



"Non Performing Assets and Recovery Process in Bank." With Special Reference to Distinct Central Co-Operative Bank, Solapur

KEYWORDS

Prof. Shivganga Maidnargi

Assistant professor, Bharati Vidyapeeth University, Pune
Abhijit Kadam Institute of Management & Social Sciences, Solapur

Introduction:

"A Man without money is like a bird without wings", the Rumanian proverb insists the importance of the money. A bank is an establishment, which deals with money. The basic functions of Commercial banks are the accepting of all kinds of deposits and lending of money. In general there are several challenges confronting the commercial banks in its day today operations. The main challenge facing the commercial banks is the disbursement of funds in quality assets (Loans and Advances) or otherwise it leads to Non-performing assets.

Over the next ten years Asia could emerge as the world's growth engine, led by China and India, and fueled by an inflow of global capital, technology transfer, an export boom, and increased domestic consumption. For Asia to realize its promise, the region's reform-minded governments and regulators, companies and businesses, and lenders must move aggressively to clean up \$2 trillion in 'Non-Performing Loans.'

Such a vast volume of 'Non-performing Assets' of the banks is the main consequence of economic crisis that took place in many Asian countries. At the same time non-performing assets of the banks in many Asian countries can be seen as the probable cause of the potential banking crisis that could be occurred in the future in these countries. In order to prevent such banking crisis, the 'Non-Performing Assets' of the banks are required to be managed and disposed off effectively. Hence management of non-performing assets held by the banks has become an important function in today's financial world.

In Indian banking sector there are so many different problems from that one major problem is NPA of banks. In the era of globalization there is need to Indian banking sector to make reduction in NPA. So, that it will meet the challenges of globalization. The improper provision of NPA affects adversely on bank.

NPAs are the concern for banks as they not only erode the value of the assets, but also affect the profit growth. NPA growth involves the necessity of provisions, which reduces overall level of profits and hence, shareholder value. The recovery processes are hence, vital as they tantamount to the booking of new business, as capital is freed and can be deployed profitably in the creation of new assets.

Non-Performing Assets - Background:

It's a known fact that the banks and financial institutions in India face the problem of swelling non-performing assets (N.P.As) and the issue is becoming more and more unmanageable. In order to bring the situation under control, some

steps have been taken recently. The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 was passed by Parliament, which is an important step towards elimination or reduction of NPAs.

Meaning of N.P.As:

An asset which ceases to generate income of the bank is called non-performing asset. The past due amount which remaining uncovered for the one quarter the amount would be classified as NPA for the whole year. It includes borrower's defaults or delays in interest or principal repayment. An asset is classified as non-performing asset (N.P.As) if dues in the form of principal and interest are not paid by the borrower for a period of 90 days. However with effect from March 2004, default status would be given to a borrower if dues are not paid for 90 days. If any advance or credit facilities granted by bank to a borrower become non-performing, then the bank will have to treat all the advances / credit facilities granted to that borrower as non-performing without having any regard to the fact that there may still exist certain advances / credit facilities having performing status.

NPA is defined as an advance for which interest or repayment of principal or both remain outstanding for a period of more than two quarters. The level of NPA acts as an indicator showing the banker's credit risks and efficiency of allocation of resource. An NPA is a loan that is "not in compliance" with the original loan agreement. For example, the loan agreement could have provisions that would accelerate the collection of the loan if certain conditions are not met. These provisions may have nothing to do with the loan's ultimate "value" or borrower's ability to service the loan or repay it when it comes due.

GENERAL REASONS FOR ASSETS BECOMING NPAs:

A strong banking sector is important for a flourishing economy. The failure of the banking sector may have an adverse impact on other sectors. The Indian banking system, which was operating in a closed economy, now faces the challenges of an open economy.

One of the main causes of NPAs into banking sector is the directed loans system under which commercial banks are required a prescribed percentage of their credit (40%) to priority sectors. As of today nearly 7 percent of Gross NPAs are locked up in 'hard-core' doubtful and loss assets, accumulated over the years.

