

POLICY ON FRAMEWORK FOR REVIVAL AND REHABILITATION OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES)

1. Introduction:

1.1 Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play a crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of Rural & Backward areas, thereby, reducing Regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are supplementary to Large Industries as ancillary units and this sector contributes enormously to the socio-economic development of the country.

1.2 The Ministry of Micro, Small and Medium Enterprises, Government of India vide its' Gazette Notification dated 29-05-2015 notified a "Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises" with an objective to:

1.2.1 Provide a simpler and faster mechanism to address stress in the MSME accounts
and

1.2.2 To facilitate the promotion and development of MSMEs.

1.3 In order to make the aforesaid framework compatible with the existing regulatory guidelines on "Income Recognition, Asset Classification and provisioning pertaining to Advances", RBI, in consultation with Ministry of MSME, Government of India, has made certain changes in the same. The Revised Framework along with the operating instructions was circulated by RBI vide its Circular No: FIDD.MSME & NFS.BC.No.21/06.02.31/2015-16 dated 17-03-2016.

1.4 The revised Framework supersedes the earlier Guidelines on Rehabilitation of Sick Micro and Small Enterprises issued by RBI vide its Circular No: RPCD.CO.MSME & NFS.BC.40/06.02.31/2012-2013 dated 01-11-2012 except those relating to Reliefs and Concessions for Rehabilitation of Potentially Viable Units and One Time Settlement, mentioned in the said RBI circular.

2 Scope

2.1 The provisions under the Framework shall be applicable to MSMEs having loan limits (Aggregate Exposure) upto Rs. 25 crores, including accounts under Consortium or Multiple Banking Arrangement (MBA).

2.2 Restructuring of loan accounts with exposure of above Rs. 25 crores will henceforth be as per extant guidelines of the Bank.

- 2.3 In terms of the RBI circular on Prudential Framework for Resolution of Stressed Assets issued vide ref no. RBI/2018-19/203 DBR.No.BP.BC.45/21. 04.048/2018-19 dated **07.06.2019** Sections I(B) (Implementation of Resolution plan), I(C) (Implementation conditions for Resolution Plan) & I (D) (Delayed Implementation of Resolution Plan) shall not be applicable to Revival & rehabilitation of MSMEs under this Framework.
- 2.4 The Policy will cover all types of MSME customers such as Individuals, Proprietorship, Partnerships, Limited Liability Partnership, Association of persons, Companies registered under Indian Companies Act, etc.
- 2.5 Any exception or deviation from the policies shall be referred to MSME Department, Central Office who shall in turn put up such matters to the Credit Approval Committee (CAC-II and above) at Central Office for approval.
- 2.6 Ownership**
- 2.6.1 MSME Department, Central Office shall frame, design/review/fine tune/modify all policies/procedures in relation to revival and rehabilitation of MSMEs in the Bank, with the approval of Board of Directors.
- 2.7 Compliance**
- 2.7.1 This policy has been made in compliance with all RBI & extant regulatory guidelines issued till date. The guidelines enumerated in the policy are applicable **for all domestic branches and its operations.**
- 2.7.2 All the functional divisions are expected to comply with the policy guidelines laid down in this Policy document. In case of any doubt about the applicability of any aspect of the policy contents, clarification/approval shall be sought from MSME Department, Central Office.
- 2.8 Modification and Review**
- 2.8.1 The policy shall be valid up to **31st March 2024** from the date of issue and should be renewed by the end of March every year. The continuity of the policy may be extended for a further period of 3 months with the specific approval of MD &CEO.
- 2.8.2 The Policy shall also be modified to give effect, in case of any changes in the existing guidelines/directives/instructions based on the directives/advice of Reserve Bank of India/Govt. of India/other regulatory authorities, issued from time to time, subject to reporting and approval of the Board of Directors. In view of the changes that are taking place in the financial sector, action may be called for at a short notice and therefore Credit Risk Management Committee (CRMC) is empowered to take such decisions. Such modifications in this policy should be placed before the Board for ratification.
- 2.8.3 The Policy will be reviewed / revised from time to time, at least once in a year to adapt to the changing economy/environmental demands and to incorporate/

implement any changes in the credit strategy of the Bank related to the MSME customers.

- 2.8.4 The policy guidelines and provisions are in line with the RBI circular specified in Paragraph 1.3. However, changes made by RBI from time to time shall be applicable and will be having overriding effect on the existing provisions of this policy.

2.9 Definition of Micro, Small & Medium Enterprises

Segment	Classification based on
Micro Enterprise	Where the investment in Plant & Machinery or Equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.
Small Enterprise	Where the investment in Plant & Machinery or Equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.
Medium Enterprise	Where the investment in Plant & Machinery or Equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

Detailed guidelines for the revised MSME definition are already issued by Bank.

3 Revival and Rehabilitation of MSME - (Reserve Bank of India Guidelines & Internal Guidelines thereof)

3.1 Identification of Incipient Stress

3.1.1 Identification by Banks or Creditors:

- 3.1.1.1 The incipient stress in the Micro, Small and Medium Enterprise (MSME) loan accounts is to be identified, before it turns into Non-Performing Asset (NPA), by creating three sub-categories under Special Mention Account (SMA) category as per the table given below

SMA Sub-categories	Basis for classification - Principal or interest payment or any other amount wholly or partly overdue between
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days

In the case of revolving credit facilities like cash credit, the SMA sub-categories will be as follows-

SMA Sub-Categories	Basis for Classification
SMA-1	Principal or interest payment overdue between 31 - 60 days
SMA-2	Principal or interest payment overdue between 61 - 90 days

'Default' means non-payment of debt (as defined under the IBC) when whole or any part or instalment of the debt has become due and payable and is not paid by the debtor or the corporate debtor, as the case may be.

For revolving facilities like cash credit, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

3.1.1.2 Based on the above signals, the Branch maintaining the account should consider forwarding the stressed accounts with aggregate loan limits above Rs. 10 lakhs to a Committee, as referred in paragraph 3.2.3, **within five working days**, for a suitable Corrective Action Plan (CAP). In cases where the account is in SMA-2 category, it will be mandatory for the Branch to forward the same to the Committee for suitable CAP.

3.1.1.3 In respect of accounts with aggregate loan limits upto Rs. 10 lakhs and identified as SMA-2, the account should be mandatorily examined for CAP by the Branch itself under the authority of the Branch Manager / Designated Official as desired by Regional Office.

The other terms and conditions, such as time limits, procedures to be followed etc., as applicable to cases referred to the Committee as referred in paragraph 3.2.3 should be followed by the Branch Manager / Designated Official.

If however, the Branch Manager / Designated Official decide on the option of recovery under CAP instead of rectification or restructuring as mentioned in paragraph 5.3.1 or 5.3.2, the same should be referred to the Committee for its concurrence.

The Branch Manager or Designated official should also examine the accounts reported as SMA-0 and SMA-1, if it is deemed necessary.

3.1.1.4 Delegation for permitting holding on operations (HOO) is provided in Recovery Management Policy of the Bank. Branches/Offices to explore possibilities related to Holding on Operation, so that the borrowers are able to continue operations even at reduced level and route entire cash flows through the account with the bank/ lenders instead of routing through non lending banks due to non availability of HOO in time.

3.1.2 Identification by the Borrower Enterprise:

3.1.2.1 Any MSME borrower, by making an application, may voluntarily initiate proceedings under this Framework, under the following circumstances, if the Enterprise reasonably apprehends,

- i) Failure of its business or
- ii) It's inability or likely inability to pay debts or
- iii) 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.

3.1.2.2 The Branch upon receiving such request should

- i) Refer it to the Committee, in cases where the account is with aggregate loan limits above Rs. 10 lakhs within 2 working days from the date of receipt of the proposal.
(The Committee on receiving such information should convene a meeting at the earliest, but not later than five (5) working days, from the date of receipt of the application to examine the account for a suitable CAP.)
- ii) In cases where the aggregate loan limit is upto Rs. 10 lakhs, the request is to be dealt with by the Branch Manager / designated official for a suitable CAP.

3.2 **Committees for Stressed Micro, Small and Medium Enterprises:** In order to enable faster resolution of stress in MSME accounts, a Committee for Stressed Micro, Small and Medium Enterprises shall be formed as under:

3.2.1 **Standing Committee**

3.2.1.1 As per the guidelines of RBI, all Banks having exposure towards MSME sector to constitute Standing Committees which will resolve the reported stress of MSME accounts of Branches falling under their respective jurisdiction.

3.2.1.2 Accordingly, the Standing Committee for revival and rehabilitation of MSMEs shall be constituted at each Regional Office.

3.2.2 **MSME Borrowers under Consortium or Multiple Banking Arrangement (MBA)**

3.2.2.1 In case of MSME borrowers having credit facilities under a Consortium of Banks or Multiple Banking Arrangement (MBA) and where the account is reported as stressed either by the Borrower or any of the Lenders then,

- i) The case shall be referred to the Committee, under this Framework, either by the Consortium leader or the Bank having the largest exposure to the Borrower under MBA, as the case may be.
- ii) The Committee will also coordinate between the different lenders.

3.2.3 **Composition of the Committee:**

3.2.3.1 The composition of the Committee shall be as under:

- i) The Regional Head shall be the Chairperson of the Committee.
- ii) Credit-in-Charge at Regional Office shall be the member and Convener of the Committee.
- iii) One independent external expert with expertise in Micro, Small and Medium Enterprises related matters to be nominated by the Bank.
- iv) One representative from the concerned State Government. [As per RBI Guidelines, endeavour should be made to bring representative from the

respective State Government in the Committee. In case the State Government does not nominate any member, then the Convening Bank should proceed to include an independent expert in the Committee, namely a retired executive of another Bank of the rank of Assistant General Manager (AGM) and above.]

3.2.3.2 Quorum - In case of sole banking, the presence of three members is compulsory in the Committee Meetings.

3.2.3.3 When handling accounts under Consortium or MBA, senior representatives of all Banks / Lenders having exposure to the Borrower should be a part of the Committee. Accordingly from our Bank, the presence of the Chairperson of Internal Committee handling the proposal will be mandatory.

3.2.3.4 Appointment of independent external expert:

- i) Letter to the concerned State Government Department overseeing MSMEs should be send by speed post with Acknowledgement Due. This letter will state for nomination of their representative within 15 days from the date of receipt of the letter else it will be treated as if they do not have any nomination for such Committee.
- ii) Panel of retired AGM & above of other banks, preferably from Nationalized Banks should be formulated at each level of Committee i.e. Regional Level for smooth functioning.
- iii) Selection of retired AGMs & above by the Chairman of the Committee.
- iv) Further, one independent external expert as suggested may be chosen at the discretion of the Chairman of the Committee.
- v) If at any Center, external expert is not available as per guidelines, than the same may be appointed from outside the center in consultation with FGMO. However, external expert, so appointed should preferably attend the meeting through web-conference facility available with the Bank at other center.

3.2.3.5 Remuneration: The fees for independent external expert shall be Rs.3000/- per meeting plus out of the pocket expenses extra as per the eligibility in the Bank in the same cadre.

