

MINUTES OF THE MEETING OF SUB-COMMITTEE OF J&K SLBC ON RELAXATION / CONCESSIONS TO TRADE & INDUSTRY IN J&K STATE

A meeting of the Sub-Committee of J&K State Level Bankers' Committee (SLBC) on Relaxations/ Concessions to Trade and Industry in J&K State was held on 27th February, 2009 at J&K Bank, Zonal Office, Jammu, which was presided over by Mr. A. K. Mehta, Executive Director/ COO of J&K Bank (Convenor Bank). The meeting was attended by representatives from all the members of the Sub-Committee including the J&K Bank, Reserve Bank of India, Govt. of J&K, SBI, PNB, UCO Bank, SIDBI, IDBI and various organizations of Trade & Industry in J&K State. The list of participants is enclosed as **Annexure-A**.

At the outset Mr. A. K. Mehta, Executive Director/ Chief Operating Officer of J&K Bank, while welcoming the participants to the meeting stated that the main objective of the meeting is to consider further extension or otherwise in the period of package of relaxations/ concessions to trade and industry in the State beyond its validity period, which was expiring on 31st March, 2009 and for making necessary recommendations to RBI accordingly. He said that a few other points referred by KCC & I were also included in the agenda for deliberations in the meeting. Thereafter view of the participants were invited regarding the agenda points.

The representatives of Trade & Industry strongly pleaded that the package of relaxations/ concessions to Trade & Industry should be further extended for a long period in view of the peculiar hostile conditions persisting in the State. Emphasizing on the justifications for further extension of the package, they insisted on reviewing it with objectivity and making it much more comprehensive and broad based on considering the J&K specific conditions, which render it need based and deserved by various adversely affected segments of trade and industry.

Dr. Mubeen Shah, President, Kashmir Chamber of Commerce & Industry, stated that keeping in view the J&K specific situation there is need to go beyond all-India level concessions and provide more relaxations in J&K State on the lines of the package extended to north-eastern States of the country. He pointed out that at bank-branch level a lot of awareness was needed to ensure that the package is implemented in letter and spirit. He suggested that interest rates on loans should be reviewed and reduced, revival packages revisited, restructuring and re-phasing of loans considered with a more open mind and flow of credit be enhanced to encourage revival and survival of the people engaged in trade and industry.

Sh. Ram Sahai, Chairman, Jammu Chamber of Commerce & Industry, suggested that the package be reviewed and enhanced for a further period with the relevant improvement. He pointed out that under the existing package of relaxations/ concessions it was mentioned that Special Cells for monitoring implementation of the package may be formed in all banks operating in the State at the Zonal Office level, which would also act as grievance redressal agencies for the respective banks and would convene quarterly meetings with credit users, but the same was not implemented and not a single meeting was held. Mr. Sahai further said that under the package it was said that all irregular accounts will be reviewed and steps taken to regularize them within 3 months, but nothing has been done till date. Mr. Ram Sahai strongly pleaded for waiver of interest on loans for the strike period of 3 months of last

year for all traders and transporters and requested that the package of relaxations/ concessions be fully implementation and its monitoring be ensured with seriousness.

Reacting to it, Mr. M. S. Wani, Sr. Executive Manager, Lead Bank/ SLBC clarified that some of the points raised by the representatives of Trade & Industry like interest holiday etc. fall beyond the scope of this Sub-Committee and suggested that such issues be taken up appropriately for discussion in the ensuing SLBC meeting.

Mr. Shakeel Qalander, Chairman, FCIK, impressed upon continuation of the package, reduction of interest rates, waiver of interest for the non-working days caused by disturbances and liberal credit support for revival and rehabilitation of industry. He also made the observation that the packages and the concessions are not being extended and provided in true spirit of the instructions of Govt. of India and Reserve Bank of India and stressed that these should be enforced without any laxity. Mr. Qalander further stated that the package of relaxations/ concessions provided by RBI are mostly advisory in nature and pleaded that these relaxations should be made mandatory so that these are binding on all the implementing agencies. He also pleaded for generating awareness about the coverage of loans under Credit Guarantee Fund so that the benefits of the scheme are extended to the entrepreneurs in true spirit.

Consequent upon threadbare deliberations the following decisions were taken in the meeting:

- 1) Considering the inadequacy of the existing package the representative bodies of Trade and Industry in the State will provide necessary feedback to SLBC office within next few days elaborating the framework of more comprehensive revised package of relaxations/ concessions to Trade and Industry for considerations and onward recommendation to RBI and other the concerned quarters for necessary modification/ revision of the package. **(The draft revision has not been submitted by the representative bodies of trade & industry till these minutes have been circulated. The same shall be forwarded to RBI as and when received by SLBC Office).**
- 2) **To recommend to Reserve Bank of India that special package of concessions/ relaxations to Trade & Industry in the State be further extended by a minimum period of 2 years.**
- 3) SLBC should include and invite representatives of Trade & Industry in the main forum for providing them an opportunity to voice their concerns and seek liberal support of banking sector for promotion of Trade and Industry in the State.
- 4) Banks should activate nodal cells for closely monitoring the package of relaxations and revival of Trade and Industry and provide a proactive mechanism for grievances redressal.
- 5) The features of the package of concessions/ relaxations and rehabilitation and revival be disseminated by Reserve Bank of India through media and other means for creating awareness and generating desired responsiveness of the people from trade and industry.

The participants expressed their gratitude to J&K Bank for facilitating the process of industrial rehabilitation and offering a desired package of special relief and relaxation measures to enhance flow of credit for rehabilitation, revival and promotion of industrialization.

The Senior Executive Manager, SLBC thanked the members for their participation, involvement and concern for revival and rehabilitation of trade and industry and assured them that the necessary recommendations to the concerned quarters would be made based on the suggestions made during the deliberations.

(M. S.Wani)
Sr. Executive Manager

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 27.2.2009 at Jammu.

S.No.	Name of Participant	...	Designation / Department.
<u>Convenor Bank (J&K Bank)</u>			
1.	Mr. A. K. Mehta (Chairperson)...		Executive Director/ COO
2.	Mr. Ajit Singh	...	Sr. President
3.	Mr. M. S. Wani	...	Sr. Executive Manager
<u>Reserve Bank of India</u>			
4.	Mr. B. S. Katoch	...	Assistant General Manager
5.	Mr. Vivek Srivastav	...	Assistant General Manager
<u>Government of J&K</u>			
6.	Mr. Mazhar Hussain Khan	...	FA/CAO, Industries & Commerce Deptt.
<u>IDBI</u>			
7.	Mr. Harish Gupta	...	Branch Head, Jammu
<u>SIDBI</u>			
8.	Mr. Neeraj Srivastav	...	Assistant General Manager
<u>Member Banks</u>			
9.	Mr. Krishen S. Barguzar	...	AGM, State Bank of India
10.	Dr. B. M. Padha	...	Chief Manager, Punjab National Bank
11.	Mr. A. K. Dhar	...	Sr. Manager, UCO Bank
<u>MSME representatives</u>			
12.	Mr. Shakeel Qalander	...	President, FCIK
13.	Mr. Gulam Mohd. Tramboob	...	FCIK
14.	Dr. Mubeen Shah	...	President, KCC&I
15.	Mr. Ram Sahai	...	Chairman, JCCI
16.	Mr. Kuldeep Ohri	...	Convenor, Federation of Industries, Jammu

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