GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO-2640

ANSWERED ON TUESDAY, AUGUST 11, 2026/20 SHRAVANA, 1948 (SAKA)

PUBLIC SECTOR BANK FRAUDS, NPAs AND RECOVERY OF BAD LOANS

2640. SHRI IMRAN PRATAPGARHI:

Will the Minister of FINANCE be pleased to state:-

(a) whether Government has taken note of the increase in bank frauds and non-performing assets (NPAs) in Public Sector Banks (PSBs);
(b) the bank-wise details of NPAs, fraud cases reported and the amount involved during the last three years;
(c) the amount recovered from bad loans and fraud-related cases during the said period, bank-wise;
(d) the action taken against officials and borrowers found responsible for such frauds and wilful defaults; and
(e) the measures taken to strengthen accountability, improve recovery mechanisms and prevent recurrence of bank frauds?

ANSWER

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

(a): As per Reserve bank of India (RBI) data, Gross Non-Performing Assets (GNPAs) of Public Sector Banks (PSBs), have been declining over the last three financial years and have come to a low of Rs 2,45,634 crore as at 31.3.2026 from a high of Rs 3,39,541 crore as at 31.3.2024. The GNPA ratio of PSBs have reduced from 3.47% as at 31.3.2024 to 1.93% as at 31.3.2026.

Also, number of frauds reported over the last three years in PSBs have declined from 54,850 cases in FY 2023-24 to 5,786 cases in FY 2025-26.

(b) and (c): As per the information received from RBI, the details of NPA in PSBs and fraud reported in PSBs along with the amount recovered during the last three financial years are at **Annexure 1** and **Annexure 2** respectively.

(d): Actions taken against officials responsible for fraud include the following:

(i) Departmental/disciplinary proceedings are initiated against officials wherever lapses, negligence, misconduct or connivance are established.
(ii) Appropriate administrative actions, including penalties under the applicable Service Rules, are taken based on the gravity of misconduct.
(iii) In cases involving criminality or collusion, complaints are lodged with Law Enforcement Agencies (CBI/Police/other competent authorities), wherever warranted.

Further, Banks initiate appropriate action against borrowers involved in frauds and wilful defaults in accordance with the applicable RBI guidelines and the Banks' board approved policies. These actions include, inter alia the following:

(i) Borrowers are identified and declared as fraud/wilful defaulters strictly in accordance with RBI Master Directions.
(ii) Criminal complaints are filed with Law Enforcement Agencies (CBI/Police/other competent authorities), wherever warranted.
(iii) Once an account is declared as fraud / wilful defaulter, penal measures as applicable under the RBI master directions come into force regarding raising of fresh funds/additional loans from the banking system.

As per the inputs received from Public Sector Banks, during the last three FYs, staff accountability has been fixed in 5147 cases wherein First Information Report (FIR) has been filed in 9451 cases against borrowers responsible for frauds.

(e): Several measures have been taken by the Government and RBI over the last few years to strengthen accountability, improve recovery mechanisms and prevent recurrence of bank frauds which include, inter alia, the following:

(i) RBI vide its Master Directions on Fraud Risk Management dated July 31, 2026 has stipulated that the banks shall initiate and complete the examination of staff accountability in all fraud cases in a time bound manner in accordance with its internal policy. Public Sector Banks (PSBs) shall conduct examination of staff accountability as per the guidelines issued by the Central Vigilance Commission (CVC).
(ii) Sensitization of staff on awareness and prevention of fraud through various training programs, meetings, workshops etc.
(iii) Government and RBI have been working in coordination to strengthen the various recovery mechanisms available. These include filing of suits in civil courts or in Debts 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, through negotiated settlements/compromise, and through sale of non-performing assets.
(iv) RBI's Master Directions on Fraud Risk Management dated July 31, 2026 provide for strengthening of framework on Early Warning Signals (EWS), *inter alia,* to monitor transactions / unusual activities in the non-KYC compliant and money mule accounts etc., to contain unauthorized / fraudulent transactions.
(v) 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.
(vi) 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.
(vii) 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.
(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) As per RBI Know Your Customer Directions, 2025 dated November 28,2025 banks are required to strictly adhere to the instructions on opening of accounts and monitoring of transactions, to minimise the operations of 'Money Mules' and to undertake diligence measures and meticulous monitoring to identify accounts which are operated as Money Mules and take appropriate action, including reporting of suspicious transactions to Financial Intelligence Unit -India (FIU-IND).