3.2.3.6 All the decisions of the Committee will be by simple majority. However, in case of a tie, the Chairperson shall have the casting vote.

3.2.3.7 In case of accounts under Consortium / MBA, lenders should sign an Inter-Creditor Agreement (ICA) on the lines of Joint Lenders' Forum (JLF) Agreement.

3.2.4 **Terms of Appointment of the members:**

3.2.4.1 The terms of appointment are vested with the Committees formed at Regional Office for a period of one year at a time and the same can be extended by the Chairperson of the respective Committee from time to time for a period of one year.

3.2.5 **Frequency of meetings:**

3.2.5.1 The meetings of this committee shall be conducted once in a week subject to receipt of at least one proposal for consideration.

3.2.6 Access to the Committee

3.2.6.1 All eligible stressed MSMEs shall have access to the Committee for resolving the stress in these accounts in accordance with regulations prescribed in this Framework.

3.2.7 When Committee decides Recovery as part of CAP

3.2.7.1 In cases where the Committee decides that recovery is to be made as part of CAP, the manner and method of recovery shall be in accordance with the existing policies approved by the Board of Directors.

3.2.7.2 This is however, subject to any regulations prescribed by the Reserve Bank of India (RBI) and the extant statutory requirements.

4 Application to the Committee for a Corrective Action Plan

4.1 Any Branch / Lender shall forward the cases having aggregate loan limits above Rs.10 lakhs to the Committee for immediate convening of meeting and deciding on a CAP, under the following circumstances:

4.1.1 Upon a Branch / Lender identifying an MSME account as SMA-2 or suitable for consideration under the Framework

or

4.1.2 On receipt of an application from the stressed Enterprise. The Stressed Enterprise having aggregate loan limit above Rs. 10 lakhs can also directly file an application for CAP to the Committee or to the largest lender for onward submission to the Committee.

4.2 The Indian Banks' Association (IBA) has already prescribed suitable application formats for aggregate loan limits of above Rs.10 lakhs and up to Rs.25 crores and also for aggregate loan limits upto Rs. 10 lakhs. The same is enclosed as Annexure I and Annexure II.

4.3 In cases where an application is filed by a Branch / 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:

4.3.1 Respond to the application or make a representation before the Committee and

4.3.2 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

4.3.3 If the Enterprise does not respond within the above period, the Committee may proceed ex-parte.

- 4.4 The Committee, on receipt of such information relating to the liabilities of the Enterprise, may send a notice, as it deems fit, to such statutory creditors as disclosed by the Enterprise,
- 4.4.1 Informing them about the application under the Framework and
- 4.4.2 Permit them to make a representation regarding their claims before the Committee within fifteen (15) working days of the receipt of such notice.
- (It may be noted here that this information is 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 lender(s).)
- 4.5 The Committee shall take a decision on the option to be adopted under the CAP, as discussed in the subsequent part of this Policy, within 30 days of convening its first meeting for a specific Enterprise. The decision so arrived at should be notified to the Enterprise within 5 working days from the date of such decision.
- 4.6 If the CAP decided by the Committee envisages “Restructuring of Debt” of the Enterprise, then the Committee shall
- 4.6.1 Conduct a detailed Techno-Economic Viability (TEV) study. (Also refer paragraph 5.1 of the Policy). The indicative aspects in the TEV study shall be in line with guidelines enumerated in Policy on Empanelment of External Engineers/ Firms for TEV study / LIE.
- 4.6.2 Finalize the terms of such restructuring, in accordance with the extant prudential norms for restructuring within
- i) 20 working days (for accounts having Aggregate Exposure {AE} upto Rs. 10 crores) and
- ii) 30 working days (for accounts having Aggregate Exposure {AE} above Rs. 10 crores and upto Rs. 25 crores) and
- iii) Notify the Enterprise about such terms within 5 working days.
- 4.7 Once the terms of CAP are finalized, the implementation of that plan shall be completed by the concerned Branch within
- i) 30 days, if the CAP is Rectification and
- ii) 90 days, if the CAP is Restructuring
- iii) In cases where ‘Recovery’ is considered as CAP, the recovery measures should be initiated at the earliest.

4.8 The MSME unit / borrower, whose application has been admitted by the Committee, shall continue to perform contracts essential to its survival. The Committee may, however, impose certain restrictions, as it may deem fit, for future revival of the Enterprise.

4.9 With respect to payment of tax or any other statutory dues, the Committee shall make suitable provisions in the CAP. The Enterprise shall then initiate necessary steps to submit such plan to the concerned Taxation or Statutory Authorities and obtain the approvals of such payment plan.

5 Corrective Action Plan by the Committee.

5.1 The Committee may explore various options to resolve stress in the account. It shall not endeavor to encourage a particular resolution option and may decide the CAP as per the specific requirements & position of each case. It should be borne in mind that:

5.1.1 Before considering “Restructuring” as CAP, the Techno Economic Viability of each account has to be decided by the concerned lender/s.

5.1.2 In case of accounts with Aggregate Exposure of Rs.10 crores and above, the Committee should conduct a detailed TEV study before finalizing 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 Committee may include the following options under CAP:

5.3.1 Rectification:

5.3.1.1 The rectification process should, primarily, be driven by the borrower, supported with identifiable cash flows within the required time period and without involving any loss or sacrifice on the part of the existing lenders.

5.3.1.2 The process involves, obtaining a firm commitment from the borrower, specifying actions and timelines to regularize the account so that the account comes out of Special Mention Account (SMA) status or does not slip into Non-Performing Asset (NPA) category.

5.3.1.3 The Committee, if necessary, may also consider providing additional need based finance to the borrower as part of the rectification process.

i) It should, however, be ensured that, this need based finance, is intended only for meeting, in exceptional cases, unavoidable increased working capital requirement. In all cases of additional finance for working capital, if any diversion of funds is noticed, then the account will be downgraded as NPA.

- ii) Such additional finance should normally be an adhoc facility to be repaid or regularized within a maximum period of six months.
- iii) 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.
- iv) Further, repeated rectification with funding, within a space of one year, will be treated as restructuring.
- v) In cases where the account has been reported as fraud by any lender then no additional finance should be sanctioned under CAP.

5.3.2 **Restructuring:** The Committee can consider “Restructuring” when,

- 5.3.2.1 The unit / business are prima facie viable and the borrower is not a wilful defaulter. In other words, there is no diversion of funds, fraud or malfeasance etc.
- 5.3.2.2 The promoters / borrowers gives a commitment extending their personal guarantee and submit their net worth statement supported by copies of legal title to assets along with a declaration that they would not undertake any transaction that would alienate the assets without the prior written permission of the Committee. Any deviation from the commitment by the promoters / borrowers affecting the security or recoverability of the loan may be treated as a valid factor for initiating recovery process.
- 5.3.2.3 All the lenders in the Committee should sign an Inter-Creditor Agreement (ICA) and the borrowers should sign a Debtor-Creditor Agreement (DCA) which would provide the legal basis for any restructuring process. The IBA approved formats for ICA & DCA on the lines of formats used by Corporate Debt Restructuring (CDR) mechanism is to be utilized. The model formats are enclosed as Annexure III. The said agreements should be vetted by Law Officer of concerned RO prior to execution.
- 5.3.2.4 The ICA may also stipulate that both secured and unsecured creditors need to agree to the final resolution.
- 5.3.2.5 A Stand-Still clause (as defined in extant RBI guidelines on Restructuring of Advances) may be stipulated in the DCA to enable smooth process of restructuring. The Stand-Still clause does not mean that the borrower is precluded from making payments to the lenders.

5.3.3 Recovery:

5.3.3.1 The process of recovery may be resorted to if the first two options viz., 5.3.1 Rectification and 5.3.2 Restructuring are not found feasible. Then, the Committee may decide the best recovery process to be followed from among the various legal and other recovery options available, with a view to optimize the efforts and the results.

5.3.4 **Delegation of Loaning Powers:** The Corrective Action Plan (CAP) is to be formulated by the Standing Committee under the aforesaid Framework. However, exercise of delegated authority will remain vested with the respective delegate as per Policy on Delegation of Loaning Powers.

6 Majority Clause for the Committee to consider Restructuring:

6.1 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. This decision will be binding on all the lenders under the terms of Inter-Creditors Agreement.

6.2 In case the Committee decides to proceed with recovery, the minimum criteria for binding decision, if any, under the relevant laws or Acts shall be applicable.

7 Time Lines:

7.1 The RBI framework defines detailed time-lines for carrying out various activities. Under the circumstances, if the Committee is not able to decide on the CAP and restructuring package due to non-availability of information on statutory dues of the borrower, the time-line may be extended by the Committee for a further period not exceeding 30 days for deciding the CAP and prepare the restructuring package.

7.2 However, if the information is still not forthcoming, the Committee should not wait beyond the extended period of 30 days and should proceed with the CAP.

8 Additional Finance:

8.1 It may so happen that the Enterprise requires additional finances to restructure or revive the account. In such an event, if the Committee is satisfied with genuineness of the requirement, it may draw up a plan for provision of such finance.

8.2 Any such additional finance should be matched by the promoters' contribution in the appropriate proportion which, in any case, should not be less than the proportion at the time of original sanction of loans. In other words, the promoter's contribution in the additional finance should be equal to or more than the proportion at the time of original sanction but cannot be less under any circumstances. Source of promoter contribution to be ascertained while considering CAP/ additional finance and infusion to be upfront/ in stages as per terms of sanction but evidence to adequate

including statement of accounts. As evidence CA certificate for the infusion made duly corroborated with the Bank statement to be obtained.

8.3 Further, such additional funding provided under restructuring / rectification as a part of CAP will have priority in repayment over repayment of the existing debts. Therefore, installments of the additional funding which fall due for repayment will also have priority over the repayment obligations of the existing debt.

8.4 In case the existing promoters are not able to bring in additional funds then the Committee may allow the Enterprise to raise secured or unsecured loans.

8.5 The Committee may, with the consent of all the recognized creditors, provide higher priority to such additional funding than any existing debt.

9 Course of action when there is failure to perform as per the terms & conditions of 'Rectification' or 'Restructuring':

9.1 When the Committee decides on either 'Rectification' or 'Restructuring' as an option under CAP, but the account fails to perform as per the agreed terms under these options, then the Committee shall initiate 'Recovery' as discussed under option 5.3.3 above, of the Policy.

10 Restructuring by the Committee:

10.1 **Eligibility:** The eligibility criteria for considering the restructuring proposal are as under:

10.1.1 The Committee shall take up restructuring of assets only in respect of assets which are reported as "Standard", "Special Mention Account" or "Sub-Standard" by one or more Lenders of the Committee.

10.1.2 The Committee may also consider restructuring of debt where it is doubtful with one or two lender/s but is "Standard" or "Sub-Standard" in the books of majority of the other lenders by value.

10.1.3 Wilful defaulters shall not be eligible for restructuring. However, the Committee may review the reasons for classification of borrower as a wilful defaulter and satisfy itself that the borrower is in 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 willful defaulter.

