

**MINUTES OF THE MEETING OF SUB-COMMITTEE OF J&K SLBC ON RELAXATION/  
CONCESSIONS TO TRADE & INDUSTRY IN J&K STATE HELD ON 24<sup>th</sup> JUNE 2014 AT  
SRINAGAR**

A meeting of the Sub-Committee of J&K State Level Bankers' Committee on Relaxations/ Concessions to Trade and Industry in J&K State was held on 24<sup>th</sup> June 2014 at J&K Bank, Corporate Headquarters, Srinagar. The meeting was chaired by Executive President, J&K Bank (Convenor Bank), Mr. Parvez Ahmad. The agenda of the meeting was to review the position and to consider further extension or otherwise in the period of the special package of Concessions/ Relaxations extended by RBI to Trade and Industry in J&K State, which expired on 31<sup>st</sup> March, 2014. The meeting was attended by Mr. S. K. Bhat, President (SLBC) J&K Bank, Mr. Mohammad Amin, President (A&AP) J&K Bank and senior officers from RBI, SBI, PNB, UCO Bank, IDBI, Finance and Industries & Commerce Departments, J&K Government, President FCIK and Senior Vice President KCCI.

**The list of participants is enclosed as Annexure-A.**

At the outset President (LBD/SLBC), J&K Bank, Mr. S. K. Bhat formally welcomed all the participants and briefed about the objectives of the meeting. He stated that the Sub-Committee of SLRM was constituted by J&K SLBC in its 92<sup>nd</sup> Meeting held on 10<sup>th</sup> March 2014 with the purpose to ensure smooth bank linkage of Self-Help Groups formed under Umeed (NRLM). Thereafter he requested the Chairman of the Meeting to take up the Agenda for deliberation.

Mr. Parvez Ahmad, while initiating the discussions on the Agenda of the meeting, highlighted the problems faced by the business community due to the disturbed conditions in J&K State for the last two decades and stated that Trade & Industry in the State deserve continued concessions in respect of various credit facilities and also in service charges to ensure free flow of credit to Trade and Industry in the State. He further stated that the special package of concessions/ credit relaxations to borrowers/ customers in J&K State granted by Reserve Bank of India in the backdrop of the prevailing disturbed conditions have really helped the business community of J&K State. He impressed upon the banks to devise an effective monitoring system at their backend level so as to quantify the amount of concessions extended by them to Trade and Industry in J&K State. Before making

recommendation to RBI, for extending the package, Mr. Parvez Ahmad invited the attention of the members to the speech of the previous Governor RBI, Dr. D. Subba Rao on his visit to the State on 8<sup>th</sup> May 2013, wherein he expressed his concern over low CD Ratio confronting the State and prescribed 40% CD Ratio for banks to be achieved by 31<sup>st</sup> March 2014 and the same is being regularly monitored at SLBC Level. He impressed upon all the stake holders including member bank to play a vital role in bridging the credit gaps and ensure free flow of credit in the State. The Executive President, Chairman of the meeting, stated that banks are always ready to provide hassle free loans to the borrowers but at the same time they have to maintain the quality of their assets. He stated that willful defaulters make bankers' hesitant to extend liberal credit for the fear of turning it into NPA and as such there is need to educate the borrowers about the repayment of the bank loans so as to make the proper recycling of the funds. The Industrial Associations have a pivotal role to play in this regard, he stated.

The President, Federation Chamber of Industries, Kashmir (FCIK), Mr. Mohammad Ashraf Mir stated that the existing package of Concessions/ relaxations granted by RBI to Trade & Industry in the State are too small and there is scope for improvement in the same. He requested to workout the fresh package with larger scope to address the genuine needs of the business community in J&K State. Mr. Ashraf strongly pleaded that the package of relaxations/ concessions to Trade & Industry should be further extended for a further period of at least two years in view of the peculiar conditions persisting in the State. He suggested that all the banks in the state should work for the upliftment of the Industry in J&K State in a professional manner. Mr. Ashraf further stated that Banks should extend helping hand to the Industry in J&K State by putting in place the necessary rehabilitation packages for the units which have turned sick as a result of turmoil in the State. He also requested for opening of specialized branches within the Industrial Estates across J&K State to make entrepreneurs accessible to Credit.

