

Pre and Post Merger Analysis of Non Performance Assets (NPAs): A Study with Special Reference to ICICI Bank Ltd.

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ABSTRACT

Banking sector plays a imperative role in the capital formation of the country although there are various hurdles to reach positive progress of banking sector such as, risk management, efficiency and productivity in the functioning of bank, maintaining loan portfolio etc. but apart from these there is a big challenge for the better functioning of ICICI Banks in managing Non- Performing Assets. The main objectives of the study are to understand the various concepts of NPAs and RBI guidelines for non-performing assets. And to trace out the pre and post merger analysis of gross NPAs to gross advances and net NPAs to net advances and to analyze the pre and post merger analyze in the classification of loan assets and also to examine the pre and post merger analysis in movements of gross and net NPAs of ICICI bank. The study used secondary sources of data and to measure the reliability of NPAs data applied descriptive statistics such as standard deviation, mean, and one way ANOVA test. It results there is no significant association between pre-merger and post-merger performance towards movement of gross NPAs and net NPAs of ICICI bank therefore the null hypotheses is accepted. The overall analysis showed that post merger NPAs performance was better and good compared to the pre merger NPAs performance of ICICI bank. Therefore magnitude of NPA is comparatively higher in banking sector and it improves the efficiency and profitability of banks the NPA need to be reduced and controlled. In this paper, an effort has been made to analyze the pre and post merger analysis of Non-Performance Assets of the ICICI Bank.

Keywords: Non Performing Assets, ICICI bank, Gross NPAs, Substandard Assets.

INTRODUCTION:

A Non-Performing Asset (NPAs) is defined as a credit facility in respect of which the interest and/or installment of principal has remained 'past due' for a specified period of time. NPAs refers to the advance where the payment of interest or repayment of the amount in installment of principle or both remains not paid for the certain duration according to the Narasimhan committee report those assets for duration of four quarter (180 days) is should be literalize as NPAs. NPAs are defined as like a loan, which has the ceased to generate commonly all any income or profit for the bank whether in the form of interest or recollection or re-payment of the principal amount. Non-performing Assets are threatening the stability and demolishing bank's profitability through a loss of interest income, write-off of the principal loan amount itself. RBI issued guidelines in 1993 based on recommendations of the Narasimham Committee that mandated identification and reduction of NPAs be treated as a national priority because the level of NPA act as an indicator showing the bankers credit risks and efficiency of allocation of resource of the financial reforms helped largely to clean NPA in the Indian

banking industry and the earning capacity and profitability of the bank are highly affected due to this NPA. The present study focused on pre and post merger NPAs performance of ICICI bank. ICICI bank it is one of the second largest and leading bank of private sector in India. Apart from this Non Performing Asset (NPA) performance of the bank is increasing trend towards loans, gross NPAs, net NPAs, sub standard assets, doubtful assets and loss assets As long as an asset generates the income expected from it and does not disclose any unusual risk other than normal commercial risk. In other words, a loan asset becomes a Non Performing Asset (NPA) when it ceases to generate income, interest, fees, commission or any other dues for the bank for more than 90 days. A NPA is an advance where payment of interest or repayment of installment on principal or both remains unpaid for a period of two quarters or more and if they have become 'past due'. An amount under any of the credit facilities is to be treated as past due when it remain unpaid for 30 days beyond due date. An account should be treated as "out of order", if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. If the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power and but not made credits continuously for six months or credits are not enough to cover the interest debited during the same period, these account should be treated as "out of order".

TYPES OF NON-PERFORMANCE ASSETS (NPAS):

There are three major types of NPA as follows:

- **Standard Assets:** Standard assets are those assets which do not disclose any problem and which do not carry more than normal risk. These are performing assets. Banks receives the principle and the interest payment, systematically from the borrowers.
- **Sub-standard Assets:** These are those assets which have been classified as NPA for a period not exceeding two years. With effect from 31 March 2015, a sub-standard assets is one, which has remained NPA for a period less than or equal to 18 month The account holder belonging to this category don't pay three installment continuously after 90 days and up to 1 year. Bank has made 10% provision of funds for this category to meet the losses generated from NPA from their profit.
- **Doubtful Assets:** These are those assets which have remained NPA for a period exceeding two years. With effect from 31 March 2015, an asset is to be classified as doubtful, if it remained NPA for a period exceeding 18 month. Doubtful NPA are classified into three sub categories :
 - 20% provision is made by the banks for D1 i.e. up to 1 year
 - 30% provision is made by the bank for D2 i.e. up to 2 year
 - 100% provision is made by the bank for D3 i.e. up to 3 year.
- **Loss Assets:** When account holder belongs to this category 100% provision is made by the banks to write off their accounts. After this the assets are delivered to recovery agents for the purpose of sale A loss assets are one where loss has been identified by the Banks or by the internal and external auditors or by the RBI inspectors but the amount has not been written fully off wholly.