10.1.4 Cases of Fraud and Malfeasance remain ineligible for restructuring. However, in cases of fraud and malfeasance, where the existing promoters are replaced by new promoters and the borrower company is totally delinked from the erstwhile promoters / management, then:

- i) The Bank and the Committee may take a view on restructuring of such accounts based on their viability, without prejudice to continue the criminal action against the erstwhile promoters / borrowers / management.
- ii) However, the restructuring proposals approved by the respective Committee should be placed to the next higher authority with full details for information.
- iii) 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 guidelines in terms of RBI circular DBR.BP.BC.No.41/21.04.048/2015-16 dated September 24, 2015 on “Prudential Norms on Change in Ownership of Borrowing Entities (Outside Strategic Debt Restructuring Scheme)” as modified/amended from time to time.

10.2 Viability: The viability criteria are as under:

- 10.2.1 The viability of the account shall be determined by the Committee based on acceptable viability benchmarks determined by them.
- 10.2.2 The parameters may, inter-alia, include the Debt Equity Ratio, Debt Service Coverage Ratio, Liquidity Ratio or Current Ratio etc.

10.3 Conditions relating to Restructuring under the Framework:

- 10.3.1 The restructuring package shall stipulate the timelines during which certain viability milestones viz., improvement in certain financial ratios may be achieved, after a period of 6 months.
- 10.3.2 The account shall be reviewed periodically by the Committee for achievement / non-achievement of the milestones and shall consider initiating suitable measures including recovery measures as deemed appropriate.
- 10.3.3 The timelines specified in the Framework shall be strictly adhered to for completing restructuring.
- 10.3.4 It is the responsibility of the Committee to optimally utilize the specified time periods, so that aggregate time limit is not breached under any mode of restructuring.
- 10.3.5 The Committee has the flexibility to utilize the timelines interchangeably without breaching the overall prescribed timeline. In other words, time saved in one activity can be utilized in another activity but the entire exercise needs to be completed within the overall timeline prescribed.
- 10.3.6 The general principle of restructuring shall be that the stakeholders bear the first loss of the Enterprise rather than the lenders. In case of a Company, when a loan is restructured, the Committee may consider the following options:

- i) Possibility of transferring equity of the Company by promoters to the lenders to compensate for their sacrifices;
 - ii) Promoters infusing more equity into their Companies;
 - iii) Transfer of 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.
- 10.3.7 In cases where the borrower undertakes diversification or expansion which has resulted in 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. It should, however, be ensured that as per TEV study, the account is likely to become viable on hiving-off of non-core activities and other assets. Proceeds of sale of non-core assets to be deposited by buyers directly in designated bank account.
- 10.3.8 With respect to restructuring dues in respect of listed Companies, the lenders may be compensated, ab-initio, for their loss or sacrifice arising out of the diminution in the fair value of an account in net present value terms. The compensation can be by way of issuance of equities of the Company upfront, subject to the extant regulations and statutory requirements.
- 10.3.9 In case the lenders' sacrifice is not fully compensated by way of issuance of equities, then the Right to Recompense (ROR) clause may be incorporated to the extent of shortfall.
- 10.3.10 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:
- i) Prior agreement in the Inter-Creditor Agreement (ICA) among the above classes of lenders regarding repayments;
 - ii) A structured agreement stipulating priority of secured creditors;
 - iii) Appropriation of repayment proceeds among secured, partially secured and unsecured lenders in certain pre-agreed proportion.
- 10.3.11 On a request by the Enterprise or any Creditor recognized under paragraph 4.3 above, the Committee shall provide information relating to the proceeding as requested by the Enterprise or such Creditor.
- 10.4 Applicability of Prudential Norms on Asset Classification and Provisioning**
- 10.4.1 The extant asset classification and provisioning norms will be applicable for restructuring of accounts under this Framework. That means account will be downgraded immediately upon restructuring except in case of permitted exceptions.

11 Review Mechanism

11.1 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 of the Committee within a period of ten (10) working days from the date of receipt of the decision of the Committee.

11.2 The request for review shall be on the following grounds:

- i) A mistake or error apparent on the face of the record; or
- ii) 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.

11.3 A review application shall be decided by the Committee within a period of thirty (30) 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.

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ANNEXURE - I

**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.25 crore)
(To be submitted along with documents as per the check list)**

A. Brief Profile of the Enterprise:

Name of the Enterprise / Borrower						
Constitution	√	Proprietary	Partnership	Pvt. Ltd.	Ltd. Company	Others
Current office Address/ Residential Address						
Current Business / Activity						
Corporate office / Registered Office address of the borrower						
Contact No.	Land Line: Mobile	E-Mail				
GST No.						
Date of GST Registration						
Udyog Aadhaar No./Registration No.						
Date of Incorporation / Establishment						
Date of commencement of operations:						
Activity	Mfg./ Trading/ Services/Others					
Banking with since:						
Banking arrangement :	Sole Banking /Consortium/ /Multiple Banking					
SMA Status as on	SMA-0 / SMA-1 / SMA-2					
External Credit Rating	Name of the Agency	Current Rating	Previous Rating	Valid upto		

B. Details of Proprietor/ Partners/ Directors:

(Amount in Lacs)

Name of Proprietor/ Partners/ Directors	Residential Address with Contact No.	PAN No. /DIN No.	Net Worth as on	Other dues as Borrower / Guarantor	% of Share holding

C. Details of Associate Concern /Sister Concern / Group Companies: (Amount in Lacs)

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

D. Social Category:

Gender	√	Man	Woman				Trans gender
Physically Challenged		Yes or No					
Social Category	√	SC	ST	OBC	Women	Physically Handicapped	Minority
If Minority Community	√	Buddhists	Muslims	Christians	Sikhs	Jains	Zoroastrians

E. Details of Existing Liabilities with Banks: (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 arrangement and sharing pattern:						
Financial Arrangement: Sole Banking/Consortium/Multiple Banking/						
	FB		NFB		Total	% Share
	WC		TL			
	Limit	O/s	Limit	O/s	Limit	O/s
Bank 1						
Bank 2						
Banks(Total)						
Total						

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)

Particulars	Past Year-II (Actual)	Past Year-I (Actual)	Present Year (Estimate)	Next Year-I (Projection)	Next Year-II (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					
Adjusted TNW					
TOL/ Adjusted TNW					
Current Ratio					
Cash Accruals					
Debt Service Coverage Ratio					

H. In case of additional Working Capital:

(Amount in Rs.)

Actual Sales		Projected					
FY-	FY-	Sales	Working Cycle (in days)	Inventory (in days)	Debtors (in days)	Creditors (in days)	Promoter's 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 Primary Security		Nature of charge	Date of Valuation	Value
Particulars of Collateral Security	SARFAESI Complaint (Yes or No)	Nature of charge	Date of Valuation	Value

(b) Details of Proposed Additional Security to be offered: (Amount in Lacs)

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

K (a) Details of Existing Guarantors: (Amount in Lacs)

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

(b) Details of Proposed Guarantors: (Amount in Lacs)

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

L.Details of stress faced by the Enterprise:

Indicative List of Stress	Details of stress faced by the Enterprise
<ul style="list-style-type: none"> 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 installments 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. 	

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 style="list-style-type: none"> • Reschedulement of Instalments. • Capitalisation of interest. • Fresh and/or additional WC / 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 (wherever applicable as per IT Act) 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 year up to the date of submission of application/Provisional Balance sheet as at Previous Quarter End.
- 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

Office Copy:

Received form Mr/Ms/M/s.....
.....(Name & Address)an application dated for corrective action plan under revival & rehabilitation of MSMEs.

Date

**Branch Manager
Name:
Name of the Bank**

Customer copy:

Received form
Mr/Ms/M/s.....
.....
(Name & Address)an application dated for corrective action plan under revival & rehabilitation of MSMEs.

Date

**Branch Manager
Name:
Name of the Bank**

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 of 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.

A. Brief Profile of the Enterprise:

ANNEXURE - II

**Application to the Branch for a Corrective Action Plan under
Revival & Rehabilitation of MSME
(For Existing Loan Exposure up to Rs.10 Lakh)
(To be submitted along with documents as per the check list)**

Name of the Enterprise / Borrower						
Constitution	√	Proprietary	Partnership	Pvt. Ltd.	Ltd. Company	Others
Current Business Activity						
Current Office Address / Residential Address						
Contact No.	Land Line: Mobile :	E-Mail				
GST No.						
Date of GST Registration						
Udyog Aadhaar No./ Registration No.						
Date of incorporation / Establishment						
Activity		Mfg./ Trading/ Services/Others				
Brief of Business activity						
Banking with since						
SMA Status as on		SMA-0 / SMA-1 / SMA-2				

B. Details of Proprietor/ Partners/ Directors: (Amount in Rs.)

Name of Proprietor/ Partners/ Directors	Residential Address with Contact No.	PAN No. /DIN No.	Net Worth as on	% of Share holding	Other dues as Borrower / Guarantor

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

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

Classification: Internal

D. Social Category:

Gender	√	Man	Woman				Trans gender
Physically challenged		Yes or No					
Social Category	√	SC	ST	OBC	Women	Physically Handicapped	Minority
If Minority Community	√	Buddhists	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 arrangement and sharing pattern:**Financial Arrangement:****Sole Banking/Consortium/Multiple Banking**

	FB	NFB	Total	% Share
	WC	TL		

	Limit	O/s	limit	O/s	Limit	O/s
Bank 1						
Bank 2						
Banks (Total)						
Total						

Loans with Financial Institutions / NBFCs and overdues, if any:**F. Details of Other Liabilities:**

(Amount in Rs.)

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

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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.)

	Past Year-II (Actual)	Past Year-I (Actual)	Present Year (Estimate)	Next Year-I (Projection)	Next Year-II (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.)

Actual Sales		Projected					
FY-	FY-	Sales	Working Cycle(in days)	Inventory (in days)	Debtors (in days)	Creditors (in days)	Promoter's 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 Rs.)

Particulars of Primary Security		Nature of charge	Date of Valuation	Value
Particulars of Collateral Security	SARFAESI Complaint (Y or N)	Nature of charge	Date of Valuation	Value

(b) Details of Proposed Additional Security to be offered:(Amount in Rs.)

Particulars of Primary Security	Nature of charge	Date of Valuation	Value

Particulars of Collateral Security	SARFAESI Complaint (Y or N)	Nature of charge	Date of Valuation	Value

K. (a) Details of Existing Guarantors: (Amount in Rs.)

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

(b) Details of Proposed Guarantors: (Amount in Rs.)

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

L. Details of stress faced by the Enterprise:

Indicative List of Stress	Details of stress faced by the Enterprise
<ul style="list-style-type: none"> 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 instalments 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 style="list-style-type: none"> Reschedulement of Instalments. 	

<ul style="list-style-type: none"> • Capitalisation of interest. • Fresh and/or additional WC / 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 balance sheets (wherever applicable as per Statutory requirements / Bank's instructions) 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 year up to the date of submission of application/Provisional Balance sheet as at Previous Quarter End.
- 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.
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Received

form

Mr/Ms/M/s.....

.....(Name & Address)an
application dated for corrective action plan under revival & rehabilitation of MSMEs.

