

# INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I  
J  
R  
C  
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

*Indexed & Listed at:*

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A., Google Scholar,

Open J-Gate, India [link of the same is duly available at Infibnet of University Grants Commission (U.G.C.)],

The American Economic Association's electronic bibliography, EconLit, U.S.A.,

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 5220 Cities in 187 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

# CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	<b>LOGISTICS CAPABILITIES EFFECT ON CUSTOMER SATISFACTION: EVIDENCE FROM TAIWANESE LOGISTICS PROVIDERS</b> <i>GHI-FENG YEN, PENG JIANG, YI-CHUNG HU &amp; CHANG-MING AI</i>	1
2.	<b>TRANSACTIONAL LEADERSHIP STYLE AND ORGANIZATIONAL COMMITMENT: THE MODERATING EFFECT OF EMPLOYEE PARTICIPATION</b> <i>DR. DAVID IRUNGU NJOROGI, DR. JOHN WEKESA WANJALA &amp; DR. BULITIA GODRICK MATHEWS</i>	6
3.	<b>AN ANALYSIS OF PERFORMANCE OF INDIAN BANKS W.R.T. NON-PERFORMING ASSETS (NPAs)</b> <i>DR. ASHA NAGENDRA, ABHISHEK SINGH &amp; ANURAG SINGH</i>	11
4.	<b>AGGREGATE IMPORT DEMAND AND EXPENDITURE COMPONENTS IN INDIA</b> <i>DR. AMAL SARKAR</i>	14
5.	<b>TO STUDY THE CUSTOMER PERCEPTION TOWARDS BEER OF MOHAN MEAKINS LTD.</b> <i>ABHISHEK VASHISHTH &amp; DR. NISHI TRIPATHI</i>	20
6.	<b>UNDERSTANDING BRAND INDIA CAMPAIGN AND ITS IMPACT OVER SMALL SCALE INDUSTRIES</b> <i>DR. SURYA RASHMI RAWAT, NAYAN MITTAL, AYUSH CHOWDHURY, DIVYANSH GAUTAM, SANJAY NARAYANDAS &amp; RAM KUMAR</i>	26
7.	<b>IMPACT OF FACULTY TURNOVER ON STUDENT'S PERFORMANCE IN MANAGEMENT EDUCATIONAL INSTITUTIONS WITH SPECIAL REFERENCE TO BANGALORE</b> <i>DR. NILOFER HUSSAINI &amp; SYED RAJEENA</i>	32
8.	<b>HUMAN CAPITAL: A VITAL COMPONENT OF ORGANIZATIONAL SUCCESS</b> <i>SIMRAN SAINI</i>	36
9.	<b>LUXURY FASHION AND INDIAN ADAPTABILITY: ANALYSIS OF CULTURAL PERSPECTIVES</b> <i>SUDHANSHU GUPTA</i>	40
10.	<b>A STUDY ON QUALITY OF LIFE OF MIGRANT WORKERS EMPLOYED IN GARMENT INDUSTRIES WITH SPECIAL REFERENCE TO TIRUPUR DISTRICT</b> <i>V. DHIVYA KEERTHIGA</i>	43
	<b>REQUEST FOR FEEDBACK &amp; DISCLAIMER</b>	46

***CHIEF PATRON*****PROF. K. K. AGGARWAL**

Chairman, Malaviya National Institute of Technology, Jaipur  
*(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)*

Chancellor, K. R. Mangalam University, Gurgaon

Chancellor, Lingaya's University, Faridabad

Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi

Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

***FOUNDER PATRON*****LATE SH. RAM BHAJAN AGGARWAL**

Former State Minister for Home &amp; Tourism, Government of Haryana

Former Vice-President, Dadri Education Society, Charkhi Dadri

Former President, Chinara Syntex Ltd. (Textile Mills), Bhiwani

***CO-ORDINATOR*****DR. BHAVET**

Faculty, Shree Ram Institute of Engineering &amp; Technology, Urjani

***ADVISOR*****PROF. S. L. MAHANDRU**

Principal (Retd.), Maharaja Agrasen College, Jagadhri

***EDITOR*****PROF. R. K. SHARMA**

Professor &amp; Dean, Bharti Vidyapeeth University Institute of Management &amp; Research, New Delhi

