

Banking frauds and action against fraudsters

*126. SHRI RAVI PRAKASH VERMA: Will the Minister of FINANCE be pleased to state:

- (a) the details of banking frauds detected during 2016-17, 2017-18, 2018-19 and 2019-20 till 1st March, 2020 along with the money involved therein, year-wise and bank-wise;
- (b) whether there is steep rise in banking frauds during recent years; if so, the details thereof and the reasons therefor; and
- (c) the details of FIRs registered during 2016-17 till date against fraudsters and bank officials along with the cases where fraudsters have been convicted/ chargesheeted, separately, bank-wise?

THE MINISTER OF FINANCE (SHRIMATI NIRMALA SITHARAMAN): (a) to (c) Government, in 2015, issued "Framework for timely detection, reporting, investigation etc. relating to large value bank frauds" to Public Sector Banks (PSBs) for dealing with frauds in accounts exceeding ₹ 50 crore, if classified as NPA, and instituted wide-ranging structural and procedural reforms through the framework and other steps to check frauds in banks. Systematic and comprehensive checking, including of legacy stock of NPAs, for frauds under the framework has been taken note of by the Reserve Bank of India (RBI) in its Financial Stability Report of December 2019, in which RBI has observed that this has helped unearth frauds perpetrated over a number of years. While this is reflected in the increased amount involved in frauds of ₹ 1 lakh and above, reported by scheduled commercial banks (SCBs) and select financial institutions, increasing from ₹ 10,171 crore in the financial year (FY) 2013-14 to ₹ 1,43,068 crore in first three quarters of F.Y. 2019-20, as result of the comprehensive measures taken to check bank frauds there is perceptible decline in the amount involved in fraud by year of occurrence, which has reduced sharply from the peak of ₹ 50,329 crore in F.Y.2013-14 to ₹ 5,244 crore in the first three quarters of F.Y. 2019-20. Year-wise and bank-wise details of the amount involved in frauds by the years of occurrence and reporting are given in Statement (*See below*). As regards details in respect to frauds for the period from 1-1-2020 to 1.3.2020, RBI has informed that data on the same are not available.

Comprehensive measures to address these and for checking frauds in banks include, *inter-alia*, the following:

- (1) An online searchable database of frauds reported by banks, in the form of Central Fraud Registry, has been set up to enable timely identification, control and mitigation of fraud risk and carrying out due diligence during the credit sanction process.
- (2) The Fugitive Economic Offenders Act, 2018 has been enacted to provide for attachment of property of a fugitive economic offender, confiscation of such offender's property and disentitlement of the offender from defending any civil claim.
- (3) Public Sector Banks (PSBs) have been advised to—
 - (i) obtain certified copy of the passport of the promoters/directors and other authorised signatories of companies availing loan facilities of more than ₹ 50 crore;
 - (ii) decide on publishing photographs of wilful defaulters, in terms of the instructions of RBI and as per their Board-approved policy; and
 - (iii) strictly ensure rotational transfer of officials/employees.
- (4) Heads of PSBs have been empowered to issue requests for issue of Look-Out Circulars.
- (5) For enforcement of auditing standards and ensuring the quality of audits, has been established the National Financial Reporting Authority as an independent regulator.
- (6) In order to bring transparency and accountability in the larger financial system, bank accounts of 3.38 lakh inoperative companies have been frozen.

With regard to the details of First Information Reports (FIRs) registered against fraudsters and bank officials, as per inputs received from the Central Bureau of Investigation (CBI), during the period from F.Y. 2016-17 to F.Y. 2019-20 (till 31.1.2020), 626 cases were registered with CBI by banks, in which accused persons numbering 2,111 have been charge-sheeted. With regard to bank-wise details, CBI has informed that bank-wise data are not maintained as more than one bank may be involved in a particular case and one accused person may figure in a number of cases registered.

