

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries, I&I & Commerce Department - Dr.YSR NAVODAYAM", One Time Restructuring (OTR) of existing loans to Micro, Small and Medium Enterprises (MSME's) - Orders- Issued.

INDUSTRIES,I&I & COMMERCE (PROG.I) DEPARTMENT

G.O.Ms.No.75

Dated: 09 .09.2019
Read

From the Commissioner of Industries, GoAP, Vijayawada vide File No.
INC02-20029/58/2019-AD-MSME.

ORDER:

In the reference read above, the Commissioner of Industries, Government of Andhra Pradesh, Vijayawada has stated that Reserve Bank of India vide their circular No: RBI/2018-19/100 DBR.NO.BP.BC.18/21.04.048/2018-19, dated 01.01.2019 has permitted for one time Restructuring of MSME accounts upto 31st March 2020 and submitted a proposal to introduce a Scheme for One Time help to the stressed MSMEs which will help the MSMEs to survive and flourish.

(2) After careful examination of the matter Government hereby introduce the Scheme "Dr.YSR NAVODAYAM", for support of MSMEs, Government and the Banks together ensure that all the eligible accounts of MSMEs are standardized and stabilized within a period of 9 months from date of OTR done by Bank.

Brief Details of the Scheme :

1. The MSME sector contributes immensely for the economic development of the State and employment creation to the local youth. It is also true that they need lot of credit support from the Financial Institutions and also timely help in times of stress.

2. The Reserve Bank of India in their circular No: RBI/2018-19/100 DBR.NO.BP.BC.18/21.04.048/2018-19, dated 01.01.2019, with a view to facilitate meaningful restructuring of MSME accounts (MSME as defined in the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006) that have become stressed, RBI has decided to permit a one-time restructuring (OTR) of existing loans to MSMEs classified as 'standard' without a downgrade in the asset classification, subject to the following conditions:

- i. The aggregate exposure, including non-fund based facilities, of banks and NBFCs to the borrower does not exceed Rs. 250 millions as on January 1, 2019.
- ii. The borrower's account is in default but is a 'standard asset' as on January 1, 2019 and continues to be classified as a 'standard asset' till the date of implementation of the restructuring.
- iii. The borrowing entity is GST-registered on the date of implementation of the restructuring. However, this condition will not apply to MSMEs that are exempt from GST-registration.
- iv. The restructuring of the borrower account is implemented on or before March 31, 2020.

3. As a first step for supporting and nurturing the growth of MSMEs, the Government of Andhra Pradesh has decided to support and monitor the implementation of 'One Time Restructuring (OTR) of MSME loans' scheme under an umbrella program "**Dr. Y.S.R Navodayam**" which creates a new ecosystem for MSMEs ensuring that all the eligible MSME units are covered for one time Restructuring of accounts upto 31-03-2020.

(P.T.O)

4. Special DCCs (District Coordination Committee) and special DIPCs (District Industries Promotion Committee) shall be conducted in all the districts.

5. Formation of District Level Committee: The District Level Committees shall be formed in all the Districts with the following members:

- i. Chairman: District Collector
- ii. Convener: Lead District Manager (LDM)
- iii. Co-convener: General Manager/Joint Director, DIC concerned
- iv. Controlling Authorities of Banks & NBFCs operating in the Districts.

District level committee shall meet once in every month to monitor for the effective implementation to cover all the eligible units under this scheme.

6. Constitution of District Cell under the General Manager, District Industries Centre, Lead District Manager and representatives of all operating Banks and NBFCs in the district, industry associations. (who are members of the DIPC in the district).

- a. The members of District Cell shall meet at least once in a month.
- b. Key functions of District Cell will be awareness creation, daily coordination, monitoring of the progress and provide all necessary support to the entrepreneurs for accessing the scheme.
- c. District Cell will also obtain the branch wise and bank wise eligible units / accounts in the district and focus on One Time Restructuring (OTR) duly designating two days of a week (Wednesday and Friday) for this important purpose till all the eligible accounts are restructured.
- d. The MSME cells in the DICs, through the IPOs/ADs/DDs shall provide handholding support to all the restructured units for a period of 9 months to stabilize the accounts by giving all necessary support.

7. The Government have decided to provide support by reimbursing 50% (not exceeding Rs.2,00,000/- (Two Lakhs) per account) of the auditor's fee for preparation of Techno Economic Viability (TEV) report, wherever such report is applicable, for the cases restructured by the banks under OTR. The Commissioner of Industries, GoAP, Vijayawada is requested to provide additional guidelines in consultation with the SLBC, Andhra Pradesh, w.r.t. fixing the range of the amount payable as auditor's fee for preparation of the Techno Economic Viability Report by duly prescribing rational & appropriate criteria, so that there is no scope for any discrepancy.

