

Minutes of the 3rd meeting of Sub-Committee of State Level Bankers Committee (SLBC) for Export Promotion for J & K State held on 14.05.2009 at Jammu & Kashmir Bank, Corporate Headquarters, M.A.Road Srinagar Kashmir.

The 3rd meeting of the Sub-committee of State Level Bankers Committee (SLBC) for Export Promotion, for J & K state, was held on 14th May 2009 at the Jammu & Kashmir Bank Corporate Headquarters M A Road Srinagar. The meeting was presided over by Mr. Abdul Majid Mir, Executive Director/CFO, Jammu & Kashmir Bank (Convenor J&K SLBC). The detailed list of participants is enclosed as **Annexure A**.

In his inaugural address, while welcoming the participants, Mr. Abdul Majid Mir, Executive Director/CFO J & K Bank, outlined the purpose of the meeting especially in the present environment and highlighted various issues which needed discussion /deliberation of the house. The Sub-Committee meeting of SLBC for Export Promotion had not been held for some time and it was decided that the meeting shall be held more frequently in future and at least once in every half-year. The meeting came at a critical juncture when the exports from India are suffering badly in the wake of severe global economic meltdown sweeping across all the countries. He highlighted the various initiatives taken by J&K Bank for protection and development of exports in general and Handicraft Industry in particular, of the J&K State. Bank has recently launched long-term inventory financing schemes for exporters, traders, manufacturers and artisans to weather the current global economic slowdown. The chair requested Reserve Bank to issue guidelines to banks operating in the state to devise products and packages for craftsmen, traders, manufacturers and exporters on the lines of initiatives taken by J&K Bank. Regarding the interest rates charged by banks on pre-shipment advances beyond 270 days and post-shipment advances beyond 180 days under ECNOS category, ED/CFO J&K Bank assured that the issues will be examined and the interest rates will be lowered to the minimum possible levels under ECNOS category.

Kashmir chamber of Commerce and Industries (KCCI) raised the issues facing the exporters, manufacturers, traders and artisans of J& K state in the wake of global melt down. KCCI hailed the initiatives of J & K Bank for providing support for sustenance of handicraft industry of the state and requested all other banks operating in the state to follow the suit.

The Chamber demanded that Reserve Bank should advise banks to provide hassle free long-term inventory finance to handicrafts and walnut exporters in the J & K state. In reply DGM Reserve Bank Mr. Davinder Singh told that this issue has been already referred to RBI Central Office Mumbai and the guidelines for banks to this effect are expected shortly. Exporter bodies also wanted government of India to consider interest subvention beyond 270 days for pre-shipment credit and beyond 180 days for post-shipment credit. RBI was requested to forward the exporter's request in this regard to government of India. Chairman, KCCI Dr Mubeen Shah highlighted the problem of Kashmiri Pashmina Shawl Exporters and demanded that a pashmina testing and certification laboratory should be established at Srinagar to avoid unnecessary trouble to the pashmina exporters. In the meantime government should designate some certification authority in the state whose certification shall serve the purpose to ensure that the handicraft goods exported from J & K State do not contain banned shahtoos in any form.

Assistant Commissioner Customs informed that they settle the Duty Drawback cases within five (5) days and there are no reports of any problem on this account.

Kashmir Chamber of Commerce & Industries reminded the JT. Director General of Foreign Trade (DGFT) of their promise to open the DGFT office at Srinagar and establishment of an inland container depot (ICD) at Srinagar. As stated in the meeting SIDCO has been provided the funds required for establishment of ICD at Srinagar but the same are not being utilized. Mr. Mir, ED/CFO J & K Bank stated that the demands are pending since long and requested DGFT to draw specific timelines for the purpose.

Three points were raised regarding Export Credit Guarantee Corporation of India Ltd.

- RBI has allowed all exporters to raise bills up to 365 days usance (tenor) while as the corporation is providing ECIB-WTPS cover to banks only for 180 days and banks have to seek approval of the corporation for giving post-shipment advances beyond 180 days tenor. It was demanded that ECGC should provide cover to banks for usance period up to 365 days as allowed under FEMA without seeking prior approval from corporation.
- ECGC of India should open a branch/office in Srinagar.
- ECGC is not providing buyer-wise cover in case of D/A bills where D/A exceeds 180 days.

In reply to this Mr. Mukund of ECGC informed that they have received only two proposals from Kashmir valley for buyer-wise cover and both have been sanctioned. Regarding other demands he assured that the matter shall be referred to the competent authorities at their Head Office in Mumbai.

KCCI demanded the state government to come out with a stimulus package in form of interest subvention to protect handicraft and walnut export industry. In reply Director Finance J & K Government informed the meeting that the state government is alive to the situation and suitable measures are under consideration.

Dr. Mubeen Shah, Chairman KCCI emphasized the need for establishment of Brand Kashmir. He expressed dismay over the practice of selling the goods of non-J&K origin under the brand name of Kashmir. He placed a suggestion that government should consider establishing a brand certification agency. He offered that if authorised, KCCI can handle the brand certification of Kashmiri Handicrafts for the time being.

Chairman KCCI demanded that government of J & K state should expedite the development of Floriculture Sector near Srinagar International airport.

The meeting concluded with vote of thanks.

Annexure A

List of Participants of the 3rd Meeting of Sub-Committee of SLBC for Export Promotion, held on 14.05.2009.

S. No.	Name of Participant Mr./Ms./Mrs.	Designation
1.	Abdul Majid Mir	Executive Director/CFO J&K Bank
2.	Davinder Singh	DGM Reserve Bank of India Jammu
3.	Raslein Kashyap	Director Finance J&K Government.
4.	Mushtaq Siddiqui	Addl. Secretary Finance Deptt. J & K Govt.
5.	Y.P.Sharma	Asst Commissioner of Customs Srinagar
6.	G M D Ganai	Superintendent of Customs Srinagar
7.	Zubair Ahmad	Joint Director Handicrafts J & K Govt.
8.	Anil Sawhney	Jt Director General Foreign Trade
9.	Satish Raina	From DGFT
10.	Dr.Mubeen Shah	Chairman Kashmir Chamber of Commerce and Industry Srinagar
11.	Abdul Hamid punjabi	Secretary KCCI Srinagar
12.	Om Prakash Gupta	Sr. Vice President Jammu Chamber of Commerce & Industries (JCCI)
13.	Mr. Mukund	Export Credit Guarantee Corporation of India Ltd Delhi (ECGC)
14.	Mikius Kujina	ECGC of India Ltd. Delhi
15.	M. Latief Mir	AGM, Punjab National Bank Srinagar
16.	Prem Malik	Chief Manager Canara Bank Srinagar
17.	M.S.Wani	Vice President Lead Bank J & K Bank
18.	P.K.Tickoo	Vice President Forex & Liability J & K Bank
19.	Manzoor Hussian	Branch Head J&K Bank IBD Srinagar
20.	Layek Ahmad Jan	Executive S&BD J&K Bank CHQ
21.	Gulzar Ahmad	Executive FEBD J&K Bank CHQ
22.	Mohammad Taha	Associate Executive S&BD J&K Bank CHQ
23.	Riyaz Ahmad Faizi	Associate Executive J & K Bank FEBD CHQ
24.	Parvez A Qadri	Associate Executive J & K Bank IBD Srinagar