

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1041
ANSWERED ON:28.07.2000
MEETING OF BANK CHIEFS
SATYAVRAT CHATURVEDI;SUNDER LAL TIWARI

Will the Minister of FINANCE be pleased to state:

:

- (a) whether any meeting of bank chiefs was called to solve the problem of Non-Performing Assets;
- (b) if so, the date on which this meeting was called and the details of decision taken therein; and
- (c) the date by which those decisions are likely to be implemented ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) and (b) A meeting of chief executive of public sector banks with the Finance Minister took place on June 13, 2000 under the aegis of Indian Banks Association (IBA).The problem of non-performing assets was one of issues discussed in the meeting. The meeting decided that guidelines of a non discriminatory and non discretionary nature would be evolved to cover all NPAs in all sector with a prescribed cut off date and upto a pre-determined cut off limit. The guidelines are to remain operative upto 31.3.2001. The meeting also decided that for settlement of NPAs over the pre determined limit the Board of Directors of the bank concerned would evolve suitable policy guidelines having regard to the parameters of the guidelines for NPAs below the pre-determined limit. It was also decided that where the Board of a bank comes to conclusion that a rehabilitation scheme or one-time settlement is not possible, recovery suits should be filed without further loss of time. The levels for monitoring NPAs upto different amounts was also discussed at the meeting.

(c) Action has been initiated by RBI to issue guidelines relating to recovery of outstanding amount in NPAs covering all sectors.