

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1794

ANSWERED ON:16.08.2013

EMBEZZLEMENT OF FUNDS

Joshi Dr. Murli Manohar;Yadav Shri Dinesh Chandra

Will the Minister of FINANCE be pleased to state:

- (a) whether the incidents of embezzlement of large amount of money from accounts of the customers in public/private sector banks have been reported from different parts of the country in the recent past;
- (b) if so, the details thereof including amount involved therein during the last three years and the current year, bank and State/UT-wise;
- (c) whether the Government has conducted any enquiry in this regard and if so, the details and the outcome thereof;
- (d) whether any bank officials have been found involved therein and if so, the details thereof along with the action taken against the erring officials/persons found involved therein, bank-wise;
- (e) whether the banks have refunded the embezzled amount to their customers; and
- (f) if so, the details thereof and if not, the reasons therefor along with the remedial measures taken/being taken by the Government to keep a check on such incidents, compliance of rules and to protect the interests of the customers?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): Data on fraud above Rs.1 crore in customers account i.e. number of cases, amount involved and amount recovered as reported by banks to RBI bank and state-wise for last three years is as per Annex-I.

(c) & (d): In all such fraud cases, the bank undertakes an investigation and takes action including staff accountability. Data on Staff involved for the period from April 1, 2010 to June 30, 2013 is as per Annex-II. The commensurate punishment is awarded to the delinquent employees based on the seriousness of the wrongdoings as per Bank's disciplinary rules which includes censuring, administrative warning, suspension of the employees, reduction in scales of pay, monetary penalty and recovery of losses, Compulsory retirement, termination from service, dismissal with disqualification from future employment etc.

(e) & (f): As per RBI's Master Circular dated 01.07.2013 on "Customers Service in Banks", in case of any fraud, if the branch is convinced that an irregularity / fraud has been committed by its staff towards any constituent, the branch should at once acknowledge its liability and pay the just claim.