Date

Branch Manager
Name:
Name of the Bank:

Customer copy:

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Mr/Ms/M/s.....

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(Name & Address)an application dated for corrective action plan under revival & rehabilitation of MSMEs.

Date

Branch Manager
Name:
Name of the Bank:

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 of 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.

ANNEXURE III

INTER CREDITOR AGREEMENT

AMONG

**BANKS AND FINANCIAL INSTITUTIONS AS SET FORTH
IN SCHEDULE I HERETO
(AS LENDERS)**

AND

**.....Ltd.
(AS SECURITY TRUSTEE)**

AND

**..... BANK
(AS LENDERS' AGENT)**

Dated _____, _____ 20.

INTER CREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT (hereinafter referred to as this “**Agreement**”) made at _____, as of this ___ day of _____ 20.....amongst:

1. **THE PERSONS SET FORTH IN SCHEDULE I**, hereinafter collectively referred to as the “**Lenders**” (which expression shall include all or any one or more of them as the context may require and shall also include any other banks or financial institutions or any other entity/person to which the rights and/ or obligations of all or any one or more of the aforementioned Lenders are assigned, novated, and/ or transferred) of the **First Part**;

And

2. **BANK**, [constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970]/ [constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980]/[a body corporate within the meaning of the Companies Act, 2013]/[a banking company within the meaning of Section 5(c) of banking Regulation Act, 1949]/[State Bank of India Act]/[a banking company within the meaning of section 5(1)(c) of Banking Regulation Act, 1949 and, having its registered/ head office/corporate office at acting as the agent of the Lenders (hereinafter referred to as “**Lenders’ Agent**”, which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the **Second Part**;

And

3. **Ltd.**, [constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970]/ [constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980]/[a body corporate within the meaning of the Companies Act, 2013]/[a banking company within the meaning of Section 5(c) of banking Regulation Act, 1949]/[State Bank of India Act]/[a banking company within the meaning of section 5(1)(c) of Banking Regulation Act, 1949, or any other entity constituted under relevant applicable laws, and having its registered office/head office/corporate office atacting as the security trustee for the Lenders (hereinafter referred to as “**Security Trustee**”, which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the **Third Part**.

WHEREAS:

- A. The Borrower has approached the Lenders for its” revival and rehabilitation as per RBI framework for revival and rehabilitation of micro, small, and medium enterprises (“**MSMEs**”) issued/modified/amended/supplemented from time to time in respect of credit facilities made available to the Borrowers by the Lenders as detailed in part A of Schedule II.
- B. The Lenders have agreed to consider grant of certain proposed financial assistances, as detailed in part B of Schedule II.

“**Facilities**” for the purpose of this Agreement shall mean facilities as detailed in Part „A” of Schedule II as well as the proposed financial assistance detailed in Part „B” of Schedule II, as the context may so require.

Classification: Internal

- C. One of the conditions of the Financing Documents is that the Secured Obligations shall be secured, *inter alia*, by the securities and in a manner as detailed in the **Schedule III** hereto.
- D. At the request of the Borrower, the Lenders have appointed the Security Trustee and Lenders' Agent to act for and on their behalf on the terms and conditions as set out in relevant Financing Documents, entered into on or about the date hereof.
- E. The Lenders acknowledge that exercise by any of the Lenders of their rights, powers, and discretions available under the Financing Documents including giving any consent or waiver, accepting any modifications or amendments to any Financing Documents, Acceleration, and Enforcement Action will have a direct effect on the interests of all the other Lenders, and therefore, the Lenders are desirous that there should be a coordinated approach and all the Lenders shall use all efforts to adopt uniform, or common course of action;
- F. The Parties hereto have agreed to enter into this Agreement for the purpose of coordinating the exercise of their rights, powers and remedies as per RBI framework for revival and rehabilitation of MSMEs issued/modified/amended/supplemented from time to time.

“Insert the below table at the end of each page”

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender's Agent	Security Trustee	

NOW IN CONSIDERATION OF THE ABOVE PREMISES, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 Definitions

All capitalized terms unless specifically defined in this Agreement shall have the meanings given to the in the Financing Documents. Unless the context otherwise requires the following terms shall have the following meanings:

“**Acceleration**” shall mean a notice referred to in Article 4.2(A) accelerating the payment of the amounts outstanding under the Financing Documents by declaring all such amounts there under to be due and payable forthwith.

“**Agreement**” shall mean this agreement including the schedules hereto, as of the date hereof as may be amended or supplemented in accordance with the provisions hereof.

“**Borrower**” shall mean [●].

“**Controlling Enforcement Action**” shall have the meaning described in Article 4.2(B)(e).

“**Enforcement Action**” shall mean any action or proceeding by one or more Lenders against the Borrower, the project, business of the Borrower, or all or any part of the secured property, for the purpose of enforcing the rights of the Lenders under the Financing Documents, including without limitation, the initiation of any non-judicial action or any action in any court, or before any administrative agency or governmental tribunal to enforce such rights, including any action initiated under or pursuant to the Recovery of Debts due to Banks and Financial Institutions Act, 1993 or the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“**SARFAESI Act**”) or any legislation in force, or action to appoint a receiver or liquidator, or any action by the Lenders for exercising the rights under their respective Financing Documents for adjudicating or seeking judgment on a claim. Provided that, sending a Section 13(2) notice under SARFAESI Act to the Borrower will not amount to an Enforcement Action.

“**Enforcement Action Notice**” shall have the meaning described in Article 4.2(B)(c)(i).

“**Enforcement Intending Party**” shall have the meaning assigned thereto in Article 4.2(B)(c)(i).

“**Financing Documents**” shall mean the meaning given to it in respective facility agreements of the Lenders, or the common loan agreement, as the case may be.

“**Financial Event of Default**” shall mean any event of default specified with respect to the following in the Financing Documents:

- (a) default in payment of principal;
- (b) default in payment of interest;
- (c) security interest in jeopardy;
- (d) attachment and restraint on assets;
- (e) expropriation, nationalisation etc.; and
- (f) insolvency/winding up/dissolution/liquidation.

“Fundamental Inter creditor Event” shall mean any of the events, which would have the effect of:

- i. changing (either to reduce or increase) the principal amount of any Loans, altering the prepayment or repayment provisions with respect thereto or changing (either to extend or shorten) the amortization schedule of any Loans;
- ii. changing the rate of interest (except on interest reset dates), the method of calculating the rate of interest in respect of any Loans, or changing (either to extend or shorten) the time for payment of interest on any Loans;
- iii. increasing the amount of commitment under the common loan/facility agreement;
- iv. changing the currency in which an advance under any Loans is made or in which repayment by the Borrower is required to be made;
- v. releasing all or any part of the security interest created for the benefit of the Lenders or allowing the release of any funds held for the benefit of the Lenders;
- vi. assigning of any of the rights by the Borrower under the Financing Documents or other transaction documents;
- vii. any amendment to this Agreement;
- viii. amending to any undertaking or guarantees given by the promoters;
- ix. any decision on the waiver of condition precedent to any drawdown;
 - x. waiver of a Financial Event of Default;
 - xi. approval of increase in the project cost, if any;
 - xii. changing the availability period;
 - xiii. any change to the financing plan;
 - xiv. any change to the priority of application of funds, to the manner of application of insufficient funds or to any reserves under the trust and retention account agreement, or changing the operation of any account by the Borrower; and
 - xv. any change in the scope of the project or any expansion of the project, or change in purpose for which Loan has been given.

“Independent Enforcement Action” shall have the meaning described in Section 4.2(B) (c) (ii).

“Loan/s” shall mean amounts advanced/granted by individual Lender/s.

“Majority Lenders” shall, in relation to the time when the same needs to be construed, mean the Lenders whose aggregate participation in the Facilities exceeds 75%(Seventy Five Percent) by value, and 50%(Fifty Percent) by number of Lenders.

“Non-Financial Event of Default” shall mean

- A. any event of default specified in the Financing Documents in relation to the following:
 - (a) cross-default;
 - (b) proceedings against Borrower;
 - (c) promoters' failure;
 - (d) abandonment of the project;
 - (e) invalidity of guarantees;
 - (f) cessation of business;
 - (g) inadequate insurance;
 - (h) invalidity of Financing Documents; and
 - (i) material adverse effect.

- B. any event of default specified in the Financing Documents related to the following , which has (except as otherwise provided) resulted in, or has the effect of resulting in, a material adverse effect:
- (a) default in performance of covenants and conditions;
 - (b) supply of misleading information;
 - (c) sale, disposal and removal of assets;
 - (d) appointment of receiver or liquidator;
 - (e) revocation of clearances etc.;
 - (f) termination of project documents; and
 - (g) litigation.

“Other Inter creditor Event” shall mean any event that is not a Fundamental Inter creditor Event.

“Parties” shall mean parties to this Agreement.

“Revocation Notice” shall have the meaning described in Article 4.2(B)(e).

“Secured Obligations” shall mean all financial obligations of the Borrower under the Financing Documents towards the Lenders secured by security interests as mentioned in Schedule III hereto.

1.2 Interpretation

A. In this Agreement, unless the context otherwise requires:

- (a) the recitals shall be construed as part of this Agreement;
- (b) the words importing singular shall include plural and vice versa and the words denoting natural persons shall where the context admits, include partnerships, firms, companies, corporations, associations, organizations or other entities (whether or not having a separate entity);
- (c) the headings are for convenience or reference only and shall not be used in and shall not affect the construction or interpretation of this Agreement;
- (d) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”;
- (e) the word “will” shall be construed to have the same meaning and effect as the word “shall”;
- (f) any reference in this Agreement, to this Agreement or any other agreement or document shall be construed, without limitation, as a reference to this Agreement or, as the case may be, such other agreement or document, in each case as the same may have been, or may from time to time be, amended, varied, novated, acceded to or supplemented and any reference to any statutory provision shall include such provision and any regulations made there under and any statutory re-enactment modification or replacement thereof;
- (g) any reference herein to any person includes any individual, partnership firm, trust, body corporate, government, governmental body, authority, agency, unincorporated body of persons or association and shall be construed to include such person’s permitted successors, transferees and assigns;

(h) a “month” is a reference to a calendar month or a period starting on one day in a calendar month and ending on the day immediately preceding the numerically corresponding day in the next succeeding calendar month, and references to “months” shall be construed accordingly;

(i) all references herein to sections, annexes, exhibits, schedules and parts shall, unless otherwise specified, be construed to refer to sections, annexes, exhibits, schedules and parts to, this Agreement;

(j) the “winding-up”, “bankruptcy”, “dissolution” or “insolvency”, of a company or corporation shall be construed so as to include, without limitation, any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of temporary or permanent suspension of payment, liquidation, winding-up, re- organization, dissolution, judicial management, administration, arrangement, adjustment, protection or relief of debtors and whether voluntary or involuntary;

(k) the section titles and table of contents contained in this Agreement are for convenience of reference only and shall not affect the meaning or interpretation of the provisions of this Agreement;

(l) unless otherwise specified, in this Agreement, in the computation of periods of time from a specified date to a later specified date, the words “from” and “commencing on” mean “from and including” and “commencing on and including”, respectively, and the words “to”, “until” and “ending on” each mean “to but not including” , “until but not including” and “ending on but not including”, respectively;

(m) whenever a provision of this Agreement requires an approval or consent by a Party to this Agreement and notification of such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its consent or approval.

