

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA  
UNSTARRED QUESTION NO 1802

TO BE ANSWERED ON THE 27<sup>TH</sup> JULY, 2018 (FRIDAY)/ SHRAVANA 05, 1940 (SAKA)

**Fraud and Bungling in Banks and Financial Institutions**

1802. DR. KAMBHAMPATI HARIBABU: SHRI RAM KUMAR SHARMA:  
SHRI HARI OM PANDAY: SHRI E T MOHAMMED BASHEER:  
SHRI SANTOSH KUMAR: SHRI KAUSHALENDRA KUMAR:  
SHRI MANOJ TIWARI:

Will the Minister of FINANCE be pleased to state:

- (a) whether the officials/employees of various Public Sector Banks(PSBs) and financial institutions have been charged for financial frauds and bungling and if so, the details thereof, bank/financial institution/State/UT-wise;
- (b) the total number of accused officials/employees along with the status of inquiry initiated against them during the period of March, 2015 to March 2018, bank, State/UT-wise;
- (c) whether these officials have been suspended from the services for the said charges and if so, the total number of such officials;
- (d) whether the Government/Reserve Bank of India has any mechanism for monitoring of financial frauds in these banks and financial institutions and if so, the details of the nodal agency and officers appointed for this purpose across the country, State/UT-wise; and
- (e) if not, the reasons therefor and the manner in which whistleblower may approach these authorities without the fear of disclosure of their names?

**ANSWER**

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

**(a) to (c):** The number of fraud cases provided by Reserve Bank of India, where officials/employees are involved, bank/financial institution-wise and State/UT-wise, are given in Annex 1 and Annex 2 respectively.

Whenever any irregularities are found or observed on the part of officials/employees, the concerned organisations initiate action as per their extant regulations and Central Vigilance Commission (CVC) guidelines. Commensurate punishment is awarded to the delinquent employees based on the seriousness of the wrongdoings in terms of their disciplinary regulations and with the advice of CVC/ Chief Vigilance Officer(CVO).

**(d) & (e):** RBI has implemented a fraud reporting and monitoring mechanism for banks and select financial institutions through a Master Direction in terms of which banks are required to report fraud cases to RBI, through an online platform. Further, Central Fraud Registry, a web based searchable database of frauds reported by the banks, containing data for the last 13 years has been made operational by RBI since January, 2016.

Department of Personnel and Training's Resolution No. 89 dated 21<sup>st</sup> April, 2004, commonly known as Public Interest Disclosure and Protection of Informers Resolution (PIDPI), 2004, envisages a mechanism by which a complainant can blow a whistle by lodging a complaint and also seek protection against his victimization for doing so. The CVC is the designated agency to receive complaints from whistle blowers under the PIDPI Resolution.

Further amendments, inter-alia, authorised the Chief Vigilance Officer of the Ministries or Departments of Government of India to act as the designated Authority to receive written complaint or disclosure on any allegation of corruption or misuse of office.

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**Annex 1**

<b>Bank-wise data of No. of frauds wherein staff is involved (Amount involved in individual case &gt;= ₹1.00 Lakh) reported for last three financial years – Public Sector Banks and select Financial Institutions</b>			
<b>Bank Name</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
Allahabad Bank	5	11	8
Andhra Bank	5	10	8
Bank of Baroda	33	24	18
Bank of India	14	15	23
Bank of Maharashtra	12	15	9
Bhartiya Mahila Bank Ltd.	0	0	0
Canara Bank	17	25	18
Central Bank of India	29	27	16
Corporation Bank	36	11	16
Dena Bank	1	6	3
Export Import Bank of India	0	0	0
IDBI Bank Ltd.	8	1	14
Indian Bank	23	6	16
Indian Overseas Bank	14	27	29
National Bank for Agriculture and Rural Development	0	0	0
National Housing Bank	0	0	0
Oriental Bank of Commerce	12	9	127
Punjab and Sind Bank	1	3	2
Punjab National Bank	17	18	29
Small Industries Dev. Bank of India	0	0	0
State Bank of Bikaner & Jaipur	5	8	0
State Bank of Hyderabad	7	9	0
State Bank of India	66	83	127
State Bank of Mysore	6	6	0
State Bank of Patiala	4	6	0
State Bank of Travancore	6	2	0
Syndicate Bank	14	19	29
The Industrial Finance Corp of India	2	0	1
UCO Bank	44	15	5
Union Bank of India	12	4	8
United Bank of India	2	5	1
Vijaya Bank	0	8	2
<b>Grand Total</b>	<b>395</b>	<b>373</b>	<b>509</b>

Annex 2

State-wise data of No. of frauds wherein staff is involved (Amount involved in individual case >= ₹1.00 Lakh) reported for last three financial years – Public Sector Banks and select Financial Institutions			
State	2015-16	2016-17	2017-18
Andaman & Nicobar Islands	0	1	0
Andhra Pradesh	31	47	28
Arunachal Pradesh	0	0	1
Assam	10	5	11
Bihar	16	21	10
Chandigarh	1	3	2
Chhattisgarh	2	11	4
Dadra&Nagar Haveli	0	0	0
Daman & Diu	0	0	0
Delhi	14	12	16
Goa	1	0	1
Gujarat	16	7	17
Haryana	6	8	14
Himachal Pradesh	4	2	5
Jammu & Kashmir	2	13	1
Jharkhand	6	4	6
Karnataka	56	21	28
Kerala	11	10	6
Lakshadweep	0	0	0
Madhya Pradesh	12	17	20
Maharashtra	31	46	40
Manipur	1	2	1
Meghalaya	1	0	0
Mizoram	0	3	0
Nagaland	3	4	0
Orissa	2	3	6
Pondicherry	2	0	1
Punjab	16	11	13
Rajasthan	11	23	157
Sikkim	0	1	2
Tamil Nadu	84	38	50
Telangana	0	0	11
Tripura	1	1	0
Uttar Pradesh	34	24	36
Uttarakhand	4	5	5
West Bengal	16	28	17
Overseas branches	1	2	0
<b>Grand Total</b>	<b>395</b>	<b>373</b>	<b>509</b>