



புதுச்சேரி பூனியன் பிரதேச வங்கியாளர்கள் குழுமம்
राज्य स्तरीय बैंकर समिति – पुदुच्चेरी संघ राज्य क्षेत्र
State Level Bankers' Committee - UT of Puducherry

SLBC-UTP/L 04/ 2014-15/1210

Dated: 31.12.2015

Sub: Minutes of the special SLBC meeting held on 15.12.2015

The Special State Level Bankers' Committee (SLBC) Meeting of Union Territory of Puducherry to discuss recent rains and relief measures was held on 15.12.2015 at Puducherry.

Shri R Manimaran, General Manager, Indian Bank in his welcome address briefed on the recent rains and the response of banks during the calamity. He also outlined the role to be played by the banks to mitigate the sufferings of the flood affected persons

Shri M K Jain, Managing Director and Chief Executive Officer and Chairman, SLBC/UT of Puducherry in his presidential address elaborately mentioned the reason for convening of special SLBC, the efforts so far made by the Government and banks to mitigate the suffering of the rain affected people and the relief measures that can be extended as per the extant guidelines of RBI.

In addition to the above he requested banks to issue fresh passbooks to those who lost it in recent floods, open new accounts for the people who do not have a bank account, Issue of duplicate ATM/ Credit cards at no cost. Hassle free transfer of the monetary relief announced by the Government to the intended beneficiaries in the quickest possible time through the banking channel. Government is extending 100% subsidy on crop insurance premium. Banks are requested to ensure 100% coverage of all notified crops in notified areas. He requested the forum to offer their valuable views and suggestions for the betterment of the State and he opined about the deliberations of proceedings would pave the way for timely actions and fruitful results.

Mr. R Radhakrishnan , Hon'ble Member of Parliament, Puducherry, in his special address asked bankers to extend the time period of all the loans to sustain the business cycle for the customers who incurred loss in their business due to rainfall and finally he said relief amount given by the Government to the people is to help them to meet out the loss and hence requested bankers not to deduct the amount for any previous loans.

Mr. S.Parthasarathy, SLBC Convenor during the presentation of agenda for discussion informed of the magnitude of the rainfall, its aftermath, various facilities provided by banks to general public and the salient features of the circular issued by RBI. As Government of Puducherry has announced monetary relief of Rs.4000/- per ration card which would be paid through bank accounts, he requested banks to provide all possible facilities for hassle free withdrawal of the same.

Mr. Manimaran General Manager (RBD), Indian bank, Chennai while initiating the discussion informed that due to severe damages to crops compensation has been announced by the Government. He requested banks to open accounts for beneficiaries who approach them for the same and also requested the banks to send the information regarding credit of the relief amount through SMS voluntarily to avoid rush in banks. He requested the banks to

provide all available facilities like ATM, Mobile banking etc wherever possible for early disbursement of the relief amount.

Smt. Priyadarshini, Director, Department of Civil supplies, requested all the banks to provide the account number and nominate a nodal officer to co-ordinate in the disbursement of flood relief amount.

Mr. Mihir Vardhan, I A S, Secretary (Agriculture), Government of Puducherry, informed that damages to crops were huge and such extra ordinary damages require extraordinary action to be taken by bankers. He requested bankers to consider flood relief proposal to mitigate the sufferings of farmers.

Mr. Chandraker Bharti I A S , Development commissioner , Government of Puducherry, stated that money being deposited as flood relief should reach the general public at the earliest. He requested bankers to send SMS for the public and disburse the relief amount quickly to the people by BC team, provide mobile ATMs to reduce rush in the bank as well as quick disbursement of relief amount.

Mr. V. Candavelu I A S Secretary (Revenue) Government of Puducherry, in his special address congratulated the SLBC members for their co-operation with the Government and he requested banks to continue the same for disbursement of relief to flood affected persons.

Shri Venkateswara Rao, Chief General Manager, NABARD expressed that in addition to farmers, non-farm and other sectors have also been affected and expeditious relief is to be provided to affected persons to ensure continuous working of industries and other activities. He expressed that Pudhuvai Bharathiar Grama Bank and Pondicherry State Co-operative Bank are also eligible for conversion of Crop loans to Term Loans and they will be given additional limits to extend fresh loans subject to the declaration.

Shri Manikandan I A S, District Collector, Puducherry informed that flood relief amount would be credited during this week and periodic meeting would be convened for smoother disbursement of the same.

