

(c) whether Government are aware that Balehonnur is a core coffee producing area; and

(d) whether Government would consider shifting it back to Balehonnur ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) to (c). The Headquarters of the Central Coffee Research Institute has not been shifted from Balehonnur. Only the Headquarters of the Director of Research who is also the chief coordinator for Research, Extension and Project Wings had been shifted to Bangalore in April, 1986, with a view to properly coordinate the activities of the Research, Extension and Project Wings of the Board. The location of the Director Research at Bangalore will result in better liaison with ICAR Agricultural Institutes/Agricultural Universities, State Governments, other Departments of the Coffee Board and regular guidance to the different regional Research Stations of the Coffee Board.

(d) In view of (a) to (c) above the question does not arise.

#### Group Insurance Scheme

539. SHRI SYED SHAHABUDDIN : Will the Minister of FINANCE be pleased to state :

(a) the coverage, State-wise, under the group insurance scheme for landless agricultural labourers upto 31 March, 1988;

(b) the number of claims filed upto that date;

(c) the number of claims admitted so far out of the above and the total amount paid to the beneficiaries;

(d) the exact procedure for filing of claims by the landless agricultural labour; and

(e) the steps taken by Government and the Life Insurance Corporation to make landless agricultural labourers aware of this scheme ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The State-wise coverage under the Group Insurance

Scheme for landless agricultural labourers upto 31st March, 1988 is given below :

Madhya Pradesh	11,26,000
Rajasthan	2,00,000
Punjab	4,00,000
U.T. : Delhi	7,200
Bihar	18,00,000
Karnataka	7,00,000
Andhra Pradesh	6,75,000
Tamil Nadu	20,00,000
U.T. : Pondicherry	1,53,000
Kerala	1,00,000
Goa	2,715
Gujarat	8,00,000

Other States/UTs—Not reported by States/U.T. Agency.

(b) The number of claims filed with LIC upto 31 March, 1988 is NIL.

(c) Does not arise.

(d) The nominee of the deceased landless agricultural labourer has to furnish duly completed claim form alongwith the death registration certificate and the identity card of the deceased member to the Government agency at the appropriate level, who will forward these papers alongwith a copy of the membership register to LIC. The LIC would settle the claim by direct payment to the nominee if the papers received are in order.

(e) The LIC has put up wall paintings, hoardings and posters in the rural areas to give adequate publicity to the scheme. It is also effectively harnessing the media of folk arts for direct communication with the rural audience.

#### Frauds in Public Sector Banks

540. SHRI SYED SHAHABUDDIN : Will the Minister of FINANCE be pleased to state :

(a) the number of frauds reported by the public sector banks to the Reserve Bank of India during the last three years, year-wise;

(b) the amount involved, year-wise and bank-wise;

(c) whether any systematic study has been made by Government to introduce institutional measures for reducing the cases of fraud;

(d) if so, whether any guidelines have been issued by Government and/or the Reserve Bank of India to the banking sector; and

(e) the dates of issue of those guidelines and brief details of instructions contained therein ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Bank-wise information regarding number of frauds and amount involved therein for the years 1985, 1986 and 1987, reported to Reserve Bank of India by public sector banks irrespective of the dates of occurrence of the frauds is given in the Statement below.

(c) to (e). By and large frauds have occurred in banks not on account of lacunae in the systems and procedures but owing to non-observance of the prescribed procedures and safeguards. Banks have books of instructions indicating precautions/checks which their staff should observe to prevent occurrence or recurrence of frauds. Banks are taking steps to strengthen the control mechanism including the internal audit/inspection machinery and to make them effective so as to eliminate the scope for frauds and malpractices. Banks have been taking a serious view of irregularities committed by their employees and initiate action to inflict punishment befitting the seriousness of irregularities on the delinquent employees. They have been taking steps to ensure quicker

disposal of departmental enquiries. Banks have reviewed and revamped the vigilance machinery, taken steps to tone up control and supervision, strengthen management information system, follow up and inspection/audit arrangements and for clearing the arrears in balancing of books and reconciliation of inter-branch and other accounts on a continuous basis so as to prevent frauds in these areas.

