

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2923
ANSWERED ON:30.03.2012
REGULATION OF BANK SUBSIDIARIES
Anandan Shri K.Murugeshan

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) proposes to regulate bank subsidiaries as per the present regulation for the banking regulator supervise can only monitor the bank subsidiaries and not them;
- (b) if so, the details thereof;
- (c) whether the Ministry of Finance has received a proposal to amend the laws pertaining to the RBI Act to enable RBI to supervise such entities; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d): The Government has introduced the Banking Laws (Amendment) Bill, 2011 in the Lok Sabha on 22nd March, 2011. The Bill, inter-alia, also seeks to empower the Reserve Bank of India (RBI) to cause inspection of any associate enterprise of a banking company and its books of accounts by one or more of its officers or employees or other persons.