

Sources of Finance



ICAI Bhavan, BKC – Mumbai
6th October, 2018

Objective

**WHEN I WAS
YOUNG,
I THOUGHT THAT
MONEY WAS THE
MOST IMPORTANT
THING IN LIFE**

**NOW THAT I'M OLD,
I KNOW THAT IT IS.**

OSCAR WILDE



Background

Multiple Sources:

- Organised v/s Unorganised
- Secured v/s Unsecured
- Domestic v/s International
- Banks v/s NBFCs
- Short Term v/s Long Term

Economic Factors

Important factors affecting lending:

- Implementation of GST – Immediate need for working capital
- Demonitisation
- Increase in stamp duty rates / circle rates and prevailing market value
- Job creation – Social impact

Types of Funding

Ascertaining the perfect debt mix:

- LAP – Loan Against Property
- Lease Rental Discounting
- Bill discounting – Domestic & Overseas
- Mudra / Stand-up India / CGTMSE
- Business Loan (unsecured)
- P2P Lending

Project Appraisal Stages

Various Levels of Appraisal & Issues:

- Credit Appraisal
- Legal Appraisal
- Technical Appraisal
- Sanction Letter
- Disbursement
- Pre-Disbursement Conditions

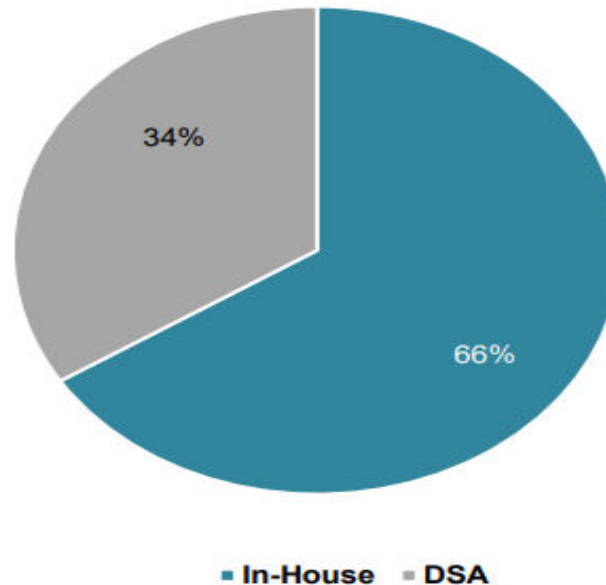
Addressing Concerns

- Policy decisions – Negative Sectors
- Debt Structuring
- Rising Costs
- Credit History
- Frauds

“The most viable solution to all of these concerns is Appropriate Funding.”

Role of Professionals

Scope for Finance Professionals in the Lending Market:



Opportunity

- Knowledge is respected
- Lucrative field for professionals
- Tie-ups
- Referrals
- Approaching Clients
- Networking
- Growth

Perception

What Borrowers think about Banks / FIs:



Perception

What Banks / FIs think about Borrowers:



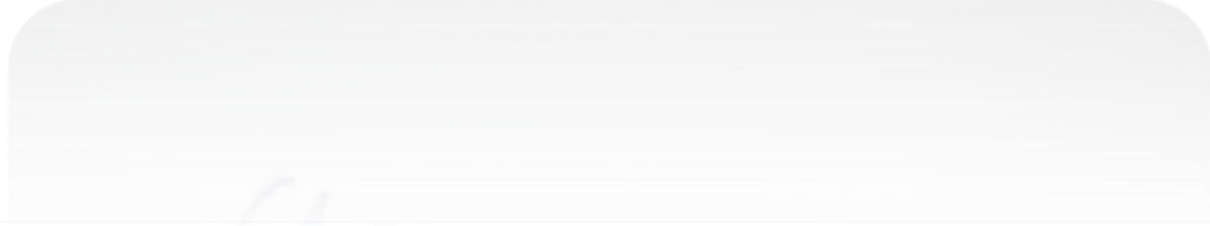
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