

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO 257

TO BE ANSWERED ON THE 3RD FEBRUARY, 2017/MAGHA 14, 1938 (SAKA)

257. SHRI RAJESH VERMA:

Will the Minister of FINANCE be pleased to state:

- (a) the number of banks officials who have unfairly given loans to companies misusing their official post during the last five years, bank-wise;
- (b) the action taken the Government against such fraudulent bank officials bank and State – Wise;
- (c) the loss incurred by the Government in giving loans to fraudulent companies and the details of such companies which have become Non – performing Assets; and
- (d) the steps taken by the Government to stop such frauds in future?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(**SHRI SANTOSH KUMAR GANGWAR**)

(a): The details given by Reserve Bank of India (RBI) regarding the number of fraud cases where staff is involved in borrowal accounts reported by banks during the period from 01.04.2011 to 31.12.2016 are given in Annex-I.

(b): Action against the officials involved, is taken by the bank concerned as per their internal rules & regulation. The state wise/ bank wise, bank officials suspended in fraud under category of loan/borrowable accounts are given in Annex-II.

(c): RBI has informed that the extent of loss incurred by the banks under category borrowal account frauds for the financial year 2015-16 is Rs.15841 crores and that banks have reported 2256 fraud accounts during the financial year 2015-16.

(d): RBI has issued Master Direction on "Frauds – Classification and reporting" vide RBI. **DBS.CFMC.BC.No.1/23.04.001/2016-17 dated July 01, 2016** containing all the details/aspects relating to frauds. To compress the time taken in detection of fraud, a framework for handling loan frauds has been put in place. Objective of this framework is to direct the focus of banks on the aspects relating to prevention, early detection, prompt reporting to the RBI and the investigative agencies (for instituting criminal proceedings against the fraudulent borrowers) and timely initiation of the staff accountability proceedings. The framework also seeks to stipulate time lines with the action incumbent on a bank. Further, the framework has also prohibited banks from extending bank finance to borrowers who have defaulted and also committed a fraud for five years from the date of full payment of the defrauded amount. On receipt of fraud reports from banks, various aspects related to the frauds are examined and concerned banks are advised to report the case to Central Bureau of Investigation/ Police/ Serious Fraud Investigation Office, examine staff accountability, complete proceedings against the erring staff expeditiously, take steps to recover the amount involved in the fraud, claim insurance wherever applicable and streamline the system as also procedures so that frauds do not recur.

ANNEXURE REFERRED IN REPLY TO PART(A) OF UNSTARRED QUESTION NO. 257 DUE FOR ANSWER ON 03.02.2017 IN LOK SABHA.

Details of Number of fraud cases where staff is involved in borrowal accounts reported by banks during the period April1, 2011 to December 31, 2016.

Bank Names	No. of fraud cases
Allahabad Bank	14
Andhra Bank	20
Axis Bank Ltd.	25
Bandhan Bank Ltd.	9
Bank of Baroda	36
Bank of India	28
Bank of Maharashtra	16
Barclays Bank Plc	1
Canara Bank	29
Catholic Syrian Bank Ltd.	7
Central Bank of India	17
Citibank N.A.	2
City Union Bank Ltd.	2
Corporation Bank	50
Dena Bank	8
Dhanlaxmi Bank Limited	10
Equitas Small Finance Bank Limited	1
Federal Bank Ltd.	21
HDFC Bank Ltd.	45
ICICI Bank Ltd.	19
IDBI Bank Limited	13
IFCI LTD.	2
Indian Bank	17
Indian Overseas Bank	55
IndusInd Bank Ltd.	4
ING Vysya Bank Ltd.	2
Jammu & Kashmir Bank Ltd.	5
Karnataka Bank Ltd.	12
Karur Vysya Bank Ltd.	9
Kotak Mahindra Bank Ltd.	5
Lakshmi Vilas Bank Ltd.	5
Oriental Bank of Commerce	9
Punjab & Sind Bank	9
Punjab National Bank	16
South Indian Bank Ltd.	4
Standard Chartered Bank	4
State Bank of Bikaner & Jaipur	7
State Bank of Hyderabad	14
State Bank of India	149
State Bank of Mysore	6
State Bank of Patiala	4
State Bank of Travancore	12
Syndicate Bank	40
Tamilnad Mercantile Bank Ltd.	4
UCO Bank	75
Union Bank of India	11
United Bank of India	1
Vijaya Bank	9
Yes Bank Ltd	2
Grand Total	865

ANNEXURE REFERRED IN REPLY TO PART(B) OF UNSTARRED QUESITON NO. 257 DUE FOR ANSWER ON 03.02.2017 IN LOK SABHA.

