

# INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & 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.

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

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 2980 Cities in 165 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.	CRITICAL EVALUATION OF THE FIVE PERFORMANCE OBJECTIVES: A STUDY OF SOUTH WEST AIRLINES, USA <i>DR. KAUP MOHAMED</i>	1
2.	A STUDY ON THE REASONS FOR STUDENT'S MISBEHAVIOR IN CLASS AND ACADEMIC REMEDIAL MEASURES TO CURB STUDENT'S MISBEHAVIOURS IN CLASS AT HIGHER EDUCATIONAL INSTITUTIONS <i>NAZNEEN AHMED</i>	4
3.	USE OF PROPERLY POSITIONED HEAD RESTRAINT <i>MURAT DARCIN</i>	9
4.	THE FUTURE OF HERO MOTO CORP: A STUDY ON THE CUSTOMER PREFERENCE TOWARDS HERO TWO WHEELER AFTER THE TERMINATION OF HERO HONDA <i>V. DEVAKI &amp; DR. H. BALAKRISHNAN</i>	12
5.	A STUDY ON CUSTOMER RELATIONSHIP MANAGEMENT IN HOTEL INDUSTRY: A CASE STUDY OF HOTEL SERVICES IN GUNTUR CITY, AP <i>T. SITA RAMAIAH</i>	20
6.	READING THROUGH MOTIVATIONAL THEORIES <i>DR. CHRIS EHIUBUCHE</i>	23
7.	ROLE OF GENDER DIFFERENCE IN FINANCIAL INVESTMENT DECISIONS: A QUANTITATIVE ANALYSIS WITH SPECIAL REFERENCE TO RISK AVERSION AND OVERCONFIDENCE APPROACH AMONGST MANAGEMENT GRADUATES IN LUCKNOW CITY OF UTTAR PRADESH <i>DR. VIVEKANAND PANDEY</i>	28
8.	BUSINESS ETHICS: A STUDY OF TEN INDIAN BANKS <i>RAJESH PRABHAKAR KAILA</i>	34
9.	MENTAL HEALTH IN REFERENCE TO LENGTH OF SERVICE AMONG MALES & FEMALES ACADEMICIANS <i>DR. RENUKA JOSHI &amp; JUHI M GARG</i>	38
10.	THE EFFECT OF WORK PRESSURE ON EMPLOYEES' PERFORMANCE IN COMMERCIAL BANKS <i>DR. MARWAN M. SHAMMOT</i>	41
11.	ATM SERVICES AND CUSTOMER'S SATISFACTION LEVEL: A CASE STUDY OF PUBLIC AND PRIVATE SECTOR BANKS IN HAMIRPUR DISTRICT (HP) <i>DR. SATINDER SINGH RANDHAWA</i>	51
12.	TOWARDS A DEEPER UNDERSTANDING OF HUMAN EMOTIONS IN THE CONTEXT OF ADVERTISING SLOGANS <i>WAN-CHEN WANG</i>	55
13.	SHOPPER'S PERCEPTION TOWARDS STORE BRANDS WITHIN RETAIL STORES: A CASE OF NELLORE CITY OF ANDHRA PRADESH <i>SANDEEP KUMAR MACHAVOLU</i>	62
14.	IMPACT OF GOVERNMENT POLICIES ON DEVELOPMENT OF WOMEN ENTREPRENEURSHIP IN INDIA <i>SEEMA SHOKEEN &amp; VIJETA BANWARI</i>	66
15.	STUDY OF CONSUMPTION PATTERN AND HEALTH AWARENESS AS REGARD THE EFFECTS OF FAST FOOD AMONG UNIVERSITY HOSTELLERS <i>DR. S. M. MEHDI &amp; TARUN GUPTA</i>	71
16.	WTO NEGOTIATIONS ON AGRICULTURE AND THE IMPLICATIONS FOR DEVELOPING COUNTRIES INCLUDING INDIA <i>DR. S. NAGABHUSHANA &amp; DR. D. GOVINDAPPA</i>	76
17.	KAIZEN COSTING TECHNIQUE – A LITERATURE REVIEW <i>MANMEET KAUR &amp; RAVINDER KAUR</i>	84
18.	FDI IN MULTI BRAND RETAIL: INDIA CALLING <i>SAUMYA JAIN</i>	88
19.	INDIA AND CHINA: POST CRISIS REBALANCING STRATEGY <i>RINKU MAHINDRU</i>	92
20.	E-WOM AND SIMILAR EMERGING TERMS: A LITERATURE REVIEW <i>DEEPTI GOEL</i>	99
21.	CONSUMER PERCEPTIONS TOWARDS SMS MARKETING <i>SRI BGK MURTHY</i>	104
22.	TRENDS OF NON-PERFORMING ASSET (NPA) IN PUBLIC SECTOR BANKS IN INDIA DURING 1993 TO 2012 <i>AKSHAY KUMAR MISHRA</i>	111
23.	UNFASTENING THE VITALITY TO PROMOTE GREEN GROWTH: LESSONS FROM INNOVATIVE STRATEGY OF INDIA <i>SHWETA SATIJA</i>	115
24.	GOVERNMENT POLICY AND SMALL SECTORS IN INDIA <i>LIGI JOLLY</i>	120
25.	AN IMPACT OF WORK FAMILY CONFLICT ON ORGANIZATIONAL COMMITMENT: A STUDY OF STAFF MEMBERS AT PEOPLE'S BANK IN TRINCOMALEE DISTRICT <i>J. N. JENITTA &amp; P. ELANGKUMARAN</i>	122
26.	ROLE OF SMALL SCALE INDUSTRIES FOR ERADICATE UNEMPLOYMENT IN YOUTH: A CASE STUDY OF AJMER DISTRICT <i>DEEPAI SHARMA &amp; SHWETA SHARMA</i>	126
27.	CO-OPERATIVES FOR DEVELOPMENT: A KERALA EXPERIENCE <i>SUDHEERAN T.S.</i>	131
28.	ROLE OF MICROFINANCE IN THE PROMOTION OF RURAL WOMEN ENTREPRENEURSHIP: A CASE STUDY OF SHIMOGA CITY <i>VIMALA B.N</i>	134
29.	REGULATORY CHANGES AND THEIR IMPACT ON LIFE INSURANCE BUSINESS: AN ANALYTICAL STUDY <i>KAVITA MAHAJAN</i>	138
30.	EMPLOYEES PERCEPTION OF PERFORMANCE APPRAISAL SYSTEM: A STUDY ON HIGHER EDUCATION INSTITUTES IN JALANDHAR <i>SUPRIYA MAHAJAN</i>	144
	<b>REQUEST FOR FEEDBACK &amp; DISCLAIMER</b>	151