Statement

Details of amount involved in frauds reported by scheduled commercial banks and select financial institutions, by the year of occurrence and reporting (where the amount involved is ₹ 1 lakh and above)

Amounts in crore ₹

Bank	2013-14		2014-15		2015-16		2016-17		2017-18		2018-19		2019-20	
	occurrence	reported*	occurrence	reported*	occurrence	reported*	occurrence	reported*	occurrence	reported*	occurrence	reported*	occurrence	reported*
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Abu Dhabi Commercial Bank PJSC	0.51	0.51	0.07	0.07	24.89	24.89	-	-	-	-	-	-	-	-
Aditya Birla Idea Payments Bank Limited	-	-	-	-	-	-	-	-	-	-	1.45	1.45	-	-
Allahabad Bank	425.32	618.06	1,419.31	75.98	1,326.16	290.91	4,008.51	895.09	1,143.71	1,525.33	1,444.08	2,586.55	18.43	6,779.43
American Express Banking Corporation	10.25	21.22	6.86	10.08	5.69	6.42	7.09	5.59	10.89	11.76	7.48	6.86	3.85	6.43
Andhra Bank	356.90	214.30	993.98	511.48	86.37	250.46	1,517.80	245.60	1,340.30	1,345.18	746.27	1,012.27	52.05	2,725.61
AU Small Finance Bank Limited	-	-	-	-	1.36	-	1.45	-	0.25	2.86	0.92	0.55	0.28	0.85
Axis Bank Limited	127.15	473.74	2,056.89	337.14	1,354.31	338.36	1,121.19	2,020.38	719.11	599.58	955.81	1,192.00	41.11	2,268.59

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Bandhan Bank Limited	-	-	-	-	3.06	0.12	5.67	1.56	2.03	2.49	2.61	2.50	0.31	7.02
Bank of America, National Association	0.11	0.11	-	-	0.04	-	0.01		0.36	0.40	0.30	0.24	0.02	0.09
Bank of Bahrain & Kuwait B.S.C.	-	-	-	-	-	-	0.23	0.07	-	-	-	0.16	-	-
Bank of Baroda (BoB)	1,772.67	453.16	5,452.28	1,226.02	4,112.72	1,668.10	3,360.05	1,164.85	2,353.07	3,700.29	1,333.34	4,099.82	28.09	11,166.09
Dena Bank	317.52	162.81	734.29	400.16	567.74	71.02	40.25	468.09	232.57	102.07	2.71	2,719.48	Amalgamated into BoB	
Vijaya Bank	429.57	61.87	165.03	351.74	185.07	104.65	16.58	132.72	145.96	31.02	0.94	385.14		
Bank of India	4,898.39	226.90	2,183.38	92.44	1,634.67	1,217.58	1,181.81	2,774.01	1,476.53	2,619.77	56.52	4,166.54	19.42	6,626.06
Bank of Maharashtra	131.06	21.54	1,177.71	239.06	171.26	1,307.73	1,463.15	425.02	1,063.08	1,082.55	1,876.49	1,565.86	972.61	3,223.89
Bank of Nova Scotia	-	-	-	-	-	-	0.13	0.13	-	-	-	-	-	-
BARCLAYS Bank PLC	1.24	1.24	-	-	-	-	-	-	-	-	-	-	-	-
Bharatiya Mahila Bank Limited	-	-	0.05	-	0.50	-	-	0.55	-	-	-	-	-	-
BNP Paribas	-	-	-	-	-	-	-	-	-	-	-	-	4.98	4.98
Canara Bank	4,474.56	180.30	540.66	175.63	617.57	1,589.78	308.29	610.17	300.10	181.67	84.90	1,571.15	46.77	4,893.68

16 Written Answers to

[RAJYA SABHA]

