

Agenda Item No: 01

Confirmation of Minutes of the 6TH monthly Special Meeting of J&K SLBC on MSMEs:

The 6TH monthly special meeting of J&K SLBC on MSMEs was held on 20.10.2009 at SKICC, Srinagar. Minutes of the said special SLBC meeting were web cast on www.jkslbc.com and also circulated vide this office No. LBD/6th Spl. SLBC MSMEs/2009-375 dated 13.11.2009 for desired action.

As no amendments have been received from the members on the said minutes, the house is requested to confirm the same.

Agenda Item No: 02

Action taken report on action points of the previous Monthly Special SLBC Meeting on MSMEs.

Recommendations of Dr. K. C. Chakrabarty Working Group appointed by RBI - Action points relating to the State Government:

The recommendations of the Dr. K. C. Chakrabarty Working Group constituted by RBI to look into the problems being faced by the Micro and Small Enterprises (MSE) sector, particularly with respect to rehabilitation of potentially viable sick units, were deliberated upon in 4th, 5th and 6th Special Monthly SLBC meetings, but the below mentioned recommendation had remained outstanding:

- 1) Each State Government may also have a separate Ministry for MSME. In addition the State Governments may also have long term and short-term policy for development/ promotion of MSME sector (Para 5.9):**

In the last monthly special SLBC meeting for MSMEs held on 20.10.2009 at Srinagar, the Chairman, FCIK, pointed out that under MSMEs Act the SSI sector had been renamed as MSMEs sector as it now involved micro, small and medium enterprises and both manufacturing as well as services units have been incorporated under it, so the Industries Department need not only to change the nomenclature but would also need to incorporate Services sector in it and grant them registration as well as all other incentives that are available to it in terms of MSME Act. The house had expressed concern that the issue has been deliberated upon in several meetings of this forum without any resolution.

The representative of Industries & Commerce Department was advised to report compliance on the issue in the next meeting.

Government may apprise about the progress in this regard.

- 2) **State Government may be encouraged to provide land at 50% of the normal rate for setting up Industrial Estates exclusively for MSMEs. Further, 50% subsidy may be provided on the capital cost of common facilities like effluent treatment plant, power plant:**

In the last meeting held on 20.10.2009 the representatives of FCIK and KCCI had pleaded that the Dr. K. C. Chakraborty Working Group has recommended that land should be provided for setting up industrial Estates exclusively for MSMEs at 50% subsidized rates, but the State Government has instead increased the premium rates ignoring the commitments in the Industrial Policy of 2004. Expressing concern that the withdrawal of such incentives had shaken the faith and confidence of the Industrial community they urged upon the Government to revert back to its original industrial policy and the rates that have been envisaged therein.

The Addl. Secretary Finance, J&K Govt., had assured to take up the issue with the Government and have it resolved.

Government may apprise about the progress in this regard.

Agenda Item No: 03

Review of data / position relating to implementation of IBA package on MSMEs, Housing & Auto sectors as at end of November 2009 for the State:

The consolidated data as well as the Bank-wise position relating to implementation of IBA package on MSMEs, Housing & Auto sectors in the prescribed format as received from banks/ lending institutions operating in the State as at the end of November 2009 are enclosed as [Annexure-A & B](#) for information of the house. It is evident from the data available that:

Consolidate data:

- **Banks operating in the State have sanctioned working capital loans (new) to the extent of Rs.579.86 Crore in favour of 10,344 beneficiaries and incremental working capital loans amounting to Rs.269.22 Crore in favour of 2388 existing units.**
- **Banks in the State have so far restructured 4431 MSMEs accounts involving an amount of Rs.243.10 Crore.**
- **Soft loans for D. G. Sets to the tune of Rs.2.99 Crore have been sanctioned in favour of 65 beneficiaries.**
- **Housing Loans to the tune of Rs.442.80 Crore have been sanctioned in favour of 15,919 beneficiaries; and**
- **Auto loans to the tune of Rs.277.47 Crore have been sanctioned in favour of 9,290 beneficiaries.**

Bank-wise position:

- Out of the total number of 4,431 accounts of MSMEs so far restructured by banks in the State involving Rs.243.10 Crore, the J&K Bank alone has restructured 3,291 accounts of MSMEs involving an amount of Rs.125.39 Crore, being 74% in physical and 52% in financial terms.
- State Bank of India has restructured 769 MSMEs accounts involving Rs.53.57 Crores, and issued working capital loans (new) to the extent of Rs.228.71 Crore in favour of 2156 beneficiaries and incremental working capital loans to the extent of Rs.63.17 Crore in favour of 336 beneficiaries.
- Punjab National Bank has restructured 202 MSMEs accounts involving Rs.53.90 Crores, and sanctioned working capital loans (new) to the extent of Rs.62.41 Crore favouring 459 beneficiaries and incremental working capital loans of Rs.27.53 Crore favouring 154 beneficiaries.
- The J&K Bank alone has sanctioned working capital loans (new) to the extent of Rs.128.56 Crore in favour of 2261 beneficiaries and incremental working capital loans to the extent of Rs.138.41 Crore in favour of 1303 beneficiaries.

The house is requested to deliberate on the issue

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