

Relief measures to MSME/Industries affected by Natural Calamities (Hydrological Drought) in 22 Districts of Tamil Nadu

G.O.(Ms) No.111 dated 13.03.2024, has been issued by Revenue and Disaster Management Department, Disaster Management Wing, D.M. III (1) Section, GoTN regarding Hydrological Drought in 22 districts of Tamil Nadu.

The above was placed as an Agenda in the 178th SLBC meeting and sub- committee, which was formed for the purpose, deliberated and approved the relief measures. The relief measure was also approved by Reserve Bank of India. The timeline for restructuring is within three months from the date of intimation received from GoTN i.e., 3 months from 05.06.2024. The relief measures package is as under:

RELIEF PACKAGE PROPOSED FOR HYDROLOGICAL DROUGHT AFFECTED

MSMEs/INDUSTRIES

A. TERM LOAN

1. Eligible loans: All Term loans except those which are **overdue at the time of occurrence of Natural calamity (GO dated 13.03.2024, hence not Overdue as on 12.03.2024)** shall be eligible for restructuring.

I. Moratorium

Moratorium in repayment of principal instalments and interest on term loans for a period up to 1 year. The principal demand of the existing term loan(s) along with interest during the period of Moratorium up to 1 year shall be funded by way of additional term loan.

II. Repayment

Repayment for 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.

III. Fresh facility

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

IV. Rate of Interest

Rate of interest shall be decided by the respective Bank's policy/extant guidelines.

V. Security

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

B. WORKING CAPITAL

I. Conversion into WCTL

Balance outstanding in excess of Drawing Power as on the date of restructuring shall be converted into WCTL.

II. Moratorium

WCTL shall have moratorium up to 1 year 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 up to 5 years including moratorium period.

IV. Rate of Interest for WCTL

Rate of interest shall be decided by the respective Bank's policy/extant guidelines.

V. Treatment of regular portion of working capital

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

VI. Fresh Limit

Banks shall assess the need and decide on the quantum of loans to be granted to the affected borrowers taking into consideration amongst others, the credit requirement and due procedure for sanctioning fresh loans.

VII. Security

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

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 13.03.2024.
2. Banks shall also suitably defer the compounding of interest.
3. Banks shall not levy Penal interest and consider waiving penal interest if any, already charged regarding the loans converted/rescheduled.

The accounts that are restructured for the second time or more on account of recurrence of natural calamities shall retain the same asset classification category on each restructuring. Accordingly, for a restructured standard asset, the subsequent restructuring necessitated on account of a natural calamity shall not be treated as second restructuring, i.e., the standard asset classification shall be maintained. However, all other restructuring norms shall apply.

We give below the list of 22 districts in Tamil Nadu eligible for the relief package. Out of 251 blocks in 22 Districts, 229 blocks are eligible for drought relief and 22 blocks which have received Excess or Large Excess rainfall as per the G.O. are not eligible under relief package as per the decision of the sub-committee.

Block-wise Rainfall Deviation – Northeast Monsoon – 2023							
SI No	District	Rainfall Deviation					Total no. of blocks
		Large excess	Excess	Normal	Deficient	Large Deficient	
1	Ariyalur	0	0	0	6	0	6
2	Coimbatore	3	4	3	2	0	12
3	Cuddalore	0	0	1	12	0	13
4	Dharmapuri	0	0	0	6	2	8
5	Dindigul	0	1	7	6	0	14
6	Kallakuruchi	0	0	0	7	2	9
7	Karur	0	0	2	5	1	8
8	Krishnagiri	0	0	0	10	0	10
9	Mayiladuthurai	0	0	1	4	0	5
10	Namakkal	0	1	5	9	0	15
11	Perambalur	0	0	0	4	0	4
12	Pudukottai	0	0	5	8	0	13
13	Ranipet	0	0	3	4	0	7
14	Salem	0	0	5	15	0	20
15	Thanjavur	0	0	0	14	0	14
16	Tiruchirapalli	0	0	0	14	0	14
17	Thiruvarur	0	0	7	3	0	10
18	Tirupattur	0	0	0	6	1	7
19	Tiruppur	0	2	6	5	0	13
20	Vellore	0	0	1	18	0	19
21	Villupuram	0	0	3	6	0	9
22	Virudhunagar	5	6	0	10	0	21
	Total	8	14	49	174	6	251

The following blocks in the above 22 districts which have received Excess or Large Excess rainfall and are not eligible for relief package:

DISTRICTS WITH LARGE EXCESS and EXCES RAINFALL.						
Sl no	District	Block	Normal	Actual	Deviation	Status
1	Coimbatore	Annur	290.31	464.90	60.138	Large excess
2	Coimbatore	Karamadai	482.69	721.97	49.573	Excess
3	Coimbatore	Madukkarai	273.77	387.33	41.478	Excess
4	Coimbatore	Periyanaayakkanpalayam	365.38	602.58	64.918	Large excess
5	Coimbatore	Sarcarsamakulam	338.48	555.63	64.153	Large excess
6	Coimbatore	Sulur	316.54	399.02	26.059	Excess
7	Coimbatore	Thondamuthur	283.23	450.89	59.196	Excess
8	Dindigul	Kodaikanal	505.04	614.94	21.761	Excess
9	Namakkal	Kabilarmalai	247.20	327.90	32.646	Excess
10	Tiruppur	Avinashi	345.75	460.39	33.156	Excess
11	Tiruppur	Uthukuli	303.70	380.34	25.237	Excess
12	Virudhunagar	Aruppukottai	358.24	620.00	73.068	Large excess
13	Virudhunagar	Kariapatti	369.25	536.57	45.316	Excess
14	Virudhunagar	Narikudi	393.73	548.54	39.317	Excess
15	Virudhunagar	Rajapalayam	474.44	809.35	70.591	Large excess
16	Virudhunagar	Sattur	393.03	644.27	63.923	Large excess
17	Virudhunagar	Sivakasi	430.69	606.63	40.852	Excess
18	Virudhunagar	Srivilliputhur	461.23	782.04	69.556	Large excess
19	Virudhunagar	Tiruchuli	367.47	574.09	56.228	Excess
20	Virudhunagar	Vembakottai	408.47	629.37	54.078	Excess
21	Virudhunagar	Virudhunagar	395.53	626.73	58.454	Excess
22	Virudhunagar	Watrap	454.34	773.57	70.261	Large excess