

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

In order to provide a simpler and faster mechanism to address the stress in the accounts of MSMEs and to facilitate the promotion and development of MSMEs, Reserve Bank of India has issued guidelines on Revival and Rehabilitation of MSMEs vide their circular No. RBI/2015-16/338 FIDD MSME & NFS.BC.No.21/06.02.31/2015-16 March 17, 2016.

The salient features of the above scheme as under:

1. The scheme is applicable to MSMEs accounts having limits up to Rs. 25.00 crore including accounts under consortium or multiple banking arrangements (MBA).
2. Borrower to register himself for Udyog Aadhar number and/or MSME registration.
3. 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.
4. Any MSME borrower may voluntarily initiate proceedings under this Framework, if the enterprise reasonably apprehends failure of its business or its inability or likely inability to pay debts or there is erosion in the net worth due to accumulated losses to the extent of 50% of its net worth during the previous accounting year, by making an application to the branch or directly to the Committee. The committee has been formed at the Head office of the bank in Mumbai.
5. Please [click here](#) to voluntarily initiate proceedings under the Framework for your enterprise