

AGENDA ITEM NO: 01

Confirmation of Minutes of the 7TH monthly Special Meeting of J&K SLBC on MSMEs:

The 7TH monthly special meeting of J&K SLBC on MSMEs was held on 11.01.2010 at Jammu. Minutes of the said special SLBC meeting were webcast on www.jkslbc.com and also circulated vide this office No. LBD/7th Spl. SLBC MSMEs/2010-512 dated 01.02.2010 for desired action.

As no amendments have been received from the members on the said minutes, the house is requested to confirm the same.

AGENDA ITEM NO: 02

Review of data / position relating to implementation of IBA package on MSMEs, Housing & Auto sectors as at end of April 2010 for the State:

The consolidated data as well as the Bank-wise position relating to implementation of IBA package on MSMEs, Housing & Auto sectors in the prescribed format as received from banks/ lending institutions operating in the State as at the end of April 2010 are enclosed as [Annexure-I & II](#) for information of the house. It is evident from the data available that:

Consolidate data:

- Banks operating in the State have sanctioned working capital loans (new) to the extent of Rs.851.68 Crore in favour of 14785 beneficiaries and incremental working capital loans amounting to Rs.364.14 Crore in favour of 3839 existing units.
- Banks in the State have so far restructured 4450 MSMEs accounts involving an amount of Rs.277.54 Crore.
- Soft loans for D. G. Sets to the tune of Rs.3.31 Crore have been sanctioned in favour of 105 beneficiaries.
- Housing Loans to the tune of Rs.608.00 Crore have been sanctioned in favour of 20,921 beneficiaries; and
- Auto loans to the tune of Rs.415.97 Crore have been sanctioned in favour of 12,975 beneficiaries.

Performance of major banks operating in the State:

- J&K Bank alone has restructured 3308 accounts of MSMEs involving an amount of Rs.159.79 Crore being 74% out of the total number of 4,450 accounts of MSMEs so far restructured by banks in the State involving Rs.277.54 Crore. The bank has issued Working Capital Loans (new) to the extent of Rs.241.97 Crore in favour of 4419 beneficiaries and incremental working capital loans to the extent of Rs.206.58 in favour of 2377 beneficiaries.

- State Bank of India has restructured 771 MSMEs accounts involving Rs.53.61 Crores, and issued working capital loans (new) to the extent of Rs.345.34 Crore in favour of 3393 beneficiaries and incremental working capital loans to the extent of Rs.81.21 Crore in favour of 428 beneficiaries.
- Punjab National Bank has restructured 202 MSMEs accounts involving Rs.53.90 Crores, and sanctioned working capital loans (new) to the extent of Rs.72.14 Crore favouring 647 beneficiaries and incremental working capital loans of Rs.30.53 Crore favouring 156 beneficiaries.

The house is requested to deliberate on the issue

Encls: 03

AGENDA ITEM NO: 03

Prime Minister's TASK Force for flow of Credit to MSME Sector:

Kashmir Chamber of Commerce & Industry have requested that recommendations of the Prime Minister's TASK Force for flow of Credit to MSME Sector be included in the Agenda for discussion by the house. The copy of the said recommendations (forwarded vide their letter No. KCC&I/SLBC/1494 dated May 12, 2010) is enclosed for ready reference.

The house is requested to deliberate on the issue

Encls: 04

AGENDA ITEM NO: 04

Action taken report on action points of the previous Monthly Special SLBC Meeting on MSMEs (outstanding issues):

- (A) Recommendations of Dr. K. C. Chakrabarty Working Group appointed by RBI – Action points relating to the State Government:

The recommendations of the Dr. K. C. Chakrabarty Working Group constituted by RBI to look into the problems being faced by the Micro and Small Enterprises (MSE) sector, particularly with respect to rehabilitation of potentially viable sick units, were deliberated upon in 4th, 5th, 6th and 7th Special Monthly SLBC meetings, but the below mentioned recommendation have remained outstanding:

- 1) Each State Government may also have a separate Ministry for MSME. In addition the State Governments may also have long term and short-term policy for development/ promotion of MSME sector (Para 5.9):

