

# Non Performing Assets in Indian Banking System: A Study of Public Sector Banks

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**Abstract:** Non-Performing Assets are a consuming subject of worry for the open area banks, as overseeing and controlling NPA is significant. The present paper with the assistance of auxiliary information, from RBI site, attempted to break down the 6 years, (2008-2013) net non-performing resource information of 26 open part banks, by utilizing Annova insights, and with the assistance of SPSS programming. The primary goal of the investigation is to see whether there are any noteworthy contrasts in the mean variety of the concerned banks. This paper additionally centers around the purpose for the NPA and its effect on banking tasks.

**Key Words:** Annova, Net Non-Performing Assets

## I. INTRODUCTION

In the beginning when the money related changes were embraced by the Government of India dependent on the Narasimham Committee report I and II, Reserve Bank of India acquainted some prudential standards with location the credit checking arrangement, which were being sought after by the banks and different NBFCs. To fortify the recuperation of advances and duty by the banks and the other budgetary organizations, Government of India in the year 1993, declared the „recovery of obligations because of banks and other money related foundations act“ and the „securitisation and reproduction of monetary resources and authorization of security premium act“ in the year 2002.

Yet, measurements demonstrates NPA level is regularly expanding step by step, and the said demonstration, which was presented by the Government of India, isn't filling the need, they were really shaped. The explanation for it tends to be the bank's approach and demeanor towards financing and recuperation of advances particularly from the little and medium undertakings and furthermore the absence of information about the law and its training in banking and furthermore infringement of the RBI orders/booklets, which are fundamental to pursue by each bank and money related institutions.(Non-Performing Assets, n. d.)

In the monetary year 2013, the non-performing resources had gone up to Rs. 95825 crores, as per the CRISIL report, the gross NPA will increment from 3.3% on 03.2013, to 4% by 03.2014. A significant inquiry is to be replied by the banks and other money related establishments about the recuperation of the duty, and banks approach towards concentrating on the „efficiency and fairness“ and furthermore become understanding when managing real troubles in dealing with the extortion. A solid banking and budgetary segment is significant for a creating economy and the disappointment of which may have unfavorable impact on all the sectors.(RBI site, n. d.)

**Non-Performing Asset:** Today non-performing resources are the subject of significant worries to the financial area and the other non-banking monetary establishments. A credit or rent that does not meet the expressed chief sum and the intrigue sum installments is named as non-performing resources. NPA can be grouped into business advances which are past due for over 90 days, and buyer advances which are expected for over 180 days, and ascend in NPA is because of the late of the business credits, there are a ton of pending cases which are being dealt with by the Indian banks and other budgetary foundations. (RBI Website, n.d)

Table 1.1: Types of advances and its characters

Nature of Facility	Parameters
<b>Term Loan</b>	Interest and/or instalment of principal remain overdue beyond 90 days
<b>Overdraft/Cash Credit</b>	Remains „out of order“ as indicated above
<b>Bill Purchased/discounted</b>	Remains overdue beyond 90 days
<b>Crop Loans (short duration crops)</b>	Instalment of principal or interest thereon remains overdue for 2 crop seasons
<b>Crop Loans (Long duration crops)</b>	Instalment of principal or interest thereon remains overdue for 1 crop season
<b>Securitization transactions</b>	Amount of liquidity facility remains outstanding beyond 90 days
<b>Derivative transactions</b>	Overdue receivables representing positive mark-to-market value of a derivative contract which remains unpaid beyond 90 days from specified due date for payment
<b>Securitisation transaction</b>	Liquidity facility remains outstanding for more than 90 days,

Source: <http://www.iibf.org.in/reports/IRAC.pdf>

Meanings of NPA by RBI:

- a) An resource, including a rented resource, progresses toward becoming non-performing when it stops to create pay for the bank.
- b) A non-performing resource (NPA) is a credit or a development where;
  - i. Interest or potentially portion of chief stay past due for a time of over 90 days in regard of a term advance,

