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Vijay Mallya loans: Bank union seeks Parliamentary probe

By PTI | Updated: Mar 10, 2016, 06.38 PM IST

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VADODARA: Alleging a nexus between lenders and [Vijay Mallya](#), one of the biggest bank employees unions today demanded a [Parliamentary probe](#) into the sanction of loans to the now grounded [Kingfisher Airlines](#) and other group companies.

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"The whole episode is murky and a thorough Parliamentary probe is essential to make public how the loans were processed and sanctioned by banks, the role of the Reserve Bank and why timely action was not taken to recover the bad loans," [All-India Bank Employees Association](#) (AIBEA) General Secretary [C H Venkatchalam](#) said here today.

He said the government's admission before the Supreme Court about Mallya leaving for Britain on March 2 is "shocking and a matter of dismay".

The government should get Mallya extradited and ensure recovery of dues totalling Rs 9,000 crore from him, he demanded.

"It is not a sudden development that Kingfisher Airlines is a defaulter. For the past few years, the issue was going on. Banks had not even declared him as a wilful defaulter," he said.

Mallya had last month reached a settlement with Diageo, under which he was to receive USD 75 million after stepping down as chairman of India's top spirits company United Spirits Ltd.

While lenders had moved the Debt Recovery Tribunal to bar him from accessing the payment, reports said he has already received the first tranche of USD 40 million.

SBI and PNB have declared Mallya as a wilful defaulter. The association also wondered how the brand value of Kingfisher was considered as a collateral while sanctioning a loan, and alleged that even when RBI knew that this was a "deliberate default", no action was taken by the banks.

When asked about the recent speech by CBI Director Anil Sinha, where he complained about the banks' reluctance to come forward with complaints against Kingfisher, Venkatachalam said, "This implies nexus in the whole transaction."

Bank loans are given out of people's money and they rightly expect tough action on such corporate delinquents who cheat banks and the country, he said.

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