

Project Dissertation

**STUDY THE IMPACT OF CORPORATE DEBT
RESTRUCTURING ON A COMPANY'S
FINANCIAL PERFORMANCE**

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2K14/MBA/83

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Jan - May 2016

CERTIFICATE FROM THE INSTITUTE

This is to certify that the Project Dissertation titled **Study the Impact of Corporate Debt Restructuring on a Company's Financial Performance** is a bonafide work carried out by Mr. **Gaurav Shah** of MBA 2014-16 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfillment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guide

Signature of Head (DSM)

Place:

Seal of Head

Date:

DECLARATION

I, **GAURAV SHAH**, student of MBA 2014-16 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that Project Dissertation on **Study the Impact of Corporate Debt Restructuring on a Company's Financial Performance** submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This Report is not being submitted to any other University for award of any other Degree, Diploma and Fellowship.

Name of the student

Place:

Date:

ACKNOWLEDGEMENT

I would like to extend my heartfelt thanks to Dr. Archana Singh for her invaluable guidance, interest and suggestions throughout the course of the project. I am thankful to her for providing me with useful references and information, which were of significant importance for the completion of my project. I feel honoured and privileged to work under her. She shared her vast pool of knowledge with me that helped me steer through all the difficulties with ease. This project would not have been possible without her guidance and I would like to thank her for everything she has done for me. I perceive this opportunity as a big milestone in my career development. I will strive to use skills and knowledge gained here in the best possible way, and I will continue to work on their further improvement, in order to attain my desired career objectives.

EXECUTIVE SUMMARY

The global financial crisis has distressed the corporate sector in a number of countries, affected both by a tightening of credit and weaker consumer demand. Corporate Debt Restructuring (CDR) is an effective financial tool for minimizing the adverse effects of default on the borrowers as well as lenders. This is especially important, as the credit portfolio of banks and financial institutions are created mainly out of the resources raised from the general public.

This report starts with an introduction about corporate debt restructuring, how it functions in India and its structure, emphasizing on the need and importance of CDR. It further moves on to study recent cases of CDR in India and how they turned out. Analysis has been performed by studying the impact of CDR on six companies and their performance. This has been done by studying the impact on major ratios.

Further, recommendations have been made on the basis of the study as well as the current scenario. Some of these include improved monitoring, appraisal process and alignment with the legal system. Also, institutes could be set up for funding decisions, especially in the case of infrastructure projects that are on the rise.