- ii. The record remains „out of order“ as showed at section 2.2 beneath, in regard of an Overdraft/Cash Credit (OD/CC),
  - iii. The bill stays late for a time of over 90 days on account of bills acquired and limited,
  - iv. The portion of head or intrigue subsequently stays late for two harvest seasons for brief length crops, the portion of head or intrigue consequently stays past due for one yield season for long span crops,
  - v. The portion of head or intrigue subsequently stays past due for one harvest season for long length crops,
  - vi. The measure of liquidity office stays exceptional for over 90 days, in regard of a securitisation exchange embraced as far as rules on securitisation dated February 1, 2006.
  - vii. In regard of subordinate exchanges, the past due receivables speaking to positive imprint to-showcase estimation of a subsidiary contract, if these stay unpaid for a time of 90 days from the predetermined due date for installment.
- c) Banks should, characterize a record as NPA just if the enthusiasm due and charged during any quarter isn't adjusted completely inside 90 days from the part of the arrangement.
  - d) 'Out of Order' statuses: A record ought to be treated as 'out of request' if the remarkable equalization remains persistently in overabundance of as far as possible/drawing power. In situations where the exceptional parity in the chief working record is not exactly as far as possible/drawing power, however there are no credits constantly for 90 days as on the date of Balance Sheet or attributes are insufficient to cover the intrigue charged during a similar period, these records ought to be treated as 'out of request'.
  - e) 'Overdue': Any sum because of the bank under any credit office is „overdue“ on the off chance that it isn't paid on the due date fixed by the bank. (rbi.org.in)

#### Characterization of Assets:

Non-performing resources are additionally characterized into three classifications dependent on the range for which the benefit has remained non-performing and the recuperation of the levy:

##### i. Substandard Assets

With impact from March 31, 2005, an unacceptable resource would be the one, which has stayed as a non-performing resource for a time of not exactly or equivalent to a year. Unacceptable resources have credit shortcomings that risk the liquidation of the obligation and there are additionally plausibility of bringing about and continuing a few misfortunes if the inadequacies are not rectified.

##### ii. Doubtful Assets

With impact from March 31, 2005, an advantage is named suspicious on the off chance that it has stayed as an inadequate resource for a time of a year. A credit characterized under the suspicious class has all the shortcoming attributes as characterized for the inadequate resources; additionally it has included qualities that the shortcoming makes full liquidation or gathering, based on the right now known conditions, realities, and qualities that are exceptionally dubious and flawed.

##### iii. Loss Assets

A misfortune resource is one where misfortune has been distinguished by the bank's inward examiners and RBI's outside inspectors, however the sum has not been discounted completely. These sorts of benefits are additionally considered as uncollectible, and of little esteem that its duration or upkeep as a bankable resource isn't justified or worthy however there might be some rescue or recuperation value.(RBI Website, n.d.)

Reasons/Causes of NPA: In the past articles, numerous writers have discovered numerous purposes behind NPA. Maybe a couple are: Market Failure, Wilful Defaults, Poor development and Supervision, Non-participation from Banks, Poor Legal system, Lack of Entrepreneurial Skills, Diversion of assets (Santanu Das, 2010)Zahoor Ahmad, Dr. M. Jegadeeshwaran (2013) in their paper „Comparative Study On NPA Management of Nationalized Banks“ has broke down, inappropriate choice of borrower's exercises, feeble credit evaluation framework Industrial issue, wastefulness in the board of borrower, slackness in credit the board and checking, absence of legitimate follow up by bank, subsidence in the market, and normal cataclysms and different vulnerabilities, as the purposes behind the NPA. Then again (Ashly Lynn Joseph, 2014) in his paper „A Study on Analyzing the Trend of NPA Level in Private Sector Banks and Public Sector Banks“has recognized couple of outside, inward and different components that are engaged with the arrangement of NPA and those are : redirection of store for extension, enhancement, modernization or for taking up new projects,diversion of reserve for helping or advancing partner concerns,time or cost overwhelm during the undertaking execution organize, business disappointment because of item disappointment, disappointment in advertising etc,inefficiency in bank the board, slackness in credit the executives and observing, and wrong innovation or issues identified with present day innovation. The outer components incorporate retreat in the economy in general, information or power lack, value heightening of sources of info, conversion scale vacillations, and change in government strategies. Different elements incorporate progression of the economy and the ensuing weights from advancement like a few rivalries, decrease of duties and so on, poor observing of credits and inability to perceive early cautioning sign appeared by

