

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2294**

TO BE ANSWERED ON FRIDAY, JULY 29, 2016

SHRAVANA 07, 1938 (SAKA)

**Money Laundering in Banks**

2294. Shri Sanjay Dhotre, Shri Bhartruhari Mahtab and Shri Rahul Shewale:

Will the Minister of FINANCE be pleased to state:

- (a) whether the cases of remittance of money abroad by various individuals/organisations through their bank accounts contrary to the provisions of the Prevention of Money Laundering Act have come to the notice of the Government across the country in the recent past;
- (b) If so, the details thereof, bank and State-wise during each of the last three years and the current year;
- (c) The number of bank officials found involved in such transactions along with the action taken/being taken by the respective bank against them during the said period, bank-wise;
- (d) whether such remittance are not reported upon by the Auditors of the banks during the said period, if so, the details of such cases along with the action taken against such Auditors; and
- (e) the other steps taken/being taken by the Government to prevent occurrence of such cases in the country?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI SANTOSH KUMAR GANGWAR)

- (a) Yes, Sir.
- (b) & (c) As per Annexure
- (d) & (e) For implementation of the Prevention of Money Laundering Act and Rules, etc., the Department of Banking Regulation, Reserve Bank of India has been issuing instructions to banks and other Regulated Entities (Res). These instructions have been included in RBI's Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25,2016 on KYC Norms. In terms of this Master Direction, the Regulated Entities(Res) of the Reserve Bank of India, including the banks, are required to follow certain customer identification procedure while undertaking a transaction either by establishing an account based relationship or otherwise and monitor their transactions.

RBI has also 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. The same is also available on the website of RBI

i.e. [www.rbi.org.in](http://www.rbi.org.in). 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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**Annexure**

<b>Calender Year</b>	<b>Name of the Bank</b>	<b>No. of cases registered under PMLA</b>	<b>Amount remitted outside India (Rs. in crore)</b>	<b>State</b>
2013	Nil	Nil	Nil	Nil
2014	1. ICICI Bank	01	5395.75	Gujarat
	2. Oriental Bank of Commerce	01	56.51	Maharashtra
2015	1. Bank of Baroda	01	6000	Delhi
	2. Oriental Bank of Commerce	01	600	U.P
2016 (till 30.06.2016)	1. Indus Ind Bank	01	304.35	Maharashtra

Investigations have prima-facie revealed involvement of bank officials in some of the cases.

