

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA  
UNSTARRED QUESTION NO 2129

TO BE ANSWERED ON THE 29 JULY, 2016 / SRAVANA 7, 1938 (SAKA)

**BANKING FRAUDS**

**2129. SHRI PARBHUBHAI NAGARBHAI VASAVA:  
SHRI NANA PATOLE:  
SHRI VIRENDER KASHYAP:**

Will the Minister of FINANCE be pleased to state:

- a) whether several incidents of banking frauds and other irregularities have been noticed by the Government in Public Sector Banks (PSBs);
- 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, bank and State/UT-wise; and
- d) 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 SANTOSH KUMAR GANGWAR)**

(a) & (b): Reserve Bank of India (RBI) has informed that Banks report fraud cases of Rs 1 Lakh and above to RBI. Details of the frauds reported by Public Sector Banks (PSBs) for the last three years and current year are given in Annex-1.

(c) & (d): Bank Fraud 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.

RBI has issued Master Direction on "Frauds – Classification and reporting" vide RBI. **DBS.CFMC.BC.No.1 / 23.04.001/2016 -17 dated July 01, 2016** 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. To compress the time taken in detection of fraud, a framework for handling loan frauds has been put in place. The framework stipulates continuous monitoring of loan accounts, time bound actions at each stage of loan's life cycle and commencement of investigations on observing early warning signal in an account. Further the framework has also prohibited banks from extending bank finance

to borrowers who have defaulted and also committed a fraud for five years from the date of full payment of the defrauded amount.

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## ANNEX -1

Fraud cases of Rs 1 lakh and above reported by PSBs								
State / UT wise	2013-14		2014-15		2015-16		April 2016-June 2016	
	No of cases	Amount involved Rs in crore	No of cases	Amount involved Rs in crore	No of cases	Amount involved Rs in crore	No of cases	Amount involved Rs in crore
Andaman & Nicobar Islands	1	0.98	0	0.00	0	0.00	0	0.00
Andhra Pradesh	188	713.86	165	926.46	186	1035.35	55	45.80
Arunachal Pradesh	1	0.05	1	0.09	0	0.00	2	2.19
Assam	23	14.80	36	5.69	30	4.71	6	1.51
Bihar	70	11.96	106	65.44	133	44.93	19	5.34
Chandigarh	16	820.69	30	228.24	20	185.11	3	56.98
Chhattisgarh	32	4.68	36	9.45	24	4.86	19	76.74
Dadra&Nagar Haveli	4	0.21	1	0.07	0	0.00	0	0.00
Daman & Diu	0	0.00	1	0.09	0	0.00	0	0.00
Delhi	304	2215.28	335	1178.89	293	1947.30	83	1017.43
Goa	11	4.88	5	1.51	13	4.56	4	3.64
Gujarat	106	442.34	108	1189.32	119	1905.03	36	179.45
Haryana	52	74.85	76	85.97	59	42.54	10	1.55
Himachal Pradesh	10	4.54	10	6.78	14	5.75	1	0.12
Jammu & Kashmir	8	0.63	14	3.03	6	1.15	12	6.92
Jharkhand	107	46.18	107	25.98	40	18.63	18	6.00
Karnataka	112	284.06	241	131.47	243	318.02	42	259.50
Kerala	61	33.55	62	71.01	47	12.21	20	2.07
Lakshadweep		0.00	1	0.97	0	0.00	0	0.00
Madhya Pradesh	86	71.43	71	30.32	85	180.79	25	30.52
Maharashtra	390	1136.32	407	4887.46	372	6192.60	110	947.47
Manipur	1	0.51	3	4.86	1	0.96	2	0.73
Meghalaya	2	0.17	7	0.66	4	0.16	1	0.08
Mizoram		0.00	2	0.17	3	0.07	3	2.00
Nagaland		0.00	3	0.81	63	14.35	16	65.77
Orissa	136	63.35	88	100.04	9	1.81	0	0.00
Pondicherry		0.00	4	0.34	130	156.31	19	22.10
Punjab	122	253.33	157	168.80	58	1109.18	16	13.56
Rajasthan	57	8.55	73	50.42	1	0.03	0	0.00
Sikkim		0.00	1	0.18	219	1249.14	37	105.28
Tamil Nadu	147	424.98	252	1773.37	4	0.76	0	0.00
Uttar Pradesh	278	124.07	344	273.17	330	277.21	117	36.27
Uttaranchal	36	40.91	45	19.72	27	4.94	6	11.14
West Bengal	224	742.29	302	5495.64	227	1810.75	67	1080.25
Overseas Branch	5	2.80	19	64.18	20	154.88	9	56.89