No. of factors are responsible for increasing the size of NPAs in banks. A few prominent reasons for assets becoming NPAs are as under:-

1. Poor credit appraisal system

2. Lack of proper monitoring
3. Reckless advances to achieve the budgetary targets.
4. Change in economic policies/ environment.
5. No transparent accounting policy and poor auditing practices.
6. Lack of co-ordination between banks.
7. Directed lending to certain sectors.
8. Failure on the part of the promoters to bring their portion of equity from their own source or public issue due to market turning lukewarm.

Difficulties with the non-performing assets:

1. Owners do not receive a market return on their capital. In the worst case, if the bank fails, owners lose their assets. In modern times, this may affect a broad pool of shareholders.
2. Depositors do not receive a market return on savings. In the worst case if the bank fails, depositors lose their assets or uninsured balance. Banks also redistribute losses to other borrowers by charging higher interest rates. Lower deposit rates and higher lending rates repress savings and financial markets, which hampers economic growth.
3. Non performing loans epitomize bad investment. They misallocate credit from good projects, which do not receive funding, to failed projects. Bad investment ends up in misallocation of capital and, by extension, labour and natural resources. The economy performs below its production potential.
4. Non Performing loans may spill over the banking system and contract the money stock, which may lead to economic contraction. This spillover effect can channelize through illiquidity or bank insolvency; (a) when many borrowers fail to pay interest, banks may experience liquidity shortages. These shortages can jam payments across the country, (b) illiquidity constraints bank in paying depositors e.g. cashing their paychecks. Banking panic follows. A run on banks by depositors as part of the national money stock become inoperative. (c) Undercapitalized banks exceed the banks capital base.
5. Lending by banks has been highly politicized. It is common knowledge that loans are given to various industrial houses not on commercial considerations and viability of project but on political considerations; some politician would ask the bank to extend the loan to a particular corporate and the bank would oblige. In normal circumstances banks, before extending any loan, would make a thorough study of the actual need of the party concerned, the prospects of the business in which it is engaged, its track record, the quality of management and so on. Since this is not looked into, many of the loans become NPAs.
6. The loans for the weaker sections of the society and the waiving of the loans to farmers are another dimension of the politicization of bank lending.
7. Most of the depositor's money has been frittered away by the banks at the instance of politicians, while the same depositors are being made to pay through taxes to cover the losses of the bank.

NPAs in Asian Countries: 2013

Country	NPA Ratio (%)	Country	NPA Ratio (%)
Australia	1.0	Indonesia	26.0
Singapore	1.0	China	28.0
Hong Kong	4.5	Korea	11.2

India	6.0	Malaysia	12.0
Taiwan	6.7	Japan	16.0
Thailand	18.0	Philippines	17.0

Source: Asia Week (Web site)

The table shows that the Chinese banks are plagued with higher level of NPAs, followed by banks in Indonesia, Thailand, Philippines and Japan. Singapore and Australian banks have the lowest ratios of NPAs in the systems. The NPA levels have gone up due to the slump in the IT industry and the other export oriented industries which have been affected by the recession in the USA. Bank loans have also been affected by the state of the consumer goods markets as retail loans do have a relatively higher share in the total loan portfolio of banks in countries like Hong Kong.

Intensity of crisis and the associated problems of non-performing assets have been different in different countries. In Japan the problem of NPAs is most severe. Currency collapse and banking crisis in Indonesia, Korea Malaysia, Thailand and Philippines during second half of 1997 further worsened NPAs of Japanese banks.

Let us see the various definitions of Non-Performing Assets.

In India an asset is Non Performing if interest and the installments of principle amount due remain unpaid for more than 90 days.

International comparison of definitions:

- **Indonesia--** a loan asset is classified as a Non Performing asset if repayment of loans in arrear is possible between 3 to 6 months.
- **Korea--** a Non Performing asset is defined as an asset which is covered by collateral but borrowers credit-worthiness are deteriorating and payments are more than 6 months past due.
- **Philippines--** Loans that involve a substantial degree of future loss without any specification of waiting period are termed as Non Performing asset.