***FORMER CO-EDITOR*****DR. S. GARG**

Faculty, Shree Ram Institute of Business &amp; Management, Urjani

***EDITORIAL ADVISORY BOARD*****DR. TEGUH WIDODO**

Dean, Faculty of Applied Science, Telkom University, Bandung Technoplex, Jl. Telekomunikasi, Terusan  
 Buah Batu, Kabupaten Bandung, Indonesia

**PROF. M. S. SENAM RAJU**

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

**DR. JOSÉ G. VARGAS-HERNÁNDEZ**

Research Professor, University Center for Economic & Managerial Sciences, University of Guadalajara, Guadalajara, Mexico

**PROF. M. N. SHARMA**

Chairman, M.B.A., Haryana College of Technology &amp; Management, Kaithal

**DR. CHRISTIAN EHIOBUCHÉ**

Professor of Global Business/Management, Larry L. Luong School of Business, Berkeley College, Woodland  
 Park NJ 07424, USA

**PROF. SIKANDER KUMAR**

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

**DR. MIKE AMUHAYA IRAVO**

Principal, Jomo Kenyatta University of Agriculture and Technology (JKUAT), Westlands Campus, Nairobi-Kenya

**PROF. SANJIV MITTAL**

Professor, University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

**DR. NEPOMUCENO TIU**

Chief Librarian & Professor, Lyceum of the Philippines University, Laguna, Philippines

**PROF. RAJENDER GUPTA**

Convener, Board of Studies in Economics, University of Jammu, Jammu

**DR. KAUP MOHAMED**

Dean & Managing Director, London American City College/ICBEST, United Arab Emirates

**PROF. NAWAB ALI KHAN**

Professor, Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

**DR. ANA ŠTAMBUK**

Head of Department in Statistics, Faculty of Economics, University of Rijeka, Rijeka, Croatia

**SUNIL KUMAR KARWASRA**

Principal, Aakash College of Education, ChanderKalan, Tohana, Fatehabad

**DR. SHIB SHANKAR ROY**

Professor, Department of Marketing, University of Rajshahi, Rajshahi, Bangladesh

**PROF. S. P. TIWARI**

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

**DR. SRINIVAS MADISHETTI**

Professor, School of Business, Mzumbe University, Tanzania

**PROF. ABHAY BANSAL**

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

**DR. ARAMIDE OLUFEMI KUNLE**

Dean, Department of General Studies, The Polytechnic, Ibadan, Nigeria

**DR. ANIL CHANDHOK**

Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

**RODRECK CHIRAU**

Associate Professor, Botho University, Francistown, Botswana

**DR. OKAN VELI ŞAFKLI**

Associate Professor, European University of Lefke, Lefke, Cyprus

**PARVEEN KHURANA**

Associate Professor, Mukand Lal National College, Yamuna Nagar

**DR. KEVIN LOW LOCK TENG**

Associate Professor, Deputy Dean, Universiti Tunku Abdul Rahman, Kampar, Perak, Malaysia

**DR. BORIS MILOVIC**

Associate Professor, Faculty of Sport, Union Nikola Tesla University, Belgrade, Serbia

**SHASHI KHURANA**

Associate Professor, S. M. S. Khalsa Lubana Girls College, Barara, Ambala

**DR. IQBAL THONSE HAWALDAR**

Associate Professor, College of Business Administration, Kingdom University, Bahrain

**DR. DEEPANJANA VARSHNEY**

Associate Professor, Department of Business Administration, King Abdulaziz University, Ministry of Higher Education, Jeddah, Saudi Arabia

