

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
LOK SABHA  
UNSTARRED QUESTION NO. †536  
TO BE ANSWERED ON THE 20<sup>TH</sup> JULY 2018/ ASHADHA 29, 1940 (SAKA)  
**Mega Scams**

**†536. SHRI RAJAN VICHARE:  
SHRI JANARDAN SINGH SIGRIWAL:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the occurrences of mega scams in nationalised and private banks have come into the light of the Government regularly;
- (b) if so, the details of the scams reported during the last five years as on date and the amount involved in the said scams, bank-wise;
- (c) whether the Government has any proposal to formulate any effective law to check scams in nationalised banks, if so, the details thereof and if not, the reasons therefor; and
- (d) whether the Reserve Bank of India has issued new guidelines/ instructed the banks to bring changes as per its new guidelines to strengthen the monitoring mechanism and if so, the details thereof?

**ANSWER**

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

(a) and (b): As per the Reserve Bank of India (RBI), Scheduled Commercial Banks report cases of fraud where the amount involved is above Rs. 1 lakh to RBI and they reported 24,593 cases, involving a total amount of Rs. 1,13,054 crore, in the past five financial years. Details are at Annex-I. It may be noted that fraud data is by the year of reporting and not the year of occurrence of the fraud or sanction of loan, Letter of Undertaking etc., which may be of an earlier period. *E.g.*, the fraud in the Brady House branch of Punjab National Bank (PNB) was reported in February 2018 but is a continuing fraud since 2011.

(c): 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 also proactively taken other steps for pursuing detection of frauds, which include the following:

- It has instructed Public Sector Banks (PSBs) to examine all accounts exceeding Rs. 50 crore, if classified as Non-Performing Asset (NPA), from the angle of possible fraud.
- It has asked PSBs to immediately initiate examination of the issue of wilful default once a fraud is reported to RBI.
- It has also asked PSBs to seek a report on the borrower from the Central Economic Intelligence Bureau (CEIB), in case an account turns NPA.

(d): RBI has informed that it has already issued various guidelines applicable to banks on examining staff accountability under various circumstances, that all PSBs have a well-established vigilance mechanism headed by a Chief Vigilance Officer (CVO) directly appointed by the Government of India, and that CVOs are expected to keep a close watch on various aspects of functioning of the bank in which they are posted.

RBI has also constituted an Expert Committee to look into, *inter alia*, factors leading to increasing incidence of frauds in banks and the measures (including information technology interventions) needed to curb and prevent it, and the role and effectiveness of various types of audits conducted in banks in mitigating the incidence of frauds.

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## Lok Sabha Unstarred Question No. 536 for 20.7.2018

Data of fraud reported by banks, wherein amount involved in each individual fraud is Rs. 1 lakh and above

