RESOLUTION FRAMEWORK 2.0 – RESOLUTION OF COVID-19 RELATED STRESS OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs)

In view of the uncertainties created by the resurgence of the COVID-19 pandemic in the recent weeks, RBI vide its notification DOR.STR.REC. 12/21.04.048/2021-22 dated 05.05.2021 has decided to extend the captioned facility for restructuring existing loans without a downgrade in the asset classification.

The frequently asked questions, offer cum acceptance letter & application forms have been annexed herewith.

The customer can take the printout of the application form and after filling it may visit their branch subject to fulfilment of eligibility.

INDEX

Sl no	Particulars
1	Offer Cum Acceptance Letter & Application for Term Loan up to Rs 10.00 Lakh.
2	Offer Cum Acceptance Letter & Application for CC/OD up to Rs 10.00 Lakh
3	Application Form above 10.00 lakh & Up to Rs 50.00 Cr
4	Frequently Asked Questions (FAQs)

OFFER CUM ACCEPTANCE LETTER FOR RESTRUCTURING

(To be issued in duplicate)

To

_____

_____

(Borrower's name & address)

Letter No.: _____ Date: _____

Dear Sir / Madam,

TL ACCOUNT NO: _____

OFFER LETTER FOR RESCHEDULING OF TERM LOANS UP TO RS 10 LAKHS

In terms of RBI guidelines dated 05.05.2021, your credit facility is eligible for rescheduling of instalments by extension of repayment period of 6 / 12/ 18/ 24 months including a moratorium period of 6 / 12 /18 / 24 months.

2. The said facilities will be available to you upon your opting-in herewith and submission of application form enclosed**.**

3. You may return the acceptance / opt out letter duly signed through WhatsApp to No…… / to email id……

Yours faithfully,

BRANCH MANAGER

……

……

ACCEPTANCE LETTER

I/We accept the offer and request you to arrange for rescheduling our Term loan instalments by extension of repayment period of 6 /12 / 18/ 24 months including a moratorium period of 6 / 12 /18 / 24 months.

2. I / We are at present finding difficulty to service the account properly due to resurgence of Covid-19 second wave.

3. I/We shall furnish any other information that may be required in connection with the above. We shall execute the arrangement letter with revised terms and conditions upon rescheduling of Term Loan instalments.

Date: Authorized Signatory
Place Name of the company/firm:

OR

I/We do not require the facility and express our intention to **opt out.**

Date: Authorized Signatory
Place: Name of the company/firm

Signature of Borrowers

<u>पुनर्रचना के लिए प्रस्ताव-सह-स्वीकृति पत्र</u>

(दो प्रतियों में जारी किया जाना चाहिए)

सेवा में

_____

_____

*(*उधारकर्ता का नाम एवं पता*)*

पत्र क्रमांक : _____ दिनांक: _____

प्रिय महोदय/महोदया,

<u>मीयादी ऋण खाता क्रमांक</u> :.....

<u>10 लाख रुपए तक के मीयादी ऋणों की अवधि के पुनर्निर्धारण हेतु प्रस्ताव पत्र</u>

भारतीय रिज़र्व बैंक के दिनांक 5 मई 2021 के दिशानिर्देशों के अनुसार, आपकी ऋण सुविधा 6/12/18/24 महीनों की अधिस्थगन अवधि सहित 6/12/18/24 महीनों की चुकौती अवधि बढ़ाकर किस्तों के पुनर्निर्धारण के लिए पात्र है।

2. उक्त सुविधाएँ आपके द्वारा यह विकल्प चुनने और संलग्न आवेदन प्रस्तुत करने पर उपलब्ध होंगी।

3. आप व्हाट्सएप नंबर ...../ई-मेल ..... के जरिए स्वीकृति/आइ आउट पत्र वापस कर सकते हैं।

भवदीय,

शाखा प्रबंधक

.....**स्वीकृति पत्र**

मैं/हम इस प्रस्ताव को स्वीकार करता हूँ/करते हैं और आपसे 6/12/18/24 महीनों की अधिस्थगन अवधि सहित 6/12/18/24 महीनों की चुकौती अवधि बढ़ाकर हमारे मीयादी ऋण की किस्तों का पुनर्निर्धारण करने का अनुरोध करता हूँ/करते हैं।

2. मैं/हम इस समय कोविड-19 महामारी की दूसरी लहर के कारण खाते की ब्याज अदा करने में कठिनाई महसूस कर रहा हूँ/कर रहे हैं।

