cent (Provisional Estimates released in May, 2013) to 4.5 per cent in the First Revised estimates (released in January, 2014). The revision is based on the availability of Revised Estimates from the budget documents of the Central and State Governments for 2012-13; availability of the financial statements of major public sector undertakings of Central and State Governments, private corporate sector, etc., detailed production information on various sectors *viz.* agriculture, animal husbandry, civil aviation, etc. from the nodal Ministries of Government of India (GOI) and State Governments.

Violation of KYC Norms by banks

2049. SHRI BHARATSINH PRABHATSINH PARMAR : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that some Private/Public Sector banks and Urban Cooperative Banks are involved in money laundering;

(b) whether it is also a fact that RBI has imposed fine on twenty two banks for violation of Know Your Customer (KYC) norms and anti-money laundering guidelines;

(c) if so, the details of fine imposed on each bank; and

(d) the details of steps Government proposes to take against these banks to curb these activities in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) There were some allegations of money laundering in the media against some banks. Accordingly, the Reserve Bank of India (RBI) had carried out a scrutiny of books of accounts, internal control, compliance systems and processes of some private/public and Urban Cooperative Banks at their offices during March-May, 2013. However, RBI has informed that its investigation did not reveal any *prima facie* evidence of money laundering. The scrutiny of these banks revealed violation of certain regulations and instructions of RBI, namely non-adherence to certain aspects of Know Your Customer (KYC) norms and anti money laundering (AML) guidelines.

(b) and (c) Based on the findings of the scrutiny, the RBI had issued a show cause notice to these banks, in response to which the individual banks submitted written replies. RBI came to the conclusion that some of the violations were substantiated and warranted imposition of monetary penalty. Monetary Penalty was imposed on 22 public/private sector banks and 17 Urban Co-Operative Banks. The detail of fine imposed on banks is given in Statement (*See* below).

(d) RBI had issued a list of actionable issues in August, 2013 to all banks in respect of which the banks' Top Management are required to take immediate action to improve the level of regulatory compliance.

The banks have a statutory obligation to furnish to Financial Intelligence Unit-India (FIU-IND), reports on suspicious transactions and other prescribed transactions. Sustained training and outreach programmes are organized for the banks and financial institutions to make them aware of their obligations under the Prevention of Money Laundering Act (PMLA) including obligations to maintain record, verify the identity of client and file prescribed reports to FIU-IND. This is supplemented with a compliance and sanctions regime under which banks and financial institutions found in non-compliance of their statutory obligations towards FIU are subjected to appropriate sanctions, as prescribed under the PMLA.

Statement

Bank-wise statement indicating details of fine imposed by Reserve Bank of India

Sl.No.	Name of the Bank	Penalty Amount (in crores)
1.	Andhra Bank	2.50
2.	Bank of Baroda	3.00
3.	Bank of India	3.00
4.	Canara Bank	3.001
5.	Central Bank of India	3.00
6.	Deutsche Bank A.G.	1.00

Sl.No.	Name of the Bank	Penalty Amount (in crores)
7.	Development Credit Bank Ltd.	1.00
8.	Dhanlaxmi Bank	2.00
9.	Indian Overseas Bank	3.002
10.	ING Vysya Bank Ltd.	1.50
11.	Jammu and Kashmir Bank Ltd.	2.501
12.	Kotak Mahindra Bank Ltd.	1.501
13.	Oriental Bank of Commerce	2.00
14.	Punjab and Sind Bank	2.50
15.	Punjab National Bank	2.50
16.	State Bank of India	3.00
17.	The Federal Bank Ltd.	3.00
18.	The Lakshmi Vilas Bank Ltd.	2.50
19.	The Ratnakar Bank Ltd.	0.50
20.	United Bank of India	2.50
21.	Vijaya Bank	2.00
22.	Yes Bank	2.00
	URBAN CO-OPERATIVE BANKS	0.50

Payment of CST compensation

2050. SHRI BHARATSINH PRABHATSINH PARMAR : Will the Minister of FINANCE be pleased to state :

(a) whether the Central Government has made any provision in the budget for the year 2013-14 towards the CST compensation;