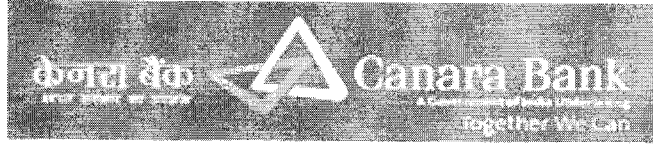


**STATE LEVEL BANKERS' COMMITTEE, KERALA**  
(Under Lead Bank Scheme of RBI )

**Convenor:**



**Ref: Kerala SLBC/NC/1/MA/2019**

**Date: 3<sup>rd</sup> September 2019**

**To**

**All the members of SLBC Kerala**

Dear Sir,

**Sub: SLBC approved Relief measures for the flood affected areas in Kerala (in the South West Monsoon Season of year 2019)**

**Ref: Decisions of the Special SLBC meeting dt 3<sup>RD</sup> September 2019**

1. A special meeting of SLBC Kerala held on 3rd September 2019 have discussed and adopted the following relief measures to be implemented by Banks with immediate effect
2. These shall be implemented by all the Scheduled Commercial Banks, Small Finance Banks, Regional Rural Banks and Co operative Banks
3. The measures adopted for Scheduled Commercial Banks and Small Finance Banks are based on the guidelines contained in the RBI master direction FIDD.CO.FSD.BC No.9/05.10.001/2018-19 dated 17 October 2018
4. The measures adopted for the RRB as per RBI Master Direction FIDD.CO.FSD.BC No.10/05.10.001/2018-19 dated 17 Oct 2018 and Co operative Banks are based on the guidelines contained in the NABARD Circular no 72/DOR/18/2018 dt 2018 April 11<sup>th</sup>
5. These measures will be applicable for those Revenue Villages notified as flood affected in SW Monsoon by Govt of Kerala till date and also those which may be notified further during the same season.
6. The restructuring and moratorium permitted under these guidelines shall be made effective from 23<sup>rd</sup> August 2019 (Date of Notification of Flood by the State Government vide its circular GO (P)No.1/2019/DMD dated 23rd August 2019).
7. The SLBC forum acknowledged that the crop loss in the affected areas is to be above 33 % for availing flood relief measures.
8. For Restructured loans the repayment period shall be permitted as follows:
  - Crop loss above 33 % to 50%, a maximum repayment period of 2 years including 1 year Moratorium period.
  - Crop loss 50 % or more, a maximum repayment period of 5 years including 1 year Moratorium period.
9. The date to be reckoned for eligibility for restructuring and fresh finance will be July 31<sup>st</sup> 2019.
10. Specific Request for Restructuring/ Rescheduling must be obtained from the Borrower.
11. Application for Fresh/ Additional loans in eligible cases is to be submitted to the Bank Branch within 25<sup>th</sup> November 2019 .

**All communications to be addressed to:**

General Manager  
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Circle Office, Canara Bank Bldg.  
P.B.No.159, M.G.Road  
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12. 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 application.
13. The restructuring process is to be completed within 25<sup>th</sup> November 2019.
14. The instructions are contained in two chapters
  - a. Credit related relief measures ( Table 1)
  - b. Other ancillary measures ( Table 2)

**Table I CREDIT RELATED RELIEF MEASURES**

**A. Short term crop production loans**

1. Conversion to term loan if the account is not overdue as on date of declaration
2. One year moratorium from the date 23 August 2019.
3. Revised repayment period : Maximum 2/5 years from the above date (2/5 years including moratorium period )
4. No additional security to be asked for this conversion
5. Fresh Crop Loan based on scale of finance & cultivation area as per extant guidelines
6. No additional security or guarantee to be insisted
7. Margin shall be waived.
8. Rate of Interest shall be as per individual bank's policies
9. No Penal interest on current dues and waiver of penal interest in restructured loan
10. No Compounding of interest during moratorium period.
11. No compounding of interest on the fresh loan till its due date.
12. The restructured portion of loan shall be treated as Standard asset
13. The fresh loan also shall be standard asset
14. Insurance claim if any should be adjusted to the rescheduled loan

**B. Long Term(Investment) Credit to Agriculture**

1. Where only crop is damaged , but no productive asset damaged
  - i. Moratorium for minimum one year extendable upto 18 months.
  - ii. Extending repayment period by one year & rescheduling installments/ current dues accordingly
  - iii. Installments defaulted willfully in previous years not eligible for rescheduling
2. Where both crop and productive assets are damaged
  - i. Moratorium for minimum one year extendable upto 18 months on case to case basis.
  - ii. Term loan to be rescheduled
  - iii. Fresh crop loan as per item (A) above
  - iv. Need based term loan for repair /acquisition of the damaged productive asset
  - v. Rescheduling period based on overall repaying capacity of borrower vis-à-vis his total liability (including fresh loan). (Maximum extension by 5 years )
  - vi. Installments defaulted willfully in previous years not eligible for rescheduling
3. No additional security or guarantee to be insisted for fresh loan/rescheduling
4. Rate of Interest shall be as per individual bank's policies.

