



RBI/2010-11/525

DBOD.Dir.BC.No.93 /08.12.14/ 2010-11

May 12, 2011

**All Scheduled Commercial Banks  
(excluding RRBs)**

Dear Sir/ Madam,

**National Disaster Management Guidelines on Ensuring Disaster Resilient  
construction of Buildings and Infrastructure**

The National Disaster Management Authority (NDMA), Government of India has formulated guidelines on ensuring disaster resilient construction of buildings and infrastructure financed through banks and other lending institutions ([A copy of NDMA guidelines of September 2010 is enclosed](#)). The NDMA has observed that in the context of disaster resilience there are certain critical gaps and the guidelines aim at addressing these gaps in the current process of approving the loan applications. It has been observed that the structural design of the proposed buildings and structures are not completed before submitting the application for a bank loan and no processes are in place at the banks to ensure that disaster resilience has indeed been incorporated in the assets during the design process at least before the construction begins.

2. As it is in the interest of lenders to ensure that physical assets created through their financing remain safe and disaster resilient, the guidelines prepared by NDMA can be adopted by banks and made applicable to new constructions as well as additions, modifications, extensions or alteration of houses financed by them. Further, depending on the nature of the asset and the vulnerability of the location to any of the disasters, banks could insist on ensuring that the disaster resistant features of NDMA guidelines are incorporated in the actual construction before the loan is sanctioned or disbursed so that the disaster management features are built in at the design stage itself.

बैंकिंग परिचालन और विकास विभाग, केंद्रीय कार्यालय, 13 माला, शहीद भगतसिंह मार्ग, मुम्बई 400001

.... 2 ....

3. We have examined the NDMA guidelines in consultation with the Indian Banks' Association and National Housing Bank and are of the view that adoption of the guidelines would be in the interest of lenders and borrowers.

4. We, accordingly, advise that banks should adopt the NDMA guidelines and suitably incorporate them as part of their loan policies, procedures and documentation.

Yours faithfully,

(P. R. Ravi Mohan)  
Chief General Manager