**DR. MOHENDER KUMAR GUPTA**

Associate Professor, Government College, Hodal

**BIEMBA MALITI**

Associate Professor, The Copperbelt University, Main Campus, Jambo Drive, Riverside, Kitwe, Zambia

**DR. ALEXANDER MOSESOV**

Associate Professor, Kazakh-British Technical University (KBTU), Almaty, Kazakhstan

**DR. VIVEK CHAWLA**

Associate Professor, Kurukshetra University, Kurukshetra

**DR. FERIT ÖLÇER**

Head of Division of Management & Organization, Department of Business Administration, Faculty of Economics & Business Administration Sciences, Mustafa Kemal University, Tayfur Sökmen Campus, Antakya, Turkey

**DR. ASHOK KUMAR CHAUHAN**

Reader, Department of Economics, Kurukshetra University, Kurukshetra

**DR. RAJESH MODI**

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

**YU-BING WANG**

Faculty, department of Marketing, Feng Chia University, Taichung, Taiwan

**DR. SAMBHAVNA**

Faculty, I.I.T.M., Delhi

**DR. KIARASH JAHANPOUR**

Research Adviser, Farabi Institute of Higher Education, Mehrshahr, Karaj, Alborz Province, Iran

**DR. MELAKE TEWOLDE TECLEGHIORGIS**

Faculty, College of Business & Economics, Department of Economics, Asmara, Eritrea

**DR. SHIVAKUMAR DEENE**

Faculty, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

**DR. THAMPOE MANAGALESWARAN**

Faculty, Vavuniya Campus, University of Jaffna, Sri Lanka

**DR. VIKAS CHOUDHARY**

Faculty, N.I.T. (University), Kurukshetra

**SURAJ GAUDEL**

BBA Program Coordinator, LA GRANDEE International College, Simalchaur - 8, Pokhara, Nepal

***FORMER TECHNICAL ADVISOR*****AMITA**

Faculty, Government M. S., Mohali

***FINANCIAL ADVISORS*****DICKIN GOYAL**

Advocate & Tax Adviser, Panchkula

**NEENA**

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

***LEGAL ADVISORS*****JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

**CHANDER BHUSHAN SHARMA**

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

***SUPERINTENDENT*****SURENDER KUMAR POONIA**

## **CALL FOR MANUSCRIPTS**

We invite unpublished novel, original, empirical and high quality research work pertaining to the recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** **anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com) or online by clicking the link **online submission** as given on our website (**FOR ONLINE SUBMISSION, CLICK HERE**).

## **GUIDELINES FOR SUBMISSION OF MANUSCRIPT**

### 1. **COVERING LETTER FOR SUBMISSION:**

**DATED:** \_\_\_\_\_

**THE EDITOR**

IJRCM

**Subject:** SUBMISSION OF MANUSCRIPT IN THE AREA OF \_\_\_\_\_.

**(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)**

**DEAR SIR/MADAM**

Please find my submission of manuscript titled ' \_\_\_\_\_ ' for likely publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published anywhere in any language fully or partly, nor it is under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to inclusion of their names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

**NAME OF CORRESPONDING AUTHOR**

Designation/Post\*

Institution/College/University with full address & Pin Code

Residential address with Pin Code

Mobile Number (s) with country ISD code

Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No)

Landline Number (s) with country ISD code

E-mail Address

Alternate E-mail Address

Nationality

\* i.e. Alumnus (Male Alumni), Alumna (Female Alumni), Student, Research Scholar (M. Phil), Research Scholar (Ph. D.), JRF, Research Assistant, Assistant Lecturer, Lecturer, Senior Lecturer, Junior Assistant Professor, Assistant Professor, Senior Assistant Professor, Co-ordinator, Reader, Associate Professor, Professor, Head, Vice-Principal, Dy. Director, Principal, Director, Dean, President, Vice Chancellor, Industry Designation etc. **The qualification of author is not acceptable for the purpose.**

