

Agenda for 7th Sub Committee Meeting of SLBC for Export Promotion

1. To confirm the minutes of 6th Sub-committee Meeting held on 28.06.2014. (Copy enclosed).
2. To confirm the Action taken regarding various action points by concerned Departments/institutions.(Copy enclosed)
3. A Special State Level Bankers Committee Meeting for taking stock of the devastation caused by floods in J&K State, Specifically in Kashmir Valley and devising suitable measures in effected areas for relief, rehabilitation, revival and restructuring of various types of credit facilities in the affected areas was convened by Jammu and Kashmir Bank (Convener J&K SLBC) at J&K Bank, Zonal Office, Jammu on 23.09.2014. Accordingly a special rehabilitation/revival and relief package for the borrowers affected by natural calamity in J&K state was devised which has also been approved by RBI. As per the Circular issued by J&K Bank under relief, rehabilitation, revival and restructuring scheme outstanding loans as on 01-09-2014 and being standard assets as on 31-08-2014 are covered. The main features of the Scheme are discussed below,

Term Loan:

- a) Existing term loan facility o/s as on 31.08.2014 shall be repaid as per existing terms and conditions; however, to provide relief to the affected borrower's principal installments along with interest falling due for a period up to 2 years from 01.09.2014 shall be funded by way of additional term loan (Converted Term Loan). After expiry of the above period (up to 24 months) principal installments and interest shall be serviced by the borrower from its own sources as per existing terms and conditions.
- b) The principal demand of the existing term loan along with interest during the period of moratorium upto 2 years shall be funded by way of additional term loan (Converted Loan).
- c) Rate of Interest on converted term loan during moratorium period shall be Base Rate as applicable from time to time with monthly rests. Rate of interest after expiry of moratorium period shall be reset and charged similar to the rate charged to existing term loan account.

Working Capital:

- a) Balance outstanding in excess of value of the primary security available and interest applicable on regular portion (including enhanced portion) of the WC limit from 01.09.2014 to 31.03.2015 shall be converted into WCTL.
- b) WCTL so converted shall have moratorium period upto 24 months w.e.f 01.09.2014 both in respect of repayment of principal and interest. Interest applicable during the moratorium period on WCTL along with interest applicable on regular portion including enhanced portion of the WC limit from 01.09.2014 to 31.03.2015 shall be capitalized and form part of the overall limit of WCTL.
- c) Rate of Interest on WCTL during moratorium period shall be Base Rate as applicable from time to time with monthly rests. Rate of interest after expiry of moratorium period shall be reset and charged similar to the rate charged to existing WC facility.

Crop Loan:

- a) The short term crop loan to the extent of damage as assessed by the Govt. with interest due upto 31-03-2016 shall be converted into term loan.
- b) Moratorium period of 24 months w.e.f 01.09.2014 both in respect of repayment of principal and interest in crop loans.

- c) Rate of Interest on converted term loan shall be Base Rate as applicable from time to time with annual rests.

Agricultural Loan :

- a) Moratorium period of 24 months w.e.f 01.09.2014 both in respect of repayment of principal and interest.

- b) The principal demand of the existing term loan along with interest during the period of moratorium of 2 years shall be funded by way of additional term loan (Converted Loan).

- c) Rate of Interest on converted term loan for a moratorium period shall be Base Rate as applicable from time to time with annual rests. Rate of interest after expiry of moratorium period shall be reset and charged similar to the rate charged to existing facility.

The rehabilitation package shall be available upto March 2015 and amply covers the exporter community of the State, and at J&K Bank , it is being ensured that rehabilitation cases received by the Bank are disposed off on merits at the earliest.

The other AD members may put forth their progress in implementation/assistance to the exporters for rehabilitation and relief package extended by them to exporters of the State.

In addition issue /problems faced if any, by the exporters on account of post flood relief finance by the Banks, in context of rehabilitation package devised by Banks for flood affected persons may be discussed.

4. Issues faced by exporters in getting timely and proper export credit (Pre-shipment & Post-shipment Credit) from the Authorised Commercial banks (AD's) operating in the J & K State. As per RBI guidelines the export credit proposals are to be disposed off expeditiously as per the genuine requirements of the exporters within stipulated time frame.

During the previous meeting, it was observed that PSU banks and other private sector banks excepting J&K Bank have not increased their export credit portfolio in the state. Committee members were informed that the total handicraft export from J&K State for the FY 2013-14 was Rs. 1695.83 Crores, out of which Rs. 1469.08 Crores was routed through Jammu and Kashmir bank, Rs. 18.61 Crores through State bank of India, Rs. 6.59 Crores through Yes Bank, Rs. 85 Lacs through UCO Bank and Rs. 11.98 Crores through Punjab National bank. Measures taken by all AD Banks for enhancing export credit in the State may be deliberated upon by the AD banks operating in the State. **Action (AD banks operating in the State)**

5. Extension of Incentives to handicrafts sector available under Handloom development in J&K State. It was discussed during 6th SLBC meeting held on 28.06.2014 that reimbursement scheme is available under Handloom Development in J&K state but has not been extended to Handicraft sector. Handicrafts Department J&K Bank being the Nodal agency may deliberate on the provisions and its scope for extending the same to the handicraft sector.

Action(Handicrafts Department,J&K Govt.)

6. Issues related to registration by unit holders with Department of Industries and Commerce due to which unit holders are not able to avail incentives available under state Industrial Policy.During the 6th SLBC meeting held on 28.06.2014 the committee members were informed that the License issued by Department of Industries and Commerce doesnot mention MSME status to the unit holders. Measures taken by The Department of Industries and Commerce in redressing the issue may be placed before the Committee members.

