



GOVERNMENT OF KERALA

Abstract

Local Self Government Department – Kudumbashree – Takeover of Bhavanashree Loan by Government – Orders issued.

LOCAL SELF GOVERNMENT (LA) DEPARTMENT
G.O.(MS)No. 211/2010/LSGD. Dated, Thiruvananthapuram, 13/9/2010.

Read:- Note No.KS/C/4468/2010 dated 04.08.2010 from the Executive Director, Kudumbashree, Thiruvananthapuram.

ORDER

As part of Government's policy for providing houses to all homeless poor in the state, the Hon'ble Finance Minister declared in the Budget Speech 2010-11 that Government will takeover the Bhavanashree Loan, a housing scheme implemented under the leadership of Kudumbashree. Following this announcement, meetings with Bankers had been held to discuss the scope for takeover of Bhavanashree loan. The Executive Director, Kudumbashree as per her note read above had proposed the frame work for Bhavanashree loan repayment, being formulated through the discussions held with the Banker's Committee.

Government have examined the case and are pleased to take over the outstanding liability in respect of Bhavanashree loan in accordance with the repayment frame work mentioned below and also subject to the conditions mentioned thereafter.

REPAYMENT FRAME WORK FOR BHAVANASHREE LOAN.

A) The entire arrears of Bhavanshree loan outstanding as on 30.6.2010 are to be cleared. (Under Bhavanashree loan, as on 30.6.2010, arrears are Rs.25,43,59,945/- (Rs.Twenty five crores forty three lakhs fifty nine thousand nine hundred and forty five only) and Loan balance of Rs.147,53,83,120/- (Rs. One forty seven crores fifty three lakhs eighty three thousand one hundred and twenty only) (Bank wise arrears and loan

○ balance as on 30.6.10 is provided in the annexure I) The balance amount will be restructured as new unsecured loan to Kudumbashree and repayment will be made thereafter in 6 years. The repayment will be made in six annual installments. This is subject to the condition that banks shall release the mortgaged documents to the beneficiaries once the arrears are paid and the loan restructured. Banks agree to waive all penal interest on any defaulted amount. Penal interest amounts shall not figure in either the arrears or in the restructured new Loan. Any errors in calculation of the arrears or balance to be repaid after clearing arrears will be adjusted against subsequent release of installment.

B) Government would pay the required amount for arrear payment to Kudumbashree. Kudumbashree would utilize the amount for effecting arrear payment to banks on behalf of the beneficiaries. The amount would be transferred to the respective CDS/ beneficiary accounts to effect payment of all outstanding Bhavanashree dues in all beneficiary accounts as on 30.6.2010.

C) For this purpose each bank would designate a nodal branch. Out of the Special Grant Assistance, Kudumbashree would pay the arrears to respective nodal branches of each bank. Along with payment, Kudumbashree would instruct the bank to transfer the grant to each Bhavanashree loan account. Nodal branches of each bank shall transfer the Kudumbashree grant to their respective branches with outstanding Bhavanashree loans. Branches shall in turn transfer to the individual loan accounts. Thus account-wise arrears would be cleared.

D) After the arrear payment all Bhavanashree loan accounts of a particular Bank will be bundled into a single loan account (There will be only one loan account for a bank. If there are 14 banks with Bhavanashree loans, then there will be 14 loan accounts).

E) Once the arrears are cleared then there would be Loan balance of Rs.122,10,23,175/- (Rs.One twenty two crores ten lakhs twenty three thousand one hundred and seventy five only) The loan balance will be repaid within six years at interest rate of 7.5 % p.a. Repayment schedule is

provided in annexure II. The equated annual installment is estimated (at interest rate of 7.5 %) to be Rs 26.20 crore. Six installments amounting to Rs.157.20 crore will be required to clear the balance. Due date for the annual payment would be 28th February of every financial year (For example, the due date for the financial year 2010-11 would be 28.2.2011).

F) A Tripartite agreement for repayment between Government, Kudumbashree, and Banks will be concluded to operationalise the takeover.

Conditions for the takeover of Bhavanashree loan by Government

- (i) Local Self Government Department will represent Government in the proposed tripartite agreement along with Kudumbashree and Banks
- (ii) The beneficiaries of Bhavanashree loan proposed to be taken over and repaid by the Government will not be eligible for any other public housing schemes of the Central Government and/or the State Government. The Executive Director, Kudumbashree will ensure that such a condition is complied with on the ground.
- (iii) The Executive Director, Kudumbashree will explore the possibility of whether some of the financial assistance/subsidy being given by the State Government under this proposal can be recouped from any of the existing schemes of the Central Government such as IAY of ~~Housing Scheme for the Urban Poor and the like~~ or of the State Government so that the extent of the huge liability being takeover by the Government gets reduced to that extent.
- (iv) The amounts indicated by the Executive Director Kudumbashree of the arrears, principal, interest and of the six equated annual installments to be used for the purpose will be subject to a detailed verification and the variations adjusted subject to the maximum aggregate amount of Rs.182.64 crore to be repaid over the next 6 years starting from the current fiscal year (2010-11).