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Annexure 1

'ANNEXURE REFERRED IN REPLY OF PART (B) AND (C) OF RAJYA SABHA UNSTARRED QUESTION NO. 2640 FOR 11.08.2026 REGARDING PUBLIC SECTOR BANK FRAUDS, NPAs AND RECOVERY OF BAD LOANS'

The details of the NPA cases as reported by PSBs since FY 2023-24

(Amounts in crore Rs.)

	Gross NPAs (as on)	**Amount recovered**	**Gross NPAs (as on)**	**Amount recovered**	**Gross NPAs (as on)**	**Amount recovered**
Bank Name	**31-03-2024**	**FY 2023-24**	**31-03-2025**	**FY 2024-25**	**31-03-2026**	**FY 2025-26**
Bank of Baroda	31,834	7,199	27,835	7,756	27,059	6,777
Bank of India	29,183	7,720	21,749	9,769	15,306	9,383
Bank of Maharashtra	3,833	1,610	4,185	1,816	4,246	1,886
Canara Bank	40,605	9,095	31,530	9,521	22,740	8,083
Central Bank of India	11,340	3,402	9,225	3,374	9,185	3,592
Indian Bank	21,106	6,654	18,179	6,231	13,190	6,037
Indian Overseas Bank	6,794	3,614	5,348	3,342	4,410	3,131
Punjab And Sind Bank	4,665	1,600	3,370	890	2,831	1,121
Punjab National Bank	56,343	13,206	44,082	9,931	37,124	9,658
State Bank of India	84,276	15,169	76,880	14,250	73,452	16,925
UCO Bank	6,463	2,227	5,919	3,326	5,690	1,988
Union Bank of India	43,098	11,277	35,350	9,236	30,401	8,400

Source: RBI

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Annexure 2

'ANNEXURE REFERRED IN REPLY OF PART (B) AND (C) OF RAJYA SABHA UNSTARRED QUESTION NO. 2640 FOR 11.08.2026 REGARDING PUBLIC SECTOR BANK FRAUDS, NPAs AND RECOVERY OF BAD LOANS'

The details of the fraud cases as reported by PSBs since FY 2023-24

(Amounts in crore Rs.)

	2023-24			**2024-25**			**2025-26**		
Bank	**Number of Frauds**	**Amount Involved**	**Amount Recovered**	**Number of Frauds**	**Amount Involved**	**Amount Recovered**	**Number of Frauds**	**Amount Involved**	**Amount Recovered**
Bank of Baroda	12,063	399.53	12.45	3,774	591.79	9.60	778	3,676.80	270.07
Bank of India	207	944.04	11.90	152	1,222.52	6.03	100	1,826.60	429.08
Bank of Maharashtra	471	27.25	0.17	289	356.01	4.05	392	989.23	38.67
Canara Bank	152	421.38	11.39	636	3,139.76	14.68	514	6,436.23	19.47
Central Bank of India	2,401	173.14	8.42	1,003	117.34	2.43	86	584.98	2.07
Indian Bank	6,059	206.43	9.16	2,169	2,091.15	954.93	187	1,195.07	3.99
Indian Overseas Bank	8,068	42.71	1.06	1,919	41.80	2.23	100	931.93	127.12
Punjab And Sind Bank	244	20.44	0.71	246	381.45	0.50	38	1,646.08	772.31
Punjab National Bank	7,107	1,277.70	86.24	2,916	2,845.50	108.25	537	5,803.06	604.37
State Bank of India	14,739	2,787.03	18.41	13,834	7,573.77	32.63	2336	8,992.12	246.98
UCO Bank	172	174.55	1.08	138	303.71	32.34	429	1,504.69	0.01
Union Bank of India	3,167	1,775.55	146.68	280	3,917.53	82.39	289	2,084.69	0.25

Source: RBI

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