

**GOVERNMENT OF INDIA  
MICRO, SMALL AND MEDIUM ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:1870

ANSWERED ON:01.12.2009

COMMITTEE ON MSME

Sarvey Shri Sathyanarayana;Sharma Shri Jagdish;Singh Shri Rajiv Ranjan (Lalan)

**Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:**

- (a) whether the Reserve Bank of India has constituted a committee headed by Shri K.C. Chakraverti to present a report on the financial status of Micro, Small and Medium Enterprises (MSMEs) in the country;
- (b) if so, whether the said committee has since submitted its report;
- (c) if so, the details of the findings thereof and the action plan formulated thereon;
- (d) whether the Government has constituted any task force to look into the problems being faced by MSMEs; and
- (e) if so, the details alongwith the action taken thereon?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI DINSHA PATEL)

(a) to (c): The Reserve Bank of India (RBI) constituted a Working Group under the chairmanship of Dr. K.C. Chakrabarty, the then Chairman and Managing Director, Punjab National Bank in June 2007 to suggest measures for improving credit flow to the micro, small and medium enterprises (MSME) sector as well as measures for early implementation of rehabilitation / nursing of sick MSMEs. The Working Group submitted its report in April 2008 which contained various recommendations for timely and adequate flow of credit, timely detection and remedial action with respect to incipient sickness, rehabilitation of sick MSMEs, etc. Based on the recommendations of the Working Group, the RBI has issued circular to all scheduled commercial banks on May 4, 2009 advising them, inter alia, to undertake a review and put in place loan policy governing extension of credit facilities, restructuring / rehabilitation policy for revival of potentially viable sick units / enterprises and non-discretionary One Time Settlement scheme for recovery of non-performing loans for the micro and small enterprises (MSE) sector.

(d) & (e): A High Level Task Force under the chairmanship of the Principal Secretary to the Prime Minister has been constituted to address the issues of MSME sector. The Task Force has so far held five meetings with the stakeholders (including MSME Associations) to deliberate on the issues confronting the sector.