Bank name	2013-14		2014-15		2015-16		2016-17		2017-18	
	No of frauds	Amount Involved in Rs Lakhs	No of frauds	Amount Involved in Rs Lakhs	No of frauds	Amount Involved in Rs Lakhs	No of frauds	Amount Involved in Rs Lakhs	No of frauds	Amount Involved in Rs Lakhs
Abu Dhabi Commercial Bank	1	51	1	6.91	1	2488.94	0	0	0	
Allahabad Bank	95	61806	47	7597.64	23	29090.8	60	89508.67	41	152532.
American Express Banking Corp.	218	2121.99	176	1007.51	187	641.83	166	558.54	349	1175.
Andhra Bank	38	21430.3	52	51148.1	44	25045.9	64	24560.11	52	134517.
AU Small Finance Bank	0	0	0	0	0	0	0	0	5	285.
Axis Bank	193	47374.3	187	33713.5	227	33836.4	222	202037.9	269	59957.
Bandhan Bank Limited	0	0	0	0	1	11.55	13	155.56	22	249.
Bank Internasional Indonesia	0	0	0	0	0	0	1	1778.18	0	0.
Bank of America	1	10.5	0	0	0	0	0	0	18	39.
Bank of Bahrain & Kuwait	0	0	0	0	0	0	1	6.97	0	0.
Bank of Baroda	204	45315.7	303	122602	255	166810	224	116484.7	156	370028.
Bank of India	100	22690.3	131	9244.37	156	121758	162	277400.7	157	261976.
Bank of Maharashtra	33	2153.52	50	23905.6	45	130773	75	42502.25	62	108236.
Bank of Nova Scotia	0	0	0	0	0	0	1	13	0	0.
Bank of Tokyo Mitsubishi, UFJ	0	0	0	0	0	0	1	123.96	1	18.
Barclays Bank	1	123.84	0	0	0	0	0	0	0	0.
Bhartiya Mahila Bank Ltd.	0	0	0	0	0	0	4	54.77	0	0.
BNP Paribas	0	0	0	0	0	0	0	0	0	0.
Canara Bank	81	18029.6	114	17563.2	94	158978	119	61016.51	107	19241.
Capital Small Finance Bank	0	0	2	18.2	0	0	0	0	0	0.
Catholic Syrian Bank	8	2582.29	8	179.45	11	917.09	39	2044.79	29	11755.
Central Bank of India	156	82328.5	214	214972	167	17729.6	146	86786.13	143	140017.
Chinatrust Commercial Bank	1	475	3	11165.3	1	2000	0	0	0	0.
Citibank	101	1307.15	94	848.88	115	510.51	177	1171.58	226	2212.
City Union Bank	5	226.57	2	644.19	5	1208.67	3	2303.36	7	4405.
Corporation Bank	77	27827.8	73	122209	135	132199	83	69407.57	70	130151.
DBS Bank	3	14356.2	3	3442.4	3	7111.53	1	8.19	0	0.
Dena Bank	36	16281	41	40015.9	21	7102.43	43	46809.33	27	10207.
Deutsche Bank(Asia)	2	13.69	2	15.25	1	1.5	1	6.17	6	9555.
Development Credit Bank	8	29.86	2	4.08	14	459.35	0	0	10	276.
Dhanalakshmi Bank	15	6320.46	7	7284.13	4	556.12	6	9085.09	8	1175.
Doha Bank Qsc	0	0	0	0	0	0	3	897.94	0	0.
Equitas Small Finance Bank	0	0	0	0	0	0	2	201.52	15	198.
ESAF Small Finance Bank	0	0	0	0	0	0	0	0	1	4.
Export Import Bank of India	1	10000	3	13474.3	0	0	2	10878.83	1	1986.
Federal Bank	37	957.32	44	8173.99	49	8199.81	58	25913.14	30	529.
Fincare Small Finance Bank	0	0	0	0	0	0	0	0	2	4.
Fino Payments Bank Limited	0	0	0	0	0	0	0	0	3	90.
FirstRand Bank	0	0	0	0	0	0	2	2711.65	0	0.
HDFC Bank	164	1525.96	218	1753.29	260	9728.98	313	16034.61	370	13753.
HSBC	116	8017.17	38	2645.75	36	8611.77	48	99.13	276	576.
ICICI Bank	485	76306.3	433	26977.2	588	34771.5	686	41269.94	754	58015.
IDBI Bank Ltd.	92	62554.2	56	55795.1	129	26205.3	107	113683.51	177	133796.
Idfc Bank Limited	0	0	0	0	0	0	3	39.1	1	1.
Indian Bank	54	4348.64	95	9103.97	87	13805.6	79	48022.73	53	2754.
Indian Overseas Bank	125	48473.4	138	57564.1	109	59833	95	137210.69	67	102548.
Indusind Bank	27	2963.63	14	13340.8	21	528.9	23	289.6	28	2193.
ING Vysya Bank	14	3958.47	35	619.22	0	0	0	0	0	0.
Jammu & Kashmir Bank	7	662.01	7	90286.7	14	866.55	23	31147.54	14	21510.
Karnataka Bank	21	1548.11	22	2212.52	15	9195.72	25	3103.62	15	21455.
Karur Vysya Bank	11	148.57	16	12316.2	21	18243.3	21	1782.35	12	1921.
Korea Exchange Bank	0	0	0	0	0	0	2	2.28	0	0.
Kotak Mahindra Bank	80	11528	56	5896.64	114	4502.13	126	11154.66	269	5675.
Krishna Bhima Samruddhi Lab	0	0	1	1.02	0	0	0	0	1	3.
Lakshmi Vilas Bank	6	7072.67	5	5449.3	12	2201.14	13	10995.43	36	7085.
Mashreqbank	0	0	0	0	1	3.66	0	0	0	0.
Nainital Bank	3	80.07	5	55.23	21	187.81	4	35.91	6	28.
Oman International Bank	0	0	1	32.91	0	0	0	0	0	0.
Oriental Bank of Commerce	92	5352.37	127	76483.8	114	80729.6	56	16276.83	226	65222.

