

Non-performing assets (NPAs) touched Rs 8.31 trillion at end-December 2017



Illustration by Binay Sinha

A [parliamentary panel](#) on Monday asked the Indian Banks' Association (IBA) to prepare a road map for addressing the issue of mounting bad loans and also posed queries on the alleged "nepotism" by [ICICI](#) MD and CEO [Chanda Kochhar](#) in a loan to Videocon Group.

During a meeting between the bankers and the Parliamentary Standing Committee on Finance, headed by Lok Sabha MP Verappa Moily, it was emphasised that corporates should not be painted with a same brush as all are not wilful defaulters, said sources.

Non-performing assets (NPAs) touched Rs 8.31 trillion at end-December 2017. Among others, [IBA](#) Deputy Chairman and SBI chief [Rajnish Kumar](#) and PNB MD Sunil Mehta briefed the panel on various aspects of non-performing assets (NPAs) and banking frauds. Senior advisor of [IBA](#) Alok Gautam was also present in the meeting, sources added.

RBI Governor Urjit Patel too will brief the committee later this month. Sources said that some of the members had questions on allegations against Kochhar. One of the member wanted to know if "nepotism" was also going on in private sector [banks](#). The [ICICI](#) Bank has already constituted an independent enquiry into the allegations of quid pro quo against Kochhar in providing loan to Videocon Group.

Sources further said TMC MP and member of the panel Dinesh Trivedi wondered why public money was being used to recapitalise the state-owned [banks](#) which are losing money due to frauds and defaults by corporates.

Some members quizzed the bank officials whether "aggressive lending" during the successive UPA governments was the reason for the mounting NPAs in the banking system, especially in state-owned lenders. Gross NPAs of state-owned [banks](#) had crossed Rs 7.77 trillion at the end of December 2017, according to official data.

BJP MP Nishikant Dubey said Indian banks need not adhere to international capital adequacy norms (Basel-III) as it is leading to more provisioning of capital, sources said.

The committee was earlier briefed by Financial Services Secretary Rajiv Kumar about issues related to the banking sector.

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