



AN EVALUATION OF PERFORMANCE OF INDIAN BANKING SECTOR (WITH SPECIAL REFERENCE TO NPAs OF SOME INDIAN PUBLIC SECTOR BANKS)

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ABSTRACT

Since in the early hours 1990s Non Performing Assets (NPAs) in Indian Banking Sector has become a matter of big concern for the economy of India as a whole. In this paper attempts have been made to analyze trends in NPAs, Causes and Impact of NPAs. Nonperforming assets indicate the credit risk of the banks. Operational efficiency of the banks is affected by NPAs which in turn has an impact on the profitability, liquidity and solvency position of the banks. This paper deals with the comparative analysis of advances and non performing assets in public and private sector banks in the light of mounting competitive scenario in the banking sector. It has been observed that there is increase in advances over the period of the study. On the other hand, the decline in ratio of NPAs indicates improvement in the asset quality of banks. It is found on the basis of analysis that there is significant improvement in the management of nonperforming assets of the banks in India.

KEYWORDS: NPAs, ARC, Substandard Assets, public sector banks and Doubtful Assets.