# Policy Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises

### 1. Eligibility:

The provisions made in this framework shall be applicable to MSMEs having loan limit exposure up to Rs.25 crore, including accounts under consortium or multiple banking arrangements (MBA).

### 2. Identification of incipient stress

2.1 **Identification by banks or creditors** – Before a loan account of a Micro, Small and Medium Enterprise turns into a Non-Performing Asset (NPA), Bank Branch or creditors of the entity should identify incipient stress in the account by creating three sub-categories under the Special Mention Account (SMA) category as given in the Table below:

SMA Sub-categories	Basis for classification
SMA-0	Principal or interest payment not overdue for more than 30
	days but account showing signs of incipient stress (Please
	see Annex)
SMA-1	Principal or interest payment overdue between 31-60 days
SMA-2	Principal or interest payment overdue between 61-90 days

On the basis of the above early warning signals, the branch maintaining the account may consider forwarding the account to the Committee as referred in para 3.3 **within five working days** for a suitable corrective action plan (CAP). However, it will be mandatory for an account to be referred to the Committee, if it is classified as SMA 2.

- 2.2. As regards accounts with aggregate Loan limits upto Rs.10.00 lacs identified as SMA -2, the account should be mandatorily examined for CAP by the branch itself under the authority of the Branch Manager. Other terms and conditions, such as time limits, procedures to be followed, etc., as applicable to the cases referred to the Committee as referred in para 3.3, should be followed by the Branch Manager. To ensure compliance of the above procedure by the Branch Manager, report of such examination on each of the accounts need to be submitted to RO ( as per Annexure 2) for their scrutiny and follow up. However the cases where the Branch Manager has decided the option of "recovery "under CAP instead of rectification or restructuring as mentioned in para 5.3 (a) or (b), should be referred to the Committee for their concurrence and RO for control and monitoring purpose in the statement as per Annexure 2.
- 2.2 Identification by the Enterprise Any MSME may voluntarily initiate proceedings under this Framework if the enterprise reasonably apprehends failure of its business or its inability or likely inability to pay debts or there is erosion in the net worth due to accumulated losses to the extent of 50% of its net worth during the previous accounting year , , by making an application to the branch or directly to the Committee as referred in para 3.3 where ever applicable . When such a request is received by lender, the account with aggregate loan limits above Rs.10 lacs should be referred to the Committee . The Committee should convene its meeting at the earliest but not later than five working days from the receipt of the application, to examine the account for a suitable CAP. The accounts with aggregate loan limit upto Rs.10.00 lacs may be dealt with by the Branch Manager for a suitable CAP.

### 3. Committees for Stressed Micro, Small and Medium Enterprises:

In order to enable faster resolution of stress in an MSME account, it is proposed to form Committees for Stressed Micro, Small and Medium Enterprises (COSM) as per the following arrangements:

- 3.1 It is proposed to constitute a Committee at each Regional Office level. These Committees will be Standing Committees and will resolve the reported stress of MSME accounts of the branches falling under their jurisdiction.
- 3.2 For MSME borrowers having credit facilities under a consortium of banks or multiple banking arrangement (MBA), the consortium leader, or the bank having the largest exposure to the borrower under MBA, as the case may be, shall refer the case to its Committee, if the account is reported as stressed either by the borrower or any of the lenders under this Framework. This Committee will also coordinate between the different lenders.
- 3.3 The Composition of the Committee shall be as under:
  - (a) The Regional head shall be the Chairperson of the Committee;
  - (b) Officer-in-charge of the Micro, Small and Medium Enterprises Credit Department of the Regional office level or In charge of Credit at R.O. who is also looking after MSME Credit, in case there is no exclusive Credit Manager for MSME credit. , shall be the member and convener of the Committee:
  - (c) One independent external expert with expertise in Micro, Small and Medium Enterprises related matters. For the purpose Regional Managers are authorised to nominate such independent members from reputed CA firms /companies who are not undertaking any Loan syndication assignments , TEV study consultants , Recognized / Regd. Industrial associations of MSME of State / All India level Reputed firms / Companies providing financial services or solutions for Private equity or other merchant banking activities other than Loan syndication.

(Such independent entity to execute a stamped undertaking confirming that they do not participate in the proceedings where the accounts in which they are having interest, in any manner). The Region may call for advertisement/other means to enlist such representatives on panel.

(d) One representative from the concerned State Government. Endeavour should be made to bring representative from the respective State Government in the Committee. The Director of Industries or his representative may also be considered as State Govt. Representative. In case State Government does not nominate any member, then the Regional head should proceed to include an independent expert in the Committee, namely a retired executive of another bank of the rank of AGM and above.

For the purpose, the Regional Managers are authorised to nominate such independent expert from retired executives of other Public sector Banks/SBI and its subsidiaries, preferably from Peer Banks such as BOI, UBI, PNB, OBC, Canara Bank. The Region may call for advertisement /other means to enlist such executives on panel

(e) When handling accounts **under consortium** or MBA, senior **representatives of all banks / non-bank lenders** having exposure to the borrower.

