

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:359  
ANSWERED ON:20.11.2009  
RBI INSTRUCTIONS TO FLOOD HIT AREAS  
Ponnam Shri Prabhakar

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Reserve Bank of India (RBI) has given any instructions with regard to problems caused by floods in some States;
- (b) if so, the details thereof, State-wise including Andhra Pradesh; and
- (c) the future action plan in this direction?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMONARAIN MEENA)

(a): Reserve Bank of India (RBI) has issued comprehensive guidelines to all Scheduled Commercial Banks vide Master Circular No. RPCD.No. PLFS.BC.1/05.04.02/2009-10 dated 1st July, 2009 on relief measures to be extended by banks in the areas affected by natural calamities, including floods.

(b) & (c) :The relief measures enunciated in the above Master Circular include, inter alia, the following:

- (a) conversion of the principal amount outstanding in the crop loans and agriculture term loans as well as accrued interest thereon into term loans;
- (b) conversion/rescheduling loans and the interest accrued thereon for periods ranging from 3 to 10 years depending upon the frequency of crop failures/intensity of damage to crops;
- (c) fresh crop loans for affected farmers;
- (d) treatment of converted/rescheduled agri-loans as `current dues`;
- (e) non-compounding of interest in respect of loans converted/rescheduled etc;
- (f) relaxed security and margin norms;
- (g) provision of consumption loans to agriculturists whose crops have been damaged; and
- (h) moratorium period of at least one year, while restructuring.

The Master Circular dated 1st July, 2009 is available on the website of RBI at [www.rbi.org.in](http://www.rbi.org.in).

The above guidelines are applicable in all States/Union Territories of the country including Andhra Pradesh.