

Title: Need to consider 'One time settlement Scheme' to recover chronic N.P.A's of the Maharashtra State Co-operative Bank.-Laid.

SHRI S.D. MANDLIK (KOLHAPUR): *Sir, I wish to bring to the notice of the House that currently cooperatives in the State of Maharashtra are facing rough weather. Mostly the cooperatives are not in a position to repay the loans availed from cooperative banks. Consequently the loans have become overdue. Earlier the rate of interest were also high. As the cooperative societies could not repay the loans, the rate of interest remained as these were thereby the burden of interest went on increasing whereas the principal amount remained unpaid.

In cooperative sector, mountings of overdues in most of the banks have crippled the structure badly in recent years. Overdues are rising continuously crossing the containable limits. This has caused innumerable financial problems besides limiting the capacity of the banks to lend and operate as viable units.

With a view to recover chronic NPA's the Maharashtra State Cooperative Bank has chalked out one time settlement scheme which is on the guidelines of the OTS Scheme prepared by the RBI and circulated to all nationalised banks during January, 2003.

I am of the firm view that in case this type of scheme is approved and implemented it will go a long way to strengthen the banks in cooperative sector thereby assuring a larger flow of funds to the farmers for adopting modern technology and improved farm practices for augmenting production and productivity.

* Laid on the Table .