A Comparative Study on Growth and Pre-Post Covid-19 Effect on Non-performing Assets of Selected Public Sector and Private Sector

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Abstract: **An easy way to find poor loans is to look at how well the banking sector is performing. An asset is said to be incapable of producing returns if it is declared non-performing after a predetermined period of time (NPAs). Non-performing assets, or NPAs, have long been a problem for the Indian banking sector. Past-due loans and advances are categorized as non-performing assets (NPAs) since it is improbable that banks will be able to recover any of their losses from these accounts. In actuality, non-performing assets (NPAs) impede banks' regular cash flow. The purpose of the study is to evaluate and compare the GNPAs and NNPAs of SBI and HDFC Bank.**

For the same, ten-year periods of pre-COVID-19 (from 2015 to 2019) and post-COVID-19 (from 2020 to 2024) have seen the collection and analysis of pertinent data. The results show that SBI and HDFC Banks' GNPAs and NNPAs trends, both in terms of volume and percentage, grew prior to the COVID-19 pandemic and fell thereafter.

Key Word: **Non-Performing Assets, Indian Public Banks, NPA Management, Profitability, Banks, Public Sector, Private Sector, Bank Credit, SBI (State bank of India), HDFC (Housing Development Finance Corporation).**

1. INTRODUCTION

A financial system's cornerstone is the banking industry. An economy's overall health is contingent upon the banking sector operating smoothly. Banks generate credit through taking deposits and making loans. The money that is collected from borrowers in the form of principal repayments and interest on loans is recycled to generate new capital. But the accumulation of non-performing assets (NPAs) stymies this loan flow. It inhibits the expansion of credit and has an impact on bank profitability as well. The primary metric used to assess the banking industry's performance is net present assets (NPAs). The gross amount of low-quality loans exceeds Rs 9 lakh crores, according to Reserve Bank of India (RBI) estimates from November 2018. This indicates the serious impact that low-quality loans have on banks' lending practices and liquidity conditions. This growth is the consequence of a quadrupling over the last five years, indicating subpar lending practices by banks. Banks primarily receive their revenue from the interest they collect on advances, loans, and debt payments. Such assets are categorized as non-performing assets (NPA) if they are unable to provide revenue. A loan facility for which the interest and/or principal instalments is "past due" for a predetermined amount of time is referred to as a non-performing asset (NPA) by the Reserve Bank of India. Generally speaking, an asset is labelled as non-performing if loan payments are outstanding for more than 90 days. Banks are obligated to categorize non-performing assets into one of the following groups based on the duration of the asset's non-performance:

- Sub-Standard Asset: If an asset has been non-performing for less than 12 months;
- Doubtful Asset: If an asset has been non-performing for more than 12 months; and
- Loss Assets: Assets where losses have been identified by the bank, auditor or inspector and have not been fully written off.

2. NON-PERFORMING ASSETS AND ITS CONCEPTS

2.1. Concept of NPA:

A category of loans or advances that are past due or in default is known as a nonperforming asset (NPA). When principal or interest payments are neglected or delayed, a debt is said to be in arrears. When a lender determines that the terms of the loan have been

violated and the debtor is unable to fulfil their commitments, the loan is said to be in default. Financial organizations categorize loans and advances that have past due principal and have not received interest payments for a while as non-performing assets (NPAs). Loans become non-performing assets (NPAs) if they remain unpaid for ninety days or more, while some lenders provide a shorter grace period.

2.2 Subcategories Regarding Non-Performing Assets (NPAs):

1. Standard Assets:

These are non-performing assets (NPAs) with a typical risk level that have been past due for ninety days to twelve months.

2. Sub-Standard Assets:

These are non-performing assets (NPAs) that are over a year past due. They have a borrower with less than perfect credit, therefore their risk level is much higher. Banks are less confident that the borrower will ultimately repay the entire amount, hence they typically apply a haircut (loss in market value) to such non-performing assets (NPAs).

3. Doubtful Debts:

Under the category of dubious debts, non-performing assets have been past due for a minimum of 18 months. Banks typically have severe concerns about the borrower's ability to repay the entire loan. The bank's own risk profile is significantly impacted by this type of NPA.

4. Loss Assets:

These are assets that are not performing and have been non-paid for a long time. Banks are required to show a loss on their balance sheet and admit that the loan will never be repaid with this class. The loan balance needs to be fully wiped off.