For the study of data analysis and interpretation we have taken the period of 5 years in to consideration. It is found that in the data analysis part of the project we have seen that the gross NPAs are in the increasing trend over the years with respect to gross ADVANCES.

TABLE NO. 7.1
Table showing Ratio of Gross NPA to Gross Advances

Year	Gross NPA	Gross Advances	Ratios
2008-2009	40.45	1491.42	2.71%
2009-2010	323.26	1633.18	19.79%
2010-2011	317.92	1892.95	16.79%
2011-2012	312.77	1808.86	17.29%
2012-2013	254.49	1771.81	14.36%

Figure No.7.1

The above table shows that the Ratio of Gross NPA to

Gross Advances for the last five years of the bank. The above table shows that the Gross NPAs are increased very rapidly in the year 2008-2009 i.e. from the 40.45 to 323.26 Crs. And after that negligible reduction has seen in the NPAs.

The reason for the rapid increase in the NPAs of the Bank is that RBIs Easy Monetary Policy for priority sector, Bank has issued most of the Loans to the Farmers and Agri- allied Activities. This leads to increase the NPAs.

Considering the above table we come to know that the ratio of gross NPA to gross advances has been reducing from the year 2008-2009. One of the reasons behind this can be is that Bank has made improvement in the recovery process and loan portfolio.

TABLE NO. 7.2
Table showing Total Advances to Total Deposits (Credit Deposit Ratio) (Rs. In Crores)

Year	Total Advances	Total Deposits	Ratios
2008-2009	1491.42	1405.03	106.15%
2009-2010	1633.18	1513.03	107.94%
2010-2011	1892.95	1637.05	115.63%
2011-2012	1808.86	1861.89	97.15%
2012-2013	1771.81	2325.45	76.19%

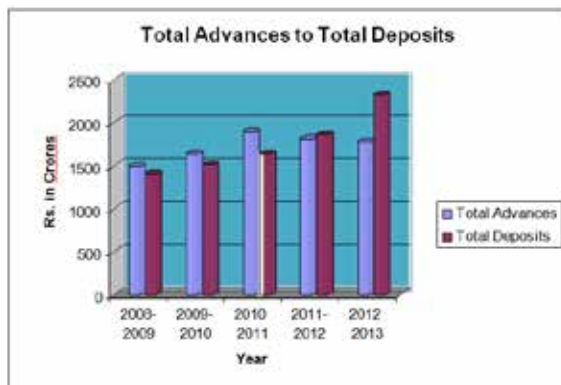


Figure No.7.2

From the above table it is seen that the total deposits of the bank have increased from. Rs.1405.03 Crs. in 2008-2009 to Rs.2325.45 Crs. in the year 2009-2010. The total deposits have showing the continuous increasing trend since the last five years.

From the above table it is seen that for the first three years the Ratio of Total Advances to Total Deposits is more than the 100% because the bank's basic main function is to giving advances to the Agricultural and primary sector, for that the bank has borrowed money from the outside i.e. from other commercialized banks and promoters to meet the demand of its customers i.e. Farmers.

It is also clear from the above table that the total advances have also been in the increasing trend. The total advances are Rs.1491.42 Crs. in the year 2008-2009 and it has increased up to the Rs.1892.95 Crs. in the year 2009-2010

and it has seen slight decline trend from year 2010-2011 i.e. up to Rs.1808.86 Crs. of advances out of Rs.1861.89 Crs. of Deposits for the same year. From the year 2011-2012 the bank has offered the advances less than the Deposits. This is because of the bank has improved their loan portfolio.

