

RBI/ 2006-07/ 74

RPCD.PLFS. BC. No. 12 /05.04.02 (Vidarbha)/ 2006-07

July 17, 2006

The Chairman/Managing Director/ Chief Executive Officer,  
Commercial Banks operating in Vidarbha Region.

Dear Sir,

**Package of Relief Measures to the Vidarbha Region in Maharashtra**

In order to mitigate distress of farmers in the six debt-ridden districts of Vidarbha, the Hon'ble Prime Minister has announced the following rehabilitation package in respect of agricultural credit:

- a) The Package is applicable to the districts of Amravati, Wardha, Yavatmal, Akola, Washim and Buldhana.
- b) The entire interest on overdue loans as on 01.07.2006 will be waived in the above mentioned six districts and all farmers will have no past interest burden as on that date, so that they will be immediately eligible for fresh loan from the banking system.
- c) The overdue loans of the farmers as on 01.07.2006 will be rescheduled over a period of 3-5 years with a one-year moratorium.
- d) An additional credit flow of Rs.1275 crore will be ensured in these six districts.

2. The burden of waiver of overdue interest will be shared equally by the State and Central Governments in such manner as the Central Government may specify in respect of its share of 50% of the waived amount. While apportioning the overdue interest as above, due care will be taken to offset releases if any, already made by the State Government on this count.

3. You are, therefore, advised to ensure that all the farmers' loan-accounts, which are overdue as on July 01, 2006, are rescheduled on the lines of the package and the interest thereon (as on July 01, 2006) is fully waived. Fresh finance may be ensured to such farmers. The total amount of credit of Rs. 1275 crore envisaged to be released by banks will be allocated by Bank of Maharashtra (as SLBC Convenor ) among the banks functioning in the districts.

4. The amount of interest waived may be advised to the SLBC Convenor Bank and to us in the enclosed format ( Annex – I) in order to enable us to reimburse the same. While the branches may provide information to the Controlling / Head Office as per Annex – III, the latter may maintain branch-wise information in the format given in Annex –II for the purpose of RBI Inspection and Audit.

Yours faithfully,

( R.Sebastian)  
General Manager

**ANNEX I**

**Certificate for claiming reimbursement towards interest on overdue agricultural credit outstanding as on July 01, 2006.**

**Name of the bank:**

**(Amount in Rupees)**

<b>Number of accounts of overdue loans</b>	<b>Principal amount outstanding as on July 01, 2006, since rescheduled,</b>	<b>Amount of interest overdue as on July 01, 2006 on the loans shown in column 2</b>	<b>Of which reimbursement already received from State Govt.</b>	<b>Reimbursement of net interest now claimed</b>
(1)	(2)	(3)	(4)	(5)

We hereby certify that the amount of interest being claimed as shown above, have been correctly calculated in conformity with the Reserve Bank of India Circular letter RPCD. No. PLFS.BC.12/05.04.02(Vidarbha)/2006-07 dated July 17, 2006. We undertake that in the event of any inaccuracy detected later during audit or otherwise, we shall immediately refund to the Reserve Bank any excess amount received by us.

(Authorised Signatory)

Place  
Date

Annex II

Data to be kept with the Bank's Head Office for verification/scrutiny by  
Auditors/RBI inspectors

(Amount in Rupees)

Sr. No.	Branch name and code	Amount outstanding as on July 01, 2006 in respect of overdue loans		Amount of interest overdue as on July 01, 2006 on the loans shown in column 4	Of which reimburse- ment already received from State Govt.	Reimburse ment of net interest now claimed
		No. Of A/cs	Amount			
(1)	(2)	(3)	(4)	(5)	(6)	(7)

**ANNEX III**

**Format for Branches to provide  
Information in respect of interest  
waived on overdue agricultural loans  
outstanding as on July 01, 2006 to  
their Controlling/Head Office**

Name of the branch  
Branch Code

**(Amount in Rupees)**

<b>Sr. No.</b>	<b>Name of the borro- wer</b>	<b>Account No.</b>	<b>Agricultu- ral loans overdue &amp; outstand- ing as on July 01, 2006</b>	<b>Amount of interest overdue as on July 01, 2006 on the loans shown in column 4</b>	<b>Of which reimburse ment already received from State Govt.</b>	<b>Reimbur- sement of net interest now claimed</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>	<b>(7)</b>