

# **Assessment of Cyber Crime Patterns in India: A State-wise Comparison and Impacts on the Scheduled Commercial Banks**

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## **ABSTRACT**

Cyber space has evolved equivocally, transcending time and space. Now a days, with the world advancing swiftly with the technology, the cyber crimes also, are way too escalating in its number as well as its features. The consequences of the cyber frauds are detrimental to the structure of a digitally empowered economy, both in terms of money and integrity. This study tries to understand the cyber crime scenario in a developing country like India, who is both a generator and a victim of such attacks. A basic comparative analysis of the Indian states on the basis of the reported cyber crimes and an apprehension of the growth rates helped in understanding the overall patterns in the country. Time series analysis of the cyber crime data using ARIMA modeling has been done for the states which contribute the most to the total country's aggregate. It has been found that the univariate modeling do not fit the data, making it insignificant to forecast the values within a small sample period. To cognize the impact of cyber economic frauds in the banking sector of the country, particularly for the scheduled commercial banks, regression analysis was used. The tests detected strong relationships between cyber economic frauds and each of the Net NPAs, Total Credit Outstanding and Total Deposits respectively. The NPAs in the SCBs seemed to rise along with the increase in the amount of loss via cyber economic crimes. The estimates also revealed that the cyber economic frauds are in direct proportion to the rising credit and deposits in the country where financial inclusion had been the major motto recently. The negative effect of cyber frauds in the banks is a reality that has not been given adequate attention in Indian banks till now. The study therefore suggests strong institutional controls to tackle the cyber attacks at a national level, with the help of skilled IT professionals and required legal aids. As a matter of fact, basic digital literacy is also a crucial pre requisite for the participants of this digital era. The global scenarios were also overlooked to build a background to the current study in view of the complex and inter-connected networks that bring together the globe into a single platform.

**Key words:** cyber crime, economic frauds, net NPAs, credit outstanding, deposits