## 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 & Tourism, Government of Haryana  
Former Vice-President, Dadri Education Society, Charkhi Dadri  
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

## CO-ORDINATOR

**DR. SAMBHAV GARG**

Faculty, Shree Ram Institute of Business & Management, Urjani

## ADVISORS

**DR. PRIYA RANJAN TRIVEDI**

Chancellor, The Global Open University, Nagaland

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

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

**PROF. M. N. SHARMA**

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

**PROF. S. L. MAHANDRU**

Principal (Retd.), Maharaja Agrasen College, Jagadhri

## EDITOR

**PROF. R. K. SHARMA**

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

## CO-EDITOR

**DR. BHAVET**

Faculty, Shree Ram Institute of Business & Management, Urjani

## EDITORIAL ADVISORY BOARD

**DR. RAJESH MODI**

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

**PROF. SANJIV MITTAL**

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

**PROF. ANIL K. SAINI**

Chairperson (CRC), GuruGobindSinghI. P. University, Delhi

**DR. SAMBHAVNA**

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

**DR. MOHENDER KUMAR GUPTA**

Associate Professor, P.J.L.N.GovernmentCollege, Faridabad

**DR. SHIVAKUMAR DEENE**

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

***ASSOCIATE EDITORS***

**PROF. NAWAB ALI KHAN**

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

**PROF. ABHAY BANSAL**

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

**PROF. V. SELVAM**

SSL, VIT University, Vellore

**PROF. N. SUNDARAM**

VITUniversity, Vellore

**DR. PARDEEP AHLAWAT**

Associate Professor, Institute of Management Studies & Research, MaharshiDayanandUniversity, Rohtak

**DR. S. TABASSUM SULTANA**

Associate Professor, Department of Business Management, Matrusri Institute of P.G. Studies, Hyderabad

***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 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/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

**DEAR SIR/MADAM**

Please find my submission of manuscript entitled '\_\_\_\_\_ ' for possible publication in your journals.

