

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3037
ANSWERED ON:07.12.2001
PRIVATE BANKS OF KERALA
K. FRANCIS GEORGE;N.N. KRISHNADAS

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government had received representations from the Officers and Employees Associations of the Kerala based Lord Krishna Bank Ltd., regarding serious violations of banking rules and regulations by the management of the bank;
- (b) if so, the details thereof and the action taken by the Government thereon;
- (c) whether the Government had examined the Annual/Quarterly Inspection report of the Reserve Bank of India on Lord Krishna Bank Ltd. in view of the serious allegations made against the management;
- (d) if so, the details of the RBI report;
- (e) if not, the reasons therefor; and
- (f) the steps taken by the Government for ordering a fresh detailed enquiry by the RBI regarding the workings of the prestigious private Banks/FIs of Kerala like Lord Krishna Bank, Nedungadi Bank and Syrian Bank which are on the verge of collapse ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

- (a)&(b):- Government have received a representation from the Lord Krishna Bank Employees` Union forwarding a copy of a resolution purported to have been unanimously adopted by it urging upon the competent authorities to initiate appropriate investigation into certain activities relating to the Bank.
- (c), (d), (e) & (f):- Reserve Bank of India (RBI) has reported that the Lord Krishna Bank Ltd. was inspected by it with reference to its position as on 31st March, 2001 and the findings of the inspection are under detailed scrutiny. Based thereon, the Bank will be advised by RBI to take corrective measures wherever necessary.