

1	2	3	4	5	6
Rajasthan			71	1	72
West Bengal		167	2	2	171
Odisha	4	1	12		17
Kerala		1			1
Chandigarh			224		224
TOTAL	237	462	549	27	1275

Source: As per information provided by PSBs.

#### **Increase of fitment factor under Seventh CPC**

2273. SHRI RAVI PRAKASH VERMA:

SHRI NEERAJ SHEKHAR:

Will the Minister of FINANCE be pleased to state:

(a) whether Government is contemplating to increase fitment factor from 2.57 to 3.68 under 7th CPC to all pay levels, as demanded by employees associations;

(b) if so, the details thereof and by when it would be announced; and

(c) if not, the reasons for betrayal from assurances given by Home Minister and Railway Minister etc. to employees associations in 2016?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) to (c) The Minimum Pay of ₹ 18,000 p.m. and Fitment Factor of 2.57 are based on the specific recommendations of the Seventh Central Pay Commission in the light of the relevant factors taken into account by it. Therefore, no change therein is at present under consideration.

#### **Farm loans on fake documents by businessmen**

2274. SHRI RAVI PRAKASH VERMA:

SHRI NEERAJ SHEKHAR:

SHRI VISHAMBHAR PRASAD NISHAD:

CH. SUKHRAM SINGH YADAV:

SHRIMATI CHHAYA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether huge loan scam have been reported whereby some businessmen have secured farm loans of ₹ 5,400/- crores on fake documents against the names of farmers;

- (b) if so, the details thereof, State-wise and bank-wise;
- (c) whether Government has enquired into the alleged frauds and has fixed responsibilities in this regard;
- (d) if so, the details thereof along with the FIRs filed against bank officials and businessmen; and
- (e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (e) Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development have reported that they have no information in this regard.

The measures taken to control and prevent frauds in the banks, *inter alia*, are as follows:—

- (i) In May, 2015, the Government of India issued instructions to all the CMDs/MD and CEOs of Public Sector Banks (PSBs) on “Framework for timely detection, reporting, investigation etc. relating to large value bank frauds”, which, *inter alia* provides that all accounts exceeding ₹ 50 crore, if classified as Non-Performing Assets, should be examined by banks from the angle of possible fraud. A report would be placed before the Bank’s Committee for review of NPAs on the findings of this investigation. The above instructions have been reiterated in February, 2018.
- (ii) RBI has issued Master Direction on “Frauds – Classification and reporting” dated July 01, 2016. To compress the time taken in detection of fraud, a framework for handling loan frauds has been put in place. Objective of this framework is to direct the focus of banks on the aspects relating to prevention, early detection, prompt reporting to the RBI and the investigative agencies (for instituting criminal proceedings against the fraudulent borrowers) and timely initiation of the staff accountability proceedings.
- (iii) For deterring economic offenders from evading the process of Indian law by remaining outside Indian jurisdiction, Government has introduced the Fugitive Economic Offenders Bill, 2018 to provide for attachment and confiscation fugitive economic offender’s property and has advised PSBs to obtain certified copy of the passport of the promoters/directors and other authorised signatories of companies availing loan facilities of more than ₹ 50 crore.

- (iv) For enforcement of auditing standards and ensuring the quality of audits, Government has initiated establishment of National Financial Reporting Authority as an independent regulator.
- (v) To send a clear message that borrowers cannot wilfully default and continue to enjoy ownership of their assets, wilful defaulters and connected persons have been debarred from participating in the resolution process under the Insolvency and Bankruptcy Code (IBC).
- (vi) Launch of Central Fraud Registry (CFR), a web based searchable database of frauds reported by the banks, containing data for the last 13 years has been made operational by RBI in January, 2016.
- (vii) Banks have been advised through circulars for rotation and mandatory leave of staff in sensitive positions and the same was advised to be covered in internal audit also in 2011.

### **Stopping ponzi schemes**

†2275. SHRIMATI CHHAYA VERMA:

CH. SUKHRAM SINGH YADAV:

SHRI VISHAMBHAR PRASAD NISHAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that contrary to the Reserve Bank's guidelines the chit fund companies/promoters are offering more dividends to the people on their investment through different tempting schemes like deposit schemes, ponzi schemes, collective investment schemes, multilayer marketing schemes etc. and illegally collect money from them and at the time of paying dividend they disappear with public money;

(b) the number of such companies against whom action has been taken during the last one decade which have collected people's money and committed forgery; and

(c) the steps being taken by Government to stop such people-tempting schemes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) and (b) While Chit Fund companies registered with respective State Governments under the Chit Funds Act, 1982 may collect subscriptions to chits, they are prohibited by the Reserve Bank of India (RBI) from accepting deposits from the public since 2009. Further, acceptance of money through money circulation/pyramid structured schemes is banned under the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 and is also a cognizable offence. As regards such

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† Original notice of the question was received in Hindi.