



**Proceedings of the  
Meeting of Sub-Committee on  
MSME  
held on 26.06.2019 at 03.30 PM  
at AP Secretariat, Velagapudi**

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

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## Proceedings of Meeting of Sub-Committee on MSME

Meeting of Sub-committee on MSME was held on 26.06.2019 at AP Secretariat, Velagapudi. The detailed list of participants is enclosed.

**Sri Kota Ajay Paul, Assistant General Manager, SLBC of AP** has welcomed the participants and initiated the discussion on the agenda items.

**Sri Siddarth Jain, IAS, Commissioner, Industries Dept., GoAP** thanked all participants for attending the meeting at short notice and highlighted the following.

- ❖ Government is giving utmost importance to MSME sector to revive the economic activity.
- ❖ MSME sector will create abundant employment opportunities to the youth / skilled persons.
- ❖ To facilitate restructuring of MSME accounts RBI has issued guidelines.
- ❖ The individual banks have to issue their internal instructions for implementation of the scheme at field level.
- ❖ The restructuring of loans would give relief to sick accounts to come out from stress and to help them to revive the activity.
- ❖ The awareness about the scheme among entrepreneurs is not up to mark. There is a need to publicize the scheme.
- ❖ Government is providing assistance to kick start the MSME after demonetization & roll out of GST and to scale up the activity / industry.
- ❖ Government is very keen to take forward the scheme.
- ❖ Crux of the problem facing the industry is working capital assistance to MSMEs. Bankers support is required towards achieving this objective.
- ❖ Working capital assistance is also required for revival of units.
- ❖ There is a Special Task Force committee to study the MSME issues.
- ❖ Banks are requested to workout ways to tie up with APIDC for funding Manufacturers and also co financing with APSFC.
- ❖ Department will provide the assistance to banks wherever required.
- ❖ He requested the banks to share suggestions to revival of MSMEs / Industries on [Commr\\_inds@ap.gov.in](mailto:Commr_inds@ap.gov.in).

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

- ❖ RBI has already issued guidelines on one-time restructuring of existing loans to MSMEs.

- ❖ Some banks have actively implementing the One Time Restructuring across the state.
- ❖ Hon'ble Chief Minister is very much concerned about employment & MSME sector.
- ❖ One of the issues raised by the banks is the shortage of Chartered Accountants and also the fee for preparation of the viability reports is felt high side.
- ❖ The awareness on OTR scheme among MSME entrepreneurs is not upto the mark
- ❖ Banks are requested 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 and monitor the scheme.
- ❖ Government will provide assistance to eligible entrepreneurs by releasing pending incentives / subsidy.
- ❖ Government will provide the Handholding to banks and also provide assistance in resolving legal hurdles.

**Sri KVV Satyanarayana, IRAS, Special Secretary, Finance (B&IF) Dept., GoAP** highlighted the following;

- ❖ Government is giving priority to MSME sector.
- ❖ RBI itself has given some leverage to MSME sector; banks need to take advantage of this opportunity.
- ❖ Bankers cooperation required to revive MSME sector.
- ❖ Government will provide assistance & support to banks wherever required.
- ❖ Banks to initiate process of restructuring of eligible MSME accounts on priority.

**Sri Kota Ajay Paul, AGM, SLBC** informed that the Reserve Bank of India vide circular RBI/2018-19/100, DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019 issued a guidelines which facilitate the banks for one-time restructuring of existing loans to MSMEs classified as 'standard' without a downgrade in the asset classification.

He requested the banks to restructure all eligible accounts as per the guidelines of Reserve Bank of India.

**Ms. E Kalyani, Dy. Director, Finance Dept., GoAP** opined that there is a need to prepare one standard format for viability studies.

**Representatives from Banks** informed that;

- ✓ Banks are prioritizing the restructuring of eligible accounts.
- ✓ Wherever the accounts are technically viable banks are undertaking the process of restructuring.

- ✓ Procedure & data required for restructuring of accounts is huge.
- ✓ Auditor's fee is the vulnerable item, there is no standard fee. There is a need to evolve uniform fee structure.
- ✓ Government is requested to make available of stamp papers wherever required.
- ✓ Awareness is to be created at field level.
- ✓ Government is requested to provide interest concessions to entrepreneurs.
- ✓ Government intervention is required in revitalization of;
  - ❖ Barites industry in Kadapa
  - ❖ Granite industries at Srikakulam, Ongole, Tadipatri,
  - ❖ Pulp industry at Chittoor
  - ❖ Tobacco processing at Prakasam
  - ❖ Powelooms at Ananthapuram district

**After threadbare discussions the following resolutions were made during the meeting;**

- ❖ Banks are requested to furnish the information to SLBC on, number of accounts eligible for restructuring, of which number of accounts restructured.
- ❖ Banks are requested to complete the process of restructuring in respect of all eligible accounts.
- ❖ Department is requested create awareness at the district / field level and to instruct the field functionaries to coordinate with banks to restructure the eligible accounts under the scheme.
- ❖ Government will conduct the meeting with auditors for uniform fee structure.
- ❖ Government will organize the meeting with Industry Associations for awareness creation at field level.
- ❖ Banks are requested to send their representations for revitalization of specific industries to Department of Industries.
- ❖ Conduct a follow-up Sub-committee meeting on MSME on 05.07.2019. Banks are requested to attend the meeting with relevant information and the issues if any, faced by the banks where Government intervention is required.

**(Action: all Banks, SLBC & 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	Dr. Rajat Bhargava, IAS	Principal Secretary, Industries, Infrastructure & Investments Dept.	Govt. of A.P
2	Siddarth Jain, IAS	Commissioner, Industries Dept.	Govt. of A.P
3	K V V Satyanarayana, IRAS	Special Secretary, Finance Dept.	Govt. of A.P
4	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	S. Gangadhara Reddy	A.S.O, Finance Dept.	Govt. of A.P
9	A. Gowri Sankara Rao	A.S.O, Finance Dept.	Govt. of A.P
10	V. V. Satyanarayana	S.A, Finance Dept.	Govt. of A.P
11	Abhishek Prasad	Asst. Manager, Industries dept.	Govt. of A.P
12	E. Chengalrayulu	ED	APSFC
13	D. Surendran	Dy General Manager	Canara Bank
14	P. Gopi Krishna	Dy General Manager	Syndicate Bank
15	U. Sadananda Murthy	Dy General Manager	Indian Overseas Bank
16	Dr. K. Ravindranath	Dy General Manager	Union Bank of India
17	Kota Ajay Paul	Asst General Manager, SLBC	Andhra Bank
18	N. Venugopal	Asst General Manager	Andhra Bank
19	M. Murali krishna	Asst General Manager	SBI
20	Mohammed Thopic	Asst General Manager	Canara Bank
21	Y. V. S. Koteswara Rao	Asst General Manager	Bank of Baroda
22	D.Ramprasada Rao	Area Manager	Bank of India
23	G .Venkateswara Reddy	Chief Manager	Indian Bank



24	Dinesh Devrani	Chief Manager	Corporation Bank
26	Y. R. Kishore	Regional Head	ICICI Bank
27	T. Sameer Kumar	Regional Head-MSME	ICICI Bank
28	N .Srinivasa Rao	Asst. Vice President	HDFC Bank
29	P. V. Someswara Rao	Senior Manager	Karur Vysya Bank
30	M.Sudheer Chowdary	Manager	Karur Vysya Bank
31	K. V .Prasanna Kumar	Manager	Axis bank
32	G. Sateesh	Manager	HDFC Bank
33	B. Upendra	Asst .Manager	Indian Bank