**NOTES:**

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. **pdf. version is liable to be rejected without any consideration.**
  - b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail:**  
**New Manuscript for Review in the area of** (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)
  - c) There is no need to give any text in the body of the mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
  - d) The total size of the file containing the manuscript is expected to be below **1000 KB**.
  - e) Only the **Abstract will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
  - f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty-four hours** and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of the manuscript, within two days of its submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
  - g) The author (s) name or details should not appear anywhere on the body of the manuscript, except on the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.
2. **MANUSCRIPT TITLE:** The title of the paper should be typed in **bold letters, centered and fully capitalised**.
  3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
  4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
  5. **ABSTRACT:** Abstract should be in **fully italic printing**, ranging between **150 to 300 words**. The abstract must be informative and elucidating the background, aims, methods, results & conclusion in a **SINGLE PARA**. **Abbreviations must be mentioned in full**.
  6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations etc.
  7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at [www.aea-web.org/econlit/jelCodes.php](http://www.aea-web.org/econlit/jelCodes.php). However, mentioning of JEL Code is not mandatory.
  8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. **It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
  9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
  10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
  11. **MAIN TEXT:**

**THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:****INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably be in 2000 to 5000 WORDS, But the limits can vary depending on the nature of the manuscript.**



12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered** & self-explained, and the **titles must be above the table/figure. Sources of data should be mentioned below the table/figure. It should be ensured that the tables/figures are referred to from the main text.**
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, left aligned with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word may be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section e.g. Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they may follow Harvard Style of Referencing. **Also check to ensure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
  - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
  - Use (ed.) for one editor, and (ed.s) for multiple editors.
  - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc., in chronologically ascending order.
  - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
  - The title of books and journals should be in italic printing. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
  - For titles in a language other than English, provide an English translation in parenthesis.
  - **Headers, footers, endnotes and footnotes should not be used in the document. However, you can mention short notes to elucidate some specific point,** which may be placed in number orders before the references.

**PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:**

**BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

**CONTRIBUTIONS TO BOOKS**

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

**JOURNAL AND OTHER ARTICLES**

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

**CONFERENCE PAPERS**

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19-23

**UNPUBLISHED DISSERTATIONS**

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

**ONLINE RESOURCES**

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

**WEBSITES**

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>



## AN ANALYSIS OF PERFORMANCE OF INDIAN BANKS W.R.T. NON-PERFORMING ASSETS (NPAs)

DR. ASHA NAGENDRA

PROFESSOR

SYMBIOSIS INSTITUTE OF MANAGEMENT STUDIES

KHADKI

ABHISHEK SINGH

STUDENT

SYMBIOSIS INSTITUTE OF MANAGEMENT STUDIES

KHADKI

ANURAG SINGH

STUDENT

SYMBIOSIS INSTITUTE OF MANAGEMENT STUDIES

KHADKI

## ABSTRACT

**Purpose** - The topic of the research was to study on "An Analysis of Performance of Indian Banks w.r.t. Non-Performing Assets (NPAs)". The topic was selected for research as NPAs has been a matter of concern for the Indian economy as a whole. Health of the banking industry in a country is indicated by its level of Non-Performing Assets (NPAs). NPAs reflect the performance of the banks and are one of the major concerns for bank in India. NPA is an important parameter for the analyses of financial performance of banks. Reserve Bank of India (RBI) and Government are constantly framing new policies and regulations to strengthen this sector. The **objective** of the research is aimed at studying the NPA contribution sector wise. It was found through study that non-priority sector contributes more to total NPA in comparison to priority sector.

**Design/methodology/approach** - NPA trend of the public and private sector banks have been presented in the form of tables and figures and analyses has been done for last 10 years data.

