GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO- 2460

ANSWERED ON MONDAY, 3 AUGUST, 2026/SHRAVANA 12, 1948 (SAKA)

Recovery and Refund of Defrauded Amounts

2460. SHRI G M HARISH BALAYOGI:

Will the Minister of FINANCE be pleased to state:-

(a) the number of financial fraud cases involving banking, digital payments and other financial transactions reported during last three financial years, year-wise, category-wise and State/UT-wise;
(b) the total amount involved in such cases and the amount frozen, recovered and refunded to victims, year-wise, category-wise and State/UT-wise;
(c) the number of victims whose defrauded amounts were fully or partially recovered and refunded during the said period, year-wise and State/UT-wise;
(d) the mechanisms for recovery of defrauded amounts and restitution to victims, including agencies responsible for coordination and timelines prescribed for recovery and refund;
(e) whether the Government has assessed the recovery and refund rates in financial fraud cases, if so, the details thereof along with the reasons for non-recovery or delay in restitution to victims; and
(f) the steps taken or proposed to be taken by the Government to strengthen real-time fraud detection, inter-bank and inter-agency coordination, recovery of defrauded amounts and time-bound restitution to victims?

ANSWER

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

(a) to (c): Category-wise and State/UT-wise details of frauds reported by Scheduled Commercial Banks (excluding Regional Rural Banks) and All India Financial Institutions for the last three financial years (FYs) are at **Annex-1** and **Annex-2** respectively.

Further, the Reserve Bank of India (RBI) has apprised that the details of amount frozen, recovered and refunded to the victims are not maintained by it.

(d) to (f): In terms of the RBI's Master Directions on Fraud Risk Management in Commercial Banks and All India Financial Institutions, banks are required to immediately report the incidents of fraud to different Law Enforcement Agencies (LEAs), *viz.* State/UT Police, Serious Fraud Investigation Office (SFIO), Central Bureau of Investigation (CBI), depending on the amount involved in the fraud. Since the complexity of the fraud cases are unique and multiple agencies/institutions/tribunals/courts are involved, there are no defined timelines for recovery of amount involved in frauds. Attempts are made by all the agencies involved to recover and resolve at the earliest.

Details of recovery and refund in fraud cases is as per **Annex-1**. Further, recovery in fraud loans is an ongoing process and banks initiate recovery actions under various recovery mechanisms available to them, which include, inter alia, filing of suits in civil courts or in Debt Recovery Tribunals, action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, filing of cases in the National Company Law Tribunal under the Insolvency and Bankruptcy Code.

The Ministry of Home Affairs (MHA) has established the Indian Cybercrime Coordination Centre (I4C) to provide a comprehensive ecosystem for LEAs to deal with cybercrime. Under this framework, the National Cybercrime Reporting Portal (NCRP) serves as the primary public interface, enabling citizens to report all cyber offences, including cyber-enabled financial crimes.

Once a financial fraud is reported on the portal or via helpline 1930, the complaint automatically feeds into the Citizen Financial Cyber Fraud Reporting and Management System (CFCFRMS). The CFCFRMS functions as the operational engine that integrates State and UT police agencies directly with banks and financial intermediaries. This real-time link allows LEAs to trace the money trail, map criminal identifiers, and place immediate lien holdings on defrauded funds before they leave the financial system.

To conclude this lifecycle, funds frozen by the CFCFRMS are systematically returned to victims through the Money Restoration Module (MRM). Acting as the final recovery stage of the NCRP-CFCFRMS pipeline, the MRM Portal provides a standardized online application process for restoration of money to victims.

In addition to the above, comprehensive steps taken by the Government and RBI over the last few years to prevent and to deter instances of bank frauds, strengthen real-time fraud detection, inter-bank and inter-agency coordination, recovery of defrauded amounts and timebound restitution to victims 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) RBI has issued revised instructions on 24.6.2026 to banks *vide* its Commercial Banks - Responsible Business Conduct, Directions, 2026 regarding limiting liability of customers in unauthorized Electronic Banking Transactions (EBTs) from a customer protection perspective based on the examination and assessment of the feedback received on its draft Directions.

(iii) 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.

(iv) RBI has launched an Artificial Intelligence (AI) based tool 'MuleHunter' for identification of money mule and advised the banks and financial institutions for its uses.

(v) Indian Digital Payment Intelligence Corporation (IDPIC) has been incorporated to detect, prevent, and analyse fraud in rapidly expanding digital payments ecosystem in real time by leveraging cutting-edge technologies, including AI/ML and Big Data Analytics.

(vi) Several initiatives have been taken to spread awareness amongst customers, which *inter alia* include, dissemination of messages on cybercrime through short message service (SMS), radio campaigns, publicity on prevention of cybercrime and cyber safety tips through social media accounts of I4C, conducting of electronic-banking awareness and training (e-BAAT) programmes by RBI.

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Annex-1

Lok Sabha Unstarred question no. 2460, regarding Recovery and Refund of Defrauded Amounts

Category-wise details of frauds reported by Scheduled Commercial Banks (excluding Regional Rural Banks) and All India Financial Institutions

(Amounts in crore Rs.)