Details of Bank officials suspended in connection with - Borrowal Account Frauds-Bankwise & Statewise_reported by banks during the period April1, 2011 to December 31, 2016.

Bankwise/Statewise	No. of officials
Allahabad Bank	65
Andhra Pradesh	1
Bihar	3
Delhi	3
Gujarat	6
Karnataka	3
Madhya Pradesh	3
Maharashtra	3
Orissa	1
Uttar Pradesh	11
Uttaranchal	1
West Bengal	30
Andhra Bank	36
Andhra Pradesh	20
Chandigarh	1
Haryana	1
Karnataka	3
Maharashtra	1
Rajasthan	1
West Bengal	9
Axis Bank Ltd.	11
Andhra Pradesh	1
Assam	1
Delhi	4
Karnataka	1
Maharashtra	2
Punjab	1
West Bengal	1
Bandhan Bank Ltd.	12
Assam	1
Delhi	1
Madhya Pradesh	2
Uttar Pradesh	6
West Bengal	2
Bank of Baroda	57
Andhra Pradesh	2
Assam	1
Bihar	6
Delhi	2
Gujarat	4
Madhya Pradesh	4
Maharashtra	7

Punjab	13
Tamil Nadu	3
Uttar Pradesh	13
Uttaranchal	2
Bank of India	9
Andhra Pradesh	2
Gujarat	1
Jharkhand	1
Kerala	1
Madhya Pradesh	2
Maharashtra	2
Bank of Maharashtra	13
Delhi	1
Madhya Pradesh	1
Maharashtra	8
Rajasthan	2
Tamil Nadu	1
Canara Bank	24
Andhra Pradesh	2
Assam	1
Goa	1
Gujarat	2
Haryana	1
Karnataka	5
Orissa	1
Rajasthan	2
Tamil Nadu	3
Uttar Pradesh	1
West Bengal	5
Catholic Syrian Bank Ltd.	19
Chandigarh	2
Maharashtra	1
Orissa	1
Tamil Nadu	12
West Bengal	3
Central Bank of India	55
Andhra Pradesh	4
Bihar	4
Delhi	9
Gujarat	1
Jharkhand	3
Kerala	1
Madhya Pradesh	4
Maharashtra	9
Punjab	2
Sikkim	1
Tamil Nadu	9
Uttar Pradesh	1

West Bengal	7
Citibank N.A.	2
Karnataka	1
Maharashtra	1
City Union Bank Ltd.	3
Andhra Pradesh	2
Tamil Nadu	1
Corporation Bank	36
Andhra Pradesh	1
Assam	1
Bihar	1
Delhi	17
Karnataka	1
Kerala	2
Maharashtra	1
Orissa	1
Punjab	1
Tamil Nadu	3
Uttar Pradesh	5
West Bengal	2
Dena Bank	31
Andhra Pradesh	1
Chhattisgarh	1
Delhi	4
Gujarat	7
Haryana	2
Himachal Pradesh	1
Karnataka	1
Maharashtra	11
Uttar Pradesh	2
West Bengal	1
Dhanlaxmi Bank Limited	26
Delhi	19
Kerala	2
Tamil Nadu	2
Uttar Pradesh	3
Federal Bank Ltd.	23
Kerala	1
Maharashtra	1
Rajasthan	1
Tamil Nadu	1
Uttar Pradesh	19
HDFC Bank Ltd.	1
Tamil Nadu	1
ICICI Bank Ltd.	11
Andhra Pradesh	1
Maharashtra	10
IDBI Bank Limited	28
Andhra Pradesh	25