### Fraud cases of Rs 1 lakh and above reported by PSBs

Bank Name	2013-14		2014-15		2015-16		April 2016-June 2016	
	No of cases	Amount involved Rs in crore	No of cases	Amount involved Rs in crore	No of cases	Amount involved Rs in crore	No of cases	Amount involved Rs in crore
Allahabad Bank	95	618.06	47	75.98	23	290.91	6	5.30
Andhra Bank	38	214.30	52	511.48	44	250.39	19	115.73
Bank of Baroda	204	453.16	303	1226.02	255	1666.09	74	107.51
Bank of India	100	226.90	131	92.44	156	1217.58	48	268.22
Bank of Maharashtra	33	21.54	50	239.06	45	1307.73	24	292.82
BharatiyaMahila Bank Ltd.	0	0.00	0	0.00	0	0.00	3	0.45
Canara Bank	81	180.30	114	177.29	94	1589.71	42	341.65
Central Bank of India	156	823.29	214	2149.72	164	177.06	43	189.86
Corporation Bank	77	278.28	73	1222.09	135	1321.99	13	37.96
Dena Bank	36	162.81	41	400.16	21	71.02	12	219.48
IDBI Bank Limited	92	625.54	56	557.95	129	262.05	28	2.59
Indian Bank	54	43.49	95	91.04	87	138.06	24	51.52
Indian Overseas Bank	125	484.73	138	574.36	106	597.85	31	376.07
Oriental Bank of Commerce	92	53.52	127	764.84	114	807.30	18	19.70
Punjab & Sind Bank	29	69.67	30	39.16	12	131.94	4	2.05
Punjab National Bank	239	558.38	180	2309.73	131	352.85	36	350.88
State Bank of Bikaner & Jaipur	43	148.93	41	462.13	48	147.75	9	7.14
State Bank of Hyderabad	27	365.08	31	68.65	34	673.63	7	50.80
State Bank of India	549	906.18	651	1615.18	562	1882.46	151	601.05
State Bank of Mysore	20	92.83	97	90.75	67	21.73	15	5.73
State Bank of Patiala	40	98.85	39	290.30	40	413.06	11	3.27
State Bank of Travancore	33	116.48	34	236.23	19	138.88	7	0.50
Syndicate Bank	102	132.72	208	793.10	175	1430.89	47	117.89
UCO Bank	56	364.24	87	1410.98	85	248.15	19	411.56
Union Bank of India	85	92.09	111	369.83	146	1297.73	31	353.83
United Bank of India	125	348.98	128	680.35	67	142.67	8	81.80
Vijaya Bank	59	61.87	35	351.74	21	104.65	28	21.94

**Annex-2**

<b>Fraud cases of Rs 1 lakh and above reported by PSBs where staff is involved at the time of initial reporting from April 2013 to June 2016</b>		
<b>Bank wise</b>	<b>No of cases</b>	<b>Amount involved Rs in crore</b>
Allahabad Bank	28	42.64
Andhra Bank	30	8.68
Bank of Baroda	87	139.66
Bank of India	56	27.81
Bank of Maharashtra	31	76.15
Canara Bank	49	32.48
Central Bank of India	79	19.97
Corporation Bank	54	196.67
Dena Bank	16	35.46
IDBI Bank Limited	18	47.75
Indian Bank	55	17.38
Indian Overseas Bank	67	308.79
Oriental Bank of Commerce	20	15.21
Punjab & Sind Bank	8	2.59
Punjab National Bank	53	24.61
State Bank of Bikaner & Jaipur	14	9.32
State Bank of Hyderabad	36	46.59
State Bank of India	273	101.45
State Bank of Mysore	17	22.55
State Bank of Patiala	9	2.39
State Bank of Travancore	28	14.12
Syndicate Bank	67	1103.48
UCO Bank	61	133.63
Union Bank of India	41	11.35
United Bank of India	15	1.96
Vijaya Bank	20	6.86

**Fraud cases of Rs 1 lakh and above reported by PSBs where staff is involved at the time of initial reporting from April 2013 to June 2016**

<b>State / UT wise</b>	<b>No of cases</b>	<b>Amount involved Rs in crore</b>
Andhra Pradesh	157	148.41
Arunachal Pradesh	1	0.05
Assam	23	6.65
Bihar	55	27.32
Chandigarh	3	253.44
Chhattisgarh	13	2.82
Delhi	37	188.22
Goa	2	2.59
Gujarat	43	16.49
Haryana	27	4.76
Himachal Pradesh	5	0.81
Jammu & Kashmir	14	6.36
Jharkhand	20	3.61
Karnataka	125	89.34
Kerala	50	30.53
Madhya Pradesh	47	23.30
Maharashtra	107	110.43
Manipur	5	6.11
Meghalaya	5	0.47
Mizoram	1	0.14
Nagaland	7	2.20
Orissa	38	20.71
Pondicherry	4	0.56
Punjab	37	59.28
Rajasthan	38	1096.39
Tamil Nadu	170	83.09
Tripura	1	0.10
Uttar Pradesh	106	53.84
Uttaranchal	13	3.06
West Bengal	69	166.92
Overseas Branch	9	41.59

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