- 3.4 Banks were given powers to frame a policy on the composition of the Committee, the terms of appointment of its members, the manner of filling vacancies, and the procedure to be followed in the discharge of the Committee's functions. Accordingly it is approved as under:
  - Appointment of such independent members/experts under (c) and (d) category as above is for a period of 12 months from the time of appointment with a proviso for re-appointment once again i.e. for Twenty Four Months.
  - The Region may also convene its meetings more than once in a month based on the need
  - Independent members are to be identified from a panel of independent experts as per guidelines.
  - Independent members/ experts are to be paid sitting fee of Rs.5000 per sitting irrespective of the cases attended to and such fee is payable to only independent experts i.e., other than Public servants
  - Committee should carry out its functions in accordance with the RBI guidelines under the Frame work.
  - While decisions of the Committee will be by simple majority, the Chairperson shall have the casting vote, in case of a tie. Quorum of the meeting will be Two.
  - In case of accounts under consortium / MBA, lenders should sign an Inter-Creditor Agreement (ICA) on the lines of Joint Lenders' Forum (JLF) Agreement. Such agreements are being drafted by IBA as per the instructions of RBI and once approved drafts of IBA are received, our Bank also will follow the same.
- 3.5 All eligible stressed MSMEs shall have access to the Committee for deciding on a corrective action plan (CAP) and determining the terms thereof in accordance with regulations prescribed in this Framework.
- 3.6 Provided that where the Committee decides that recovery is to be made as part of the CAP, the manner and method of recovery shall be in accordance with the existing policies approved by the board of directors of the bank which has extended credit facilities to the enterprise, subject to any regulations prescribed by the Reserve Bank of India and extant Statutory requirements.

### 4. Application to the Committee for a Corrective Action Plan

- 4.1 Any lender on identifying an MSME account as SMA-2 or suitable for examination under the Framework or on receipt of an application from the stressed enterprise, shall forward the cases having aggregate loan limits above Rs.10.00 lacs to the Committee for immediate convening of meeting and deciding on a CAP in prescribed format as prepared by IBA as per the RBI guidelines. Stressed enterprises can also directly file an application to the Committee or to the largest lender for onward submission under advice to all its lenders. Such draft formats as circulated by The Indian Banks' Association (IBA), for aggregate loan limits up to Rs.10.00 Lacs and Rs.10.00 Lacs and above, separately are attached **as per Annexure 3 & 4**. Such enterprises are to submit their applications in the prescribed formats along with the documents prescribed including the following:
  - (a) Latest audited accounts of the Enterprise including its Net worth:
  - (b) Details of all liabilities of the enterprise, including the liabilities owed to the State or Central Government and unsecured creditors, if any;
  - (c) Nature of Stress faced by the Enterprise; and
  - (d) Suggested remedial actions

- 4.2 Where an application is filed by a bank / lender and admitted by the Committee, the Committee shall notify the concerned enterprise about such application within five working days and require the enterprise to:
  - (a) Respond to the application or make a representation before the Committee; and
  - (b) Disclose the details of all its liabilities, including the liabilities owed to the State or Central Government and unsecured creditors, if any, within fifteen working days of receipt of such notice;

Provided that if the enterprise does not respond within the above period, the Committee may proceed ex-parte.

- 4.3 On receipt of information relating to the liabilities of the enterprise, the Committee may send notice to such statutory creditors as disclosed by the enterprise as it may deem fit, informing them about the application under the Frame work and permit them to make a representation regarding their claims before the Committee within fifteen working days of receipt of such notice. RBI guidelines made it clear that this information are required for determining the total liability of the Enterprise in order to arrive at a suitable CAP and not for payments of the same by the lenders.
- 4.4 Within **30 days** of convening its first meeting for a specific enterprise, the Committee shall take a decision on the option to be adopted under the corrective action plan as given in subsequent paragraphs and notify the enterprise about such a decision, **within five working days** from the date of such decision.
- 4.5 If the corrective action plan decided by the Committee envisages restructuring of the debt of the enterprise, the Committee shall also arrange to conduct detailed Techno-Economic Viability (TEV) study (also refer Para 5.1) and also the terms of such a restructuring in accordance with the extant prudential norms for restructuring, within 20 working days (for accounts having aggregate exposure up to Rs.10 crore) and within 30 days (for accounts having aggregate exposure above Rs.10 crore and up to Rs.25 crore) and notify the enterprise about such terms, within five working days.
- 4.6 Upon finalisation of the terms of the corrective action plan, the implementation of that plan shall be completed within 30 days (if the CAP is Rectification) and within 90 days (if the CAP is restructuring). In case recovery is considered as CAP, the recovery measures should be initiated at the earliest.
- 4.7 Where an application has been admitted by the Committee in respect of an MSME, the enterprise shall continue to perform contracts essential to its survival but the Committee may impose such restrictions, as it may deem fit, for future revival of the enterprise.
- 4.8 The Committee shall make suitable provisions for payment of tax or any other statutory dues in the corrective action plan and the enterprise shall take necessary steps to submit such plan to the concerned taxation or statutory authority and obtain approval of such payment plan.

