

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3052
ANSWERED ON:02.08.2002
FRAUD IN CENTRAL BANK OF INDIA
BALIRAM;PUTTASWAMY GOWDA

Will the Minister of FINANCE be pleased to state:

- (a) whether between May and June ,2002, CBI has registered a case of bungling ofRs36 lakhs in Paharganj, New Delhi branch of Central Bank of India;
- (b) if so, the details thereof;
- (c) the details of persons against whom action is being taken; and
- (d) the steps being taken for recovery of the money and punish the guilty persons?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a): Yes, Sir. Central Bureau of Investigation (CBI) has registered a case against one Manager and one Assistant Manager of Central Bank of India, Paharganj Branch, New Delhi for defrauding the bank to the extent of Rs.36 lakhs in connivance with M/s. Rupin Exports and M/s. Shivam Imports & Exports.

(b), (c) & (d): Between 10.01.2002 and 05.02.2002 the Manager in the absence of Sr.Branch Manager issued three letters to the Parliament Street Branch of Central Bank of India advising to remit US\$ 58,378.40 to Hong Kong on behalf of M/s. Rupin Exports and M/s. Shivam Imports & Exports falsely certifying that sufficient funds have been kept reserved in their OD/CD accounts. Later he unauthorisedly sanctioned Cash Credit limits to M/s. Rupin Exports and adjusted the above mentioned remittance amount. The sanction done was unauthorized and fraudulent. The bank has suspended the Manager and the Assistant Manager and has initiated departmental action against them. The bank has also taken steps for recovery of the outstanding amount by issue of recall notice to the borrowers.