

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

UNSTARRED QUESTION NO:5087  
ANSWERED ON:20.12.2002  
NPA OF STATE COOPERATIVE BANKS  
SADASHIVRAO DADOBA MANDLIK

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

- (a) whether the Reserve Bank of India has directed all State Cooperative Banks and District Cooperative Banks to adopt the 90-day income recognition norms for NPAs by the end of 2006;
- (b) if so, the details thereof;
- (c) the present norm for State cooperative Banks for recognizing a NPA in their accounts; and
- (d) the manner in which RBI is monitoring the existing practices of State Cooperative Banks to ensure that they are not loaded with NPAs?

**Answer**

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

- (a) and (b) Yes, Sir. As per the Mid-Term Review of Monetary and Credit Policy for the year 2002-03 announced by Reserve Bank of India (RBI), it has been decided to extend the 90 days norm for recognition of Non-Performing Assets (NPAs) to the State and District Central Co-operative Banks from the year ending March 31, 2006.
- (c) As reported by RBI, at present loan other than agricultural loan is classified as non-performing asset if interest or instalment of principal remains overdue for a period of more than 180 days. Agricultural loan is classified as NPA if interest or instalment of principal remains overdue for two harvest seasons but for a period not exceeding 2 half years.
- (d) As regards State Co-operative Banks and District Central Co-operative Banks National Bank for Agriculture and Rural Development (NABARD) has been undertaking statutory inspection of co-operative banks once in two years under provisions of Banking Regulation Act, 1949 (As Applicable to Co-operative Societies). It monitors the existing practices of these banks to ensure that they are not loaded with NPAs.