In 1983, RBI had set up a Special Investigating Cell for the purpose of undertaking special investigation and scrutiny into reported cases of major frauds as well as snap inspections covering systems, procedures and control arrangements in identified fraud-prone areas. The Cell has issued following important circulars since its inception :

- (1) Frauds in Banks—Safeguards for preventing them and suggestions for checking them (dated 3.8.1983)
- (2) Kite flying operations—Allowing drawals against cheques sent in clearing—Safeguards to be followed by banks (dated 15.11.83)
- (3) Opening of letters of credit—Issue of Guarantees—Co-acceptance of bills by banks—Safeguards to be followed (dated 26.11.1983)
- (4) Classification of frauds—Remedial measures to be evolved by banks (dated 28.12.84)
- (5) Irregularities in NRE deposits (dated 23.4.86)
- (6) Advances against shares—Memorandum containing guidelines (dated 24.10.86)
- (7) Deposit linked advances (dated 19.9.1987).

**Statement**  
*Bankwise Information in Respect of No. of Frauds and Amount Involved therein for the Years 1985, 1986 and 1987*  
*Reported to Reserve Bank of India by Public Sector Banks*

Sl. No.	Name of the Bank	1985		1986		1987	
		No. of frauds	Amount involved (Rs. in lakhs)	No. of frauds	Amount involved (Rs. in lakhs)	No. of frauds	Amount involved (Rs. in lakhs)
1	2	3	4	5	6	7	8
1.	State Bank of India	501	986.12	527	438.08	590	393.82
2.	State Bank of Bikaner & Jaipur	24	95.01	23	250.44	28	72.92
3.	State Bank of Hyderabad	15	42.79	26	96.68	25	87.34
4.	State Bank of Indore	13	672.60	17	37.35	44	231.96
5.	State Bank of Mysore	20	145.26	27	50.36	35	51.99
6.	State Bank of Patiala	34	28.35	15	15.09	19	423.48
7.	State Bank of Saurashtra	8	25.34	14	46.06	8	41.62
8.	State Bank of Travancore	20	91.87	15	105.09	25	44.37
9.	Allahabad Bank	95	46.13	60	386.84	33	13.82
10.	Andhra Bank	34	196.90	14	12.14	22	20.30
11.	Bank of Baroda	82	42.11	80	361.64	97	165.22
12.	Bank of India	110	117.35	104	76.70	100	161.53

1	2	3	4	5	6	7	8
13.	Bank of Maharashtra	36	13.86	18	318.62	33	16.26
14.	Canara Bank	157	214.82	132	162.31	141	164.37
15.	Central Bank of India	107	116.68	90	346.64	91	704.57
16.	Corporation Bank	50	87.63	16	54.59	11	6.97
17.	Dena Bank	59	79.27	44	74.88	28	307.50
18.	Indian Bank	60	100.51	37	47.10	23	62.88
19.	Indian Overseas Bank	77	47.52	83	32.30	44	181.24
20.	New Bank of India	16	17.42	25	133.42	13	24.01
21.	Oriental Bank of Commerce	14	421.43	14	11.08	12	17.32
22.	Punjab National Bank	292	1400.63	108	360.74	51	123.55
23.	Punjab & Sind Bank	14	15.82	11	203.49	15	385.05
24.	Syndicate Bank	103	164.83	84	260.71	231	132.24
25.	Union Bank of India	83	66.76	88	196.44	82	153.11
26.	United Bank of India	28	12.31	59	298.71	50	55.78
27.	UCO Bank	58	73.17	59	50.27	37	225.93
28.	Vijaya Bank	47	25.53	33	14.50	14	15.19

(Data provisional)