

**GOVERNMENT OF INDIA  
FINANCE AND COMPANY AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:1874  
ANSWERED ON:29.11.2002  
URBAN COOPERATIVE BANKS  
RENUKA CHOWDHURY

**Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:**

(a) the rationale for excluding the Urban Cooperative Banks from the operational ambit of the Ordinance for Securitisation and Restructuring of Financing assets; and

(b) the data of the Non-Performing Assets (NPAs) of the Urban Cooperative Banks and the policy initiatives taken to recover the NPAs of Urban Cooperative Banks since 1999-2000 onwards, year-wise?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) At present, only commercial banks and financial institutions are covered under the said Ordinance. However, Union Government can include any other institutions or class of institutions in the provisions of the said Ordinance by issue of a gazette notification.

(b) The data of non-performing assets (NPAs) of urban co-operative banks (UCBs) since 1999-2000 onwards, year-wise, as reported by Reserve Bank of India (RBI) is as under:

| As On | No. of banks | No. of UCBs | No. of reporting (Rs. Crore) | Gross NPA's | Gross NPA as a percentage of Total Advance |
|-------|--------------|-------------|------------------------------|-------------|--|
|-------|--------------|-------------|------------------------------|-------------|--|

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|----------------|------|-------|-------|------|
| March 31, 2000 | 2050 | 1,748 | 4,535 | 12.2 |
|----------------|------|-------|-------|------|

|                |      |       |       |      |
|----------------|------|-------|-------|------|
| March 31, 2001 | 2084 | 1,942 | 9,245 | 16.1 |
|----------------|------|-------|-------|------|

|                |      |  |       |        |      |
|----------------|------|--|-------|--------|------|
| March 31, 2002 | 2090 |  | 1,342 | 11,472 | 21.9 |
|----------------|------|--|-------|--------|------|

As a measure to encourage recovery of loans and with a view to instill confidence in the co-operative banking sector, RBI has taken the following measures:

(i) UCBs were advised to initiate penal measures against willful defaulters;

(ii) The Chief Secretaries of all the States/Central Registrar of Co-operative Societies were requested in October, 2001 to consider issue of suitable instructions to UCBs in their States to implement a scheme of One Time Settlement of NPAs on the lines of draft scheme approved by RBI.

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