

IIMC CASE RESEARCH CENTRE (IIMCCRC)

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ABCD BANK: IN SEARCH OF FACTORS AFFECTING ITS INTEREST INCOME

After a hectic day at office, before winding up for the day, Arun finally found some time to sit and contemplate on the activities of the day, sipping his coffee. He recalled the high-level meeting, which he had attended in his first week of internship in May 2022. The leadership was worried that post the pandemic, when the economy begins to recover, there might be a massive spurt of NPA, which in turn, could affect the bank's interest income levels. Specifically, the leadership feared that a mismatch between the expected and actual interest

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since the Covid-19 outbreak in 2019-20, several reports have speculated the rise of NPAs within the Indian banking sector, especially now, as the world economy limps back to normalcy (i.e., pre-Covid times).

Owing to his stellar academic records