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

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

#### **NAME OF CORRESPONDING AUTHOR:**

Designation:  
Affiliation with full address, contact numbers & Pin Code:  
Residential address with Pin Code:  
Mobile Number (s):  
Landline Number (s):  
E-mail Address:  
Alternate E-mail Address:

#### **NOTES:**

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:  
**New Manuscript for Review in the area of** (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
- c) There is no need to give any text in the body of 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 required to be below **500 KB**.
- e) Abstract alone 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 and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

## **INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT**

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

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

5. **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 stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESES****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****SCOPE FOR FURTHER RESEARCH****ACKNOWLEDGMENTS****REFERENCES****APPENDIX/ANNEXURE**

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **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.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **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 are supposed to follow **Harvard Style of Referencing**. 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 italics. 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 parentheses.
  - The location of endnotes within the text should be indicated by superscript numbers.

**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, 19-22 June.

**UNPUBLISHED DISSERTATIONS AND THESES**

- 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 Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

**AKSHAY KUMAR MISHRA**  
**ASST. PROFESSOR**  
**L N MISHRA COLLEGE OF BUSINESS MANAGEMENT**  
**MUZAFFARPUR**

**ABSTRACT**

By lending of various loans to individuals, corporate, Small scale industries and etc. the financial institutions have credit risk associated with these product and services with the payment of interest and principal amount. These loans are asset for the banks, Non-payment of interest and principal are affecting adversely to the business activity of banks, and these negate the effectiveness of overall process of banks. Besides this these non-payment or non recovery of loans will reduce the amount of profit and it is also required to maintain fund by the way capital and creation of reserves and provisions. The Non-performing assets, also called non-performing loans, are loans, on which repayments or interest payments are not being made on time. In this paper an attempt is made to analyse trends of Non-Performing Asset in public sector bank in India from 1992-1993 to 2011-2012, and concluded that the banks should to careful to lending loans to customers.

**JEL CLASSIFICATION**

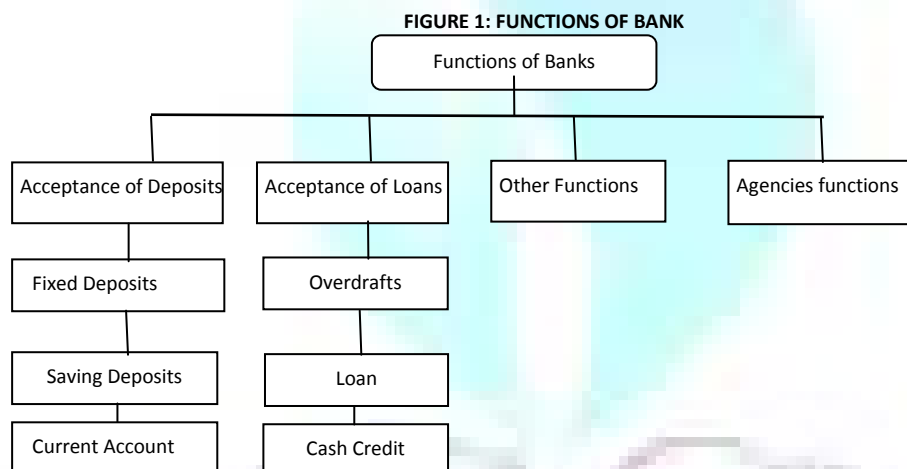
G21

**KEYWORDS**

Advances, Indian banks, Loans, NPA.

**INTRODUCTION**

The financial system plays a very crucial role in shaping of the economy and socio-economic development of a nation and the health of banking systems as one of the important determinants of these developments. Thus a healthy and well equipped banking with their product and services is necessary and an inherent part of the financial system which facilitates and ensures supply and demand of money for the demand and supply of goods and services in the economy. Within the broad canvas of the financial sector, a well functioning banking sector is regarded as the bedrock of a financial system.<sup>1</sup> The functions of bank are mainly comprises of taking depositing and lending of various funds. By bank we mean any institution hold the banking licenses, granted by banking supervisory authority or central banking system of any country to provide basic banking services, taking various deposits and facilitates loans. By lending of various loans to individuals, corporate, Small scale industries and etc. the financial institutions have credit risk associated with these product and services with the payment of interest and principal amount. These loans are asset for the banks as the banks have receivable with respect to payment of interest and principal amount depending upon the dates and schedules specified.