3. मैं/हम उपर्युक्त के संबंध में अपेक्षित कोई भी अन्य सूचना प्रस्तुत करूंगा/करेंगे। हम मीयादी ऋण किस्तों के पुनर्निर्धारण के बाद संशोधित शर्तों एवं निबंधनों के साथ व्यवस्था पत्र प्रस्तुत करेंगे।

दिनांक : **प्राधिकृत हस्ताक्षरकर्ता**

स्थान **कंपनी/संस्था का नाम** :

अथवा

मुझे/हमें उक्त सुविधा की आवश्यकता नहीं है और हम आइ आउट करने की अपनी मंशा व्यक्त करते हैं।

दिनांक : **प्राधिकृत**

हस्ताक्षरकर्ता

स्थान : **कंपनी/संस्था का नाम**

OFFER CUM ACCEPTANCE LETTER FOR RESTRUCTURING

(To be issued in duplicate)

To

_____

_____

(Borrower's name & address)

Letter No.: _____ Date: _____

Dear Sir / Madam,

CC / OD ACCOUNT NO: _____

OFFER LETTER FOR RESTRUCTURING OF CC/OD LIMITS UP TO Rs 10 LAKHS

In terms of RBI guidelines dated 05.05.2021, your credit facility is eligible for restructuring by way of Sanction of Funded Interest Term Loan (FITL) / Working Capital Term Loan (WCTL) / Additional Working Capital facilities.

2. The restructuring facility will be available to you upon your opting-in herewith and submission of application form enclosed**.**

3. You may return the acceptance / opt out letter duly signed through WhatsApp to No…… / to email id……

Yours faithfully,

BRANCH MANAGER

……

……

ACCEPTANCE LETTER

I/We accept the offer and request you to arrange for restructuring of our CC / OD account by granting FITL / WCTL / Additional CC/OD limits of Rs. _____.

2. I / We are at present finding difficulty to service the account properly due to resurgence of Covid-19 second wave.

3. I/We shall furnish any other information that may be required in connection with the above. We shall execute the loan documents required for restructuring and extend all securities (primary/collateral) that are available for the existing facilities.

Date: Authorized Signatory
Place Name of the company/firm:

OR

I/We do not require the facility and express our intention to **opt out.**

Date: Authorized Signatory
Place: Name of the company/firm

Signature of Borrowers

<u>पुनर्रचना के लिए प्रस्ताव-सह-स्वीकृति पत्र</u>

(दो प्रतियों में जारी किया जाना चाहिए)

सेवा में

_____

_____

(उधारकर्ता का नाम एवं पता)

पत्र क्रमांक : _____ दिनांक: _____

प्रिय महोदय/महोदया,

<u>नकदी ऋण/ओवरड्राफ्ट खाता क्रमांक</u> :.....

<u>10 **लाख रुपए तक की नकदी ऋण/ओवरड्राफ्ट सीमाओं की पुनर्रचना के लिए प्रस्ताव पत्र**</u>

भारतीय रिज़र्व बैंक के दिनांक 5 मई 2021 के दिशानिर्देशों के अनुसार, आपकी ऋण सुविधा निधिक ब्याज मीयादी ऋण (एफआईटीएल)/कार्यशील पूंजी मीयादी ऋण (डब्ल्यूसीटीएल)/अतिरिक्त कार्यशील पूंजी सुविधाओं के जरिए पुनर्रचना के लिए पत्र है।

2. उक्त सुविधाएँ आपके द्वारा यह विकल्प चुनने और संलग्न आवेदन प्रस्तुत करने पर उपलब्ध होंगी।

3. आप व्हाट्सएप नंबर ...../ई-मेल ..... के जरिए स्वीकृति/आइ आउट पत्र वापस कर सकते हैं।

भवदीय,
शाखा प्रबंधक

.....

