

2nd June, 2008

PRESS RELEASE

The Finance Minister in its Budget Speech 2008-2009 announced a Debt Waiver and Debt Relief Scheme for the farmers.

1. The scheme will be benefiting the small (up to 5 acres) and marginal (up to 2.5 acres) farmers by way of waiver of short term production loans and overdue installments for the term loans availed by them.

2. Direct agricultural loans disbursed between March 31, 1997 and March 31, 2007 and overdue as on December 31, 2007 and remaining unpaid until February 29, 2008 will be eligible for debt waiver/debt relief under the Scheme.

3. In case of short term production loan for plantation and horticulture crops to be covered under the Scheme, a ceiling of Rs.1.00 lakh has been prescribed.

4. In case of term loans overdue portion as on 31.12.2007 and which is not repaid upto 29.02.2008 will be eligible for waiver in case of small and marginal farmers.

5. Similarly loans availed by the farmers for allied agriculture activities upto Rs.50, 000/- (Principal amount) will be eligible for loan waiver for all the farmers irrespective of the size of land holding. The loan waiver would be for the overdue portion only.

6. In the case of 'other farmers', there will be a one time settlement (OTS) scheme under which the farmer will be given a rebate of 25% percent of the 'eligible amount' subject to the condition that the farmer pays the balance of 75 per cent of the 'eligible amount'.

237 Revenue districts covering DPAP, DDP areas and PM's Special Relief Package Districts will be given OTS rebate of 25 per cent of the eligible amount or Rs.20, 000/- whichever is higher subject to the condition that the farmers pay the balance of the eligible amount.

7. In case of multiple term loans, each loan will be treated separately and the guidelines will be made applicable to them.

8. Bank of Maharashtra as a SLBC Convener has convened a Steering Committee Meeting for all the Banks on 02.06.2008 for smooth implementation of the scheme.

9. Bank of Maharashtra has also decided to implement the scheme in the right earnest for which it has initiated the following steps:

- a. The guidelines issued by the Government on 23.05.2008 has been circulated to all the branches and the branches have been asked to correctly identify the borrowers for waiver or debt relief and make them eligible for fresh finance. The Bank has also asked all its branches to display the scheme in local language i.e. Marathi in Maharashtra and in other states the scheme will be displayed in the respective local language.
- b. The Senior Executives of the Bank have started visiting the branches in all the Districts all over the country. As a part of the programme Mr. Rajiv Madhok, Executive Director visited three branches viz Induri, Talegaon Dabhade & Vadgaon Maval in Pune Region on 2nd June 2008, which incidentally is the Lead District for Bank of Maharashtra.
- c. Bank of Maharashtra will be displaying the list of all eligible accounts in the branches by 30.06.2008 and the fresh financing will be made available for all the eligible farmers under the scheme.