

raising capital from the market, realising value from banks' non-core investments, strict segregation of pre- and post-sanction roles, clean consortium lending arrangements, and clean post-sanction follow-up for loans above ₹ 250 crore. In addition, Reserve Bank of India has issued a revised framework for resolution of stressed assets, to provide for timebound resolution of high-value stressed assets.

Amendments to laws governing small savings schemes

1975. SHRI SANJAY SETH: Will the Minister of FINANCE be pleased to state:

- (a) the present criteria adopted by Government for premature closure of PPF account;
- (b) whether Government is considering new facilities for PPF account holders;
- (c) if so, the details thereof;
- (d) whether the new facilities will benefit PPF account holders, if so, the details thereof;
- (e) whether Government has proposed several amendments to the laws governing small savings schemes; and
- (f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) to (d) Sir, at present premature closure of a Public Provident Fund (PPF) account is permitted on specified grounds on completion of five financial years from the date of opening of account. The PPF Scheme is reviewed by the Government from time to time. No specific proposal is currently under consideration.

(e) and (f) Yes, Sir. There is a proposal of bringing in a single Act for Small Savings Schemes in place of existing three Acts. The same is part of Finance Bill, 2018.

Losses to PNB due to fraud

1976. SHRI SANJAY SETH:

DR. PRADEEP KUMAR BALMUCHU:

Will the Minister of FINANCE be pleased to state:

- (a) whether State-run lender Punjab National Bank (PNB) has reported unauthorised transaction worth ₹ 11,500 crore in one of its branches in South Mumbai which is one of the biggest frauds in the Indian banking system;

- (b) if so, the details thereof and quantum of loss to PNB;
- (c) whether guilty persons have been arrested, if so, the details thereof;
- (d) whether Government has constituted any inquiry in the matter;
- (e) if so, the details thereof;
- (f) number of employees who have been found guilty and action taken against them; and
- (g) other steps taken by Government to check and stop such type of unauthorised transactions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIVPRATAP SHUKLA): (a) and (b) As per Reserve Bank of India (RBI) inputs, Punjab National Bank (PNB) reported fraudulent issuance of Letters of Undertaking / Foreign Letters of Credit for payments of import bills and fraudulent transactions in borrowal accounts, amounting to ₹ 12,967.86 crore, to RBI through its Fraud Monitoring Reporting System. PNB has informed that the loss may not be ascertainable at present as the matter is under investigation.

(c) to (e) The Central Bureau of Investigation (CBI) and PNB have apprised that CBI has registered three cases relating to unauthorised transactions at PNB, and several persons have been arrested. The Directorate of Enforcement (ED) 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 mutual funds and bank accounts. ED has further apprised that Letter of Request to 13 countries have been issued by the court, seeking details of properties, bank accounts of companies, etc., and that ED has obtained non-bailable warrants against two defaulters. Investigation is in progress.

Ministry of External Affairs has apprised that all passports of two defaulters have been revoked/cancelled by the passport authorities, as per passport rules.

(f) As per CBI inputs, eight public servants belonging to PNB had been arrested. PNB has placed 21 officers/employees under suspension, and stated that action shall be taken against staff found guilty on the basis of investigation report.

(g) 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 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 Nostra 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 risk's, including technology risk, so as to safeguard against occurrence of frauds.

Input tax refund to exporters

1977. SHRI A.K. SELVARAJ: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Government has decided to speed up input tax refund to exporters;
- (b) if so, the details thereof;
- (c) whether it is also a fact that only 33 per cent impacted by GST transition;
- (d) whether it is also a fact that Government is now working on a system where refunds are paid within weeks of receipt of the final GST return; and
- (e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) Yes Sir.

(b) A per rule 91 of CGST Rules, 2017, ninety per cent of the refund amount claimed shall be granted on a provisional basis within a period not exceeding seven days from the date of acknowledgement of the refund claim. Further, as per section 54 (7) of the CGST Act, 2017, the final order for granting refund shall be issued within sixty days from the date of receipt of the complete application. Out of total taxpayers under GST, 64% were also registered under previous tax regime. No specific study has been undertaken on the impact of GST transition.

(c) 64% of the total taxpayers registered under GST have transitioned from the previous tax regime to GST as on 2nd March, 2018.