स्वीकृति पत्र

मैं/हम इस प्रस्ताव को स्वीकार करता हूँ/करते हैं और आपसे एफआईटीएल/डब्ल्यूसीटीएल/अतिरिक्त नकदी ऋण/ओवरड्राफ्ट सीमाएं संस्वीकृत कर हमारे नकदी ऋण/ओवरड्राफ्ट खाते की पुनर्रचना करने का अनुरोध करता हूँ/करते हैं।

2. मैं/हम इस समय कोविड-19 महामारी की दूसरी लहर के कारण खाते की ब्याज अदा करने में कठिनाई महसूस कर रहा हूँ/कर रहे हैं।

3. मैं/हम उपर्युक्त के संबंध में अपेक्षित कोई भी अन्य सूचना प्रस्तुत करूंगा/करेंगे। हम पुनर्रचना हेतु अपेक्षित ऋण दस्तावेज़ प्रस्तुत करूंगा/करेंगे और वर्तमान सुविधाओं के लिए उपलब्ध सभी प्रतिभूतियाँ (प्राथमिक/संपार्श्विक) प्रस्तुत करेंगे।

दिनांक : **प्राधिकृत हस्ताक्षरकर्ता**
स्थान : **कंपनी/संस्था का नाम** :

अथवा

मुझे/हमें उक्त सुविधा की आवश्यकता नहीं है और हम आइ आउट करने की अपनी मंशा व्यक्त करते हैं।

दिनांक : **प्राधिकृत हस्ताक्षरकर्ता**
स्थान : **कंपनी/संस्था का नाम**

APPLICATION FOR RESTRUCTURING UNDER RESOLUTION FRAMEWORK – 2.0
(For Existing Loan Exposure up to Rs 10.00 Lakh)

Name & address of the Unit & Proprietor/ Partner / Director						
Constitution	√	Proprietary	Partnership	Pvt. Ltd.	Ltd. Company	Others
Contact No.		E mail:	Land Line: Mobile :			
GST Registration No.						
Udyam Registration Certificate No.						
PAN						
Activity			Mfg. / Trading / Services / Others			

Brief of Business activity

I have availed following loan facilities from the Bank to run my above firm.

Account No.	Facility	Limit	Balance

I am at present finding difficulty to service the account properly due to resurgence of Covid-19 second wave. However, my Business activity is viable and capable of generating cash accruals within 12 months.

The financials of the Unit are as under.

Financial year	Net Sales/projected Sales	Net Profit / Projected Profit
2019-20		
2020-21		
2021-22 (Up to the previous month)		

I request you to arrange for rescheduling our Term loan instalments by extension of repayment period of 6 /12 / 18/ 24 months including a moratorium period of 6 / 12 /18 / 24 months as per RBI guidelines dated 05.05.2021.

Date: ……
Place: ----------

Signature of Borrowers

समाधान ढांचा-2.0 के अंतर्गत पुनर्रचना के लिए आवेदन

(10.00 लाख रुपए तक के वर्तमान ऋणों के लिए)

इकाई एवं मालिक/भागीदार/निदेशक का नाम एवं पता						
संरचना	√	स्वामित्व	भागीदार	प्राइवेट लिमिटेड	लिमिटेड कंपनी	अन्य
संपर्क नंबर		**ई मेल** :		**लैंडलाइन**: **मोबाइल** :		
जीएसटी पंजीकरण संख्या						
उद्यम पंजीकरण प्रमाणपत्र संख्या						
पैन						
गतिविधि				विनिर्माण/व्यापार/सेवाएँ/अन्य		

संक्षेप में व्यवसाय गतिविधि

उपर्युक्त संस्था को चलाने के लिए मैंने बैंक ने निम्नलिखित ऋण सुविधाएं प्राप्त की है।

खाता संख्या	सुविधा	सीमा	शेष राशि

मैं इस समय कोविड-19 महामारी की दूसरी लहर के कारण खाते की ब्याज अदा करने में कठिनाई महसूस कर रहा हूँ। तथापि मेरे व्यवसाय गतिविधि अर्थक्षम है और 12 महीनों के भीतर नकद उपचय करने में सक्षम है।

इकाई के वित्तीय विवरण निम्नानुसार हैं।

वित्त वर्ष	निवल बिक्री/पूर्वानुमानित बिक्री	निवल लाभ/पूर्वानुमानित लाभ
2019-20		
2020-21		
2021-22 (पिछले महीने तक)		

मैं भारतीय रिज़र्व बैंक के 5 मई 2021 के दिशानिर्देशों के अनुसार 6/12/18/24 महीनों की अधिस्थगन अवधि सहित 6/12/18/24 महीनों की चुकौती अवधि बढ़ाकर हमारे मीयादी ऋण किस्तों का पुनर्निर्धारण करने का अनुरोध करता हूँ।

दिनांक: .....

