

RESOLUTION
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we deal in resolutions.
we deliver in ratings.

RESOLUTION

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RBI's revised resolution framework provides for an option for resolution of stressed assets outside of NCLT and puts more onus on the banks to formulate a resolution strategy. These guidelines also require the resolution plan to be evaluated by rating agencies on a new scale - ranging from RP1 - RP7 (mapped to the existing scale of AAA - D). For a resolution plan to be approved, a rating of RP4 or better on the residual debt from rating agencies is mandatory.

The quest for RP4 rating is fast becoming the Holy Grail in stressed assets resolution process, with the key issues "whether the finalized resolution plan meets the minimum threshold of RP4" vexing both the lenders as well as borrowers.

At **Resolution@CreditWorks**, our team helps companies under stress and lenders looking to revive non performing assets. Our value proposition is in our strength in understanding the rating agency requirements precisely and our consensual approach and expertise ensure a speedy resolution for our clients.

questions to be answered

How do I manage the complex set of RBI Framework's requirements?

Will the Resolution Plan get an RP 4 rating?

What should we do to get the Resolution Plan rated as RP 4?

Is the Sustainable Debt consistent with business cash flows?

Why so few Resolution Plans get a minimum of RP 4 ratings?

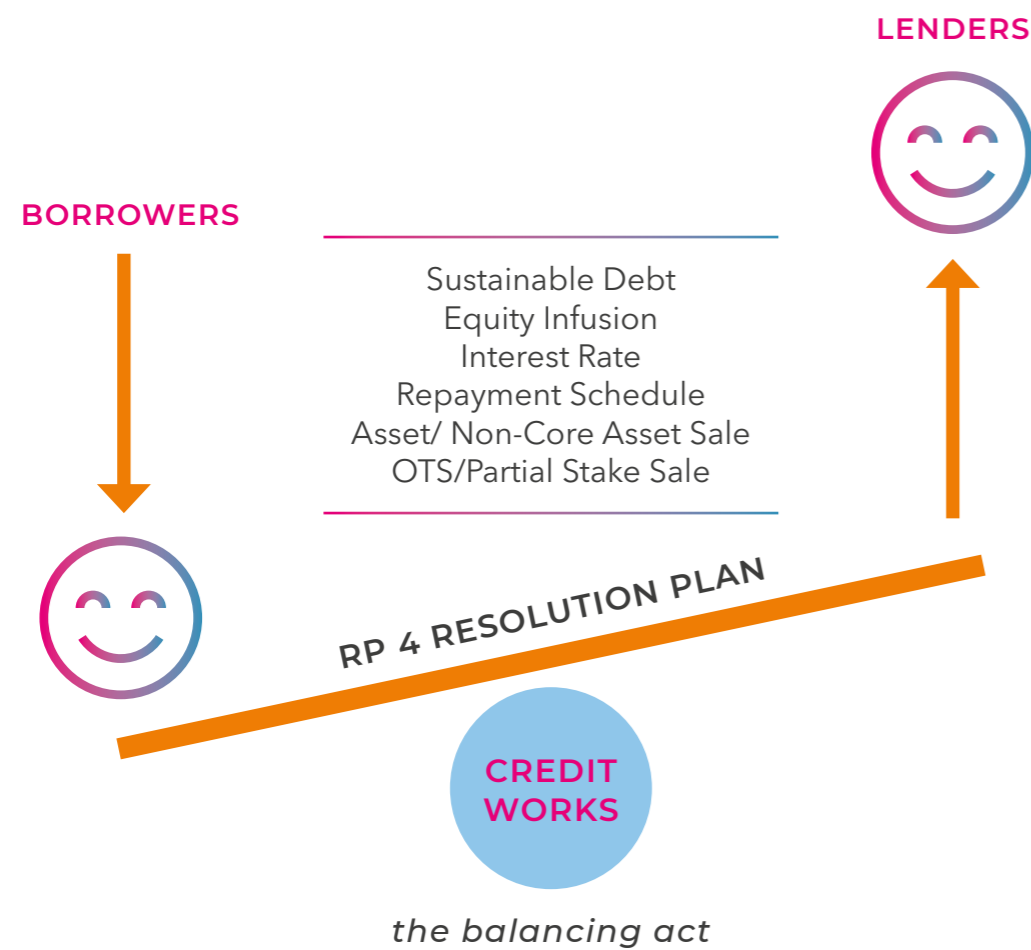
How do we optimize haircut and equity contribution to revive the unit?

