

A Study of Loan Defaults and its Impact on Profitability of Banks

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Abstract: *The banking industry is essential to an economy's expansion. The state of this industry is currently worsening, with an increasing amount of non-performing assets (NPAs) in banks becoming a significant worry. Several studies routinely highlight the bank's rising NPA records. Numerous studies have been carried out to examine the bank's NPA status, the causes of this rise, the ramifications, and numerous other associated issues and consequences. Bank NPAs are increasing, which is a macroeconomic hindrance to economic progress. All societal classes, all kinds of enterprises, and banks themselves are impacted. This paper provides a quick overview of how banks operate, what non-performing assets (NPA) are, and potential causes of the NPA's recent increase. A rise in the price of funding. Other research studies are used to elaborate on each effect. The paper's conclusion provides an overview of the consequences of non-performing assets (NPAs) as well as the actions and strategies banks can take to resolve this issue.*

Keywords: Non-Performing Assets(NPA) Banks , Credit , Profitability, and Public sector Bank(PSB)