GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO-879
ANSWERED ON- 09/02/2021

CASES OF BANKING FRAUDS

879. SHRI SATISH CHANDRA DUBEY

Will the Minister of FINANCE be pleased to state:-

(a) the details of the cases of banking fraud detected during 2017-18, 2018-19 and 2019-20 till 1 March, 2020 along with the amount involved therein, year-wise and bank wise;

(b) whether there has been a huge increase in the cases of banking fraud in the recent years, if so, the details thereof and the reasons therefor; and

(c) the number of FIRs registered from 2016-17 till date against the persons and bank employees involved in banking frauds along with the bank-wise details of the cases where fraudsters have either been charge-sheeted or convicted?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) and (b): Government, in 2015, issued "Framework for timely detection, reporting, investigation etc. relating to large value bank frauds" to Public Sector Banks for dealing with frauds in accounts exceeding Rs. 50 crore, if classified as non-performing assets (NPAs), and instituted wide-ranging structural and procedural reforms through the framework and other steps to check frauds in banks. Systematic and comprehensive checking, including of the legacy stock of NPAs, for frauds under the framework has been taken note of by the Reserve Bank of India (RBI) in its Financial Stability Report of December 2019, in which RBI has observed that this has helped unearth frauds perpetrated over a number of years. This is reflected in the increased amount involved in frauds of Rs. 1 lakh and above, as reported by Scheduled Commercial Banks (SCBs) and select financial institutions (FIs) based on the date of reporting, from Rs. 41,167 crore in 5,916 cases in the financial year (FY) 2017-18, to Rs. 71,543 crore in 6,799 cases in FY2018-19, and Rs. 1,85,644 crore in 8,705 cases in FY2019-20. While improved detection and reporting have increased the reported amount involved in recent years, the comprehensive steps taken to check bank frauds have resulted in the amount involved based on the date of occurrence of fraud increased from Rs. 21,378 crore in 5,098 cases in FY2017-18 to Rs. 27,473 crore in 4,635 cases in FY2018-19 and declined sharply to Rs. 6,813 crore in 3,480 cases in FY2019-20. Year-wise and bank-wise details of cases and amount involved in frauds by the years of occurrence and reporting are at Annex.

Comprehensive measures to address these and for checking frauds in banks include, *inter-alia*, the following:

(1) An online searchable database of frauds reported by banks, in the form of Central Fraud Registry, has been set up to enable timely identification, control and mitigation of fraud risk and carrying out due diligence during the credit sanction process.

(2) The Fugitive Economic Offenders Act, 2018 has been enacted to provide for attachment of property of a fugitive economic offender, confiscation of such offender's property and disentitlement of the offender from defending any civil claim.

(3) Public Sector Banks (PSBs) have been advised to—

  (i) obtain certified copy of the passport of the promoters/directors and other authorised signatories of companies availing loan facilities of more than Rs. 50 crore;

  (ii) decide on publishing photographs of wilful defaulters, in terms of the instructions of RBI and as per their Board-approved policy; and

  (iii) strictly ensure rotational transfer of officials/employees.

(4) Heads of PSBs have been empowered to issue requests for issue of Look-Out Circulars.

(5) For enforcement of auditing standards and ensuring the quality of audits, has been established the National Financial Reporting Authority as an independent regulator.

(6) In order to bring transparency and accountability in the larger financial system, bank accounts of 3.38 lakh inoperative companies have been frozen.

(c): The information is being collected and will be laid on the Table of the House.

***

Annex

Rajya Sabha Unstarred question no. 879, regarding Cases of banking fraud

Details of frauds reported by scheduled commercial banks and select financial institutions, by the date of occurrence and reporting

Amounts in crore Rs.

