



## Certified Credit Officer Course

### Rules & Syllabus 2017

#### INTRODUCTION :

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 Loan. Today quasi credit facilities like Letters of Credit, Bank Guarantees, Co acceptances, Buyer's Credit and Supplier's Credit are gaining predominance. The bank officer dealing with such products should possess a good knowledge of the product itself to assess the risk involved and judge the repayment capacity of the borrower to honour the liabilities within the agreed timeframe. Credit Appraisal and Risk Appraisal can be considered as two sides of the same coin. Hence, when appraisal aspects are being discussed, be it concerning domestic finance or trade finance for international trade, risk aspects are considered so that the credit officer does not lose sight of the same. The course provides a holistic insight into the various dimensions in bank credit management.

#### OBJECTIVES :

- To develop a cadre of credit officers in banks to perform different credit functions across banks
- To inculcate advanced skills for handling credit management issues

#### COVERAGE :

The course broadly covers :

- |                                     |                                       |
|-------------------------------------|---------------------------------------|
| a) Loan Policy                      | e) Working Capital Management         |
| b) Credit appraisal                 | f) Export Credits                     |
| c) Analysis of Financial statements | g) Credit Monitoring                  |
| d) Project Finance                  | h) Management of Impaired Assets etc. |

#### TARGET GROUP :

- Existing / Newly posted officers in credit department
- Persons identified for the credit department
- People aspiring to become credit officers in banks

#### METHODOLOGY :

Course has two components viz.,

- Online examination for 100 marks based on a specially designed courseware on credit management
- Classroom Learning of 5 days in Mumbai or at pre-announced centres.

For details of Classroom Learning, Course Structure & Delivery, refer page 3.

## ELIGIBILITY :

The examination is open to :

- Agraduate in any discipline
- Members of the Institute, preferably CAIIB

## SUBJECT OF ONLINE EXAMINATION :

Credit Management

## PASSING CRITERIA:

1. Minimum marks for pass in the subject is 50 out of 100 for online examination
2. Minimum 25 marks for pass out of 50 marks in the Classroom learning.

## EXAMINATION FEES

	<b>For members and Non-members</b>
First two attempts	₹6,000/-*
Subsequent each attempt	₹3,000/-*

\* Plus Service Tax as applicable (Reg. No. AAATT3309DSD002)

## MEDIUM OF EXAMINATION :

Examination will be conducted in English only.

## PATTERN OF EXAMINATION :

- (i) Question Paper will contain 100 objective type multiple choice questions including situation analysis / problem based questions for a total of 100 marks
- (ii) The examination will be held in Online Mode only
- (iii) There will NOT be negative marking for wrong answers.

## DURATION OF EXAMINATION :

The duration of the examination will be of 2 hours.

## PERIODICITY AND EXAMINATION CENTRES :

- a) Examination will be conducted on pre-announced dates published on IIBF Web Site. Institute conducts examination on half yearly basis, however periodicity of the examination may be changed depending upon the requirement of banking industry.
- b) List of Examination centers will be available on the website. (Institute will conduct examination in those centers where there are 20 or more candidates.)

## PROCEDURE FOR APPLYING FOR EXAMINATION

Application for examination should be registered online from the Institute's website [www.iibf.org.in](http://www.iibf.org.in). The schedule of examination and dates for registration will be published on IIBF website.

## PROOF OF IDENTITY

Non-members applying for Institute's examinations/courses are required to attach / submit a copy of any one of the following documents containing Name, Photo and Signature at the time of registration of Examination Application. Application without the same shall be liable to be rejected.

- 1) Photo I / Card issued by Employer or 2) PAN Card or 3) Driving Licence or 4) Election Voter's I / Card or 5) Passport 6) Aadhaar Card

## STUDY MATERIAL / COURSEWARE

The Institute has developed a courseware to cover the syllabus. The courseware (book) for the subject/s will be available at outlets of publisher/s. Please visit IIBF website [www.iibf.org.in](http://www.iibf.org.in) under the menu "Exam Related" for details of book/s and address of publisher/s outlets. Candidates are advised to make full use of the courseware. However, as banking and finance fields are dynamic, rules and regulations witness rapid changes. Therefore, the courseware should not be considered as the only source of information while preparing for the examinations. Candidates are advised to go through the updates put on the IIBF website from time to time and go through Master Circulars / Master Directions issued by RBI and publications of IIBF like IIBF Vision, Bank Quest, etc. All these sources are important from the examination point of view. Candidates are also to visit the websites of organizations like RBI, SEBI, BIS, IRDAI, FEDAI etc. besides going through other books & publications covering the subject / exam concerned etc. Questions based on current developments relating to the subject / exam may also be asked.

