

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

STARRED QUESTION NO:345
ANSWERED ON:13.12.2002
NPA OF COOPERATIVE BANKS
ALE NARENDRA;AMAR ROY PRADHAN

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

- (a) the total amount of non-performing assets of cooperative banks in each State as on March 31, 2002;
- (b) the guidelines issued by RBI to these banks to check the rising amount of NPA and recovery thereof;
- (c) the steps taken by these banks for speedy recovery of NPA; and
- (d) the action being taken by the Government in this regard?

Answer

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH):

(a) to (d) A Statement is placed on the Table of the House. Statement

(a) The State-wise details of the total amount of Non-Performing Assets (NPAs) of State Co-operative Banks (SCBs), District Central Co-operative Banks (DCCBs), State Co-operative Agriculture and Rural Development Banks (SCARDBs) and Primary Co-operative Agricultural and Rural Development Banks (PCARDBs), as reported by National Bank for Agriculture and Rural Development (NABARD), as on 31st March, 2001 (latest available) are furnished in Annexure.

(b) Operating guidelines for cooperative banks are dealt with by NABARD, which has issued the following comprehensive guidelines for the management of NPA of the cooperative banks:

- # Banks should have loan recovery policy and it should be effectively implemented for recovery of dues on due dates;
- # Banks to set up separate recovery cells;
- # Other measures such as strengthening credit management system, time bound plan for reduction of NPAs;
- # Follow-up with the State Governments and filing of claims with cooperative courts/civil courts in respect of willful defaulters.
- # Proper credit appraisal and management;
- # Quick diagnosis and remedial measures of potential and borderline NPA accounts;
- # Proper analysis of NPA data;
- # Constant review/renewal/reschedulement of loans;
- # Filing of claims in time with the Deposit Insurance Credit Guarantee Corporation(DICGC);
- # Follow-up with State Governments/Courts.

(c) and (d) NABARD has, in consultation with Government and Reserve Bank of India (RBI) taken several steps for speedy recovery of NPAs. These include issuing of guidelines for one-time settlement of chronic non-performing assets, advising the banks to make all out efforts to improve their recoveries, advising banks to take necessary legal action for recovery of their overdues wherever required, taking the help of district administration for improving the recovery performance under Government sponsored programmes, reviewing the recovery performance of the banks in the Board meetings and staff review meetings, etc.