**Findings** - It was observed that NPA has shown an increasing trend since the period of the study i.e. 2005-06. Steps taken by the RBI and the Government to reduce NPAs have also been studied in detail. Pros and cons of the steps taken have been discussed in detail.

**Research limitations/implications** - The research is based on the secondary data published on RBI website and the research is limited to the study and analyses of NPA in the private and public sector banks only. Foreign banks within India and co-operative banks NPA have not been studied.

**Practical Implications** - This paper can be used as a roadmap for scholars for detailed study on the topic.

**Originality/value** - New NPA data gets updated every quarter. There is always new data to study on this topic. The paper has covered data till March, 2015 and analyses have been done accordingly.

## KEYWORDS

non-performing assets (NPAs), credit appraisal, public sector banks, private sector banks.

## INTRODUCTION

This paper is an attempt to find the **sector wise contribution to NPAs in Indian banking sector**. Hence, the topic chosen for this research is "An Analysis of Performance of Indian Banks w.r.t. Non-Performing Assets (NPAs)". The main objective of the study is to compare NPAs of public sector banks with private sector banks (old private sector banks as well as new private sector banks) and to analyze the NPA trend over last 10 years for both the sectors. The need for the study arises as almost all banks are facing the problem of NPA. The study is based on the secondary data collected mainly through data published by RBI from time to time.

The banks are commercial organization. Their main business is to collect deposits from the public and lend it to the individuals, institution, business concerns etc. Risk is always there in lending business. One of the risks is the possibility of account becoming non-performing assets (NPAs). Non-performing assets (NPAs) do not earn interest income and repayment of loan to bank does not take place affecting income of the bank and thereby profitability. The non-performing assets do not generate income but at the same time banks are to require making provisions for such non-performing assets out of their current profit.

NPAs have an adverse effect on the return on assets in several ways-

- They erode current profits through provisioning requirements.
- They result in reduced income.
- They require higher provisioning requirements affecting profits and accretion to capital funds and capacity to increase good quality risk assets in future.
- They limit recycling of funds set in asset liability mismatch.

## OBJECTIVES

1. To analyze the NPA trend of the public and private banks in India.
2. To study the NPA contribution sector wise – priority sector and non-priority sector.
3. To study the steps taken by Reserve Bank of India (RBI) and Government to reduce NPAs.

## LIMITATIONS

1. The study is only limited to public and private sector banks in India. The study does not cover foreign banks in India.
2. The study is based only on secondary data.
3. There can be many interpretations and explanations to the data collected. This is an empirical study and the research provides explanation as understood by the researcher only.

## LITERATURE REVIEW

Grover in 2015 conducted a study on "Comparative Study of Non-Performing Assets among Public Sector Banks". In his result he found that NPA decreases bank's margin and higher provisioning is required for doubtful debts. Study of NPA of 5 public sector banks i.e. SBI, PNB, UCO Bank, Dena Bank and Indian Bank

was done w.r.t. increase/decrease in NPA. In his study he used SPSS tool to calculate Karl Pearson Correlation, Mean and Standard Deviation. Learning from the research was that NPAs are the main factors responsible for increase in provisioning in banks.

**Singh in 2013** conducted a study on "Performance of NPA's in Indian Commercial Banks". Research revealed that Public Sector Banks are better in financial operations when compared with private sector banks. The study revealed that private sector banks have shown reduction in NPA year by year except some years. He concluded that private sector banks have strengthened their credit appraisal process in comparison with public banks which helped them to decrease their NPA's except some years. Learning from the research was that proper credit assessment is necessary to control increase in NPAs.

**Kaur and Saddy in 2011** conducted a study on "A Comparative Study of Non-Performing Assets of Public and Private Sector Banks". Their study covered what is NPA? The factors contributing to NPA's, the magnitude of NPA's, reasons for high NPA's and their impact on Indian banking operations. Besides capital to risk weight age assets ratio of Public and Private sector banks, management of credit risk and measures to control the menace of NPA's were also discussed. The research revealed that public sector banks have high NPA's in comparison to private sector banks and credit measures have to be taken to control the Non-Performing Assets.