### 5. Corrective Action Plan by the Committee

- 5.1 The Committee may explore various options to resolve the stress in the account. The Committee shall not endeavour to encourage a particular resolution option and may decide the CAP as per the specific requirements and position of each case. While Techno-Economic viability of each account is to be decided by the concerned lender/s before considering restructuring as CAPs, for accounts with aggregate exposure of Rs.10 crore and above, the Committee should conduct a detailed Techno-Economic Viability study before finalising the CAP.
- 5.2 During the period of operation of CAP, the enterprise shall be allowed to avail both secured and unsecured credit for its business operations as envisaged under the terms of CAP.
- 5.3 The options under CAP by the Committee may include:
  - (a) **Rectification:** Obtaining a specific commitment, specifying actions and timelines, from the borrower to regularise the account so that the account comes out of Special Mention Account status or does not slip into the Non-Performing Asset category and the commitment should be supported with identifiable cash flows within the required time period and without involving any loss or sacrifice on the part of the existing lenders. The Rectification process should primarily be borrower driven. However, the Committee may also consider providing need based additional finance to the borrower, if considered necessary, as part of the rectification process. It should however be ensured that this need based is intended only for meeting, in exceptional cases, unavoidable increased working capital requirement. In all cases of additional finance for working capital, any diversion of funds will render the account as NPA. Further, such additional finance should ordinarily be an adhoc facility to be repaid or regularised within a maximum period of six months. Additional finance for any other purpose, as also any roll-over of existing facilities, or funding not in compliance with the above conditions, will tantamount to restructuring. Further repeated rectification with funding, within the space of one year, will be treated as a restructuring and no additional finance should be sanctioned under CAP, in cases where the account has been reported as fraud by any lender.
  - (b) **Restructuring:** Consider the possibility of restructuring the account, if it is prima facie viable and the borrower is not a wilful defaulter, i.e., there is no diversion of funds, fraud or malfeasance, etc. Commitment from promoters for extending their personal guarantee along with their net worth statement supported by copies of legal titles to assets may be obtained along with a declaration that they would not undertake any transaction that would alienate assets without the permission of the Committee. Any deviation from the commitment by the borrowers affecting the security or recoverability of the loan may be treated as a valid factor for initiating recovery process. The lenders in the Committee may sign an Inter-Creditor Agreement and also require the borrower to sign the Debtor-Creditor Agreement which would provide the legal basis for any restructuring process. As per RBI guidance, The IBA is preparing such formats for this purpose on the lines of formats used by the Corporate Debt Restructuring mechanism for Inter-Creditor Agreement and Debtor-Creditor Agreement. The branches will be advised of such agreement formats in due course of time. Further, a stand-still clause (as defined in extant guidelines on Restructuring of Advances) may be stipulated in the Debtor-Creditor Agreement to enable a smooth process of restructuring. The stand-still clause does not mean that the borrower is precluded from making payments to the

lenders. The Inter-Creditor Agreement may also stipulate that both secured and unsecured creditors need to agree to the final resolution.

- (c) **Recovery:** Once the first two options at (a) and (b) above are seen as not feasible, due recovery process may be resorted to. The Committee may decide the best recovery process to be followed, among the various legal and other recovery options available, with a view to optimizing the efforts and results.
- 6. The decisions agreed upon by a majority of the creditors (75% by value and 50% by number) in the Committee would be considered as the basis for proceeding with the restructuring of the account, and will be binding on all lenders under the terms of the Inter-Creditor Agreement. If the Committee decides to proceed with recovery, the minimum criteria for binding decision, if any, under any relevant laws or Acts shall be applicable.

#### 7. Time-lines

Detailed time-lines are given for carrying out various activities under the Framework. If the Committee is not able to decide on CAP and restructuring package due to non-availability of information on statutory dues of the borrower, the Committee may take additional time not exceeding 30 days for deciding CAP and preparing the restructuring package. However, they should not wait beyond this period and proceed with CAP.

#### 8. Additional Finance

- 8.1 If the Committee decides that the enterprise requires financial resources to restructure or revive, it may draw up a plan for provision of such finance. Any additional finance should be matched by contribution by the promoters in appropriate proportion and this should not be less than the proportion at the time of original sanction of loans. Additional funding provided under restructuring / rectification as part of the CAP will have priority in repayment over repayment of existing debts. Therefore, instalments of the additional funding which fall due for repayment will have priority over the repayment obligations of the existing debt.
- 8.2 If the existing promoters are not in a position to bring in additional funds the Committee may allow the enterprise to raise secured or unsecured loans.
- 8.3 Provided further, the Committee may, with the consent of all creditors recognized, provide such loans higher priority than any existing debt.
- **9.** If the Committee decides on options of either 'Rectification' or 'Restructuring', but the account fails to perform as per the agreed terms under these options, the Committee shall initiate recovery under option 5.3(c).