स्थान: ----------

उधारकर्ताओं के हस्ताक्षर

Application to be filled by the Borrower availing Resolution Plan for COVID-19 related Stress of MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs) for exposures more than ₹10 lacs

1. Borrower/Company Profile:

1.1	Name of the Borrower (In block letters)	
1.2	Constitution	
1.3	Date of Incorporation/ Commencement of Business	
1.4	Registration No. (As Given By District / State / National Authorities)	
1.5	Dealing with Bank Since	
1.6	Whether applicant Belongs to SC/ST/OBC/Minority Community etc.	
1.7	Emergency credit funding availed (GECL/CECF)	YES/NO Yes the quantum to be mentioned
	Conversion of interest accrued into FITL	Yes/No
	Account has already been rescheduled in terms of Prudential framework(07 June 2019) or Resolution plan 1.0 (RBI notification dated 06.08.2020)	Yes/No

2. Business Address with Telephone

2.1	Registered Office	
2.2	Administrative Office	
2.3	Address of Unit/Work Place	
2.4	Contact Detail	M. No. Telephone No. E-Mail ID

3. Name(s) of the Proprietor / Partners / Promoters/Directors

Name of the Person	Designation	Relation With Borrower	PAN No./ DIN No.	Add./M.No./DOB

4. Key Financial Indicators

Particulars	**31.03…**	**31.03…**	**31.03…..**	**31.03…..**
	Audited	**Audited**	**Audited**	**Projected**
Debt-Equity ratio				
Current ratio				
TOL/Adj. TNW				
Total debt/EBIDTA				
Debt Service Coverage ratio (DSCR)				
Average Debt Service Coverage ratio (ADSCR)				

5. Brief Description of the Borrower/Borrowing Company. Whether the unit is running or temporary closed.

6. Reasons for requesting restructuring (Please tick the reasons and submit requisite supporting documents along with self-declaration wherever required)

i. Lockdown/disruption of activity in units due to shortage of labour/raw materials
ii. Low/negligible Actual sales post 01 March 2020, leading to revised projections- supported by GST returns(wherever applicable) for the period Feb/March 2020 till date
iii. Increasing period of receivables
iv. Mismatch in cash flows
v. Any other indicator observed due to COVID stress.(to be detailed)

7. Restructuring requested under Resolution plan (please tick the relevant point)

i. Reschedulement
ii. Conversion to FITL etc
iii. Moratorium period (interest to be served as an when levied)
iv. Additional Funding

We also understand that invoking of resolution plan shall lead to reporting of **restructured status** by Banks to Credit information companies. I/We certify that all information furnished by me/us is true. My Business has been impacted due to advent of COVID 19 and I/firm/company is facing stress on account of COVID- 19.

Signature & Stamp

Capacity (Proprietor/Partner/Authorized Signatory)
Signature of Existing & Proposed Guarantors

Date:-
Place:-

*Branches to ensure that this application is obtained invariably. Bank shall look into the eligibility and other criteria defined in the Banks approved policy for extending resolution Plan and accordingly invoke the same.

……

Acknowledgement

A. Office Copy:

Received form
Mr/Ms/M/s…….....…
……
……
(Name &Address) an application dated.....for **RESOLUTION OF COVID-19 RELATED STRESS OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMEs).**

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

Date…… **Branch Manager**

FREQUENTLY ASKED QUESTIONS (FAQs) for PUBLIC –

1) **If account is standard as on 31.03.2021, can it be restructured under this scheme?**
   Yes, it can be restructured; the borrower's account should be 'standard asset' as on March 31, 2021.

2) **Whether restructuring under this scheme will be reflected in CICs reports?**
   Yes, it will be reflected in reports of CICs.

3) **What are the eligibility criteria under this scheme?**

   i. The borrower should be classified as a micro, small or medium enterprise as on **March 31, 2021** in terms of the Gazette Notification S.O. 2119 (E) dated June 26, 2020.
   ii. The borrowing entity is GST-registered on the date of implementation of the restructuring. However, this condition will not apply to MSMEs that are exempt from GST-registration. This shall be determined on the basis of exemption limit obtaining as on March 31, 2021.
   iii. The aggregate exposure, including non-fund based facilities, of all lending institutions to the borrower does **not exceed ₹50 crore as on March 31, 2021.**
   iv. **The borrower's account was a 'standard asset' as on March 31, 2021.**
   v. The borrower's account was **not restructured** in terms of the circulars DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020; DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020; or DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019 (collectively referred to as MSME restructuring circulars).
   vi. **The restructuring of the borrower account is invoked by September 30, 2021.** For this purpose, the restructuring shall be treated as invoked when the lending institution and the borrower agree to proceed with the efforts towards finalizing a restructuring plan to be implemented in respect of such borrower. The decisions on applications received by the lending institutions from their customers for invoking restructuring under this facility shall be communicated in writing to the applicant by the lending institutions within 30 days of receipt of such

applications. The decision to invoke the restructuring under this facility shall be taken by each lending institution having exposure to a borrower independent of invocation decisions taken by other lending institutions, if any, having exposure to the same borrower.

