# An Analysis of Loans, Recovery and NPA - A Study on Selected Banks

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**Abstract:** ***Flexibility alludes to the spotlights on the capacity to prepare corporate, labour force and individual highlights that go close to establishing a mentality to an occasion. Corporate strength is the ability to assemble highlights that help the business or administration. Have a disposition to survive and be upheld by restricting occasions and encounters. Corporate resilience is the ability of an organizations to quickly adapt to disruptions while maintain continuous business operations and safeguarding people, assets and overall brand equity. Resilience at the corporate and business level is required to manage risks like risk of variation, loss of standing, change in the workforce etc. This study helps to study the major challenges faced by international bank inconsistent practices and frequent changes rules which led to inconsistent in decreasing in NPA. In profoundly unstable and questionable times, organizations have to be created versatility capacity which empowers them to edit viably with startling occasions, bounce back from emergencies, and indeed cultivate future victory. In spite of the that scholastic intrigued in organizational flexibility has relentlessly developed in later a long time, there's small agreement approximately what versatility really implies and how it is composed. More information is especially required almost organizational capabilities that constitute resilience, as well as conditions for their improvement. This ponders points to create a commitment by developing the understanding of the complex and implanted build of organizational versatility. Resilience is important for several reason it enable us to develop mechanism for protection against experiences which could be overwhelming it helps us to maintain balance in our lives during difficult or stressful periods, and can also protect us from the development of some mental health difficulties and issues.***

**Keywords:** labour, risk, NPA, equity

## 1. Introduction

Flexibility alludes to the spotlights on the capacity to prepare corporate, labour force and individual highlights that go close to establishing a mentality to an occasion. Corporate strength is the ability to assemble highlights that help the business or administration. Have a disposition to survive and be upheld by restricting occasions and encounters. Corporate resilience is the ability of an organizations to quickly adapt to disruptions while maintain continuous business operations and safeguarding people, assets and overall brand equity.

Resilience at the corporate and business level is required to manage risks. The risk of variation, loss of standing, change in the workforce, change in the economic environment, political change, all of which power damage the success of the enterprise Business resilience goes a step further than disaster recovery. By offering post disaster strategies to escape costly downtime and maintain business operations in the face of further, unexpected breaches.

All corporate firms are different but some are in a more resilient position than others. A structure of tough resilient organization is a comfort and performance strategies are good for all its staff as of this outcome displays the high performance for the business. All actions and reactions take place with in a setting, and it is our understanding of both the setting and the event that help us decide how to respond. The personal resilience is needed at the time where we are and evaluate the event. In a corporate condition all the workforce understanding the event and estimating that regulates how strong their reply in the actions.

**Resilience importance in the working places:**
Resistance refers to the ability to absorb or resist impacts and recovery refers to the ability to recover from them. Transformation refers to changes that affect the function of the socio - ecological system. The concepts of transformation are at the forefront of debates about responses to climate change.

1) **Well handling of challenges**: Most of the managers choose the wrong directions because they did not take time to think about what they face the problem and what's is the problem faced, when we face problem in business first, we need to think and explore finish the challenge from different angles.
2) **Improved communication**: good communication is important in corporate level because knowing more about how to communicate clearly and with understanding can help you to avoid problems before they start.
3) **Creating a competitive business**: Business who works effectively in the right time of changes and who have employees that work well in the organization creates a good competitive business incorporate field.

**Resilience includes three components**

- Resistance
- Recovery
- Transformation

It has been recognized as key components of resilience in response to the need for humans to develop solutions to pressing environments and social challenges, and it acknowledge the active's role that humans play in shaping their future. Transformation is a complex process that involves change at the personal, cultural, organizational, and institutional and system levels. The concept of resilience's has evolved from an ecological definition, emphasizing the persistence of the ecosystem structure and function in a changing world, to an emphasis on the ability of coupled social ecological systems to adopt. Most recently the concept of resilience includes the ability of society to transform in the face of global change.

Resilience, therefore, refers to a system's capacity to persist in its current state of functioning while facing disturbance and change to adapt future e challenges, and to transform in ways that enhance its functioning.

**Operational strength dangers from digitalization**
The consideration given to these challenges at a political level, counting as of late by the UK Parliament's Treasury Committee, appears the level of investigation that banks can anticipate these occasions to proceed to draw in. Banks are beneath weight to overhaul their bequest frameworks, which posture a chance to their operational flexibility in them possess right. This speaks to a basic challenge for the banking segment as sheets and senior administrators consider how best to create critical speculations in advanced stages, computerization, fake insights, and third - party outsourcing to guarantee they can remain competitive in an advancement time and oversee their costs successfully. IT frameworks with powerless operational flexibility can put those destinations at hazard, as well as the security of a bank's clients, counterparties and numerous other partners.

