

Sub-Committee of SLBC on Relaxation to Trade & Industry in J&K State

Agenda / Background Papers (For meeting slated on 24.03.2011 at Jammu)

Reserve Bank of India on appreciating the difficulties faced by Customers / Borrowers of the banks due to prevailing disturbed conditions in J&K State extended a package of concessions / relaxations to Trade and Industry in J&K State, which was last revised vide their Circular No. DBOD. No.BP.BC.77/21.04.012/2003-04 dated April 21, 2004 (copy enclosed for ready reference).

The said package was initially extended for a period of one year. Thereafter, the said package has been extended on year-to-year basis after the Sub-Committee of J&K SLBC on Relaxation to Trade and Industry in J&K State reviews the position and recommends further extension.

In its last meeting held on 12.1.2010 the Sub-Committee had recommended to RBI that the special package of concessions and relaxations to Trade & Industry in the State be extended by a further period of at least three years. But the Reserve Bank of India granted further extension of only one year for the package of concessions/ relaxations to Trade & Industry in J&K State vide **Circular No. RBI/2009-10/436 dated 29.4.2010** (copy enclosed), which is expiring on 31st of March 2011.

In view of the latest spell of abnormal conditions in the State during the CFY severely impacting all spheres of economic activity including Trade & industry, need has been felt to convene the meeting of this special purpose Sub-Committee of SLBC to review the position and make recommendations as deemed expedient.

The house is requested to review the position and consider further extension or otherwise of the package of concessions/ relaxations to Trade & Industry in J&K State beyond 31st March 2011.

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