

## **RBI or SEBI should create awareness against ponzi schemes: SBI**

In the backdrop of the chit fund scam, the State Bank of India today said Reserve Bank of India or Securities and Exchange Board of India should take up major campaigns to create awareness among investors being lured to ponzi schemes.

"RBI...or SEBI should begin a major campaign in line with Jago Grahak Jago, woolmark or hallmark (gold) to create awareness among the investors about these ponzi schemes," SBI chairman Pratip Chaudhuri said here today on the sidelines of a banking summit.

Recently, the West Bengal based Saradha Group has been accused of duping investors of their savings running into thousands of crores of rupees.

On shadow banking system, he said it seemed to have more flexibility than in the traditional banking set-up.

For banks, minimum deposit was seven days, while the shadow banking system allowed even one day deposit, he said.

Shadow banking System is generally referred to involvement of financial intermediaries in aiding credit creation without regulatory oversight.

As per a report released today by Switzerland-based Financial Stability Board, the shadow banking business in India is estimated at over USD 670 billion (nearly Rs 37 lakh crore) and accounted for about one per cent of the worldwide total.

Chaudhuri said banks needed to do more in terms of penetration "when we have less banking footprint with low branch and ATM coverage."

*(Financial Express)*