The advancement taking put within the European managing an account showcase is obvious. Ned bank's challenging occupants for showcase share by and large depend on digitalized and robotization overwhelming trade models, both for their front conclusion administrations and back - office operations. Open managing an account has made the conditions for Blade Tech challengers to offer more imaginative items and get to noteworthy sums of information from banks' clients.

**Corporate Resilience along the digitalization and automation journeyof banking sector:**
The type of operational resilience risks faced by a bank will depends on a number of the factors, including its size, geographical footprint, product offering, IT infrastructure and reliance on third parties to deliver critical services.

## 2. Literature Review

**Mashika (2016)** conducted the study on building private sector resilience direction after the 2015 sendal framework. During recent mega disaster, such as the 2011 greats East Japan earthquake and the 2011 Thailand floods, interdependence in supply chains caused substantial economic damage, often exacerbated by vulnerable small and medium enterprises (SMEs). Therefore, a new global framework disaster risk reduction the Sendai framework for disaster risk reduction 2015 - 2030, mentions the role of the private sector in achieving a resilient society. However, the framework statement is abstract and they need to be converted into actionable agendas. this paper identifies future directions for private sector resilience to disasters focusing on business continuity.

**Sunil Rai, Lakshmi Mohan (2012)** conducted the study on Business continuity model A reality check for banks in India. We have developed a framework to address the issues related to business continuity management (BCM) and applied it to banks in India. The paper discusses the need for BCM in banks and presents a model to design, implement, operationalize and assess a business continuity plan. The proposed BCM model covers five components relating to the organizational soft issues, processes, people, Technology and Facilities management, and defines a variety of metrics to measure.

### 2.1 Research Objectives

- To understand the various loan schemes of Private, Public &Foreign Bank.
- To analyse the banks loans & recovery and NPA.

### 2.2 Research methodology

This study includes only data which is collected through secondary data. Sample design: 6 banks are considered for analysis.

**6 banks**
- 2 private banks
- 2 public banks
- 2 Foreign banks

#### 2.2.1 Private Sector Bank

**a) HDFC Bank**
**Net Revenue of HDFC Bank**

**Table 1.1:** Table showing of Net revenue of HDFC Bank

| S. No. | Year | Loans and advance (Rs in Cr) |
|---|---|---|
| 1 | 2022 | 14, 54, 588.76 |
| 2 | 2021 | 11, 78, 762.52 |
| 3 | 2020 | 10, 47, 633.97 |
| 4 | 2019 | 8, 68, 575.17 |
| n5 | 2018 | 658333 |

**Interpretation:** The above graph and table shows that over last 5 years, HDFC Bank has steadily increased amount of loans and advances it offers, from 658333 crore in 2019 to 14, 54, 588.76 crore in 2022. This show that HDFC Bank has been able to continue expand its loan portfolio and growing its lending business in spite of the difficult economic conditions.

**Loans and advance of HDFC Bank**

**Table 1.2:** Table showing loans and advance of HDFC Bank

| S No. | Year | Loans and advance (Rs in Cr) |
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| 2 | 2021 | 11, 78, 762.52 |
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14, 54, 588.76 crore in 2022. This show that HDFC Bank has been able to continue expand its loan portfolio and growing its lending business in spite of the difficult economic conditions. The bank's resilience can see in the facts that it was able to grow its portfolio of loan and advances during the pandemic year of 2020, when many companies and people were struggling financially. This implies that the bank has maintained its ability to extend credit to clients despite challenging economic conditions.

**Non - Performing Assets of HDFC Bank**

**Table 1.3:** Table showing Non - Performing Assets of HDFC Bank

| S No. | Years | Non - performing assets (%) | Non - performing assets (%) 0. |
|---|---|---|---|
| 1 | 2022 | 1.17 | 16, 140.96 |
| 2 | 2021 | 1.32 | 15, 086.00 |
| 3 | 2020 | 1.26 | 12, 649.97 |
| 4 | 2019 | 1.36 | 11, 224.16 |
| 5 | 2018 | 1.30 | 86, 070.41 |

**Interpretation:** Above table and graph shows the NPAs at HDFC Bank decreased gradually between 2018 and 2022. The NPA percentage was 1.30% in 2018, 1.36% in 2019, 1.26% in 2020, 1.32 in 2021 and 1.17% in 2022 before declining further. Lower NPAs show that bank is effectively managing credit risk and that its loan portfolio is performing well, which is positive trend. Despite the declining percentage, the total amount of a NPAs increased from 86, 070.41 crore in 2018to 16, 140, 96 crore in 2022.

