

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
LOK SABHA

UNSTARRED QUESTION NO. 4695

TO BE ANSWERED ON THE 23rd MARCH 2018 / CHAITRA 2, 1940 (SAKA)

Financial Frauds

4695. SHRI KAMALNATH:

SHRI JYOTIRADITYAM. SCINDIA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has asked banks to furnish the details and extent of financial frauds reported after the implementation of demonetization from November 8, 2016;
- (b) if so, the details of financial frauds reported by banks;
- (c) whether the Government has now decided to bring changes in the laws to check frauds in financial sector;
- (d) if so, the details in this regard; and
- (e) the extent to which security agencies have been strengthened for proper surveillance and legal framework to check the menace?

ANSWER

The Minister of State in the Ministry of Finance
(SHRI SHIV PRATAP SHUKLA)

(a) and (b): As per RBI inputs, Scheduled Commercial Banks report cases of fraud (where the amount involved is above Rs. 1 lakh) to RBI and they reported 4,693 cases of fraud in the financial year (FY) 2015-16, 5,078 cases in FY 2016-17, and 4,197 cases in FY 2017-18 (till December 2017).

(c) to (e): In order to deter economic offenders from evading the process of Indian law by remaining outside the jurisdiction of Indian courts, Government has introduced the Fugitive Economic Offenders Bill 2018 in Parliament. The bill provides 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.

Government has asked Public Sector Banks (PSBs) to examine all accounts exceeding Rs. 50 crore, if classified as NPA, from the angle of possible fraud and in case an account turns NPA, to seek a report on the borrower from the Central Economic Intelligence Bureau.
