

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4198
ANSWERED ON:18.08.2000
DEFICIENCIES IN ICICI
UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE be pleased to state:

- (a) whether RBI has found some deficiencies in the loan assets, investments, fund management and earnings of Industrial Credit and Investment Corporation of India;
- (b) if so, the specific period for which RBI has identified such deficiencies in ICICI;
- (c) whether it has been noticed that ICICI has shown favouritism in granting of some loans;
- (d) if so, whether RBI propose to scrutinise all the financial dealings of ICICI from the years 1994 to 1997; and
- (e) if so, the steps being taken by the Government in this regard ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALA SAHEB VIKHE PATH):

- (a) and (b) Reserve Bank of India (RBI) has reported that the financial inspection of ICICI Limited, with reference to the position as on 31st March, 1999 was conducted during the period May to August, 1999. RBI have further reported that as is the case in most of the inspections of banks or financial institutions conducted by the RBI, the inspection revealed certain deficiencies in the working of the Institution including some divergence in the assessment of impairment in the value of assets done by ICICI Limited as compared with the assessment of RBI's inspecting officers.
- (c) No such instances have come to the notice of RBI.
- (d) No, Sir.
- (e) Does not arise.