

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:485
ANSWERED ON:28.04.2000
FAKE BANK DEMAND DRAFTS
RAGHUNATH JHA

Will the Minister of FINANCE be pleased to state:

- (a) whether the incidents of siphoning off money through fake demand drafts are on the increase;
- (b) if so, the number of such cases detected during each of the last three years and the amount involved therein indicating the details of bank employees involved therein;
- (c) whether there is any proposal to change the present system of issuing bank drafts including changing the paper used for making drafts; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR)

(a), (b), (c) & (d) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.485 FOR 28.04.2000 REGARDING BANK DEMAND DRAFTS TABLED BY SHRI RAGHUNATH JHA.

(a), (b), (c) & (d):- Reserve Bank of India (RBI) has reported that the number of cases of stolen demand drafts/ cheques (Rupees One lac and above) in public sector banks was 188, 188 and 215 in the years 1996, 1997 and 1998 respectively. As reported by RBI, specific information in respect of frauds relating to fake demand drafts is not readily available. The present data reporting system of RBI does not generate information relating to action taken against the bank employees for their involvement in encashment of fake demand drafts. However, departmental action has been taken against 1207, 1486 and 1795 employees of public sector banks for their involvement in frauds (including cases of encashment of fake demand drafts) during the years 1996, 1997 and 1998 respectively. A proposal for using draft forms of different colours and codes for different amounts was considered by RBI in consultation with Indian Banks' Association (IBA) but was not found acceptable.