

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
STARRED QUESTION NO. *4

ANSWERED ON MONDAY 3RD FEBRUARY, 2025 / MAGHA 14, 1946 (SAKA)

FRAUD CASES IN BANKS

***4. DR. D. PURANDESWARI:**
DR. SHRIKANT EKNATH SHINDE:

Will the Minister of FINANCE be pleased to state:

- (a) the details of the number of bank-fraud related cases reported during the last five years, year and bank-wise;
- (b) whether the Government has data on the average investigation time in bank fraud related cases and if so, the details thereof;
- (c) the steps taken by the Government to expedite the investigation of such cases since January 2020;
- (d) whether the Government has taken any initiatives to prevent fraud and loan defaults in public sector banks and if so, the details thereof along with the extent to which these have been effective thereto; and
- (e) whether the Government is considering to create a special investigation unit for bank fraud related cases and if so, the details thereof?

ANSWER

FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

(a) to (e): A statement is laid on the Table of the House.

Statement referred to in reply to parts (a) to (e) in respect of Lok Sabha Starred Question No. *4 for reply on 03.02.2025 regarding Fraud Cases in Banks asked by Dr. D. Purandeswari and Dr. Shrikant Eknath Shinde.

(a) to (e): Bank-wise and year-wise details of frauds in Commercial Banks and All India Financial Institutions (AIFIs), in respect of amount involved of Rs. 1 lakh and above in each case and by the date of occurrence, for the last five financial years and the current financial year till December 2024 are at **Annex**.

As per the Master Directions on Fraud Risk Management by the Reserve Bank of India (RBI), banks are required to report the incidents of fraud immediately to different law enforcement agencies (LEAs), *viz.* the Central Bureau of Investigation, State Police, *etc.*, depending on the amount involved in the fraud. RBI has apprised that information regarding average investigation time in bank fraud cases is not maintained by it.

Comprehensive steps have been taken to keep a check on the banking frauds and deter fraudsters, enabled by which amount involved in frauds based on the date of occurrence has declined from Rs. 33,757 crore in FY 2019-20 to Rs. 4,224 crore in FY 2023-24, and further to Rs. 837 crore in FY 2024-25 (up to December 2024).

Steps taken by the government over the last few years to prevent and to deter instances of bank frauds, to address issues related to loan defaults and to expedite the investigation of bank fraud cases include, *inter alia*, the following:

- (i) An online searchable database of frauds reported by banks, in the form of Central Fraud Registry, has been set up by the RBI to enable timely identification, control and mitigation of fraud risk.
- (ii) Credit discipline was instilled through—
 - (a) enactment of the Insolvency and Bankruptcy Code; and
 - (b) setting up of the Central Repository of Information on Large Credits (CRILC) by RBI to collect, store and disseminate credit data to lenders.
- (iii) Under the PSB Reforms Agenda, comprehensive and automated Early Warning Systems (EWS) were instituted in PSBs, with ~80 EWS triggers and use of third-party data for time-bound remedial actions in the borrowing accounts to proactively detect stress and in turn reducing slippage into NPAs.
- (iv) The Fugitive Economic Offenders Act has been enacted to provide for measures to deter fugitive economic offenders from evading the process of law in India by staying outside the jurisdiction of Indian courts.
- (v) PSBs have been advised to obtain certified copy of the passport of the promoters/directors and other authorised signatories of companies availing loan facilities of more than Rs. 50 crore.
- (vi) Prudential Framework for resolution of stressed assets was issued by RBI to provide a framework for early recognition, reporting and time bound resolution of stressed assets, with a build-in incentive to lenders for early adoption of a resolution plan.
- (vii) Banks have been advised by RBI to report deficient third-party services (such as legal search reports, property valuers' reports, *etc.*) and collusion of these service providers

with fraudsters to the Indian Banks' Association, which maintains a caution list of such service providers.

- (viii) The Indian Cyber Crime Coordination Centre (I4C) has operationalised Citizen Financial Cyber Fraud Reporting and Management System (CFCFRMS) portal for immediate reporting of financial frauds and to stop siphoning-off of funds by the fraudsters. Up to January 2025, than Rs. 3,919 crore has been saved in more than 11.20 lakh complaints.
- (ix) Cyber Fraud Mitigation Centre (CFMC) has been established at I4C with representatives of major banks, Financial Intermediaries, Payment Aggregators, Telecom Service Providers, IT Intermediaries and States/UTs Law Enforcement Agencies (LEAs) to work together for immediate action and seamless cooperation to tackle online financial crimes.
- (x) Seven Joint Cyber Coordination Teams (JCCTs) have been formed to foster a close cooperation among LEAs during interstate cybercrime investigations. It focuses on operational cooperation in parallel investigations in various States/UTs.
- (xi) National Cyber Forensic Laboratory has been setup as a facility for forensic analysis and investigation of cybercrime by use of the latest digital technology to support investigations undertaken by LEAs.

