

## STATE LEVEL BANKERS' COMMITTEE, TAMIL NADU

CONVENOR: INDIAN OVERSEAS BANK

### 2<sup>nd</sup> Special Meeting of SLBC held on 24.12.2018 On Relief measures for the Cyclone GAJA Affected areas

#### Minutes of the Meeting

Cyclone Gaja has devastated the coastal and interior districts in the state of Tamil Nadu in the wee hours of 16.11.2018. The government of Tamil Nadu has declared certain districts and taluks as affected areas vide G.O.(MS) No.481 dated 10.12.2018. SLBC advised LDMs of affected districts to conduct special DCC Meetings in consultation with the district administrations and also liaise for obtaining of Annawari Certificates.

SLBC convened the first Special Meeting of SLBC on 17.12.2018 with regard to providing of relief measures to the affected borrowers in the declared areas and the member banks had discussions on the subject matter.

SLBC-TN convened the second special Meeting today in IT Auditorium of IOB's Central Office. The meeting was attended by senior officials from RBI, NABARD, officials from the Government and the Member Banks.

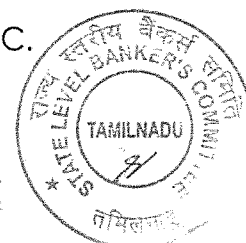
Mrs Uma Maheswari B, the Convenor-SLBC Tamil Nadu welcomed the members and sought for suggestions. The Chief General Manager, RBI and DGM, NABARD gave valuable suggestions and the member banks actively participated in the deliberations. The nature and the extent of Relief Measures to be extended were discussed and consensus was arrived at the same.

Member Banks are advised to take note of para No.3.1 and 3.2 in RBI's Master Direction No. FIDD.CO.FSD.BC.No.9/ 05.10.001/2018-19 dated 17.10.2018. Accordingly Banks would have already in place the Board of Directors' approved blueprint of action to be initiated in case of natural calamities to deliver the relief measures with utmost speed and without any loss of time. The field functionaries shall be aware of the details of the steps to be taken. The Banks should have delegated certain powers to the Divisional/Zonal Managers including discretionary powers among others.

Member Banks were advised to ensure that their field level functionaries are geared up for the assignment and attend to the needs of the affected eligible borrowers with sympathy and empathy.

As per the extant guidelines, Banks were advised to submit the details to RBI on relief extended on monthly basis. SLBC advises to submit the details to SLBC also.

The meeting came to an end with vote of thanks by Mr N Rajan, AGM, SLBC.





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### Relief measures for the Cyclone GAJA Affected areas

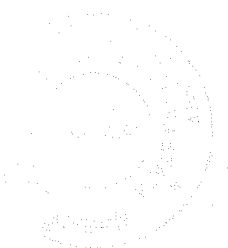
1. The Relief Measures are adopted in the Special Meeting of State Level Bankers' Committee held on 24.12.2018, after due deliberations.
2. The Relief Measures adopted are based on the guidelines contained in RBI's Master Direction No FIDD.CO.FSD.BC No.9/05.10.001/2018-19 dated 17.10.2018 for SCBs & SFBs and No FIDD.CO. FSD. BC No.10/05.10.001 /2018-19 dated 17.10.2018 for RRBs.

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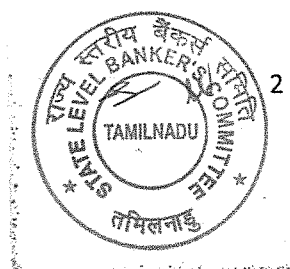
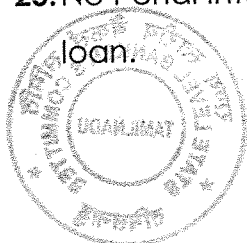
3. Member banks shall extend the relief measures on the adopted lines and for more clarity, they shall be guided by the Master Directions of RBI mentioned in the above para 2.

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4. The following Relief Measures are to be extended by the Scheduled Commercial Banks, Small Finance Banks and Regional Rural Banks (SCBs, SFBs, RRBs) in the areas affected by Cyclone GAJA
5. The Relief Measures by Co-operative Banks (SCBs and DCCBs) shall be in accordance with the instructions contained in NABARD's circular Ref. No. NB. DoR (ST-Policy)/204/2018-19 dated 11.01.2018.
6. These **measures will be applicable for those areas (taluks and districts)** which are declared as affected by Cyclone "Gaja" vide G.O.(MS) No.481 dated 10.12.2018 issued by the Government of Tamil Nadu.
7. The **District Administrations have to** make available the percentage of crop loss, by **issuing "Annawari Certificates"** based on which the extent of relief measures will depend. [ Three categories – Crop Loss is Less than 33%, 33% to below 50% and 50% & above and more]
8. **The date to be reckoned for eligibility for relief measures - restructuring and fresh finance is the date of occurrence of the natural calamity, i.e 16.11.2018.**
9. **Specific Request for Restructuring/ Rescheduling must be obtained from the Borrower.**



