



இலங்கை நிதி அமைச்சு
MINISTRY OF FINANCE

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எனது இல. } DFD/Cir/2015/1
My No. }

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உமது இல. }
Your No. }

දිනය
திகதி } 06.03.2015
Date }

General Manager-Bank of Ceylon
General Manager-People's Bank
General Manager-Regional Development Bank
General Manager-Lankaputhra Development Bank

Dear Sir

Budget Proposal 2015- Relief for Cultivation Loans obtained by Farmers from the Government Banks

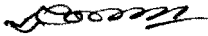
As you are aware the interim budget 2015 proposed to write off 50 percent of the capital of cultivation loans granted by the state banks to farmers since their crops have failed due to factors beyond their control such as floods, droughts, pests, natural calamities, civil commotion etc. Accordingly, the banks are instructed to implement this scheme in line with the following operational guidelines with effect from 01.02.2015.

1. Individual farmers who have obtained cultivation loans for paddy and other field crops under cultivation loan schemes up to a maximum amount of Rs. 100,000 from the government banks and transferred to non-performing category on or before 31st January 2015 are eligible for the relief package.
2. A farmer can only enjoy this benefit once with the maximum cumulative limit of Rs. 100,000 irrespective of the number of loans he has obtained from the same bank.
3. The cumulative or single loan amount that exceeds the threshold of Rs. 100,000 is not eligible to be considered under this relief package.
4. The bank should write off 50 percent of the total outstanding capital of the cultivation loans of non-performing categories. The loss would be reimbursed to the bank by the Treasury.
5. Penal interest charged against the above loan should be written off by the bank and such losses should be borne by the bank.

6. The amount of capital written off by banks each month should be submitted to the Department of Development Finance at the Ministry of Finance along with the confirmation of the internal auditor at the end of each month. The Ministry of Finance will reimburse the said amounts within the first week of the next month.
7. Eligible customers should be informed individually by the bank regarding this relief package.
8. An internal circular based on the above need to be circulated among the branches of the bank on or before 10th March 2015 to implement this scheme with immediate effect.

Your cooperation in this regard is highly appreciated.

Yours faithfully



Dr. R.H.S. Samaratunga
Secretary to the Treasury and
Secretary of Ministry of Finance

- Copy: 1. Director, Bank Supervision, Central Bank of Sri Lanka- *f. i. pl.*
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