



**Proceedings of the  
Meeting of Sub-Committee on  
MSME  
held on 05.07.2019 at 03.30 PM  
at AP Secretariat, Velagapudi**

**State Level Bankers' Committee of Andhra Pradesh  
Convenor  Andhra Bank**

Circle Office, Andhra Bank Building, R.R. Apparao Street,  
Vijayawada

Phone : 0866-2562522,2562518

Fax : 0866-2562521

Email : [slbc@andhrabank.co.in](mailto:slbc@andhrabank.co.in)

## Proceedings of Meeting of Sub-Committee on MSME

Meeting of Sub-committee on MSME was held on 05.07.2019 at AP Secretariat, Velagapudi. The detailed list of participants is enclosed.

**Sri K.V. Nancharaiah, Circle General Manager, Andhra Bank & Convenor, SLBC of AP** has welcomed the participants and initiated the discussion on the agenda items.

### Agenda - 1

#### Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances

**Convenor, SLBC of AP** informed that this meeting assumes greater significance through a positive initiative from the Govt. side to resolve the issues related to stressed MSME assets and an active participation of Bankers is the need of the hour to assist the MSME sector and to help the stressed assets eligible under MSME restructuring.

RBI has been giving comprehensive guidelines to Banks for restructuring of advances under MSME sector from time to time.

**Dr Rajat Bhargava, IAS, Principal Secretary, Industries, Infrastructure & Investment Dept., GoAP** highlighted the following;

- ❖ Government will provide the Handholding to banks in respect of;
  - ✓ Publicity on One Time Restructuring scheme.
  - ✓ Purchase of Stamp Papers.
  - ✓ Towards this Government will provide some amount to each of the bank.
- ❖ Government is planning to organize a meeting with Chartered Accountants in next week to charge uniform fee and procedure in restructuring of accounts.
- ❖ Requested the banks to implement the uniform application for restructuring of MSME accounts.
- ❖ The banks have to share the data on the District wise and branch wise details of the stressed accounts, so that the Govt. machinery will be able to create awareness about the scheme, co-ordinate, monitor and provide hand holding.
- ❖ Department will provide the assistance to banks wherever required.
- ❖ Banks are requested to workout ways to co financing with APSFC.

**GM, RBI** informed that;

- ❖ In respect of Common application form Banks are implementing their Board approved policy guidelines and there may be internal audit issues, if common application is to be insisted.
- ❖ Banks are advised to explain the details of One Time Restructuring scheme and educate the borrowers.
- ❖ Banks should give first priority to restructuring the SMA-2 category accounts followed by other eligible accounts.
- ❖ Government to identify sectors which are under stress.

**Representatives from Banks** informed that;

- ✓ Banks are facing problem in receiving applications / obtaining information from borrowers.
- ✓ Some borrowers are not willing to restructure their accounts.
- ✓ Needs support from Government.
- ✓ Government is requested to provide interest concessions to entrepreneurs.
- ✓ Representative from SBI informed that they are sending bulk SMS to all eligible MSME borrowers regarding restructuring and they are doing the restructuring on their own out of the committee approach.

**Sri Siddarth Jain, IAS, Commissioner, Industries Dept., GoAP** highlighted the following.

- ❖ As per the information provided by the banks, there are around 86,000 sick / stressed / NPA MSME accounts in the state are yet to be restructure.
- ❖ Government will provide the publicity to the scheme and banks are requested to explain the benefits of the scheme to borrowers.
- ❖ He requested the banks to allot one particular / dedicated day in a week for One Time Restructuring.
- ❖ Department staff will mobilize the MSME borrowers in a big way on that particular day.
- ❖ After mobilization banks have to collect the applications and process and dispose it.
- ❖ From Government side, at Central level Department officer is available and they will coordinate with banks for disposal of applications.
- ❖ Banks may utilize the services of APIIC & APSFC.
- ❖ At every State Finance Corporation 2 Chartered accountants are available and these are approved by SIDBI. Banks may utilize the services of these Chartered Accountants.

