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Seminar on “Business Diversification, Project appraisal & Loan Documentation in Cooperative Banks” under NABARD SOFTCOB Scheme

Introduction:

Cooperative Banking has a crucial role to play in the Indian Financial System. The cooperative principles of managing finance in India serve via media between the sophisticated institution like commercial banks on one hand and the unscrupulous moneylenders on the other. Despite the fact that the nationalized banks are spreading their operations in the rural areas, cooperative banking remains the best answer for catering to the needs of the small borrowers. Challenges before the cooperative banks are two folds, on the one hand they are supposed to provide cheap and timely credit to rural masses and on the other hand they have to ensure their profitability and viability in turbulent interest regime. Financial sector reforms, globalization of financial services and technology revolution have strengthened the commercial banking system to a great extent and have improved their internal working systems. All these changes have resulted in improved productivity and profitability of the commercial banking system which enabled them to offer low cost services to customers. But all these changes have created problems for cooperative banking system. To be able to create a balance between their social objectives and economic compulsions, these banks were needed to change working strategy. So as a result, cooperative banks have diversified their areas of operation.

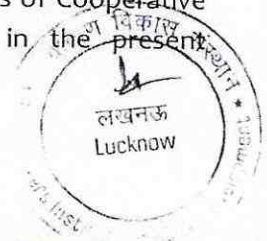
Thus, The need of seminar/training programme on “Business Diversification, Project appraisal & Loan Documentation in Cooperative Banks” was documented and also recommended by the standing committee of the institute for the conduction of NABARD SOFTCOB training programme and further a one day or two day theme based seminar is designed under NABARD SOFTCOB Scheme for the officials of Cooperative Banks (CCBs/SCBs/SLDBs/PLDBs) of Rajasthan to diversify its business in the present competitive scenario.

Aim of the Seminar

- To explore the potential for business diversification, project appraisal & loan documentation in the cooperative banks in Rajasthan.

Objective of the Seminar

1. To impart the knowledge and strengthen the capacity of officials of Cooperative Banks about Business Diversification and its significance in the present competitive banking Scenario



2. To impart the knowledge of business diversification strategies in cooperative banks (Planning & Execution).
3. Explain the importance of NFS and various types of NFS activities that can be financed by Banks.
4. Describe the concept of project appraisal, project cycle & different stages and dimensions of project appraisal. Undertake financial analysis of projects with case exercises.
5. Explain the importance of loan documentation and caution to be exercised by Banks during documentation process.
6. Prepare CASH Flow and Fund Flow Statements
7. Explain the basics of cash and inventor management

Target group: Officials of SLDBs, SCBs, CCBs

Duration: Two Days

Capacity of the Seminar: 30 Participants

Training Methods: Lecture/Technical session/Discussion

Training Aids: Online mode

Contents & Scope of the Seminar

Sr. No.	Session	Module
1	Technical Session-I	<ul style="list-style-type: none"> • Business Diversification and its significance in the present competitive banking Scenario (Business Diversification its need & significance)
3	Technical Session-II	<ul style="list-style-type: none"> • Business diversification strategies in cooperative banks (Planning & Execution). (Various business diversification strategies and rural market potential)
	Technical Session-III	<ul style="list-style-type: none"> • Project Approach to Lending – Various Aspects of Project Appraisal of (Concept of project cycle & different stages and dimensions of project appraisal, concept of cash flow, time value of money, project appraisal tools like NPV, BC Ratio, IRR, etc.) • Project Approach to MSME units with coverage of NFS
4	Technical Session-IV	<ul style="list-style-type: none"> • Legal aspects of loan documentation of small NFS Loan, Monitoring and Follow up (Types of documents to be executed by borrower in favour of the bank after sanction of loan, nature and type of security and charges; pledge, hypothecation, lien, set off, assignment, mortgage, etc)

Seminar on "Business Diversification, Project appraisal & Loan Documentation in Cooperative Banks"

Seminar Schedule

Time	Session	Contents	Method
Day 1 st 2.00 to 2.30	Inauguration of the seminar with climate setting and objectives		
2.30 to 3.30	Technical Session-I	Business Diversification and its significance in the present competitive banking Scenario (<i>Business Diversification its need & significance</i>)	Lecture
3.30 to 4.30	Technical Session-II	Business diversification strategies in cooperative banks (Planning & Execution). (<i>Various business diversification strategies and rural market potential</i>)	Lecture/G D/Case Study
Day 2 nd 2.00 to 2.30	Recap Session		
2.30 to 3.30	Technical Session-III	Project Approach to Lending – Various Aspects of Project Appraisal (<i>Concept of project cycle & different stages and dimensions of project appraisal, concept of cash flow, time value of money, project appraisal tools like NPV, BC Ratio, IRR, etc.</i>) Project Approach to MSME units with coverage of NFS	Lecture/G D/Case Study
3.30 to 4.30	Technical Session-IV	Legal aspects of loan documentation of small NFS Loan, Monitoring and Follow up (<i>Types of documents to be executed by borrowers in favour of the bank after sanction of loan, nature and type of security and charges; pledge, hypothecation, lien, set off, assignment, mortgage, etc</i>)	Lecture/G D/Case Study
4.30 to 5.00	Valediction & Feedback		

