GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO.508

TO BE ANSWERED ON THE 18th November, 2016/ Kartika 27, 1938 (SAKA)

Data Breach in Banks

QUESTION

508. SHRI P.C. MOHAN:
DR. BHOLA SINGH:
SHRI JITENDRA CHAUDHURY:
SHRI DINESH TRIVEDI:
SHRI JOSE K. MANI:
SHRI NITYANAND RAI:
SHRI Y.S. AVINASH REDDY:
SHRI PRALHAD JOSHI:
SHRI ADHALRAO PATIL SHIVAJIRAO:
SHRI KODIKUNNIL SURESH:
SHRI ANURAG SINGH THAKUR:
SHRI K.C. VENUGOPAL:
SHRI DUSHYANT CHAUTALA:
SHRI NANA PATOLE:
SHRI DHARMENDRA YADAV:
PROF. PREM SINGH CHANDUMAJRA:
SHRI VINAYAK BHAURAO RAUT:
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PROF. RAVINDRA VISHWANATH GAIKWAD:
SHRI MULLAPPALLY RAMACHANDRAN:
SHRI LALLU SINGH:
SHRIMATI P.K. SREEMATHI TEACHER:
SHRI FEROZE VARUN GANDHI:
DR. SHRIKANT EKNATH SHINDE:
SHRI KAUSHALENDRA KUMAR:
SHRI JANARDAN SINGH SIGRIWAL:
SHRI RAM KUMAR SHARMA:
SHRI BIRENDRA KUMAR CHOUDHARY:
SHRI M.CHANDRAKASI:
SHRI VENKATESH BABU T.G.:
SHRI B. SENGUTTUVAN:
SHRI GUTHA SUKENDER REDDY:
SHRI SUNIL KUMAR SINGH:
SHRI M.B. RAJESH:
SHRI JAYADEV GALLA:
SHRI R. GOPALAKRISHNAN:

Will the Minister of FINANCE be pleased to state:

(a)   whether the Indian banking sector has recently experienced the worst reported data breach/cyber attack of its system;

(b)   if so, the details thereof along with the number of customers affected and amount involved therein, bank and State/UT-wise;

(c)   whether the Government has conducted any inquiry in this regard and if so, the details thereof and the outcome therefrom;

(d)   whether the Government has any proposal to establish a dedicated monitoring system and setting up a cyber security research and development fund and if so, the details thereof; and

(e)   the other remedial steps taken/being taken by the Government/National Payments Corporation of India (NPCI) to check such incidents in future?

ANSWER
The Minister of State in the Ministry of Finance
(SHRI SANTOSH KUMAR GANGWAR)

(a) to (e): Reserve Bank of India (RBI) has informed that an incident of data breach with respect to cards was reported and the matter is under investigation. Independent investigation by a forensic auditor approved under Payment Card Industry Data Security Standard (PCI-DSS) framework is under process.

RBI has set up a Cyber Security and IT Examination (CSITE) Cell within its Department of Banking Supervision in 2015. The Bank issued a comprehensive circular on Cyber Security Framework in Banks on June 2, 2016 covering best practices pertaining to various aspects of cyber security. The circular requires banks to have among other things, a cyber-security policy, cyber crisis management plan, a gap assessment vis-a-vis the baseline requirements indicated in the circular, monitoring certain risk indicators in this area, report unusual cyber security incidents within 2 to 6 hours.

RBI has been carrying out IT Examination of banks from last year. RBI has also set up a Cyber Crisis Management Group to address any major incidents reported including suggesting ways to respond and recover to/from the incidents. Department of Banking Supervision also conducts cyber security preparedness testing among banks on the basis of hypothetical scenarios with the help of CERT-In. RBI has also set up an IT Subsidiary, which would focus, among other things, on cyber security within RBI as well as in regulated entities.

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