### 10. Restructuring by Committee

### 10.1 Eligibility

(a) Restructuring cases shall be taken up by the Committee only in respect of assets reported as Standard, Special Mention Account or Sub-Standard by one or more lenders of the Committee.

- (b) However, the Committee may consider restructuring of the debt, where the account is doubtful with one or two lender/s but it is Standard or Sub-Standard in the books of majority of other lenders (by value).
- (c) Wilful defaulters shall not be eligible for restructuring. However, the Committee may review the reasons for classification of the borrower as a wilful defaulter and satisfy itself that the borrower is in a position to rectify the wilful default. The decision to restructure such cases shall have the approval of the Board of concerned bank within the Committee who has classified the borrower as wilful defaulter.
- (d) Cases of Frauds and Malfeasance remain ineligible for restructuring. However ., in cases of fraud / malfeasance where the exiting promoters are replaced by new promoters and the borrower company is totally delinked from such erstwhile promoters / management , banks and the Committee may take a view on restructuring of such accounts based on their viability, without prejudice to the continuance of criminal action against the erstwhile promoters / management. Further, such accounts may also be eligible for asset classification benefits available on refinancing after change in ownership, if such change in ownership is carried out under RBI guidelines contained in circular DBR.BP.BC.No.41/21.04.2048/2015-16 dated September 24, 2015 on "Prudential Norms on Change in Ownership of Borrowing Entities (Outside Strategic Debt Restructuring Scheme)". Existing guidelines to finance in respect of such cases of "Frauds and Malfeasance" continue and need to be referred to corporate office.

### 10.2. Viability

- (a) The viability of the account shall be determined by the Committee based on acceptable viability benchmarks determined by the Bank as per SME Policy under Domestic Loan Policy 2014 of our Bank. .
- (b) The parameters may, inter-alia, include

Debt Equity Ratio - 4.50:1.

DSCR - Minimum Average DSCR of 1.75 and Min of 1.25 in all the

years of repayment period

Liquidity or Current Ratio -1.20

### 10.3. Conditions Relating to Restructuring under the Framework

- (1) Under this Framework, the restructuring package shall stipulate the timeline during which certain viability milestones such as improvement in certain financial ratios after a period of 6 months may be achieved.
- (2) The Committee shall periodically review the account for achievement / non-achievement of milestones and shall consider initiating suitable measures including recovery measures as deemed appropriate.
- (3) Any restructuring under this Framework shall be completed within the specified time periods.
- (4) The Committee shall optimally utilize the specified time periods so that the aggregate time limit is not breached under any mode of restructuring.

- (5) If the Committee takes a shorter time for an activity as against the prescribed limit, then it can have the discretion to utilize the saved time for other activities provided the aggregate time limit is not breached.
- (6) The general principle of restructuring shall be that the stakeholders bear the first loss rather than the debt holders. The Committee may consider the following options, when a loan is restructured
  - (a) Possibility of transferring equity of the company by promoters to the lenders to compensate for their sacrifices;
  - (b) Promoters infusing more equity into their companies;
  - (c) Transfer of the promoters' holdings to a security trustee or an escrow arrangement till turnaround of enterprise to enable a change in management control, if lenders favour it.
  - (7) In case a borrower has undertaken diversification or expansion of the activities which has resulted in the stress on the core-business of the group, a clause for sale of non-core assets or other assets may be stipulated as a condition for restructuring the account, if under the Techno-Economic Viability study, the account is likely to become viable on hiving off of non-core activities and other assets.
  - (8) For restructuring of dues in respect of listed companies, lenders may be, ab-initio, compensated for their loss or sacrifice (diminution in fair value of account in net present value terms) by way of issuance of equities of the company upfront, subject to the extant regulations and statutory requirements.
  - (9) If the lenders' sacrifice is not fully compensated by way of issuance of equities, the **right of recompense clause** may be incorporated to the extent of shortfall.
  - (10) In order to distinguish the differential security interest available to secured lenders, partially secured lenders and unsecured lenders, the Committee may consider various options, such as:
    - (a) prior agreement in the Inter-Creditor Agreement among the above classes of lenders regarding repayments;
    - (b) a structured agreement stipulating priority of secured creditors;
    - (c) appropriation of repayment proceeds among secured, partially secured and unsecured lenders in certain pre-agreed proportion.
  - (11) The Committee shall, on request by the enterprise or any creditor recognised under paragraph 4.3, provide information relating to the proceeding as requested by the enterprise or such creditor.

