

**Banks to process NPA
Applications by September 30: RBI**

April 10, 2001

The Reserve Bank of India has today advised all public sector banks that they should process all the applications for recovery of dues relating to non-performing assets received up to June 30, 2001 and decide on them not later than September 30, 2001. The Reserve Bank circular was issued to Chairmen and Managing Directors of all public sector banks, taking into account the views expressed by various industry/trade associations, individual borrowers, etc., as also by some banks. The issue was also discussed at the recent meeting of Chairmen and Managing Directors of public sector banks with the Finance Minister held on April 7, 2001.

The Reserve Bank had, in July last year, set out guidelines for simplified, non-discrimination and non-discretionary mechanism for settlement of dues relating to non-performing assets of all public sector banks with outstanding up to Rs.5 crore. The public sector banks were on March 28, 2001 advised that all the applications received up to March 31, 2001 should be processed at the earliest and decisions on those applications should be taken not later than June 30, 2001. In today's communication the Reserve Bank of India has emphasised that the extension up to September 30, 2001 is final.

**Alpana Killawala
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Press Release : 2000-2001/1396