

‘Rash lending, inept RBI to blame for NPAs’

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BJP MP Rajeev Chandrasekhar, who was among the first politicians to flag the NPA issue, has blamed reckless lending and a non-adept RBI for it.

“The cause of this NPA scourge that has brought the Indian banking system to its knees is a combination of two factors. Firstly, the reckless corrupt lending by banks to a few politically well-connected groups during UPA times and the meek, mute, silent inaction of the RBI under former RBI governors DV Subbarao and Raghuram Rajan to this kind of reckless lending and abuse of public sector banks,” he said in a statement, and added that he had been flagging the issue since 2010 in Parliament and in letters to the then finance minister.

“7 yrs ago in 2009 I ws 1st to raise Bank NPA issue! Was 64000 crores thn and whn UPA left was 4.5 lac crs—Thts monumental mismanagmnt! (sic),” the BJP MP tweeted with a picture of his tweet from November 26, 2016.

In another tweet, Chandrasekhar said that the RBI had watched idly as a crisis built up, allowing unprecedented concentration in buildup of risk in banking sector.