In the 6th monthly special SLBC meeting for MSMEs held on 20.10.2009 at Srinagar, the Chairman, FCIK, pointed out that under MSMED Act the SSI sector had been renamed as MSMEs sector as it now involved micro, small and medium enterprises and both manufacturing as well as services units have been incorporated under it, so the Industries Department need not only to change the nomenclature but would also need to incorporate Services sector in it and grant them registration as well as all other incentives that are available to it in terms of MSMED Act. The house had expressed concern that the issue has been deliberated upon in several meetings of this forum without any resolution. The representative of Industries & Commerce Department was advised to report compliance on the issue in the next meeting.

In the 7th special monthly meeting on MSMEs held on 11.1.2010 at Jammu, the Director, Industries and Commerce Kashmir, Mr. Kachu Isfandyar Khan, informed that soon after he assumed the office as Director Industries & Commerce (Kashmir) about a year before, he has conveyed in writing to his administrative department regarding this issue and assured that the issue will be followed up with the concerned quarters for early necessary action.

Government may apprise about the progress in this regard.

- 2) State Government may be encouraged to provide land at 50% of the normal rate for setting up Industrial Estates exclusively for MSMEs. Further, 50% subsidy may be provided on the capital cost of common facilities like effluent treatment plant, power plant:

In the last meeting held on 11.01.2010 the representatives of FCIK and KCCI had pleaded that the Government has made the commitment in the Industrial Policy for the State to provide land at the subsidized rates for setting up Industrial Estates exclusively for MSMEs and desired that government should keep that commitment at least till the Policy is in operation and should restore the original rates prescribed in the said Industrial Policy.

Quoting deliberations of the 78th SLBC meeting wherein the Principal Secretary to Industries & Commerce, J&K Government had assured that the decision of the government to enhance the rates of premium for allotment of land in the industrial Estates will be revisited and reviewed soon in consultation with the Finance Department, the Director Industries & Commerce (Kashmir) had assured that government will try to resolve the issue.

Government may apprise about the progress in this regard.

(B) Contribution towards Employees' Provident Fund:

In the previous meeting the Chairman, FCIK, Mr. Shakil Qalander had pointed out that in other parts of the country the manufacturing units employing 10 persons and above are required to contribute towards employees' provident fund, but contrary to that in J&K State there are different norms as the units employing only 4 persons and above have to contribute towards employees' provident fund. He had pleaded that for removal of this anomaly and sought that this should be kept in tune with the other parts of the country.

Representative of the Industries & Commerce Dept. J&K Government may inform progress in the matter.

AGENDA ITEM NO: 05

Workshop on Credit Guarantee Scheme for Micro & Small Enterprises:

Pursuant to the decision of J&K SLBC as well as State Level Empowered Committee on MSMEs, a Mega Workshop on Credit Guarantee Scheme for Micro and Small Enterprises was held on 1st of May 2010 at S.K.I.C.C., Srinagar with an intention to generate awareness about the Credit Guarantee Scheme for Micro & Small Enterprises for promotion of MSEs in J&K State.

The joint workshop organized by J&K Bank, sponsored by CGTMSE was coordinated by SIDBI. The workshop was inaugurated by Dr. Haseeb A. Drabu, Chairman & CEO of J&K Bank, who was flanked by Mr. A. K. Mehta, (Executive Director / COO), Mr. Ajit Singh (Sr. President/CRO/CPO), Mr. K. Isfandyar Khan (Director, Industries & Commerce-Kashmir, Govt. of J&K) and Mr. C.V.K.D. Prabhu (officer deputed by CGTMSE-Mumbai). Top Executives of the banks and Reserve Bank of India including Presidents, Vice-Presidents, Zonal Heads, Cluster Heads and Lead Bank Officers of J&K Bank. A large number of representatives drawn from entrepreneurs, J&K EDI, representative organizations of Industries, FCIK, KCCI, SIDBI, J&K Bank, SBI, PNB, J&K Grameen Bank and other major Public Sector Banks, Industries & Commerce Department of J&K Government etc. participated in the workshop.

This is for information of the members