standard resources, abrupt slamming of capital market and powerlessness to raise sufficient funds, mismatching of assets for example utilizing credit allowed for present moment for long haul exchanges, giving of advances to specific divisions of the economy based on government orders instead of business goals. (Namita Rajput, et al., 2012) additionally investigated a few explanations for the development of NPA, and furthermore found the effect of the NPA on banking tasks and (Satpal, 2014) likewise attempted to discover some outside variables and some inward factors which influences the NPA like (Ashly Lynn Joseph, 2014), and furthermore found the effects of NPA.

## II. REVIEW OF LITERATURE

NPA is a consuming point for the financial part and numerous creators attempted to contemplate the reasons of NPA, the issues made by NPA and the effect of NPA on the financial area, and in addition went to an answer or cures of the developing issue of NPA. Various papers have been composed and experienced, and this piece of this paper is endeavoring to exhibit an audit of every one of those are accessible in a similar territory of non-performing resources of the open area banks, private part banks and different banks. This review has directed an investigation on the current papers, articles, diaries, and reports given by various writers, gatherings and councils now and again.

Dutta. A (2014): This paper examined the development of NPA in general society and private segment banks in India , and broke down area shrewd non-performing resources of the business banks. With the end goal of the investigation information has been gathered from auxiliary sources, for example, report on Trend and Progress of Banking in India, RBI, Report on Currency and Finance, RBI Economic Surveys of India.

Das, S. (2010): In this paper the creator has attempted to dissect the parameters which are really the reasons of NPAs, and those are, showcase disappointment, wilful defaults, poor development and supervision, non-collaboration from banks, poor Legal structure, absence of pioneering abilities, and redirection of assets

Ahmad, Z., Jegadeeshwaran, M. (2013): The present paper is composed on the NPA, and reasons for NPA. Optional information was gathered for a time of five years and dissected by mean, CAGR, ANOVA and positioning banks. The banks were positioned according to their presentation in dealing with the NPA"s. The effectiveness in dealing with the NPA by the nationalized banks was tried.

Ranjan, R., Dhal, S.C. (2013): This paper investigates an exact way to deal with the examination of the Indian business banks' nonperforming credits by relapse investigation. The observational examination assesses with respect to how the NPLs are affected by three noteworthy arrangements of monetary and money related elements, i.e.,

terms of credit, bank size instigated chance inclinations and macroeconomic stuns.

Reddy, P.K. (2002): This paper manages the encounters of other Asian nations in treatment of NPAs. It further investigates the impact of the changes on the degree of NPAs and recommends components to deal with the issue by drawing on encounters from different nations.

Joseph, A. L. (2014): This paper fundamentally manages the patterns of NPA in banking industry, the inward, outer and different variables that for the most part add to NPA ascending in the financial business and furthermore gives a few recommendations to beating the weight of NPA.

Kamra, S. D. (2013): This paper examinations the situation of NPAs in the chose nationalized banks in particular State Bank of India (SBI), Punjab National Bank (PNB) and Central Bank of India (CBI). It likewise centers around the approaches sought after by the banks to deal with the NPAs and recommends a system for the fast recuperation of NPAs.

Patidar, S.,Kataria, A. (2012): The examination broke down the rate portion of NPA as parts of need area loaning, the similar investigation was led among SBI and Associates, Old Private Banks and New Private Banks and Nationalized Banks of the benchmark class, to discover the noteworthy distinction of the NPA and furthermore discover the critical effect of Priority Sector Lending on the Total NPA of Banks utilizing factual apparatuses like relapse examination and proportion examination.

Arora, N., Ostwal, N. (2014): The present paper examinations the characterization and correlation of credit resources of open and private part banks. The investigation reasoned that NPAs are as yet a danger for the banks and money related establishments and open segment banks have more elevated amount of NPAs in contrast with Private part banks.

Patnaik, B.C.M., Satpathy,I. (2012): The present paper made an endeavor to investigate the reasons for NPAs in working capital credits of Urban Co-usable banks. For the investigation reason borrowers were reviewed through surveys, causes were dissected and proposals made to beat the issue.

