

PRESS RELEASE

Text of the D.O. letter dated 9.12.2015 addressed by Selvi J Jayalithaa, Hon'ble Chief Minister of Tamil Nadu to Shri Narendra Modi, Hon'ble Prime Minister of India.

"You are personally aware of the catastrophic destruction and devastation caused by the four rounds of floods that have overrun numerous Districts of Tamil Nadu over the past few weeks. **I request you to immediately declare this unprecedented, catastrophic and cataclysmic event a National Calamity.**

In this calamity, there has been extensive destruction and damage to infrastructure as well as to the private property of thousands of families in the flood affected areas. Ex gratia payments are being made for the damages to huts and dwellings in slum areas as part of the relief operations, and the restoration and reconstruction of public infrastructure will have to be done out of Central and State Government resources. **As I already mentioned to you, further to the Memorandum submitted on 23rd November, 2015, we will submit a supplementary Memorandum on the extent of damages in the most recent rounds of floods.**

I would like to specifically highlight the fact that in this extraordinary and unprecedented natural catastrophe, many households have lost all their personal effects and domestic durable assets, which are very valuable and cannot be adequately compensated through the existing structure of relief payments. Many of these households are in the low and middle income groups whose life savings have been wiped out by these unprecedented floods. For these households, it is essential that a special set of measures are conceived and implemented. I would be grateful if the following suggestions are considered and implemented by the Government of India at the earliest:

- a) Many of these households may have insured their homes, personal effects, domestic durable assets and personal vehicles. **The insurance companies may be directed to take up the survey and settlement of the claims on a campaign mode, following a summary procedure, and with a liberal application of the norms so that such households could receive insurance payments early which would enable them to restart their normal lives. It would be desirable if this procedure is outlined at the earliest and the process of settlement of claims completed within a period of a week or ten days.**
- b) Many of these households would have financed their homes, vehicles and other household effects by availing of bank loans. **As**

a special measure, I suggest that the banks may be directed to provide a limited moratorium on repayment, as well as a rescheduling of the loans, which would lower the Equated Monthly Instalment (EMI) payments and offer a measure of relief to the flood affected households.

c) Many of the affected families have lost their personal vehicles and almost all their durable domestic assets including furniture, refrigerators, television sets, washing machines and kitchen equipment. Such families have suffered extensive financial losses, which would be beyond their capacity to bear. They would find it extremely difficult to immediately purchase such assets and restart their normal lives. I suggest that, as a special case, all such flood affected families may be liberally extended soft loans by the Banks for purchase of vehicles, educational loans to continue to fund the education of children, and personal loans of an amount up to Rs.5 lakhs to finance essential domestic durable assets. It is only with such a package of assistance that many of these families would be in a position to restart their lives. Since many of these households would also be Jan Dhan account holders, the limits on the total eligible loan limit may be appropriately relaxed for such account holders. The Government of Tamil Nadu will provide special certification to all such families, based on which banks may be asked to expeditiously sanction the loans as per their norms.

d) In addition, to bring down the prices of domestic durable goods to an affordable level, I request that for white goods and kitchen equipment to be sold in the flood affected Districts excise duty exemption may be provided till 31.3.2016.

Given the extraordinarily heavy devastation caused by the floods, I consider that a liberal set of measures on the lines suggested by me undertaken by insurance companies and banks would enable the flood affected families to rebuild their lives.

I would be grateful if you could direct the Ministry of Finance to immediately formulate a liberal scheme as suggested and issue appropriate orders and guidelines. Since these families are in need of assistance to rebuild their lives, I request you to take immediate action on my suggestions."

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