

RBI/ 2004/ 322

RPCD. No. PLFS. BC 68 /05.04.02/ 2004-05

December 30, 2004

The Chairman/Managing Director/ Chief Executive Officer
All scheduled commercial banks

Dear Sir,

**Guidelines for relief measures by banks in areas
affected by natural calamities**

As you are aware, states of Andhra Pradesh, Tamil Nadu and Kerala and Union Territories of Pondicherry and Andaman and Nicobar Islands have been affected by the recent Tsunami, resulting in heavy damage to life and property. The convenor banks of the State Level Bankers' Committee (SLBC) in these states/ Union Territories have been advised to assess the situation and take immediate measures to provide appropriate relief to the affected people in terms of our standing guidelines, vide circular RPCD. No. PS. BC. 6/ PS.126-84 dated August 2, 1984. In terms of paragraph 24 of the circular, loans up to Rs. 250 could be sanctioned to existing borrowers for general consumption purposes. This limit was enhanced to Rs 1000 in the states where the state governments have constituted risk funds for such lendings by commercial banks, vide our circular RPCD. NO. PLFS. BC. 53/ 05.04.02/ 92-93 dated January 6, 1993.

2. In view of the suggestions received from few SLBCs, it has now been decided to enhance the amount of consumption loan for general purposes to Rs 3000 for people affected by the recent Tsunami.

3. Banks are, therefore, requested to take immediate action in this regard and advise their controlling offices/ branches to provide appropriate relief to the affected persons. The action taken by your bank may please be advised to us immediately.

4. Please acknowledge receipt.

Yours faithfully,

Sd/-
(G. Srinivasan)
Chief General Manager