

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2290
ANSWERED ON:05.12.2014
SIPHONING OFF MONEY THROUGH BANKS
Chavan Shri Ashok Shankarrao

Will the Minister of FINANCE be pleased to state:

- (a) whether any violation of guidelines by public / private sector banks over diamond trade being used to siphon off money out of the country has been noticed by the Government in the recent past;
- (b) if so, the details thereof and the details of money siphoned off, destination and bank-wise;
- (c) whether the Government has conducted any inquiry in this regard;
- (d) if so, the details thereof along with the action taken against such banks/officials, bank-wise; and
- (e) the steps taken / being taken by the Government to check such types of activities by banks in future?

Answer

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY)

- (a) & (b): As per information provided by the Public Sector Banks (PSBs), no violation of guidelines by PSBs over diamond trade being used to siphon off money out of the country has been reported.
- (c) & (d) : No, Sir.
- (e) As reported by the Reserve Bank of India (RBI), instructions on the safeguards for sending remittances on account of import of goods and services are in place.