10. As per RBI guidelines, **the time duration to extend relief measures is 90 days from the date of declaration** of the areas as affected by Natural Calamity. In the present case the Govt of Tamil Nadu G.O. is issued on 10.12.2018 and hence extending of relief measures **shall be completed by 09.03.2019**.
11. The restructuring and moratorium permitted under these guidelines shall be made effective from 16.11.2018, the date of occurrence of calamity.
12. **Accounts which are not overdue as on the date of occurrence of the calamity are eligible for relief measures** (Restructuring/rephrasing).
13. **Installments defaulted willfully in the previous years are not eligible for rescheduling.**
14. Installments defaulted willfully in the previous years are not eligible for rescheduling. Banks may be guided by the definition of Wilful Default in RBI's Master Circular on Wilful Default. (DBR.No.CID.BC.22/20.16.008/2015-16 dated July, 01, 2015)
15. Application for Fresh/ Additional loans in eligible cases have to be submitted to the Bank Branches within 31.01.2019.
16. In the case of crop loans, application for fresh loan has to be submitted within the next cropping season. Banks will have to take appropriate credit decisions on the application within one month from the receipt of such applications.
17. No additional security or guarantee to be insisted for fresh loan/ rescheduling
18. Rate of Interest shall be as per individual bank's policies.
19. Margin shall be waived.
20. The restructured portion of loan shall be treated as Standard asset
21. The fresh loans also shall be standard asset
22. Subsidies from Government Agencies and compensation from Insurance companies received, if any, should be adjusted to the rescheduled loan.
23. No compounding of interest during moratorium period.
24. No compounding of interest on the fresh loan till its due date
25. No Penal interest on current dues and waiver of penal interest in restructured



## RELIEF MEASURES

### A) Agricultural Advances

#### I) Short term production credit (Crop Loans)

- a) Short term loan to be converted in to Term Loan by taking the principal amount as well as the interest due for repayment in the year of occurrence of calamity provided the account is not overdue as on date of occurrence of calamity, ie 16.11.2018.
- b) Moratorium period of at least one year shall be considered from the above date extendable up to 31.01.2020.
- c) Repayment period: If the crop loss is from 33% to below 50%, two years' repayment period inclusive of one-year moratorium. And if the crop loss is 50% and above - 5 years from the above date (including one-year moratorium)
- d) Fresh Crop Loans based on scale of finance & area to be cultivated, as per extant guidelines shall be provided

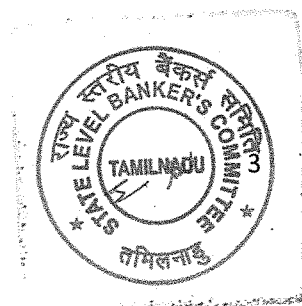
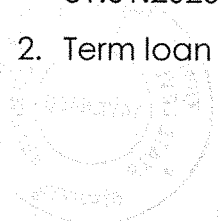
#### II) Long Term (Investment) Credit to Agriculture

##### **a) Where only crop is damaged, but no damage to productive assets**

1. Moratorium for a minimum period of one year and extendable up to 31.01.2020
2. Extending the repayment period by one year or as above & rescheduling installments/ current dues accordingly.
3. Installments defaulted willfully in previous years not eligible for rescheduling

##### **b) Where both crop and productive assets are damaged**

1. Moratorium for a minimum period of one year and extendable up to 31.01.2020
2. Term loan to be rescheduled accordingly.



3. Fresh crop loan as per (a) above.
4. Need based term loan for repair /replacement of damaged productive assets
5. Rescheduling period based on overall repaying capacity of borrower vis-à-vis his total liability (including fresh loan). (Maximum extension is 5 years)

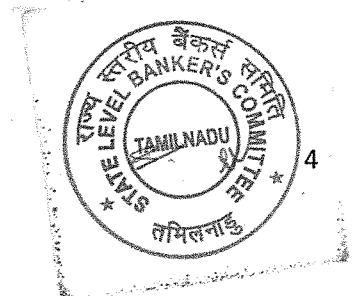
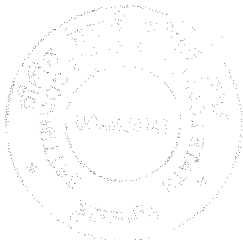
**III). Credit to Agri allied activities dairy/fishery/poultry & other animal husbandry (Both Term loan & Working Capital short term loan)**