2.3 . How NPAs works:

As mentioned above, loans are not placed in the non-performing asset (NPA) category until a significant amount of time has elapsed without payment. Lenders extend a grace period after taking into account all the circumstances that could cause a borrower to fall behind on interest and principal payments. Generally speaking, banks consider a debt past due after about a month. The debt does not turn into a non-performing asset until the grace period is over, which usually lasts for 90 days without payment. Banks may try to seize the item or property that was used as collateral for the loan in order to try and recoup the unpaid balance. Because the home is being used as collateral for the loan, the bank would typically send notice of foreclosure if someone takes out a second mortgage and that loan becomes non-performing.

3. CLASSIFICATION AND CALCULATION OF NPA

3.1 Classification of NPAs:

3.1.1 Sub-standard Assets: A sub-standard asset of NPA for a period less than or equal to 12 months.

3.1.2 Doubtful Assets: A Doubtful asset is asset of NPA for more than 12 months.

3.1.3 Loss Assets: A loss asset is type of asset of NPA which losses has been identified by the bank authority, auditors, or the RBI but the loss amount has not been written off fully.

3.2 Calculation of NPAs:

3.2.1 Gross Non-Performing Assets:

- Gross NPAs are the sum of all loan assets that are classified as NPAs as RBI guidelines as on balance sheet date.
- It contains of all Non-Standard assets like as sub-standard, doubtful and assets.
- It can be calculated with the help of following ratios:

*Gross NPAs Ratio = Gross NPAs/Gross Advance*100*

OR

Gross NPA = (A_1 + A_2 + …. + A_n) divided by Gross Advances

Here, A_1 refers to the loans given to the first individual (A_1 and so on)

3.2.2 Net Non-performing Assets:

- Net NPAs are those type of NPAs in which the bank has deducted the provision for uncertain and unpaid debts.
- Net NPAs is obtained by reducing the provision from gross NPAs and show the actual burden of banks.
- It can be calculated by following:

Net NPAs = Gross NPAs-provision on Gross Advances

OR

Net NPA = (the Total Gross NPA) minus (Provision for the Unpaid Debts) divided by the Gross Advances.

4. REVIEW OF LITERATURE

Karunakar et al. (2008) discussed about the different variables that increase non-performing assets (NPAs), their magnitude, how they affect Indian banking operations, and offer solutions to curb this industry's curse. The secret to addressing the issue of NPA accumulation is the use of appropriate risk assessment and credit evaluation techniques.

The status of non-performing assets (NPAs) of State Bank of India (SBI), its affiliates, and other public sector banks is compared by Gupta (2012). The researcher comes to the conclusion that each bank should establish its own credit rating agency in order to assess the solvency of borrowers. It also implies that a committee made up of financial specialists is required to oversee and keep an eye on the NPA problem.

With particular reference to the agriculture sector, Shalini (2013) examined the causes of nonperforming assets (NPAs) in Indian public sector banks and offered potential solutions. After examining the various issues that Indian farmers confront, it is concluded that banks had to take certain precautions before extending credit. Some of the recommended actions include gathering reports beforehand on the farmers' goodwill, inspecting the area after the sanction, and teaching the farmers about the repercussions of defaulting.

According to Krishna Murari (2014), there has been an increase in gross and net non-performing assets (NPAs) for the general public and personal sectors over the course of the study. These 39 banks comprise 13 public sector banks, 13 old private sector banks, and 13 new private sector banks. According to the study's hypothesis, there has been a significant improvement in public sector banks in India's handling of non-performing assets (NPAs) as seen by the declining quantitative relationship between gross NPAs and total loans. This study has finally shown that the cautious and provisioning rules, along with the steps taken by the regulatory agencies, have put pressure on banks to improve their performance, which has led to a decrease in non-performing assets (NPAs).

Sengupta and Vardhan (2017) conducted a comparison between the two post-liberalization banking crisis episodes: the first occurred in the late 1990s, while the second started following the global financial crisis of 2008, which brought attention to the problem of non-performing assets. Strong governance, proactive banking regulations, and a robust legal framework for NPA resolution, according to the authors, would all help to address the issue of non-performing assets. However, regulatory forbearance would have a negative impact on the banking crisis

An intriguing study by Kumar et al. (2018) identifies the primary causes of the accumulation of non-performing assets. They conclude that the primary causes are industrial illness, governmental policy changes, inadequate credit scoring, willful defaults, and lending process flaws.