Enabled by the aforesaid measures, gross non-performing assets of PSBs have declined to Rs. 3.16 lakh crore (gross NPA ratio of 3.09%) in September 2024 (provisional data) from Rs. 7.40 lakh crore (gross NPA ratio of 11.59%) in March 2019, and the slippage ratio has declined to 1.13% from 3.96% during the said period.

With regard to creation of special investigation unit for bank frauds, CBI already has its Banking Security and Fraud Branch for investigation of bank fraud cases and State Police also has Economic Offence Wing, which undertakes investigation, *inter alia*, of bank fraud cases. Further, no such proposal is currently under consideration of the government for creating a special investigation unit for bank fraud related cases.

Corporation Bank	4	0.22	-	-	-	-	-	-	-	-	-	-	-
Credit Suisse AG	-	-	1	249.50	-	-	-	-	-	-	-	-	-
CSB Bank Limited	33	2.65	71	11.71	59	2.21	172	9.49	164	17.89	30	3.47	-
DBS Bank India Limited	8	62.09	10	40.80	14	1.14	28	3.29	252	18.18	12	2.09	-
DCB Bank Limited	14	8.79	9	7.81	5	0.46	12	1.49	145	12.41	71	2.94	-
Deutsche Bank AG	9	89.35	3	132.14	8	1.44	18	30.35	26	3.48	7	4.54	-
Doha Bank QSC	-	-	-	-	1	17.62	-	-	-	-	-	-	-
Emirates NBD Bank (P.J.S.C.)	-	-	-	-	-	-	-	-	1	0.35	-	-	-
Equitas Small Finance Bank Limited	31	3.65	42	17.64	41	3.01	100	7.93	107	6.75	63	3.32	-
ESAF Small Finance Bank Limited	8	0.32	9	0.74	13	1.31	32	2.09	47	2.23	11	0.23	-
Export Import Bank of India	3	443.04	-	-	-	-	-	-	-	-	-	-	-
Federal Bank Limited	48	540.86	77	58.61	75	69.82	207	32.88	849	64.83	26	0.79	-
Fincare Small Finance Bank Limited	4	0.08	10	8.59	21	1.48	58	6.58	45	11.53	-	-	-
Fino Payments Bank Limited	30	1.56	23	0.53	26	1.06	37	1.35	152	6.01	17	1.57	-
HDFC Bank Limited	536	632.39	429	231.81	591	235.25	2,891	581.21	5,611	670.24	2,030	69.51	-
Hongkong And Shanghai Banking Corporation Limited	242	8.55	141	2.61	86	2.63	128	16.87	255	6.24	460	11.21	-
ICICI Bank Limited	709	1223.70	617	998.24	1,346	253.10	1,950	200.53	6,652	345.01	1,736	81.83	-
IDBI Bank Limited	174	785.25	136	389.44	137	388.04	142	35.10	111	14.71	44	3.42	-
IDFC First Bank Limited	102	35.80	81	32.21	51	5.36	152	9.15	236	12.60	42	2.02	-
India Post Payments Bank Limited	7	0.81	3	0.98	5	2.72	7	0.09	30	1.61	2	0.03	-
Indian Bank	130	934.66	99	693.98	109	1928.44	288	86.16	413	21.89	30	2.62	-
Indian Overseas Bank	71	430.75	45	101.92	38	102.61	103	38.96	421	10.13	120	5.76	-
IndusInd Bank Limited	122	300.48	400	496.78	1,376	60.92	1,614	82.71	2,088	70.00	535	82.65	-
Jammu and Kashmir Bank Limited	13	69.71	10	99.23	12	14.25	16	298.75	8	8.10	2	0.69	-
Jana Small Finance Bank Limited	57	4.17	29	3.45	34	4.60	27	0.65	23	0.77	5	0.08	-
Jio Payments Bank Limited	-	-	-	-	-	-	-	-	3	0.04	1	0.01	-
JPMorgan Chase Bank National Association	-	-	1	0.49	-	-	-	-	-	-	-	-	-
Karnataka Bank Limited	70	704.48	19	23.91	27	112.01	31	64.66	44	7.81	1	25.21	-
Karur Vysya Bank Limited	32	465.62	6	20.54	25	270.07	34	120.51	125	38.58	35	4.52	-
Kotak Mahindra Bank Limited	657	261.72	828	89.41	924	94.76	708	39.70	877	41.24	216	5.46	-

