



Credit Risk Management and NPA



Program Overview:

The National Banking Institute, in collaboration with the State Bank Academy, Gurugram, is delighted to offer a specialized program on Credit Risk Management & NPA. This course covers key aspects such as pre-sanction credit evaluations, financial statement analysis, forex risk assessment, and working capital appraisal—enabling bankers to make informed lending decisions. Participants will gain expertise in assessing term loans, project finance, and post-sanction loan monitoring to mitigate defaults. The program also explores early warning systems (EWS), restructuring of stressed assets, and effective NPA (Non-Performing Assets) management through real-life case studies. Designed for professionals in banks, NBFCs, and financial institutions, this training provides hands-on risk management strategies to minimize bad loans and enhance credit policies. An essential learning opportunity for those aiming to refine lending strategies and reduce financial risks.

Program Date: 5th - 8th May 2025

Program Details:

Target Audience: Middle and Senior Management Level (Staffs Working in Credit Department)
Venue: State Bank Academy Gurugram , India

Programme Details

Program Day	Session no.	Session topic	Broad Contents	Methodology
Day 1	1	Pre-Sanction credit Process	<ul style="list-style-type: none"> • Opportunity assessment • Information sourcing • CRM Lead • Due Diligence • CICs • 5 Cs of Credit • Pre-sanction inspection • ECGC caution list • Compilation of Opinion Report • Valuation of Assets—Sole/Multiple and consortium arrangements 	<ul style="list-style-type: none"> • Lecture • Discussion • Case let/case studies • Exercise
	2 to 4	Financial Statement Analysis	<ul style="list-style-type: none"> • Overview of Financial Statements • Scrutiny of Financial Statements and Auditors' Report • Analysis of Financial Statements: Key aspects of CMA • Ratios: Interpretation and use in decision making • Related Party Transactions • Fund Flow Analysis - Cash Flow analysis • Creative accounting • Red Flags in financial statements • CMA Format • Financial Statements and • CMA Forms I to III <p>⇒ (Administered through case Study / Case let/case studies s)</p>	<ul style="list-style-type: none"> • Lecture • Discussion • Case let/case studies

Programme Details

Program Day	Session no.	Session topic	Broad Contents	Methodology
Day 2	1 to 2	Forex	<ul style="list-style-type: none"> • Export and Import Finance • Buyers Credit • Bill Discounting Business (Inland & Foreign), Forex Exposure- Limit Setting 	<ul style="list-style-type: none"> • Lecture • Method • PPT • Case study • Group Exercise
	3 to 4	Risk Management	<ul style="list-style-type: none"> • Credit Risk Management- Ratings • Internal & external credit rating methodologies • Risk scoring models & regulatory guidelines • Credit risk assessment & expected loss calculation • Practical case let discussions 	<ul style="list-style-type: none"> • Lecture • PPT • Case study • Group Exercise

Programme Details

Program Day	Session no.	Session topic	Broad Contents	Methodology
Day 3	1 to 2	Working Capital Assessment and Non Fund Based with case study	<p>Overview/ Concept of Working Capital (WC) Financing</p> <p>Assessment of Various WC facilities: Cash Credit or Overdraft</p> <p>Various methods of Working Capital assessment- MPBF</p> <p>Sources for meeting WC Requirement</p> <p>Issues in WC financing</p> <p>Non-Fund Based Working capital assessment</p> <p>Bank Guarantee and Letter of Credit</p>	<ul style="list-style-type: none"> • Group Exercise • Exercise • Case let/case studies • Discussion • Lecture • PPT
	3 to 4	Term Loan Assessment & Project Finance	<p>Appraisal of Term Loan with case study</p> <p>Overview of Term Financing</p> <p>Scrutiny of Detailed Project Report (DPR)</p> <p>Prima Facie acceptability</p> <p>Technical feasibility</p> <p>Economic viability</p> <p>Commercial viability: DSCR, Break Even Analysis, Sensitivity Analysis, Average Maturity of loans</p> <p>Financial feasibility: Cost of Project, Means of Finance, Equity Visibility</p> <p>Key Risks in Term Lending</p> <p>Escrow Accounts/ TRA Mechanism</p> <p>FUND- flow and CASH- flow analysis for project viability and capital adequacy aspect for different projects</p>	<ul style="list-style-type: none"> • Case let/case studies • Discussion • Lecture

Programme Details

Program Day	Session no.	Session topic	Broad Contents	Methodology
Day 4	1 to 2	Post Sanction	Issuance of Sanction Letter Disbursement of Loans Post Sanction Follow up, Supervision and Monitoring, Impact of Sight LC / Usance LC and sundry creditors) Scrutiny of Stock Statement Calculation of Drawing Power Monitoring of cash flows/ transactions Inspection of unit/ site visit, Monitoring of Term Loans Analysis of periodic returns FSM of NFB limits Credit Audit, Stock Audit, Legal Audit	Group Exercise Case let/case studies Discussion Lecture
	3	EWS & RFA	Earning Warning Signals (EWS) Red Flagged Accounts (RFA) SMAs and CAP Irregularity-Identification and reporting	Discussion Lecture
	4	Restructuring	Definition of Restructuring, Prudential Norms, Additional Finance Norms Conversion of Principal into Debt / Equity and Unpaid Interest into 'Funded Interest Term Loan' (FITL), Debt or Equity Instruments	Discussion Lecture Case let/case studies



State Bank Academy, Gurugram

State Bank Academy was established in the year 1982. This is an Apex Training Institute (ATI) of State Bank of India having specialization in conducting various residential/non - residential training programmes on Credit, International Banking and Risk & Compliance Management on an ongoing basis for State Bank officials, officials of other Indian banks / foreign banks/FIs.

Click below to access the glimpses of SBA

[SBA FINAL VIDEO \(2\).mp4 - Google Drive](#)

[For Official Website of SBI CRM click the below link](#)

<https://sbi.co.in/web/strategic-training-unit/sbicrm-gurgaon>

The facilitators of the program shall be supported by a team of internal and external facilitators. Further details about the facilitators will be shared at a later stage.

Program Investment:

The above investment includes as follows:

Expenses at SBA, Gurugram India as follows:

Program Delivery for 4 days

- Accommodation at SBA
- Breakfast, Tea/Coffee, Lunch, Tea/Coffee and Dinner
- Program Kits/Materials



Please Note:

- The accommodation at SBA, Gurugram will be available from the day before the program commences until the noon of the day after the program concludes.
- The airfare expenses from KTM-Delhi-KTM is not included in the above investment.
- Pickup will be provided to only for the higher group size.

Note:

- *Please submit program nominations at least 10 days early to ensure smooth hotel and logistics arrangements in SBA, Gurugram, India.*
- *Once a nomination is submitted, cancellation is not permitted; however, a replacement may be arranged.*