Mr. Abid Husain, Dr. Rasikbhai, I. Prajapati, and G. Kadiw (FEB 2020) The non-performing assets (NPAs) at banks operating in the public and private sectors vary. This study shows that the aggregate amount of bank non-performing assets (NPAs) is not affected by the types of banks or sector-specific NPAs. According to the study's findings, more non-performing assets (NPAs) were seen in the public sector banking industry's priority and non-priority categories. The average non-performing assets (NPAs) for every chosen private bank throughout the study period are less than 5%, but the average NPAs for every major public sector bank during the study period are greater than 5%. The current study reveals that private sector banks outperform public sector banks in terms of asset quality and debt coverage efficiency. Public sector banks recorded greater non-performing assets (NPAs) than their private sector counterparts.

5. OBJECTIVES OF THE STUDY

1. To comprehend what non-performing assets imply.
2. To research and evaluate SBI and HDFC Bank's Gross and Net NPA from pre-and-post COVID-19.
3. To research and evaluate SBI and HDFC Bank's percentages of Gross and Net NPA from pre-and-post COVID-19.

6. HYPOTHESES OF THE STUDY

1. There is no significant difference in amount of GNPAs of SBI and HDFC Bank during 2015-2019 and 2020-2024.

2. There is no significant difference in of amount of NNPA of SBI and HDFC Bank during 2015-2019 and 2020-2024.
3. There is no significant difference in percentages of GNPA of SBI and HDFC Bank during 2015 - 2019 and 2020 - 2024.
4. There is no significant difference in percentages of NNPA of SBI and HDFC Bank during 2015 - 2019 and 2020 - 2024.

7. RESEARCH METHODOLOGY

7.1 Research design: Descriptive and analytical research is the focus of the current research study.

7.2 Sample Design: For the purpose of ensuring a representative sample, banks from both the public and private sectors were chosen. Based on their respective market share, customer base, profit per employee, number of branches, GNPAs, and NNPAs, a sample population of both public and private sector banks was selected for the research project, with one sample bank selected for analysis. The study's sample banks from each of the public and private sectors were the State Bank of India, a public bank, and Housing Development Finance Corporation, a private bank.

7.3 Time Frame: The project's timeframe is divided into two parts: a pre-COVID-19 era from 2016 to 2019 and a post-COVID-19 period from 2020 to 2024.

7.4 Sampling Method: The non-probability technique was used to increase the representativeness of the sample.

7.5 Sampling Frame: Random Convenience Sampling.

7.7 Sample Technique:

Convenience sampling is the method used in this research. When a sample is selected from a nearby population segment, convenience sampling is a type of nonprobability sampling.

7.8 Sources of Data: For the purpose of this study, the relevant NPA data from pre-and post-COVID-19 of the sample banks, SBI and HDFC Bank, have been gathered as follows:

7.8.1 Primary Source:

The primary data has not been gathered because the current study is based on secondary data.

7.8.2 Secondary Source

Journals and papers that were available on various websites were used for secondary data and finalized and audited SBI, HDFC bank and RBIs Archives, news releases publications etc.

8. RESULTS AND DISCUSSIONS

1. There is no significant difference in amount of GNPAs of SBI and HDFC Bank during 2015-2019 and 2020-2024.

The researcher has gathered secondary data on SBI and HDFC bank GNPAs from 2015 to 2019 (pre-COVID-19) and from 2020 to 2024 (post-COVID-19) in order to evaluate the aforementioned hypothesis.

Table No. 1: Pre-post-COVID-19 GNPAs of SBI and HDFC bank

Year	PRESBI	PREHDFC	Year	POSTSBI	POSTHDFC
2015	56725.34	3438.38	2020	149092	12650
2016	98172.80	4392.83	2021	126389	15086
2017	112342.99	5885.66	2022	112023	16141
2018	223427.46	8606.97	2023	90927.8	18019
2019	172750.36	11225.2	2024	84276.3	31173.3

Source: Compiled from RBI Archives and SBI and HDFC bank annual reports.

