

RBI / 2006-07 / 120

RPCD.PLFS.No.BC. 21 /05.05.02/2006-07

September 04, 2006

Chairman & Managing Director/Chief Executive Officer  
All Scheduled Commercial Banks

Dear Sir,

**Guidelines on Relief Measures to be extended by Banks in Areas Affected by Natural Calamities**

Please refer to paragraph 7(iii) of the Annex to our Circular RPCD.CO.PLFS.No.BC.16/05.04.02/ 2006-07 dated August 9, 2006, which deals with restructuring of existing loans of borrowers affected by natural calamities.

2. Instructions on moratorium, maximum repayment period, additional collateral for restructured loans and asset classification in respect of fresh finance will be applicable to all affected restructured borrowal accounts, including accounts of industries and trade, besides agriculture.

3. Asset classification of the restructured accounts as on the date of natural calamity will continue if the restructuring is completed within a period of three months from the date of natural calamity. The restructured accounts will be governed by the guidelines applicable to such accounts as contained in paragraphs 4.2.14 to 4.2.16 of the master circular DBOD. No. BP. BC. 15 / 21.04.048 / 2006-07 dated July 01, 2006. The guidelines applicable to 'sub-standard' accounts will apply, *mutatis mutandis*, to doubtful accounts.

Yours faithfully

(G. Srinivasan)  
Chief General Manager