

RBI/2006-07/81

UBD(PCB)Cir.No. 3/13.05.000/06-07

July 21, 2006

The Chief Executive Officer of all

(i) Primary (Urban) Co-operative Banks in Maharashtra and

(ii) Multi State Primary(Urban) Co-operative Banks

Dear Sir/Madam,

Package of Relief Measures to the Vidarbha Region in Maharashtra-UCBs

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 to farmers 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) After rescheduling as above, fresh need based credit facility may be extended to the farmers.

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.
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 State Government Audit.
5. Please acknowledge receipt to the Regional Office concerned of Reserve Bank of India.

Yours faithfully,

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

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)

Number of accounts of overdue loans	Principal amount outstanding as on July 01, 2006, since rescheduled,	Amount of interest overdue as on July 01, 2006 on the loans shown in column 2	Of which reimbursement already received from State Govt.	Reimbursement of net interest now claimed
(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 UBD(PCB)Cir.No.3/13.05.000/06-07 dated July 21, 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)

Sr. No.	Name of the borrower	Account No.	Agricultur- al loans overdue & outstand- ing as on July 01, 2006	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.	Reimbur- sement of net interest now claimed
(1)	(2)	(3)	(4)	(5)	(6)	(7)