

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
LOK SABHA  
UNSTARRED QUESTION NO-†1900  
ANSWERED ON- 14/03/2022

**BANK FRAUD BY ABG SHIPYARDS**

†1900. SHRI HANUMAN BENIWAL  
SHRI DEEPAK BAIJ  
SHRI ANTO ANTONY  
SHRI HEMANT SRIRAM PATIL  
SHRI ASADUDDIN OWAISI

Will the Minister of FINANCE be pleased to state:-

- (a) whether the biggest banking fraud of around Rs. 23,000 crores in the history of Indian banks by M/s ABG Shipyards has been reported recently;
- (b) if so, the details thereof, bank-wise;
- (c) whether the Government has inquired into the matter and has fixed responsibility in this regard;
- (d) if so, the details thereof including investigations made by the various agencies along with outcome thereof, bank-wise;
- (e) the reasons for delay in reporting of fraud and filing of FIR against the accused; and
- (f) the steps taken by the Government to recover the amount and to book the accused?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) to (f): As per inputs received from banks, M/s ABG Shipyard Limited (ABGSL) has been sanctioned credit facilities under consortium arrangement led by ICICI Bank. The account was declared as non-performing asset by lender banks on 1.8.2013 and afterwards, and credit facilities were approved for restructuring under corporate debt restructuring (CDR) mechanism on 24.3.2014 by CDR empowered group. Subsequently, the member banks in the Joint Lenders Meeting (JLM) decided to appoint Ernst & Young Limited Liability Partnership (EY) for conducting forensic audit in ABGSL. EY submitted its forensic audit report (FAR) on 21.1.2019. Accordingly, in view of the findings of FAR, the account of ABGSL having principal exposure of Rs. 14,349 crore and interest accrued thereon, was declared as fraud by the lead bank on 25.4.2019.

Further, a complaint with Central Bureau of Investigation (CBI) was filed by State Bank of India (SBI) on 8.11.2019. Subsequently, in the JLM held on 17.1.2020, it was decided that SBI should file the complaint on behalf of all the consortium members. Accordingly, mandate was garnered from all banks, with last mandate being received on 25.8.2020. SBI

filed the revised complaint with CBI on 25.8.2020 and the final complaint, based on further discussions, was filed on 14.12.2020. CBI has registered a First Information Report (FIR) against the Company and its directors on 7.2.2022.

Further, the lead bank had also filed an application with National Company Law Tribunal's (NCLT) to initiate Corporate Insolvency and Resolution Process (CIRP) of ABGSL, which was admitted on 1.8.2017. Subsequently, the liquidation order for ABGSL was passed on 25.4.2019 by NCLT.

In addition to above, several measures have been taken by banks for recovery of dues, including, *inter alia*, filing of recovery suit in Debt Recovery Tribunal, issuance of look-out-circular against the promoters/guarantors, filing application for initiating insolvency proceedings against the personal guarantors and declaration of company and its directors as wilful defaulters.

As per inputs received from Directorate of Enforcement, bank/entity-wise amount involved in fraud, as per FIR dated 7.2.2022 registered by CBI is at Annex.

As per inputs received from Public Sector Banks, staff accountability has been conducted and no staff lapses / staff involvement in the said fraud has been observed in examination of post NPA staff accountability / post fraud re-examination of staff accountability.

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Annex referred to in  
Lok Sabha Unstarred question no. †1900, regarding Bank Fraud by ABG  
Shipyards

Details of fraud as per First Information Report (FIR) dated 7.2.2022 registered  
by Central Bureau of Investigation (CBI)

Name of Bank	Amount involved in fraud (in crore Rs.)
ICICI Bank	7,089
IDBI Bank	3,639
State Bank of India (SBI)	2,925
Bank of Baroda (BoB)	1,614
Punjab National Bank (PNB)	1,244
eOriental Bank of Commerce (now PNB)	714
Exim Bank of India	1,327
Indian Overseas Bank	1,228
Bank of India	719
Standard Chartered Bank	743
Canara Bank	40
eSyndicate Bank (Now Canara)	408
SBI, Singapore	458
eDena Bank (now BoB)	406
eAndhra Bank (now Union Bank of India)	350
SBM Bank	125
Life Insurance Corporation of India	136
DCB Bank	106
PNB International	97
eLaxmi Vilas Bank (now DBS Bank)	61
Indian Bank	60
Central Bank of India	39
Punjab & Sind Bank	37
Yes Bank	2
SICOM Ltd	260
IFCI Ltd	300
Phoenix ARC Pvt. Ltd. (SIB)	141

Source: Directorate of Enforcement

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