Krishna Bhima Samruddhi Lab Limited	-	-	1	0.01	2	0.10	1	0.31	2	0.03	-	-
Lakshmi Vilas Bank Limited	31	107.58	5	232.15	-	-	-	-	-	-	-	-
MUFG Bank Limited	-	-	-	-	1	6.49	-	-	-	-	-	-
Nainital Bank Limited	7	2.41	5	1.33	5	0.29	2	0.52	8	7.11	4	16.17
National Bank for Agriculture and Rural Development	-	-	1	819.26	-	-	1	0.40	-	-	-	-
National Housing Bank	-	-	1	2349.54	-	-	-	-	-	-	-	-
North East Small Finance Bank Limited	3	0.21	5	0.52	4	0.26	3	0.12	7	0.86	2	0.19
NSDL Payments Bank Limited	-	-	1	0.16	1	0.05	-	-	-	-	-	-
Oriental Bank of Commerce	8	18.02	-	-	-	-	-	-	-	-	-	-
Paytm Payments Bank Limited	1	0.01	-	-	-	-	14	6.45	52	16.19	1	0.03
Punjab and Sind Bank	59	1926.67	65	102.56	31	6.41	27	62.99	27	3.70	17	0.28
Punjab National Bank	144	4190.29	107	689.92	117	2449.19	101	464.35	370	101.21	86	8.47
RBL Bank Limited	67	15.74	60	26.33	155	5.30	895	28.27	1,159	36.91	248	15.92
SBM Bank (India) Limited	1	20.00	1	20.92	7	0.10	13	1.15	20	0.80	8	0.65
Shinhan Bank	-	-	2	100.01	-	-	1	0.46	1	0.21	1	0.10
Shivalik Small Finance Bank Limited	1	0.42	-	-	-	-	3	0.10	5	0.18	7	0.19
Small Industries Development Bank of India	2	11.81	-	-	2	1.16	3	24.71	2	12.51	-	-
Sonali Bank	1	0.14	-	-	-	-	-	-	-	-	-	-
South Indian Bank Limited	42	980.30	35	135.22	50	51.79	64	40.93	133	42.30	34	2.06
Standard Chartered Bank	237	198.89	174	202.72	129	53.77	246	61.62	692	46.40	386	36.87
State Bank of India	998	763.35	693	742.75	1,116	518.58	2,112	361.17	2,913	357.02	367	40.10
Sumitomo Mitsui Banking Corporation	-	-	1	0.30	-	-	-	-	-	-	-	-
Suryoday Small Finance Bank Limited	12	0.29	13	0.52	5	0.39	9	0.80	27	2.77	18	0.58
Syndicate Bank	37	60.33	-	-	-	-	-	-	-	-	-	-
Tamilnad Mercantile Bank Limited	46	55.24	50	150.58	51	31.55	42	22.88	21	24.87	6	0.15
The Dhanalakshmi Bank Limited	5	0.56	2	0.51	4	1.51	7	0.96	44	4.24	9	0.58
The Industrial Finance Corporation of India Limited	4	244.70	1	490.27	-	-	-	-	-	-	-	-
UCO Bank	156	984.07	221	144.97	101	1094.87	84	56.67	45	63.46	5	3.73

Ujjivan Small Finance Bank Limited	44	3.17	34	2.49	34	9.49	48	4.37	179	5.78	46	1.77
Union Bank of India	137	2915.46	122	607.43	131	414.90	285	174.77	186	316.40	11	121.54
United Bank of India	23	231.84	-	-	-	-	-	-	-	-	-	-
Unity Small Finance Bank Limited	-	-	-	-	-	-	4	0.29	5	0.39	3	0.55
Utkarsh Small Finance Bank Limited	8	0.46	15	14.38	9	1.61	19	0.98	23	4.16	13	0.56
Woori Bank	1	0.20	-	-	-	-	-	-	-	-	-	-
Yes Bank Limited	44	2643.23	39	400.16	84	12.23	201	24.58	307	21.84	197	4.56

Source: RBI