- (v) Government will release the amount required for the purpose in the current fiscal year after the proposed Tripartite agreement is concluded with the Banks.

By order of the Governor
S.M.VIJAYANAND
Principal Secretary

To

The Executive Director, Kudumbashree, Thiruvananthapuram.
The Director of Panchayats, Thiruvananthapuram
The Director of Urban Affairs, Thiruvananthapuram
The Director, Information and Public Relations Department (for giving wide publicity through medias/leading dailies)
The Director, Local Fund Audit Department, Thiruvananthapuram
The Members of State Level Bankers Committee (through the Convenor, SLBC, Canara Bank, Circle Office, Canara Bank Building, M.G.Road, Thiruvananthapuram)
General Administration (SC) Department
Finance Department (vide U.O.No.61476/Dev3/10/Fin dated 30.8.2010)
The Principal Accountant General (Audit), Kerala, Thiruvananthapuram.
The Accountant General (A&E) Kerala, Thiruvananthapuram.
SF/OC.

Forwarded/By Order


Section Officer

Copy to: PS to Hon. Minister (LSGD)
PA to Principal Secretary (LSGD)
PA to Secretary (LSGD).

Bank wise Bhavanashree Loan balance and arrears as on 30.6.2010

No	Name of the Bank	No. of Loan A/Cs	Loan Amount	Loan Outstanding (as on 30.6.2010)	OD A/Cs	Arrears as on 30.6.2010	Penal Interest Charged
1	Bank of India	120	60,00,000	55,27,045	101	18,37,430	NIL
2	Canara Bank	252	35,11,06,000	27,29,03,264	97	2,60,24,466	2,66,501
3	Central Bank Of India	1,071	4,44,40,000	33,241,697	1,047	1,29,91,607	NIL
4	Dhanalakshmi Bank	84	32,62,000	28,33,256	55	6,22,729	183009
5	Federal Bank	29	1,40,00,000	1,28,18,959	21	5,04,431	13,665
6	ICICI Bank	633	39,38,74,938	34,37,60,432	632	8,33,00,968	1,10,58,091
7	Indian Bank	531	2,36,71,000	1,91,99,452	359	53,47,408	76,728
8	Indian Overseas Bank	115	8,27,91,676	6,31,69,435	52	77,46,484	1,08,953
9	North Malabar Gramin Bank	655	2,78,79,000	2,03,38,331	NA*	5,38,945	NIL
10	South Malabar Gramin Bank	69	8,69,30,000	6,53,89,026	36	3388	41800
11	State Bank of India	NA*	30,04,95,513	23,34,57,079	NA *	4,39,59,984	NIL
12	State Bank of Travancore	1,267	50,20,37,994	38,55,41,258	NA *	5,80,24,698	NIL
13	Syndicate Bank	38	2,40,10,000	1,46,12,044	32	83,26,271	12,000
14	Union Bank of India	60	29,30,000	25,91,841	NA *	17,45,921	NIL
5	Grand Total	4,886	186,34,28,121	147,53,83,120	2,432	25,43,59,945	1,17,60,947

NA* means data not available.

**13. Bank wise Repayment Schedule for payment of Bhavanashree loan
balance as on 30.6.2010**

Sl. No	Name of the Bank	Loan amount after arrear is paid	Base Rate-as Interest rate p.a.	Equated Annual Installment**	Total amount required for six years
1	Bank of India	36,89,615	8.00%	7,98,120	47,88,7
2	Canara Bank	24,68,78,798	8.00%	5,34,03,683	32,04,22,0
3	Central Bank Of India	2,02,50,090	8.00%	43,80,406	2,62,82,4
4	Dhanalakshmi Bank	22,10,527	7.00%	4,63,759	27,82,5
5	Federal Bank	123,14,528	7.75%	26,43,652	1,58,61,9
6	ICICI Bank	26,04,59,464	7.50%	5,54,89,558	33,29,37,3
7	Indian Bank	1,38,52,044	8.00%	29,96,410	1,79,78,4
8	Indian Overseas Bank	5,54,22,951	8.25%	1,20,79,909	7,24,79,4
9	North Malabar Gramin Bank	1,97,99,386	8.25%	43,15,446	2,58,92,6
10	South Malabar Gramin Bank	6,20,00,422	7.50%	1,32,08,873	7,92,53,3
11	State Bank of India	1,89,497,096	7.50%	4,03,71,388	24,22,28,3
12	State Bank of Travancore	32,75,16,560	7.75%	7,03,10,428	42,18,62,3
13	Syndicate Bank	62,85,773	8.25%	13,70,038	82,20,3
14	Union Bank of India	8,45,920	8.00%	1,82,986	10,97,3
15	Grand Total	122,10,23,174		26,20,14,657	157,20,87,3

** Equated Annual Installment is estimated for six year repayment period