Responding to the comments made by the President, Federation Chamber of Industries, Kashmir (FCIK), Dy. General Manager, RBI, Mr. B. S. Katoch stated that most of the small traders are not aware of the concessions which are being extended by the banks to them in J&K State in wake of the disturbed conditions and it is the responsibility of the Associations

of Trade and Industries in J&K State and individual banks to make them fully aware about the package.

The Chairman, Federation of Industries, Jammu Mr. Anil Suri who could not attend the meeting due to some preoccupations outside the Country also recommended via mail for continuation of the existing incentives extended to Trade and Industry in J&K State for a further period of two years. He has also recommended for relaxation of NPA norms for industrial Sector keeping in view the typical geographical conditions of J&K State.

The representatives of State Bank of India, Punjab National Bank and UCO Bank while recommending extension in the special package of concessions and relaxations to Trade & Industry in the State expressed that extending credit to the good customers has always remained their endeavor but the rising NPA level on account of willful default of bank loans is the major impediment which makes bankers hesitant to extend liberal credit.

Consequent upon threadbare deliberations the Sub-Committee unanimously decided to recommend Reserve Bank of India that the special package of concessions and relaxations to Trade & Industry in the State, which expired on 31<sup>st</sup> March 2014, be extended by a further period of two years i. e upto 31<sup>st</sup> March 2016 and the package of concessions/ relaxations be properly monitored and strictly enforced by Reserve Bank of India.

**Besides making recommendations to RBI the forum also decided as under:**

- Individual Banks should make wide publicity among the traders fraternity about the concessions/ relaxations they are providing in respect of various credit facilities and also in service charges.
- Individual banks should put in place an effective monitoring system at their backend level so as to quantify the amount of concessions extended by them to Trade and Industry in J&K State.
- Individual Banks should explore possibility of opening of branches in Industrial Estates across J&K.

The President, (J&K LBD/ SLBC) thanked the members for their participation, involvement and concern for trade and industry in the State and assured them that recommendations made by the Sub-Committee during the course of deliberations in the meeting shall be conveyed to concerned quarters for their consideration.

**Asstt. Vice President  
Lead Bank/ J&K SLBC**

## Annexure-A

### List of participants of meeting of Sub-Committee of J&K SLBC on Relaxation to Trade and Industry in J&K State– held on 24.06.2014 at Srinagar

S.No.	Name of Participant	...	Designation / Department.
<b><u>Chairman</u></b>			
1.	Mr. Parvez Ahmad	...	Executive President, Convenor Bank
<b><u>J&amp;K Bank</u></b>			
2.	Mr.S. K. Bhat	...	President (LDB/SLBC)
3.	Mr. Mohammad Amin	...	President (A&AP)
4.	Mr. Gulzar Ahmad	...	Asstt. Vice President (LBD/J&K SLBC)
<b><u>Reserve Bank of India</u></b>			
5.	Mr. B. S. Katoch	...	Dy. General Manager
6.	Mr. R. B. Gupta	...	Asstt. General Manager
<b><u>J&amp;K Government</u></b>			
7.	Mr. Showkat Aijaz Bhat	...	Director, Finance Department
8.	Mr. Ali Afsar Khan	...	Additional Secretary, Industries & Commerce Deptt.
<b><u>Member Banks</u></b>			
9.	Mr. M. L. Mir	...	DGM, Punjab National Bank
10.	Mr. Sukhdev Singh	...	AGM, State Bank of India
11.	Mr. Bhajan Singh	...	Sr. Manager, UCO Bank
12.	Mr. Ashutosh Singh	...	AGM, IDBI Bank
<b><u>Trade Associations</u></b>			
13.	Mr. Mohammad Ashraf Mir	...	President, FCIK
14.	Mr. Mushtaq Ahmad Wani	...	Sr. Vice President, KCC&I

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