

Composite Program on MSME & Retail Lending

Program Description:

Bank credit plays an important role in the country's industrial and economic growth. Micro, Small and Medium Enterprises (MSME) occupy a unique position in the economy as they ensure wider distribution of the benefits of growth. Hence, there has been a renewed focus on financing MSME, which contribute significantly to employment and export earnings besides diversifying the banks' credit risk.

Retail loans mainly cater to the life style and housing needs of the individual. Due to improved income of households, there is increased affordability to avail retail loans. The returns on retail loans are decent and risk is low compared to the large ticket loans.

This has resulted in a huge demand for trained credit officers in the area of financing MSME and Retail loans. This program is targeted to improve the skills in credit assessment and management in these twin segments.

Program Objectives:

MSME/Retail lending program aims to equip the participants with basic-to-intermediate level knowledge and skills in the following critical areas:

- ◆ Understating the scope for financing MSME and Retail segment
- ◆ Borrower selection based on systematic pre-sanction due diligence process.
- ◆ Appraisal and assessment methods for working capital finance, term lending and retail loans
- ◆ Preparation of appraisal note/credit proposal.
- ◆ Post-sanction follow up, supervision & monitoring processes, including management of stressed assets.
- ◆ NPA management and recovery.
- ◆ Credit risk management.

Duration: 5 days (25 sessions of 70 minutes each)

Target Group: Credit Officers and Branch Managers in Scales-I to IV or in equivalent levels. Maximum benefit would be derived by Officers, including Branch Managers, who handle credit functions at branches, centralized processing offices or controlling offices.

Program Contents:

- ◆ Introduction to MSME lending
- ◆ Borrower selection and Due diligence procedures in lending
- ◆ Credit Rating for MSME lending
- ◆ Bank's loan products for MSME
- ◆ Financial Statements Analysis
- ◆ Working Capital Assessment for MSME
- ◆ Term Loan Appraisal for MSME
- ◆ Preparation of credit appraisal note
- ◆ Loan documentation and creation of security
- ◆ Disbursement, follow up and supervision of MSME credit
- ◆ Stressed assets management under MSME credit
- ◆ Credit Risk Management
- ◆ Introduction to Retail Lending
- ◆ Important retail lending concepts and lending norms
- ◆ Credit appraisal/loan processing of retail loans (Personal segment)
- ◆ Credit appraisal/loan processing of retail loans (Small businesses)
- ◆ Case Study- Appraisal/ Assessment/ MSME/ HL/Vehicle loan proposals



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