- ❖ He requested State Bank of India, Andhra Bank, Syndicate Bank, Indian Bank & Canara Bank to share their TEV study format to prepare one common TEV study report.
- ❖ Government is going to implement “100 days intensive action plan”.
- ❖ He advised to conduct special DCC meetings at District level on One Time Restructuring scheme as a special focused item.
- ❖ Government will resolve the sector specific issues by 31<sup>st</sup> July, 2019.

**Ms. E Kalyani, Dy. Director, Finance Dept., GoAP** observed that 8-10 banks are contributing more number of MSME accounts eligible for restructuring and requested banks to complete the process of restructuring at an early date. Further, she requested banks to send SMS to all eligible borrowers for restructuring of accounts.

**The following resolutions were made;**

- ❖ Individual Banks should to obtain applications for restructuring from borrowers on their own formats as per their Board Approved Policy.
- ❖ Banks are requested to share the data on the District wise and branch wise details of the stressed accounts to SLBC.
- ❖ Banks are requested to allot one particular / dedicated day in a week for One Time Restructuring. Department staff will mobilize the MSME borrowers in a big way on that particular day.
- ❖ Government is requested to sensitize the eligible borrowers to visit branches to complete required documentation to restructure their accounts under One Time Restructuring scheme.
- ❖ State Bank of India, Andhra Bank, Syndicate Bank, Indian Bank & Canara Bank are requested to share their TEV study format to Department of Industries, GoAP for preparing common format for TEV study report.
- ❖ Banks are requested to complete the process of restructuring in respect of all eligible accounts.
- ❖ Government will organize a meeting with auditors to charge uniform fee and procedure in restructuring of accounts.
- ❖ LDMs are advised to conduct special DCC meetings on One Time Restructuring scheme as a special focused item.

**(Action: all Banks, SLBC & Department of Industries, GoAP)**

**Agenda - 2****Framework for Revival and Rehabilitation of MSMEs**

**GM, RBI** advised banks to refer stressed accounts to Revival and Rehabilitation committees for rectification / rehabilitation.

**Representatives from Banks** requested Department of Industries, GoAP to share the contact details of nominee of the Department of Industries in the Regional Office Level Committee.

**Commissioner, Industries Dept., GoAP** informed that Department will share the contact details to all banks through SLBC.

**(Action: all Banks, SLBC & Department of Industries, GoAP)**

**Agenda - 3****MSME: Sharing of Information by banks with Industries Department, GoAP**

**Commissioner, Industries Dept., GoAP** informed that the Industries Department provides incentives to all eligible enterprises set up in Andhra Pradesh state. Interest subsidy on loans taken by enterprises is one of the incentives to promote the Industrial development in the state. He requested Banks to complete the process of entering MoU with Department of Industries, GoAP & start the sharing of data for direct credit of Industrial Incentives to eligible borrower accounts.

**(Action: all Banks)**

**Agenda - 4****Incentives / Subsidies to MSME units**

**Representatives from Banks** requested Department of Industries, GoAP to release the pending incentives / subsidies to eligible entrepreneurs / MSME units.

**Principal Secretary, Industries, Infrastructure & Investment Dept., GoAP** informed that the Government will come up with some policy correction.

**(Action: Department of Industries, GoAP)**

**Agenda - 5****Land allotment by APIIC**

**Representatives from Banks** requested State Government to relax the norms for mortgaging the land allotted by APIIC to the prospective industries.

**Commissioner, Industries Dept., GoAP** informed that;

- ❖ The units being established in Industrial parks of APIIC, the sale deed can be executed as soon as the construction of building comes to lintel level.
- ❖ Banks can process the term loan by considering the sale deed as security by reducing the burden on the unit holder.

