

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2352
ANSWERED ON:11.03.2016
Loss of Loan Papers by Banks
Owaisi Shri Asaduddin

Will the Minister of FINANCE be pleased to state:

- (a) whether the number of cases of losing of papers by banks against whom loans were sanctioned are on the rise;
- (b) if so, the details thereof and the reasons therefor;
- (c) the details and the total amount so far paid by different banks as penalty imposed by different courts for losing papers; and
- (d) the steps taken or being taken by the Government to fix the responsibility on the officials and banks concerned for safe custody of papers of customers deposited against mortgage?

Answer

The Minister of State in the Ministry of Finance

(a) to (d): As per the information furnished by Public Sector Banks (PSBs), the approximate number of cases of loss of papers against which loans were sanctioned and penalty imposed by Hon'ble Courts on PSBs in these cases are as follows:

| Year | No. of Cases | Penalty Imposed (Rs.in lakh) |
|---------------------------|--------------|------------------------------|
| 2013-14 | 62 | 5.92 |
| 2014-15 | 25 | 3.76 |
| 2015-16 (upto 31.12.2015) | 2019 | 11.28 |

The increase in the number of cases during 2015-16 is on account of a fire accident in Sasaram Branch of State Bank of India in Bihar. The bank reported loss of 1978 loan documents in this incident.

Suitable guidelines / instructions are issued by each bank for safe keeping of the title deeds. Whenever title deeds are lost, banks initiate disciplinary proceedings against the erring officials and take action as per its staff accountability policy.