TABLE NO. 7.3
Table showing Assets Position of the Bank regarding the Advances (Rs. in Crores)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Total Advances	1491.42	1633.18	1892.95	1808.86	1771.81
Less - Standard Assets	1450.96	1309.92	1575.04	1496.09	1555.03
Gross NPA	40.45	323.26	317.92	312.77	216.78
a) Sub-Standard	20.02	221.70	140.60	125.47	117.91
b) Doubtful As sets	3.57	83.28	151.64	160.03	64.91
c) Loss Assets	16.86	18.28	25.68	27.00	33.96

The above table shows the asset position of the Bank for the last Five year and that is only related with the Advances.

The Standard Assets here it means the Performing Assets of the Bank shows the increasing trend for the two years i.e. for 2008-2009 to 2010-2011. And after that the slight decline has been seen in the performing assets of the bank i.e. it declines by Rs.78.95 Crs. as compared with the previous year. The very next year it was gone up to Rs.1555.03 from Rs.1496.09.

It is found that the portion of sub-standard and Doubtful assets is more in the total NPAs. It indicates that Bank needs to more concentrate on the recovery of the above assets. It leads to increase their profitability.

Loss assets of the bank are showing the continuous increasing trend and it has increased up to the Rs.33.95 Crs. in the year 2008-2009 from Rs.16.86 Crs. in the year 2008-2009 i.e.Rs.17.10 Crs. hike in the loss assets of the Bank. This shows that bank is incurring losses from advances due to poor condition of recovery.

TABLE No.7.4
Table showing Composition of the Non Performing Assets and Provision made by the Bank

Sr. No.	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
1	Sub-Standard assets	20.02	221.70	140.60	125.47	117.91
	Sub-Standard assets as % of NPA	45.49%	68.58%	44.22%	40.12%	46.33%
2	Doubtful Assets	3.57	83.28	151.64	160.03	64.91
	Doubtful Assets as % of NPA	8.83%	25.77%	47.70%	51.25%	25.51%
3	Loss Assets	16.86	18.28	25.68	27.00	33.96
	Loss Assets as % of NPA	41.68%	5.65%	8.08%	8.63%	13.34%

4	Gross NPA (1+2+3)	40.45	323.26	317.92	312.77	216.78
5	Provision for NPA	20.23	61.77	79.65	90.03	104.57
6	Net NPA (4 - 5)	20.22	261.49	238.27	222.74	112.21

9.	KARMALA	6990.69	3102.60	44.38
10.	AKKALKOT	6615.50	2682.89	40.55
11.	BARSHI	7753.08	2826.62	36.46
	TOTAL	69168.11	37861.35	54.74

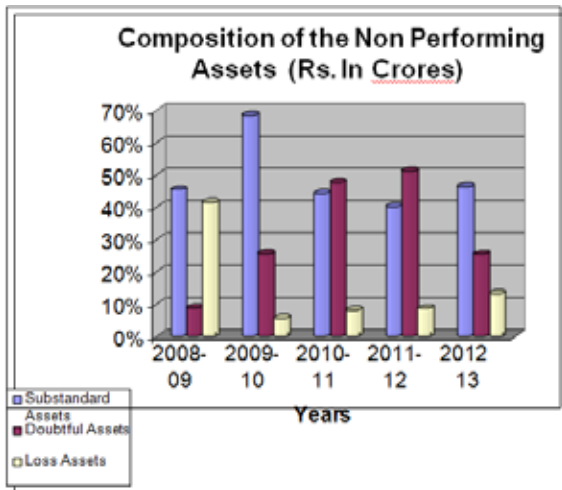


Figure No. 7.3

In the year 2009-2010 Sub-standard assets were increased very rapidly to Rs.221.70 Crs. from Rs.20.02 Crs. in the last year. In the year 2010-2011 the sub-standard assets were decreased. In the year 2012-2013 it has come down to Rs.117.91Crs.

The percentage of doubtful assets to the NPA shows an increasing trend from the year 2008-2009 to 2011-2012. It is increased by Rs.144.47 Crs. But in the current year it has come down to Rs.64.91 Crs.

Loss assets are also showing an increasing trend throughout the period. And the percentage of it to the Gross NPA is also an increasing every year.