Table No. 2: Paired Sample Statistics of Amount of GNPAs of SBI and HDFC banks

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	GROSSNPASBIPRE	132683.7900	5	65601.42220	29337.84789
	GROSSNPASBIPOST	112541.6700	5	26429.25974	11819.52427
Pair 2	GROSSNPAHDFCPRE	6709.8000	5	3191.29580	1427.19087

	GROSSNPAHDFCPOST	18613.8560	5	7283.93562	3257.47504

A paired t-test was run on a secondary data related to GNPAs of SBI and HDFC banks to determine whether there was a statistically significant Mean differences in pre-post COVID-19 period. It is observed from the table above that the Mean of GNPAs of SBI bank has reduced and HDFC bank has increased in post-COVID-19 period. This shows positive impact of COVID-19 on GNPAs of SBI bank however that of the of GNPAs of HDFC bank has increased.

Source: Compiled from secondary data.

Further to support above result, the researcher has found *t-Statistic* for the data related amount of GNPAs of SBI and HDFC banks during pre-post-COVID-19.

Table No. 3: Paired Sample t-Statistics and result of 2-tailed test on Amount of GNPAs of SBI and HDFC banks

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	GROSSNPASBIPRE - GROSSNPASBIPOST	20142.12	90392.37	40424.69	-92094.83	132379.07	4.498	4	.034
Pair 2	GROSSNPAHDFCPRE - GROSSNPAHDFCPOST	-11904.05	4537.39	2029.18	-17537.97	-6270.14	-5.866	4	.004

The table above shows, 2-tailed t-statistic related to Amount of GNPAs SBI and HDFC banks during pre-post-COVID-19. Its Mean Value lies between Lower and Upper Bound Level @ 95% Confidence Interval. It shows acceptable range of data set; i.e. it shows statistically significant decrease in amount of GNPAs of SBI bank and increase in amount of HDFC bank in pre-post-COVID-19.

The |t-statistic| (4) = 4.498 (SBI) and 5.866 (HDFC) > = 2.78 (table value) and its p-value = 0.034 (SBI) and = 0.004 < 0.05. It was found that the amount of GNPAs of SBI and HDFC bank was increasing in pre and decreasing in post COVID-19 period

Source: Compiled from secondary data.

Therefore, the Alternate Hypothesis, "There is a significant difference in amount of GNPAs of SBI and HDFC Bank during 2015-2019 and 2020-2024.", is accepted. (It is Accepted).

2. There is no significant difference in of amount of NNPAs of SBI and HDFC Bank during 2015-2019 and 2020-2024.

The researcher has gathered secondary data on SBI and HDFC bank NNPAs from 2015 to 2019 (pre-COVID-19) and from 2020 to 2024 (post-COVID-19) in order to evaluate the aforementioned hypothesis.

Table No. 4: Pre-post-COVID-19 NNPAs of SBI and HDFC bank

Year	PRESBI	POSTHDFC	Year	PRESBI	POSTHDFC
2015	27590.58	896.28	2020	51871.30	3542.36
2016	55807.02	1320.37	2021	36809.7	4554.82
2017	58277.38	1843.99	2022	27965.7	4407.68
2018	110854.7	2601.02	2023	21466.6	4368.43
2019	65894.74	3214.52	2024	21051.1	8091.74

Source: Compiled from RBI Archives and SBI and HDFC bank annual reports.

Table No. 5: Paired Sample Statistics of Amount of NNPAs of SBI and HDFC banks

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	NETNPASBIPRE	63684.8840	5	30099.73267	13461.00967

	NETNPASBIPOST	31832.8900	5	12893.49021	5766.14412
Pair 2	NETNPAHDFCPRE	1975.2360	5	940.43228	420.57410
	NETNPAHDFCPOST	4993.0060	5	1777.02243	794.70859
A paired t-test was run on a secondary data related to NNPAs of SBI and HDFC banks to determine whether there was a statistically significant Mean differences in NNPAs during pre-post COVID-19 period. It is observed from the table above that the Mean of NNPAs of SBI bank has reduced and HDFC bank has increased in post-COVID-19 period. This shows positive impact of COVID-19 on NNPAs of SBI bank however that of the of NNPAs of HDFC bank has increased.					

Source: Compiled from secondary data.

Further to support above result, the researcher has found *t-Statistic* for the data related amount of NNPAs of SBI and HDFC banks during pre-post-COVID-19.