Non-payment of these interest and principal are affecting adversely to the business activity of banks, these negates the effectiveness of overall process of banks. Besides this these non-payment or non recovery of loans will reduce the amount of profit and it is also required to maintain fund by the way capital and creation reserves and provisions. The Non-performing assets, also called non-performing loans, are loans, on which repayments or interest payments are not being made on time.

**DEFINITION OF NON-PERFORMING ASSET<sup>2</sup>**

With a view to moving towards international best practices and to ensure greater transparency, it has been decided to adopt the '90 days' overdue norm for identification of NPAs, from the year ending March 31, 2004. Loan or Advance or Asset shall be non-performing where:

- Interest and/or installment of principal remain overdue for a period of more than 90 days in respect of a term loan.
- The account remains 'out of order' for a period of more than 90 days, in respect of an overdraft/cash credit (OD/CC).
- The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.
- Interest and/or installment of principal remains overdue for two harvest seasons but for a period not exceeding two half years in the case of an advance granted for agricultural purposes.
- Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.

**Gross NPAs** are the sum total of all loan assets that are classified as NPAs as per RBI guidelines as on Balance Sheet date, these assets includes sub-standard, doubtful and loss assets. It reflects the quality of the advances made by banks.

**Net NPA** is type of NPA which is determined by deducting items such as provisions, interest due but not recovered, part payment received and other income kept in suspense account from Gross NPA

**Classification of Asset<sup>3</sup>**

**Standard asset** With effect from March 31, 2005, a substandard asset would be one, which has remained NPA for a period less than or equal to 12 months.

**Doubtful asset** With effect from March 31, 2005, an asset would be classified as doubtful if it has remained in the substandard category for a period of 12 months.

**Loss asset** A loss asset is one where loss has been identified by the bank or internal or external auditors or the RBI inspection but the amount has not been written off wholly.

**LITERATURE REVIEW**

Many studies have been conducted by researchers on NPAs in banking industry. The researcher has made attempts to present a brief review of the literature available, which are published in the form of research articles and technical papers published in the journals, magazines and websites in the related area. Kaveri (2001) studied the non-performing assets of various banks and suggested various strategies to reduce the extent of NPAs.<sup>4</sup> According to Muniappan (2002)<sup>5</sup>, there are many internal and external factors said to be causes of NPA, the internal factors includes diversion of funds for expansion, diversification, modernization, taking up new projects, helping/promoting associate concerns, time and cost overrun during the project implementation stage, business (product, marketing, etc.) failure, inefficient management, strained labour relations, inappropriate technology or technical problems, product obsolescence, etc. and the external factors are recession, non-payment in other countries, inputs and power, shortage, price escalation, accidents, and natural calamities, etc., changes in government policies in excise and import duties, pollution control orders, etc. Hosmani and Hudagi (2011)<sup>6</sup> in their study fund that; there is a slight improvement in the asset quality reflected by decline in the diverse NPA percentage. But even then the quantum of NPAs is alarming with public sector banks in India, since NPA being as an important parameter for assessing financial performance of banks the mounting volume of NPAs will deter the financial health in terms of profitability liquidity and economies of scale in operation.

**RESEARCH METHODOLOGY**

The study is descriptive in nature, the study focused on the evaluation of the NPAs in public sector banks after reform to 2011-2012 i.e for a period ranging from 1992-1993 to 2011-12. To analyse the trends and movement of NPAs with respect the public sector banks, the relevant secondary data has been collected through various published reports, research papers, Report on trend and progress of Banking in India various issues from 2000-2001 to 2011-2012, economic survey of India, published papers in various journal etc.

**NON-PERFORMING ASSET IN INDIA**

In India due to emphasis on motto of social banking, the problem of bad loans did not receive due priority from the policy makers initially. However, post the financial sector reforms and adoption international banking standards, the issue of NPAs received due focus. Thus, in India, the concept of NPA received recognition after financial reforms were introduced on the recommendations of the Report of Narsimham Committee in the year 1991 and an appropriate accounting system was put in place.<sup>7</sup>

Non Performing Asset means an asset or account of borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset, in accordance with the directions or guidelines relating to asset classification issued by RBI. It is loan which does not generate income for the banks if the payment of interest and principal amount are not serviced for some time treated as Non Performing by the banks. If these payments are late for a short period of time termed as past due and if these payment are late usually for 90 days or more the loan are termed as Non Performing.