Bank	F.Y. 2017-18				F.Y. 2018-19				F.Y. 2019-20			
	occurrence		reported*		occurrence		reported*		occurrence		reported*	
	number	amount	number	amount	number	amount	number	amount	number	amount	number	amount
Aditya Birla Idea Payments Bank Limited	-	-	-	-	24	1.45	24	1.45	-	-	-	-
Allahabad Bank	143	1,144.71	41	1,525.33	56	1,445.48	105	2,586.55	10	9.19	603	6,971.76
American Express Banking Corporation	336	11.03	349	11.76	221	7.80	212	6.86	142	6.01	181	9.10
Andhra Bank	55	1,342.84	52	1,345.18	36	823.84	81	1,012.27	4	53.74	114	3,462.32
AU Small Finance Bank Limited	4	0.25	5	2.86	9	0.92	6	0.55	5	0.29	9	0.86
Axis Bank Limited	267	1,511.54	269	599.58	284	1,101.72	264	1,192.00	177	1,052.47	366	4,394.23
Bandhan Bank Limited	31	2.03	22	2.49	30	2.66	31	2.50	6	0.32	51	7.26
Bank of America, National Association	16	0.36	18	0.40	10	0.30	10	0.24	4	0.11	5	0.18
Bank of Bahrain and Kuwait B.S.C.	-	-	-	-	-	-	1	0.16	-	-	-	-
Bank of Baroda	147	2,558.22	156	3,700.29	80	1,545.70	175	4,099.82	48	4.96	327	12,586.54
Bank of India	109	1,476.53	157	2,619.77	78	57.02	199	4,166.54	41	101.85	180	8,069.04
Bank of Maharashtra	55	1,160.12	64	1,082.55	60	1,934.14	104	1,565.86	5	6.66	102	3,390.52
BNP Paribas	-	-	-	-	-	-	-	-	3	5.70	3	5.70
Canara Bank	71	1,255.39	105	181.67	60	358.12	175	1,571.15	17	69.22	133	7,519.00
Catholic Syrian Bank Limited	29	118.48	28	116.88	23	30.21	31	85.17	16	0.81	40	123.32

Central Bank of India	74	408.55	143	1,400.17	69	48.08	197	2,892.93	39	190.82	163	3,991.91
Citibank N.A.	209	8.97	226	22.12	275	31.59	227	9.99	188	9.01	305	36.01
City Union Bank Limited	12	91.71	7	44.06	7	0.84	5	8.43	7	0.17	17	46.68
Coastal Local Area Bank Limited	-	-	-	-	1	0.13	-	-	-	-	2	0.43
Cooperatieve Rabobank U.A.	2	61.53	1	20.00	-	-	1	41.53	-	-	-	-
Corporation Bank	20	108.85	68	1,292.56	12	4.05	75	1,954.49	4	0.22	70	4,816.49
DBS Bank India Limited	-	-	-	-	6	0.16	5	145.43	1	0.36	4	0.39
DCB Bank Limited	8	1.51	10	2.77	10	33.21	9	33.31	14	8.79	18	15.45
Dena Bank	11	232.57	27	102.07	3	2.71	65	2,719.48	-	-	-	-
Deutsche Bank AG	8	0.13	6	95.56	3	0.04	6	0.07	8	15.15	8	15.15
Equitas Small Finance Bank Limited	18	2.23	15	1.99	18	1.40	14	2.26	10	0.96	22	2.06
ESAF Small Finance Bank Limited	5	0.46	1	0.04	7	0.44	5	0.19	5	0.27	11	0.94
Export Import Bank of India	1	81.91	1	19.86	-	-	4	336.97	-	-	10	1,983.33
Federal Bank Limited	37	71.42	30	5.29	34	109.01	27	175.38	12	0.33	50	195.37
Fincare Small Finance Bank Limited	2	0.05	2	0.05	19	0.69	13	0.48	2	0.05	8	0.26
Fino Payments Bank Limited	3	0.90	3	0.90	18	0.77	13	0.64	29	1.53	34	1.66
HDFC Bank Limited	361	72.79	370	137.53	381	494.80	435	478.88	279	76.00	454	195.10
Hongkong and Shanghai Banking Corporation Limited	300	6.59	276	5.77	217	3.90	221	14.59	215	3.68	257	4.42
ICICI Bank Limited	540	903.14	754	580.16	460	95.32	514	2,312.19	479	54.75	607	9,465.55
IDBI Bank Limited	124	1,192.09	177	1,337.97	152	3,473.92	196	1,226.42	113	708.23	324	9,245.19
IDFC First Bank Limited	16	5.80	1	0.02	29	58.58	10	41.90	18	1.89	56	29.72

