

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO-1810
ANSWERED ON- 14/12/2021

BANK LOAN FRAUDS

1810. SHRI JAWHAR SIRCAR

Will the Minister of FINANCE be pleased to state:-

- (a) whether RBI has confirmed that bank loan frauds have gone up by three times in the first four years of the NDA regime from 2014 to 2018 as compared to the last five years of the UPA regime;
- (b) the reasons for this increase of approximately ₹55,000 crore in such frauds;
- (c) how many prosecutions have been launched and how many have been fined, imprisoned or property seized; and
- (d) the ten biggest promoters of entities involved in such frauds, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a) and (b): The Reserve Bank of India (RBI) has issued Master Directions on Frauds in 2016, and Government has instituted wide-ranging structural and procedural reforms to check frauds in banks. Such systematic and comprehensive checking for frauds, including of the legacy stock of NPAs, led to unearthing of frauds perpetuated over the years. While such systematic and comprehensive checking has increased the annually reported amount involved in frauds of Rs. 1 lakh and above, as reported to RBI by Scheduled Commercial Banks (SCBs), the improved detection and reporting accompanied with the comprehensive steps taken to check frauds have resulted in decline in the occurrence of such frauds as a proportion of the gross advances of SCBs, from an average of 0.71 per cent during the financial years 2009-10 to 2013-14, to an average of 0.60 per cent during the financial year 2014-15 to 2017-18, and further to 0.25 per cent during the financial year 2020-21.

(c) and (d): The information is being collected and will be laid on the Table of the House.