THE CONCEPT OF GROSS NPAs AND NET NPAs:

Gross NPA is the amount outstanding in the borrowers' account, in books of the bank other than the interest which has been recorded and not debited to the borrowers' account.

Net NPA is the amount of gross NPAs less (1) interest debited to borrowers' and not recovered and not recognized as income and kept in interest suspense, (2) amount of provisions held in respect of NPAs and (3) amount of claim received and not appropriated.

The RBI defines Net NPA as equal to Gross NPA – (Balance in Interest Suspense account + DICGC/ECGC claims received and held pending adjustment + Part payment received and kept in suspense account + Total provisions held).

This is generally reported as a ratio to net advances:

- a) Gross NPA Ratio = $(\text{Gross NPA} / \text{Gross Advances}) \times 100$
- b) Net NPA Ratio = $(\text{Net NPA} / \text{Net Advances}) \times 100$

The ideal value of net NPA is 0 and for practical purpose a benchmark is taken as 1 per cent. Thus, the values of net NPA which are less than one may be considered as satisfactory and the values exceeding 1 percent indicate a situation calling for improvement by reducing the NPA.

REVIEW OF LITERATURE:

Malayadri (2011) the study was conducted on topic "A Comparative Study of Non Performing Assets in Indian Banking Industry" The Indian Banking System has undergone significant transformation following financial sector reforms. The study based on secondary data retrieved from reports on trend and progress of banking in India. This papers observed that there is increase in advances over the period of the study. But decline in the ratio of NPAs indicates improvement in the assets quality of Indian Public sector banks and Private sector banks.

Sirisha (2012) the study focused on "Assets quality and NPAS of Indian Commercial banks". The assets quality shown a improvement and declining level of gross NPAs ratio. Various factors improved such as risk management practice, Recovery of efforts contributed to decline in the NPAs. The study observed that policy makers also taken various measures to bring down the level of NPAs in Indian Commercial banks. Public sector banks have higher level of NPAs in comparison to Private sector and foreign sector banks.

Ganesan (2013), this study was undertaken on "Non –performing assets: A study of state bank of India". This article pertaining to the financial position of a bank depends upon the recovery of loans or its level of Non-performing assets (NPAs). Reduced NPAs generally gives the impression that banks have strengthened their credit appraisal and growth in NPAs involves the necessity of provisions, which bring down the overall profitability of banks. Finally this study concludes on Indian banking sector is facing a serious problem of NPA. The magnitude of NPA is comparatively higher in public sectors banks. To improve the efficiency and profitability of banks the NPA need to be reduced and controlled. In this paper, an effort has been made to evaluate the non-performance assets of the SBI since 2002, NPA

Arora (2014), this study was conducted on "Unearthing the epidemic of nonperforming assets: A study of public and private sector banks". This study focused on macro level NPAs choked off the supply line of credit to the potential borrowers, thereby having a deleterious effect on the capital formation and also affect the efficiency, solvency and stability of Indian banking system. This paper deals with the concept of Non-performing assets and the present paper analyze the classification of loan assets of public and private sector banks and also analyze the comparison of loan assets of Public sector and private sector banks. The study concluded that NPAs still threat for the banks and public sector banks have higher level of NPAs as compare to Private sector banks.

Manek (2015), this study emphasized on "Non Performing Assets Analysis of UCO Bank" Theses articles review on banking sector hurdles in the continuous flow of progress of any commercial bank like risk management, efficiency and productivity in the functioning of bank, maintaining loan portfolio etc. but apart from these there is a big challenge for the better functioning of commercial bank that is about Non Performing Assets of the bank. This paper is indicating the non performing assets of the UCO bank for the period of 2009-10 to 2013-14. Here the detail study for the purpose of finding NPA's of UCO bank is conducted with the detail statistics and suggestion to reduce the NPA's of a particular bank.

