

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
QUESTION NO 28.11.2006
ANSWERED ON
SUICIDE BY FARMERS .

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Dr. Prabha Thakur

Will the Minister of FINANCE be pleased to state :-

(a) whether the main reason behind the suicides by the farmers in the country is their inability to pay the loans;

(b) whether Government propose to make bank loans free of interest to bail out such indebted and needy farmers from the clutches of committing suicides in famine affected areas and in those areas where the agriculture production is affected by of her reasons; and

(c) if so, the details thereof and if not, the reasons therefor?

ANSWER

(MINISTER OF STATE FOR FINANCE)
(SHRI PAWAN KUMAR BANSAL)

(a) : No, Sir. The reasons behind the suicides by the farmers are many. Excessive borrowing from formal and non-formal sources, social tension, continuous drought affecting the yield and their income, emerging changes in social milieu and alienation of the individuals from family and society are some of the major reasons reported for the distress situation of the farmers leading to suicide.

(b) & (c) : There is no proposal to make bank loans free of interest as this will affect the viability and stability of the banks. However, to address the issue of farmer's distress, the Govt. of India has announced a rehabilitation package in the identified 31 debt stressed districts of Andhra Pradesh, Karnataka, Kerala and Maharashtra. The package provides for:-

(i) The entire interest on overdue loans as on July 01, 2006 will be waived in all the affected districts and all farmers will have no past interest burden as on that date, so that they will immediately be eligible for fresh loans from the banking system.

(ii) The overdue loans of the farmers as on July 01, 2006 will be rescheduled over a period of 3-5 years with a one-year moratorium.

(iii) A credit flow of Rs.13,817.78 crore, Rs.3,076.20 crore, Rs.1,945.07 crore and Rs.1275 crores will be ensured in the above debt stressed districts of Andhra Pradesh, Karnataka, Kerala and Maharashtra respectively in 2006-07.