

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UNSTARRED QUESTION NO- 333**

ANSWERED ON MONDAY, FEBRUARY 02, 2026/MAGHA 13, 1947 (SAKA)

**Bank Frauds**

333. SHRI SELVAGANAPATHI T.M.:

Will the Minister of FINANCE be pleased to state:-

- (a) whether it is a fact that fraudsters continue to cheat the banking system and duped lenders and depositors;
- (b) if so, the details thereof;
- (c) whether it is also a fact that the size of bank frauds has been rising but cases are on the decline;
- (d) if so, the details thereof;
- (e) whether it is true that the amount of money defrauded rose to Rs. 34,771 crore during the year 2024-25 from Rs.11,261 crore in 2023-24 and if so, the reasons therefor;
- (f) whether it is also a fact that the Public Sector Banks reported the highest share of frauds related to advances, both in terms of number of cases and the amount involved and if so, the details thereof; and
- (g) the details of the share of card/Internet frauds detected across all bank groups in both number and amount involved during 2024-25?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) to (g): As per the Reserve Bank of India (RBI) guidelines on loans and advances, banks have been mandated to carry out proper due diligence and credit appraisal before granting of any loan. However, in the business of banking it is inevitable that certain number of cases turn Non-Performing Assets (NPAs), and out of which few of them are classified as fraud.

Comprehensive steps have been taken to keep a check on the banking frauds and to deter fraudsters. Enabled by these, the amount involved in frauds of Rs. 1 lakh and above based on the date of occurrence in Banks and Financial Institutions (FIs) have declined from Rs. 5,856 crore in FY 2023-24 to Rs. 3,497 crore in FY 2024-25, which is the lowest since FY 2015-16, while the total number of frauds during the corresponding period have also decreased from 35,530 cases in FY 2023-24 to 11,615 cases in FY 2024-25.

Steps taken by the Government and RBI 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 Public Sector Banks (PSBs) Reforms Agenda, comprehensive and automated Early Warning Systems (EWS) were instituted in PSBs, with approximately 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.
- (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.

As per RBI data on frauds, in respect of amount involved of Rs. 1 lakh and above in each case and based on the date of reporting, amounts involved in fraud cases in banks and financial institutions increased from Rs. 11,261 crore in financial year (FY) 2023-24 to Rs. 34,771 crore in FY 2024-25, while the total number of frauds during the corresponding period decreased from 36,052 cases in FY 2023-24 to 23,879 cases in FY 2024-25.

The sudden increase in amounts involved in frauds reported during FY 2024-25 was primarily due to fraud re-classification by banks after re-examination and ensuring compliance with the judgement of the Hon'ble Supreme Court in Civil Appeal No. 7300 of 2022 in the matter of State Bank of India & Ors. Vs. Rajesh Agarwal & Ors. dated 27.3.2023. It is also pertinent to note here that these cases have occurred in previous years. As per RBI inputs, 122 fraud cases with amount involved Rs. 18,674 crore pertaining to previous financial years were reported afresh in FY 2024-25 by banks after complying with the directions mentioned in the said judgement. Fraud classification in these cases were earlier withdrawn by banks due to non-adherence with the aforesaid judgement.

Further, as per the Report on Trends and Progress of Banking in India 2024-25 published by RBI in December 2025, for the entire banking sector the amount involved in frauds are majorly contributed by advances-related frauds. However, frauds in PSBs as a percentage of gross loans and advances wherein amount involved is Rs. 1 lakh and above, based on date of occurrence of frauds, have declined to a decadal low of 0.01% in FY 2024-25, which is lower than the Private Sector Banks which stand at 0.04% in FY 2024-25.

Based on the date of occurrence of frauds in banks and financial institutions, in respect of amount involved of Rs. 1 lakh and above in each case, during FY 2024-25, the share of card / internet frauds out of the total was 66.8% in terms of number of cases and 7.2% in terms of amount involved.

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