Patnaik, B.C.M., Satpathy, I. (2011): The present paper attempts to dissect the quantitative pattern and example in development of NPA with reference to the training credit conspire, in Odisha. An exertion was made to discover the reason, by poll review of the defaulters, who are understudies of various universities, proposals to beat this issue was likewise given by the creator.

Bhatia, B.S., Waraich, S., Gautam, V. (2013): This investigation was made on District Central Cooperative Bank of Punjab, the examination attempted to break down the effect of some new product offerings on non performing

propels in agreeable banks and patterns in NPA against advance plans. Finally a relative investigation was made between bank insightful and part shrewd to discover the lacunas and recommend measures for development in overseeing NPA.

Rajput, N., Gupta, M., Chauhan, A.K. (2012): This paper gives an exact way to deal with the examination of productivity pointers on NPA, it likewise talks about the components which contribute towards NPA, and furthermore investigations the answer for the equivalent. Every single observational finding were finished by utilizing factual devices like relationship, relapse and information portrayal systems and DEA.

Ibrahim, M.S.,Thangavelu, R. (2014): In this paper, the creator has broke down the idea of NPAs, segments of advance resources in open segment, private division and other outside banks, by an exploratory and demonstrative methodology with the assistance of auxiliary information.

Srinivas, K.T. (2013): The present paper embraces to read the explanations behind advances and advances getting to be NPA in the Indian Commercial financial Sector and give a reasonable answer for beat the referenced issue. Rai, K. (2012): The paper tried to assess the operational exhibition of the chose business banks, and the NPA Trends and issues, additionally the measures taken for dealing with the NPAs like reformulation of banks' credit evaluation methods, foundation of observing office, and so forth.

Satpal (2014): An endeavor has been made in this paper to discover the genuine meaning of NPA and the elements adding to the development NPAs, explanations behind high NPAs and their effect on Indian financial tasks.

Rajeev, M., Mahesh, H.P., (2010): This exploratory paper looks at the Indian patterns of NPAs from different measurements and clarifies how acknowledgment of the issue nonstop observing, can diminish it to a more prominent degree. The paper likewise talks about the elements of the joint obligation gatherings or self improvement gatherings in upgrading the advance recuperation rate.

Yadav, S. (2014): With the assistance of auxiliary information, the creator in the present paper has attempted to demonstrate the ongoing patterns and its preventive measures to control NPAs in Indian financial industry.

Rakshit, D.,Chakrabarti, S. (2012): The paper manages understanding the degree of NPAs in agreeable bank and the significant causes behind a record getting to be non-performing in helpful banks

Kumar, M.,Singh, G. (2012): The paper centers around the most noteworthy components, which contribute towards the non-performing resources issue from the view purpose of the top brokers of open segment banks and, some remote

banks in India and the measures required for dealing with the NPAs.

Gupta, J., Jain, S. (2012): The present investigation manages execution and the loaning practices of some effective agreeable banks of Delhi, whose clients have taken more than one kind of credits from the bank. Pradhan, T.K. (2012): The present investigation is on Odisha, and relies upon the bungle or preoccupation of store, which are one of the fundamental driver of NPA. The investigation depends on essential information which has been examined by rate strategy. The information was gathered from 50 bank authorities through an organized poll.

Rajput, N.,Arora, A.P., Kaur, B. (2012): This investigation centers around the board of non-performing resources of the open part banks under stringent resource grouping standards. The examination attempted to follow the development of the nonperforming resources present in Indian open part banks and furthermore broke down the exhibition of the banks in dealing with the NPA.

Rajaraman, I.,Vasishtha, G. (2001): The paper plays out a board relapse on the definitional uniform optional information, on NPA accessible for a five-year time frame finishing in 1999-2000. The paper ponders 27 open area banks, and researches varieties inside a class that is homogenous on the proprietorship measurement and operational proficiency.

Gupta, B. (2012): In this paper, study has been made on SBI and Associates, and open division banks, an exertion has been made to comprehend the idea of NPAs, its extent and real foundations for expanding NPA and furthermore assess the operational presentation in overseeing NPA.