Action(Department of Industries and Commerce)

7. Proposal for setting up of Inland Container Depot(ICD)at Srinagar was discussed in 3rd SLBC on 14.05.2009 wherein Committee members were informed that funds have been provided to JKSIDCO for completion of the project.It was further informed that setting of ICD shall help exporters to obtain Customs clearance from Srinagar itself rather than from Delhi. Committee members were further informed during 4th SLBC held on 12.12.2011 that 95% work on the project has been completed and the project shall be completed in coming 6 to 8 months.During the 5th SLBC meeting held on 23.07.2013 the committee members were informed that a meeting between SIDCO and KCCI for takeover of ICD could not be convened due to certain unavoidable reasons and same shall be held in near future.

In compliance to action points of 6th SLBC held on 28.06.2014 , SIDCO has informed that the scheduled meeting with KCCI could not be convened due to floods. However KCCI was informed to takeover ICD facility, but due to their non response SIDCO has issued an Expression of Interest (EOI) for running of ICD at Rangreth. Offers are at evaluation stage and ICD shall be run by a private enterprise soon. Further progress on making the ICD operational may be put forward before the Committee members. **Action(Trade Bodies/SIDCO)**

8. Reviewing progress of International Trade Centre at Pampore, an initiative of GOI, to develop infrastructure in the State of J&K. An International Trade Centre at Pampore, District Pulwama, Kashmir (J&K) is being set up by the State Govt. under Assistance to States for Development of Export Infrastructure and other Allied Activities (ASIDE) Scheme of Central Govt. for holding national/international trade fairs, buyer-seller meets, etc. so that the exporters of the State could have an interface with the overseas markets. Department of Industries, Government of J & K had earmarked land in Pampore for the above said International Trade Centre.

The total cost of the project is Rs. 40.00 crore. Out of this, Rs. 10.00 crore would be met by the J&K Govt. and contribution from Assistance to States for Development of Export Infrastructure and other Allied Activities (ASIDE) is Rs. 30.00 crore. Out of this, an amount of Rs. 5.00 crore was released by ASIDE to State Govt. in December, 2008 for initiating the project.

During the 6th SLBC held on 28.06.2014 Committee members were informed that the project is under implementation and the outer wall for the ITC is completed.The members were also informed that all the time limits for completing ITC have been exhausted. Concerned Departments may put forth further progress on the project before the Committee members. **Action(Handicrafts Department J&K Government)**

9. Committee members were informed during 5th SLBC held on 22.07.2013, that J&K Govt has established Export Development centre (ECD) where offices like DGFT,Central Excise,Export Promotion Centre are functional. The Committee members had also requested EXIM Bank, Central Excise Department,Post Master General to set up their offices in the EDC. ECGC, which is presently operating from Durganag,Srinager, was also requested to shift its office to EDC.

During 6th SLBC it was observed that setting of offices like Exim Bank branch, Post office dealing/handling export/import documents/parcels, and Customs office for the purpose of making EDC as one stop shop for exporters was still unfulfilled.It was also observed that ECGC has also not shifted its office to EDC. In addition, posting a permanent officer of the rank of Dy. Director General of Foreign Trade at Srinagar office for the benefit of exporters was also discussed in 6th SBLC. Concerned departments may apprise the Committee members regarding measures taken by them for setting of the offices at EDC. **Action(Customs and Central Excise/Handicrafts Department J&K Govt/DGFT)**

10. Committee members were informed by KCCI during 6th SLBC held on 28.06.2014 that the issue of interest subvention of 5% on export credit was raised with Finance minister of the state who had assured the he shall look into the matter and a meeting between Finance Minister and Trade Bodies in this regard shall be convened. The details of the outcome of the proposed meeting may be placed before Committee members.

Action(/Finance Department J&K Govt./Trade Bodies)

11. Exporters' issues if any regarding Duty Drawback, DEPB and other incentives provided by GOI.
12. Industry specific problems of Handicrafts, Carpets and Chain-stitch Exporters and steps taken to financially empower the artisans of the state in terms of better wages and working conditions and ensuring that handcraft sector is revived in the state which is on decline as was discussed in 6th SLBC held on 28.06.2014 may be deliberated upon by the concerned Departments..

Committee members were informed by KCCI during 6th SLBC held on 28.06.2014 that although there is no such provision in the FTP that restricts the export of silk carpets on DA basis, still its export is not allowed from Srinagar and that the issue has been raised at different levels but the case is still pending. The concerned Department may put forth the steps taken by them in resolving the issue. **Action (Handicrafts Department J&K Government /Trade Bodies/Customs/DGFT)**

13. Classification of Paper machie as separate item in FTP as total turnover of paper Machie for the FY2013-14 was 127 Crores was discussed during 6th SLBC held on 28.06.2014. The issues was raised by trade bodies(FTC,CCIK) and Committee members were informed by the representatives from DGFT that the classification of Paper machie as separate item shall be taken up with Customs Department as classification of items in FTP is done by them. The representative from Custom Department had informed the Committee members that the issue shall be taken by them with higher ups. The latest development on the issue may be discussed with the Committee members by the concerned Depratment. **Action(Customs and Central Excise)**

14. Issues of dry fruit, walnut and saffron exporters if any.

15. To discuss ways in which the State Government can help in promotion of local exports. Committee members were informed during the 6th SLBC held on 28.06.2014 that due to lack of facilities like bar code, packaging facility at Srinagar,expoters from the State have to send their products outside state for bar coding and packaging, resulting in higher cost.Committe members had suggested that State Govt. should facilitate setting up of bar code, packaging facility, Udyog Kendra ,Kashmir Export Development Centre (EDC) at Kashmir Haat and Expediting the development of International Trade Centre (ITC) at Pampore. **Action(Handicrafts Department J&K Government/J&K Finance Department)**

16. Any other item with the permission of Chair.