8. Procedure for reimbursement of Auditors fee:-

- a. The unit shall apply online for the Auditor fee reimbursement in the prescribed proforma.
- b. The following documents shall be uploaded by the MSME unit
 1. Proceedings of bank for OTR with details of (a) Name of the unit (b) Name of the authorized person (c) Account Number (d) Bank IFSC code, (e) date of OTR
 2. Original receipt of Auditor fee counter signed by Banker and General Manager, District Industries Centre.
 3. Minutes of the District Level Committee approving the applications.
 4. Logins to be provided to General Manager, District Industries Centre and the District Collector for this purpose.

9. The details of units which are sanctioned incentives shall be shared with the concerned banks /branches in the district to enable the branches to work-out the OTR.

10. The MSMEs with NPA accounts, which on release of already sanctioned incentive will become a standard account shall be considered for release of incentive on priority. All such accounts shall be jointly identified and recommended by the bank and General Manager, District Industries Centre concerned through District Level Committee. Basing on the recommendation of the District Level Committee the proposed release of incentives shall be considered by the O/o the Commissioner of Industries in the incentives processing wing. The procedure for claiming for sanctioned and unreleased incentives is as follows:

1. MSME has to submit online claim as per the format.
 2. The certificate by the Branch Manager on the status of the unit shall be uploaded for the NPA account with the following details:
 - a. Asset Classification: Substandard / Doubtful / Loss asset Date of NPA classification.
 - b. Amount of over dues to be paid to move the accounts to Standard Category (Including the Interest and other charges not debited to the account).
 - c. Statement of account to be enclosed.
 - d. Details of accounts such as Name of the entrepreneur/ firm, Name of the Bank, branch, Account number and IFSC code to be furnished for transfer of incentives.
 3. Minutes of the District Level Committee approving the amount for release.
 4. The further processing for release shall be done as per the procedure in vogue for all the cases recommended by District Level committee.
11. Necessary awareness creation in all the clusters has to be done and pamphlets need to be distributed to all eligible units on OTR. Necessary awareness through print and electronic media also may be done in all districts.
12. The MSME Cell to provide assistance in documentation to the entrepreneurs concerned.
13. Sectoral Study/ meetings shall be conducted in all districts with sector specific enterprises/associations and bring out issues and address them. The policy level issues found in the Sectoral study, if any shall be brought before the Commissioner of Industries for placing them before the Government to bring necessary policy changes to ensure development and growth of the MSMEs and to prevent signs of stress/sickness.

(3) Government hereby sanction an amount of Rs.10.00 crores (Rupees Ten Crores only) to meet the expenditure towards " Dr. YSR Navodayam" One time restructuring (OTR) of existing loans to MSMES with in the budget provision only for the financial year 2019-20 and the details of expenditure for "Dr. YSR Novadayam Scheme" is as below:

Sl. No.	Budget Head	Amount
1.	Reimbursement of Auditor's fee	Rs. 924.00 Lakhs
2.	District level awareness campaign	
	i. Printing & distribution of pamphlets	Rs. 6.50 Lakhs
	ii. Advertisement Expenses	Rs. 50.00 Lakhs
	iii. Billboards/ Posters	Rs. 6.50 Lakhs
3.	Stationery & Incidental expenses	Rs 13.00 Lakhs
	Total	Rs: 1,000.00Lakhs

(4) The expenditure sanctioned at para (3) above shall be debited from the Head of Account " M.J.H 2851-M.H.800- SH-(15) Rejuvenation of Micro Small and Medium Enterprises 310 Grants-in-Aid 312 other Grants-in-Aid".

(Contd...4)

(5) The Commissioner of Industries, Government of Andhra Pradesh, Vijayawada shall take necessary action for strictly implementation of the Scheme and shall ensure that the entire exercise shall be completed on or before 31.3.2020.

(6) This order is issued with the concurrence of the Finance Department vide their U.O.NO : FIN01-FMU0ASDIC)/55/2019-FMU-IC, Dated: 03.09.2019.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

RAJAT BHARGAVA
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Commissioner of Industries, A.P., Vijayawada.

The Managing Director, APSFC, Vijayawada.

All District Collectors.

The Commissioner of Printing and Stationary, A.P, Vijayawada (5 copies), with a request to publish the Order in Extraordinary Gazette and furnish 100 copies to Government.

Copy to:

The Regional Director, Reserve Bank of India, Regional Office, Saifabad, Hyderabad.

The Convener of State Level Bankers Committee, Vijayawada.

All General Managers, District Industries Centres in the State.

The G.A (Cabinet) Department.

The Finance (FMU- I&C) Department.

The Law Department.

P.S to Prl. Secretary to Hon'ble C.M.

P.S. to Hon'ble Minister for Industries.

P.S to C.S. to Government.

P.S. to Prl. Secretary to Government.

Sf/Sc

//Forwarded :: By Order//

SECTION OFFICER