**Gurumoorthy in 2012** conducted a study on "Non-Performing Assets (A study with reference to Public Sector Banks)". The banks in India are facing the problems of NPAs. The earning capacity and profitability of banks are highly affected because of the existence of NPAs. Moreover, the non-performance of non-receipt of interest and principal blocked banks money in the form of funds and is not available for further use of banking business and thus the profit margin of the banks goes down. In this connection banks must be aware of the problems and recovery of legislation of NPAs. He analyzed that in the liberalized economy, banking and financial sector get higher priority.

## METHODOLOGY

The reason for choosing this topic "An Analysis of Performance of Indian Banks w.r.t. Non-Performing Assets (NPAs)" is that almost all the banks in India are facing NPA as a major issue. NPAs are the best indicator of the health of the banking industry and NPAs are the main problem through which banking sectors (both private and public banks) is going through. The study was conducted to have comparative analyses of NPA management in the public and private banking sectors. The paper also focuses on the loopholes that are to be amended so as to reduce the proportion of NPAs in the loan portfolios of Indian banks. The Indian banking industry has been studied with special reference to all public sector and private sector banks in India excluding foreign banks in India.

## RESULTS AND ANALYSIS

TABLE 1: ADVANCES AND NPAs OF DOMESTIC BANKS BY PRIORITY AND NON-PRIORITY SECTORS

Bank Group	Priority Sector			Non-Priority Sector			Total		
	Gross Advances	Gross NPAs	Gross NPAs as Per Cent of Total	Gross Advances	Gross NPAs	Gross NPAs as Per Cent of Total	Gross Advances	Gross NPAs	Gross NPAs as Per Cent of Total
<b>Public Sector Banks</b>									
2013	12,790	669	42.9	27,769	890	57.1	40,559	1,559	100.0
2014	15,193	792	36.5	30,712	1,375	63.5	45,905	2,167	100.0
2015	16,563	959	35.9	32,598	1,712	64.1	49,161	2,671	100.0
<b>Nationalised Banks**</b>									
2013	8,891	405	42.2	19,170	554	57.8	28,061	959	100.0
2014	10,711	530	37.7	21,249	877	62.3	31,960	1,407	100.0
2015	12,182	702	35.8	22,133	1,260	64.2	34,315	1,962	100.0
<b>SBI Group</b>									
2013	3,899	264	44.1	8,599	335	55.9	12,498	600	100.0
2014	4,482	261	34.4	9,463	499	65.6	13,944	760	100.0
2015	4,381	257	36.2	10,465	452	63.8	14,846	709	100.0
<b>Private Sector Banks</b>									
2013	3,157	52	26.0	7,309	148	74.0	10,467	200	100.0
2014	3,831	61	26.6	8,287	167	73.4	12,117	227	100.0
2015	4,444	72	22.8	9,942	244	77.2	14,386	316	100.0
<b>All SCBs (Excluding Foreign Banks)</b>									
2013	15,947	721	41.0	35,078	1,038	59.0	51,025	1,759	100.0
2014	19,024	852	35.6	38,998	1,542	64.4	58,022	2,395	100.0
2015	21,007	1,031	34.5	42,541	1,955	65.5	63,548	2,987	100.0

Source: Based on off-site returns (Domestic).

**Discussion:** - It can be figured out from the table that non-priority sectors have contributed more towards gross NPAs (as percentage of total) in comparison to priority sector for all the 3 years i.e. 2013, 2014 and 2015. Private sector banks have performed well in comparison to public sector banks in lending money to priority sector. Whereas when it comes to lend to non priority sector, public sector banks have performed well in comparison to private sector banks.

The above analyses and findings are fulfilling our **second objective** of study i.e. to study the NPA contribution sector wise – priority sector and non-priority sector.