Punjab and Sind Bank	30	6979.19	30	3916.14	12	13193.9	16	17878.35	22	9032.
Punjab National Bank	239	55838.3	180	230973	131	35285.2	158	280826.7	169	1521434
Rabobank International	0	0	0	0	0	0	0	0	1	2000.
Ratnakar Bank Ltd	5	1518.56	15	905	10	383.54	13	315.44	15	225.
Royal Bank of Scotland	11	41.41	2	19.48	7	11.04	1	1	0	0.
Shinhan Bank	0	0	0	0	2	584.16	0	0	0	0.
Small Industries Dev. Bank of India	6	674.13	7	1109.28	2	4531.85	3	1130.86	10	6350.
South Indian Bank	20	1151.4	9	1707.47	7	158.22	7	31396.29	8	9453.
Standard Chartered Bank	104	48028.4	81	8737.96	127	366.03	320	651.87	95	1651.
State Bank of Bikaner & Jaipur	43	14892.9	41	46180.6	48	14772.9	38	13287.2	0	0.
State Bank of Hyderabad	27	36508.4	31	6865.38	34	67366.7	38	11215.62	0	0.
State Bank of India	549	90692.4	651	161854	562	189551	544	242237.06	981	254197.
State Bank of Mauritius	1	4631.02	0	0	0	0	0	0	2	8378.
Subhadra Local Area Bank	0	0	0	0	0	0	0	0	1	1.
Suryadaya Small Finance Bank	0	0	0	0	0	0	0	0	8	31.
State Bank of Mysore	20	9282.68	97	9074.73	67	2172.85	92	27977.08	0	0.
State Bank of Patiala	40	9885.16	39	29030.3	40	41319.9	47	3583.37	0	0.
State Bank of Travancore	33	11647.8	34	23623.3	19	13888	44	5709.41	0	0.
Syndicate Bank	102	13271.8	208	79310.5	178	164068	166	37623.15	147	54106.
Tamilnad Mercantile Bank	27	5230.11	21	1262.8	12	572.14	20	7478.6	29	17682.
The Industrial Finance Corp of India	0	0	1	9818.32	5	25336.1	1	21486.11	1	8133.
UCO Bank	56	36424.1	87	141098	85	24814.9	59	69548.24	72	123271.
Ujjivan Small Finance Bank	0	0	0	0	0	0	0	0	28	75.
Union Bank of India	85	9209.21	111	36982.7	146	129773	111	92072.33	73	114802.
United Bank of India	125	34898	128	68035.2	67	14266.7	30	8382.14	62	88137.
Utkarsh Small Finance Bank	0	0	0	0	0	0	0	0	6	17.
Vijaya Bank	59	6187.44	35	35174.4	21	10465.4	58	13271.59	19	3101.
Yes Bank	12	1736.34	5	58.26	10	154.7	7	1738.01	8	67.

**Note:** Fraud data is by the year of reporting and not the year of occurrence of the fraud or sanction of loan, Letter of Undertaking etc., which may be of an earlier period. *E.g.*, the fraud in PNB's Brady House branch was reported in February 2018 but is a continuing fraud since 2011.