## Cut-off Date of Guidelines / Important Developments for Examinations

The Institute has a practice of asking questions in each exam about the recent developments / guidelines issued by the regulator(s) in order to test if the candidates keep themselves abreast of the current developments. However, there could be changes in the developments / guidelines from the date the question papers are prepared and the dates of the actual examinations.

In order to address these issues effectively, it has been decided that:

- (i) In respect of the examinations to be conducted by the Institute for the period February to July of a calendar year, instructions / guidelines issued by the regulator(s) and important developments in banking and finance up to 31st December will only be considered for the purpose of inclusion in the question papers".
- (ii) In respect of the examinations to be conducted by the Institute for the period August to January of a calendar year, instructions / guidelines issued by the regulator(s) and important developments in banking and finance up to 30th June will only be considered for the purpose of inclusion in the question papers.

The table given below further clarifies the situation.

Particulars	Cut-off Date of Guidelines / Important Developments for Examination/s
For the examinations to be conducted by the Institute for the period February 2017 to July 2017	31st December 2016
For the examinations to be conducted by the Institute for the period August 2017 to January 2018	30th June 2017

## TUTORIAL / CONTACT PROGRAMMES

Tutorial / Contact programmes may be organized by the Institute at various centres. For details in this regard candidates may visit Institute's website [www.iibf.org.in](http://www.iibf.org.in).

## COURSE STRUCTURE & DELIVERY

Certified Credit Officer course has two parts viz. written examination and class room learning. To be declared successful, a candidate has to secure a minimum of 50% marks in the online examination and 50% in class room learning. The steps in completing the course are as under :

### 1. Study :

A minimum 3 months study of the stipulated courseware is envisaged. Institute will accept application up to a certain period before the dates of announced exams so as to ensure that the study period is adhered to.

### 2. Examination :

Candidates will have to appear for the online examination conducted by IIBF (Multiple Choice Questions mode) and pass the examination.

### 3. Classroom Learning :

Candidates who have successfully passed the online examination have to undergo class room learning. For this purpose, the candidate, on passing the examination should log on to IIBF website - [www.iibf.org.in](http://www.iibf.org.in) and select his/her convenient slot for class room learning (5 days) from the pre-determined dates and venue at select centres announced by the Institute by paying the fees prescribed for class room learning. During the class room learning, candidates will be assessed (Internal assessment) for class room performance for a total of 50 marks. Marks for classroom learning will be awarded to candidates by faculty for their classroom participation, analytical skills, case discussions, dealing ability, presentation skills etc. Candidates who obtain 25 or more marks will be declared as successful.

### 4. Time Limit for Classroom Learning :

Classroom learning is required to be completed within 15 months from the date of declaration of the online examination results in which the candidate passes.

In case a candidate fails to complete the Class Room Learning either on account of not able to successfully complete the Class Room Learning or by not attending the training for Class Room Learning within the stipulated period of 15 months, the candidate would be required to RE-ENROLL himself for the Online examination foregoing credit for the subject/s passed in the Online examination earlier in case he wants to complete the course.

### Classroom Learning fee :

Class room learning including learning kit	₹15,100/-*
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\* Plus Service Tax as applicable (Reg. No. AAATT3309DSD002)

### Refund of fee :

Examination fee is not refundable. For refund of classroom learning fee, application for the same giving sufficient reason/s should reach the Institute one month in advance and in case the refund is effected 25% will be deducted towards administrative charges.

## **Award of Certificate :**

Certificate will be issued to candidates within 2 months on successful completion of both online examination and classroom learning. No certificate will be issued for passing only the online examination

## **Code of Conduct :**

All the successful candidates will be encouraged to adhere to a code of conduct which will be issued along with the Certificate.

## **SYLLABUS FOR ONLINE EXAMINATION**

The details of the prescribed syllabus which is indicative are furnished in the booklet. However, keeping in view the professional nature of examinations, all matters falling within the realm of the subject concerned will have to be studied by the candidate as questions can be asked on all relevant matters under the subject. Candidates appearing for the examination should particularly prepare themselves for answering questions that may be asked on the latest developments taking place under the various subject/s of the said examination although those topics may not have been specifically included in the syllabus. The Institute also reserves to itself the right to vary the syllabus / rules / fee structure from time to time. Any alterations made will be notified from time to time. Further, questions based on current developments in banking and finance may be asked.

Candidates are advised to refer to financial news papers / periodicals more particularly "IIBF VISION" and "BANK QUEST" published by the Institute.

