

**Revised guidelines for compromise settlement of chronic
Non-Performing Assets (NPAs) of public sector banks**

DBOD No. BP. BC 108 / 21.04.117/2002-2003

May 23, 2003

Chairmen and Managing Directors
of all Public Sector Banks

Dear Sir,

**Revised guidelines for compromise settlement of chronic
Non-Performing Assets (NPAs) of public sector banks**

Please refer to our circular DBOD No. BP.BC. 65 / 21.04.117 / 2002-2003 dated January 29, 2003 setting out the guidelines for compromise settlements of chronic NPAs up to Rs. 10.00 crore. In terms of paragraph 3 (A) (i) (e) thereof, the last date for receipt of applications from borrowers was as at the close of business on April 30, 2003. The processing under the revised guidelines was required to be completed by October 31, 2003.

2. The Government of India and the Reserve Bank of India have received requests from banks for extending the time limit for operation of the guidelines. In view of the above, it has been decided, in consultation with the Government of India, to extend the time period for receipt of applications under the OTS Scheme from April 30, 2003 to September 30, 2003 and date of processing applications from October 31, 2003 to December 31, 2003.

3. Please acknowledge receipt.

Yours faithfully,

Sd/-

(Dr N. Krishnamohan)

General Manager