

STATE LEVEL BANKERS' COMMITTEE, TAMIL NADU

Annexure - I

RELIEF MEASURES TO BE ADOPTED IN 10 AFFECTED DISTRICTS AS DECLARED VIDE GoTN G.O.(Ms) No. 604 dated 29.12.2023.

RELIEF MEASURES FOR AGRICULTURE & ALLIED ACTIVITIES

The relief package is available to borrowers in 10 affected districts of Tamil Nadu, as declared by Government of Tamil Nadu vide G.O (Ms) No. 64 dated 29.12.2023 and the District Collectors have been advised to issue Anewari certificate to the effect that crop loss is 33% or more to decide on the applicable relief measures .

Banks are advised to complete the process of restructuring within a period of **three months** from the date of declaration of the natural calamity by the Government (29.12.2023) so as to avail the benefit of asset classification of the restructured account.

A: Agricultural loans- Short term production credit (Crop loans)

I – Eligible loans: All short-term loans, which are not overdue as on 30.11.2023, shall be eligible for restructuring.

II – Amount of restructuring: The Principal amount of short-term loan as well as interest **due for repayment** are to be converted into term loan

III – Moratorium: Moratorium period up to one-year from the date of restructuring for the converted term loan. (Interest subvention is available for one year only. Second year onwards normal rate of interest will be charged)

IV- Repayment period of converted term loan:

- a) Where the crop loss is between 33%-50%.
 - Repayment period of up to two years (including the moratorium period up to one year) shall be allowed.
- b) Where the crop loss is 50% or more
 - Repayment period up to five years (including the moratorium period of one year) shall be allowed.



V – Sanction of fresh crop loans: Fresh crop loans based on the scale of finance may be granted as per extant guidelines.

VI – Rate of interest:

- a) The interest rate subvention shall be made available to banks for the first year on the restructured loan amount. Such restructured loans shall attract normal rate of interest from the second year onwards.
- b) For converted term loans - 1 YR MCLR/ RLLR
- c) For fresh crop loans - Applicable Rate

VII – Security: No additional/fresh collateral securities for the converted term loan or fresh crop loans shall be insisted. The existing collateral, if available for crop loan shall continue.

VII - Appropriation of Insurance claim: Insurance claim for the crop loss shall be adjusted towards the converted term loan , in cases where fresh loans have been granted to the borrower. Claim amount over and above the converted term loan shall be passed on to the beneficiary.

B: Agriculture Loans – Medium/Long Term (Investment) Credit

I – Eligible loans: All Term loans, which are not overdue as on 30.11.2023.

II – Mode of restructuring: The existing Term Loan installments shall be rescheduled by way of extension of loan period keeping in view the repaying capacity of the borrower & the nature of natural calamity.

a. Where there is only damage of crops but productive assets are not damaged – Moratorium period up to one year for installment and interest due from the date of restructuring in the existing term loan, thereby extending the loan period by one year.

b. Where productive assets are partially or totally damaged- The repayment of the existing term loan to be rescheduled by way of extension of loan period shall be determined on the basis of overall repaying capacity of the borrower vis-à-vis total liability (old term loan, restructured crop loan, if any and fresh crop loan to be given if any) less the subsidies received from Government Agencies and compensation under insurance etc. The total repayment period of the **rescheduled term loan/** fresh loan may vary case to case but shall not exceed a period of **five years**.



III – Moratorium: Moratorium period up to 1 year for the rescheduled term loan from the date of restructuring.

IV – Sanction of fresh Term Loans: When the productive assets are partially or totally damaged, need based term loans for replacement/repair/ renovation of the damaged assets shall be provided as per the extant guidelines.

V – Rate of interest:

- a) For rescheduled term loans - 1 YR MCLR/ RLLR
- b) For fresh term loans - Applicable Rate

V – Security: No additional/fresh collateral securities for the rescheduled/fresh term loan shall be insisted. The existing collateral, if available for term loan shall continue to secure fresh loans also.

VII – Appropriation of Insurance claim: Insurance claim for the loss of asset shall be adjusted to the rescheduled term loan where fresh loans have been granted to the borrower. Claim amount over and above the rescheduled term loans shall be passed on to the beneficiary.

C. Loans for Allied Activities to Agriculture

Eligible borrowers: All the outstanding loans under allied activities to agriculture where the productive assets are partially or totally damaged in the floods/cyclone, subject to the account **not being overdue as on 30.11.2023**

1. Nature of facility- Term loans under Allied Activity:

I – Mode of restructuring: The existing Term Loan installments have to be rescheduled by way of extension of repayment on case to case basis depending upon the repayment capacity of the borrower vis-à-vis his total liability (Old term loan, old working capital loan, fresh WCTL and fresh term loan) less the subsidy and insurance claim if any.

