

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:220

ANSWERED ON:18.02.2009

CORRUPTION IN BANKS

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Will the Minister of FINANCE be pleased to state:

- (a) whether complaints of large scale corruption have been received with regard to sanctioning of loans by public sector banks;
- (b) if so, the details of such complaints received during the last three years, bank-wise;and
- (c) the action taken by the Government thereon ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a), (b) & (c) Reserve Bank of India (RBI) has reported that they have received in the past a few complaints alleging that the employees of banks were not discharging their responsibilities properly while sanctioning/rescheduling/writing off of advances.If the complainant gives specific details of the allegations, they are looked into by Regional Offices of RBI during the Annual Financial Inspection (AFI) of the bank or through special scrutinies. So far there are no instances of specific involvement of officials of the banks which were established with conclusive evidence in AFI Reports/Scrutinies.

Further, Public Sector Banks also furnish information on action taken against delinquent employees for their involvement in cases of corrupt practices in a quarterly return to RBI. The details of such action taken by the public sector banks against their delinquent employees for the years 2006, 2007 and 2008 are as under:

Action taken by Public Sector Banks against delinquent employees for their involvement in cases of corrupt practices

| Year | No.of employees convicted | No.of employee Awarded Major/ Minor Penalties | Out of II, discharged/ removed whom prosecution is pending in the Court (as on Dec. 31) | No.of employees convicted whom departmental proceedings are pending (as on Dec.31) | No.of employees against | No.of employees against |
|------|---------------------------|---|---|--|-------------------------|-------------------------|
|------|---------------------------|---|---|--|-------------------------|-------------------------|

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|------|----|-----|----|----|-----|-----|
| 2006 | 34 | 529 | 82 | 22 | 262 | 592 |
| 2007 | 77 | 437 | 60 | 16 | 268 | 429 |
| 2008 | 88 | 450 | 75 | 6 | 273 | 686 |