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Title: Need to scrutinise the working of Lord Krishna Bank by RBI.

SHRI T. GOVINDAN (KASARGOD): Sir, I would like to draw the attention of the hon. Minister of Finance towards the financial crisis of Lord Krishna Bank.

The inspection reports reveal the irregularities in sanctioning loans and violation of general banking norms in this bank. Metro branches of this bank disbursing huge loans under recommendations from higher authorities have caused a loss of crores of rupees.

In the circumstances, effective interventions and imposing restrictions by RBI only can save this bank from a probable collapse. I would request the hon. Minister of Finance to take appropriate action and issue necessary orders for:

i. re-imposing the RBI order bearing No.CO.DBS.BMD III/747/

15.01.068/2001-02 of February, 2002;

ii. conducting detailed inspection in credit and HRD areas by RBI

officials;

iii. posting a full time Chairman answerable to RBI;

iv. complete stoppage of unwanted lateral appointments and

v. thoroughly watch and scrutinise the banking activities in the bank at least for the coming three years.