**Interest from advance (Rs in Cr) by HDFC Bank**

**Table 4.1.1.4:** Table showing interest from advance by HDFC Bank

| S No. | Years | Interest from advance (Rs in cr) |
|---|---|---|
| 1 | 2022 | 1, 27, 753.12 |
| 2 | 2021 | 1, 20, 858.23 |
| 3 | 2020 | 1, 14, 812.65 |
| 4 | 2019 | 98, 972.05 |
| 5 | 2018 | 81, 960.04 |

**Interpretation:** Above table and graph indicates that over the past 5 years, the amount of interest that HDFC Bank has spent has varied. The amounts of interest paid out in 2018 was Rs.81, 960.04 crores, and in 2019, it rose to Rs.98, 972.05 crores, an increase of roughly 16%.

**b) Non - Performing Assets of ICICI Bank**

**Table 2.3:** Table showing Non - performing Assets of ICICI Bank

| S No. | Year | Non - performing Assets (%) | Non - performing Assets (cr) |
|---|---|---|---|
| 1 | 2022 | 3.76 | 33, 294.92 |
| 2 | 2021 | 7.50 | 4 0, 841.42 |
| 3 | 2020 | 6.04 | 40, 829.09 |
| 4 | 2019 | 7.38 | 45, 676.04 |
| 5 | 2018 | 4.77 | 44, 621.97 |

**Interpretation:** Above table and graph shows that over last 5 years, ICICI Bank's percentage of non - performing assets has varied, reaching a high of 7.50% in 2021 and a low of 3.76% in 2022. Similar to this, there have been ups and downs in term of the total amounts of nonperforming assets, with the high of 45, 676.04 crore in 2019 and a low of 33, 294.92 crore in 2022. The bank's NPA percentage has fluctuated over the past two years, but it has a generally been lower than it was in the previous year.

**2.2.2 Public sector bank:**

**a) Canara Bank**

**Net revenue of Canara bank**

**Table 2.1:** Table showing Net revenue of Canara Bank

| S No. | Year | Net revenue (Rs in Cr) |
|---|---|---|
| 1 | 2022 | 85, 907.14 |
| 2 | 2021 | 84, 525.08 |
| 3 | 2020 | 56, 748.14 |
| 4 | 2019 | 53, 385.30 |
| 5 | 2018 | 48, 194.94 |

**Interpretation:** From the above table and graph that over a last four years, there has been some volatility in Canara Bank's net income. The bank's net revenue decreased significantly in 2020, falling from 84, 525.08 crore in 2019 to 56, 748.14 crore. The bank was able to make some progress towards recovery in 2021, with net revenue marginally rising to 84, 525.08 crore.

**Non - Performing Assets of Canara Bank**

**Table 2.1.3:** Table showing Non - Performing of Canara Bank

| S No. | Year | Non - Performing Assets (%) | Non - Performing Assets (%) |
|---|---|---|---|
| 1 | 2022 | 7.51 | 55, 652.00 |
| 2 | 2021 | 8.93 | 60, 288.00 |
| 3 | 2020 | 8.21 | 37, 041.15 |
| 4 | 2019 | 8.83 | 39, 224.12 |
| 5 | 2018 | 7.48 | 47, 468.47 |

**Graph 4.2.1.3:** Graph showing Non performing of Canara Bank.

**Interpretation:** From the above table and graph, that over the last four years, the bank's NPA ratio has fluctuated somewhat, hitting a high of 8.93% in 2021 and a low of 7.51% in 2022. This suggests that the bank has occasionally struggled to manage its loan portfolio and keep the amount of non - performing assets under control. The bank's NPA ratio has, however, remained largely stable over the last two years, with a slight decline in 2022 compared to 2022.

