Press Information Bureau

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GOVERNMENT ASKS CMDS OF PUBLIC SECTOR BANKS AND LIC TO INITIATE IMMEDIATE ACTION AGAINST THOSE EXPOSED BY COBRAPOST, RED SPIDER 2 EXPOSE

New Delhi, May 6, 2013
Vaisakha 16, 1935

In connection with Cobrapost, Red Spider 2 Expose that was released today morning, the Secretary, Department of Financial Services Shri Rajiv Takru has asked the Chairman cum Managing Directors (CMDs) of various Public Sector Banks (PSBs) Including Allahabad Bank. Andhra Bank, Bank of Baroda, Bank of India ,Bank of Maharashtra, Central Bank of India, Dena Bank, Indian Overseas Bank, Punjab and Sind Bank, Punjab National Bank, UCO Bank, United Bank of India, Vijaya Bank, State Bank of India, State Bank of Bikaner & Jaipur, State Bank of Patiala, State Bank of Hyderabad, State Bank of Travancore, Indian Bank, Corporation Bank, Union Bank of India, Canara Bank, IDBI Bank, Syndicate Bank, Oriental Bank of Commerce, State Bank of Mysore as well as Life Insurance Corporation(LIC) of India for an immediate action as follows:

(i) Any officer/employee of your bank/institution who clearly appears to be advising potential customers along lines that would be an infringement of the legal process/could facilitate money laundering/could defeat the KYC norms or the norms of due diligence prescribed by RBI and the law from time to time, may be placed under suspension with immediate effect pending inquiry. The bank may initiate a detailed scrutiny of such officer’s work and institute a special audit, if necessary, for this purpose. The inquiry must be initiated and completed expeditiously.

(ii) In case where the behaviour and conduct of the officer / agent is not such as would attract point (i) above but fails to meet the standards of conduct and behaviour expected of an officer / employee / agent of a public sector institution and/or brings the institution or is likely to bring the institution into disrepute, such person may immediately be divested of their work / portfolio and advised to voluntarily proceed on leave while a detailed examination on the same lines as above is conducted.

Beside compliance on above points, the Secretary, Financial Services has also asked for a detailed report on utmost priority with the name of the employee/designation and action taken.

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