

## **ASSESSMENT OF NON-PERFORMING ASSETS OF SCHEDULED COMMERCIAL BANKS IN INDIA FROM VARIOUS DIMENSIONS**

**\* NAVEENA GRAPE KUMARI, \*\*T.VIJAYA**

\*ASSISTANT PROFESSOR(C) NIZAM COLLEGE.

\*\* RESEARCH FELLOW (CENTRE FOR ECONOMICS AND SOCIAL STUDIES).

---

### **ABSTRACT**

The strength of economy of any country basically hinges on the strength and efficiency of financial system, which, in turn, rests upon a sound banking system. Scheduled commercial banks dominate the financial landscape, accounting for over half of the financial flows in the economy. The issue of non-performing assets (NPA) of the scheduled commercial banks, the root cause of the recent global financial crisis, has been drawing the attention of the policy makers and academicians. Banks today are judged not only on the basis of number of branches and volume of deposits but also on the basis of quality of assets. Non-performing assets constitute a major portfolio of the banks portfolio and hence are an inevitable burden on the banking industry. NPAs adversely affect the profitability, liquidity and solvency of the banks. The problem of NPAs, which was ignored till recently, has been given considerable attention after liberalization of the financial sector in India

This paper, examines the trends of NPAs in India, from various dimensions and a comparative analysis of Gross and Net NPAs of Scheduled Commercial Banks. At the same time paper explains about prefatory and precautionary measures to scale down the NPAs.

**KEYWORDS:** liberalization, NPA.

---

### **BIBLIOGRAPHY:**

1. Meenakshi Rajeev and H P Mahesh (2012) banking sector reforms and NPA: a study of Indian commercial banks, working paper 252, institute for social change and economic change, Bangalore, ISBN 978-81-7791-108-4.
2. Misra, B.M. & Dhal, S. (2010, Jun). Procyclical management of non-performing loans by the Indian public sector banks. BIS Asian Research Papers. June, 2010
3. Sergio, M. (1996). Non-performing bank loans: Cyclical patterns and sectoral risk. Review of Economic Conditions in Italy. Rome: Jan-Jun 1996. , Issue. 1.
4. *Muniappan (2002)* expressed that the problem of NPAs is related to several. Source: *Reports on Trend & Progress of Banking in India, 2012-2013.*

5. RBI report on Trends & Progress of Banking in India (2011-2012), (2012-13) .  
[www.rbi.org.in](http://www.rbi.org.in)