### **MODULE - A : INTRODUCTION & OVERVIEW OF CREDIT**

Principles of Lending : Safety, Liquidity, Profitability, Purpose of Loan, Diversification Risk.

Model Credit Policy : Importance, Contents, Exposure Norms, Model MSE Policy.  
Types of Borrowers : Individuals - Major, Minor, Married Women, Pardanashin Women, Illiterate Persons, Agent, Attorney, Joint Borrowers, Hindu Undivided Family (HUF), Proprietorship Firms, Partnership Firms, Limited companies, Statutory Companies, Holding Companies, Government Companies, Private & Public Limited Companies, Registration of charges, Limited Liability Partnerships (LLP).

Types of Credit Facilities : Various Types of Credit Facilities - Cash Credit, Overdrafts, Demand Loan, Bills Finance - Drawee Bill Scheme, Bills Discounting.

Credit Delivery : Types of Facilities, Modes of Delivery, Sole Banking Arrangement, Multiple Banking Arrangement, Consortium Lending, Syndication. Credit Thrust, Credit Priorities, Credit Acquisitions, Statutory & Regulatory restrictions on Advances. Credit Appraisal : Validation of proposal, Dimensions of Credit Appraisals, Six "C" s, Structuring of Loan documents, Credit Risk, Credit Risk Rating, Credit Worthiness of Borrower, Purpose of Loan, Source of Repayment, Cash Flow, Collateral.

Credit Rating : Measurement of Risk, Objective of Rating, Internal & External Rating, Model Credit Rating, Methodology of Rating, Internal & External Comparison, Model Rating Formats

## **MODULE - B : ANALYSIS OF FINANCIAL STATEMENTS**

Analysis of Financial Statements : Balance Sheet - Definition, Balance Sheet & Banker, Classification of Assets & Liabilities, Current Assets, Fixed Assets, Non-current Assets, Intangible & Fictitious Assets, Liabilities - Current Liabilities, Medium & Term Liabilities, Capital & Reserve, Classification of Current Assets & Current Liabilities, Balance Sheet Analysis, Analysis of Profit & Loss Account, Auditor's Note. Ratio Analysis - Classification of Ratios, Liquidity Ratios, Leverage Ratios, Activity Ratios, Profitability Ratios, Other important Ratios, Interpretation of important Financial Ratios, Uses of Ratios, Fund Flow Statements, Techniques Fund Flow and Cash Flow Statements, Illustrations.

Project / Term Loan Appraisal : Technical Appraisal, Commercial / Market Appraisal, Managerial Appraisal, Financial Appraisal, Economic Appraisal, Environmental 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.

## **MODULE - C : WORKING CAPITAL MANAGEMENT**

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, Computation of storage / Retention Period, Various Methods of Assessment of Working Capital, Computation of Working Capital - Turnover Method, MPBF Method, Cash Budget System, Illustrations, Impact of inadequate Working Capital, Working Capital Finance to IT. & Software Industry, Loan Delivery System, Cash Flow Analysis, Commercial Paper, Credit Delivery, Analysis of CMAdata.

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.

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.

Co-acceptance Facilities : RBI Guidelines, Co-acceptance of Bills covering supply of Goods & Machinery

## **MODULE - D : OTHER CREDITS**

Export Finance : Pre-Shipment Finance-Export Packing Credit in Rupees, Running Account Facility, Pre shipment credit to specific sectors - Sub Suppliers, Construction Contractors, Export credit to Processors / exporters-Agri Export Zones, Export Credit Insurance Whole Turnover Packing Credit, Pre-Shipment Credit in Foreign Currency (PCFC), Running Account Facility in all currencies, Deemed Exports, Diamond Dollar Account Scheme, Post Shipment Rupee Export Finance, Purchase / Discount of Export Bills, Negotiation of Export Bills, Export on Consignment basis, Advance against Duty Draw Back Entitlements, ECGC Whole Turnover Post-Shipment Guarantee Scheme, Interest Rate of Rupee

Export Credit, ECNOS, Rupee Export Credit Interest Rate Subvention, Post-Shipment Finance in Foreign Currency, Gold Card Scheme for Exporters, Crystallisation of Export Bills.

