

Enforcement Directorate has apprised that, on the basis of FIRs registered by CBI, it has conducted searches at various locations, which resulted in seizure of valuables, and that it has also attached immovable properties and frozen bank accounts and shares.

(d) RBI has issued instructions mandating banks to implement, within stipulated deadlines, prescribed measures for strengthening the SWIFT operating environment in banks. Further, it has constituted an Expert Committee under the chairmanship of Shri Y. H. Malegam to look into, *inter alia*, factors leading to increasing incidence of frauds in banks and the measures (including information technology interventions) needed to curb and prevent it, and the role and effectiveness of various types of audits conducted in banks in mitigating the incidence of such frauds.

Government has issued an advisory to nationalised banks to take immediate action as per extant legal/regulatory framework to ensure that such/similar fraudulent activity (as reported by PNB) is not prevalent in the bank. They have also been asked to ensure that robust systems and procedures are in place for confirming due approvals, necessary applications/documents and entry in the bank's system in respect of all Letters of Undertakings/Comfort and SWIFT messages, and ensuring scrutiny and reconciliation of Nostro accounts, and to take all necessary steps to safeguard against occurrence of such frauds. Government has further advised nationalised banks to collectively prepare a report for effective management of operational risks, including technology risk, so as to safeguard against occurrence of frauds. Government has also asked nationalised banks to examine all accounts exceeding ₹ 50 crore, it classified as Non-Performing Asset (NPA), from the angle of possible fraud.

(e) PNB has informed that as the matter is under investigation, the same may not be ascertainable at this point in time.

National tax blacklist

1180. SHRI SUKHENDU SEKHAR RAY: Will the Minister of FINANCE be pleased to state:

(a) whether Government has enacted any legislation or regulation ensuring National Tax Blacklist which prescribes negative treatment for certain transactions involving specified foreign jurisdictions, commonly known as tax havens;

(b) if so, how many uncooperative tax havens or specified foreign jurisdiction have so far been blacklisted under such enactment or regulation, the details thereof; and

(c) if such enactment or regulation has not yet come into being, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) and (b) Section 94A has been inserted in the Income-tax Act, 1961 *vide* Finance Act, 2011 with effect from the 1st day of June, 2011 specifying special measures in respect of transactions with persons located in a Notified Jurisdictional Area (NJA).

Cyprus was notified as an NJA through Notification No. 86/2013 dated 1 November 2013.

Subsequently, *vide* Notification No. 114/2016 dated 14 December, 2016 Cyprus was removed as an NJA with effect from 1 November, 2013.

(c) Does not arise.

Loans to Nirav Modi and his associates by PNB

1181. SHRI RITABRATA BANERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Nirav Modi and his associates took a huge amount of loan from the Punjab National Bank (PNB) in the last few years; and

(b) if so, the amount of loans given to Nirav Modi and his associates, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) and (b) RBI has apprised that PNB reported frauds pertaining to irregularities in foreign exchange transactions using Letters of Undertaking / Foreign Letters of Credit aggregating ₹ 12,645.97 crore through Fraud Monitoring Reports. Of this, ₹ 6,498.19 crore related to the accounts of Nirav Modi Group. With regard to loan facilities from PNB to Nirav Modi and his associates, RBI has stated that it is unable to disclose available data in terms of the provisions of section 45E of the Reserve Bank of India Act, 1934.

Action on alert raised by whistleblower

1182. SHRI RITABRATA BANERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the whistleblower Hari Prasad alerted the Enforcement Directorate (ED) in 2016 regarding the fraud committed by Nirav Modi; and