**Public Sector Bank:**

**b) UCO Bank, Net Revenue of UCO Bank.**

**Table 4.2.1.1:** Table showing Net Revenue of UCO Bank

| S No. | Year | Net Revenue (cr) |
|---|---|---|
| 1 | 2022 | 18, 082.15 |
| 2 | 2021 | 18, 116.41 |
| 3 | 2020 | 18, 005.55 |
| 4 | 2019 | 15, 844.15 |
| 5 | 2018 | 15, 141.13 |



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**Interpretation:** From the above table and graph, that over the past four years, UCO Bank's net revenue has not grown significantly, which might be a sign that its operations are not resilient. A bank's ability to expand its operations, bring in new clients, and invest in new technologies may be constrained by a lack of revenue growth, all of which may have an adverse effect on the bank's long - term financial stability.

**Non –Performing Assets of UCO Bank**

**Table 2.1.3:** Table showing Non - performing Assets of UCO Bank

| S No. | Year | Non - performing Assets (%) | Non - performing Assets (%) |
|---|---|---|---|
| 1 | 2022 | 7.89 | 10, 237.43 |
| 2 | 2021 | 9.59 | 11, 351.97 |
| 3 | 2020 | 16.77 | 19, 281.95 |
| 4 | 2019 | 17.12 | 22, 540.95 |
| 5 | 2018 | 13.10 | 14, 082.07 |

Interpretation: From the above table and graph, that from 2021 to 2022, UCO Bank's NPAs percentage decreased by 1.7%. This shows that the bank has been successful in lowering the proportion of non - performing loans in its portfolio as evidenced by the significant improvement in just one year. The amount of NPAs decreased from 11, 351.97 crores in 2021 to 10, 237.43 crores in 2022, reflecting the decline in NPAs.

### 2.2.3 Foreign Bank

### a) Bank of America

**Net Revenue of Bank of America**

**Table 4.3.1.1:** Table showing Net Revenue of Bank of America

| S No. | Year | Net Revenue (Dollars) |
|---|---|---|
| 1 | 2022 | 26, 015.00 |
| 2 | 2021 | 30, 557.00 |
| 3 | 2020 | 16, 473.00 |
| 4 | 2019 | 25, 998.00 |
| 5 | 2018 | 26, 696.00 |

**Interpretation:** From the above table and graph, the Bank of America net revenue from 2018 to 2022, expressed in billions of dollars. According to the data, the bank's net income has varied over the years, reaching a high of 26, 015 billion dollars in 2022 and a low of 816, 473 billion dollars in 2020.

**Non - Performing Assets of Bank of America**

**Table 4.3.1.3:** Table showing Non - Performing Assets of Bank of America

| S No. | Years | Non - performing Assets (%) | Non –Performing Assets (cr) |
|---|---|---|---|
| 1 | 2022 | 12.06 | 66, 122.00 |
| 2 | 2021 | 18.9 | 81, 164.00 |
| 3 | 2020 | 15.4 | 66, 837.00 |
| 4 | 2019 | 8.5 | 41, 702.00 |
| 5 | 2018 | 4.2 | 25, 875.00 |

**Interpretation:** From the above a table and graph it is inferred that over time, Bank of America's NPA percentage changed. The bank had the highest non - performing asset (NPA) percentage (18.90%) in 2021, which translates to almost 19% of its loans being nonperforming. The NPA percentage did, however, drop to 12.06% in 2022, which is encouraging. Additionally, the amount of non - performing assets has been changed over time, reaching a high of 81, 164 crores in 2021 and an low of 25, 875 crores in 2018. This suggests that Bank of America has faced a sizable problem with non - performing loans.

### b) Deutsche Bank

**Net Revenue of Deutsche Bank**

**Table 3.2.1:** Table showing Net Revenue of Deutsche Bank

| S No. | Year | Net Revenue ($) |
|---|---|---|
| 1 | 2022 | 2, 66, 56, 000 |
| 2 | 2021 | 2, 53, 03, 000 |
| 3 | 2020 | 2, 38, 91, 000 |
| 4 | 2019 | 2, 29, 48, 000 |
| 5 | 2018 | 2, 10, 43, 000 |

**Interpretation:** The above graph and table shows that over the past 5 years, the net income of Deutsche Bank has remained largely constant. Despite some year - to - year variation, the changes have not been as substantial as in some other banks. The bank's net revenue decreased slightly in 2020, from 2, 530.30 billion in 2018S to 2, 389.10 billion in 2020, but it was able to slightly recover in 2021, when it increased to 2, 530.30 billion. The bank's net income increased even more in 2022, reaching $2, 665.60 billion. Similar to this, there have been a only minor variations from year to year in the interest earned and expended.