Jaiswal (2016), this study focused on "A comparative study of financial performance of SBI and ICICI banks in India". The study is an attempt to analyze the financial performance of SBI and ICICI banks. The State Bank of India, popularly known as SBI is one of the leading bank of public sector in India. SBI has 14 Local Head Offices and 57 Zonal Offices located at important cities throughout the country. Finally, this study concludes on the market position of SBI is better than ICICI in terms to earning per share, price ratio per share and dividend payout ratio, but on the other hand ICICI bank is performing well in terms of NPA and provision for NPA in comparison of SBI bank.

OBJECTIVES OF THE STUDY:

The major objectives of the study are as follows:

1. To trace out the pre and post merger analysis of gross NPAs to gross advances and net NPAs to net advances of ICICI Bank Ltd.;
2. To analyze the pre and post merger classification of loan assets; and
3. To examine the pre and post merger movements of gross and net NPAs;

RESEARCH METHODOLOGY:

Research is considered as journey from unidentified to identified facts. Methodology is the way to solve the research problem systematically. The required secondary data constitutes the main source of information, suitable for the purpose of the present study. In this study we select ICICI bank for analysis of data. The sources of secondary data were collected from Annual reports of ICICI bank. The information for this study is gathered for the time of 2007-08 to 2015-16. In this study period 2007-08 to 2009-10 considered as pre merger

performance and 2010-11 to 2015-16 considered as post merger performance of ICICI bank. And also various national and international journals, periodic publications, working papers, books, articles, thesis, and dissertation work on pre and post merger performance of non performance assets of Indian banking sector. For the purpose data analyze applied group or descriptive statistics and F- Test to known the significant relationship between two variables and also to prove the hypotheses of the study to measure the reliability of data.

HYPOTHESES:

The study is based on the following hypotheses;

- i. **Null (H₀):** There is no significant association between pre-merger and post-merger performance towards movement of gross NPAs and net NPAs of ICICI bank.
- ii. **Null (H₀):** There is no significant association between pre-merger and post-merger performance towards classification of loan assets of ICICI bank.

ANALYSIS AND INTERPRETATION:

Pre and Post merger analysis of gross and net NPAs to gross and net advances:

Table No.1 depicts that pre and post merger analysis of gross NPAs to percentage of gross advances and net NPAs to percentage of net advances. In the context of pre merger performance of gross and net NPAs showed increasing trend. The total Gross and net NPAs amounts stood at ₹ 215.59 million and ₹ 102.02 million. The highest gross and net NPAs was found during the 2009-10 and the amount stood at ₹ 98.03 million and ₹ 46.19 million. As against the lowest gross and net NPAs was found during the year 2007-08 and the amount stood at ₹ 41.68 million and ₹ 20.19 million. Further overall the percentage to gross advances and net

Table No.1: Gross and net NPAs to gross and net advances
(₹ in millions)

Year	Pre-Merger Performance			
	Gross NPAs	% to Gross Advances	Net NPAs	% to Net Advances
2007-08	41.68	3.98%	20.19	1.55%
2008-09	75.88	4.11%	35.64	2.09%
2009-10	98.03	4.32%	46.19	2.12%
Total [A]	215.59	12.41%	102.02	5.76%
Mean	71.86	4.16	34.02	1.58
Standard Deviation	28.83	2.16	13.07	1.27
One Way ANOVA	F = 1.24; P = 0.021			
Year	Post Merger Performance			
	Gross NPAs	% to Gross Advances	Net NPAs	% to Net Advances
2010-11	96.27	5.06%	39.01	1.11%
2011-12	101.14	4.47%	24.58	0.73%
2012-13	95.63	4.78%	18.94	0.77%
2013-14	96.47	3.62%	22.34	0.93%
2014-15	105.54	2.29%	33.01	0.97%
2015-16	152.42	3.78%	63.25	1.61%
Total [B]	647.47	24.00%	201.13	6.12%
Grand Total [A+B]	863.06	36.41%	303.15	11.88%
Mean	107.91	4.00	33.52	1.02
Standard Deviation	43.13	1.86	27.14	1.27
One Way ANOVA	F=2.563; P=0.001			

Source: Annual Reports of ICICI Bank.

advances during the period of the study was 12.41 per cent and 5.76 per cent respectively. The total Gross and net NPAs amounts stood at ₹ 647.47 million and ₹ 201.13 million. The highest gross and net NPAs was found during the 2015-16 and the amount stood at ₹ 152.42 million and ₹ 63.25 million. As against the lowest gross and net NPAs was found during the year 2012-13 and the amount stood at ₹ 95.63 million and ₹ 18.94 million. The overall the percentage to gross advances and net advances during the period of the study was 24.00 per cent and 6.12 per cent respectively. From the above analysis it is clear that the post merger NPAs performance was

better and good compared to the pre merger NPAs performance of the bank. To conclude, the gross NPAs of the bank showed constantly increasing trend, totally gross NPAs was increasing year by year indicating good strength of the bank.