Rajput, N.,Arora, A.P., Kaur, B. (2011): This investigation endeavors to follow the development of the NPAs nearness in open segment banks of India, by breaking down the money related execution in overseeing NPA.

Ganesan, D., Santhanakrishnan, R. (2013): In this paper, an exertion has been made to assess the non-execution resources of the SBI since 2002.

Stuti, Bansal, S. (2013): In this paper, an exertion has been made to assess the operational exhibition of the Public Sector Banks and Private division bank in India with the assistance of optional information between 2003-04 and 2007-09, on NPAs Trends and issues. This paper dissects how productively Public and Private area banks have been overseeing NPA.

Pradhan, T.K. (2012): The present examination, with the assistance of optional information of six years, attempted to investigate how change measures helped in limiting the NPA in open area banks, the information has been broke down by utilizing rate technique.

Selvarajana, B.,Vadivalagan, G. (2013): The present examination has been intended to outline the need and the

idea of the non-performing resources in Indian Bank, Tamil Nadu. The examination was done on the need segment advance.

Tripathi, L. K., Parashar, A., Mishra, S. (2014): The present examination, with the assistance of different relapse model endeavors to research the effect of need division propels, unbound advances and advances made to delicate areas by banks like SBI gathering and other nationalized depends on Gross NPAs of banks.

Jajashree, Kotnal, R., Ahmed, I., Naikwadi, M. (n.d.): This investigation manages understanding the idea of NPAs, its greatness and significant reasons for a record getting to be non-playing out, the examination was made on Corporation Bank, Bagalakot and BDCC Bank, Bagalakot.

Kaur, H., Saddy, N.K. (2011): An endeavor was made in the paper to think about NPA, the components in charge of the commitment towards NPAs, the greatness and purposes behind high NPAs and their effect on Indian financial activities.

Satpathy, I, Patnaik, B.C.M. (2010): The present paper endeavored to look at the reasons for NPAs in home advances of business banks. For this borrowers of the advances were reviewed through polls made for the reason, and at last recommendations given to defeat the issue.

Chaudhary, K., Sharma, M. (2011): This paper has made an endeavor to break down how productively Public and Private part banks have been overseeing NPA. A measurable instrument for projection of pattern was utilized for investigation.

### III. GAP IN RESEARCH

From the above writing survey it was discovered that no examination has been directed from the period 2008 to 2013 in setting of the goal expressed before in the investigation. So the present situation of Net NPA of banking area was not delineated by the above scientist.

### IV. STATEMENT OF THE PROBLEM

The investigation attempts to examine the reasons of the NPA in open division banks and furthermore examinations the issues, with an appropriate arrangement. The fundamental topic of this paper is to comprehend the noteworthy contrast of the NPA event, and the board of NPA in various nationalized banks of India in regard to need and non-need area loaning.

### V. NEED OF THE STUDY

The financial division of India comprises of open segment banks, private part banks, co-usable banks and remote banks. However, among these four types" open segment banks still overwhelm the financial business, with surmised 82% of the piece of the pie in complete store and advances of the business. The open division banks assume a vital job

in the Indian economy, by contributing legitimately to the GDP, and activating reserve funds and channelizing ventures. Be that as it may, in the wake of dealing with each challenge effectively and by giving standard administrations to the clients, NPA turns into the greatest all things considered and overseeing NPA is perhaps the hardest errand for these banks, as the expanding NPA have unfriendly sway upon the advancement of the Indian economy and the Indian monetary framework. Then again NPA is proficiently overseen by the private part banks, and it is controlled.

The present paper attempts to draw a view on the status of the NPA in various open division banks, including State Bank of India and its Associates, and other open area banks.

### VI. OBJECTIVE OF THE INVESTIGATION

The goal of the examination is to see if there is any distinction in the NPA event between the different banks during the time of the investigation.

### VII. SCOPE

The extent of the investigation is in the middle of the budgetary year 2008-2013 on the open segment banks, which incorporate the State Bank of India and its Associates, and the other Nationalized banks of India.