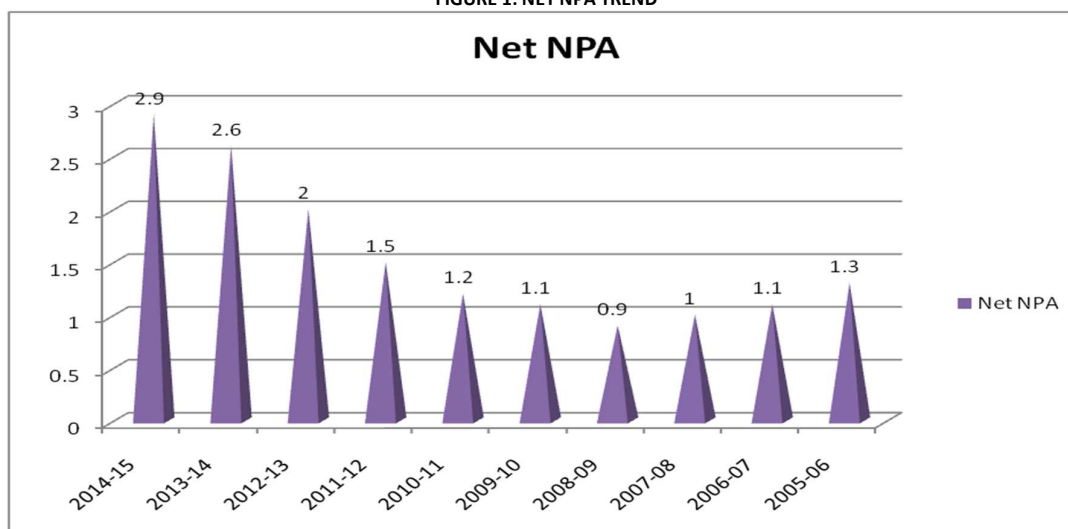
TABLE 2: GROSS AND NET NPAs OF PUBLIC SECTOR BANKS – BANK GROUP WISE (AMOUNT IN BILLIONS) (Rs.)

Year (End-March)	Advances		Non-Performing Assets					
	Gross	Net	Gross			Net		
			Amount	As Percentage of Gross Advances	As Percentage of Total Assets	Amount	As Percentage of Net Advances	As Percentage of Total Assets
2014-15	56167.18	54762.50	2784.68	5.0	3.2	1602.08	2.9	1.8
2013-14	52159.20	51011.37	2272.64	4.4	2.9	1306.35	2.6	1.6
2012-13	45601.69	44728.45	1656.06	3.6	2.4	900.37	2.0	1.3
2011-12	35503.89	38773.08	1178.39	3.3	2.0	593.91	1.5	1.0
2010-11	30798.04	33056.32	746.00	2.4	1.4	360.00	1.2	0.7
2009-10	27334.58	27013.00	599.26	2.2	1.3	293.75	1.1	0.7
2008-09	22834.73	22592.12	449.57	2.0	1.2	211.55	0.9	0.6
2007-08	18190.74	17974.01	404.52	2.2	1.3	178.36	1.0	0.6
2006-07	14644.93	14401.46	389.68	2.7	1.6	151.45	1.1	0.6
2005-06	11347.24	11062.88	413.58	3.6	2.1	145.66	1.3	0.7

**DISCUSSION**

As we can see from the table that Non-Performing Assets of Public Sector Banks has shown increase in amount as well as percentage year on year. Gross Non-Performing Assets (GNPA) as percentage of gross advances has increased from 3.6% in 2005-06 to 5.0% in 2014-15, while in terms of increase as percentage of total assets GNPA has increased from 2.1% in 2005-06 to 3.2% in 2014-15.

Net Non-Performing Assets of Public Sector Banks as percentage of net advances has increase from 1.3% from 2005-06 to 2.9% in 2014-15 and net NPA as percentage of total assets increased from 0.7% in 2005-06 to 1.8% in 2014-15.

