

Project/Credit Appraisal in a Volatile Business Environment

September 12-16, 2016



Executive Education
Indian Institute of Management, Ahmedabad

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Introduction

In the recent past, Indian banks and financial institutions have suffered from a steep rise in non-performing loans/assets (NPAs). Most of these loans were given at the time of booming economy and rising commodity prices. One of the important reasons for the rise in NPAs has been lack of sound credit appraisal and monitoring of loans by the banks as acknowledged by the Reserve Bank of India. Credit risk appraisal and loan monitoring are basic elements of financial intermediation. Credit appraisal has to factor in risks present in a volatile business and economic environment. Similarly, structuring and monitoring a loan is important in making sure that “good” borrowers are chosen and they do not pursue their self-interest at the cost of lenders and other stakeholders.

Objectives

The programme will cover the basics of project finance and asset-based lending but the key focus of the programme, however, will be on the appraisal of business risks and how those risks can be addressed in a given project. The emphasis will be on the structuring of proposed projects including their capital structure from the perspective of lenders. The programme will also cover how loan monitoring and covenants are important to keep lenders' risks within the bounds as envisaged at the time of the lending decision. The participants after attending the programme should be able to:

- Identify all major risks associated with any credit decision.
- Assess credit risks in a project depending upon how the project has been structured to allocate and manage risks.
- Assess the viability of a project from the promoter's view, the firm's view and also the social perspective.
- Assess the appropriate level and form of debt that can be given to a project, given the proposed project structure.
- Develop a set of covenants for a given project.
- Identify the residual risks and how/what to monitor in a loan/project/firm.

Content

- Basics of project appraisal
- Basics of asset-backed lending
- Analyzing risks in business – local/international, competitive/technological, changes in product market/value chain
- Analyzing risks in the legal, regulatory and financial environments

- Structuring a project and its capital – risk mitigation, level of debt and stake of owners, layering of debt, aligning interest, sequencing of investments in the value chain
- Agency risks and its forms – misreporting the stake or value created, taking value out of the entity, pitchforking claimants
- Role of covenants, lending conditions and Monitoring thereof
- Dealing with delinquencies
- Negotiating with the project proponent

Pedagogy

The primary pedagogical tool shall be case studies, though other tools like lectures, discussion and presentations shall also be used.

Target Audience

The programme is primarily targeted at Bankers and others involved in project appraisal.

Faculty

- Sobhesh Agarwalla (Faculty Co-Chair, Project/Credit Appraisal in a Volatile Business Environment)
Email: sobhesh@iima.ac.in
- Ajay Pandey (Faculty Co-Chair, Project/Credit Appraisal in a Volatile Business Environment)
Email: apandey@iima.ac.in

Faculty from IIMA and eminent guest speakers from the industry

Nominations and Inquiries

Nominations should reach the Officer - Executive Education latest by **August 29, 2016**. The last date for early bird discount is **August 22, 2016**.

Organizational sponsorship is generally required, but can be waived in case the participant is likely to gain significantly from the programme for personal improvement or greater job effectiveness.

All nominations are subject to review and approval by the programme faculty (usually after the due date for receiving nominations). A formal acceptance letter will be sent to selected nominees accordingly. Nominees are requested to make their travel plans only after receiving the acceptance letter.



For nomination forms and more information, please contact:

Officer - Executive Education

Indian Institute of Management, Ahmedabad
Vastrapur, Ahmedabad 380 015.

Phone: +91-79-6632 4472-76

Fax: +91-79-2630 0352 (ExEd)/2630 6896 (General)

E-mail: exed@iima.ac.in

Website: www.iimahd.ernet.in/exed

Venue and Accommodation

The programme will be held at the Indian Institute of Management, Ahmedabad. Participants would get a full board and air-conditioned single room accommodation on the Institute campus.

IIMA norms do not allow participants to have guests stay with them during the programme.

Programme Fee and Payment

Rs. 1,30,000 (+15% service tax) per person for participants from India and its equivalent in US Dollars for participants from other countries. The fee includes tuition fees, programme materials, boarding and lodging.

The programme fee should be received by the Executive Education Office latest by **August 29, 2016**. In case of cancellations, the fee will be refunded only if a request is received at least 15 days prior to the start of the programme. If a nomination is not accepted, the fee will be refunded to the person/organization concerned.

The programme fee can be paid in one of these three ways:

[A] Electronic Fund Transfer:

1. Name of Beneficiary:
Indian Institute of Management, Ahmedabad
2. Savings Bank A/c No. 9369EEP, YES Bank Limited, C. G. Road Branch, Ahmedabad
(IFSC: YESB0000007, SWIFT Code: YESBINBB)
3. Name of Remitter: _____ (Please mention the name of the sponsoring organization)
4. Purpose of Remittance: **Project/Credit Appraisal in a Volatile Business Environment**
5. IIMA Permanent Account Number (PAN):
AAATI1247F
6. IIMA Tax Deduction Account Number (TAN):
AHMI00189A
7. IIMA Service Tax Registration Number:
AAATI1247FST001

After making the payment, please e-mail us the complete transaction details immediately so that we can link your remittance with your nomination.

