

# **RBI probing charges of money laundering, ICICI, HDFC & Axis Bank under lens**

The Reserve Bank of India has begun a probe into allegations that staff at Axis BankBSE -1.46 %, HDFC BankBSE -1.49 % and ICICI BankBSE -4.03 % encourages customers to evade income-tax payments, siphon off funds overseas, and convert politicians' bribe funds to legally acceptable wealth.

The central bank's probe follows a sting operation by Cobrapost.com, an online news provider, which claimed that staff at these banks was helping customers do deals that violate income-tax, enforcement and banking laws, said three people familiar with the development.

"We are in touch with banks," Deputy Governor Urjit Patel said at the sidelines of a conference. "No show-cause notice has been sent as yet," he said.

Bankers' advice to avoid tax ranges from declaring oneself as a farmer to opening multiple accounts with small amounts that could escape the taxman's radar. Other tips include use of other customers' accounts for a fee, and a shell company to account for overseas travel and other expenses.

"RBI has asked for preliminary reports and we have sent them," said an executive from one of the banks who did not want to be identified. "Once our enquiries are over, we will send our findings. There are enough checks and balances."

*(Economic Times)*