(n) the words "other", "or otherwise" and "whatsoever" shall not be construed ejusdem generis or as any limitation upon the generality of any preceding words or matters specifically referred to;

(o) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof;

(p) words importing a particular gender shall include all genders;

(q) reference to “**Party**” means a party to this Agreement and references to “**Parties**” shall be construed accordingly;

(r) any consent required to be provided by the Lenders or the Lenders” Agent shall mean the prior written consent of each of the Lenders or the Lenders” Agent;

(s) the provisions contained in the schedules hereunder written shall have effect in the manner as if they were specifically herein set forth;

B. In case of any inconsistency between any provision of this Agreement and any other Financing Document, the relevant provision of this Agreement, in relation to the matters specified herein shall prevail.

1.3 Rights against the Borrower not affected

Nothing in this Agreement is intended or meant to alter, modify, and impair any of the rights of any of the Lenders against the Borrower under the Financing Documents.

“Insert the below table at the end of each page”

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender's Agent	Security Trustee	

ARTICLE II

CONSULTATION AND COMMUNICATION

2.1 General Consultation

The Lenders and the Security Trustee agree that to the extent of their participation in the circumstances: (i) they shall endeavor to afford each other reasonable opportunity to exchange views before taking any action that could affect the Borrower, projects, secured property or other Lenders, and (ii) they shall, from time to time, consult each other with respect to the progress of the projects, and affairs of the Borrower in general.

2.2 Sharing of Information

The Lenders shall use reasonable efforts and promptly make available to other Lenders and Lender's Agent any material adverse information it receives regarding:

- i. the operation of the projects or the financial condition or business of the Borrower;
- ii. the Borrower's ability to pay debts when due;
- iii. the secured property (or the status thereof) or the security interest granted by or pursuant to the security documents;
- iv. failure of the promoter to perform its obligations under any of the Financing Documents;
- v. any circumstances affecting the availability of material or other facilities or services for the projects, or the purpose for which the Loan was advanced;
- vi. occurrence of a potential event of default and/ or event of default; and
- vii. any other matter pertaining to the Borrower, the Promoters, secured property or the Facilities including, without limitation, (a) information of common interest obtained by a Lender from a nominee director and (b) any material communication of common interest (including with any governmental authority) regarding the Facilities, secured property, projects or any transaction documents.

Provided, notwithstanding the requirements envisaged herein in this Section (2.2), Lenders shall not be responsible for disclosing an information which is confidential and/or not relevant for other lenders. Further, the Lenders shall not be responsible for inaccuracy, if any, of the information given by them in good faith.

2.3 No Reliance

Notwithstanding any other provision of this Agreement to the contrary, it is hereby acknowledged and agreed that no Lender has relied, or shall rely, on any other Lender (i) to inquire into or verify the accuracy or completeness of any information provided by or on behalf of the Borrower, or any promoter thereof, or made available by a Lender to any other Lender, on or prior to the date hereof or hereafter pursuant to Section 2.2; or (ii) to review or evaluate the financial position of the Borrower, any promoter thereof, the projects, or any other person.

The Lenders have decided or determined to sanction or disburse the Facilities based on their independent judgment, without reliance on information provided by or expected from or views expressed by, any other Lender. The Lenders hereby agree that they will not

bring any action, suit or proceeding against any other Lender or implead any such persons (other than when it is required under law), in connection with any action, suit or proceeding brought by any other person, in each case arising in whole or in part out of any representation, warranty, covenant or agreement contained in the Financing Documents or any project document or certificate delivered pursuant to the terms hereof or thereof.

2.4 Notice of Excess Payments

The Lenders shall notify the other Lenders and the Lenders' Agent of any payment received in respect of the Secured Obligations, which is known to such Lender to be in excess of the amount to which such Lender is then entitled pursuant to the Financing Documents.

2.5 Exchange of Views

The Lenders agree that (a) in addition to their respective obligations set forth elsewhere in this Agreement, to the extent practicable in the circumstances, they shall consult each other about any action they have taken/are taking/propose to take, that could affect the Borrower, projects, business of the Borrower, secured property, the security interest created under the security documents, or the Secured Obligations; and (b) at the request of any Lender, they shall exchange views on any change perceived in the financial or operating condition of the Borrower, projects, business of the Borrower, secured property, or security interest created by or pursuant to security documents or otherwise in respect of secured property, construction, operation and maintenance of the projects, business of the Borrower, or the prospects for timely payment of the Secured Obligations.

2.6 Meetings of the Lenders

- i. A Lender may, at any time following the occurrence and during the continuance of a default or event of default, request the Lenders' Agent for calling of meeting or meetings of the Lenders, within a reasonable time of making such request, and upon such request a meeting shall be convened as provided herein.
- ii. Each such notice convening a meeting shall state the date of such meeting (which shall not be less than 15 days nor more than 30 days after the date of such notice, unless otherwise agreed by all the Lenders), the location thereof (which shall be selected by the Lender giving such notice), and an agenda of the issues to be discussed at such meeting. Each Lender shall have the right to appoint a person (including without limitation, another Lender) to act as its representative at any such meeting.

2.7 Waivers, consents and amendments; other actions

(a) For any action, waiver, consent, instruction, direction, authorization, or approval under, or any amendment, modification or supplement to, the Financing Documents or any of them in terms respectively thereof, or release of the security interest created pursuant to the security documents after the final settlement date (the date on which the lenders agent receives confirmation from all the lenders of satisfaction of their respective dues), after receiving the request of the Borrower, the Lenders' Agent may on its own and/ or shall on the request of any of the Lenders convene a meeting in accordance with Section 2.6(ii) hereof or may obtain consent of the Lenders by way of circulation of the relevant documents to enable the Lenders to take a view on such action, waiver, consent, instruction, direction, authorization, or approval, or amendment, modification, or supplement to the Financing Documents, or release of the security interest created pursuant to the security documents.

(b) Any amendment, modification and supplement to any Financing Documents or any action, waiver, consent, instruction, direction, authorization, or approval under or pursuant to any Financing Document:

- i. in respect of the Fundamental Inter-creditor Event shall be agreed upon and made only with the unanimous approval of the Lenders; and
- ii. in respect of the Other Inter-creditor Event may be agreed upon and made with the approval of the Majority Lenders.

(c) For the avoidance of doubt, it is clarified that neither the Enforcement Action nor the Acceleration of the Secured Obligations (or any part thereof) shall constitute an Other Inter-creditor Event, which shall be governed by Article 4.2.

2.8 Decisions of the committee as binding

The decisions agreed upon by Majority Lenders in the committee, constituted as per RBI framework on revival and rehabilitation of MSMEs issued/modified from time to time, would be considered as the basis for proceeding with the restructuring and rectification of the Borrower’s account, and will be binding on all Lenders under the terms of this 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. The committee shall ensure strict adherence to the timelines prescribed by RBI in the RBI framework on revival and rehabilitation of MSMEs issued/modified/ supplemented/ amended from time to time.

“Insert the below table at the end of each page”

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender’s Agent	Security Trustee	

ARTICLE III

SHARING: EQUITABLE TREATMENT

3.1 Basic Sharing Agreement

(a) All the Lenders expressly acknowledge and agree that it is the intention of the Lenders in making, their respective commitments that, the proceeds of the enforcement of the security pursuant to Enforcement Action, any compensation money received for requisition or acquisition of any property covered by the security interest created pursuant to the security documents, all other revenues, cash, investments and other assets of the Borrower which are available for payment of the Secured Obligations due and payable at any time to the Lenders shall, subject to Section 3.5 hereof, be applied for discharging the Secured Obligations and shall be shared pro-rata amongst the secured Lenders, and the Lenders, as amongst themselves, agree that, such proceeds, revenues, cash, investments and other assets shall be shared on such basis. Each of the Lenders hereby agree that it shall direct the Security Trustee to make distributions of all monies held by them from time to time pursuant to the Financing Documents in accordance with the aforesaid intention and agreement.

(b) All the title deeds and documents relating to the assets covered by the security interest created pursuant to the security documents shall be held by and remain in custody of the Security Trustee (except where it is likely to affect an existing mortgage) for the benefit of the Lenders and the Security Trustee shall as and when required by one or more of the Lenders, provide inspection or make available to them copies the said title deeds and documents against their receipt.

(c) If, pursuant to any permission in writing that may be given by the Lenders to the Borrower to sell any assets forming part of the secured property, the Borrower sells any such assets, the sale proceeds realised by the Borrower out of the sale of such assets shall, if the Lenders so consent, be allowed to be utilised by the Borrower in acquiring additional capital assets and in the absence of such consent, the sale proceeds thereof shall be utilised by the Security Trustee for appropriation in the same manner as provided in Section 3.1(a) hereof.

(d) Unless otherwise agreed to in writing among the Lenders or as expressly permitted under the Financing Documents, the Borrower shall not be allowed to prepay any part of the Secured Obligations to any Lender, without offering to prepay and prepaying a proportionate amount of the Secured Obligations due to the other Lenders.

(e) Notwithstanding anything contained in clause (d) above, but subject as otherwise agreed by the Lenders with the Borrower under Financing Documents, no Lender shall be under any obligation to accept any prepayment of the Secured Obligations due to them.

3.2 Equal Treatment

In furtherance of the agreement contained in Section 3.1 above, the Lenders agree that they shall not solicit nor accept, whether on their own behalf or on behalf of any other person, any compensation or consideration (other than escrow bank expenses payable to the escrow bank, the Lenders' Agent fees payable to the Lenders' Agent and the Security Trustee fees payable to the Security Trustee), whether direct or indirect, in cash or in kind, in connection with any consent, waiver, amendment, modification, permission or similar

approval or action under any Financing Documents, unless the other Lenders shall have been offered compensation or consideration in connection therewith which is no less favourable.

3.3 Redistribution of non pro-rata payments

The Lenders agree that in the event of their obtaining payment of amounts in respect of the Secured Obligations owed to it, (i) whether through exercise of a lien or counterclaim, or (ii) from realization (whether through attachment, foreclosure or otherwise) of the security interest created pursuant to the security documents, or (iii) from any revenue, cash, investments, or other assets of the Borrower, or (iv) from or as a result of proceedings before any court, administrative body or governmental tribunal for the enforcement of security interest created pursuant to the security documents, or (v) shall obtain any other like payment; such payment should be appropriated in accordance with the terms of this Agreement.