### 10.4 Prudential Norms on Asset Classification and Provisioning

The extant asset classification and provisioning norms will be applicable for restructuring of accounts under this Framework.

#### 11. Review

(1) In case the Committee decides that recovery action is to be initiated against an enterprise, such enterprise may request for a review of the decision by the Committee within a period of **ten working days** from the date of receipt of the decision of the Committee.

- (2) The request for review shall be on the following grounds:
  - (a) a mistake or error apparent on the face of the record; or
  - (b) discovery of new and relevant fact or information which could not be produced before the Committee earlier despite the exercise of due diligence by the enterprise.
- (3) A review application shall be decided by the Committee within a period of thirty days from the date of filing and if as a consequence of such review, the Committee decides to pursue a fresh corrective action plan, it may do so.

### 12. Powers to modify the guidelines:

**Managing Director & CEO** is authorised to approve any modifications in the existing provisions or to incorporate any fresh provisions under the present policy document ..

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### **Annexure 3**

# <u>Application to the Branch for a Corrective Action Plan under Revival & Rehabilitation of MSME</u>

# (For Existing Loan Exposure up to Rs.10 Lakh) (To be submitted along with documents as per the check list)

Name of the Bank: Bank of Baroda

A.Brief Profile of the Enterpris
----------------------------------

Name of the								
Enterprise								
Constitution		Proprietary	Partner	ship	Pvt.	Ltd.	Ltd. Company	Any Others
Current								
Business								
Address								
Contact No.				E-Ma	ail			
Udyog Aadh	aar	No./ Registrat	ion No.					
Date of incorp	oor	ation / Establis	hment					
Activity				Mfg./ Trading/ Services/Others				
			Brie	ef of I	Busine	ess ac	tivity	
5 1: ''1								
Banking with	us	since						
SMA Status:			SMA-0 / SMA-1 / SMA-2					

### **B.Details of Proprietor/ Partners/ Directors:**

(Amount in Rs.)

					( /	
Name of	Designation	Residential	PAN No.	Net Worth	Other dues as	% of
Proprietor/		Address with	/DIN No.	as on date	borrower/	Share
Partners/		Contact No.			guarantor	Holding
Directors						

## C. Details of Associate Concern / Sister Concern: (Amount in Rs.)

Name of Associate	Business	Banking	Banking Loan Limit		imit	Financials as on			
Concern / Sister Concern	Activity	With	FB	NFB	Net Sales	Net Profit	Net Worth		

# D. Social Category:

Gender	1	Man			Woman			Trans gender	
Physically Challenged		Yes	es or No						
Social Category	<b>V</b>	SC	ST	ОВС	Women Physically Handicapped Minority				
If Minority Community	<b>V</b>	Budo	dhists	Muslims	Christians	Sikhs	Jains	Zoroastrians	

# E. Details of Existing Liabilities with the Bank:

(Amount in Rs.)

Facility	Limit	Market value of stocks	Advance value of stocks	Drawing Power	O/s	Overdues
Fund based working capital (CC / OD/EPC etc.)						
Others (please specify)						
Fund based sub-total						
LC/BG for working capital						
Others (Please specify)						
Non Fund based Sub-total						
Total Working Capital						
Term Loans						
Any Other (Specify)						
Total Exposure						

Banking arrangeme	ent and sh	naring p	oattern:						
Financial Arrangem	nent:								
Sole Banking/Cons	ortium/M	ultiple E	Banking/						
		F	В			NFB	Tota	al	%
									Share
	W	<u> </u>	Т	L					
	Limit	O/s	Limit	O/s	Limit	O/s	Limit	O/s	
Bank 1									
Bank 2									
Banks(Total)									
Total									

1. Details of other Elabilities.	(Amount in 183.)
Details of Statutory dues remaining	Details of Unsecured Creditors.
outstanding with State Government or Central	(Furnish reason for incurring liability)
Covernment	

outstanding with State Government or Central Government	(Furnish reason for incurring liability)

G. Past Performance & Future Estimates: ( Actual performance for two previous years, estimates for current year and projections for next two years to be provided for additional working capital facilities)

(Amount in Rs.)

(Amount in Rs.)

				(	
	Past Year-II	Past Year-I	Present Year	Next Year-I	Next Year-II
	(Actual)	(Actual)	(Estimate)	(Projection)	(Projection)
Net Sales					
Net Profit					
Capital (Net					
Worth of the					
Enterprise)					
TNW					
Adjusted TNW					
Current Ratio					
TOL/Adjusted TNW					
Cash Accruals					

H. In case of additional Working Capital: (Amount in Rs.)

Actu	al Sales		Projected								
FY-	FY-	Sales	Working Cycle	Inventory	Debtors	Creditors	Promoter's				
			in Months	(in Days)	(in Days)	(in Days)	Contribution				

I. For additional term loan facilities projections to be provided till the proposed year of repayment of loan.

J. (	a`	) Detai	ils of	Existin	na S	Security	-
•	·	, <del>-</del>				, <b></b> ,	

F Details of Other Liabilities:

(Amount in Rs.)