Analysts appreciate the strength in the business model but not our willingness to revive the unit?

RESOLUTION

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aiding lenders & borrowers
in speedier resolution of
stressed assets



RP4 Rating for a Resolution Plan is like taking a leap in the dark. We have reengineered the process by taking out the uncertainty out of getting a RP4 Rating.

CATERING TO REQUIREMENTS AT ALL STAGES OF RESOLUTION

Works simultaneously with Borrowers, Lenders & Rating Agencies to optimise the value & time

Working on optimal strategy & estimating potential recovery serving as reference point for restructuring

Proposing and calibrating Resolution Plan amidst multiple options both with the Lenders & Rating Agencies

Finalization of Resolution Plan consistent with RP4 Rating coupled with upgradation of loan accounts to investment grade within the RBI framework

how it works

LOSS GIVEN DEFAULT (LGD) ASSESSMENT

- + Benchmark for restructuring and resolution strategy ~helps in speedier decision making
- + Reference point for all resolution scenarios providing Loss Given Default on outstanding bank loans
- + Key tools for continuing with existing promoters as a resolution strategy
- + Utilized by Lenders to decide the future course of action in the stressed assets including referral to NCLT or valuation for OTS or minority stake sale or strategic partner as a resolution strategy
- + Forms the basis for structuring an appropriate Resolution Plan ~attractive to all stakeholders

SCENARIO RATING

- + Effective tool for finalizing the appropriate Resolution Plan ~acceptable to all the stakeholders & consistent with the RBI framework
- + Evaluation of rating view of proposed Resolution Plans with varying cash flow assumptions at one go
- + Adds value in calibration of Resolution Plan consistent with RP4 rating; eliminates the risk of rejection of RP4 rating by rating agency
- + Assists in right sizing of haircut, debt segregation, repayment, liquidity buffers, additional debt, equity infusion, etc. for a RP4 rating
- + Assesses the optimal funding mix required for project completion, incremental working capital requirements, etc.
- + Provides insights on RP rating post implementation of Resolution Plan

INDEPENDENT CREDIT EVALUATION (ICE)

- + Minimum RP4 rating required under the RBI framework
- + Becomes a mere formality on completion of Scenario Rating
- + Finalization of the appropriate Resolution Plan within RBI framework optimal for Lenders & Borrowers and minimum RP4 Rating
- + Right mix of haircut, sustainable debt, unsustainable debt, equity commitment and/or sale of core/ non-core assets
- + Optimal scheduling of repayment obligations against expected cash flows
- + Provides insight on probable upgradation of loan account to investment grade as per RBI framework

OUR FOUNDERS

Rohit Mahajan

Rohit has over 25 years of experience in investment banking, capital raising & rating advisory.

He has extensive experience in advising companies on optimization of credit quality and rating outcomes and has optimized ratings of over 250 companies across diverse sectors.

He is a business graduate from Delhi University.

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Amit Jain

Amit has over 18 years of banking and credit experience.

Prior to joining CW, he has worked with Standard Chartered Bank as Director - Corporate Banking and in corporate credit and risk with ICICI Bank and IndusInd Bank.

Amit has a Bachelor's degree in Commerce and is a Chartered Accountant.

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CreditWorks forayed into credit rating advisory at a time when there was no credible source of advice in India to guide companies through the rating agency gauntlet.

The result? A truly unique service specializing in optimizing ratings for clients, with unrivalled expertise and innovative solutions.

Because of CreditWorks unique expertise and approach, the firm has experienced substantial growth. But regardless of our growth, we remain committed to one goal: delivering superior results for clients.



GUIDING SUCCESSFUL OUTCOMES.

It's what we do best.
Let us help you develop a
strategy to reach your goals.

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Book Design: One Small Design Studio

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