3.4 Sharing of Non-Scheduled Payments

Subject to Section 3.5 below, each Lender agrees that in the event a Lender (the "Receiving Lender") obtains payment of any amounts due to it or in respect of the Secured Obligations, including, without limitation, any payment arising from the exercise of bankers lien or counterclaim or from realization (whether through attachment, foreclosure or otherwise) of security interest created pursuant to the security documents or any other like payment, and such payment is not a Regularly Scheduled Payment (as defined below) (any of the aforesaid payments being referred to herein as a "Non-Scheduled Payment"), then the Receiving Lender shall promptly remit such amount to the Security Trustee for distribution in accordance with the terms of this Agreement. For the purpose hereof, "**Regularly Scheduled Payment**" means with respect to amounts due and owing to a Lender in respect of its Secured Obligations (including principal, interest, fee and other charges), payment which is provided to be paid at or by a specified time or according to a specified amortization schedule under the Financing Documents. In no event, however, shall Regularly Scheduled Payment includes (i) any payment owed or made on account of an event of default (including, without limitation, any default interest or late charges), (ii) any prepayment, (iii) any payment made after Acceleration of the Secured Obligations under the Financing Documents or (iv) any monies obtained from the sale of realization or all or any portion of the secured property.

3.5 Allocation of Payments

Notwithstanding anything to the contrary contained in or by virtue of or arising from or implied by the security documents, all monies available for distribution shall be applied by the Security Trustee in the manner hereinafter provided:

(i) First, to the payment of all costs and expenses necessarily incurred or to be incurred in or about the preservation, sale or realization of the secured property or otherwise in the performance or exercise of the trusts, powers and duties vested in the Security Trustee under this Agreement or security documents on behalf of the Lenders and interest payable thereon in terms of the Financing Documents.

(ii) Second, towards payment of fees that has become due, payable to the Lenders' Agent, the Security Trustee and the Escrow Bank;

(iii) Third:

(a) in the event of the monies so available for distribution being sufficient to pay to each of the Lenders the full amount of the Secured Obligations owed to each of the Lenders, respectively, be applied simultaneously in the payment to each of the Lenders their respective Secured Obligations in full;

(b) in the event of the monies available for distribution being insufficient to pay to each of the Lenders the full amount of the Secured Obligations owed to each of the Lenders, respectively, be applied pro-rata as nearly as may be practicable towards payment to each of them without any preference or priority whatsoever;

(iv) Finally, subject to approval from Majority Lenders, the balance to the Borrower or any other person entitled to receive such surplus monies.

“Insert the below table at the end of each page”

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender’s Agent	Security Trustee	

ARTICLE IV

CO-ORDINATION OF ENFORCEMENT ACTION AND COLLABORATION AND PLANNING

4.1 Co-ordination of Enforcement Action

It is the objective of the Lenders to have a coordinated approach to taking of Enforcement Action under their Financing Documents. In furtherance of such objective, any Lender proposing to accelerate the Facilities owed to it or proposing to take, authorize or direct any Enforcement Action shall as far as possible take such action in consultation with the other Lenders, subsequent to referring the aforementioned matter to the committee as per the provision of RBI's framework on revival and rehabilitation of MSMEs issued / modified / amended / supplemented from time to time, in a co-ordinated manner as specified in Section 4.2.

4.2 Provisions relating to Acceleration and Enforcement Action by the Lenders

(A) If any event of default under their respective Financing Documents shall have occurred and then be continuing, each Lender shall have the right without prejudice to its other rights and to the rights of any other Lender to enforce their claims against the Borrower, to declare the undisbursed portion of the Facilities of such Lender terminated, and to declare the principal of and any accrued interest on all of its said Facilities, as the case may be, and all Secured Obligations owed under the Financing Documents or security documents to such Lender to be immediately due and payable without presentment, demand, protest or other notice of any kind; provided, however, that no such declaration shall be made by any Lender unless and until such Lender complies with the procedure laid down in clause (B) of this Section.

(B) No Enforcement Action shall be initiated except after complying with the procedure and requirements set out herein below:

(a) If any Financial Event of Default shall have occurred and then be continuing, each Lender shall, after giving notice of 3 (three) days to all the remaining Lenders, simultaneously have the right without prejudice to its other rights and to the rights of any other Lender to enforce its claims against the Borrower, to declare the available commitment of such Lender terminated, to declare all or any of Secured Obligations owed under the Financing Documents to such Lender to be immediately due and payable without presentment, demand, protest or other notice of any kind and to take Enforcement Action.

(b) If any Non-Financial Event of Default shall have occurred and then be continuing, each Lender shall have the right without prejudice to its other rights and to the rights of any other Lender or Lender to enforce their claims against the Borrower, to declare the available commitment of such Lender terminated, to declare all Secured Obligations owed under the Financing Documents to such Lender to be immediately due and payable without presentment, demand, protest or other notice of any kind and to take any Enforcement Action, provided however that no such Acceleration or declaration shall be made or Enforcement Action taken by any Lender unless and until such Lender complies with the procedure laid down in Article 4.2(B)(c), as appropriate and such procedure has been implemented and completed.

(c) On occurrence of a Non-Financial Event of Default, Enforcement Action may be initiated by any Lender or by the Lenders' Agent or the Security Trustee on behalf of such Lender only after complying with the procedure and requirements set out herein below:

- i. Any Lender intending to take any Enforcement Action (“**Enforcement Intending Party**”) shall give notice of its intention to initiate Enforcement Action substantially in the form set out in **Schedule IV (“Enforcement Action Notice”)** to all the other Lenders, the Lenders’ Agent and the Security Trustee. Such Enforcement Action Notice shall specify the particular Enforcement Action, which the Enforcement Intending Party proposes. After receipt of such notice from the Enforcement Intending Party, the Lenders’ Agent shall convene a meeting of the Lenders within 15(fifteen) days in accordance with Article 2.6 hereof to take a view on such Enforcement Action Notice. If the course of action proposed by the Enforcement Intending Party in the Enforcement Action Notice or any other course of action is approved by the Majority Lenders within 30(thirty) days of Enforcement Action Notice given pursuant to occurrence of such Non-Financial Event of Default, then all the Lenders shall jointly take or cause to be taken by the Lenders’ Agent and the Security Trustee such approved course of action.
- ii. Notwithstanding the aforesaid, if, by the expiry of a period of 30(thirty) days referred to in sub-paragraph (i) above, the Majority Lenders in relation to the then outstanding Secured Obligations do not approve the course of action proposed in the Enforcement Action Notice or any other course of action, then Enforcement Intending Party and any Lender approving said course of action shall be free to take the Enforcement Action proposed in its Enforcement Action Notice after expiry of the said thirty 30(Thirty) day period (“**Independent Enforcement Action**”).

(d) If any Lender, or a group of Lenders acting collectively, shall have commenced Independent Enforcement Action in accordance with Article 4.2(B)(c)(ii) above and subsequent thereto there is a fresh consultation process resulting in the Majority Lenders agreeing on a different course of Enforcement Action, then such course of action shall be treated as the Enforcement Action determined by all the Lenders (“**Controlling Enforcement Action**”) and those Lenders and any other Lenders involved in prosecuting/pursuing the Independent Enforcement Action shall thereupon take steps to do whatever is required to fully synchronize the Independent Enforcement Action with the Controlling Enforcement Action and if such synchronization is not possible, such Lenders involved in prosecuting/pursuing the Independent Enforcement Action shall conduct the Independent Enforcement Action in such a way so as not to come in direct or indirect conflict with the Controlling Enforcement Action or shall give up the Independent Enforcement Action and join the Controlling Enforcement Action.

(e) An Enforcement Action Notice may be revoked by the Enforcement Intending Party that has issued such notice by the delivery of a notice to each of the Security Trustee and the Lenders Agent substantially in the form set out in **Schedule V (a “Revocation Notice”)**. Any such Revocation Notice shall be effective when the Revocation Notice is received by the Lenders Agent and the Security Trustee.

(f) It is clarified that any Enforcement Action under the provisions of the SARFAESI Act shall be taken as per the applicable provisions of the SARFAESI Act.

4.3 Notice of Enforcement Action

The Security Trustee taking Enforcement Action in accordance with the provisions of this Article shall immediately inform the Lenders and the Lenders’ Agent of details of such action and copies of any notices issued in connection therewith.

4.4 Manner of Enforcement

Subject to Section 4.2, if the Lenders do instruct the Security Trustee or the Lenders' Agent chooses to enforce the security, the Security Trustee or the Lenders' Agent (as the case may be) may do so in such manner as it deems fit and solely having regard to the interests of the Lenders. In relation to the enforcement of security, the Lenders shall act only through the Security Trustee as the case may be, each of which is hereby authorized under this Agreement.

4.5 Collaboration and Planning

(a) The Lenders acknowledge that any Enforcement Action taken by any one of them will have a direct effect on the interests of the other Lenders. Accordingly, it is agreed that they will seek, to the extent practicable, to achieve unanimous agreement on the course and conduct of any Enforcement Action.

(b) A Lender proposing to take Enforcement Action shall use its best efforts (i) to develop a plan for the course and conduct of such action that is not harmful to the interests of the other Lenders and (ii) both prior to and throughout the implementation of such action, to resolve any differences with respect to the course and conduct of such action in good faith and in the spirit of mutual collaboration for purposes of maximizing the net amount realized in respect of such action. Each of the Lenders acknowledges and declares that, notwithstanding its right to commence Independent Enforcement Action against the Borrower or other Persons in various jurisdictions, the interests of all the Lenders are likely best to be served by co-ordinated action.

To the extent that a Lender is required to take Enforcement Action in order to preserve and protect all or any part of the secured property, the others shall co-operate in the taking of such Enforcement Action, to the extent legally permitted to do so, so long as, in the reasonable judgment of such Lender, such co-operation and Enforcement Action would not result in the impairment, release or diminution in value of all or any part of the secured property prior to the payment in full of the outstanding Secured Obligations or be in violation of any policy of such co-operating Lender or be adverse to the interests of such Lender.

4.6 Preference for Joint Action

In connection with the notification and consultation procedures described in Article 4 and taking Enforcement Action pursuant thereto, the Lenders agree to use their best efforts to ensure that timely and appropriate action in the interest of all the Lenders will be taken in all matters connected with the enforcement of security, including without limitation, the appointment of a receiver (or receiver and manager and similar official) of the Borrower or any of its assets with the intent that:

- i. the Enforcement Action shall so far as practicable be enforced by the same method;
- ii. in case of exercise of any power of sale, each Lender shall execute such release or other necessary document, so as to permit good title, free from encumbrance to be passed to a purchaser;
- iii. in case of an appointment of a receiver, the same person shall if possible be appointed by the Lenders, but if two or more persons are affected, they shall so far as practicable, act jointly to give effect to this Agreement;
- iv. the expenses of Enforcement Action shall be shared by the Lenders pro-rata based on their share.

“Insert the below table at the end of each page”

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender's Agent	Security Trustee	

ARTICLE V
JUDICIAL PROCEEDINGS

5.1 General

If any Lender proposes to take Enforcement Action, the Lenders agree that it will comply with the terms and provisions of this Article in initiating such Enforcement Action. The Lender(s) shall:

(i) keep the other Lenders fully informed in writing of all matters affecting the proceedings, including any judgments, orders or rulings issued in connection therewith;

(ii) provide in writing, within a reasonable period after receipt of any request of any Lenders, information related to the matters requested for; and

(iii) provide to the other Lenders copies of any pleading, submission or document made by or provided to the court, administrative agency or tribunal in connection with such proceedings after submission or receipt thereof, if requested by other Lender; and

(iv) take such action and provide such information as shall be reasonably requested by the court, administrative agency or governmental tribunal to assist the prosecution (and, if necessary, appeal) of such proceedings.