II - Moratorium: Moratorium period up to one-year from the date of restructuring for the rescheduled term loan.

III – Repayment: The repayment of the existing term loan to be rescheduled by way of extension of loan period so that repayment period of the rescheduled term loan will be completed within the maximum of five years from the date of restructuring including a moratorium period upto 1 year..



IV – Fresh facility: Need based fresh facility shall be provided upon proper assessment for repairs/ renovation/ replacement of damaged assets as per the extant guidelines.

V – Rate of interest:

- a) Rate of interest on converted term loan shall be 1 YR MCLR/ RLLR with monthly rests.
- b) Rate of interest for the fresh term loan shall be at applicable rate.

VI – Security: Existing and fresh facility shall be secured by way of charge of existing securities and assets to be created out of fresh loan. No additional/ fresh collateral security shall be insisted upon.

VII - Appropriation of Insurance claims: Insurance claims shall be first appropriated for adjustment of the rescheduled loans and balance, if any, may be passed on to the borrower.

2. Nature of facility-Working capital under Allied Activity:

I-Conversion into WCTL: Balance outstanding in excess of the value of primary security available shall be converted into WCTL.

II- Moratorium: WCTL so converted shall have moratorium period upto 12 months from the date of restructuring both in respected of repayment of principal and interest.

III – Repayment: Repayment for WCTL shall commence after expiry of moratorium period. The converted WCTL shall have repayment period generally between 3-5 years, including moratorium period.

IV –Rate of interest: RLLR/ ONE-YEAR MCLR with monthly rests.

V – Additional facility: As an immediate relief, in addition to the WCTL, the borrower shall be provided need based additional working capital facility subject to a maximum of 50% of WCTL so converted. The facility shall have interest rate applicable as per the existing terms.

VII – Security: Existing and fresh facility shall be secured by way of charge of existing securities and assets to be created out of fresh loan. No additional collateral security shall be insisted upon.

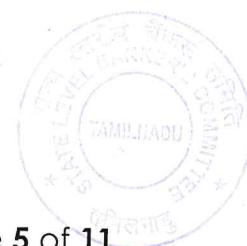
VII - Appropriation of Insurance claims: Insurance claims (if any) shall be appropriated for adjustment of WCTL. Claim amount over and above the outstanding in WCTL shall be passed on to the beneficiary after adjusting any overdues, if any.

Other terms of the package:

1. Margin requirements may be waived, or the grants/subsidy may be treated as margin.
2. Where original land record is required for verification and farmers or the share croppers lost their proof of original titles in the natural calamities, a certificate issued by Revenue department officials may be accepted for financing fresh loans.
3. In case of current dues in default, no penal interest to be charged.
4. No processing charges to be recovered in case of fresh loans granted to the affected borrowers.

D. Loans to SHG and Microfinance.

Repayment of existing term loans shall be restructured for all the outstanding loans which are not overdue as on 30.11.2023 and are eligible for relief measures by way of extension of repayment with a moratorium period upto 1 year and need based fresh term loans may be considered as per extant guidelines and rate of interest.



RELIEF PACKAGE PROPOSED FOR FLOOD/CYCLONE AFFECTED MSMEs

A. TERM LOAN

- I. **Eligible borrowers:** All the outstanding loans to MSMEs which are **not overdue as on 30.11.2023**

II. Moratorium

Moratorium in repayment of principal installments and interest on term loans for a period upto 1 year for Medium Enterprises and 18 months for Small and Micro Enterprises with effect from 30.11.2023 in respect of the existing term loan(s).

III. Converted term loans

The principal demand of the existing term loan(s) along with interest during the period of Moratorium (upto 1 year for Medium Enterprises and 18 months for Small and Micro Enterprises), shall be funded by way of additional term loan (Converted loan).

IV. Repayment

Repayment for converted term loan (funded interest term loan and working capital term loan) along with the existing residual terms loan including the moratorium period shall be paid in a period not exceeding 5 years.

V. Fresh facility

Need-based fresh facility shall be provided upon proper assessment for repairs / renovation/ replacement of damaged assets/ technological upgradation.

VI. Rate of Interest

- a. Rate of interest on converted term loan shall be RLLR with monthly rests.
- b. Rate of Interest on Fresh Term shall be as per extant guidelines.



VII. Security

Existing and fresh facility shall be secured by way of charge on existing securities and assets to be created afresh. No fresh collateral security shall be insisted upon.

VIII. Appropriation of insurance claims

Insurance claims to be received shall be first appropriated for adjustment of the converted loan and balance, if any, shall be adjusted to the existing term loan accounts.