Priority Sector Lending / Government Sponsored Schemes : Different Categories of Priority Sector borrowers, Agriculture (Direct & Indirect) Finance, MSME Finance (Direct & Indirect), Micro Credit, Government Sponsored Schemes, Swarnajayanti Gram Swarozgar Yojana (SGSY), Swarna Jayanti Shahari Rozgar Yojana (SJSRY), Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS), Swarna Jayanti Shahari Rozgar Yojana, Education Loans, Housing Finance, Weaker Sections, Export Credit, Differential Rate of Interest Scheme, Priority Sector Targets. Retail Loans : Characteristic of Retail Loans, Advantages of Retail Loans, Retail Banking Vs Corporate Banking, Various Retail Banking Products, Model Retail Banking Products - Home Loans, Vehicle Loan, Personal Loan, Pensioner Loan Scheme, Property Loan, Holiday Loan Scheme, Gold Loan Scheme, Education Loan, etc., Guidelines on CERSAI registration.

### **MODULE - E : MONITORING, SUPERVISION & FOLLOW UP AND MANAGEMENT OF IMPAIRED ASSETS**

Documentation : Meaning, Importance, Types of documents, Requisites of documentation, Selection of documents, 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, Enforcement of documents, Death of Borrower / Guarantor.

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.

Credit Monitoring, Supervision & Follow Up : Credit Monitoring - Meaning, Monitoring Goals, Process of Monitoring, Different Monitoring Tools, Check-list for Monitoring, Monitoring by using various statements, QIS Formats / guidelines, Supervision & Follow Up.

Management of Impaired Assets : Introduction, Credit Monitoring, NPA why & how?, NPA Management Policy, Definition of Sick Unit, Non-Performing Assets (NPA), Income Recognition Policy, Assets Classification, Guidelines on Asset Classification, Projects under implementation,

Project Loans under Infrastructure and Non-infrastructure Sectors, Projects under Commercial Real Estate Sector, Income Recognition, Take out Finance, Provisioning Norms for NPA, Provisioning Coverage Ratio (PCR), Options available to banks in Stressed Assets, Prudential Guidelines on Restructuring, Eligibility criteria for restructuring, Asset Classification Norms for Restructured Assets, Mahapatra Committee Recommendations, Revised Prudential Guidelines on Restructuring of Advances, General Provision on Restructured Standard

Accounts, Up-gradation of Restructured Accounts, Rehabilitation, Viability Period, Viability Parameters, Incentives for Quick implementation of Restructuring Package, Corporate Debt Restructuring (CDR) Mechanism, CDR Structure & Operations, New RBI Framework for Distressed Assets, Willful Defaulters, Penal Measures, Compromise, Legal Action, Civil litigation, Pre and Post - filing precautions, Type of Decrees, Modes of Execution of Decree, Lok Adalats, Debt Recovery Tribunal, SARFAESI, Write Off. Fair Practices : Applicability, Practices to be adopted, Loan Processing, Assessment, Disbursement, Administration, Recall / Repayment of Loan, Grievance Redress Mechanisms.

## IMPORTANT RULES / INFORMATION FOR CANDIDATES

### 1. ADMIT LETTER OF EXAMINATIONS :

- a. Admit letter to all eligible candidates will be emailed to the candidates in their email id registered with the Institute, 10 days before the examination date.
- b. Admit letter of all eligible candidates will be hosted on Institute's website [www.iibf.org.in](http://www.iibf.org.in) under the menu 'Exam Related', 1 week before the examination date.
- c. For downloading and printing of admit letter from the above mentioned website, candidates will have to enter the following:
  - i. Membership or registration number as **login id**
  - ii. **Edit profile password.**
  - iii. If candidates do not remember their Edit profile password, they have to click on the 'Forgot password / Get Password' button after entering the Membership or Registration number. On clicking fresh edit profile password will be sent to their registered email id.
- d. Candidates are required to **produce printed copy of admit letter** along with Membership identity card or any other valid photo ID card (Aadhaar card / Employer's card / PAN Card / Driving License / Election voter's card / Passport etc.) at the examination venue.
- e. **In the absence of printed copy of Admit Letter and Photo Identity Card, candidates will be denied permission to write Examination.**

### 2. Mobile Phones

- a. Mobile phones and other electronic / smart gadgets (except calculator as permissible) are not allowed in the examination hall. It is clarified that mere possession of mobile phone and other electronic / smart gadgets in the examination hall whether in switch off mode or silent mode shall also be deemed to be resorting to adoption of unfair means in the examination.

### 3. Use of calculator

- a. Candidates will be allowed to use battery operated portable calculator in the examination. The calculator can be of any type up to 6 functions, 12 digits.
- b. Attempt to use any other type of calculator not complying with the specifications indicated above or having more features than mentioned



above shall tantamount to use of unfair means. Scientific calculator is not allowed.