vii. **The restructuring of the borrower account is implemented within 90 days from the date of invocation.**

viii. If the borrower is not registered in the Udyam Registration portal, such registration shall be required to be completed before the date of implementation of the restructuring plan for the plan to be treated as implemented.

ix. Upon implementation of the restructuring plan, the lending institutions shall keep provision of 10 percent of the residual debt of the borrower.

x. All other instructions specified in the circular DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020 shall remain applicable.

4) What are the documents required to be submitted by the borrower under this scheme?

- Last two years audited balance sheets (wherever applicable as per IT Act) of the units along with income tax/sales tax return etc.
- Projected balance sheets till the achievement of benchmark ratio in case of working capital limits and for the period of the loan in case of term loan.
- Sales achieved during the current financial year up to the date of submission of application or Provisional Balance sheet as at Previous Quarter End. Provisional balance sheet of FY 2020-21, if audited balance sheet is not available.
- Asset & Liability statement of Proprietor/ Partners/ Directors.
- If funds proposed to be infused by borrower, please specify Sources.
- Detailed Particulars of securities primary/collateral proposed, if any.
- Details of all liabilities of the enterprise, including the liabilities owed to the State or Central Government and unsecured creditors, if any.

- Supporting details for the suggested remedial measures with the estimated time frame by the Enterprise to justify the action plan /solution.

5) **If the account is already restructured under other than OTR and restructuring packages has got failed, whether it can be restructured again.**
Yes, it can be restructured under this scheme subject to fulfilment of eligibility as mentioned above.

6) **If the account is already restructured under MSME One time restructuring scheme, whether it can be restructured again.**
No, it cannot be restructured under this scheme again. However, in respect of accounts of borrowers which were restructured under MSME OTR scheme, as a one-time measure, it is permitted to review the working capital sanctioned limits and / or drawing power based on a reassessment of the working capital cycle, reduction of margins, etc. **without the same being treated as restructuring.** The decision with regard to above shall be taken by September 30, 2021**. The reassessed sanctioned limit / drawing power shall be subject to review by the lending institution at least on a half yearly basis and the renewal / reassessment at least on an annual basis.** The annual renewal/reassessment shall be expected to suitably modulate the limits as per the then-prevailing business conditions.

7) **If account has taken moratorium of interest/installment for the period 01.03.2020 to 31.08.2020, is it restructuring?**
No, the same is not restructuring and FITL can be created for the period of moratorium to be paid by 31.03.2021.

8) **If borrower is not GST Registered but is eligible for GST Registration can be restructured under this scheme.**
No, the borrowing entity should be GST-registered on the date of implementation of the restructuring.

9) **If borrower is not GST Registered and is under GST exemption category, can it be restructured under this scheme?**
Yes, this shall be determined on the basis of exemption limit obtaining as on March 31, 2021.

10) **If the borrower is not registered in the Udyam Registration portal, can those accounts be restructured under this scheme?**

Yes, they can be restructured under this scheme provided that registration shall be required to be completed before the date of implementation of the restructuring plan for the plan to be treated as implemented.

11) If borrower is having total exposure of Rs 50.00 crore, is it eligible for Restructuring?

Yes, the aggregate exposure, including non-fund based facilities, of banks and NBFCs to the borrower does not exceed ₹50 crore **as on March 31, 2021.**

12) If account is not categorized under MSME but fulfils other eligibility criteria, can it be restructured under this scheme?

No, this scheme is specifically for MSME borrowers only.

13) What is the last date of invocation of Onetime restructuring scheme?

The restructuring of the borrower account should be invoked by **September 30, 2021.**

14) What is the last date of implementation of Onetime restructuring scheme?

The restructuring of the borrower account is to be implemented within 90 days from the date of invocation.

15) Sources –

RBI CIRCULARS regarding MSME Restructuring Dated 01.07.2015, 17.03.2016, 01.01.2019, 11.02.2020, 06.08.2020 & 05.05.2021.