“Insert the below table at the end of each page”

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender’s Agent	Security Trustee	

ARTICLE VI

MISCELLANEOUS

6.1 Representations and Warranties

Each Lender hereby represents and warrants to the other Lenders that (i) execution of this Agreement is within its powers and has been duly authorized (ii) this Agreement constitutes a legal, valid and binding obligation enforceable in accordance with its terms, and (iii) this Agreement does not conflict in any material respect with any applicable law, or the documents pertaining to its creation, organization, or the conduct of its corporate affairs; and it has obtained all necessary consents for the performance by it of the terms of this Agreement.

6.2 Notices

All notices or other communications to be given or made under these presents, shall be in writing and shall be deemed to have been served:

- i. if delivered personally, at the time of delivery;
- ii. if sent by registered letter when the registered letter would, in the ordinary course of post, be delivered whether actually delivered or not;
- iii. if sent by courier service, (a) one (1) Business Day after deposit with an overnight courier if for delivery; and (b) five (5) Business Days after deposit with an international courier if for overseas delivery; and
- iv. if sent by facsimile transmission, at the time of transmission (if sent during business hours) or (if not sent during business hours) at the beginning of business hours next following the time of transmission in the place to which the facsimile was sent.

Provided however that any notice or communication to the Parties or the Lenders' Agent shall be effective only on actual receipt by the officer of any such Person for whose attention the notice or communication has been expressly marked.

In proving such service it shall be sufficient to prove that personal delivery was made or in the case of prepaid recorded delivery, registered post or by courier, that such notice or other written communication was properly addressed and delivered or in the case of a facsimile message, that an activity or other report from the sender's facsimile machine can be produced in respect of the notice or other written communication showing the recipient's facsimile number and the number of pages transmitted.

The address for service of each of the Security Trustee, the Lenders' Agent and the Lenders are as specified in **Schedule VI**.

6.3 Severability

If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

6.4 Governing Law

This Agreement shall for all purposes be governed by and construed in accordance with the laws of India.

6.5 Rights Unaffected

Nothing herein contained shall be construed to extinguish or limit in any manner any Lender's legal rights under the Financing Documents or under any Applicable Law save and except that the Lenders agree to enforce such rights in accordance with the terms of this Agreement.

6.6 Benefits of Agreement-

(i) Nothing in this Agreement shall give to the Borrower/Guarantors/other obligors, or any other Person (other than the parties hereto and their successors and permitted assigns) any benefit or any legal or equitable right or remedy under this Agreement. This Agreement shall be binding upon the Lenders and their respective successors, assigns or transferees. As to each Lender hereto, the benefits of this Agreement shall cease when the amounts owing to such Lender shall have been paid in full.

(ii) Subject to the Financing Documents, any of the Lenders may at any time assign to anyone or more banks or other institutions or other persons to whom such Lender has assigned or transferred all or any part of its rights and obligations under (and in accordance with the terms of) any of the Financing Documents all or, as the case may be, such part of such Lender's rights and benefits hereunder, and in that event any such assignment or transfer shall be made expressly subject to the terms and conditions of this Agreement and the assignee will get the benefit of the Agreement only if it signs a Deed of Adherence in the form provided in **Schedule VII** hereto agreeing to the provisions of this Agreement. The assignee shall have the same rights and obligations hereunder as it would have had if it had been a party hereto.

(iii) During the course of restructuring or rectification in case it is decided to go for some additional exposure, new lenders can join in, subject to execution of "Deed of adherence" as envisaged in **Schedule VII** subject to consent of other parties to this Agreement.

6.7 Inconsistency

In the event of any inconsistency between the provisions of this Agreement and of the common loan/facility agreement, Financing Documents and transaction document, the provisions of this Agreement shall prevail.

6.8 Execution in Counterparts

This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be deemed to be an original, but all the counterparts shall together constitute one and the same instrument and such instruments shall be held by [•].

6.9 Jurisdiction

In case of a conflict amongst the Lenders, the 3(three) senior officers of Lenders representing maximum outstanding against the Borrower shall resolve the conflict by majority and such decision regarding the dispute shall be final and binding on the Lenders subject to RBI framework on revival and rehabilitation of MSMEs issued / modified / amended / supplemented from time to time.

6.10

This Agreement shall be subject to the provisions of MSME Act and Rules made there under and RBI guidelines and framework issued from time to time along with all amendments/supplements/modifications to it shall prevail in case of any discrepancies.

6.11 Effective Date: This Agreement shall become binding on the parties on and from the date first above written.

6.12 Amendments

Any amendments of any provision of this Agreement shall be in writing and be valid and binding only if signed by the parties hereto.

“Insert the below table at the end of each page”

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender's Agent	Security Trustee	

**SCHEDULE I
PARTICULARS OF LENDERS**

- 1.
- 2.
- 3.
- 4.

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender's Agent	Security Trustee	

SCHEDULE II

Part A

1. PARTICULARS OF LENDERS & FACILITY

Name of the Lenders	Amount (Rupees in crores)
(1)	(2)
Term Loan	
Bank - Facility - I	
- Facility - II	
- Facility - III	
Bank - Facility - I	
- Facility - II	
- Facility - III	
Bank - Facility - I	
- Facility - II	
Total	

2. PARTICULARS OF LENDERS & FACILITY

Name of the Lenders	Amount (Rupees in crores)
(1)	(2)
Term Loan	
Bank - Facility - I	
- Facility - II	
- Facility - III	
Bank - Facility - I	
- Facility - II	
- Facility - III	
Bank - Facility - I	
- Facility - II	
Total	

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender's Agent	Security Trustee	

SCHEDULE III LIST OF SECURITIES

- A. The Secured Obligations shall be secured by:
 - a) a first mortgage and charge on all the Borrower’s immovable properties, both present and future;
 - b) a first charge on all the Borrower’s tangible moveable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures and all other movable assets, both present and future, save and except the Current Assets;
 - c) a first charge over the Escrow Account (or any account in substitution thereof) that may be opened in accordance with the Trust and Retention Account Agreement, and in all funds from time to time deposited therein or other securities representing all amounts credited to the Escrow Account;
 - d) a first charge on all intangible assets of the Borrower including but not limited to goodwill, rights and undertakings and intellectual property rights, and on uncalled capital, both present and future, excluding the Current Assets;
 - e) Assignment by way of security in:
 - i. all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under the project documents, in each case duly acknowledged and consented to by relevant counter parties to such project documents, all as amended, varied or supplemented from time to time.
 - ii. the rights, title and interest, benefits, claims and demands of the Borrower in, to and under all the Clearances;
 - iii. all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under any letter of credit, guarantee including contractor guarantees, liquidated damages and performance bonds provided by any party to the project documents;
 - iv. all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in, to and under all Insurance Contracts;
 - f) Personal Guarantee
 - g) Corporate Guarantee
 - h) Pledge of shares

Provided that the mortgages, charges, assignments, pledge, and guarantees set forth in paragraphs (a) to (h) above:

- i. shall in all respects rank pari-passu inter-se amongst the Lenders without any preference or priority to one over the other or others, unless any of the Lenders originally had certain exclusive security and they intend to retain the exclusivity, notwithstanding the Sections/clauses herein in this Agreement³;
- ii. shall be permitted to be charged as collateral security for the working capital Facilities of the Borrower by way of second (2nd) charge.
- iii. shall exclude vehicles, assets charged to hire purchase finance and the current assets;
- iv. a second charge on all the current assets of the Borrower, present and future.

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender’s Agent	Security Trustee	

SCHEDULE IV

FORM OF ENFORCEMENT ACTION NOTICE
[Letterhead of Lender]

[Lenders' Agent]
[Security Trustee]

Re: ___ / Enforcement Action Notice

The later portion of the aforementioned clause shall apply to securities held by a Lender to the exclusion of other Lenders and exclusively provided by the Borrower as security to that Lender.

This notice is delivered pursuant to the Inter Creditor Agreement, dated as of ___, 20..... (the "**Agreement**"), among the Lenders, the Lenders' Agent and the Security Trustee. Capitalized terms used herein without definition shall have the meaning specified in the Agreement.

Pursuant to Section 4.2 of the Agreement, the undersigned (the "**Enforcement Intending Party**") hereby notifies you that:

An event of default has occurred in respect of the Secured Obligations. Such Secured Obligations are entitled to be accelerated.

The Enforcement Intending Party intends to take the Enforcement Action specified below:

[Name]
By ___
Name: _____
Title: _____
Date: _____

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender's Agent	Security Trustee	

SCHEDULE V

FORM OF REVOCATION NOTICE
[Letterhead of Lender]

[Lenders' Agent]
[Security Trustee]

Re: _____ / Enforcement Action Notice

This notice is delivered pursuant to the Inter Creditor Agreement, dated as of _____ (the "**Agreement**"), among the Lenders, the Lenders Agent and the Security Trustee. Capitalized terms used herein without definition shall have the meaning specified in the Agreement.

Pursuant to Section 4.2 of the Agreement, the undersigned (the "**Enforcement Intending Party**") hereby revokes its Enforcement Action Notice dated ____.

[Institution Name]
By ____ Name: _____
Title: _

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender's Agent	Security Trustee	

SCHEDULE VI

List of Addressees

For the Borrower:

.....
 Attention: Sri, Executive Chairman/MMD/DIRECTOR
 Address:
 Fax:

For Lenders:

For BANK
 Address:
 Attention:,
 Fax:

For BANK
 Attention:
 Address.....
 Fax:

For S..... BANK
 Address:
 Attention:
 Fax:

For the Lenders' Agent

For
 BANK Attention:
 Address:
 Fax:

For the Security Trustee

For
 Attention:
 Address:
 Fax:

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender's Agent	Security Trustee	

SCHEDULE VII

DEED OF ADHERENCE

THIS DEED dated [___], [___] is supplemental to the Inter Creditor Agreement dated day of ___ 20__ (the “**Inter Creditor Agreement**”) entered into by and among the Lenders, the Lenders Agent and the Security Trustee.

Words and expressions used in this Deed shall have the same meaning as ascribed to them under the Inter Creditor Agreement.

[Name of new Lender] (the “**New Lender**”) hereby agrees with each other person who is or who becomes a Party to the Inter Creditor Agreement that with effect and on and from the date hereof it will be bound by the Inter Creditor Agreement as the Lender as if it had been an original party to the Inter Creditor Agreement in that capacity.

The address for notices to the New Lender for the purposes of Section 6.2 of the Inter Creditor Agreement is:

Schedule I to the Inter Creditor Agreement shall stand amended as below:

Schedule II to the Inter Creditor Agreement shall stand amended as below:

[Execution under seal]
[or appropriate execution clause]

We hereby confirm:

.....Limited
[Execution under seal]
[or appropriate execution clause]

[Please insert name of the Security Trustee] [Execution under seal]
[or appropriate execution clause]

IN WITNESS WHEREOF the Lenders, the Lenders” Agent and the Security Trustee have caused the same to be executed by the hands of their respective officials as hereinafter appearing.