**LEVEL OF NPA IN INDIA IN PUBLIC SECTOR BANKS**

The Public Sector Banks which are the said to be a focal point of the Indian Banking system are in trouble with excessive governmental equity, excessive NPAs and excessive manpower.<sup>8</sup> Public Sector Banks figure prominently in the debate not only because they dominate the banking industry, but also since they have much larger NPAs compared with the private and foreign banks operating in our country.<sup>9</sup> After the second phase of financial sector reforms and liberalization of the sector in the early nineties, the Public Sector Banks (PSBs) found it extremely difficult to compete with the new private sector banks and the foreign banks.<sup>10</sup> The level NPAs in public sector has been compiled through various sources and it is represented here with the help of tables and chart the data has taken for the study after reform period till 2011-2012. The data has been represented in two table form 1992-1993 to 2011-2012 and four charts these table and charts are as follows.

**TABLE 1: LEVEL OF GROSS AND NET NPA FROM 1992-1993 TO 2000-2001 IN PUBLIC SECTOR BANKS**

YEAR	Gross NPA ( <i>Amount in Rs. Crore</i> )	% of Gross NPA to Gross Advances	Net NPA ( <i>Amount in Rs. Crore</i> )	% of Net NPA to Net Advances
1992-1993	39253.14	23.18	Not Compiled	
1993-1994	41041.33	24.78	19690.74	14.46
1994-1995	38385.18	19.45	17566.64	10.67
1995-1996	41660.94	18.01	18297.49	8.9
1996-1997	43577.09	17.84	20284.73	9.18
1997-1998	45652.64	16.02	21232.13	8.15
1998-1999	51710.5	15.89	24211.49	8.13
1999-2000	53294.02	14.02	26187.6	7.42
2000-2001	54773.16	12.4	27968.11	6.74

Source G P Muniappn (2002)<sup>11</sup>

This table indicates that there is continuous decline in ratio of gross NPAs to gross advances ratios after 1993-1994 till 2000-2001 ratios in public sector banks in India. The gross NPAs ratio has declined to 12.4% as compared to 23.18% in 1992-1993 and as compare to 24.78% in 1993-1994. The ratio of net NPAs to net advances has also declined from 1993-1994 to 2000-2001 except there was some increase in 1996-1997, 9.18% as compared to 8.90% in 1995-1996.

**CHART 1: TRENDS AND MOVEMENTS OF GROSS NPAS TO GROSS ADVANCES RATIO (%) AND NET NPAS TO NET ADVANCES RATIO (%) IN PUBLIC SECTOR BANKS IN INDIA FROM 1992-1993 TO 2000-2001**