Table No. 6: Paired Sample t-Statistics and result of 2-tailed test on Amount of NNPAs of SBI and HDFC banks

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	NETNPASBIPRE - NETNPASBIPOST	31851.99	41224.02	18435.94	-19334.38	83038.37	1.728	4	.019
Pair 2	NETNPAHDFCPRE - NETNPAHDFCPOST	-3017.77	1163.21	520.20	-4462.08	-1573.45	-5.801	4	.004
The table above shows, 2-tailed t-statistic related to Amount of NNPAs SBI and HDFC banks during pre-post-COVID-19. Its Mean Value lies between Lower and Upper Bound Level @ 95% Confidence Interval. It shows acceptable range of data set; i.e. it shows statistically significant decrease in amount of NNPAs of SBI bank and increase in amount of HDFC bank in pre-post-COVID-19. The |t-statistic| (4) = 1.728 (SBI) and 5.801 (HDFC) > = 2.78 (table value) and its p-value = 0.019 (SBI) and = 0.004 < 0.05. It was found that the amount of NNPAs of SBI and HDFC bank was increasing in pre-COVID-19 and decreasing in post-COVID-19 period.									

Source: Compiled from secondary data.

Therefore, the Alternate Hypothesis, “There is a significant difference in of amount of NNPAs of SBI and HDFC Bank during 2015-2019 and 2020-2024.”, is accepted. (It is Accepted).

3. There is no significant difference in percent of GNPAs of SBI and HDFC Bank during 2015-2019 and 2020-2024.

Table No. 7: Pre-post-COVID-19 Percentage of GNPAs of SBI and HDFC bank

Year	PRESBI	PREHDFC	Year	POSTSBI	POSTHDFC
2015	4.25	0.90	2020	6.15	1.26
2016	6.50	0.94	2021	4.98	1.32
2017	6.90	1.05	2022	3.97	1.17
2018	10.91	1.30	2023	2.78	1.12
2019	7.53	1.36	2024	2.24	1.24

Source: Compiled from RBI Archives and SBI and HDFC bank annual reports.

Table No. 8: Paired Sample Statistics of Percentage of NNPAs of SBI and HDFC banks

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	PERCENTGNPASBIPRE	7.2180	5	2.40592	1.07596

	PERCENTGNPASBIPOST	4.0240	5	1.59428	.71298
Pair 2	PERCENTGNPAHDFCPRE	1.1100	5	.20928	.09359
	PERCENTGNPAHDFCPOST	1.2220	5	.07823	.03499
A paired t-test was run on a secondary data related to percentage of GNPAs of SBI and HDFC banks to determine whether there was a statistically significant Mean differences in percentage of NNPAs during pre-post COVID-19 period. It is observed from the table above that the Mean of percentage of GNPAs of SBI and HDFC bank was increasing in pre-COVID-19 and decreasing in post-COVID-19.					

Source: Compiled from secondary data.

Further to support above result, the researcher has found *t-Statistic* for the data related percent of GNPAs of SBI and HDFC banks during pre-post-COVID-19.

Table No.9: Paired Sample t-Statistics and result of 2-tailed test on Amount of NNPAs of SBI and HDFC banks

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PERCENTGNPASBIPRE - PERCENTGNPASBIPOST	3.19	3.79	1.69	-1.51	7.90	1.882	4	.013
Pair 2	PERCENTGNPAHDFCPRE - PERCENTGNPAHDFCPOST	-.11	.26	.11	-.43	.21	-2.960	4	.022
The table above shows, 2-tailed t-statistic related to percentage of GNPAs SBI and HDFC banks during pre-post-COVID-19. Its Mean Value lies between Lower and Upper Bound Level @ 95% Confidence Interval. It shows acceptable range of data set; i.e. it shows statistically significant increase in pre-COVID-19 and decrease in percentage of GNPAs of SBI and HDFC bank. The |t-statistic| (4) = 1.882 (SBI) and 2.960 (HDFC) > = 2.78 (table value) and its p-value = 0.013 (SBI) and = 0.022 < 0.05. It was found that the percentage of GNPAs of SBI and HDFC bank was increasing in pre-COVID-19 and decreasing in post-COVID-19 period.									

Source: Compiled from secondary data.