**1. Where there is no damage to livestock or other productive assets:**

- Moratorium for a minimum period of one year and extendable up to 31.01.2020
- Extending repayment period by one year or as above and rescheduling installments/current dues accordingly.
- Installments defaulted willfully in previous years not eligible for rescheduling
- Need based working capital loan may be granted as per banks assessment

**2. Where livestock & other productive assets are damaged**

- Moratorium for a minimum period of one year extendable up to 18 months on case to case basis.
- Loan to be rescheduled.
- Rescheduling shall be for a period based on overall repaying capacity of borrower vis-à-vis his total liability (including fresh loan). (Maximum extension is 5 years).
- Need based term loan & working capital limit for repair /acquisition of the damaged productive asset and running cost may be granted based on the viability of the rehabilitated farms as per bank's assessment.
- Installments defaulted willfully in the previous years are not eligible for rescheduling.



## **B) MSME (Including loans to trade)**

### **1. Restructuring/ Rescheduling of existing loans**

- One-year moratorium for loans extended to Micro & Small enterprises which may be extended up to 18 months on case to case basis.
- On need basis, the Working capital limits extended to micro & small enterprises may be restructured to Working Capital Term Loan(WCTL) with a maximum duration up to 36 months (including moratorium period)
- In term loans extension of repayment period by one year and rescheduling installments & current dues accordingly for micro & small enterprises
- For Medium enterprises, a need based moratorium up to one year and the loan may be Rescheduled/Restructured for a period based on overall repaying capacity of borrower vis-à-vis his total liability.
- Installments defaulted willfully in previous years are not eligible for rescheduling

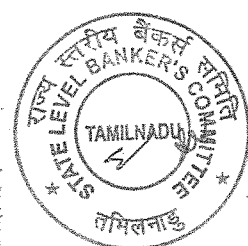
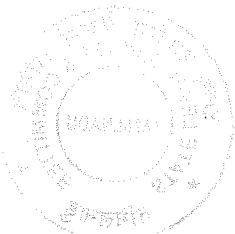
### **Fresh loans /additional loan**

- Need based fresh loans may be extended based on the case to case assessment of requirement, viability and repayment capacity of the individual borrowers,
- The primary consideration for extending fresh/additional credit for rehabilitation shall be the viability of the unit after rehabilitation

## **C) HOUSING LOANS**

### **1. Rescheduling of existing loans**

- Need based moratorium up to 1 year & rescheduling of the installments accordingly
- Installments defaulted willfully in previous years not eligible for rescheduling



## 2. Fresh Loans

- Need based Top up loan for House repair/renovation/ refurnishing/ reconstruction.
- Eligibility, Loan amount, Repayment period, Rate of Interest, Repayment Holiday, Security & other conditions as applicable to housing loan schemes of Individual Banks.

### **D) EDUCATION LOANS**

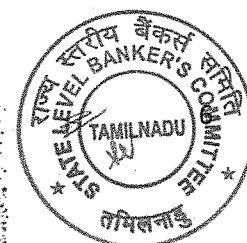
- A moratorium of 12 months may be considered for Education loans which are standard assets and whose repayment has commenced, rescheduling of installments shall be done accordingly
- ~~➤ Installments defaulted willfully in previous years not eligible for rescheduling~~
- The rescheduled loan shall be treated as Standard asset

### **E) CONSUMPTION LOANS**

- Fresh consumption loans up to Rs. 10,000/- may be granted on need basis to the existing customers without any collateral.
- OD facility may be extended up to Rs.2000/- in case of PMJDY accounts immediately and may be granted upto Rs.10,000/- on need basis.
- Individual Banks may consider higher limits also.
- Repayable in 12-24 months.
- No Security and No Margin.
- Interest rate at individual bank's rates.

### **F) Loans to SHGs and JLGs**

- Loans granted to SHGs and JLGs shall be extended relief measures based on the activity for which the loan was sanctioned.
- SHG loans availed for onward lending to the members shall be extended relief measures as applicable to micro enterprises.





## **G) GENERAL TERMS**

- In the case of term loans Installments defaulted willfully in previous years are not eligible for rescheduling.
- In the case of short terms loans only current dues are eligible for rescheduling.
- Wherever eligible, fresh loans may be granted under DRI scheme.

## **H) Other Relief Measures**

### **c) Relaxing the KYC Norms**

- Needy persons who have lost ID proof may be permitted to open BSBDA accounts with simplified KYC

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- Many customers might have lost their KYC documents. Banks may issue photo affixed pass books where requested without collecting charges.

### **ii) Other concessions**

- Banks shall not deduct minimum balance penalty or other charges on the distress relief assistance paid by the Government through DBT to their account.
- 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 up to 31<sup>st</sup> January 2019.
- Individual Banks at their discretion may also waive the penalty charges for Non maintenance of Minimum balance in SB/CD accounts till 31.01.2019
- 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 installments etc.

