

**Guidelines for recovery of dues relating to  
non-performing assets (NPAs) of public sector banks  
(BP.BC.100 /21.01.040/2000-01 Dated April 10, 2001)**

**BP.BC.100 /21.01.040/2000-01**

**April 10, 2001**

**The CMDs of all Public Sector Banks**

Dear Sir,

**Guidelines for recovery of dues relating to  
non-performing assets (NPAs) of public sector banks**

Please refer to our Circular DBOD.No.BP.BC.11/21.01.040/99-00 dated July 27, 2000 setting out guidelines for a simplified, non-discriminatory and non-discretionary mechanism for settlement of dues relating to NPAs with outstanding upto Rs.5 crore of public sector banks. In terms of paragraph 3(A)(1) thereof, the guidelines will be operative only upto March 31, 2001. The public sector banks have been advised vide Circular DBOD.No.BC.BP.95/21.04.117/2000-01 dated March 28, 2001 that all the applications received upto March 31, 2001 should be processed at the earliest and decisions taken on those applications not later than June 30, 2001.

2. The Government and the Reserve Bank of India have received representations from various Industry / Trade Associations, individual borrowers, etc., as also from some banks that the operation of the guidelines should be extended. This aspect was also discussed by the Finance Minister in the meeting of the CMDs of public sector banks on April 7, 2001. Taking into account the view points expressed by the various forums, it has been decided to extend the operation of the guidelines **finally** up to June 30, 2001. The banks are advised that all the applications received up to June 30, 2001 should be processed and decisions taken thereon at the earliest but not later than September 30, 2001.

3. Other instructions contained in our circular of July 27, 2000 remain unchanged.

Please acknowledge receipt.

Yours faithfully,

**( K. Seetharamu )  
Chief General Manager**