

## ICICI Bank's growing troubles

In 2016, Arvind Gupta, an investor, wrote to the Prime Minister's Office, the then Reserve Bank of India Governor Raghuram Rajan, and others, seeking an inquiry into transactions between ICICI Bank, the Videocon group and NuPower Renewables, a company promoted by Ms. Kochhar's husband, Deepak Kochhar, in 2010. It was alleged that a company related to the Videocon group chairman, Venugopal Dhoot, invested 64 crore in NuPower in 2010 and that proprietorship of the company was transferred to a trust owned by Mr. Kochhar for 9 lakh after the Videocon group received a loan of 3,250 crore from ICICI Bank in 2012. Mr. Gupta, who alleged conflict of interest, demanded a forensic audit of the relevant transactions. The controversy came to light last March when the media reported Mr. Gupta's allegations.

The board of ICICI Bank had reposed confidence in Ms. Kochhar after the issue came to light in March, denying any conflict of interest. Its chairman, M.K. Sharma, had said Ms. Kochhar had made all the necessary disclosures. ICICI Bank also said that the total loan extended by the lenders' consortium to the Videocon group, which included Videocon Industries and 12 of its subsidiaries, was around 40,000 crore. The bank highlighted the fact that it was not the lead bank in the consortium.

Further, the bank said the committee of creditors that sanctioned loans to Videocon was chaired by the then chairman of ICICI Bank, K.V. Kamath, and it included independent and working directors of the bank. "It is important to note that Ms. Chanda Kochhar was not the Chairperson of this committee," the bank had said.

The Central Bureau of Investigation has registered a preliminary enquiry against Deepak Kochhar, officials of the Videocon group and others, to determine if there was any wrongdoing. However, this inquiry did not name Chanda Kochhar.

Last week, the bank's board ordered a probe by an 'independent and credible' person following fresh allegations from another whistleblower against Ms. Kochhar. The allegations include a potential violation of the bank's code of conduct and of quid pro quo in dealing with certain borrowers. The board's Audit Committee will appoint the head of the inquiry panel, outline its terms of reference and specify the period covered by the probe.

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An objective evaluation of his performance as Prime Minister is long overdue

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