

# Course Outline

## 2 Days Workshop on Restructuring Problem credits

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**USP of the course:**

This workshop, the first of its kind, provides full length coverage on corporate debt restructuring, both from the viewpoint of the lenders and borrowers. The workshop not only focuses on the provisions of the RBI guidelines, but provides practical insight into how restructurings are done; issues faced at the time of proposed CDR schemes, and practical tips into how to handle CDR proposals. It further intends to address all major issues concerning key accounts management – from customer relationship management to credit risk, to receivables management. The workshop will be led by an experienced former banker, with decades of hands on experience, and substantial experience in teaching senior finance professionals.

**For Whom**

- Banks
- Financial Institutions/NBFCs
- Borrowers
- Financial Consultants
- Regulators
- Capital Market and institutional investors and planners
- Risk, compliance and internal audit within the finance industry
- Treasury, regulatory reporting, and strategy advisers
- Economists, professional services to the finance industry, accountants
- Academics in economics, finance or business



## **Day 1**

### **Session 1: Customer Relationship Management framework for key customers**

- The CRM grid; engage, deliver and follow up concept.
- Overview of the process flow.
- Understanding the needs of key customers.
- Understanding their sensitivities.
- Understanding what are the bouquet of services you may offer – key to relationship management.

### **Session 2: Credit appraisal beyond financials:**

- Understanding the nature of business of your key customer – business model study.
- Understanding Work order viability, matching asset with work requirement.
- Understanding customer business and holistic approach to business.
- Case studies in credit appraisals.
- Analysis of corporate balance sheets, advanced financial ratios, cash flow – importance and significance.

### **Session 3: Risk Management:**

- Assessment, risk models and risk based pricing.
- Setting exposure limits.
- Monitoring exposure.
- Understanding correlation risk in your portfolios.
- Inter-related risk in group exposures.

### **Session 4: Receivable management**

- Strategies, effective recovery management, recovery policies, compromises-when and why?;
- NPA norms and impact on bottom line.
- Restructuring of critical accounts;
- Overview of SARFAESI and Arbitration methods for recovery.



## **Day 2**

### **Session 5: Corporate Debt Restructuring**

- Meaning of Debt Restructuring.
  - Implication of debt restructuring for the lender and for the borrower.
  - Implications on provisioning requirements.
  - CDR before and after NPA characterizations
  - Different forms of CDR
- Informal and Formal CDR – formal CDR under sec 391/393 of Companies Act, 1956 and Chapter XV of Companies Act, 2013
- Legal nature of CDR as debtor-creditor and inter-creditor agreement

### **Session 6: CDR guidelines by RBI**

- Various guidelines of RBI
- CDR cell mechanism
- CDR outside the CDR cell
- When does the CDR cell mechanism apply?
- CDRs for MSMEs

### **Session 7: Practical proceedings with a CDR case**

- Determination of whether a case is fit for CDR
- Pros and Cons of CDR
- Preparation of a case for CDR
- Making CDR application
- Computation of promoter's sacrifice
- Giving effect to CDR
- Accounting aspects of CDR for the borrower and the lender