Bank has made adequate provision as per the guidelines provided by the RBI. The provision made by the bank for the NPA's has increased every year. This leads to decrease the profitability of the bank. Large portion of the profits are used for the provision of NPA's.

TABLE NO.7.5
TABLE SHOWING TALUKAWISE RECOVERY AS ON 31/03/2013 (Rs. in Lakhs)

Sr.NO.	TALUKA	RECOVERABLE AMOUNT	RECOVERY	% RECOVERY
1.	MALSHIRAS	5730.05	5099.89	89.00
2.	SOUTH SOLAPUR	5413.84	4028.47	74.41
3.	MOHOL	6228.24	4246.58	68.47
4.	SANGOLA	3693.11	2147.37	58.15
5.	MANGALVEDHA	3118.79	1719.74	55.14
6.	PANDHARPUR	9637.76	5162.41	53.56
7.	NORTH SOLAPUR	2783.49	1407.82	50.58
8.	MADHA	11203.56	5418.96	48.37

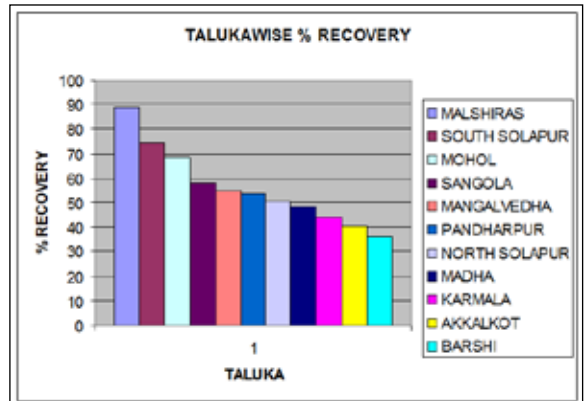


Figure No. 7.4

The above table shows that the recovery percentage in Malshiras, Mohol and South Solapur Taluka is quiet good as compared to other Talukas. This shows that the performance of the recovery department is good. The other reason for this that, previous year there was good rainfall in these Talukas as compared to others. It shows that the recovery of advances is mostly depends upon the monsoon.

TABLE NO. 7.6 TABLE SHOWING PERCENTAGE OF RECOVERY (Rs. In Crores.)

YEAR	RECOVERABLE AMOUNT	AMOUNT RECOVERED	% OF RECOVERY
2008-2009	290.36	176.47	60.78
2009-2010	394.18	251.33	63.76
2010-2011	734.80	375.19	51.06
2011-2012	913.37	184.98	20.25
2012-2013	691.68	270.49	39.11

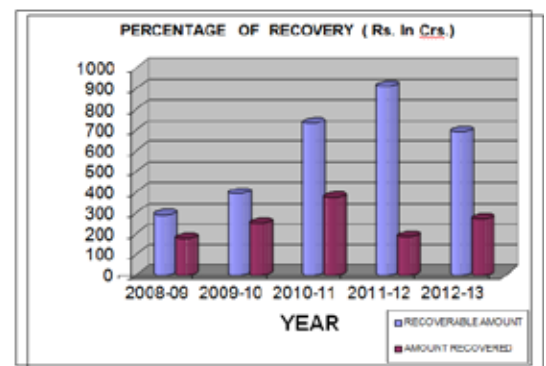


Figure No. 7.5

From the above table it is found that the recovery percentage is came down from 2009-10. In the year 2011-2012 the recovery percentage was lowest. One of the reasons for the poor recovery in the year 2011-2012 is that the city has faced the doubtful situation in the particular year. The monsoon was poor in the above year. An another reason

for the poor recovery is that RBI has issued a guideline to all the DCC banks that they should not force the farmers to repay their loans. Banks are not allowed to use coercion in the recovery process.