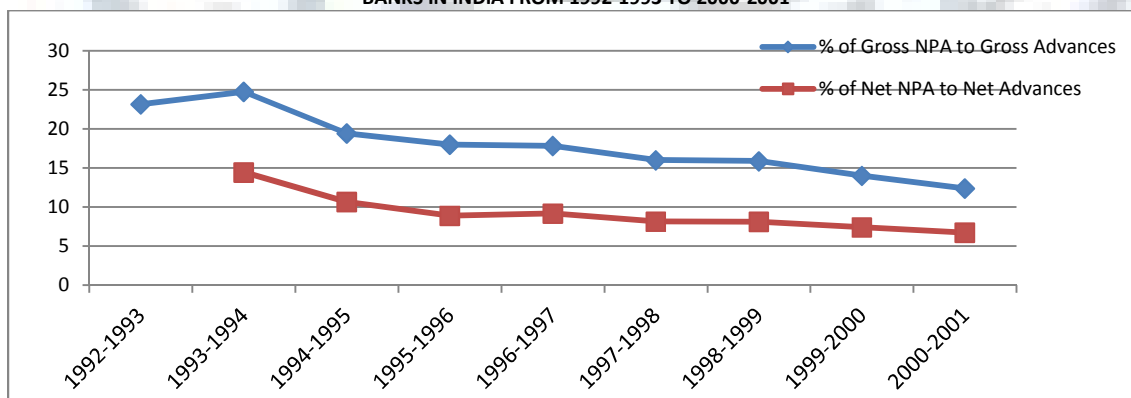
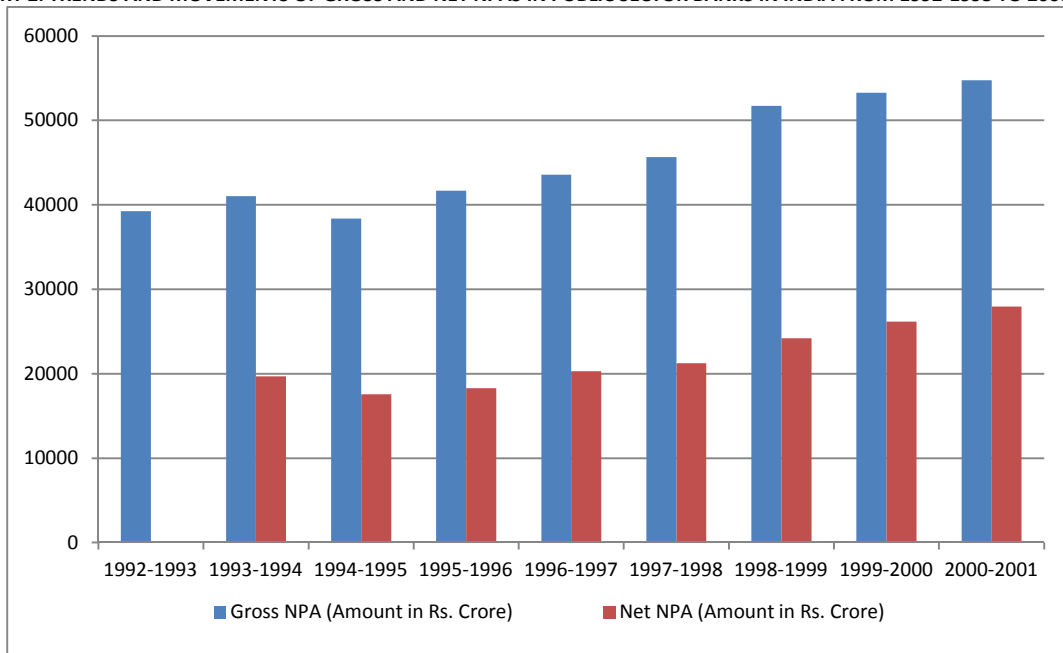




CHART 2: TRENDS AND MOVEMENTS OF GROSS AND NET NPAS IN PUBLIC SECTOR BANKS IN INDIA FROM 1992-1993 TO 2000-2001



The level of NPAs with respect to public sector bank in India after this period has been shown as follows.

TABLE 2: LEVEL GROSS AND NET NPAS FROM 2001-2002 TO 2011-2012 IN PUBLIC SECTOR BANKS IN INDIA

YEAR	GROSS NPA (Amount in Rs. Crore)	% of Gross NPA to Gross Advances	NET NPA (Amount in Rs. Crore)	% of Net NPA to Net Advances
2001-2002	56507	11.09	27958	5.82
2002-2003	54090	9.4	18860	4.5
2003-2004	51538	7.8	24887	3
2004-2005	47796	5.5	17490	2.1
2005-2006	42117	3.71	14560	1.32
2006-2007	38974	2.7	15144	1.1
2007-2008	40598	2.2	17836	1
2008-2009	44957	1.97	21155	0.94
2009-2010	59,926	2.19	29644	1.1
2010-2011	74614	2.23	36071	1.09
2011-2012	117200	3.3	59100	1.7

Source Report on trend and progress of Banking in India from 2000-2001 to 2011-2012

\*Gross NPA and Net NPA for the year 2011-2012 has suitably converted in crore, it has given in billions in Report on trend and progress of Banking in India for 2011-2012.

These data regarding NPAs indicates that the ratio of gross NPAs to gross advances has declined from 1993-1994 to 2008-2009 and then there are increase onwards from 2009-2010 to 2011-2012, with respect to public sector bank in India similarly the ratio of Net NPAs to net advances has also declined till 2008-2009 and then increased in 2009-2010 to 2011-2012 it was 0.94% at end of march 2009 and 1.7% at the end of March 2012.

