



**GOVERNMENT OF KERALA**

**Abstract**

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

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**LOCAL SELF GOVERNMENT (IA) DEPARTEMENT**

**G.O. (MS) No. 05/2011/LSGD**

**Dated, Thiruvananthapuram, 05/01/2011**

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Read:- 1. G.O. (MS) No. 211/2010/LSGD dated, 13/9/2010  
2. D.O. Letter No KS/C/7563/2009 dated 27/11/2010 from the Executive Director, Kudumbashree, Thiruvananthapuram

**ORDER**

In the Government Order read as first paper above, Government had ordered the take over of Bhavanashree loans. In this regard the Convenor, State Level Bankers Committee (SLBC) prepared a draft Memorandum of Understanding(MoU) for the purpose of tripartite agreement to be executed for the same. An SLBC meeting was held on 22.11.10 to finalize the Memorandum of Understanding. During the discussion the Banks sought clarification on the following points.

- a) Whether base rates of respective banks or uniform rate of 7.5 % p.a. has to be considered for Bhavanashree loan repayment?
- b) Whether simple interest rate or compound interest rate would be applicable in case of Bhavanashree loan repayment?
- c) The maximum limit as shown in the Government Order for repayment is Rs 182.64 Crore. The exact amount of Bhavanashree loan balance will be available only after a thorough verification. Hence if the total liability of all banks exceeds the amount of Rs 182.64 crore then is it possible to get the excess amount from government?

The Executive Director Kudumbashree in her letter read as second paper above has requested to issue the clarification in the above matter.

Government have examined the matter in detail and are pleased to issue the following clarifications to the Government Order read as first paper above

- a) 7.5% p.a. was arrived at on the basis of negotiation with banks, and was clearly not linked with base rate, as it is on a loan existing prior to July 1st. It is therefore clarified that simple interest will apply at the rate of 7.5%
- b) Whatever is the amount arrived at using the principles /conditions agreed to would be provided.

Accordingly the Annexure 2 to the Government Order read as first paper above is replaced with the repayment schedule as annexed to this Government Order.

By order of the Governor  
S.M.VIJAYANAND  
ADDITIONAL CHIEF SECRETARY

To

~~The Executive Director Kudumbashree, Thiruvananthapuram~~  
The Director of Panchayats, Thiruvananthapuram  
The Director of Urban Affairs, Thiruvananthapuram  
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)  
The Principal Accountant General (Audit) Kerala Thiruvananthapuram  
The Accountant General (A&E) Kerala, Thiruvananthapuram  
SF/OC

Forwarded/By Order

Section Officer

*SK*

Annexure 1

**Bank wise Bhavanashree Loan balance and arrears as on 30.06.2010**

Sl. No	Name of the Bank	No. of Loan A/Cs	Loan Amount	Loan Outstanding (as on 30.6.2010)	OD accounts	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	3,32,41,697	1,047	1,29,91,607	NIL
4	Dhanalakshmi Bank	84	32,62,000	28,33,256	55	6,22,729	1,83,009
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	33,88,604	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
	<b>Grand Total</b>	<b>4,886</b>	<b>186,34,28,121</b>	<b>147,53,83,120</b>	<b>2,432</b>	<b>25,43,59,945</b>	<b>1,17,60,747</b>

*NA\* means data not available*

Annexure 2

**Revised 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	Interest Rate	Equated Annual Installment**	Total amount required for six years
1	Bank of India	36,89,615	7.50%	7,86,054	47,16,322
2	Canara Bank	24,68,78,798	7.50%	5,25,96,267	31,55,77,600
3	Central Bank of India	2,02,50,090	7.50%	43,14,178	2,58,85,069
4	Dhanalakshmi Bank	22,10,527	7.50%	4,70,942	28,25,649
5	Federal Bank	1,23,14,528	7.50%	26,23,547	1,57,41,284
6	ICICI Bank	26,04,59,464	7.50%	5,54,89,558	33,29,37,349
7	Indian Bank	1,38,52,044	7.50%	29,51,107	1,77,06,644
8	Indian Overseas Bank	5,54,22,951	7.50%	1,18,07,577	7,08,45,459
9	North Malabar Gramin Bank	1,97,99,386	7.50%	42,18,158	2,53,08,948
10	South Malabar Gramin Bank	6,20,00,422	7.50%	1,32,08,873	7,92,53,239
11	State Bank of India	18,94,97,096	7.50%	4,03,71,388	24,22,28,329
12	State Bank of Travancore	32,75,16,560	7.50%	6,97,75,730	41,86,54,379
13	Syndicate Bank	62,85,773	7.50%	13,39,152	80,34,911
14	Union Bank of India	84,59,20	7.50%	1,80,219	10,81,314
	<b>Grand Total</b>	<b>122,10,23,174</b>		<b>26,01,32,749</b>	<b>156,07,96,496</b>

**\*\*Equated Annual installment is estimated for six year repayment period**