



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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RBI / 2009-10/145

UBD.BPD.PCB.Cir.No 8/13.05.006/2009-10

September 3, 2009

The Chief Executive Officer,
All Primary (Urban) Co-operative Banks

Dear Sir/Madam,

Budget Announcement 2009-10-Extension of last date under One Time Settlement Scheme (Under Agricultural Debt Waiver and Debt Relief Scheme, 2008) upto December 31, 2009

Please refer to para 6 and 7.3 of the Agricultural Debt Waiver and Debt Relief Scheme, 2008 forwarded vide our circular [UBD.PCB. Cir. No. 43/13.05.000/07-08](#) dated May 23, 2008 on the captioned subject. As per the One Time Settlement (OTS) Scheme, 'other farmers' (farmers holding more than two hectares of land) were given time up to June 30, 2009 to pay 75% of the amount eligible for debt relief. Due to the late arrival of monsoon, Government of India, Ministry of Finance have now decided to extend this period by six months i.e. upto December 31, 2009.

2. The UCBs are allowed to receive even less than 75% of the eligible amount under OTS, provided they bear the difference themselves and do not claim the same either from the Government or from the farmer. The Government will pay only 25% of the actual eligible amount under debt relief as has already been intimated.

3. The Government has also clarified that the UCBs would not charge any interest on the eligible amount for the period from February 29, 2008 to June 30, 2009. However, the banks may charge normal rate of interest on the eligible amount from July 1, 2009 upto the date of settlement.

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4. It has further been decided by the Government that January 31, 2010 will be the last date for receipt of grievances, by all agencies from farmers covered under the Scheme.

5. It is clarified that in case of 'other farmers' eligible for debt relief, after the 'other farmer' has paid his entire share of 75%, banks may open an account for Debt Relief Scheme, similar to the one opened for the receivables from Government of India under the Debt Waiver Scheme, bearing the nomenclature "Amount receivable from Government of India under Agricultural Debt Relief Scheme 2008". The debt relief of 25% may be credited to the farmer's account by debit to the head 'Amount receivable from Government of India under Agricultural Debt Relief Scheme 2008'. This amount should also be reflected in the Balance sheet.

6. All concerned are requested to give wide publicity to the above decisions / clarifications so that farmers can avail maximum benefits of ADWDR Scheme and the aggrieved farmers can submit their grievances pertaining to the Scheme, if any, for redressal before the extended due date.

7. The matter may be treated as most urgent.

Yours faithfully,

(A.K.Khound)
Chief General Manager-in-Charge

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