

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:305

ANSWERED ON:24.07.2009

VIOLATION OF RBI GUIDELINES .

Roy Shri Nripendra Nath;Singh Shri Brij Bhushan Sharan

Will the Minister of FINANCE be pleased to state:

- (a) whether cases of violation of the guidelines of Reserve Bank of India (RBI) by various scheduled, commercial banks have come to the notice of the Government;
- (b) if so, the names of such banks which have violated the said guidelines during the last three years and the nature of violations; and
- (c) the action taken by the Government in this regard?

Answer

FINANCE MINISTER
(SHRI PRANAB MUKHERJEE)

(a) to (c) : A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.305 FOR 24th JULY, 2009 REGARDING VIOLATION OF RBI GUIDELINES TABLED BY SHRI BRIJ BHUSHAN SHARAN SINGH AND SHRI NRIPENDRA NATH ROY

(a) to (c) : During the last three years, Reserve Bank of India (RBI) observed instances of violation of its guidelines by some banks in non adherence of Know Your Customer (KYC) norms, failure of internal controls in Initial Public Offer (IPO) related irregularities, violation of Foreign Exchange Management Act, 1999 (FEMA) guidelines, irregular dealings in securities, non maintenance of the prescribed Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR), etc. The details of the instances of violation of RBI guidelines by banks during the last three years and action taken by RBI are given in Annex-I. The details of defaults by banks in maintenance of CRR and SLR during the last three years and the amount of penal interest recovered from them by RBI are given in Annex-II.