### VIII. RESEARCH METHODOLOGY

The present investigation is done on the SBI Associate Banks and other open segment banks. The SBI Associate Banks include: The State Bank of India, State Bank of Bikaner and Jaipur, State Bank of Hyderabad, State Bank of Mysore, State Bank of Patiala, and State Bank of Travancore. The other open part banks incorporate Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of India, Bank of Maharashtra, Canara Bank, Central Bank of India, Corporation Bank, Dena Bank, IDBI Bank Limited, Indian Bank, Indian Overseas Bank, Oriental Bank of Commerce, Punjab and Sind Bank, Punjab National Bank, Syndicate Bank, UCO Bank, Union Bank of India, United Bank of India, Vijaya Bank.

The Net Non-Performing Asset for a long time, beginning from 2008 to 2013, is broke down. The investigation is done dependent on the optional information, which is gotten from distributed report of RBI and different articles and diaries.

Net Non-Performing Assets = Gross NPA – (Balance in Interest Suspense account + DICGC/ECGC cases got and held pending change + Part installment got and kept in anticipation account + Total arrangements held) (rbi.org.in)

The figures of NNPA which are gotten from the reports of RBI, have been dissected with SPSS programming, and factual instrument, "examination of fluctuation" or Anova.

The information sheet is given underneath:

Table 1.2: NNPA values of SBI and Associates:

	2008	2009	2010	2011	2012	2013
State Bank of India	1.78	1.79	1.72	1.63	1.82	2.10
State Bank of Bikaner and Jaipur	.83	.85	.78	.83	1.92	2.27
State Bank of Hyderabad	.16	.38	.55	.87	1.30	1.61
State Bank of Mysore	.43	.50	1.02	1.38	1.93	2.69
State Bank of Patiala	.60	.60	1.04	1.21	1.35	1.62
State Bank of Travancore	.94	.58	.91	.98	1.54	1.46

Source: rbi.org.in

Table 1.3: NNPA values of Other Public Sector Banks:

	2008	2009	2010	2011	2012	2013
Allahabad Bank	.80	.72	.66	.79	.98	3.19
Andhra Bank	.15	.18	.17	.38	.91	2.45
Bank of Baroda	.47	.31	.34	.35	.54	1.28
Bank of India	.52	.44	1.31	.91	1.47	2.06
Bank of Maharashtra	.87	.79	1.64	1.32	.84	.52
Canara Bank	.84	1.09	1.06	1.10	1.46	2.18
Central Bank of India	1.45	1.24	.69	.65	3.09	3.90
Corporation Bank	.32	.29	.31	.46	.87	1.19
Dena Bank	.94	1.09	1.21	1.22	1.01	1.39
IDBI Bank Limited	1.30	.92	1.02	1.06	1.61	1.58
Indian Bank	.24	.18	.23	.53	1.33	2.26
Indian Overseas Bank	.60	1.33	2.52	1.19	1.35	2.50
Oriental Bank of Commerce	.99	.65	.87	.98	2.21	2.27
Punjab and Sindh Bank	.37	.32	.36	.56	1.19	2.16
Punjab National Bank	.64	.17	.53	.85	1.52	2.35
Syndicate Bank	.97	.77	1.07	.97	.96	.76
UCO Bank	1.98	1.18	1.17	1.84	1.96	3.17
Union Bank of India	.17	.34	.81	1.19	1.70	1.61
United Bank of India	1.10	1.48	1.84	1.42	1.72	2.87
Vijaya Bank	.57	.82	1.40	1.52	1.72	1.30

Source: rbi.org.in

### IX. RESEARCH DESIGN

Statistical Method Used For the motivation behind the investigation examination of fluctuation (ANOVA) one way has been utilized. The straight numerical model as given beneath has been utilized.

$$X_{ij} = \mu + \alpha_i + \epsilon_{ij} \dots \dots \text{Condition (1) Where,}$$

$X_{ij}$  = The yield from the  $j$ th push, ( $j = 1, 2, \dots, n_i$ ) benefited from the  $i$ th apportion ( $i = 1, 2, \dots, k$ )  $\mu$  = General mean impact given by  $k$

$$\mu = \sum_{i=1}^k n_i \mu_i / n$$

$$i=1$$

$\alpha_i$  = The impact of the  $i$ th apportion given by  $\alpha_i = \mu_i - \mu$ , ( $i = 1, 2, \dots, k$ )

$\epsilon_{ij}$  = The mistake impact because of shot.