**Representatives from Canara Bank** suggested the following;

- ✓ APIIC to release sale deed on priority basis to those who got valid sanction from Commercial Bank.
- ✓ The date of registration of sale deed is to be made in concurrence with financing bank to enable them to obtain the sale deed directly from Sub-Registrar Office up on registration.
- ✓ The sale deed may be also released up to a certain level of construction as per the approved plan from his own funds along with bank sanction letter.

**Commissioner, Industries Dept., GoAP** suggested to send representation to department of Industries, GoAP through SLBC to take-up with APIIC for positive resolution.

**Agenda - 6****Public Procurement Policy**

The Public Procurement Policy for Micro and Small Enterprises (MSME) order 2012 has mandated Every Central Ministry/Department/PSU shall set an annual goal for procurement from the MSE sector at the beginning of the year, with the objective of achieving an overall procurement goal of minimum 25 per cent of the total annual purchases from the products or services produced or rendered by MSEs.

**Commissioner, Industries Dept., GoAP** requested banks to give preference to local MSMEs while procuring goods. Further, he informed that the Ministry/ Department shall prepare their annual procurement plan to be uploaded on official website, SLBC is requested to

collect the information on procurement of goods by banks in the State and furnish the same to Department of Industries, GoAP.

**(Action: all Banks & SLBC)**

**Agenda - 6**

**Other Items:**

**Representative from Canara Bank** informed that bank has extended more than 200 loans to Kalankari workers in Srikalahasti and those units are under stress, Government intervention is required for promotion of these units.

**Principal Secretary, Industries, Infrastructure & Investment Dept., GoAP** suggested bank to send a separate representation to the Government and Department will take-up the issue with Handlooms department.

**(Action: Canara Bank & Department of Industries, GoAP)**

The meeting concluded with vote of thanks to the Chair, other dignitaries and member banks

**LIST OF PARTICIPANTS**

S.No	Name of the Participant Smt/Sri	Designation	Name of the Bank/ Organisation
1	K V Nancharaiah	Circle General Manager & Convenor, SLBC of A.P	Andhra Bank
2	Sundaram Shankar	General Manager	Reserve Bank of India
3	Dr. Rajat Bhargava, IAS	Principal Secretary, Industries, Infrastructure & Investments Dept.	Govt. of A.P
4	Siddarth Jain, IAS	Commissioner, Industries Dept.	Govt. of A.P
5	S V Giridhar Rao	Joint Director, Industries Dept.	Govt. of A.P
6	E Kalyani	Dy. Director, Finance Dept.	Govt. of A.P
7	G Krishna Rao	Dy. Director, Industries Dept.	Govt. of A.P
8	Abhishek Prasad	Asst. Manager, Industries dept.	Govt. of A.P
9	Albert Ruban	Dy General Manager	SBI
10	D Surendran	Dy General Manager	Canara Bank
11	P Gopi Krishna	Dy General Manager	Syndicate Bank
12	Dr. K. Ravindranath	Dy General Manager	Union Bank of India
13	P V Prasad	Zonal Manager	Indian Bank
14	Kota Ajay Paul	Asst General Manager, SLBC	Andhra Bank
15	N Venugopal	Asst General Manager	Andhra Bank
16	Mohammed Thopic	Asst General Manager	Canara Bank
17	R V Phani Kumar	General Manager	CGGB
18	Ritesh Kumar	Chief Manager	Bank of Baroda
19	G Venkateswara Reddy	Chief Manager	Indian Bank
20	Dinesh Devrani	Chief Manager	Corporation Bank
21	Arun Kumar Yadav	Chief Manager	IOB
22	K B V S Ratna Sarma	Chief Manager	OBC
23	Y R Kishore	Regional Head	ICICI Bank
24	V Phani Kumar	Senior Manager	IOB
25	M Sudheer Chowdary	Manager	Karur Vysya Bank
26	K V Prasanna Kumar	Manager	Axis bank
27	G Sateesh	Manager	HDFC Bank