Area of Operation	FY 2023-24			FY 2024-25			FY 2025-26		
	Number	Amount Involved	Amount Recovered	Number	Amount Involved	Amount Recovered	Number	Amount Involved	Amount Recovered
Advances	5,127	8,920.44	265.56	9,391	29,267.42	1,236.95	10,678	40,739.74	2,787.90
Card / Internet	2,93,239	2,060.75	151.85	1,44,855	821.88	47.48	5,997	35.85	10.11
Cash	3,388	84.70	33.52	1,980	42.23	16.78	442	35.14	22.04
Cheques / DDs, etc.	178	41.86	7.85	153	74.37	4.65	116	13.89	1.42
Clearing Accounts	20	1.96	0.18	11	1.81	1.03	5	10.56	5.24
Deposits	43,134	284.96	28.70	12,666	536.48	63.73	3,887	292.61	60.95
Forex	24	38.17	0.35	29	15.99	0.00	52	124.70	0
Inter-Branch Accounts	33	9.84	0	4	0.45	0.33	0	0	0
Off-balance sheet	10	199.06	0.37	15	269.81	31.32	8	520.58	0.93
Others	625	36.12	10.96	9,206	1,012.77	41.08	2,184	6,136.98	17.38

Source: RBI

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Annex-2

Lok Sabha Unstarred question no. 2460, regarding Recovery and Refund of Defrauded Amounts

State-wise details of frauds reported by Scheduled Commercial Banks (excluding Regional Rural Banks) and All India Financial Institutions

(Amounts in crore Rs.)

State/ UT	FY 2023-24			FY 2024-25			FY 2025-26		
	Number	Amount Involved	Amount Recovered	Number of Frauds	Amount Involved	Amount Recovered	Number of Frauds	Amount Involved	Amount Recovered
Andaman and Nicobar Islands	39	0.36	0.00	6	0.05	0.00	1	0.00	0.00
Andhra Pradesh	3,864	174.08	8.91	2,436	915.68	15.13	522	371.96	8.43
Arunachal Pradesh	42	0.55	0.00	16	0.35	0.03	7	1.17	0.00
Assam	1,529	27.79	1.05	1,228	86.56	4.85	819	107.66	6.93
Bihar	4,721	68.65	4.37	2,633	53.60	3.52	537	70.47	5.55
Chandigarh	1,301	279.16	3.04	430	379.04	18.10	106	1,440.39	121.55
Chhattisgarh	1,787	125.23	3.88	704	65.19	3.46	207	215.23	10.78
Dadra and Nagar Haveli and Daman & Diu	162	1.04	0.00	82	0.42	0.00	6	0.04	0.04
Goa	346	24.09	0.15	134	5.53	0.03	30	12.09	0.69
Gujarat	10,935	986.21	7.36	4,931	1,285.86	39.96	826	1,435.60	49.26
Haryana	55,537	252.86	6.87	25,359	629.37	6.98	3,482	454.17	50.50
Himachal Pradesh	831	46.99	0.82	360	54.81	1.43	43	25.43	9.32
Jammu and Kashmir	467	47.55	3.23	298	81.27	2.65	103	193.49	6.92
Jharkhand	1,446	61.96	3.79	928	62.27	3.17	252	97.00	0.67
Karnataka	13,025	380.39	23.71	5,808	1,048.47	21.98	1,851	1,487.09	20.89
Kerala	15,250	238.09	3.13	5,536	224.77	6.65	698	445.08	11.01
Ladakh	18	0.07	0.00	13	0.03	0.00	8	0.00	0.00
Lakshadweep				1	0.15	0.00			

Madhya Pradesh	6,697	250.42	11.59	2,488	1,368.13	7.42	890	412.84	10.00
Maharashtra	79,847	1,363.56	103.86	36,342	6,769.84	57.65	4,343	24,164.49	793.67
Manipur	75	3.05	0.00	62	3.50	0.07	35	0.76	0.19
Meghalaya	94	1.96	0.01	42	2.61	0.00	69	12.93	0.00
Mizoram	20	4.92	0.00	8	0.28	0.25	7	0.01	0.01
Nagaland	38	1.45	0.21	21	0.08	0.00	7	0.26	0.03
NCT of Delhi	68,691	2,125.33	136.82	15,579	8,855.91	134.27	1,175	5,415.37	705.83
Odisha	2,244	83.20	4.19	1,902	479.82	27.12	815	67.74	5.72
Puducherry	252	1.96	0.47	136	1.86	0.03	27	2.76	0.02
Punjab	4,067	239.30	3.67	1,889	1,129.01	10.22	600	885.61	55.08
Rajasthan	10,693	276.42	8.68	7,340	300.00	15.11	914	227.13	10.98
Sikkim	84	1.13	0.02	31	1.29	0.72	7	4.24	0.32
Tamil Nadu	24,636	1,190.56	53.44	43,604	1,000.22	72.02	1,330	1,995.45	242.26
Telangana	7,630	1,925.03	36.30	3,237	1,351.26	13.74	638	1,999.33	24.19
Tripura	260	3.89	0.64	127	6.64	0.14	36	20.70	1.05
Uttar Pradesh	16,573	952.50	59.05	7,194	991.88	39.23	1,478	755.28	27.13
Uttarakhand	1,469	37.34	3.00	689	59.67	0.87	193	71.55	3.41
West Bengal	11,101	482.54	7.06	6,681	4,347.15	932.49	1,2 89	5,479.89	723.47

Source: RBI

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