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5. Margin shall be waived.
6. The restructured portion of loan shall be treated as Standard asset
7. The fresh loan also shall be standard asset
8. Insurance claim if any should be adjusted to the rescheduled loan

### **C. 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**

- i. Moratorium for minimum one year extendable up to 18 months.
- ii. Extension of repayment period by one year and rescheduling installments/current dues accordingly
- iii. Installments defaulted willfully in previous years not eligible for rescheduling
- iv. Need based working capital loan may be granted as per banks assessment

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

- i. Moratorium for minimum one year extendable up to 18 months on case to case basis.
- ii. Loan to be rescheduled.
- iii. Rescheduling shall be for a period based on overall repaying capacity of borrower vis-à-vis his total liability (including fresh loan). (Maximum extension by 5 years ).
- iv. 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
- v. Installments defaulted willfully in previous years not eligible for rescheduling
- vi. No additional security or guarantee to be insisted for fresh loan/rescheduling
- vii. Rate of Interest shall be as per individual bank's policies.
- viii. Margin shall be waived.
- ix. The restructured portion of loan shall be treated as Standard asset
- x. The fresh loan also shall be standard asset
- xi. Insurance claim if any should be adjusted to the rescheduled loan

### **D. MSME (Including trade)**

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

- i. One year moratorium for loans to Micro & Small enterprises. (May extend upto 18 months on case to case basis)
- ii. Working capital limits, for micro & small enterprises may be restructured to Working Capital Term Loan(WCTL) with duration up to maximum 36 months (including moratorium period ) on need basis
- iii. In term loans extension of repayment period by one year and rescheduling installments & current dues accordingly for micro & small enterprises
- iv. For Medium enterprises, a need based moratorium (up to 1 year) &

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Rescheduling/Restructuring for a period based on overall repaying capacity of borrower vis-à-vis his total liability.

- v. Installments defaulted willfully in previous years not eligible for rescheduling

2. Fresh loans /additional loan

1. Need based fresh loans may be extended based on the case to case assessment of requirement, and repayment capacity of individual borrowers,
2. The primary consideration for extending fresh/additional credit for rehabilitation shall be the viability of the unit after rehabilitation
3. Security & Rate of Interest shall be as per individual bank's policies.
4. Margin shall be waived for micro and small enterprises
5. The Rescheduled/restructured loan shall be treated as Standard asset
6. The fresh loan also shall be standard asset
7. Insurance claim if any should be adjusted to the rescheduled loan

**E. HOUSING LOANS**

1. Rescheduling of existing loans

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

2. Fresh Loans

1. Need based Top up loan for House repair/renovation/refurnishing/reconstruction.
2. Eligibility, Loan amount, Repayment period, Rate of Interest, Repayment Holiday, Security & other conditions as applicable to housing loan scheme of Individual Banks.
3. Margin may be waived for fresh loans up to Rs.5 lakhs
4. The restructured portion of loan shall be treated as Standard asset
5. The fresh loan also shall be standard asset
6. Insurance claim if any should be adjusted to the rescheduled loan

**F. EDUCATION LOANS**

1. Moratorium of 6 months of loans which are standard assets and whose repayment has commenced & rescheduling installments accordingly
2. Installments defaulted willfully in previous years not eligible for rescheduling
3. The rescheduled loan shall be treated as Standard asset
4. Insurance claim if any should be adjusted to the rescheduled loan

**G. FRESH CONSUMPTION LOANS**

1. Fresh consumption loans up to Rs.10,000/- may be granted on need basis to the calamity affected borrowers. Individual Banks may consider higher limits also.
2. Repayable in 30months
3. Security and Margin may be waived
4. Interest rate at individual bank's rates

**H GENERAL TERMS**

1. In the case of term loans Installments defaulted willfully in previous years are not eligible for rescheduling

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2. In the case of short terms loans only current dues are eligible for rescheduling
3. Wherever eligible fresh loans may be granted under DIR scheme
4. Loans granted to Self Help Groups (SHG), Joint Liability Groups(JLG) and Micro credit Groups (MCG) may be extended the relief measures based on the activity for which the loan is availed. Loans granted to SHGs for on lending purpose may be extended benefits detailed for Micro enterprises category.

## **TABLE 2 – OTHER ANCILLARY MEASURES**

### **1. Relaxed KYC Norms**

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

### **2. Providing access to banking service**

- i. Restoring ATM services need to be given priority
- ii. Banks shall not deduct minimum balance penalty or other charges on the distress relief assistance paid by Government through DBT to their account
- iii. Banks shall not collect charges for duplicate pass book, account statement, hot listing Debit cards and issuing fresh debit cards, Cheque Book Cancellation and Fresh issuance upto 25<sup>th</sup> November 2019
- iv. Banks at their discretion may also take other distress alleviation measures like waiver of ATM charges, increasing ATM withdrawal limit, waiving early withdrawal fees on time deposits, conversion of credit card dues, waiving of late fee for card dues and loan installments, waiver of other charges on farm loans etc.
- v. Individual Banks at their discretion may also waive the penalty charges for Non maintenance of Minimum balance in CASA accounts till 25<sup>th</sup> November 2019.
- vi. Soiled/Mutilated/Defective notes shall be exchanged at all branches of banks and currency chests as per extant RBI instructions.
- vii. Soggy/pulpy notes which are inseparably stuck-up together shall not be accepted by the branches. Instead, the holders may be advised to directly tender these notes to RBI, Issue department(Claims Section), Thiruvananthapuram or send by registered and insured post for adjudication with the name, address, and bank account details of the tenderer
- viii. Many customers have lost their KYC documents. Banks may issue photo affixed pass books where requested.(no charge shall be collected till 25<sup>th</sup> November 2019 )

Thanking you,  
Yours faithfully,

  
Convenor, SLBC Kerala  
& General Manager, Canara Bank

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