

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2400
ANSWERED ON:07.12.2012
RBI GUIDELINES ON BANK EXPOSURE
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India (RBI) is considering to implement guidelines on banks exposure to their own group non-financial and financial entities;
- (b) if so, the details thereof;
- (c) the likely impact of the proposed rules on the companies that depend on parent banks for capital and brand support;
- (d) whether banks are likely to be affected by the implementation of these guidelines;and
- (e) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance (Shri Namo Narain Meena)

(a) to (e): Reserve Bank of India (RBI) has informed that they have issued draft guidelines on August 14, 2012 that are exclusively meant for banks` transactions and exposures to the entities belonging to their own Group. The proposed norms in draft form are available at RBI website [www,rbi.org.in](http://www.rbi.org.in). The RBI is presently considering the comments received from the stakeholders to finalise the norms that also include the issue of providing capital by the banks to their subsidiaries.