Starred Questions

Capital Small Finance Bank Limited	0.18	-	-	0.18	-	-	-	-	-	-	-	-	-	-
Catholic Syrian Bank Limited	22.27	25.82	31.16	1.79	62.66	9.17	7.88	20.45	118.48	116.88	1.51	85.17	0.81	30.31
Central Bank of India	595.19	823.29	1,642.20	2,149.72	1,688.44	177.30	699.68	867.86	390.69	1,400.17	3.02	2,892.93	0.16	2,987.93
Citibank N.A.	4.41	13.07	8.91	8.49	9.14	5.11	8.86	11.72	8.89	22.12	31.41	9.99	5.09	31.83
City Union Bank Limited	0.70	2.27	1.17	6.44	24.54	12.09	6.89	23.03	48.50	44.06	0.54	8.43	0.12	3.12
Coastal Local Area Bank Limited	-	-	-	-	-	-	-	-	-	-	0.13	-	-	0.13
Cooperative Rabobank U.A.	-	-	-	-	-	-	-	-	61.53	20.00	-	41.53	-	-
Corporation Bank	1,400.63	278.28	261.93	1,222.09	45.50	1,321.99	127.87	694.08	103.86	1,292.56	3.29	1,954.49	0.01	3,731.22
CTBC Bank Co., Ltd..	111.65	4.75	-	111.65	-	20.00	-	-	-	-	-	-	-	-
DBS Bank India Limited	-	-	-	-	-	-	-	-	-	-	-	-	0.36	0.36
DBS Bank Limited	28.58	143.56	2.06	34.42	0.01	71.12	116.82	0.08	-	-	0.16	145.43	-	0.03
DCB Bank Limited	0.21	0.30	0.88	0.04	1.09	4.59	0.11	-	1.51	2.77	33.21	33.31	8.73	8.77
Deutsche Bank AG	0.06	0.14	95.61	0.15	0.02	0.02	-	0.06	0.13	95.56	0.04	0.07	15.03	15.03

Written Answers to

[3 March, 2020]

Starred Questions

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Doha Bank QSC	0.33	-	-	-	-	-	2.76	8.98	-	-	-	-	-	-
Equitas Small Finance Bank Limited	1.92	-	-	-	1.62	-	0.19	2.02	2.23	1.99	1.29	2.26	0.96	1.95
ESAF Small Finance Bank Limited	-	-	-	-	-	-	-	-	0.18	0.04	0.39	0.19	0.12	0.45
Export Import Bank of India	220.31	100.00	1,047.91	134.74	28.40		183.98	108.79	81.91	19.86		336.97		1,886.70
Federal Bank Limited	103.68	9.57	137.68	81.74	16.01	82.00	12.36	259.13	71.42	5.29	105.10	175.38	0.31	190.69
Fincare Small Finance Bank Limited	-	-	-	-	-	-	-	-	0.05	0.05	0.69	0.48	0.05	0.26
Fino Payments Bank Limited	-	-	-	-	-	-	-	-	0.90	0.90	0.77	0.64	1.51	1.64
Firststrand Bank Limited	-	-	27.10	-	-	-	0.02	27.12	-	-	-	-	-	-
HDFC Bank Limited	92.99	15.26	31.00	17.53	30.85	97.29	42.83	160.35	71.18	137.53	492.66	478.88	54.86	145.97
Hongkong and Shanghai Banking Corporation Limited	3.07	80.17	1.27	26.46	1.00	86.12	0.94	0.99	6.59	5.77	3.89	14.59	2.72	3.45

18

Written Answers to

[RAJYA SABHA]

