

Priority Sector Advances- Repairs of damaged houses in Rural and other areas

RPCD.PLNSFS.BC.No.30 /06.11.01/2002-2003

October 29 , 2002

The Chairman/Managing Director
All Scheduled Commercial Banks
(including RRBs and Local Area Banks)

Dear Sir,

Priority Sector Advances- Repairs of damaged houses in Rural and other areas

Please refer to circular RPCD.No.PLNFS.BC.104/06.11.01/96-97 dated February 21, 1997 regarding raising the ceiling of bank advances under priority sector for repairs to damaged houses from Rs.25000/- to Rs.50000 /- and RPCD No.RRB.BC.112/03.05.33/96-97 dated March 22, 1997 regarding extension of Priority Sector obligations to RRBs on the lines of Scheduled Commercial Banks.

2. In this connection, a reference is invited to paragraph No.109 of Governor's Statement on "Mid-term Review of the Monetary and Credit Policy for the year 2002-2003" forwarded with circular No.MPD.BC.222/07.01.279/ 2002-03 dated October 29, 2002. As mentioned therein, it has been decided to enhance the limit to be reckoned under priority sector lending for repairs of damaged houses from the existing Rs.50000/- to Rs.1 lakh in rural and semi urban areas and Rs.2 lakh in urban areas.

3. Please acknowledge receipt.

Yours faithfully,

(**R.Sahadeva**)
General Manager