**FIGURE 1: NET NPA TREND****DISCUSSION**

The above figure shows the net NPA percentages trend of public sector banks for last 10 years. Net NPAs in 2005-06 was at 1.3% which increased to 2.9% in 2014-15. Net NPA was lowest in 2008-09 at 0.9%, thereafter it has shown an upward trend.

Through above figure and table no 7, first objective of the study is fulfilled that is "To analyze the NPA trend of the public and private banks in India". NPAs have increased more than 2 times in 10 years from 2005-06 to 2014-15. NPAs have been increasing since 2005-06 and no correction is being seen in any year.

**CONCLUSION AND RECOMMENDATIONS**

The conclusions of the entire study are being discussed in the light of the objectives. The first objective of the study was to analyze the NPA trend of the public and private banks in India. NPAs have increased more than 2 times in 10 years from 2005-06 to 2014-15. NPAs have been increasing since 2005-06 and no correction is being seen in any year. The second objective of the study was to study the NPA contribution sector wise – priority sector and non-priority sector and it was found through study that non-priority sector has contributed more towards gross NPAs (as percentage of total) in comparison to priority sector for all the 3 years i.e. 2013, 2014 and 2015. Private sector banks have performed well in comparison to public sector banks in lending money to priority sector. Whereas when it comes to lend to non priority sector, public sector banks have performed well in comparison to private sector banks. The third objective of the study was to study the steps taken by Reserve Bank of India (RBI) and Government to reduce NPAs. Banks have been given time till March 2017 to clean-up their balance sheet by the RBI. Both the pros and cons of the steps taken by the RBI have been discussed in detail in the paper and to see whether the steps taken by the RBI is effective or not, can be seen after March 2017 when banks will come up with their balance sheet.

This research gave us a good awareness about the NPA in the banking sector especially in private sector (old private sector banks and new private sector banks) as well as public sector banks. It threw light on the NPA contribution by the priority sector and the non-priority sector and also the steps taken by the RBI and the Government to reduce NPAs. We suggest the research scholars that the can further do the research on the topic related to comparison of NPA of various banks. This paper can be used as a roadmap for research scholars for deep study in the subject.

**REFERENCES**

1. Grover, A. (2015), "Comparative Study of Non-Performing Assets among Public Sector Banks", International Journal of Research in Commerce & Management, Vol. 6 (2015), Issue No. 05 (May)
2. Gurumoorthy, T.R., 2012, "Non Performing Asserts (A study with reference to Public Sector Banks)", Indian Journal of Applied Research, 2(2), November.
3. Kaur, H. and Saddy, N.K. (2011), "A Comparative Study of Non-Performing Assets of Public and Private Sector Banks", International Journal of Research in Commerce & Management, Vol.2, No.9.
4. Retrieved all banking data from RBI site - <https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#I4> (accessed on 22nd June 2016)
5. Retrieved from:- [http://www.business-standard.com/article/opinion/five-pros-and-cons-of-rbi-s-new-npa-takeover-norms-115060900455\\_1.html](http://www.business-standard.com/article/opinion/five-pros-and-cons-of-rbi-s-new-npa-takeover-norms-115060900455_1.html) (accessed on 11th September 2016)
6. Singh, A. (2013), "Performance of NPA's in Indian Commercial Banks", International Journal of Marketing, Financial Services & Management Research, Vol.2, No.9, PP 1, 91

## **REQUEST FOR FEEDBACK**

**Dear Readers**

At the very outset, International Journal of Research in Commerce, Economics & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as, on the journal as a whole, on our e-mail [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com) for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our e-mail [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com).

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward to an appropriate consideration.

With sincere regards

Thanking you profoundly

**Academically yours**

Sd/-

**Co-ordinator**

## **DISCLAIMER**

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

## ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

### *Our Other Journals*

