

RBI / 2006-07 / 124
UBD.PCB.Cir.No.10 /13.05.000/2006-07

September 4, 2006

The Chief Executive Officers of
All Primary (Urban) Co-operative Banks

Dear Sir/Madam,

Guidelines on Relief Measures to be extended by Banks in Areas Affected by
Natural Calamities-UCBs.

Please refer to paragraph 8(iii) of the Annex to our Circular UBD.PCB.Cir.No.
/13.05.000/2006-07 dated August 21, 2006, which deals with restructuring of
existing loans of borrowers affected by natural calamities.

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

3. The asset classification 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 would, otherwise, be governed by
provisions of circular UBD.BPD.No. 30 /09.09.001/05-06 dated March 9, 2006.
These would apply to non-SME advances as well. Further, the guidelines
applicable to sub-standard accounts, will apply, mutatis mutandis to doubtful
accounts.

Yours faithfully,

(N.S Vishwanathan)
Chief General Manager-in-Charge