

14th June, 2003

**STATE BANK'S SCHEME ON WRITE-OFF OF
LOANS/ADVANCES TO EXPIRE ON 30TH JUNE.**

The State Bank of Pakistan today announced that there would be no extension in the validity date (30th June, 2003) of its scheme on write-off of irrecoverable loans and advances. The SBP has, therefore, advised the borrowers/defaulters to approach the concerned Bank/DFI to clear their outstanding liabilities before the expiry date of the scheme i.e. 30th June, 2003 as no request will be entertained after this deadline.

It may be recalled that the State Bank vide its BPD Circular No.29 of 15th October, 2002 had issued new guidelines on write-off of irrecoverable loans and advances to provide a one-time opportunity to borrowers/defaulters to repay their long outstanding liabilities on flexible terms and to revive their sick units. By way of these guidelines, the banks/DFIs have also been facilitated to clear the infected portfolio from their books.

The State Bank's scheme was originally scheduled to expire on April 14, 2003. However, on the representations from the business community and banks/DFIs, the expiry date of the scheme was given one, and final, extension upto 30th June, 2003.