India Post Payments Bank Limited	-	-	-	-	1	0.11	-	-	2	0.32	3	0.42
Indian Bank	61	213.62	53	27.54	42	146.51	93	808.94	26	179.63	94	2,253.62
Indian Overseas Bank	62	579.64	67	1,025.48	63	2,293.35	142	7,019.89	21	106.82	186	7,275.40
Indusind Bank Limited	40	129.42	28	21.93	72	15.86	63	108.82	74	290.20	102	1,158.74
Jammu and Kashmir Bank Limited	5	266.82	14	215.10	5	22.38	10	182.15	-	-	23	201.14
Jana Small Finance Bank Limited	15	0.99	-	-	28	2.86	50	2.96	45	3.20	56	5.34
Karnataka Bank Limited	14	28.61	15	214.55	7	18.75	21	122.75	28	148.40	41	233.72
Karur Vysya Bank Limited	27	73.23	12	19.21	17	149.64	43	86.54	15	100.70	38	494.93
Kotak Mahindra Bank Limited	281	100.22	270	56.77	378	13.69	374	14.08	581	66.52	632	579.44
Krishna Bhima Samruddhi Lab Limited	-	-	1	0.03	-	-	1	0.02	-	-	-	-
Lakshmi Vilas Bank Limited	41	179.63	70	157.47	48	300.04	81	195.59	26	70.46	35	324.61
Nainital Bank Limited	2	0.33	6	0.28	-	-	9	0.94	-	-	1	0.02
North East Small Finance Bank Limited	-	-	-	-	2	0.33	1	0.18	3	0.21	4	0.36
Oriental Bank of Commerce	29	131.71	226	652.22	14	25.68	136	2,159.01	8	18.02	111	5,340.43
Paytm Payments Bank Limited	-	-	-	-	2	0.02	2	0.02	1	0.01	1	0.01
Punjab and Sind Bank	11	35.66	22	90.33	2	39.18	42	458.54	24	7.20	43	397.23
Punjab National Bank	164	749.14	172	15,501.50	93	707.08	184	6,027.33	39	65.63	315	15,353.63
RBL Bank Limited	20	8.77	15	2.26	20	2.40	25	19.94	28	1.71	43	35.23
SBM Bank (India) Limited	2	72.53	2	83.78	1	144.95	3	217.48	-	-	-	-
Small Industries Development Bank of India	9	62.93	10	63.50	1	5.08	23	192.52	-	-	4	16.23

South Indian Bank Limited	26	44.99	8	94.53	43	92.01	38	36.15	17	141.88	60	343.40
Standard Chartered Bank	92	85.91	95	16.52	87	12.08	75	518.93	203	24.98	262	900.84
State Bank of India	726	423.42	981	2,541.98	695	4,912.18	1,023	12,316.32	274	62.43	1,238	44,592.98
Subhadra Local Area Bank Limited	-	-	1	0.01	-	-	-	-	-	-	-	-
Suryoday Small Finance Bank Limited	7	0.13	8	0.31	-	-	4	0.07	12	0.29	12	0.29
Syndicate Bank	169	733.12	147	541.07	78	101.30	381	1,833.80	37	60.33	400	4,998.94
Tamilnad Mercantile Bank Limited	35	105.50	30	194.92	33	103.70	39	62.42	12	6.38	46	393.48
The Bank of Tokyo-Mitsubishi UfJ Limited	1	0.19	1	0.19	1	0.03	1	0.03	-	-	-	-
The Dhanalakshmi Bank Limited	7	69.23	8	11.76	10	67.92	18	161.52	1	0.05	17	137.27
The Industrial Finance Corporation of India Limited	-	-	1	81.34	1	47.95	1	23.92	-	-	1	47.95
UCO Bank	51	628.32	73	1,232.78	36	223.83	90	2,461.31	4	0.33	65	5,384.30
Ujjivan Small Finance Bank Limited	11	0.23	28	0.76	12	0.52	10	0.41	12	0.40	17	0.59
Union Bank of India	105	907.23	73	1,148.03	38	231.55	198	6,815.69	34	1,917.29	186	9,316.11
United Bank of India	22	128.06	62	881.37	65	2,138.35	48	427.83	25	395.05	82	2,679.69
Utkarsh Small Finance Bank Limited	8	0.31	6	0.18	10	0.33	12	0.43	2	0.06	8	0.33
Vijaya Bank	22	145.96	19	31.02	2	0.94	55	385.14	-	-	-	-
Woori Bank	-	-	-	-	-	-	-	-	1	0.20	1	0.20
Yes Bank Limited	19	1,639.07	8	0.68	36	3,983.01	43	194.50	24	760.86	44	6,590.93

Source: RBI

* Frauds reported may have occurred in prior years

***