

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA  
UNSTARRED QUESTION NO 834

TO BE ANSWERED ON THE 14<sup>TH</sup> DECEMBER, 2018 / AGRAHAYANA 23, 1940 (SAKA)

**Enquiries Initiated against Bank Officials**

**834. SHRI A.P. JITHENDER REDDY:**

Will the **Minister of FINANCE** be pleased to state:

- (a) the number of investigative agencies led enquiries against bank officials who used managerial discretion without due diligence in issuing loans;
- (b) number of bank frauds noted since 2014 along with the number of enquiries launched and action taken, against auditors who failed to bring fraudulent transactions to notice;
- (c) whether the Government intend to make Quality Review Board of Institute of Chartered Accountants of India (ICAI) independent authority, instead maintaining it as a department under ICAI due to inherent conflict of interest, if so, the details thereof and the steps taken and deadline set, in achieving this goal;
- (d) the details of structural reforms initiated in banks to ensure Non Performing Assets do not pile up again after recapitalisation; and
- (e) the direct effect of recapitalisation of banks on fiscal deficit of country and the steps taken to counter resulting fiscal deficit?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
**(SHRI SHIV PRATAP SHUKLA)**

**(a)** Central Bureau of Investigation has intimated that a total of 273 (268 Regular Cases and 05 Preliminary Enquiry cases) have been registered by CBI relating to corruption in banks during the year 2017 and 2018 (upto 30.06.2018).

**(b)** Data provided by Reserve Bank of India (RBI) in respect of number of fraud cases (Amount involved in individual cases Rs 1 lakh and above) and action taken on the bank officials involved during the period 2015-2017 is at Annexure. For enforcement of auditing standards and ensuring the quality of audits, Government has initiated establishment of National Financial Reporting Authority as an independent regulator.

**(c)** Ministry of Corporate Affairs has informed that there is no proposal under their consideration at present

**(d)** A number of steps have been taken to comprehensively address Non Performing Assets (NPAs) in banks. Reforms have been initiated in Public Sector Banks under the PSB Reforms Agenda announced by the Government in January 2017. These will help avoid recurrence of a situation of high NPAs and enable resolution / recovery in respect of NPA accounts.

PSBs are committed to implement the following reforms in this direction —

- (a) number of lenders in consortium restricted by requiring minimum of 10%, for better managed consortium lending,
- (b) ring-fencing of cash flows for prudent lending,
- (c) monitoring of loans above Rs. 250 crore through specialized agencies for effective vigilance
- (d) use of technology and analytics for comprehensive due-diligence across data sources,
- (e) comprehensive checking of all accounts of Rs. 50 crore and above that turn NPA for wilful default and fraud,
- (f) strict enforcement of conditions of loan sanction,
- (g) establishment of stressed asset management verticals in banks for focused recovery and timely and effective management of stressed accounts, and
- (h) Collection of passport details of borrowers for loan above Rs. 50 crore.

**(e)** The servicing of the securities issued for capital infusion in public sector banks (PSBs) impacts the fiscal deficit in the year of issue and subsequently. This also further enhances the debt of the Government to the extent of the nominal value of securities.

## ANNEXURE

**Bank-wise data on number of staff side action initiated/taken against bank employees involved in frauds (Amount involved >= 1 Lakh) reported by banks 2015-2017**

Bank Name	Number of staff action taken			Total Number of staff action taken
	2015	2016	2017	
ALLAHABAD BANK	74	116	121	311
AMERICAN EXPRESS BANKING CORP.	1	1	11	13
ANDHRA BANK	115	124	77	316
AXIS BANK LIMITED	141	160	306	607
BANDHAN BANK LIMITED		41	98	139
BANK OF BARODA	312	225	137	674
BANK OF INDIA	11	8	14	33
BANK OF MAHARASHTRA	30	22	56	108
CANARA BANK	111	291	216	618
CATHOLIC SYRIAN BANK LTD	32	36	36	104
CENTRAL BANK OF INDIA	322	274	132	728
CITIBANK N.A		2		2
CITY UNION BANK LIMITED	11	1	6	18
CORPORATION BANK	243	124	148	515
DBS BANK LTD.	1			1
DCB BANK LIMITED			1	1
DENA BANK	70	81	95	246
DOHA BANK QSC		1		1
EQUITAS SMALL FINANCE BANK LIMITED		1	14	15
EXPORT IMPORT BANK OF INDIA		2		2
FEDERAL BANK LTD	34	67	3	104
HDFC BANK LTD.	2	11	1	14
HONGKONG AND SHANGHAI BANKING CORPN.LTD.			2	2
ICICI BANK LIMITED	732	625	879	2236
IDBI BANK LIMITED	83	82	3	168
INDIAN BANK	209	135	105	449
INDIAN OVERSEAS BANK	284	41	18	343
INDUSIND BANK LTD	8	17	11	36
ING VYSYA BANK LTD	11			11
JAMMU & KASHMIR BANK LTD	18	16	61	95
KARNATAKA BANK LTD	24	35	11	70
KARURVYSYA BANK LTD	4	6	3	13
KOTAK MAHINDRA BANK LTD.	3	13	61	77
KRISHNA BHIMASAMRUDDHI LAB LTD.			1	1
LAKSHMI VILAS BANK LTD	29	16	47	92
NAINITAL BANK LTD	4		6	10
ORIENTAL BANK OF COMMERCE	196	80	12	288
PUNJAB AND SIND BANK	40	12	34	86
PUNJAB NATIONAL BANK	420	331	376	1127
RBL BANK LIMITED		5		5
SBM BANK (MAURITIUS)LTD.			1	1
SMALL INDUSTRIES DEV. BANK OF INDIA	7	4		11
SOUTH INDIAN BANK LTD	27	20	19	66
STANDARD CHARTERED BANK	5		1	6
STATE BANK OF BIKANER AND JAIPUR	99	67	6	172
STATE BANK OF HYDERABAD	36	44	12	92
STATE BANK OF INDIA	698	338	251	1287
STATE BANK OF MYSORE	1	9		10
STATE BANK OF PATIALA	75	75	3	153
STATE BANK OF TRAVANCORE	42	72	2	116
SUBHADRA LOCAL AREA BANK LTD.			1	1
SYNDICATE BANK	599	219	76	894
TAMILNAD MERCANTILE BANK LTD	20	26	12	58
THE DHANALAKSHMI BANK LTD	14	26	1	41
THE INDUSTRIAL FINANCE CORP OF INDIA LTD		1		1
UCO BANK	152	321	82	555
UNION BANK OF INDIA	181	66	30	277
UNITED BANK OF INDIA	219	67	96	382
VIJAYA BANK	12	2	5	19
YES BANK LTD.	23	1	104	128
<b>Grand Total</b>	<b>5785</b>	<b>4360</b>	<b>3804</b>	<b>13949</b>

Source: RBI

