

# CASE STUDY

Utilisation of a specialised NPA Management tool for tracking and monitoring the rising levels of NPA in a cooperative bank.

## Abstract

A leading cooperative bank was assisted by Sesame using NPA mitigation tool Neptune to streamline their recovery process and reduce the number of NPAs in the bank.

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## About the Client

The Client is a well-known cooperative bank based in Idukki, Kerala. It has 54 branches and holds 25% of the banking system in the district. It has received several accolades from NABARD and has been recognised by the government of Kerala for its excellent services.

## Business Needs

The Client was continuously facing challenges in managing the mounting NPAs. Analysing the current NPA status and recovering the bad loans became a primary concern.

**It was discovered that the Client lacked alternatives to deal with the situation.**

- Their existing CBS did not provide a complete picture of NPA in the bank rendering itself blind on the actual status of NPA in the bank and its individual branches.
- Their Loan recovery process was carried out manually, which was cumbersome, time-consuming and wholly ineffective.
- The existing CBS vendors were demanding exorbitant fees for creating an API that would enable easy integration with a third-party tool.

As a result, generating income and profits from the business was under threat and the decision making for disbursing new loans was also getting affected. To manage these risks, the Client identified the need to revolutionise its NPA management approach by availing Sesame's comprehensive tool.



## Why Neptune?

The Client was seeking a solution that would enable users to analyse the current NPA status and get a complete status and profile of NPA in the entire bank and its individual branches. They required a software with a comprehensive workflow that assists recovery agents in loan recovery, from contact to securitisation and recovery through a single window.

### **Neptune is a dedicated NPA and recovery management tool that:**

- Integrates with the existing CBS and allows user to import available NPA reports
- Generates detailed reports and provides actionable insights on current NPA scenario using an extensive dashboard
- Has a single-window recovery workflow
- Allows loan recovery agents to effectively track progress of the borrower's loan recovery status
- Sends out SMS, letters, and recovery notices and
- Initiates legal actions under SARFAESI Act, if required.







## The Solution

An all-inclusive NPA mitigation tool was deployed at the Client location to effectively deal with their existing roadblocks associated with Non-performing Assets and Bad loans. The key highlights of the implemented solution include:

- Branch-wise NPA comparisons
- Dashboards indicating NPA status
- User-wise responsibility assignments
- Easy contact and follow-ups
- Scheduled SMS and Voice call alerts
- Bulk dispatch of Notices
- Customer commitment follow-up and tracking.

## Scope of the Solution

-  **NPA and associated Report Generation** – Generation of requirement-specific reports.
-  **Contact and Retrieval Workbench with Commitment Tracking** – Contact procedures for loan retrieval and tracking progress of borrowers based on the commitment and alerts.
-  **NPA Dashboards** – Displays various parameters pertaining to NPA.
-  **NPA Recovery Workflow** – Recovery process procedure through complete case management under SARFAESI Act.



## The Result

Post the implementation and use of Neptune, the Client was able to:

- Get a detailed status of NPA throughout the bank
- Carry out timely recovery of overdue loans
- Successfully bring down NPA levels in the bank.

## Conclusion

The Client was delivered a systematic and high-performing NPA management solution that could bring the expected results within no time. The recovery processes were optimised and outcomes were visible soon after the bank's users' started availing Neptune's modules – **Dashboard, Contact Process and Recovery.**



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