

Rehabilitation Package for distressed farmers

8.53 A special relief package for farmers was announced for 31 districts in Andhra Pradesh, Maharashtra, Karnataka and Kerala where there was high incidence of farmers' suicides. As regards credit, the package envisages: (a) Waiving of interest on overdue loans as on July 1, 2006 so that farmers have no past burden. This would make them eligible

for fresh loan from the banking system. It is estimated that an amount of Rs. 2,718 crore will be waived in 31 affected districts. The Government of India and respective State Governments will share this amount equally. (b) The overdue loans of the farmers as on July 1, 2006 will be rescheduled over a period of 3—5 years with a one year moratorium. (c) A credit flow of Rs. 21,422 crore will be ensured in these 31 districts in 2006-07.