

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA  
UNSTARRED QUESTION NO 6562

TO BE ANSWERED ON THE 6<sup>TH</sup> APRIL, 2018 / CHAITRA 16, 1940 (SAKA)

**High Value NPAs Accounts**

6562. **SHRI D.K. SURESH:**  
**SHRI NALIN KUMAR KATEEL:**

Will the Minister of FINANCE be pleased to state:

- a) whether the Government has asked the Public Sector Banks (PSBs) to examine all the accounts exceeding Rs. 50 crores, if classified as Non-Performing Assets (NPAs) from the angle of possible fraud and if so, the details thereof;
- b) whether the Government has also asked the PSBs to submit the report after the examination of all such accounts; and
- c) if so, whether the Government has set any time frame to PSBs to submit their reports in this regard and if so, the details thereof?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(**SHRI SHIV PRATAP SHUKLA**)

(a) to (c): Reserve Bank of India (RBI) had issued a Circular No. DBS.CO.CFMC.BC.No.007/23.04.001/2014-15 dated May 7, 2015 on "Framework for dealing with loan frauds" (since incorporated in Master Directions on "Frauds – Classification and Reporting by commercial banks and select FIs" dated July 01, 2016) with the objective to direct the focus of banks on the aspects relating to prevention, early detection, prompt reporting to RBI and the investigative agencies and timely initiation of the staff accountability proceedings. The framework, inter-alia, provides timelines / stage wise actions in the loan life cycle to compress the total time taken by a bank to identify a fraud.

In the context of the said RBI Circular, Department of Financial Services, vide OM No. 4/5/2014-Vig dated May 13, 2015 issued instructions to all the CMDs/MD & CEOs of Public Sector Banks (PSBs) on "Framework for timely detection, reporting, investigation etc. relating to large value bank frauds", which, inter-alia provides that all accounts exceeding Rs. 50 crore, if classified as Non-Performing Assets, should be examined by banks from the angle of possible fraud. The above instructions have been reiterated vide this department's OM No. 4/5/2014-Vig.(Part-III) dated 27.02.2018.

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