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Title: Need to direct NABARD to provide interest free loans to Andhra Pradesh State Cooperative Bank for the benefit of farmers affected by natural calamities.

DR. B.N. REDDY (MIRYALGUDA): Sir, the Reserve Bank of India have instructed that the reschedulement period of loans following the effect of drought and pests on crops should be fixed for a maximum period of nine years including moratorium period of two years. However, NABARD is agreeable for reschedulement of APCOB dues for a maximum period of seven years including moratorium period of two years.

The Reserve Bank of India has also been asked to direct NABARD to extend interest free loans of at least Rs.51 crore for two years to the Andhra Pradesh State Cooperative Bank so as to tide over its financial problems. It has also been requested that the interest rate applicable to short term crop loans from NABARD to APCOB should be at the minimum possible rate of about 5 per cent per annum so that the benefit can be passed on to farmers affected by natural calamities and who have sustained heavy loss of crops.

Since the matter is pending for a long time now and the farmers affected by natural calamities who had sustained heavy losses of crops could be helped by this decision, I urge the Union Government to expedite action in the matter.