TABLE NO. 7.7 COMPARISON OF NPA BETWEEN SDCC BANK & OTHER NATIONALISED BANKS AS ON 31/03/2013 (Rs.In Crores)

NAME OF THE BANK	NPA	NPA %
SDCC BANK	148.91	8.94
SBI BANK	1827.36	2.89
IDBI BANK	948.96	0.92
UNION BANK OF INDIA	325.94	0.34
BANK OF MAHARASHTRA	271.91	0.79

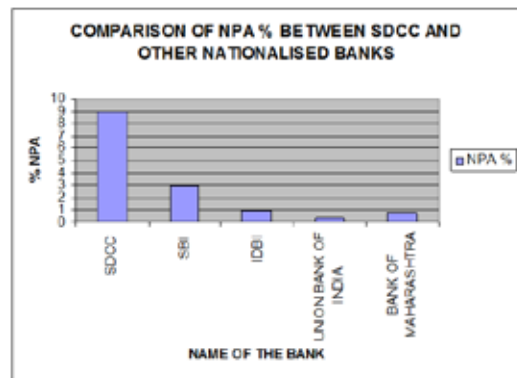


Figure No. 7.6

From the above table it is clearly find that the NPA % of the SDCC Bank is higher as compared to other nationalized banks.i.e.8.94 %. Main reasons behind this higher percentage of NPA are improper procedure of granting loan to the farmers and the bank. The DCC banks have the compulsion to give advances to the farmers and priority sector. The NPA percentage of other nationalized banks is very low. The reasons could be their strong recovery policies and accurate loan portfolio.

CASE STUDY

For the case study I have taken the real cases from the societies which are working under the SDCC bank. I have taken the cases of loans which are given to the farmers for various reasons.

CASE STUDY NO.1

Name of the Society : Sanjivani vividh karyakari society, Degaon Tal-North Solapur.
 Name of the Defaulter : Apparao Genappa Rajmane
 Category of Asset : Substandard Asset
 Category of Loan : Middle Term Loan (MT)
 Reason of Loan : Pipeline & Electric Motor for the Farm
 Amount Of Loan : Rs.4, 45,500/-
 Security Taken : Papers of Land ("satbara utara")
 Sanctioned Date : 09/08/2007

INSTALLMENTS TO BE PAID:

DATE	INSTALLMENT	STATUS
08/08/2008	RS.74250 + Interest	Unpaid
08/08/2009	RS.74250 + Interest	Unpaid
08/08/2010	RS.74250 + Interest	----
08/08/2011	RS.74250 + Interest	----
08/08/2012	RS.74250 + Interest	----
08/08/2013	RS.74250 + Interest	----

Date of NPA : 08/08/2011
 Reason : The purpose for which the loan taken is not gets completed successfully.

Amount recovered :

Rs.15000/- is collected from the Sugar Factory. When the defaulter brought his sugarcane to the Sugar factory, the billed amount has been kept by the factory and subsequently it is returned to the Bank as per the RBI's guidelines.

Action taken by the Bank:

Initially bank had sent the Demand Notice through the society by giving the period of 15 days. Then also there was no response from the defaulter. After that bank has filed a case against the defaulter according to Sec 101(1) of the Co-operative societies act, 1960 through Taluka level Assistant Registrar (AR). The case is still running in the DRT court.

CASE STUDY NO.2

Name of the Society : Sanjivani vividh karyakari society, Degaon Tal- North Solapur.
 Name of the Defaulter : Annapurna Shankar Jadhav
 Category of Asset : Substandard Asset
 Category of Loan : Short Term Loan (ST)
 Reason of Loan : Crop Loan (Sugarcane)
 Amount of Loan : Rs.1, 08,000/-
 Security Taken : Papers of Land ("satbara utara")
 Sanctioned Date : 29/03/2007
 Date of NPA : 30/06/2012
 Reason : Because of poor monsoon the farmer did not get satisfactory output from her field.
 Amount recovered : NIL

Action taken by the Bank:-

As per the RBI's guidelines the banks can't force the farmers to repay the loans. They have to go through the normal recovery process which was followed by the bank against this defaulter.