#### **4. Other Rules / Information**

- a. Candidates should ensure that they sign the Attendance Sheet.
- b. Candidates are advised to reach the Examination Venue at least 30 minutes before commencement of the examination.
- c. No candidate will be permitted to enter the Examination Venue / hall after expiry of 15 minutes and to leave the hall in the first 30 minutes from the scheduled commencement of the examination.
- d. Candidates would be able to login to the system only with the password mentioned in this Admit Letter. This password should not be disclosed to others. Keep it safe to avoid the possible misuse.
- e. If the examination could not commence on scheduled time or there is delay due to Failure of power, Technical snag of whatsoever nature or for any such reason having bearing upon the conduct of examination; candidates have to :-
  - i. Wait till resumption of power supply / solving of technical snag.
  - ii. Take-up the examination at other venue arranged by the examination conducting authority.
  - iii. Follow instructions given by the examination conducting authority.
- f. Candidates are required to strictly follow all the instructions given by the examination conducting authority during the examination and adhere to Rules of the examination.
- g. Violation of any of the Rules / Instructions, misuse of the Admit Letter will be considered to be an act of serious misconduct and the Institute will take action as per the Rules of the examination, which will also be reported to the employer of the candidate.

#### **5. Rules, Penalties for Misconduct / Unfair Practices :**

- a. Communication of any sort between candidates or with outsiders is not permitted and complete silence should be maintained during the examination.
- b. Copying answers from other candidates / other printed / Electronic material or permitting others to copy or consultation of any kind will attract the rules relating to unfair practices in the examination.
- c. No candidate shall impersonate others or allow others to impersonate himself / herself at the examination.
- d. No candidate shall misbehave / argue with the Examination Conducting Authorities at the centre.
- e. Candidates have to compulsory return any papers given including that given for rough work to invigilator.
- f. Candidates should not possess and / or use books, notes, periodicals, etc. in the examination hall at the time of examination / or use mathematical tables, slide rules, stencils etc. during the examination.

If any candidate violates any of the above rules, it will be considered to be an act of misconduct and he/she will be liable for punishment.

**PLEASE REFER INSTITUTE'S WEBSITE UNDER THE MENU "EXAM RELATED" FOR DETAILS OF DEBARMENT PERIOD FOR UNFAIR PRACTICES ADOPTED BY CANDIDATES DURING CONDUCT OF INSTITUTE'S EXAMINATIONS.**

#### **6. Result Advice / Consolidated Marksheet / Final Certificate**

- Result Advice of candidates will be hosted on Institute's website on declaration of result, which can be downloaded by the candidates.
- Consolidated mark sheet for candidates completing examination having more than one subject, will be available on the Institute's website after the declaration of results. Candidates can download the same after entering login credentials using their membership number and edit profile password.
- Final certificates will be sent by speed post within 2 months after the declaration of result.

#### **CONTACT DETAILS :**

Register your queries through website [www.iibf.org.in](http://www.iibf.org.in) > Members / Candidates Support

Services (Help)

or

Email all your queries to [care@iibf.org.in](mailto:care@iibf.org.in)

#### **Member Support Service Office :**

Indian Institute of Banking & Finance

191-F, Maker Towers, 19th Floor,

Cuffe Parade, Mumbai - 400 005

Tel. : 022-2218 3302 / 2218 5134

#### **For training / contact classes related queries contact :**

Leadership Centre

Indian Institute of Banking & Finance

Kohinoor City, Commercial-II, Tower-I, 3rd Floor,

Kirol Road, Off L.B.S.Marg, Kurla West, Mumbai 400 070.

Tel. : 022 25039746 / 9604 / 9907

E-mail : [training@iibf.org.in](mailto:training@iibf.org.in)

#### **PROFESSIONAL DEVELOPMENT CENTRES :**

<b>South Zone</b>	<b>North Zone</b>	<b>East Zone</b>
Indian Institute of Banking & Finance No. 94, Jawaharlal Nehru Road, (100 Feet Road), Opp. Hotel Ambica Empire, Vadapalani, Chennai – 600 026. Tel. : 044-2472 2990 / 2472 7961 E-mail : <a href="mailto:iibfsz@iibf.org.in">iibfsz@iibf.org.in</a>	Indian Institute of Banking & Finance 102-113, Vikrant Towers, 1st Floor, 4 Rajendra Place, New Delhi – 110 008. Tel. : 011-2575 2191 / 92 E-mail : <a href="mailto:iibfnz@iibf.org.in">iibfnz@iibf.org.in</a>	Indian Institute of Banking & Finance Hindusthan Building (Annexe), 7th Floor, 4, C. R. Avenue, Kolkatta – 700 072. Tel. : 033-2212 4992 E-mail : <a href="mailto:iibfez@iibf.org.in">iibfez@iibf.org.in</a>

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