One way ANOVA, represents, that to test the significant difference between the mean differences among pre and post merger non performance assets performance of ICICI bank. In the context of pre merger gross and net NPAs performance, the highest mean and standard deviation were found in gross NPAs category around 71.86 and 28.83 respectively. The calculated P value (Sig 2-tailed) is 0.021, which is less than the Alpha Value of 0.05, which indicated that the stated null hypothesis to be accepted. Further to test the post merger gross and net NPAs performance, the highest mean and standard deviation were found in gross NPAs category around 107.91 and 43.13 respectively. The calculated P value (Sig 2-tailed) is 0.001, which is less than the Alpha Value of 0.05, which indicated that the stated null hypothesis to be accepted.

Pre and post merger analyze in the classification of loan assets at ICICI bank:

Table No. 2 portrays pre and post merger analysis in the classification of loan assets. According to RBI guidelines loan assets has been divided into three categories namely sub-standard assets, doubtful assets and loss assets. In the context of pre-merger NPAs performance, the overall amount of sub-standard assets and doubtful assets amounts to stood at ₹ 134.49 billion and ₹ 68.41 billion respectively. The overall loss assets amounts stood at ₹ 12.69 billion. The amount of sub standard assets showed an increasing trend from ₹ 24.33 billion to ₹ 61.67 billion during the year 2007-08 to 2009-10. Further the amount of doubtful Assets and Loss Assets shows an increasing trend from ₹ 15.28 billion to ₹ 31.04 billion and from ₹ 2.07 billion and ₹ 5.32 billion respectively. Further the post merger performance in classification of loan assets The overall amount of sub-standard assets and doubtful assets amounts stood at ₹ 150.53 billion and ₹ 418.93 billion respectively. The overall loss assets amounts stood at ₹ 78.52 billion. The amount of sub standard assets showed a decreasing trend from ₹ 50.20 billion to ₹ 26.78 billion during the year 2010-11 to 2014-15. Further the amount of doubtful Assets and Loss Assets shows an increasing trend from ₹ 40.30 billion to ₹ 100.63 billion and from ₹ 5.77 billion and ₹ 25.52 billion respectively. To conclude, the post merger classification of loan assets performance was more compared to the pre merger classification of loan assets performance of ICICI bank.

Table No. 2: Classifications of Loan Assets

Year	Pre-Merger Performance		
	Sub-standard	Doubtful assets	Loss assets
2007-08	24.33	15.28	2.07
2008-09	48.49	22.09	5.30
2009-10	61.67	31.04	5.32
Total [A]	134.49	68.41	12.69
Mean	44.83	22.83	4.23
Standard Deviation	18.93	7.90	1.87
One Way ANOVA	F=1.073; P=0.009		
Year	Post-Merger Performance		
2010-11	50.20	40.30	5.77
2011-12	17.92	74.00	9.22
2012-13	14.49	73.35	7.79
2013-14	18.72	67.91	9.84
2014-15	22.42	62.74	20.38
2015-16	26.78	100.63	25.52
Total [B]	150.53	418.93	78.52
Grand Total [A+B]	285.02	487.34	91.21
Mean	25.08	69.82	13.08
Standard Deviation	12.99	19.51	7.93
One Way ANOVA	F=2.072; P=0.002		

Source: Annual Reports of ICICI Bank

One way ANOVA, represents, that to test the significant difference between the mean differences among pre and post merger performance of classification of loan assets of ICICI bank. In the context of pre merger performance, the highest mean and standard deviation were found in sub standard assets category around 44.83 and 18.93 respectively. The calculated P value (Sig 2-tailed) is 0.009, which is less than the Alpha Value of 0.05, which indicated that the stated null hypothesis to be accepted. Further to test the post merger performance of classification of loan assets. The highest mean and standard deviation were found in doubtful assets category around 69.82 and 19.51 respectively. The calculated P value (Sig 2-tailed) is 0.002, which is less than the Alpha Value of 0.05, which indicated that the stated null hypothesis to be accepted.