Particulars of Pr	rimary Security	Nature of charge	Date of Valuation	Value
	0.055.50		5 . ()(1	
Particulars of	SARFAESI	Nature of charge	Date of Valuation	Value
Collateral	Complaint (Y			
Security	or N)			

# (b) Details of Proposed Additional Security to be offered:

(Amount in Rs.)

Particulars of Pr	imary Security	Nature of charge	Date of Valuation	Value
Particulars of SARFAES Collateral Complaint Security or N)		Nature of charge	Date of Valuation	Value

# K. (a) Details of Existing Guarantors:

(Amount in Rs.)

Name of the Guarantors	Age	Occupation	Annual Income	Net Worth	Other dues as Borrower/ Guarantor

# (b) Details of Proposed Guarantors:

(Amount in Rs.)

Name of the Guarantors	Age	Occupation	Annual Income	Net Worth	Other dues as
					Borrower/
					Guarantor

# L. Details of stress faced by the Enterprise:

	Indicative List of Stress	Details of stress faced by the Enterprise
•	Outstanding balance in cash credit account remaining continuously at the maximum.	
•	Inability to maintain stipulated margin on continuous basis.	
•	Failed to make timely payment of instalments of principal and interest on term loans.	
•	Decline in production.	
•	Decline in sales and fall in profits.	
•	Overdue Receivables / Bad debts	
•	Increase in level of inventories.	
•	Failed to pay statutory liabilities.	
•	Delay in meeting commitments towards payments of installments due, crystallized liabilities under LC/BGs.	

# M.Suggested Remedial Measures with the estimated time frame to justify the action plan:

Indicative Remedial Measures	Suggested remedial measures with the estimated time frame by the Enterprise with supporting details to justify the action plan /solution, duly supported/vetted by TEV as the case may be.
Rectification:	
Restructuring:	
<ul> <li>Reschedulement of Instalments.</li> </ul>	
<ul><li>Capitalisation of interest.</li></ul>	
<ul><li>Fresh and/or additional WC / WCTL.</li></ul>	
<ul> <li>Fresh term loan assistance for need</li> </ul>	
based expansion.	

**Declaration:** I/We hereby certify that all information furnished by me/us is true, correct and completeto the best of my/our knowledge and belief. I/We shall furnish all other information that may be required by Bank in connection with my/our application. The information may also be exchanged by you with any agency you may deem fit. You, your representatives or any other agency as authorised by you, may at any time, inspect/ verify my/our assets, books of accounts etc. in my/our factory/business premises. You may take appropriate safeguards/action for recovery of bank's dues.

Signature of Borrowers	Signature of Existing & Proposed Guarantors
Date:	Place:

# CHECK LIST: (The check list is only indicative and not exhaustive and depending upon the requirements of banks addition/deletion could be made as per necessity)

- 1) Last two years balance sheets of the units along with income tax/sales tax return etc.
- 2) Projected balance sheets for two years in case of working capital limits and for the period of the loan in case of term loan.
- 3) Sales achieved during the current financial yearup to the date of submission of application.
- 4) Asset & Liability statement of Proprietor/ Partners/ Directors.
- 5) Details of all liabilities of the enterprise, including the liabilities owed to the State or Central Government and unsecured creditors, if any.
- 6) Detailed note on nature of stress faced by the Enterprise.
- 7) Suggested remedial measures with the estimated time frame by the Enterprise with supporting details to justify the action plan /solution.

# Acknowledgement Slip for Application to the Committee for Corrective Action Plan under Revival & Rehabilitation of MSMEs

Office	Copy:
	ed form M/s
	(Name & s)an application dated for corrective action plan under revival & rehabilitation of
Date	Officer / Manager
1. 2. 3.	Note that:  This is only an acknowledgement for having received the application and this should not be construed as an indication of our acceptance of the proposal, a decision on which will be taken only after due consideration of the proposal on its merit and / or on fulfilment of conditions if any, that may be stipulated by the Bank.  The application will be taken up for consideration only after all the particulars / data / documents as may be required are received by the Bank.  The application will be disposed off withindays from the date of receipt of all the details /papers/documents /clarifications sought by the Bank.  In case the proposal is rejected/not considered the reasons for the same will be intimated to the applicant.
Recei <sup>1</sup> Mr/Ms	ved form s/M/s(Name & Address)an ation dated

#### Please Note that:

Date .....

1. This is only an acknowledgement for having received the application and this should not be construed as an indication of our acceptance of the proposal, a decision on which will be taken only after due consideration of the proposal on its merit and / or on fulfilment of conditions if any, that may be stipulated by the Bank.

