

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
UNSTARRED QUESTION NO-†1693
ANSWERED ON-02.03.2020

BANK FRAUDS IN JHARKHAND

†1693. SHRIMATI ANNPURNA DEVI:
SHRI PASHUPATI NATH SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) the number of fraudulent cases reported through the machinery/surveillance system in place in the Nationalised banks in Jharkhand during each of the last three years;
- (b) the names of banks where the said fraudulent cases happened along with the nature of these frauds;
- (c) the details of employees and officers involved in these fraud cases in the Nationalised banks;
- (d) the action taken against these accused employees and officers along with the results thereof; and
- (e) the reaction of the Government thereto?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI ANURAG SINGH THAKUR)

(a) and (b): Government, in 2015, issued “Framework for timely detection, reporting, investigation etc. relating to large value bank frauds” to Public Sector Banks (PSBs) for dealing with frauds in accounts exceeding Rs. 50 crore, if classified as NPA, and instituting wide-ranging structural and procedural reforms through the framework and other steps to check fraudulent banking practices. Systematic and comprehensive checking, including of legacy stock of NPAs of nationalised banks, for frauds under the framework has been taken note of by RBI in its Financial Stability Report of December 2019, in which RBI has observed that this has helped unearth frauds perpetrated over a number of years. While this is reflected in the increased number of fraud involved in frauds of Rs. 1 lakh and above in Jharkhand, reported by nationalised banks, from 54 in the financial year (FY) 2017-18 to 79 in the first three quarters of FY2019-20, comprehensive steps taken to check bank frauds have resulted in the amount involved by year of occurrence of fraud showing a declining trend, reducing sharply from 45 in FY2017-18 to 9 in the first three quarters of FY2019-20. The, nationalised banks which have reported occurrence of frauds of Rs. 1 lakh and above in Jharkhand, during the said period, are Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Canara Bank,

Central Bank of India, Indian Bank, Indian Overseas Bank, Punjab and Sind Bank, Punjab National Bank, Syndicate Bank, UCO Bank, Union Bank of India, and United Bank of India.

(c) to (e): In terms of RBI's Master Circular on Fraud, dated 1.7.2015, staff accountability is to be examined at all levels in all cases of frauds and staff side action, if required, is to be completed quickly without loss of time. The said Master Circular further stipulates, *inter-alia*, that cases of frauds may be closed only when the examination of staff accountability has been completed and the bank has reviewed the system and procedures, identified causative factors and plugged the lacunae, and the fact of which has been certified by the bank Board. Banks accordingly examine/ inquire into the actions and role of bank officers and employees, and the outcome of staff side action is as per the bank's service regulations/rules and due process thereunder. With regard to the details of employees and officers involved in the fraud cases in nationalised banks in the state of Jharkhand, RBI has informed that the data is not maintained.
