

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 12th January 2010 at J&K Bank, Zonal Office Jammu. The meeting was chaired by Mr. A. K. Mehta, Executive Director/ COO of J&K Bank (Convenors of J&K SLBC). The meeting was attended by representatives of all the members of the Sub-Committee including the J&K Bank, Reserve Bank of India, J&K Govt. Industries & Commerce Department, SBI, PNB, UCO Bank, SIDBI and various representative organizations of Trade & Industry in J&K State. The list of participants is enclosed as Annexure-A.

At the outset Vice President (LBD/SLBC) of J&K Bank formally welcomed the participants and elaborately highlighted that the purpose of the meeting was to review and assess the efficacy of the special package of relaxations and concessions to promote and facilitate trade and industry in the State and thereafter make recommendations for any revisions, modifications, further extension or withdrawal or otherwise.

Mr. A. K. Mehta, Executive Director/ Chief Operating Officer of J&K Bank, after 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, 2010 and for making necessary recommendations to RBI accordingly. Thereafter views of the participants were invited regarding the agenda points.

Initiating the discussions the President, FCIK, Mr. Shakeel Qalander argued that the recommendations made by this Sub-Committee in the last meeting were not fully accepted by RBI as extension was granted for one year only instead of two years recommended by the forum. Reacting to this VP (LBD/ SLBC) clarified that the decision is guided by the optimism that conditions would improve in near future and peace would soon return to the State.

The President, FCIK, Mr. Shakeel Qalander and President, KCCI, Mr. Nazir Ahmad Dar 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 need for further extension of the package beyond the current validity considering the J&K specific conditions, the leaders of the representative organizations of trade & industry demanded that this package be made more broad based by granting additional concessions on processing charges, penal interest, cheque-book charges, cheque return

charges, etc.. They suggested that the existing package should be accordingly reviewed and modified to suit the ground situation.

Mr. Shakeel Qalander pointed out that the relative guidelines of Reserve Bank of India have not percolated down to the operating levels of banks and RBI being the regulators has failed in seeking implementation of the circulars issued by them from time to time regarding restructuring of MSEs accounts and relaxations/ concessions to Trade & Industry in J&K. He stressed that these should be enforced without any laxity. He strongly pleaded that a lot of awareness was needed at bank-branch level to ensure that the package is implemented in letter and spirit.

The AGM, RBI, Mr. Vivek Srivastav clarified that the concessions/ relaxations to trade and industry is being properly implemented by the banks operating in the State which is being monitored by RBI regularly.

Vice President (PS & GB) of J&K Bank, Mr. Abdul Rouf Bhat as well as the representatives of other major member banks stated that the package of concessions/ relaxations was being implemented and the benefits of concessions in service charges as well as other relaxations are being duly passed on to the customers in the State.

The Chairman FIJ, Mr. Devinder Mahajan and President, FCIK, Mr. Shakeel Qalander stated that the deficiencies in the basic infrastructure in the State are enormously impacting the industrial activities. They strongly pleaded for creation of proper infrastructure for industry as the inadequate basic infrastructure in the State like frequent interruption in power supply and other critical inputs was the biggest setback retarding stability and growth of industrial ventures. They further pleaded that the entrepreneurs and traders suffering due to such conditions deserved a differential treatment, which should be visible.

Reacting to this, the Additional Secretary, Industries & Commerce, J&K Govt., Mr. Abdul Rashid Parray, informed the house that the government of J&K was seriously considering to strengthen and provide necessary infrastructure and other basic facilities to the industry in the State and in this regard a series of meeting have been recently held.

President, FCIK stated that the concessions regarding restructuring/ re-scheduling of accounts was being generally extended more to the benefit of the bankers than the borrowers. He suggested that the package of relaxations/concessions should be revisited and restructuring/ re-phasing of loans should be 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.

President (A&AP) J&K Bank, Mr. Parvez Ahmad, joining deliberations pleaded that RBI should consider permitting 2nd restructuring/ reschedulement of accounts in the cases where it is felt that the conditions are beyond the borrower's control which would give a lot of comfort to trade

and industry in the State as well as to the bankers as this would prevent a lots of accounts from slipping to NPA.

President, KCCI, Mr. Nazir Ahmad Dar and the representative of JCCI, Mr. Y.V. Sharma pleaded that the package of relaxations/ concessions be reviewed and continued for a further period till the conditions improve in the State and requested that the package of relaxations/ concessions be fully implemented and its monitoring be ensured with seriousness. They also requested that Reserve Bank of India should issue necessary advertisements which must be visibly displayed with a view to generate adequate awareness on this account so that the eligible borrowers avail benefits of such relaxations/ concessions.

The strong feelings of the leaders of representative organizations of Trade and Industry and their arguments for seeking extension in the package and also further coverage of more concessions and relaxations by reviewing the package were endorsed by the representatives of J&K Govt. (Industries & Commerce Department) and Reserve Bank of India.

Consequent upon threadbare deliberations the Sub-Committee unanimously decided to recommend to Reserve Bank of India that the special package of concessions and relaxations to Trade & Industry in the State be reviewed to render it more comprehensive and be extended by a further period of at least three years and that the package of concessions/ relaxations should be properly monitored by Reserve Bank of India and enforced by taking stern action against the concerned bank in case of any default.

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

(M. S.Wani)
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 12.01.2010 at Jammu

S.No.	Name of Participant	...	Designation / Department.
<u>Convenor Bank (J&K Bank)</u>			
1.	Mr. A. K. Mehta (Chairman)...	...	Executive Director/ COO
2.	Mr. Parvez Ahmad	...	President (A&AP)
3.	Mr. M. S. Wani	...	Vice President (LBD/J&K SLBC)
4.	Mr. Abdul Rouf Bhat	...	Vice President (PS & GB)
<u>Reserve Bank of India</u>			
5.	Mr. Vivek Srivastav	...	Assistant General Manager
<u>Government of J&K</u>			
6.	Mr. Abdul Rashid Parray	...	Addl. Secretary, Industries & Commerce Dept.
<u>SIDBI</u>			
7.	Mr. Neeraj Srivastav	...	Assistant General Manager
<u>Member Banks</u>			
8.	Mr. A. K. Koul	...	Chief Manager(LB/LDM) SBI, Z.O.(Jmu.)
9.	Mr. A. K. Mota	...	Chief Manager, PNB ZO Jmu
10.	Mr. A. A. Allaqaband	...	AGM (J&K), UCO Bank
<u>MSME representatives</u>			
11.	Mr. Shakeel Qalander	...	President, FCIK
12.	Mr. Nazir Ahmad Dar	...	President, KCC&I
13.	Mr. Y. V. Sharma	...	President, JCC&I
14.	Mr. Devinder Mahajan	...	Chairman, Federation of Industries, Jammu

*