Officer / Manager

- 2. The application will be taken up for consideration only after all the particulars / data / documents as may be required are received by the Bank.
- **3.** The application will be disposed of within ......days from the date of receipt of all the details /papers/documents /clarifications sought by the Bank.
- **4.** In case the proposal is rejected/not considered the reasons for the same will be intimated to the applicant.

Name	of	the	Bank:										
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# Application to the Committee for a Corrective Action Plan under Revival & Rehabilitation of MSME

(For Existing Loan Exposure above Rs.10 Lakhs and up to Rs.25Crore)

( To be submitted along with documents as per the check list )

### A.Brief Profile of the Enterprise:

Name of the Enterprise										
Constitution	<b>V</b>	Proprietary	Partners	hip	Pvt.	Ltd.	Ltd. C	Company	Any Others	
Corporate office	/		<u>.</u>							
Registered Office	Э									
address of the										
borrower										
Contact No.			E-Ma		iil					
Udyog Aadhaar	No./	Registration No	0.							
Date of Incorpora	ation	/ Establishmer	nt							
Date of commen	ceme	ent of operation	ns:							
Activity			Mfg./ Trading	g/ Serv	ices/	Others				
Banking with Us	Sinc	e:								
Banking arrange	ment	:: 5	Sole Banking /Consortium/ /Multiple Banking							
SMA Status					5	SMA- 0 / S	SMA-1	/ SMA-02		
External Credit Rating			Name of the	he C		urrent Rat	ing	Previous	Valid up to	
			Agency				Rating			

## **B.Details of Proprietor/ Partners/ Directors:**

(Amount in Rs.)

			(/					
Name of	Designation	Residential	PAN No.	Net Worth	Other dues as	% of		
Proprietor/		Address with	/DIN No.	as on date	borrower/	Share		
Partners/		Contact No.			guarantor	Holding		
Directors								

## C. Details of Associate Concern / Sister Concern: (Amount in Rs.)

Name of Associate Concern / Sister	Business	Banking	Loan Limit		Financials as on		
	Activity	With	FB	NFB	Net Sales	Net	Net
Concern						Profit	Worth

### D. Social Category:

Gender	1	Man			Woman			Trans gender
Physically		Yes	or No					
Challenged		100	31 140					
Social Category	<b>V</b>	sc	ST	ОВС	Women	Physically Handicapped		Minority
If Minority Community	V	Budo	lhists	Muslims	Christians	Sikhs	Jains	Zoroastrians

# E. Details of Existing Liabilities with the Bank:

(Amount in Lacs)

Facility	Market value of Stocks	Advance Value of Stocks	Drawing Power	O/s	Over Dues
Fund based working capital					
(CC/OD etc.)					
Export Packing Credit					
(Rupee/PCFC)					
Bills Discounting					
PSFC					
Fund based Sub-total					
LC/BG for working capital					
Letters of comfort#					
Non Fund based Sub-Total					
Total Working Capital					
Term Exposures (Other					
than Project Loans)					
(Balance Sheet funding)					
Derivatives (after applying					
CCF)					
Any other (specify)					
Total Exposure					

Banking arrangem	ent and sh	naring	pattern:						
Financial Arranger	nent:								
Sole Banking/Cons	sortium/Mi	ultiple	Banking/						
		F	В			NFB	Tota	al	%
									Share
	WC	,	TL	_					
	Limit	O/s	Limit	O/s	Limit	O/s	Limit	O/s	
Bank 1									
Bank 2									
Banks(Total)									
Total									

# $\label{loss} \textbf{Loans with Financial Institutions / NBFCs and overdues, if any:}$

### F. Details of Other Liabilities:

(Amount in Lacs)

Details of Statutory dues remaining outstanding with State Government or Central Government	Details of Unsecured Creditors. (Furnish reason for incurring liability)

G. Financials:	(Amount in Lacs
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Particulars	Past Year-II	Past Year-	Present	Next Year-I	Next Year-
	(Actual)	I (Actual)	Year	(Projection)	II
			(Estimate)		(Projection)
Net Sales (including					
Operating Income)					
(%) growth in net sales over					
previous year					
Operating Profit (after					
interest)					
Operating Profit Margin (%)					
Other Income					
Profit Before tax					
PAT					
Net Profit Margin (%)					
Paid-up Equity Capital/					
Tangible Net Worth					
TOL/ TNW					
Current Ratio					
Cash Accruals					
Debt Equity Ratio					
Debt Service Coverage					
Ratio					

# H. In case of additional Working Capital:

(Amount in Rs.)