Starred Questions

HSBC Bank Oman S.A.O.G.	0.33	-	-	0.33	-	-	-	-	-	-	-	-	-	-	-
ICICI Bank Limited	69.11	763.06	807.04	269.77	1,044.73	347.72	197.88	412.70	903.14	580.16	86.79	2,312.19	37.86	8,134.01	
IDBI Bank Limited	2,288.13	625.54	388.11	557.95	1,411.54	262.05	1,704.67	1,136.84	799.91	1,337.97	3,384.17	1,226.42	689.06	8,343.57	
IDFC Bank Limited	-	-	-	-	-	-	5.05	0.39	0.19	0.02	42.51	41.90	0.62	6.07	
IDFC First Bank Limited	-	-	-	-	-	-	-	-	0.78	-	0.89	-	0.23	1.91	
India Post Payments Bank Limited	-	-	-	-	-	-	-	-	-	-	0.11	-	0.30	0.41	
Indian Bank	1,337.01	43.49	124.00	91.04	383.85	138.06	180.73	480.23	211.10	27.54	101.92	808.94	178.17	1,927.90	
Indian Overseas Bank	3,035.41	484.73	2,690.84	575.64	3,444.52	598.33	1,709.47	1,372.11	567.36	1,025.48	2,285.18	7,019.89	97.55	5,556.58	
IndusInd Bank Limited	6.78	29.64	136.23	133.41	679.48	5.29	1.68	2.90	128.64	21.93	15.02	108.82	289.15	990.48	
ING Vysya Bank Ltd.	4.03	39.58	1.48	6.19	-	-	-	-	-	-	-	-	-	-	
Jammu and Kashmir Bank Limited	3.10	6.62	158.54	902.87	13.67	8.67	2.69	311.48	266.82	215.10	22.38	182.15	-	199.87	
Jana Small Finance Bank Limited	-	-	0.06	-	0.01	-	1.16	-	0.99	-	1.09	2.96	1.99	2.36	
Karnataka Bank Limited	196.63	15.48	2.95	22.13	103.00	91.96	87.52	31.04	28.61	214.55	18.75	122.75	101.74	187.06	
Karur Vysya	21.41	1.49	273.85	123.16	120.16	182.43	33.18	17.82	73.23	19.21	149.61	86.54	72.61	466.81	

Written Answers to

[3 March, 2020]

Starred Questions

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Bank Limited														
KEB Hana Bank	-	-	-	-	-	-	0.02	0.02	-	-	-	-	-	-
Kotak Mahindra Bank Limited	279.27	115.28	12.53	58.97	111.23	45.02	256.05	111.55	98.71	56.77	13.66	14.08	55.99	567.38
Krishna Bhima Samruddhi Lab Limited	0.01	-	0.03	0.01	-	-	0.02	-	-	0.03	-	0.02	-	
Lakshmi Vilas Bank Limited	28.41	70.73	65.65	54.49	106.00	22.01	114.02	109.95	129.00	157.47	234.30	195.59	23.93	161.70
Mashreq Bank Psc	0.04	-	-	-	-	0.04	-	-	-	-	-	-	-	-
Nainital Bank Limited	0.45	0.80	1.99	0.55	0.12	1.88	0.48	0.36	0.33	0.28	-	0.94	-	0.02
North East Small Finance Bank Limited	-	-	-	-	-	-	-	-	-	-	0.33	0.18	0.21	0.36
Oriental Bank of Commerce	2,999.69	53.52	391.79	764.84	1,303.42	807.30	509.72	162.77	131.71	652.22	25.58	2,159.01	17.70	4,898.89
Paytm Payments Bank Limited	-	-	-	-	-	-	-	-	-	-	0.02	0.02	0.01	0.01

20

Written Answers to

[RAJYA SABHA]

