

RBI extends Processing Time for Applications of NPA Recovery till June

April 4, 2001

The Reserve Bank of India has advised all public sector banks to take decision on the applications for settlement of non-performing assets (NPAs) by June 30, 2001. In a letter addressed to the chief executives of public sector banks, it has advised that they should speedily process all the applications received for settlement of non-performing assets (NPAs) upto March 31, 2001 and take decision on these by June 30, 2001.

The Reserve Bank had issued guidelines for recovery of dues relating to NPAs of public sector banks in July, 2000. It provided a simplified, non-discretionary and non-discriminatory mechanism for recovery of the stock of NPAs in all sectors through compromise settlements. The guidelines were operative till March 31, 2001. The feedback received by the Reserve Bank indicated that the banks are likely to receive a large number of applications during the last week of March before the expiry of the deadline of March 31, 2001. To ensure maximum recovery under the one-time settlement scheme, banks are advised that they should take decision on all the applications received upto March 31, 2001 by June 30, 2001.

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