

Provision for liability on account of fraud by Nirav Modi

4071. SHRI NARAIN DASS GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether the contents of FIR lodged with CBI by Deputy General Manager of Punjab National Bank on 29.01.2018 for fraud perpetrated by Nirav Modi, were considered by Audit committee and Board of Directors of Punjab National Bank on 06.02.2018, while approving the Financial Statement for the period ending 31.12.2017, if so, the details thereof; and

(b) why no provision for liability on account of fraud perpetrated by Nirav Modi has been made in Financial Statement for the period ending 31.12.2017, which were approved by Audit Committee and Board of Directors of Punjab National Bank on 06.02.2018, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) and (b) With regard to consideration of the contents of FIR lodged with CBI by Punjab National Bank (PNB) on 29.1.2018 by audit committee and the Board of Director of PNB, PNB has informed that PNB's Managing Director and Chief Executive Officer briefed the said contents to Board members on 5.2.2018 and the same was also considered on 5.2.2018 by the Special Committee of Board for monitoring and follow-up of cases of fraud involving an amount of ₹ 1 crore and above. Further, as per PNB's inputs, review of frauds by the Audit Committee of the Board is taken up on quarterly basis as per the bank's Fraud Risk Management Policy, and as such, review of frauds reported in January, 2018 comes up as part of the annual review for the quarter ending March, 2018.

PNB has informed that as per RBI's instructions, making of provision is required in/from the financial year quarter in which the fraud is detected. Since the fraud relating to Nirav Modi was detected during the fourth quarter of financial year 2017-18, provision in the financial statement for quarter ended December, 2017 was not required.

RBI guidelines for relief measures to farmers

4072. SHRI HARSHVARDHAN SINGH DUNGARPUR: Will the Minister of FINANCE be pleased to state:

(a) whether Government/Reserve Bank of India has issued guidelines for relief measures including interest free agricultural loan to farmers affected by drought and if so, the details thereof; and