B. WORKING CAPITAL

I. Conversion into WCTL

Balance outstanding as on 30.11.2023 shall be converted into WCTL.

II. Moratorium

WCTL so converted shall have moratorium upto 1 year with effect from 30.11.2023 both in respect of repayment of principal and interest.

III. Repayment

Repayment for WCTL shall commence after expiry of moratorium period. The repayment period shall be extended upto 5 years including moratorium period.

IV. Rate of Interest for WCTL: RLLR with monthly rests.

V. Treatment of regular portion

The regular portion of the limit shall be made available to the borrower as per existing terms and conditions.



VI. Additional facility

As an immediate relief, in addition to regular portion of existing limit, the borrower shall be provided need based additional working capital facility with a maximum of 50% of WCTL so converted. The facility shall have interest rate applicable as per the existing terms. The working capital limit shall be taken up for review/ re-assessment after period of 6 months for ascertaining need based WC requirements.

VII. Security

Existing and fresh facility shall be secured by way of charge on existing securities and assets to be created afresh. No additional collateral security shall be insisted upon.

VIII. Appropriation of Insurance Claims

Insurance claims to be received shall be appropriated towards adjustment of WCTL. Claim amount over and above the outstanding in WCTL shall be passed on to the beneficiary subject to adjusting over dues, if any, in any of the working capital loans.

C. OTHER TERMS OF PACKAGE

1. No penal interest / default interest shall be charged to the affected borrowers covered under the package for the existing loan from 30.11.2023.
2. No processing fees to be recovered in case of fresh advances granted to the affected borrowers.



3. Need based credit facilities shall be extended to the affected persons / business establishments presently not availing any credit facilities from banking system. The facility shall be extended on softer terms i.e. relaxation in margin, security etc. It was decided to insist for 10% margin for Term Loan. For working capital also the margin will be 10% against Stocks and 20% against Book-debts and the concessional margin shall be valid for a period of two years only.

D. MICRO ENTERPRISES (UPTO RS.10.00 LAKHS)

1. For Micro enterprises clean loan up to 50% of existing limit or Rs.1.00 lakh whichever is lower can be provided.
2. For the existing loan the rate of interest shall be reduced to the RLLR with effect from 30.11.2023



RELIEF PACKAGE FOR HOUSING, VEHICLE, EDUCATION AND CONSUMPTION LOANS

Eligible borrowers: All the outstanding loans which are not overdue as on 30.11.2023 are eligible for relief measures

HOUSING LOAN:

- a) Reschedulement of the existing loans in the affected areas with upto 1 year moratorium.
- b) Top up loans for repairs and renovation up to 25% of the loan limit with a ceiling of Rs.10.00 lacs, repayable in 5 years including a moratorium of 1 year.
- c) Interest rate at RLLR will be charged.

VEHICLE LOAN:

- a) Reschedulement of the existing loans in the affected areas with upto 12 months moratorium
- b) Interest rate at RLLR will be charged.

EDUCATION LOANS:

- a) A moratorium upto 12 months for loans in affected areas where repayment has commenced.

CONSUMPTION LOANS:

- a) Reschedulement of the existing loans in the affected areas upto 12 months moratorium
- b) Repayable in 30 months
- c) Interest rate at RLLR will be charged.
- d) The overdraft under PMJDY up to Rs.10000/- shall be considered.
- e) The fresh consumption loans may be considered up to Rs.1.00 lakh for purchase of household articles damaged by floods.



APPROPRIATION OF INSURANCE CLAIMS:

Insurance claims to be received shall be appropriated towards adjustment of respective loans. Claim amount over and above the outstanding in loans shall be passed on to the beneficiary.

OTHER RELIEF MEASURES:**a) Relaxing the KYC Norms:**

- a. Needy persons who have lost ID proof may be permitted to open BSBDA accounts with simplified KYC.
- b. Many customers might have lost their KYC documents. Banks may issue photo affixed pass books where requested without collecting charges.

b) Other Concessions:

- a. Banks shall not deduct minimum balance penalty or other charges on the distress relief assistance paid by the Government through DBT to their account.
- b. Banks shall not collect charges for issue of duplicate pass book, account statement, hot listing of Debit cards and for issuing fresh debit cards, Cheque book cancellation and Fresh issuance upto 31.03.2024.
- c. Individual Banks at their discretion may also waive the penalty charges for non maintenance of minimum balance in SB/ CD accounts till 31.03.2024.
- d. Banks at their discretion may also take other distress alleviation measures like waiver of ATM charges, increasing ATM withdrawal limit, waiving premature closure charges for term deposits, waiving of late fee for card dues and penal interest on loan instalments etc.