Pre and post merger analysis in movements of gross NPAs of ICICI bank Ltd.:

Table No.3 indicates pre and post merger analysis of movements of gross NPAs of ICICI. In the context of pre merger performance of movement of gross NPAs, the total opening balance of Gross NPAs amounts stood at ₹ 1392819 million. This was followed by additional and write off provisions of gross NPAs amounts stood at ₹ 109143.7 million and ₹ 34876.5 million respectively. Therefore the overall closing balance of gross NPAs amount stood at ₹ 213549.1 million. In the context of post merger performance of movement of gross NPAs, the total opening balance of Gross NPAs amounts stood at ₹ 587531 million. This was followed by additional and write off provisions of gross NPAs amounts stood at ₹ 2835455 million and ₹ 2290918 million respectively. Therefore the overall closing balance of gross NPAs amount stood at ₹ 6419852 million. To conclude the post merger performance of movement of gross closing balance were more and better compared to the pre merger performance of movement gross NPAs of ICICI bank.

Table No.3: Movement of Gross NPAs

(₹ in billions)

Year	Pre-Merger Performance			
	Opening Balance	Additions	Write Off	Closing Balance
2007-08	22225.9	21610.0	2575.3	41260.6
2008-09	41260.6	36896.6	2361.8	75795.4
2009-10	75795.4	50637.1	29939.4	96493.1
Total [A]	1392819	109143.7	34876.5	213549.1
Mean	103.83	136.78	98.75	234.73
Standard Deviation	46.73	31.76	24.57	54.32
One Way ANOVA	F=1.021; P=0.000			
Year	Post-Merger Performance			
	Opening Balance	Additions	Write Off	Closing Balance
2010-11	96493.1	64168.9	65855.5	94806.5
2011-12	94806.5	28656.3	23120.2	100342.6
2012-13	100342.2	29861.2	35450.5	94753.3
2013-14	94753.3	35870.6	34546.5	96077.5
2014-15	96077.5	45314.4	36333.5	105058.4
2015-16	105058.4	79674.1	33785.6	150946.9
Total [B]	587531	2835455	2290918	6419852
Grand Total [A+B]	1980350	2944598.7	2325794.5	6633401.1
Mean	221.76	194.51	343.62	423.76
Standard Deviation	67.26	32.18	78.91	82.64
One Way ANOVA	F=3.018; P=0.018			

Source: Annual Reports of ICICI Bank

One way ANOVA, represents, that to test the significant difference between the mean differences among pre and post merger performance of movement of gross NPAs in ICICI bank. In the context of pre merger performance, the highest mean and standard deviation were found in closing balance of gross NPAs category around 234.73 and 54.32 respectively. The calculated P value (Sig 2-tailed) is 0.000, which is less than the Alpha Value of 0.05, which indicated that the stated null hypothesis to be accepted. Further to test the post merger performance of movement of gross NPAs. The highest mean and standard deviation were found in closing balance of gross NPAs category around 423.76 and 82.64 respectively. The calculated P value (Sig 2-

tailed) is 0.018 which is less than the Alpha Value of 0.05, which indicated that the stated null hypothesis to be accepted.

Pre and post merger analysis in movements of net NPAs of ICICI bank Ltd.:

Table No.4 represents that pre and post merger analysis of movements of net NPAs of ICICI. In the context of pre merger performance of movement of net NPAs, the total opening balance of net NPAs amounts stood at ₹ 65352.7 million. This was followed by additional and write off provisions of gross NPAs amounts stood at ₹ 49276.6 million and ₹ 14264 million respectively.

Table No. 4: Movement of Net NPAs

(₹ in billions)

Year	Pre-Merger Performance			
	Opening Balance	Additions	Write Off	Closing Balance
2007-08	10526.8	11835.8	2442.2	19920.4
2008-09	19920.4	17616.3	2631.2	34905.5
2009-10	34905.5	19824.5	9190.6	45539.4
Total [A]	65352.7	49276.6	14264	1003653
Mean	267.41	185.42	113.74	229.74
Standard Deviation	93.32	89.43	73.14	90.76
One Way ANOVA	F=3.052; P=0.058			
Year	Post-Merger Performance			
	Opening Balance	Additions	Write Off	Closing Balance
2010-11	45539.4	16666.5	13794.8	38411.1
2011-12	38411.1	4946.4	19283.9	24073.6
2012-13	24073.6	13311.6	18776.8	18608.4
2013-14	18608.4	20469.0	16771.8	22305.6
2014-15	22305.6	26316.4	15642.4	32979.6
2015-16	32979.8	50210.1	20634.4	6255.3
Total [B]	181917.9	131920	104904.1	142633.6
Grand Total [A+B]	247270.6	181196.6	119168.1	1146286.6
Mean	253.14	163.72	147.12	234.36
Standard Deviation	96.24	76.23	63.87	92.41
One Way ANOVA	F=4.021; P=0.001			

