

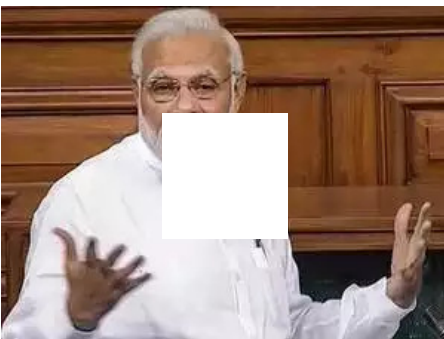
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'Phone banking' by Congress ruined the banks: Modi makes startling revelation about NPAs

ET Online | Updated: Jul 20, 2018, 11:25 PM IST

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NEW DELHI: How did public-sector banks come be saddled with so much of non-performing assets (NPAs)?

Prime Minister [Narendra Modi](#) made a startling revelation on the issue in the Lok Sabha today while replying to the no-confidence motion by opposition parties brought against the NDA government.

NPA mess a landmine for Indian banks: PM Modi in LS

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PM Modi said when his government came to power in 2014 it noticed that public-sector banks had been plundered. He said loans of banks jumped to Rs 52 lakh crore from 2008 to 2014 from just Rs 18 lakh crore in the previous six years. Modi said the loans were given without any due diligence and defaulters were given

further loans.

Modi said banks were looted during the [Congress](#) rule and it was the Congress government that laid the NPA landmine for Indian banks.

"I want to tell you about the NPA problem. Much before Internet Banking, Congress Party invented [phone banking](#) and this caused the [NPA mess](#). A phone call would get loans for their cronies and the nation suffered," Modi said.

Modi also revealed how import of capital goods increased by lowering customs duties.



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PM Modi went on to list government's reforms for banking sector to manage the stressed assets of the banks and the measures the government has taken against loan defaulters such as the Insolvency and Bankruptcy Code.

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