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IL&FS didn't disclose NPAs for 4 years: RBI

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New Delhi: The RBI has said that beleaguered IL&FS did not disclose any NPAs for four years and there was a wide variation observed between the reported assessed position of asset classification, while estimating the company's bad debt, at over 70% on March 31, 2018.

The regulator has also suggested additional provisions of nearly Rs 3,500 crore on investments of Rs 12,775 crore to cover for the reduction in their value. The RBI's inspection report, which is confidential, was revealed in court filings made by the government on Friday as part of the compliance requirement, following the Centre's decision to supersede the board and take management control.

"The erstwhile board failed to exercise over functions of the entity. They did not monitor affairs of the downstream entities in which investments were made. No rationale was ever brought out by the board as to the reasons for funding ITNL and other loss-making subsidiaries on an ongoing basis and thereby creating a liquidity crunch in

IL&FS and other related parties," RBI said.

Highlighting the mismanagement, the RBI said that the company functioned without a board-approved investment policy. Similarly, the risk management committee did not meet for three years, while no meeting of the investment review committee was held since October 5, 2015.