**Non - Performing Assets of Deutsche Bank**

**Table 3.2.3:** Table showing Non - Performing Assets of Deutsche Bank

| S No. | Year | Non – performing Assets (%) | Non – Performing Assets (cr) |
|---|---|---|---|
| 1 | 2022 | 10.09 | 1, 35, 21, 919.00 |
| 2 | 2021 | 7.65 | 1, 45, 66, 177.00 |
| 3 | 2020 | 7.64 | 1, 51, 02, 753.00 |
| 4 | 2019 | 15.91 | 8, 63, 712.00 |
| 5 | 2018 | 8.64 | 6, 56, 748.00 |

**Interpretation:** Above table and graph shows According to information on non - performing assets (NPA) for Deutsche Bank over the previous four years, the bank has had some difficulties managing its assets.8.64 in 2018. In 2019 the bank had non - performing assets worth 8, 63, 712 crore and a very high NPA percentage of 15.91%. In the years that followed, the bank was able to significantly lower its NPA percentage, with the percentage falling to 7.64% in 2020 and 7.65% in 2021. However, in 2022, the non - performing assets (NPAs) increased to 1, 35, 21, 919 crore and the NPA percentage rose to 10.09%. This suggests that Deutsche Bank may need to take action to address the challenges it is still having managing its assets.



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## 3. Findings

**Financial performances analysisNet revenue:**

a) Private sector banks: HDFC bank has a generated more revenues than ICICI bank that is ICICI bank has 1, 04, 892.08 cr and HDFC bank has 1, 57, 263.02cr.
b) Public sector banks: Canara bank has generated more revenue than UCO bank that is Canara bank has 85, 907.14cr and UCO bank has18082.15cr.
c) Foreign sector banks: Bank of America has a generated more revenues than Deutsche bank that is Bank of America has 94.95 billion $ where ad Deutsche bank had 26.65 billion $ of revenue.

**Non - performing assets**:

a) Private banks: In the year the non - performing assets of HDFC is 1.17% and ICICI banks was 3.76were compared to industry standard 5.36% which shows the strong and well managing its NPA
b) Public banks: Canara bank NPA was 7.51 and UCO NPA was 7.89 in the year which is closer to industry standards of 5.36%of NPA
c) Foreign banks: Bank of America had NPA of 12.06 and Deutsche bank had n NPA of 10.09 which is higher than other sector banks

**Loans and advances:**

1) Private sector banks: HDFC bank has provided more loans and advances than ICICI bank that is ICICI bank 8, 59, 020.44 and HDFC bank has14, 54, 588.76 crores.
2) Public sector banks: Canara bank has provided more loans and advances than UCO bank that is Canara bank 751556.16cr and UCO bank 141427.3crores.
3) Foreign sector bank: Bank of America has provided more loans and advances than Deutsche bank that is Bank of America 1.02 trillion - dollar and Deutsche bank 496.74 billion dollars.

## 4. Suggestions

1) Study finds that the resilience enhancing effect of social trusts a lag among banks that rely heavily on liquidity funds.
2) To enhance the corporate resilience banking sector has to go for full digitalization and also concentrate on non - performing assets, loans and advance.
3) In this technology era, the banking industry should be well prepared to respond rapidly to emerging operational event to minimize the impact on the market participant and their customers.
4) A strong and resilient banking system is the foundation for suitability growth in economy.
5) The banking sector should also give importance towards consistent innovation and stable client relationship with digital transformation and are liable team most of these financial challenges will be neutralized.
6) The establishment of a national asset reconstruction company to take over banks' stressed assets is one of the actions the government has taken to address these problems.

## 5. Conclusion

Indian banks cautious lending practices is supporting the resilience of Indian banks. And which led to decrease in the non - performing assets. Indian banks have a history of exercising caution when making loans and upholding strict standards for the credit. Despite many obstacles, this has enabled them to avoids a serious banking sector crisis. However, there are still some of issues that Indian banks must deal with, such as a high level of non - performing assets (NPAs) in foreign sector banks and followed by public sector banks and occasionally low profitability. Digitalization in the banking sector has created a new scenario with full of opportunities generating radical impact. In the case of the banking sector digitalization in the banking sector opens up a whole world full of responsibility both for the bank themselves and customers. Which helps in resilience of Indian banks. Foreign sector banks and private banks are facing challenges like the least number of overdue, non - performing assets, advance and gap between promise and performance. The major challenges faced by international bank inconsistent practices and frequent changes rules which led to inconsistent in decreasing in NPA.

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