



Brickwork Ratings
Indicative information
required for credit ratings

December 2024

A. INDICATIVE INFORMATION REQUIRED FOR CREDIT RATINGS - CORPORATE & NON-FINANCIAL SECTOR

Below are the minimum information requirements from issuers or entities in the Corporate/Non-Financial sector seeking credit ratings:

- Corporate structure, including group companies, subsidiaries, associates, board of directors, key management and the latest shareholding pattern.
- Annual reports for the past three years, including consolidated financials if applicable.
- Projected financial performance and cash/funds flow statements for the next two years.
- Recent annual report/financial statements.
- Recent quarterly or semi-annual financial results (mandatory for listed companies).
- Detailed debt break-up, including future capex plans, debt maturity profile till maturity.
- Names and contact details of the financing Banks/Institutions, details of credit facilities, statutory auditors, Debenture Trustees(if applicable), and investors.
- Latest key financial indicators of all group/associate entities (if applicable).
- Revenue breakup and market share in terms of products/services, geographies, customers, and industry verticals, as applicable.
- Key operational parameters/metrics (as applicable to the industry).
- Business growth plans, techno-economic collaborations, hedging policy, etc.
- Details on ageing and mix of receivables and inventory.
- Latest order book position with corresponding completion timelines (where applicable).
- Term sheet or information memorandum for the proposed instrument, or the latest valid bank sanction letter(s)/executed Debenture Trustee Deed, as applicable.
- Details of any non-compliance, with sanction terms related to the creation of security for the instrument or loan.
- No dues/delay / No Default Statement (NDS) in the prescribed format.
- Bank statements for the last 6or 12 months.
- Updated details of the company's business, industry, and operations, along with project details for companies undertaking projects.
- Segment-wise revenue and profitability for multi-product companies.

B. POLICY ON INDICATIVE INFORMATION REQUIRED FOR CREDIT RATINGS - FINANCIAL SECTOR

Below, are the minimum information requirements from the issuers or / entities in the financial sector, seeking credit ratings:

- Corporate structure including group companies, subsidiaries, associates, board of directors, key management and the latest shareholding pattern.
- Annual reports for the past three years, including consolidated financials if applicable. Unaudited financial statements for the half-year or quarterly results.

- Projected financial performance and cash/funds flow statements for the next two years.
- Detailed debt break-up, including future capex plans, debt maturity profile till maturity.
- Names and contact details of the financing banks/institutions, details of credit facilities/Instruments, statutory auditors, Debenture Trustees(if applicable) and investors.
- Latest key financial indicators of all group/associate entities (as applicable).
- Business growth plans
- Assets Under Management (AUM), including on book and off-book portfolio, and asset quality details.
- Portfolio breakdown by segment, ticket size, tenor wise, Loan to value (LTV) ratio, geography, interest rate, etc.
- List of top 50 standard exposures
- List of top 50 NPA accounts and provisions held against them
- List of top 50 restructured portfolio
- List of top 50 investments (debt and equity)
- Disbursements and collections details, including monthly breakdown of current collections, overdue collections, prepayments, and current demand.
- Details of equity infusion or funds raised in the last 12 months.
- Portfolio delinquency details, bucket-wise analysis, movement of NPAs, restructured accounts and write-offs.
- Earnings profile and borrowing/resource profile
- Liquidity details, including unencumbered fixed deposits, liquid investments, cash and bank balances, scheduled collections and repayment obligations over the next 12 months, bucket-wise asset liability position/structured liquidity statement.
- Capitalisation levels and compliance with regulatory requirements.
- Draft term sheet or information memorandum for the proposed instrument, or the latest valid bank sanction letter(s)/ executed Debenture Trustee deed for raised instruments (as applicable).
- Details of any non-compliance, with sanction terms related to the creation of security for the instrument or loan.
- No dues/delay / No Default Statement (NDS) in the prescribed format.
- Bank statements for the last 6 or 12 months.
- Details of contingent liabilities, if any, and their current status.
- Operational details, including number of employees, branches, offices, active customers/client, client additions.
- Current year information, including year-to-date, quarterly, or half-yearly financials.
- Projections or indicative estimates of key figures in the profit and loss statement and balance sheet for the near term.
- Segmental breakdown of key parameters (such as advances, revenues, asset quality, profitability, as applicable) for multi-product entities.
- Movement in NPAs (or equivalent) and the level of restructured assets for entities engaged in lending operations.
- For Commercial Paper Program ratings, provide liquidity details and liquidity support plan (where applicable).
- Statement of structural liquidity/Asset-Liability Management (ALM)

Additional information for Banks

- Deposits, advances, CASA, credit deposit, BASEL III compliances for capitalization and liquidity.
- Basel III compliance ratios

Additional information for Broking Entities

- Monthly broking turnover details
- Breakdown of broking income from existing, new, HNI clients, proprietary book, and margin trading facility. Details of loan book under margin trading facility and collaterals held against it.
- Company's risk management policy and policy on margin trading facility.

Additional information for Insurance Companies

- Details of business acquisitions (new and renewal) through various channels, segments, products, etc.
- Solvency and other ratios specific to the insurance industry.
- Claims experience, extent of risk retained and reinsurance risk concentration across various segments.

Additional information for Asset Reconstruction Companies (ARCs)

- Data for the past five years on acquisitions, recoveries, redemptions, write-offs, incentives, management fees, segmented by sector, geography, etc.
- Movement of ratings over the last five years, including SR Ratings breakdown.
- Details of securities, collaterals, valuations, and asset coverage for the required assets.

Additional information for Asset Management Companies/ Mutual Funds

- Fund allocation and Asset Management Company (AMC) details.
- Fund allocation, including AUM, current asset allocation(percentage), full portfolio details, portfolio performance/index, and details of the portfolio manager.
- Asset Management Company details, including AUM as of current date and information on all funds/schemes managed by the AMC.
- Scheme details, including inflows, , outflows , and redemption trends with five years of data.
- Investment policies and profile of the fund manager.
- Current details of the investments in the portfolio of the scheme to be rated, with monthly updates thereafter.

- **Additional Information for Guaranteed and/ or partially guaranteed instruments**

- Guarantee document
- Budget document and/or government order or equivalent (if the guarantor is a state government).
- Transaction structure
- Detailed information of the guarantor, as outlined above, for the borrower (if not available with BWR).

Securitisation Transactions (Provisional Rating)

- Contract-level pool data, as applicable, including details such as interest rate, ticket size, tenure, seasoning, geography, loan-to-value (LTV) ratio, and asset type.

- Pool level future cash flows
- Draft terms for the transaction, including the waterfall structure, indicative yield on the proposed instrument(s), and overall structure.
- Originator portfolio information, including delinquency (0+, 30+, or 90+ DPD, as applicable) and portfolio-level cuts based on various parameters.
- Originator's annual reports for the last three years and the latest financials.

BWR will analyze the above details, engage with the entity for better understanding and clarity, and request additional information as needed to determine the credit rating.