

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
RAJYA SABHA
UNSTARRED QUESTION NO-1492
ANSWERED ON- 15/03/2022

QUANTUM OF DEBTS OWED BY ABG SHIPYARD

1492. SHRI SUSHIL KUMAR MODI

Will the Minister of FINANCE be pleased to state:-

- (a) amount of banking frauds detected in India over last three years, details thereof, category-wise;
- (b) quantum of debts owed by ABG Shipyard;
- (c) amount of loan repayments ABG failed on, year-wise;
- (d) progress update in the liquidation process of ABG since NCLT order;
- (e) timeline details of the banks' declaration of ABG's account as fraudulent and measures taken by CBI in response to each complaint;
- (f) whether Government has taken measures to reduce the time taken between declaration of fraud and FIR filing, details thereof; and
- (g) whether process for withdrawal for general consent by States caused delay and measures being taken to expedite it?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(DR. BHAGWAT KARAD)

(a): As per inputs received from Reserve Bank of India (RBI), category-wise data on frauds reported by scheduled commercial banks (SCBs) and select financial institutions (FIs) based on date of occurrence, during the last three financial years, are at Annexure-1. Amount involved in fraud based on date of occurrence, has declined from Rs. 45,259.5 crore during the FY2018-19 to Rs. 32,819.7 crore in FY2019-20 and further to Rs. 14,953.3 crore in FY2020-21.

(b): As per inputs received from the Directorate of Enforcement, bank/entity-wise details of amount involved in fraud, as per FIR dated 7.2.2022 registered by CBI is at Annexure-2.

(c): RBI has informed that it does not collect data under the head 'loan repayments failed'. However, as per inputs received from lead bank, the total claims admitted of financial creditors by the liquidator are Rs. 23,585 crore, as on 25.4.2019. This includes aggregate overdue principal amount of Rs. 14,349 crore and interest accrued thereon.

(d): As per inputs from ICICI Bank, it had filed an application with National Company Law Tribunal's (NCLT) to initiate Corporate Insolvency and Resolution Process (CIRP) of ABGSL. The application for Corporate Insolvency and Resolution Process (CIRP) was admitted on 1.8.2017 by NCLT. Subsequently, liquidation order for ABGSL was passed on 25.4.2019 by NCLT. The liquidator has been appointed for liquidation of ABGSL.

(e): As per inputs received from RBI, nineteen banks/entities have reported fraud in the account of ABGSL. The date of reporting of frauds by these entities is at Annexure-3. Central Bureau of Investigation (CBI) has registered a First Information Report (FIR) against the Company and its directors on 7.2.2022. CBI has also issued look out circulars against the accused.

(f): As per master directions on fraud classification and reporting by RBI, in order to reduce the time taken between declaration of fraud and filing of FIR several measures have been taken, which includes, *inter alia*, the following —

- (i) RBI has mandated banks to lodge the complaint with the law enforcement agencies immediately on detection of fraud;
- (ii) enjoining banks to establish a nodal point/officer for filing all complaints with the CBI on behalf of the bank and serve as the single point for coordination and redressal of infirmities in the complaints;
- (iii) mandating banks to submit a Flash Report (FR) for frauds involving amounts of ₹50 million and above within a week of such frauds coming to the notice of the bank's head office; and
- (iv) advising banks to ensure that their reporting system for fraud is suitably streamlined so that delays in reporting of frauds, submission of delayed and incomplete fraud reports are avoided.

(g): As per CBI, withdrawal of General Consent by certain States has made the registration of bank fraud cases more challenging and also creates hurdles in seamless investigation. There are bank fraud cases that could not be registered due to non-accordance of specific consent under section 6 of the Delhi Special Police Establishment Act, 1946, by State Governments where the general consent has been withdrawn.

Annexure-1

Category-wise data on frauds of scheduled commercial banks (SCBs) and select financial institutions (FIs) based on date of occurrence, during the last three financial years

In Crore Rs.

Sl.No.	Category of fraud	Total amount involved		
		2018-19	2019-20	2020-21
1	Advances	41478.6	31432.2	13953.6
2	Card/Internet	173.2	251.2	207.5
3	Cash	66.8	43.3	53.4
4	Cheques/demand drafts, etc.	28.5	69.9	163.9
5	Clearing, etc accounts	206.3	2.1	3.5
6	Deposits	169.5	342.0	501.7
7	Foreign exchange transactions	145.2	135.3	0.9
8	Inter-branch accounts	0.1	-	0.04
9	Non-resident accounts	0.2	0.7	-
10	Off-balance sheet	2927.6	410.0	26.6
11	Others	63.4	133.1	42.2
	Total	45259.5	32819.7	14953.3

Source: RBI

Details of fraud as per First Information Report (FIR) dated 7.2.2022 registered by Central Bureau of Investigation (CBI)

Name of Bank	Amount involved in fraud (in crore Rs.)
ICICI Bank	7,089
IDBI Bank	3,639
State Bank of India (SBI)	2,925
Bank of Baroda (BoB)	1,614
Punjab National Bank (PNB)	1,244
eOriental Bank of Commerce (now PNB)	714
Exim Bank of India	1,327
Indian Overseas Bank	1,228
Bank of India	719
Standard Chartered Bank	743
Canara Bank	40
eSyndicate Bank (Now Canara)	408
SBI, Singapore	458
eDena Bank (now BoB)	406
eAndhra Bank (now Union Bank of India)	350
SBM Bank	125
Life Insurance Corporation of India	136
DCB Bank	106
PNB International	97
eLaxmi Vilas Bank (now DBS Bank)	61
Indian Bank	60
Central Bank of India	39
Punjab & Sind Bank	37
Yes Bank	2
SICOM Ltd	260
IFCI Ltd	300
Phoenix ARC Pvt. Ltd. (SIB)	141

Source: Directorate of Enforcement

Date of reporting of frauds by banks/entities in M/s ABG Shipyard Ltd

Sl No.	Name of the bank	Date of Reporting
1	e- ANDHRA BANK (Union Bank of India)	26-03-2020
2	BANK OF BARODA	29-10-2019
3	BANK OF INDIA	27-01-2020
4	CANARA BANK	12-07-2019
5	CENTRAL BANK OF INDIA	09-07-2019
6	DCB BANK LIMITED	07-02-2020
7	EXPORT IMPORT BANK OF INDIA	16-04-2019
8	INDIAN BANK	06-11-2019
9	ICICI BANK LIMITED	30-04-2019
10	IDBI BANK LIMITED	31-10-2019
11	THE INDUSTRIAL FINANCE CORP OF INDIA LTD	16-11-2020
12	INDIAN OVERSEAS BANK	06-07-2019
13	e-LAKSHMI VILAS BANK LTD (DBS Bank Ltd)	01-02-2020
14	ORIENTAL BANK OF COMMERCE	09-08-2019
15	PUNJAB NATIONAL BANK	25-10-2019
16	PUNJAB AND SIND BANK	19-11-2019
17	STATE BANK OF INDIA	08-07-2019
18	STANDARD CHARTERED BANK	27-05-2019
19	e-SYNDICATE BANK (Canara Bank)	25-07-2019

Source: RBI