CHART 3: TRENDS AND MOVEMENTS OF GROSS NPAS TO GROSS ADVANCES RATIO (%) AND NET NPAS TO NET ADVANCES RATIO (%) IN PUBLIC SECTOR BANKS IN INDIA FROM 2001-2002 TO 2011-2012

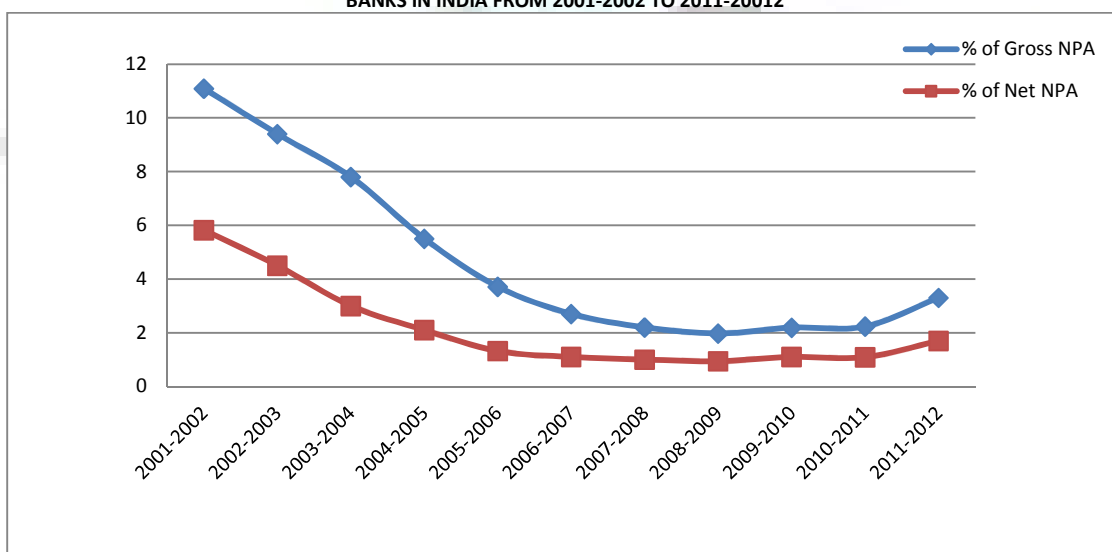
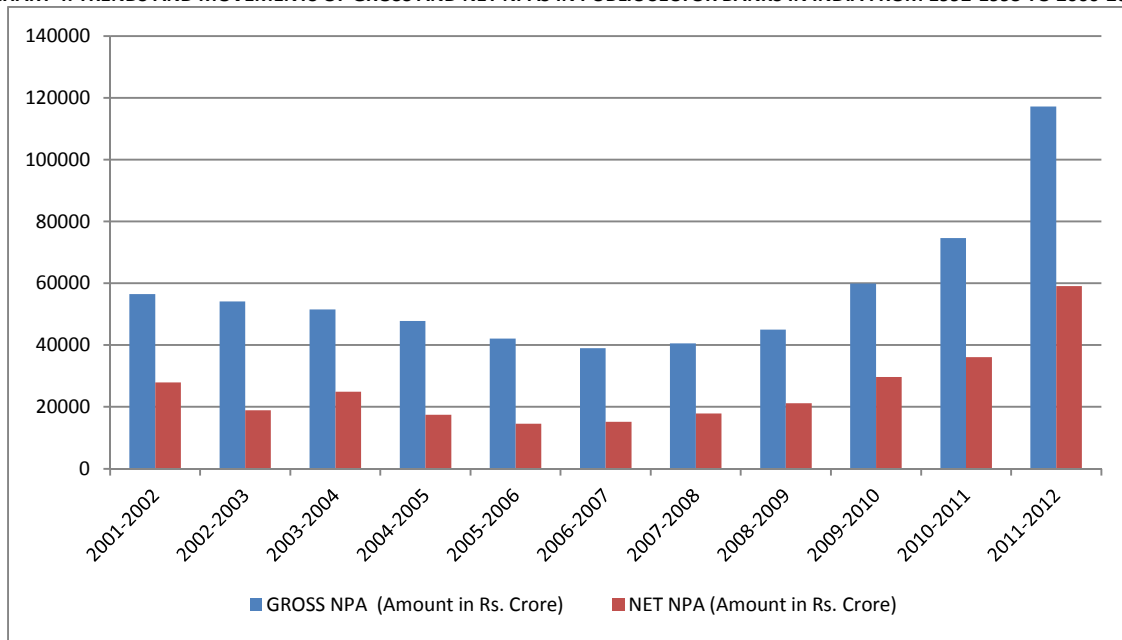