Jharkhand	1
West Bengal	2
IFCI LTD.	1
Karnataka	1
Indian Bank	54
Andhra Pradesh	10
Bihar	2
Gujarat	2
Himachal Pradesh	1
Karnataka	1
Madhya Pradesh	1
Maharashtra	1
Orissa	3
Tamil Nadu	29
Uttar Pradesh	2
West Bengal	2
Indian Overseas Bank	97
Andhra Pradesh	37
Chandigarh	2
Delhi	1
Karnataka	14
Kerala	2
Maharashtra	10
Orissa	3
Punjab	2
Tamil Nadu	25
West Bengal	1
IndusInd Bank Ltd.	2
Karnataka	1
Tamil Nadu	1
Jammu & Kashmir Bank Ltd.	15
Delhi	5
Jammu & Kashmir	10
Karnataka Bank Ltd.	17
Bihar	2
Goa	1
Karnataka	6
Tamil Nadu	8
Karur Vysya Bank Ltd.	12
Karnataka	3
Tamil Nadu	9
Kotak Mahindra Bank Ltd.	1
Punjab	1
Lakshmi Vilas Bank Ltd.	18
Andhra Pradesh	1
Delhi	7
Gujarat	8
Tamil Nadu	2
Nainital Bank Ltd.	4

Uttaranchal	4
Oriental Bank of Commerce	42
Andhra Pradesh	3
Bihar	5
Chandigarh	6
Delhi	6
Gujarat	1
Haryana	4
Maharashtra	1
Punjab	6
Tamil Nadu	1
Uttar Pradesh	8
West Bengal	1
Punjab & Sind Bank	15
Chandigarh	7
Maharashtra	1
Punjab	4
Uttar Pradesh	2
West Bengal	1
Punjab National Bank	118
Andhra Pradesh	3
Bihar	2
Delhi	51
Gujarat	2
Haryana	1
Himachal Pradesh	1
Jharkhand	4
Karnataka	1
Kerala	1
Madhya Pradesh	3
Maharashtra	18
Punjab	8
Rajasthan	7
Uttar Pradesh	8
Uttaranchal	6
West Bengal	2
RBL Bank Ltd.	2
Maharashtra	2
South Indian Bank Ltd.	24
Delhi	13
Haryana	1
Kerala	3
Punjab	1
Tamil Nadu	5
Uttaranchal	1
Standard Chartered Bank	1
Haryana	1
State Bank of Bikaner & Jaipur	15
Gujarat	3

Haryana	2
Maharashtra	1
Rajasthan	9
State Bank of Hyderabad	13
Andhra Pradesh	11
Karnataka	1
West Bengal	1
State Bank of India	132
Andaman & Nicobar Islands	1
Andhra Pradesh	38
Assam	1
Bihar	1
Chhattisgarh	2
Gujarat	6
Jammu & Kashmir	1
Karnataka	7
Kerala	1
Madhya Pradesh	8
Maharashtra	3
Manipur	1
Nagaland	1
Orissa	15
Pondicherry	1
Punjab	3
Rajasthan	3
Tamil Nadu	15
Tripura	1
Uttar Pradesh	9
West Bengal	13
State Bank of Mysore	73
Karnataka	72
Maharashtra	1
State Bank of Patiala	33
Gujarat	10
Jammu & Kashmir	13
Punjab	6
Uttar Pradesh	3
West Bengal	1
State Bank of Travancore	28
Andhra Pradesh	2
Delhi	5
Kerala	7
Tamil Nadu	7
Uttar Pradesh	6
West Bengal	1
Syndicate Bank	103
Andhra Pradesh	8
Bihar	1
Karnataka	6

Kerala	3
Madhya Pradesh	1
Maharashtra	2
Mizoram	1
Orissa	4
Punjab	1
Rajasthan	6
Uttar Pradesh	28
Uttaranchal	1
West Bengal	41
Tamilnad Mercantile Bank Ltd.	16
Andhra Pradesh	4
Delhi	1
Maharashtra	5
Tamil Nadu	6
UCO Bank	191
Assam	2
Bihar	1
Chandigarh	1
Delhi	3
Gujarat	1
Jharkhand	3
Madhya Pradesh	12
Maharashtra	14
Orissa	1
Punjab	72
Tamil Nadu	74
West Bengal	7
Union Bank of India	16
Andhra Pradesh	1
Assam	1
Gujarat	2
Karnataka	1
Maharashtra	5
Tamil Nadu	1
Uttar Pradesh	4
West Bengal	1
United Bank of India	151
Assam	2
Bihar	2
Karnataka	21
Kerala	1
Orissa	36
West Bengal	89
Vijaya Bank	18
Andhra Pradesh	3
Chandigarh	2
Delhi	2
Karnataka	1

Kerala	1
Maharashtra	3
Punjab	3
Tamil Nadu	2
Uttar Pradesh	1

Grand Total	1674
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