

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
LOK SABHA  
UNSTARRED QUESTION NO-3566  
ANSWERED ON- 20/12/2021

**FRAUD AT PSBs**

3566. SHRI SUMEDHANAND SARASWATI

Will the Minister of FINANCE be pleased to state:-

- (a) whether any cases of forgery and fraud at a large scale involving crores of rupees by Public Sector Banks (PSBs) including Punjab National Bank by way of issuing false Sale Certificate has come to notice of the Government;
- (b) if so, whether this is the biggest ever case of fraud and forgery in the Punjab National Bank and if so, the details thereof;
- (c) whether the Government has issued any guidelines or circulars by stating that both OTS (One Time Settlement) and SARFAESI action can not be initiated simultaneously and if so, the details thereof; and
- (d) if not, the reasons therefor along with the action being taken by the Government against the guilty officers/officials of the bank?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a): As per inputs received from Public Sector Banks (PSBs), no case pertaining to fraud by way of issuing 'false Sale Certificate', has been reported by them.

(b): Question does not arise.

(c) and (d): Reserve Bank of India (RBI) has apprised that it has not issued any such guidelines. Further, as per RBI guidelines, banks are required to have a loan recovery policy, duly vetted by their Boards, that set down the manner of recovery of dues, period-wise targeted level of reduction in non-performing assets, etc. A number of recovery mechanism are available to banks to effect recovery, such as filing of a suit in civil courts or in Debts Recovery Tribunals, action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, filing of cases in the National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, through negotiated settlement/compromise, including one-time settlements (OTS), and through sale of non-performing assets. Banks decide upon the best possible recovery mechanism to be adopted in individual cases depending on the merits of each case. Action against erring/guilty officials is taken by banks as per the rules/regulations made in this behalf.

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