

[RBI](#) Governor [Urjit Patel](#) Tuesday faced tough questions from a parliamentary panel on bad loans, bank frauds, cash crunch and other issues even as he assured the members that steps were being taken to strengthen the system, sources said.

Sources present at the meeting of the [Parliamentary Standing Committee on Finance](#) said the [RBI](#) Governor expressed confidence of tiding over the crisis regarding non-performing assets (NPAs).

Some members of the committee, headed by senior Congress leader Veerappa Moily, sought to know about the reasons for recent instances of ATMs running out of cash and why enough steps were not taken to tackle banking frauds.

Patel told the panel that steps were being taken to strengthen the banking system. "We are confident that we will be able to tide over the crisis," a source quoted the Governor as saying with respect to the NPA situation.

Striking an optimistic note, Patel informed the committee that after implementation of the Insolvency and Bankruptcy Code (IBC), the situation on the NPA front has been improving.

There have been rising concerns about bad loans, health of various public sector banks and fallout of the the nearly Rs 13,000 crore fraud at the Punjab National Bank.

TMC leader and member of the panel Dinesh Trivedi had said on Monday: "It's been long time and the [RBI](#) has still to come out with amount of the cash returned into system post [demonetisation](#). And the Governor must share these details with the panel and I hope he will do it tomorrow."

The panel, he had said, would also ask questions about the mounting NPAs in the banking system and the Rs 13,000 crore PNB fraud, which raises doubts about the monitoring system of the RBI.

In his last appearance before the panel, Patel was also questioned on loan restructuring programmes, which lead to ever greening of loans, and resolution of defaults under the IBC, sources had said.

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