

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1090
ANSWERED ON:28.07.2000
COMPUTERISATION OF BANKS
NARESH KUMAR PUGLIA;SHYAMA SINGH

Will the Minister of FINANCE be pleased to state:

- (a) whether in a move to check bank frauds and irregularities, the CVC has directed the banks all over the country to computerise their operations;
- (b) if so, the reaction of the Government on such directives of the CVC;
- (c) the total percentage of nationalised banks computerised as on 30 June, 2000;
- (d) whether there is any decline in bank frauds after computerisation; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

- (a) and (b) The Central Vigilance Commission issued instruction on 27th November, 1998 stating inter-alia that all banks must ensure that 70 percentage of their business is captured through computerisation before 1st January, 2001. Subsequent thereto, banks have stepped up the pace of computerisation.
- (c) According to the information available as on 30th June, 2000, the nationalised banks have captured 55 percentage of their business through computerisation.
- (d) and (e) There has been a marginal decrease in the number of frauds reported by the public sector banks during 1999 as compared to 1998. There is no evidence of any causal relationship between computerisation of banking operations and decline in bank frauds.