SIGNED AND DELIVERED BY the within named Lender,.....BANK by the hand of Mr. _____, its _____ and _____ authorized official.

SIGNED AND DELIVERED BY the within named Lender,.....BANK by the hand of Mr. _____, its _____ and _____ authorized official.

SIGNED AND DELIVERED BY the within named Lender,.....BANK by the hand of Mr. _____, its _____ and _____ authorized official.

SIGNED AND DELIVERED BY the within named Lender,.....BANK by the hand of Mr. _____, its _____ and _____ authorized official.

SIGNED AND DELIVERED BY the within named Lender's Agent,..... by the hand of Mr. _____, its _____ and _____ authorized official.

SIGNED AND DELIVERED BY the within named Security Trustee,..... by the hand of Mr. _____, its _____ and _____ authorized official.

..... Bank	..... Bank	..... Bank	..... Bank	..... Bank
		Lender's Agent	Security Trustee	

DEBTOR-CREDITOR AGREEMENT

This Agreement is executed at on this day of Two thousand..... (20....)

BY

Shri/Smt son/daughter/wife of aged.....years, residing at....., carrying on the business as proprietor/proprietrix in the name of M/s..... having his/her/its place of business at

Or

M/s....., a partnership firm within the meaning of Partnership Act, 1932/company within the meaning of the Companies Act, 2013, having its place of business/registered office at, represented by its partner/director, Shri/Smt..... residing at.....
(hereinafter called the "Borrower" which expression shall wherever the context so requires, be deemed to include his/her/its heirs, executors, administrators, successors, assigns, attorneys, and partners from time to time, as the case maybe.)

AND

Shri/Smt son/daughter/wife of aged.....years, residing at..... and /or Shri/Smt..... son/daughter/wife of aged.....years, residing at.....carrying on business as proprietor/proprietrix in the name of M/s..... having his/her/its place of business at

AND / Or

M/s..... a partnership firm within the meaning of Partnership Act, 1932 /company within the meaning of the Companies Act, 2013, having its place of business/registered office atrepresented by its partner/director Shri/ Smt....., residing at.....

(hereinafter called the "Guarantor(s)" which expression shall wherever the context so requires, be deemed to include his/her/its heirs, executors, administrators, successors, assigns, attorneys, and partners from time to time, as the case maybe).

IN FAVOUR OF

A....., [constituted under the Banking companies (Acquisition and transfer of Undertakings) Act, 1970]/ [constituted under the Banking companies (Acquisition and transfer of Undertakings) Act, 1980] /[a body corporate within the meaning of the Companies Act,2013]/[a banking company within the meaning of Section 5(c) of Banking Regulation Act,1949/[constituted under the State Bank of India Act,1955], and having its registered/Head/Corporate office at, (hereinafter called "A Bank", which expression shall, unless it be repugnant to the subject or context thereof, includes its successors, and assigns) of the FIRST PART;

AND

B....., [constituted under the Banking companies (Acquisition and transfer of Undertakings) Act, 1970]/ [constituted under the Banking companies (Acquisition and transfer of Undertakings) Act, 1980] / [a body corporate within the meaning of the Companies Act,2013]/ [a banking company within the meaning of Section 5(c) of Banking Regulation Act,1949/[constituted under the State Bank of India Act,1955], and having its registered/Head/Corporate office at, (hereinafter called “B Bank”, which expression shall, unless it be repugnant to the subject or context thereof, includes its successors and assigns) of the **SECOND PART**;

AND

C....., [constituted under the Banking companies (Acquisition and transfer of Undertakings) Act, 1970]/ [constituted under the Banking companies (Acquisition and transfer of Undertakings) Act, 1980] / [a body corporate within the meaning of the Companies Act,2013]/ [a banking company within the meaning of Section 5(c) of Banking Regulation Act,1949/[constituted under the State Bank of India Act,1955], and having its registered/Head/Corporate office at, (hereinafter called “C Bank”, which expression shall, unless it be repugnant to the subject or context thereof, includes its successors and assigns) of the **THIRD PART**;

AND

D....., [constituted under the Banking companies (Acquisition and transfer of Undertakings) Act, 1970]/ [constituted under the Banking companies (Acquisition and transfer of Undertakings) Act, 1980] / [a body corporate within the meaning of the Companies Act,2013]/ [a banking company within the meaning of Section 5(c) of Banking Regulation Act,1949/[constituted under the State Bank of India Act,1955], and having its registered/Head/Corporate office at, (hereinafter referred to as “D Bank”, which expression shall unless it be repugnant to the subject or context thereof, includes its successors and assigns) of the **FOURTH PART**.

The ‘A Bank’, ‘B Bank’, ‘C Bank’ and; ‘D Bank’ (hereinafter collectively called the “Banks”, which term wherever the context so requires shall be deemed to include their successors, and assigns), have granted certain Facilities (as defined hereinafter) to the Borrower.

The “**Borrower**” and “**Guarantor**” are hereinafter collectively referred to as Parties.

In this Agreement, unless the context otherwise requires, words denoting singular include the plural and vice versa. Any capitalised term not expressly defined herein shall have a meaning provided for it under the Financing Documents. [**Note:** Needs be defined/suitably modified, if conflicting definitions occur under various relevant Financing Documents].

Whereas the Borrower has availed various financial assistances (“**Facilities**”) from the Banks on the terms and conditions contained in Financing Documents, entered by and amongst the Borrower, the Banks, security and contractual comfort providers, as the case maybe (“**Financing Documents**”).

And whereas on account of apprehension of failure of its business, or substantial erosion of its net worth being faced by Borrower due to various reasons, the Borrower is unable to repay the outstanding dues under the Facilities that have accrued, and are due and payable to the Banks. Hence, the Parties have approached the Banks for restructuring the Facilities.

And whereas at the request of the Parties, Banks without prejudice to their rights under the Financing Documents, have agreed to consider a scheme of restructuring in relation to the Facilities availed by the Borrower, as per RBI framework on revival and rehabilitation of micro, small, and medium enterprises (“MSMEs”), issued/modified/amended/ supplemented from time to time. Hence, the Parties have agreed to execute this Agreement.

NOW THIS DEBTOR-CREDITOR AGREEMENT WITNESSETH that, in consideration of the above premises, it is hereby agreed by the Parties, jointly and severally, as follows.

- 1) The Parties represent that the request for restructuring of the Facilities was made to the Banks pursuant to the apprehension of failure of business of the Borrower, inability to pay the outstanding under the Facilities, or substantial erosion of the net worth faced by the Borrower.
- 2) The Parties shall provide to the Banks, all required information from time to time, immediately on receipt of the request, including a comprehensive, transparent, and achievable business plan, specifying industry analysis and actual cash flow projections.
- 3) The Banks shall be entitled to appoint such consultants, including financial, technical, or legal consultants, as the Banks may deem fit, to assist the Banks to prepare and develop a feasible scheme of restructuring at the cost and liabilities of the Parties for payment of fees to such consultants.
- 4) The Parties shall co-operate fully with such consultants, and provide them with all requisite information expeditiously and diligently.
- 5) The Parties agree that during the period the restructuring scheme is under preparation or consideration or under implementation, they shall not without the prior written consent of the Banks: (a) create or assume additional indebtedness; (b) make any investments or incur any expenses, except reasonable expenses in the ordinary course of its business; (c) divert/use the funds for purposes other than it is sanctioned; (d) transfer, alienate, or dispose of any assets(tangible or intangible); (e) guarantee any other person’s obligations; (f) effect any change in its management set up, or the composition of its board of directors; (g) effect any change in its capital structure including the shareholding pattern of its shareholders; (h) create any additional charge, mortgage or any other security interests in respect of its properties and other assets (including but not limited to any balance in the bank accounts or receivables), save and except pursuant to its obligations, if any to create security interests in respect to the Facilities as envisaged under the scheme of restructuring; (i) make any preferential payments, including any debt repayments to creditors; (j) engage in any activity, directly or indirectly, other than its existing business activities; (k) enter into any foreign exchange, swap, or derivative transactions; (l) make any payments to shareholders, whether in the form of dividends, redemption or equity, repayment of subordinated loans, or otherwise; and (m) amend or modify its memorandum of association or article of association.
- 6) The Parties shall not commence or proceed with any legal action or proceedings against the Banks and shall observe a standstill position after a request is made to the Banks by them for restructuring, and during the currency of scheme of restructuring.

- 7) The Parties shall procure and furnish a letter in the form prescribed from the existing director/partner representing the Parties, that they would not resign from their directorship/retire from the partnership, or dissolve the partnership, subsequent to the request being made to the Banks by the Parties for restructuring the Facilities and during the period when the request for restructuring is under consideration/implementation.
- 8) The Parties shall not make any references to the government for declaring them as relief undertaking, or initiate any legal proceedings for its winding up, merger, dissolution, liquidation etc., or approach for any relief/resolution under the Insolvency and Bankruptcy Code, 2016 during the currency of the scheme for restructuring
- 9) The Parties shall enter such documents confirming and acknowledging the outstanding liability under the Facilities as and when called upon and as may be required by the Banks.
- 10) The Parties shall abide by the terms and conditions of the scheme of restructuring as approved by the Banks at all times.
- 11) The Parties agree that, as provided under the scheme of restructuring, the Banks may transfer or assign, in part, or the whole of its outstanding Facilities.
- 12) The Parties agree that the security interests created, and Financing Documents entered into by them in favour of Banks/security trustee, including those newly created during the restructuring shall hold good, and be available at all times till full and final settlement in relation to the Facilities, to the Banks, irrespective of the fact that scheme of restructuring has failed or not and Banks have chosen to reinstate the original liabilities of the Borrower which has been waived or sacrificed.
- 13) The Parties shall abide by the terms and provisions of this Agreement, any order and directions issued by the Banks, and the terms and conditions as may be stipulated under the scheme of restructuring.
- 14) This Agreement shall be governed, construed, and enforced in accordance with the laws of India, and shall remain in full force, and binding on the Parties.
- 15) The courts of [●] shall have an exclusive jurisdiction in relation to the disputes arising out of this Agreement. Banks/security trustee/facility agent shall have an independence to approach the courts of any competent jurisdiction, and Parties hereto shall not have any objection to the aforesaid jurisdiction.
- 16) The decisions agreed upon by a majority of the Lenders (75% by value and 50% by number), in the committee constituted as per RBI framework on revival and rehabilitation of MSMEs issued/ modified/ amended/ supplemented from time to time, would be considered as the basis for proceeding with the restructuring and rectification of Borrower's account. In case of a conflict between the provisions of this Agreement and the RBI framework on revival and rehabilitation of MSMEs, the provisions of aforementioned framework shall prevail.
- 17) The Parties hereby undertake to re-compensate the Banks for the sacrifices made by them while restructuring the Facilities as may be decided by the Banks.

IN WITNESS WHEREOF, the Parties have executed these presents at _____ day, month, and year above mentioned in the presence of_____.

BORROWER:

GUARANTOR: