

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5322
ANSWERED ON:29.04.2005
IRREGULARITIES IN NATIONALISED BANKS
Channappa Shri Kunnur Manjunath

Will the Minister of FINANCE be pleased to state:

- (a) the details of irregularities found in various nationalised banks during the last two years, bank-wise;
- (b) the action taken against such banks; and
- (c) the remedial measures initiated to stop c-ourrence of such irregularities in future?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) to (c) The working of Banks and Financial Institutions is reviewed :r. a continued basis by RBI. All cases of divergence rd non-implementation of guidelines of RBI by banks aelected during the course of inspection are reviewed and taken up with the managements of the respective :anks for corrective action. The irregularities mainly relate to divergence in provisioning, high level of NPAs, practice swapping of non-performing assets (NPAs) amongst banks, deficiency in internal control, transgression of delegated powers, inadequacy of provisioning of terminal benefits, frauds and slippage of income etc. The Inspection Reports conducted under Section 35 of Banking Regulation Act, 1949 of banks are confidential in nature and the contents of these report are not disclosed by RBI as per section 34-A of B.R. Act, 1949.