

Banks NPAs & use of Artificial Intelligence to Manage

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Abstract— Indian Banking system has transformed since 24 years after private players given the license to run the bank. Also the earlier non-performing asset quality is controlled by using basils norms. Technology has played the important role in that as the transparency has increased while assessing the customer credibility by the bank before giving the loan. A healthy banking system is essential for any economy striving to achieve growth and remain stable in competitive global business environment. Indian banks are favorable on growth, asset quality and profitability; RBI and Government have made some notable changes in policies and regulation to help strengthen the sector. These changes include strengthening prudential norms, enhancing the payments system and integrating regulations of commercial banks. In terms of quality of assets and capital adequacy, these banks have clean, strong and transparent balance sheets relative to other banks in comparable economies in its region. Public Sector Banks in India need to strengthen institutional skill levels especially in sales and marketing, service operations, risk management and the overall organizational performance. Structural weaknesses such as a fragmented industry structure, restrictions on capital availability and deployment, lack of institutional support infrastructure, restrictive labor

laws, weak corporate governance and ineffective regulations beyond Scheduled Commercial Banks, unless industry utilities and service bureaus. One of the major drawbacks of SCBs is its NPAs. The best indicator for the health of the banking industry in a country is its level of Non-performing assets (NPAs). NPAs are one of the major concerns for banks in India and in many countries. It reflects the performance of banks and the growth of the economy as well in the broader aspect. Reduced NPAs generally gives the impression that banks have strengthened their credit appraisal processes over the years and growth in NPAs involves the necessity of provisions, which bring down the overall profitability of banks. The Indian banking sector is facing a serious problem of NPA specially the government sector banks where the political influence is more. To improve the efficiency and profitability of banks the NPA need to be reduced and controlled. This paper deals with understanding the concept of NPAs and major causes for an account becoming non-performing and strategies for managing NPA in Indian schedule commercial banks and using the using the current technology so it could be identified before it's becomes the severe for banks.

Key words: NPA, Priority Sector Lending, Schedule Commercial Bank

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