CHART 4: TRENDS AND MOVEMENTS OF GROSS AND NET NPAs IN PUBLIC SECTOR BANKS IN INDIA FROM 1992-1993 TO 2000-2001



### CONCLUSION

The analysis made on the basis of data available and shown in table and chart it can be said that the ratio of gross NPAs to gross advances in public sector banks has declined after reform period till 2008-2009 and then there are an increase has been seen from 2009-2010 to 2011-2012 and similarly the ratio of net NPA has also declined till the end of March 2009 except a few year, at the end of march 2010 and 2011 the ratio was almost same but it is increased as at the end of march 2012 it was 1.7% and it was about 1.1% in last year. Whereas in the case of scheduled commercial bank in India, the ratio of gross as well as net NPA was declined at the end of March 2011 as compared to previous year in. It was 2.39% (Gross NPA) and 1.11% (Net NPA) in 2009-2010 and 2.25% and 0.97% in 2010-2011 respectively<sup>12</sup>. Instead of these improvement indicated by ratio the level of NPAs both Gross as well as Net NPAs are alarming to the public sector bank in India. Thus the public sector banks need to manage it more carefully in terms of their banking operations, credit appraisal and lending process.

### REFERENCES

1. K C Sekhar, Lekshmy Shekhar, Banking Theory and Practice, 20<sup>th</sup> Edition p.330
2. Ms. Rajni saluja, Dr. Roshan lal, Comparative Analysis on Non-Performing Assets (NPAs) of Public Sector, Private Sector and Foreign Banks in India, International Journal of Research in Commerce & Management, Volume No: 1 (2010), Issue No. 7 (November), p 80
3. Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, Reserve Bank of India, RBI/2013-14/62 , DBOD.No.BP.BC.1/21.04.048/2013-14, July 1, 2013
4. Priyanka Mohnani, Monal Deshmukh, A Study of Non-Performing Assets on Selected Public and Private Sector Banks, International Journal of Science and Research (IJSR), Volume 2 Issue 4, April 2013, p 278
5. G P Muniappan, The NPA Overhang - Magnitude, Solutions, Legal Reforms, CII banking summit, Mumbai, April 2002
6. Dr.Hosmani.A.P; Mr.Jagadish Hudagi, Unearthing The Epidemic Of Non-Per Forming Assets -A Study With Reference To Public Sector Banks In India, ZENITH International Journal of Multidisciplinary Research Vol.1 Issue 8, December 2011, p458
7. Pallab Sikdar, Dr. Munish Makkad, Role Of Non Performing Assets In The Risk Framework Of Commercial Banks—A Study Of Select Indian Commercial Banks, AIMA Journal Of Management & Research, May 2013, Volume 7, Issue 2/4
8. Chandan Chatterje, Jeet Mukherjee, Dr.Ratan Das; Management of Non Performing Assets - A Current Scenario, International Journal of Social Science & Interdisciplinary Research Vol.1 Issue 11, November 2012, p 212.
9. Paramita Mukherjee, Dealing with NPAs: Lessons from International Experiences, Money and Finance, ICRA bulletin, Jan.-March, 2003, p 64
10. G.V.Bhavani Prasad, D.Veena, NPAs Reduction Strategies for Commercial Banks in India, IJMBS Vol. 1, Issue 3, September 2011, p47
11. G P Muniappan, The NPA Overhang - Magnitude, Solutions, Legal Reforms, CII banking summit, Mumbai, April 2002
12. Report on trend and progress of Banking in India 2010-2011
13. www.rbi.org.in for definitions, Report on trend and progress of Banking from 2000-2001 to 2011-2012 and Master circulars etc.

## **REQUEST FOR FEEDBACK**

**Dear Readers**

At the very outset, International Journal of Research in Commerce & 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 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, nor 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 is 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*