[B] Payment Gateway

Please visit the IIMA website
(www.iimahd.ernet.in/exed) for more information.

[C] Demand draft/cheque payable at par at Ahmedabad

The cheque/draft should be in favour of **"Indian Institute of Management, Ahmedabad"** and sent directly to Executive Education Office through courier or speed post.

Discount

Early Bird Discount: Nominations received with payments on or before **August 22, 2016** will be entitled to an early bird discount of 7%. Early submission of fee and nomination does not however guarantee acceptance of the application.

Group Discount: Any organization sponsoring 4 or more participants will be entitled to a discount of 7% on total fee payable provided that at least 4 participants actually attend the programme. Organizations can avail themselves of both the discounts subject to a maximum overall discount of 10%.

Any organization sponsoring 25 or more participants across all the programmes in one academic year will be entitled to an overall discount of 15% on the programme fee payable.

The above discounts will be applicable only when the requisite numbers of participants actually attend the programmes.

Alumni Association

Participants who are attending short-duration Executive Education Programmes for the first time, on or after April 1, 2012, will have to attend for a total of 21 days in one or more programmes in order to be eligible for alumni status and alumni identity card, both of which will be awarded on the payment of a one-time alumni fee of INR 10,000.

Indian Institute of Management, Ahmedabad (IIMA)

IIMA was set up by the Government of India in collaboration with the Government of Gujarat and Indian industry as an autonomous institution in 1961. The Institute provides education, training, consulting and research facilities in management.

Major Programmes Offered by IIMA

- Two-Year Post-Graduate Programme in Management (equivalent to MBA)
- Two-Year Post-Graduate Programme in Food and Agribusiness Management (equivalent to MBA)
- Fellow Programme in Management (equivalent to Ph.D.)
- One-year Post-Graduate Programme in Management for Executives
- Executive Education Programmes (EEP) for industry, business, agricultural and rural sectors, and public systems covering education, health, transport and population
- Faculty Development Programme for teachers in universities and colleges

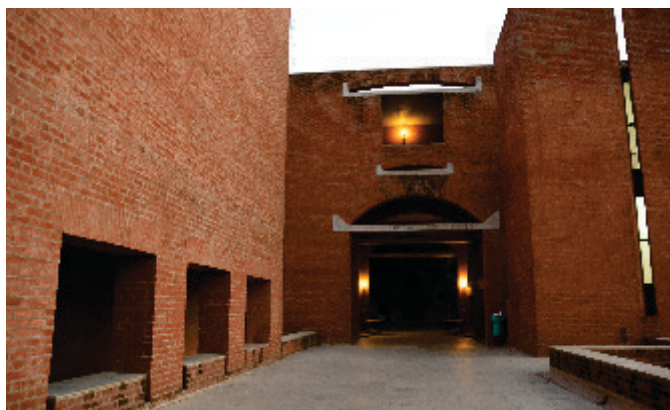
The Institute has about 97 faculty members working in the following management areas and sectors:

Disciplinary Areas and Groups

- Business Policy
- Communications
- Economics
- Finance and Accounting
- Information Systems
- Marketing
- Organizational Behaviour
- Human Resource Management
- Production and Quantitative Methods
- Public Systems Group

Interdisciplinary Centres

- Centre for Innovation, Incubation and Entrepreneurship
- Centre for Infrastructure Policy and Regulation
- Centre for Management in Agriculture
- Centre for Management of Health Services
- Centre for Retailing
- Gender Resource Centre
- IIMA-Idea Telecom Centre of Excellence
- India Gold Policy Centre
- Insurance Research Centre
- Ravi J. Matthai Centre for Educational Innovation



Kasturbhai Lalbhai Management Development Centre (KLMDC) located on the IIMA main campus and the **International Management Development Centre (IMDC)** located on the new campus, provide an academic and learning environment for participants of the Executive Education Programmes. All rooms at KLMDC and IMDC are air-conditioned and have internet connectivity. They have separate dining halls, a reading lounge, classrooms and auditorium (with audio-visual and computer projection facilities), syndicate rooms and computer lab. The campus is Wi-Fi enabled. Recreation facilities exist for indoor and outdoor games (badminton, basketball, billiards, carrom, chess, cricket, football, squash, TT and volleyball). Participants can also take advantage of the Institute's library.



कार्यकारी शिक्षा कार्यक्रम
भारतीय प्रबंध संस्थान, अहमदबाद

Executive Education

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