18%. Final year Students of the CMA course for an amount of Rs. 4,500 plus GST of 18%.

Special Discount for Corporates
For number of employees 5-10, discount is 15%. For number of employees more than 10, discount is 20%

Examination

Rs. 750 plus GST per attempt.

Detailed Course Content (Syllabus-2024)

1. Introduction & Overview of Credit (Module 1)

a. **Principles of Lending:** Safety, Liquidity, Profitability, Purpose of the Loan, Diversification Risk.
b. **Credit. Policy:** Importance, Contents, Exposure Norms.
c. **Types of Borrowers:** Individuals, Proprietorship Firms, Partnership Firms, Private & Pubic Limited Companies, Limited
Liability Partnerships (LLP).
d. **Types of Credit Facilities:** Various Types of Credit Facilities-Cash Credit, Overdrafts, Demand Loan, Term Loans,
Bills Discounting.
e. **Credit Delivery:** Sole Banking Arrangement, Multiple Banking Arrangement, Consortium Lending, Syndication.
f. **Environmental Appraisal:**
Physical Risks: Flood Risk – Drought / Water Scarcity Risk – Storms Risk – Extreme Heat Risk – Wildfires Risk – Other Risks.
Transition Risks: Emissions / Intensity Risk (Scope 1 & 2) - Emission / Intensity Risk (Scope 3) – ESG – Indicators / Rating (Third Party).
g. **Credit Appraisal:** Validation of proposal, Dimensions of Credit Appraisals, Credit Risk, Credit Worthiness of Borrower, Purpose of Loan, Source of Repayment, Cash Flow, Collaterals, Guidelines on CERSAI.
h. **Project / Term Loan Appraisal:** Technical Appraisal, Commercial / Market Appraisal, Managerial Appraisal, Financial Appraisal, Economic Appraisal, Project Cost & Means of Finance, Cost of Production & Profitability, Sensitivity Analysis, Break-even Analysis, Capital Budgeting-Pay Back Period Method, Time Value Money, Net Present Value, Internal Rate of Return, Life of the Project.
i. **Credit Rating:** Objective of Rating, Internal & External Rating, Model Credit Rating, Measurement of Risk, Methodology of Rating, Internal & External Comparison, Model Rating Formats.
j. **Documentation:** Meaning, Importance, Types of documents, Requisites of documentation, stamping of different documents, Mode and time of Stamping, Remedy for un-stamped / under stamped documents, Documents of which registration is compulsory, Time limit of registration, Consequence of non-registration, Execution, Mode of Execution by different executants, Period of Limitation, Law of Limitation to Guarantor, Extension of period of limitation.
k. **Types of Charges:** Purpose, Various types of charges, Types of Security, Mode of charge, Lien, Negative Lien, Set Off, Assignment, Pledge, Right of Banker as a Pledgee, Duties as a Pledgee, Mode of Charges, Hypothecation, Mortgage - different types of mortgages, Difference between Simple and Equitable Mortgage.

2. Analysis of Financial Statements (Module 2)

a. **Analysis of Financial Statements:** Classification of Assets & Liabilities, Current Assets, Fixed Assets, Non-current Assets, Intangible & Fictitious Assets, Liabilities-Current Liabilities, Medium & Term Liabilities, Capital & Reserve.
b. Analysis of Profit & Loss Account, Auditor's Note.
c. **Ratio Analysis:** Classification of Ratios, Liquidity Ratios, Leverage Ratios, Activity Ratios, Profitability Ratios, Interpretation of important Financial Ratios, Fund Flow Statements and Cash Flow Statements.

3. Working Capital Management (Module 3)

a. **Working Capital Assessment:** Concept of Working Capital, Gross Working Capital, Net Working Capital, Working Capital Gap, Components of Working Capital, Source of Working Capital, Operating / Working Cycle, Various Methods of Assessment of Working Capital, Computation of Working Capital - Turnover Method, MPBF Method, Cash Budget System, Analysis of CMA Data.
b. **Quasi Credit Facilities:** Advantages of Non-Fund Facilities, Various types of NFB Facilities, Various types Letter of Credits, Assessment of LC limits, Bills Purchase / Discounting under LC.
c. **Various types of Bank Guarantees:** Performance Guarantee, Financial Guarantees, Deferred Payment Guarantees, Types of Performance and Financial Guarantees, Assessment of Bank Guarantees Limit, Period of Claim under Guarantee.

4. Other Credits (Module 4)

a. **Export Finance:** Pre-Shipment Finance-Export Packing Credit in Rupees, Pre-Shipment Credit in Foreign Currency (PCFC), Post Shipment Rupee Export Finance, Purchase / Discount of Export Bills, Negotiation of Export Bills, ECGC Coverage in Export / Import Finance.

5. Monitoring, Supervision, Follow-up & Management of Impaired Assets (Module 5)

a. **Credit Monitoring, Supervision, Follow-Up:** Credit Monitoring-Check-list, Monitoring by using Various Statements, QIS Formats / Guidelines, Supervision & Follow Up Loans.
b. **Expected Credit Loss (ECL):** Introduction & Evolution of Provisioning of Banks in India- Incurred Loss Approach Vs. Expected Credit Loss Approach- Loan Loss Provisioning based on ECL -IFRS 9-Calculation of ECL on Retail / Commercial Advances Examples.
c. **Management of Impaired Assets:** Income Recognition and Assets Classification, Guidelines, Provisioning Norms for NPA, Wilful Defaulters, Compromise, Legal Action, Lok Adalat, Debt Recovery Tribunal, SARFAESI Act, 2002, IBC-2016, Loans Write-Off.

Contact for further queries

CMA Dibbendu Roy, Additional Director & HoD at bfsi.hod@icmai.in, bfsi@icmai.in

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