

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA  
UNSTARRED QUESTION NO 2516

TO BE ANSWERED ON THE 11<sup>th</sup> MARCH, 2016 / PHALGUNA 21, 1937 (SAKA)

**ONLINE FRAUDS**

**2516. SHRI S.RAJENDRAN:  
SHRI MULLAPPALLY RAMACHANDRAN:  
SHRI KAPIL MORESHWAR PATIL:  
SHRI TAMRADHWAJ SAHU:**

Will the Minister of FINANCE be pleased to state:

- (a) whether several incidents of banking/ATM frauds and other irregularities have been reported in Public Sector Banks(PSBs) in the recent past;
- (b) if so, the details of such incidents/cases reported along with the amount involved therein during the last three years and the current year, bank and State/UT-wise;
- (c) whether the Government has conducted any inquiry in this regard, if so, the details thereof along with the number of bank officials involved and the action taken against them during the said period;
- (d) the details of the amount of Public Sector Banks which has turned into non-performing assets due to the said frauds/irregularities during the said period; and
- (e) the remedial steps taken/being taken by the Government to check such incidents in future?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
**(SHRI JAYANT SINHA)**

**(a) & (b):** Cyber Frauds (Automated Teller Machine/Debit Card, Credit Card & Net banking frauds) cases of Rs. 1 lakh and above reported by PSBs for the last three years and current year is given in **Annex-1**.

**(c) to (e):** Cyber Frauds cases of Rs. 1 lakh and above reported by PSBs where staff is involved is given in **Annex-2**.

Banks initiate/probe staff accountability and staff involvement in all the fraud cases and on completion of investigation, commensurate punishment is awarded to the delinquent employees based on the seriousness of the wrongdoings as per Bank's disciplinary rules which includes censuring, administrative warning, suspension of the employees, reduction in scales of pay, monetary penalty and recovery of losses, compulsory retirement, termination from service, dismissal with disqualification from future employment etc.

RBI does not have information regarding the amount turned into NPA due to such frauds / irregularities. RBI has issued Master Circular on "Frauds – Classification and reporting" vide RBI. **DBS.CFMC.BC.No.1 / 23.04.001/2015 -16 dated July 01, 2015** containing all the details/aspects relating to frauds. On receipt of fraud reports from banks, various aspects related to the frauds are examined and concerned banks are advised to report the case to CBI/ Police/ SFIO, examine staff accountability, complete proceedings against the erring staff expeditiously, take steps to recover the amount involved in the fraud, claim insurance

wherever applicable and streamline the system as also procedures so that frauds do not recur.

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## ANNEX-1

| Cyber frauds of Rs1 lakh and above reported by PSBs |             |                 |             |                 |             |                 |                   |                 |
|---|-------------|-----------------|-------------|-----------------|-------------|-----------------|-------------------|-----------------|
| Rs in lakh  |             |                 |             |                 |             |                 |                   |                 |
| Bank wise   | 2012-13     |                 | 2013-14     |                 | 2014-15     |                 | April 15 - Dec 15 |                 |
|   | No of cases | Amount involved | No of cases | Amount involved | No of cases | Amount involved | No of cases       | Amount involved |
| Allahabad Bank                                      | 0           | 0.00            | 1           | 3.14            | 0           | 0.00            | 0                 | 0.00            |
| Andhra Bank   | 1           | 1.25            | 0           | 0.00            | 1           | 1.79            | 0                 | 0.00            |
| Bank of Baroda                                      | 1           | 60.32           | 0           | 0.00            | 4           | 1840.98         | 11                | 56.86           |
| Bank of India                                       | 4           | 16.49           | 2           | 5.14            | 1           | 3.36            | 4                 | 37.10           |
| Bank of Maharashtra                                 | 1           | 105.00          | 4           | 24.93           | 1           | 1.15            | 1                 | 3.57            |
| Canara Bank   | 2           | 27.24           | 1           | 150.54          | 2           | 62.72           | 1                 | 1.12            |
| Central Bank of India                               | 1           | 18.54           | 20          | 230.81          | 6           | 72.19           | 8                 | 51.54           |
| Corporation Bank                                    | 7           | 11.94           | 14          | 27.24           | 3           | 126.27          | 8                 | 57.98           |
| Dena Bank   | 0           | 0.00            | 0           | 0.00            | 1           | 2.00            | 0                 | 0.00            |
| IDBI Bank Limited                                   | 17          | 187.52          | 2           | 4.38            | 3           | 17.22           | 14                | 19.38           |
| Indian Bank   | 3           | 34.17           | 0           | 0.00            | 6           | 50.62           | 3                 | 6.96            |
| Indian Overseas Bank                                | 0           | 0.00            | 0           | 0.00            | 1           | 2.02            | 0                 | 0.00            |
| Oriental Bank of Commerce                           | 0           | 0.00            | 0           | 0.00            | 0           | 0.00            | 5                 | 9.34            |
| Punjab National Bank                                | 3           | 39.78           | 11          | 94.23           | 0           | 0.00            | 3                 | 10.16           |
| State Bank of Bikaner & Jaipur                      | 1           | 49.32           | 0           | 0.00            | 0           | 0.00            | 0                 | 0.00            |
| State Bank of Hyderabad                             | 8           | 40.70           | 0           | 0.00            | 0           | 0.00            | 0                 | 0.00            |
| State Bank of India                                 | 0           | 0.00            | 1           | 1.03            | 2           | 82.41           | 3                 | 15.43           |
| State Bank of Patiala                               | 2           | 34.36           | 0           | 0.00            | 0           | 0.00            | 0                 | 0.00            |
| State Bank of Travancore                            | 1           | 1.49            | 0           | 0.00            | 1           | 1.34            | 0                 | 0.00            |
| Syndicate Bank                                      | 1           | 7.60            | 0           | 0.00            | 0           | 0.00            | 9                 | 34.85           |
| UCO Bank  | 2           | 29.28           | 0           | 0.00            | 0           | 0.00            | 0                 | 0.00            |
| Union Bank of India                                 | 5           | 75.63           | 2           | 18.28           | 4           | 249.28          | 5                 | 28.34           |
| United Bank of India                                | 4           | 203.03          | 0           | 0.00            | 0           | 0.00            | 0                 | 0.00            |
| Vijaya Bank   | 1           | 8.40            | 0           | 0.00            | 2           | 40.47           | 0                 | 0.00            |
| <b>Grand Total</b>                                  | <b>65</b>   | <b>952.06</b>   | <b>58</b>   | <b>559.72</b>   | <b>38</b>   | <b>2553.82</b>  | <b>75</b>         | <b>332.63</b>   |

**ANNEX-2**

| <b>Cyber Fraud cases of Rs1 lakh and above reported by PSBs from April 2012 to December 2015 - Where Staff is involved</b> |                    |                                |
|--|--------------------|--------------------------------|
| <b>Bank Name</b>   | <b>No of cases</b> | <b>Amount involved in lakh</b> |
| Allahabad Bank   | 1                  | 3.14                           |
| Andhra Bank  | 1                  | 1.79                           |
| UCO Bank   | 1                  | 17.38                          |
| United Bank of India   | 1                  | 19.57                          |
| Vijaya Bank  | 1                  | 1.25                           |
| <b>Grand Total</b>   | <b>5</b>           | <b>43.13</b>                   |