Shri M K Jain, Managing Director and Chief Executive Officer and Chairman, SLBC/UT of Puducherry thanked UT administration for having cordial and cohesive relationship with bankers. He requested Regional Director, RBI to clarify regarding applicability of Natural Calamity guidelines for UT of Puducherry.

Mr. J.Sadakkadulla, Regional Director, Reserve Bank of India, informed that Master Circular on relief measures by banks for areas of Natural Calamities is a comprehensive guideline which is to be followed in the present scenario also. With regard to MSME loans banks are free to do whatever is needed. With regard to agriculture loans the guidelines are very clear and the same can be carried out based on declaration by the State Government. He requested the Government to do the needful to facilitate relief measures by banks. He requested all concerned to expeditiously provide relief to affected persons to tide over the crisis and the maximum time limit for implementation is within 3 months of occurrence of natural calamity.

After through discussion it was resolved that the flood relief packages for Agriculture, allied activities and MSME will be implemented as and when the Government of Puducherry declares the happenings as a Natural Calamity. However resolution on relief package as approved by SLBC is placed as Annexure for information of the members.

The meeting ended with vote of thanks by Mr. D Devaraj, Chairman, Pudhuvai Bharathiar Grama Bank.

RELIEF PACKAGE PROPOSED FOR FLOOD AFFECTED PERSONS IN UT OF PUDUCHERRY AS DECIDED IN THE SPECIAL SLBC MEETING DATED 15.12.2015

Resolution

The special SLBC was unanimous in advising the member banks on the following flood relief measures.

Agriculture Loans

- **Short Term Loans: I – Eligible loans:** All short term loans which are **not overdue as on 31.10.2015**.

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 of one year w.e.f 01.11.2015 for the converted term loan.

Repayment period of converted term loan:

a) Where the crop loss is between 33%-50%.

- Repayment period up to two years (including the moratorium period of one year)

b) Where the crop loss is 50% or more

- Repayment period up to five years (including the moratorium of one year)

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

Investment Credit - Agriculture Loans – Medium/Long Term (Investment) Credit

I – Eligible loans: All Term loans which are not NPA as on 31.10.2015.

II – Mode of restructuring: The existing Term Loan installments have to be rescheduled keeping in view the repaying capacity of the borrower & the nature of damage as follows. *Defaulted installments willfully are not eligible for rescheduling.*

a. Where there is only damage of crops but the productive assets are not damaged - Moratorium period of one year for installment and interest due w.e.f 01.11.2015 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 so that repayment period of the rescheduled term loan will be completed within the maximum period of five years w.e.f 01.11.2015. Where the damage arising out of the calamity is very severe the repayment period may be extended upto seven to ten years. However, it shall be ensured that the total tenor of the outstanding loans post restructuring does not exceed ten year (including the moratorium period of one year). The rescheduling of the term loan will usually be determined depending upon the repayment capacity of the individual borrower vis-à-vis his total liability (Old term loan, restructured crop loan, fresh crop loan and fresh term loan) less the subsidy and insurance claim if any.

III – 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.

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, subject to the account **not being NPA as on 31.10.2015.**

I – Mode of restructuring: The existing Term Loan installments have to be rescheduled 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 – 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 w.e.f 01.11.2015. Where the damage arising out of the calamity is very severe the repayment period may be extended upto seven to ten years. However, it shall be ensured that the total tenor of the outstanding loans post restructuring does not exceed ten year (including the moratorium period of two years).

Other Loans

General Reschedulement of all other loans (besides the agriculture loans as indicated above) such as loans granted for allied activities and loans given to rural artisans, traders, micro/small industrial units/medium enterprises , while recovery of all the loans may be postponed by the specified period, banks will have to assess the requirement of the individual borrowers in each such case and depending on the nature of his account, repayment capacity and the need for the fresh loans, appropriate decisions may be taken by the individual banks.

The primary consideration before the banks in extending credit to any unit for its rehabilitation should be the viability of the venture after the rehabilitation programme is implemented.

CONSUMPTION LOANS: Fresh consumption loans may be considered up to Rs.10,000/- for purchase of household articles damaged by floods.

Other relief measures

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. Fresh loans may be granted even if the value of security (existing as well as the assets to be acquired from the new loan) is less than the total loan amount. All other concessions /relief measures provided under RBI circular FIDD.No.FSD.BC.01/05.10.001/2015-16 dated 1st July 2015 shall be applicable.

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

It was resolved to implement the flood relief packages for Agriculture, allied activities and MSME as above as and when the Government of Puducherry declares the happenings as a Natural Calamity. This package will be implemented within a period of three months from the date of occurrence of calamity (Floods) (as notified by the Government).