

by the SEBI to Consumer Guidance Society of India (CGSI) for conducting its securities market awareness programmes between 28 March and 18 April, 2009, have been misused;

(b) if so, the details thereof;

(c) whether any enquiry was conducted in the matter and any action was taken against the guilty officers;

(d) if so, the details thereof; and

(e) the total amount spent on these programmes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):  
(a) Some allegations were raised against Consumer Guidance Society of India (CGSI) regarding misuse of funds disbursed by SEBI for conducting securities market awareness programmes.

(b) SEBI received information alleging *inter alia* that the bills submitted by CGSI for conducting four investor awareness workshops during March 28, 2009 to April 18, 2009, were not in order.

(c) and (d) On receipt of the allegation, an enquiry was conducted. SEBI took up the matter with the institution which had raised the bills on CGSI for conducting the workshops. The institution, however, confirmed to SEBI that they had indeed raised the bills on CGSI for the amount mentioned therein.

(e) The total amount spent on the investor awareness workshops conducted by CGSI during the period March 28, 2009 to April 18, 2009, was Rs. 1,20,000 (Rupees One lakh Twenty thousand only).

#### **Capital requirement and FDI limit in new private banks**

965. SHRI A. ELAVARASAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) is in favour of the Minimum Capital requirement for new private banks to start at Rs. 1000 crore and Government is insisting on a lower minimum capital;

(b) if so, the details thereof;

(c) whether the RBI wants to cap FDI at 49 per cent in the initial stage while Government is in favour of 74 per cent FDI in such new banks even at an early stage;

(d) if so, the details thereof;

(e) whether the unresolved differences between the RBI and Government have blocked the progress of the proposal; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):  
(a) to (f) Reserve Bank of India (RBI) released a discussion paper on entry of new banks in private sector in August, 2010 inviting comments and suggestions from various stakeholders. RBI is examining the views and comments received from various stakeholders.

**Cases of duping of customers by multinational banks**

966. DR. JANARDHAN WAGHMARE: Will the Minister of FINANCE be pleased to state:

- (a) whether complaints have been received regarding malpractices and duping of customers by multinational banks in the country during the last two years;
- (b) if so, the details thereof; and
- (c) the action taken to rectify the situation alongwith the progress made thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):  
(a) and (b) During the year 2008-09, a total of 11,700 customer complaints were received by various offices of Banking Ombudsmen relating to foreign banks, out of which, 5,737 complaints relate to credit cards, 996 to loans/advances and 1,150 complaints pertain to failure on commitment made by these banks. During the year 2009-10 a total of 11,450 complaints were received against these banks out of which 4,258 complaints relate to credit cards, 395 to loans/advances and 1,134 complaints pertain to failure on the commitments made.

(c) If Reserve Bank of India (RBI) has issued guidelines to the banks to put in place an effective and elaborate grievances redressal mechanism for resolution/redressal of grievances of bank customers. In accordance with the provisions of such RBI guidelines, the banks are required to give relevant details concerning the grievance redressal mechanism in the bank on their websites for information of their customers. The customers of the banks may file their complaints online also. RBI has also notified the Banking Ombudsman Scheme for resolving the complaints of bank customers. In case of non-resolution of the grievance/complaint by the banks, the customers may also approach the concerned office of the Banking Ombudsman for redressal/resolution of the grievance.

Reserve Bank of India guidelines and Banking Ombudsman Scheme are available on the website of RBI [www.rbi.org.in](http://www.rbi.org.in).

**Switch over to Base rate from PLR system**

967. SHRI A.A. JINNAH: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Government has switched over to Base rate and not allowing old customers to switch to Base rate from PLR system;