Actu	al Sales	Projected							
FY-	FY-	Sales Working Cycle in Inventory		Debtors (in	Creditors	Promoter's			
			Months		Days)	(in Days)	Contribution		

# I. For additional term loan facilities projections to be provided till the proposed year of repayment of loan.

# J. (a) Details of Existing Security:

(Amount in Lacs)

Particulars of P	rimary Security	Nature of charge	Date of Valuation	Value
Particulars of SARFAESI Collateral Security Complaint (Yes or No)		Nature of charge	Date of Valuation	Value

## (b) Details of Proposed Additional Security to be offered:

Particulars of P	rimary Security	Nature of charge	Date of Valuation	Value
Particulars of SARFAESI Collateral Security Complaint (Yes or No)		Nature of charge	Date of Valuation	Value

## J. (a) Details of Existing Guarantors:

(Amount in Lacs)

				'	= /
Name of the Guarantors	Age	Occupation	Annual Income	Net Worth	Other Dues as
					Borrower/ Guarantor

## (b) Details of Proposed Guarantors:

(Amount in Lacs)

					,
Name of the Guarantors	Age	Occupation	Annual Income	Net Worth	Other Dues as
					Borrower/ Guarantor

# K. Details of stress faced by the Enterprise:

	Indicative List of Stress	Details of stress faced by the Enterprise
•	Outstanding balance in cash credit account remaining continuously at the maximum.  Inability to maintain stipulated margin on	
	continuous basis.	
•	Failed to make timely payment of instalments of principal and interest on term loans.	
•	Decline in production.	
•	Decline in sales and fall in profits.	
•	Increase in level of inventories.	
•	Failed to pay statutory liabilities.	
•	Delay in meeting commitments towards payments of installments due, crystallized liabilities under LC/BGs.	

#### L.Suggested Remedial Measures with the estimated time frame to justify the action plan:

Indicative Remedial Measures	Suggested remedial measures with the estimated time frame by the Enterprise with supporting details to justify the action plan /solution, duly supported/vetted by TEV as the case may be.
Rectification:	
Restructuring:	
Reschedulement of Instalments.	
<ul> <li>Capitalisation of interest.</li> </ul>	
<ul> <li>Fresh and/or additional WC /</li> </ul>	
WCTL.	
Fresh term loan assistance for	
need based expansion.	

**Declaration:** I/We hereby certify that all information furnished by me/us is true, correct and complete to the best of my/our knowledge and belief. I/We shall furnish all other information that may be required by Bank in connection with my/our application. The information may also be exchanged by you with any agency you may deem fit. You, your representatives or any other agency as authorised by you, may at any time, inspect/ verify my/our assets, books of accounts etc. in my/our factory/business premises. You may take appropriate safeguards/action for recovery of bank's dues.

Signature of Borrowers	Signature of Existing & Proposed Guarantors
Date:	Place:

# CHECK LIST: (The check list is only indicative and not exhaustive and depending upon the requirements of banks addition/deletion could be made as per necessity)

- 1) Last two years audited balance sheets of the units along with income tax/sales tax return etc.
- 2) Projected balance sheets for two years in case of working capital limits and for the period of the loan in case of term loan.
- 3) Sales achieved during the current financial yearup to the date of submission of application.
- 4) Asset & Liability statement of Proprietor/ Partners/ Directors.
- 5) If funds proposed to be infused by borrower, please specify Sources.
- 6) Detailed Particulars of securities primary/collateral proposed, if any.
- 7) Details of all liabilities of the enterprise, including the liabilities owed to the State or Central Government and unsecured creditors, if any.
- 8) Supporting details for the suggested remedial measures with the estimated time frame by the Enterprise to justify the action plan /solution.

# Acknowledgement Slip for Application to the Committee for Corrective Action Plan under Revival & Rehabilitation of MSMEs

Office Copy:  Received form  Mr/Ms/M/s(Name &  Address)an application dated					
Please	Note that :				
1.	This is only an acknowledgement for having received the application and this should not be construed as an indication of our acceptance of the proposal, a decision on which will be taken only after due consideration of the proposal on its merit and / or on fulfilment of conditions if any, that may be stipulated by the Bank.				
2.	The application will be taken up for consideration only after all the particulars / data / documents as may be required are received by the Bank.				
3.	The application will be disposed off withindays from the date of receipt of all the details /papers/documents /clarifications sought by the Bank.				
4.	In case the proposal is rejected/not considered the reasons for the same will be intimated to the applicant.				
Custo	omer copy:				
	ved form :/M/s				
	(Name & Address)an				
applic	ation dated for corrective action plan under revival & rehabilitation of MSMEs.				

# Date ...... Please Note that:

### Officer / Manager

- 1. This is only an acknowledgement for having received the application and this should not be construed as an indication of our acceptance of the proposal, a decision on which will be taken only after due consideration of the proposal on its merit and / or on fulfilment of conditions if any, that may be stipulated by the Bank.
- **2.** The application will be taken up for consideration only after all the particulars / data / documents as may be required are received by the Bank.
- **3.** The application will be disposed of within ......days from the date of receipt of all the details /papers/documents /clarifications sought by the Bank.
- **4.** In case the proposal is rejected/not considered the reasons for the same will be intimated to the applicant.