

DIRECTORATE OF COOPERATIVE AUDIT: ORISSA: BHUBANESWAR.

No. VI(1) 1/97 1986 /Audit-B/Dated:- 31.3.2004

Accs

To

The Secretary, The Balasore District
Central Cooperative Bank Ltd., Balasore.

Sub:-

Clarification as regards date of NPA
of S.T. Agricultural Khariff Loan.

Ref:-

Your letter No. 14291 dt. 14.2.2004.

Sir,

With reference to your letter cited above it is clarified that the concept of "Past Due" for Asset classification of Banks has been dispensed with vide RBI Circular No. RPOD No. RF. Bc-28/07.32.02/2000-01 dt. 10.10.2000 which has been communicated to your Bank for implementation. vide this office memo No. 6123 dt. 17.4.2001. In the said circular it is clearly mentioned that if interest and/or instalments of principal remains overdue for two harvest seasons but for a period not exceeding the half year in the cases of advance granted for agriculture purpose such advances are to be treated as NPA. What types of advances are to be treated for agricultural purpose for asset classification as per prescribed norm is mentioned in RBI Circular No. BC No. 70/07.37.02/2001-2002 dt. 27.3.2002, which has also been communicated to your Bank.

It requires no clarification that the period of overdue can not fall within due date. When due date is over, overdue period begins. If as per term of sanction the due date of recovery of a loan falls on 31.3.2004 and if the same is not realised by the said date i.e. till close of 31.3.2004, it will become overdue on 1.4.2004. In terms of RBI Circular and this office instructions, for an agricultural advance, if the due date of repayment was 31.12.2003, it will be come overdue on 1.1.2004 and if interest or instalments of principal is not realised on this loan for two harvest seasons or 2 half year or 1 year of overdue i.e. till 31.12.04 it will become N.P.A. on 1.1.2005.

Yours faithfully,

Joint Auditor General of C.S.(O)

Memo No. 1987(32)/Dated:- 31.3.2004.

Copy forwarded to Secretaries of all C.C.Bs (Except Balasore)/Asst. Auditor General of C.S. of all Circles for information and necessary action.

Joint Auditor General of C.S.(O)

Dash. 31.3.2004.

Memo No

(11)

~~Handwritten signature~~

Copy forwarded to all Branch Managers for information and necessary action guidance.

Secretary

Nayagarh D. C. C. Bank Ltd

