Ministry of Finance

Secretary, DFS chairs a review meeting to monitor the progress of Public Sector Banks in clearing pending cases for NCLT

Banks advised to expedite the resolution process by minimising delays in filing CIRP applications

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Shri M. Nagaraju, Secretary, Department of Financial Services (DFS), chaired a review meeting today to monitor the progress of Public Sector Banks in clearing pending cases for admission at National Company Law Tribunal (NCLT). The review entailed a follow up on important issues for improving the effectiveness of insolvency resolution process. The meeting was attended by senior officials of Department of Financial Services, the Ministry of Corporate Affairs, the Insolvency and Bankruptcy Board of India, and the top management of Public Sector Banks.

A detailed review on cases pending for admission at NCLT was undertaken. The Banks were advised to expedite the resolution process by minimising delays in filing CIRP applications, avoiding asking for unnecessary adjournments and simultaneously keeping other channels of recovery open. The Advocates of the Banks should oppose any attempts to delay proceedings on frivolous grounds by the opposing parties.

It was informed that few accounts have been resolved by Banks since the last review through various mechanisms under recovery. DFS urged the management of the banks to review their top twenty cases regularly and also monitor those accounts where Resolution Plans are pending for consideration with Committee of Creditors (CoC) for more than three months. In addition, banks were told to focus their attention on getting stay orders vacated so as to resume the resolution process without further loss of time.

The meeting ended with the message to strengthen the recovery framework through coordinated efforts and ensuring a more robust and efficient resolution process.

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