

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

STARRED QUESTION NO. *354

TO BE ANSWERED ON 4TH JANUARY 2019/PAUSHA 14,
1940(SAKA)

Employees Pension and Gratuity Funds

Question

*354: DR KIRIT SOMAIYA:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware of the misappropriation of Employees Pension Fund Trust and Gratuity Fund by the Punjab National Bank in the year 2016-17 and if so, the details thereof;
- (b) whether the Government has taken this issue seriously and issued direction for immediate audit to verify the quantum of misappropriation of money and if so, the details thereof; and
- (c) whether any other action has been taken by the Government in this regard, if so, the details thereof and if not, the reasons therefor?

ANSWER

The Finance Minister
(Shri Arun Jaitley)

- (a) to (c): A Statement is laid on the Table of the House.

**LOK SABHA STARRED QUESTION NO. *354 FOR ANSWER ON
THE 4TH JANUARY, 2019 REGARDING 'EMPLOYEES PENSION
AND GRATUITY FUNDS TABLED BY DR KIRIT SOMAIYA,
MEMBER OF PARLIAMENT**

(a) to (c): A reference was received from the Hon'ble Member regarding misappropriation of Employees Pension Fund Trust and Gratuity Fund in Punjab National Bank (PNB). The same was referred to PNB for placing the matter before the bank's Audit Committee of the Board for necessary action. PNB has informed that there is no misappropriation of funds, and that the pension fund and gratuity fund trusts are separate entities and the bank is not authorised to operate the trusts' accounts or transfer any amount from the trust. It has further informed that adequate funds for pension and gratuity are maintained as per actuarial valuation report without any exception, that the same are in strict compliance of Accounting Standards AS-15, and that these funds are duly audited by the bank's Statutory Central Auditor every year. PNB has also apprised that no amount was taken back or withdrawn from the trusts' accounts. With regard to placement of the matter before the bank's Audit Committee of the Board (ACB), the bank has further apprised that the bank's annual financial accounts for the financial year 2016-17 are audited by the bank's Statutory Central Auditors and have already been approved by the ACB and the Board. The bank has reported that it has initiated steps to further lay the reference received as well before ACB.