Suspicion of the model.

i. All the perceptions  $X_{ij}$  are free and  $X_{ij} \sim N(\mu_{ij}, \sigma^2)$

ii. Difference impacts are added substance in nature

iii.  $\epsilon_{ij}$  are i.i.d,  $N(0, \sigma^2)$

Theory:

H0: There is no critical contrast in mean variety between the NPAs of the banks

H1: There is noteworthy distinction in mean variety between the NPAs of the banks

Constraints: The examination is worried about all the distributed NPA by the Reserve Bank of India. It doesn't probe into the NPA the executives nor does it attempt to discover causation for these components.

### X. ANALYSIS AND INTERPRETATION:

The entire investigation and the examination are done on these banks, there are 26 banks, and each bank is given a number, from 1 to 26. The NNPA of Allahabad Bank is composed under factor 2 section, and number „1“ for Allahabad Bank id composed under, variable1, or VAR00001, NNPA of Andhra Bank for the 6 years (2008-2013) is composed under factor 2, or VAR00002, and number „2“ is composed for Andhra Bank, a progression of 6, twos (2) are composed under VAR00001 segment, it proceeds and prefer as such, the each of the 26banks, are

given various 1-26, and are composed under VAR00001 segment, and the estimations of NNPA for a long time, per bank is composed under the VAR00002 segment. Number 1 is for Allahabad Bank, and number 26 is utilized for State Bank of Travancore. Each number has a gathering information of NNPA, for a solitary bank, for a long time. Univariate test is accomplished for these 26 banks to discover if there is any huge mean variety between the NNPA of the banks. Variable 1 or VAR00001 is considered as needy factor, and Variable 2 or VAR00002 is considered as fixed factor for the investigation reason.

It is realized that on the off chance that F-measurements is more noteworthy than P, at that point invalid theory will be

**Results after analysis:**

Table 1.5: Tests of Between-Subjects Effects

Dependent Variable: VAR00001

Source	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Corrected Model	6159.917 <sup>a</sup>	110	55.999	.964	.573	.702
Intercept	24084.764	1	24084.764	414.447	.000	.902
VAR00002	6159.917	110	55.999	.964	.573	.702
Error	2615.083	45	58.113			
Total	37206.000	156				
Corrected Total	8775.000	155				

a. R Squared = .702 (Adjusted R Squared = -.026) Source: SPSS Output

We can see that the F-insights relating VAR0002 is .964, which is huge at  $P < .573$ , presently as  $F = .964 > P .573$ , it very well may be said that, there is noteworthy mean variety between the NPAs of the open area banks. There invalid theory is rejected and interchange speculation is acknowledged.

**XI. CONCLUSION**

NPA or Non-Performing Assets are the sorts of benefits which are the subject of real worries to the financial part and the other non-banking money related organizations. A credit or rent that does not meet the expressed chief sum and the intrigue sum installments is named as non-performing resources. The present examination manages the sorts of NPA and its causes just as its effect on the financial part and the economy all in all. An investigation was done on the State Bank of India and its partners, and the other open area banks, in view of the auxiliary information, from the yearly reports, of 6 years beginning from 2008 to 2013. An endeavor is made to examine the information, through factual device, ANOVA.

The primary target of the investigation was to see if there is any distinction in the NPA event between the different banks during the time of the examination. The investigation discovers that there is no noteworthy concession between the methods for NPA of the banks at five percent level of criticalness. Subsequently one can securely presume that banks regardless of their tasks have comparative NPAs in the ongoing years.

rejected, and substitute speculation will be acknowledged, yet on the off chance that F-insights is not as much as p, at that point invalid theory will be acknowledged and interchange speculation will be rejected. So If  $F > P$ , there will be critical distinction in mean variety of the NPAs of the open part banks however in the event that and along these lines  $H_0$  will be rejected, and  $H_1$  will be acknowledged, then again if  $F < P$ , there will be no noteworthy contrast in mean variety, and in this manner  $H_0$  will be acknowledged and  $H_1$  will be rejected.

The table underneath marked trial of between subjects" impacts gives the Annova results.

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