

RBI delays approval of bonus for top pvt bankers

The country's banking regulator is delaying year-end bonuses to the heads of top private banks as it questions the size of the payouts citing the lenders' performance issues, said people familiar with the matter.

Chief executive officers at HDFC Bank, ICICI Bank and Axis Bank — the nation's largest private lenders by assets — are among bankers yet to receive bonuses for the finan-

cial year ended March 31, 2017, as the Reserve Bank of India (RBI) hasn't signed off on the proposed payments, the people said, asking not to be identified as the information is private. They declined to give further details. 'Business Standard' newspaper had previously reported the delays.

ICICI's board had approved a bonus of Rs 2.2 crore for CEO Chanda Kochhar, while Axis Bank's Shikha Sharma

was set to receive Rs 1.35 crore and HDFC Bank's Aditya Puri about Rs 2.9 crore, exchange filings show.

Spokesmen for HDFC

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Bank and ICICI didn't reply to emails and phone calls.

An email to the RBI wasn't immediately answered.

Long considered healthier than their government-run

peers, the country's private banks have had a tough time over the past year, plagued by revelations of hidden bad loans and alleged lapses in corporate governance.

Rising defaults have enraged the public, piling pressure on PM Narendra Modi to act against the perpetrators and reinforce his anti-graft image before elections next year.

Going by historical evidence, RBI should have appro-

ved the bonuses well before March 31, said Asutosh Kumar Mishra, a Mumbai-based banking analyst at Reliance Securities. "We have never noticed such delay in approving the payouts, but then we haven't seen a year in which so many skeletons were brought out of the closet — from under-reporting of bad loans to serious governance issues."

In the year ended March 2017 — for which the bonuses

are under contention — an RBI audit showed Axis hadn't disclosed bad loans worth about Rs 5,600 crore. HDFC Bank also reported a divergence and ICICI said it isn't required to make disclosures on the topic even as provisions for bad loans climbed. Axis Bank shares rose about 10% and ICICI 17% in Mumbai trading during the year ended March 2017, while the Bankex Index added 33%. BLOOMBERG