Starred Questions

PT Bank Maybank Indonesia TBK	-	-	-	-	-	-	17.78	17.78	-	-	-	-	-	-
Punjab and Sind Bank	83.13	69.79	96.85	39.16	413.06	131.94	356.45	178.78	35.66	90.33	0.99	458.54	6.45	334.93
Punjab National Bank	4,421.40	558.38	1,841.94	2,309.73	4,384.69	352.85	16,185.05	2,808.27	742.51	15,501.50	693.71	6,027.33	64.53	14,928.39
RBL Bank Limited	22.72	15.19	6.43	9.05	11.75	3.84	1.73	3.15	8.77	2.26	2.32	19.94	1.25	1.65
SBM Bank (Mauritius) Limited	83.78	46.31	-	-	-	-	-	-	72.53	83.78	144.95	217.48	-	-
Shinhan Bank	-	-	5.83		0.01	5.84	-	-	-	-	-	-	-	-
Small Industries Development Bank of India	24.02	6.74	93.76	11.09	33.82	45.32	16.11	11.31	62.31	63.50	5.08	192.52	-	-
South Indian Bank Limited	16.53	11.51	2.75	17.07	356.71	1.58	150.66	313.96	44.99	94.53	90.35	36.15	15.52	215.13
Standard Chartered Bank	711.90	480.28	58.95	87.38	140.50	3.66	316.05	6.52	71.09	16.52	12.00	518.93	19.81	829.38
State Bank of India (SBI)	13,040	906.92	8,018.93	1,618.54	3,766.42	1,895.51	1,222.46	2,422.37	416.25	2,541.98	4,860.03	12,316.32	42.14	30,285.91
State Bank of Bikaner and Jaipur	93.86	148.93	5.68	461.81	0.79	147.73	0.24	132.87		Merged into SBI				
State Bank of Hyderabad	186.11	365.08	77.83	68.65	72.18	673.67	7.65	112.16						

Written Answers to

[3 March, 2020]

Starred Questions

21

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
State Bank of Mysore	106.38	92.83	21.75	90.75	22.01	21.73	4.24	279.77						
State Bank of Patiala	12.85	98.85	21.04	290.30	3.00	413.20	0.45	35.83						
State Bank of Travancore	25.03	116.48	121.95	236.23	3.23	138.88	0.67	57.09						
Subhadra Local Area Bank Limited	-	-	-	-	-	-	0.01	-	-	0.01	-	-	-	-
Suryoday Small Finance Bank Limited	-	-	-	-	-	-	-	-	-	-	-	-	0.20	0.20
Suryodaya Small Finance Bank Limited	-	-	-	-	-	-	0.25	-	0.13	0.31	-	0.07	-	-
Syndicate Bank	1,572.90	132.72	1,770.89	793.10	2,190.11	1,640.68	379.35	376.23	727.41	541.07	91.96	1,833.80	4.73	4,570.93
Tamilnad Mercantile Bank Limited	39.96	52.30	347.76	12.63	87.38	5.72	64.86	74.79	105.50	194.92	103.22	62.42	0.83	386.05
The Bank of Tokyo- Mitsubishi UFJ Limited	-	-	-	-	-	-	1.24	1.24	0.19	0.19	0.03	0.03	-	
The Dhanalakshmi Bank Limited	46.19	63.20	77.17	72.84	1.08	5.56	0.20	90.85	69.23	11.76	66.16	161.52	-	134.98

22 Written Answers to

[RAJYA SABHA]

Starred Questions

The Industrial Finance Corporation of India Limited	182.65	-	296.20	98.18	-	253.36	23.92	214.86	-	81.34	-	23.92	-	-
The Royal Bank of Scotland PLC	0.32	0.41	0.19	0.19	0.12	0.11		0.01	-	-	-		-	-
UCO Bank	1,852.91	364.24	1,473.22	1,410.98	323.87	248.15	1,553.28	695.48	521.60	1,232.78	4.79	2,461.31	0.33	4,600.54
Ujjivan Small Finance Bank Limited	-	-	-	-	0.29		0.31		0.23	0.76	0.38	0.41	0.12	0.16
Union Bank of India	1,401.38	92.09	1,064.40	369.83	3,253.72	1,297.73	1,453.46	920.72	795.60	1,148.03	228.88	6,815.69	1,912.25	5,604.09
United Bank of India	502.78	348.98	2.87	680.35	14.01	142.67	427.61	83.82	128.06	881.37	2,135.73	427.83	319.75	2,601.78
Utkarsh Small Finance Bank Limited	-	-	-	-	0.02	-	0.22	-	0.31	0.18	0.32	0.43	0.01	0.27
Yes Bank Limited	101.50	17.36	0.55	0.58	35.25	1.55	40.14	17.38	169.83	0.68	3.16	194.50	10.20	385.92

*Frauds reported may have occurred in prior years.

Source: RBI