

भारतीय रिज़र्व बैंक RESERVE BANK OF INDIA

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RBI/2008-09/512 RPCD.CO.RF.BC.No. 116 /07.37.02/2008-09

June 26, 2009

All State and Central Co-operative Banks

Dear Sir,

Agricultural Debt Waiver and Debt Relief Scheme, 2008 - Prudential Norms on Income Recognition, Asset Classification and Provisioning

Please refer to our circulars RPCD.CO.RF.BC.No.69/07.37.02/2008-09 dated November 17, 2008 and RPCD.CO.RF.BC.No.91/07.37.02/2008-09 dated March 6, 2009 on the captioned subject.

- 2. In terms of the circular dated March 6, 2009, we had advised that the Government of India had decided to extend the last date of repayment of first instalment by the "other farmers" under the Debt Relief Scheme from September 30, 2008 to March 31, 2009. The dates of payment of second and third instalments remained unchanged at March 31, 2009 and June 30, 2009.
- 3. The Government of India has now decided to make the accounts of "other farmers" eligible for a debt relief of 25% from Government of India, even if they pay their entire share of 75% as one single instalment, provided the same is deposited by such farmers till June 30, 2009. The banks will not charge any interest on the eligible amount till June 30, 2009. A copy of the Government of India's letter F.No.3/9/2008-AC dated June 12, 2009 is enclosed.
- 4. The Government of India has also advised that the banks / lending institutions are allowed to receive even less than 75% of the eligible amount under OTS provided the banks / lending institutions bear the difference themselves and do not claim the

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same either from the Government or from the farmer. The Government will pay only 25% of the actual eligible amount under debt relief.

5. All other terms of the aforesaid circulars remain unchanged.

Yours faithfully,

(R.C.Sarangi) Chief General Manager

Encls: As above