Source: Annual Reports of ICICI Bank

Therefore the overall closing balance of gross NPAs amount stood at ₹ 1003653 million. In the context of post merger performance of movement of net NPAs, the total opening balance of Gross NPAs amounts stood at ₹ 181917.9 million. This was followed by additional and write off provisions of gross NPAs amounts stood at ₹ 131920 million and ₹ 104904.1 million respectively. Therefore the overall closing balance of gross NPAs amount stood at ₹ 142633.6 million. To conclude the post merger performance of movement of net closing balance were more and better compared to the pre merger performance of movement net NPAs of ICICI bank.

One way ANOVA represents to test the significant difference between the mean differences among pre and post merger performance of movement of net NPAs in ICICI bank. In the context of pre merger performance, the highest mean and standard deviation were found in opening balance of net NPAs category around 267.41 and 93.32 respectively. The calculated P value (Sig 2-tailed) is 0.058, which is more than the Alpha Value of 0.05, which indicated that the stated null hypothesis to be rejected and alternative hypothesis is accepted. Further to test the post merger performance of movement of net NPAs. The highest mean and standard deviation were found in opening balance of net NPAs category around 253.14 and 96.24 respectively. The calculated P value (Sig 2-tailed) is 0.001 which is less than the Alpha Value of 0.05, which indicated that the stated null hypothesis is accepted.

FINDINGS OF THE STUDY:

The following are the major findings of the study:

- In the context of pre merger performance of gross and net NPAs, the total Gross and net NPAs amounts stood at ₹ 215.59 million and ₹ 102.02 million.
- The overall percentage to gross advances and net advances during the period of the study was 12.41 per cent and 5.76 per cent respectively.
- The total Gross and net NPAs amounts stood at ₹ 647.47 million and ₹ 201.13 million. The highest gross and net NPAs was found during the 2015-16 and the amount stood at ₹ 152.42 million and ₹ 63.25 million.
- The overall the percentage to gross advances and net advances during the period of the study was 24.00 per cent and 6.12 per cent respectively.
- The overall amount of sub-standard assets and doubtful assets amounts to stood at ₹ 134.49 billion and ₹ 68.41 billion respectively.
- Further the amount of doubtful Assets and Loss Assets shows an increasing trend from ₹ 15.28 billion to ₹ 31.04 billion and from ₹ 2.07 billion and ₹ 5.32 billion respectively.
- The overall amount of sub-standard assets and doubtful assets amounts to stood at ₹ 150.53 billion and ₹ 418.93 billion respectively.
- The total opening balance of Gross NPAs amounts stood at ₹ 1392819 million. This was followed by additional and write off provisions of gross NPAs amounts stood at ₹ 109143.7 million and ₹ 34876.5 million respectively.
- The total opening balance of Gross NPAs amounts stood at ₹ 587531 million. This was followed by additional and write off provisions of gross NPAs amounts stood at ₹ 2835455 million and ₹ 2290918 million respectively.
- The total opening balance of net NPAs amounts stood at ₹ 65352.7 million. This was followed by additional and write off provisions of gross NPAs amounts stood at ₹ 49276.6 million and ₹ 14264 million respectively.
- The total opening balance of Gross NPAs amounts stood at ₹ 181917.9 million. This was followed by additional and write off provisions of gross NPAs amounts stood at ₹ 131920 million and ₹ 104904.1 million respectively.

CONCLUSION:

The Non-Performing Assets have always created a big problem for the banks in India. It is just not only problem for the banks but for the economy too. The money locked up in NPAs has a direct impact on profitability of the bank as Indian banks are highly dependent on income from interest on funds lent. The present study focused on pre and post performance of gross and net NPAs and also analyzed the pre and post merger performance of classification of loan assets. From the above analysis of above data the post merger performance of NPAs is more and increasing compared to pre merger performance of gross and net NPAs. This study shows that every year the non performing assets has been increasing, it give adverse effect on profitability of the bank therefore to recover the effectively and productivity, banks have been listed unrecovered huge loans from corporate, customers others created as non performing assets after words banks prepare proper planned strategy to recover NPAs . In this framework study is ideal to know the ICICI banks NPA and their recovery. The government should also make more provisions for faster settlement of pending cases. So the problem of NPA needs lots of serious efforts otherwise NPAs will keep killing the profitability of banks which is not good for the growing Indian economy.

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