CASE STUDY NO.3

Name of the Society : Honsal vividh karya seva sahakari sanstha, Tal- North Solapur.
 Name of the Defaulter : Ashok vishwanath Bhojrange
 Category of Asset : Substandard Asset
 Category of Loan : Short Term Loan
 Reason of Loan : Crop Loan (Hybrid Tomato)
 Amount Of Loan : Rs.28,000/-

Rate Of interest	: 10%
Security Taken	: Papers of Land ("satbara utara")
Sanctioned Date	: 02/07/2010
Date of NPA	: 30/06/2013
Rate of Interest After NPA	: 10% + 1.5%(fine)
Reason	: Uncertainty of Rainfall.
Amount recovered	: NIL

Action taken by the Bank:-

As per the RBI's guidelines the banks can't force the farmers to repay the loans. They have to go through the normal recovery process which was followed by the bank against this defaulter.

CASE STUDY NO.4

Name of the Society	: Honsal Vividh Karyakari Seva Sahakari Sanstha, Honsal, Tal- North Solapur
Name of the Defaulter	: Appalal Nadaf
Category of Asset	: Doubtful Asset
Category of Loan	: Short Term Loan
Reason of Loan	: Crop Loan (Grapes)
Amount of Loan	: Rs.84, 375/-
Security Taken	: Papers of Land (satbara utara)
Sanctioned Date	: 30/06/2008
Date of NPA	: 30/06/2010
Reason	: 1) Use of traditional method for farming. 2) Because of Poor monsoon the farmer did not get Satisfactory output from the field.
Amount recovered	: NIL

Action taken by the Bank:

The bank has followed the legal procedure & suit the case against defaulter to recover the amount from him. But till date there is no any positive sign to get the amount back. Now the defaulter is going to sell his land in December,2009. From this defaulter get some money. Out of that money he has to pay the unpaid amount to the Bank. Bank will have the first right on that amount to recover its unrecovered amount. Without permission of the bank to sale the land, defaulter cannot sale his land.

FINDINGS AND OBSERVATIONS

1. It is observed that the Gross NPAs of the Bank have increased very rapidly from the year 2008-09 to 2012-13.
2. It is observed that the Deposits of the Bank's are also in the increasing trend throughout the period considered for the study.
3. The sub-Standard assets of the bank were decreased throughout the years. The Doubtful Assets of the bank showing an increasing trend throughout the period of study. And also the loss assets of the bank showing a continuous increasing trend throughout the period under study.
4. No strict action is taken against the defaulters immediately. I feel strict legal action must be taken against the defaulters.
5. It is also observed that the recovery of advances is mostly depends upon the rainfall(Monsoon).

6. Income recognition norms are strictly followed.
7. Provisions for NPAs are made as per & in accordance with RBI guidelines.
8. There is political influence by the defaulters in the recovery procedure.
9. Because of RBI's new guidelines regarding the provision for NPA, the profitability of the bank has come down. This is because that the major portion of the profit is going to make provision against NPA.

SUGGESTIONS**SUGGESTIONS TO OVERCOME THE PROBLEM OF NPAs:**

NPAs are increasing day by day in the SDCC for a multiplicity of reasons. The following recommendations are suggested to the SDCC to have control over the NPAs. The recommendations are classified into three categories, are as follows.

A). General suggestions:

The Bank should adopt the following General strategies for control of NPAs. The suggestions are as follows:

1. Projects with old technology should not be considered for finance.
2. There is need to shift banks approach from collateral security to viability of the project and intrinsic strength of promoters.

B). Pre-sanction suggestions:

1. Analysis should be based on trends of capacity utilization, profitability etc.
2. Before taking up any fresh/exciting proposals for assessment, Available sources for margin money should be thoroughly examined.

C). Post sanctions suggestions:

1. Bank should prevent diversion of funds by the promoters.
2. The Credit section should carefully watch the warning signals viz. non-payment of quarterly interest, dishonor of check etc.
3. Effective inspection system should be implemented.