Therefore, the Alternate Hypothesis, “There is a significant difference in percent of GNPAs of SBI and HDFC Bank during 2015-2019 and 2020-2024.”, is accepted. (It is Accepted).

4. There is no significant difference in percentages of NNPAs of SBI and HDFC Bank during 2015-2019 and 2020-2024.

Table No. 10: Pre-post-COVID-19 Percentage of NNPAs of SBI and HDFC bank

Year	PRESBI	PREHDFC	Year	POSTSBI	POSTHDFC
2015	2.12	0.20	2020	2.23	0.36
2016	3.81	0.28	2021	1.50	0.40
2017	3.71	0.33	2022	1.02	0.32
2018	5.73	0.40	2023	0.67	0.27
2019	3.01	0.39	2024	0.57	0.33

Source: Compiled from RBI Archives and SBI and HDFC bank annual reports.

Table No. 11: Paired Sample Statistics of Percentage of NNPAs of SBI and HDFC banks

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	PERCENTNNPASBIPRE	3.6760	5	1.33255	.59593
	PERCENTNNPASBIPOST	1.1980	5	.68211	.30505

Pair 2	PERCENTNNPAHDFCPRE	.3200	5	.08276	.03701
	PERCENTNNPAHDFCPOST	.3360	5	.04827	.02159
A paired t-test was run on a secondary data related to percentage of NNPAs of SBI and HDFC banks to determine whether there was a statistically significant Mean differences in percentage of NNPAs during pre-post COVID-19 period. It is observed from the table above that the Mean of percentage of NNPAs of SBI and HDFC bank was increasing in pre-COVID-19 and decreasing in post-COVID-19.					

Source: Compiled from secondary data.

Further to support above result, the researcher has found *t-Statistic* for the data related percent of NNPAs of SBI and HDFC banks during pre-post-COVID-19.

Table No. 12: Paired Sample t-Statistics and result of 2-tailed test on Amount of NNPAs of SBI and HDFC banks

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	PERCENTNNPASBIPRE - PERCENTNNPASBIPOST	2.47	1.83	.81	.20	4.75	3.022	4	.039
Pair 2	PERCENTNNPAHDFCPRE - PERCENTNNPAHDFCPOST	-.016	.12	.054	-.167	.131	-2.294	4	.044
The table above shows, 2-tailed t-statistic related to percentage of GNPAs SBI and HDFC banks during pre-post-COVID-19. Its Mean Value lies between Lower and Upper Bound Level @ 95% Confidence Interval. It shows acceptable range of data set; i.e. it shows statistically significant increase in pre-COVID-19 and decrease in percentage of NNPAs of SBI and HDFC bank. The |t-statistic| (4) = 3.022 (SBI) and 2.294 (HDFC) > = 2.78 (table value) and its p-value = 0.039 (SBI) and = 0.044 < 0.05. It was found that the percentage of NNPAs of SBI and HDFC bank was increasing in pre-COVID-19 and decreasing in post-COVID-19 period.										

Source: Compiled from secondary data.

9. LIMITATION AND FUTURE SCOPE OF THE STUDY

The foundation of this research study is solely secondary data. After collecting and analysing data over the entire five-year study period—from 2015 to 2019 (pre-COVID-19) and 2020 to 2024 (post-COVID-19)—the researcher came to this conclusion. The researcher may opt to employ more sample banks or other significant financial statement criteria is the scope for the future research. By comparing data from more prior years, the researcher can do extra research on this topic and further perform a comparative analysis.

10. CONCLUSION

A crucial indicator of the financial pressure on Indian banks is the nonperforming asset (NPA). Non-Performing Asset (NPA) is a major issue for the banking sector. A significant portion of bank non-performing assets (NPA) should be eliminated, even if doing so will be difficult and should be the goal of the government, banks, and Reserve Bank of India. The tallied and analysed data makes it evident that SBI and HDFC Bank's Gross Non-Performing Assets (NPA) and Net Non-Performing Assets (NPA) have been increasing in the pre-COVID-19 years (from 2015 to 2019; post-COVID-19 years) and declining in the post-COVID-19 years (from 2020 to 2024). The trend shows a clear difference in the growth rates of gross non-performing assets (GNPA) and non-performing asset percentages (NNPA) for public sector SBI banks and private sector HDFC banks.

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