Other Suggestions:

1. The bank should meet the defaulters personally and should always keep in touch with them.
2. The bank should send the continuous notices to defaulters regarding the dues and should conduct the meeting with account holders whose accounts are in the way of becoming NPAs.
3. There should be proper recovery cell in order to keep the bank updated regarding the accounts, which are NPA and may be on the way of becoming NPA.
4. Prepare good recovery policy & strategies for reducing NPA have and identify critical branches for recovery.
5. Bank should fix target for recovery and draw time bound action plans. Monitor implementation of time bound action plans.
6. Bank should provide required infrastructure for effective recovery.
7. Bank should develop its web site & all the branches should be interconnected through common network.

REFERENCE

1. Jigar J. Soni, 2009. A Project on Comparative Analysis on Non Performing Assets of Private and Public Sector Banks, IBM || 2. Karunakar, M., Vasuki, K., & Saravanan, S. (2008). Are non - Performing Assets Gloomy or Greedy from Indian Perspective?, || 3. Lending and Its Implications for Monetary Policy, OECD Economics Department Working Paper No. 107. || 4. Management and resolution of NPAs legal and regulatory regime, [Online] Available at: <http://www.mbaknol.com> [Accessed || 5. Misra, B.M., & Dhal, S. (2011). Pro-cyclical Management of Banks' Non-Performing Loans by the Indian Public Sector Banks, || 6. Ms. Kanika Goyal, 2010. Empirical Study of Non Performing Assets Management of Indian Public Sector Banks, APJRBM || 7. Narasimham, M.S. & Thampy, A. (2002), Activity Based Costing in Banking Service: A Case Study of a Large Indian Private || 8. Pal Ved & Malik N.S. (2007), A Multivariate Analysis of the financial characteristics of Commercial Banks in India. The Icfai || 9. Panta, R., (2007). Challenges in Banking: A Nepalese Diaspora, Socio-Economic Development Panorama, Vol. 1(2), 9 -22 || 10. Prof. G. V. Bhavani Prasad; D. Veena (2011), "NPAS in indian banking sector- trends and issues," Volume 1, Issue 9. || 11. Reserve Bank of India, Report on Trend and Progress of banking in India, Various issues, Bombay, India. || 12. Reserve Bank of India (2010), Trend and Progress of Banking in India || 13. Sethi, J., & Bhatia, N. (2007). Elements of Banking and Insurance, 2nd Edition, Prentice Hall India Publications || 14. Tracey, M., & Leon, H. (2011). The Impact of Non-performing Loans on Loan growth, IMF working Paper. || 15. Vashist, A. K. (2004), Commercial Banking in the Globalized Environment, Political Journal of India, 13(2): 1-10. || 16. Yadav, M.S. (2011), Impact of Non Performing Assets on Profitability and Productivity of Public Sector Banks in India, AFBE || 17. Dash, MK., & Kabra, G. (2010). The Determinants of Non-Performing Assets in Indian Commercial Banks: an Econometric || 18. Espinoza, R., & Prasad, A. (2010). Non Performing Loans in the GCC Banking System and their Macro Economic Effects, IMF || 19. Fainstein, G. (2011). The Comparative Analysis of Credit Risk Determinants - In the Banking Sector of the Baltic States, Review || 20. Heid, F., & Kruger, U. (2011). Do Capital buffers mitigate volatility of bank lending? A simulation study, Discussion Paper || [Online] : || • <http://www.bis.org/repofficepubl/arpresearch201003.08.pdf> 20thAhemadabad. Dec 2011 || • Journal of Bank Management .VI (3). | • Journal, Vol.4, No. 1 of Economics & Finance, March 2011. | • Research Journal of Social Sciences, 3: 4-12, 2008 | • Sector Bank, Prajnan, 31(2): 95-110. | • Series 2 Banking and Financial Studies N0 03/2011 | • Study, Middle Eastern Finance and Economics, Issue 7 (2010). | • Volume 1, Issue 1, October 2010. | • Working Paper series, WP/10/224. ||