

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., Google Scholar,

Open J-Gate, India [link of the same is duly available at Infilbnet 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.	SPECIFICS OF INVESTOR SENTIMENTS: ANALYSIS OF CHINESE MARKET <i>JOHN WEI-SHAN HU & ASKAR KOSHAEV</i>	1
2.	DETERMINANTS OF THE FLOWER PRODUCERS & EXPORTERS PERFORMANCE IN ETHIOPIA <i>DR. GETIE ANDUALEM IMIRU</i>	9
3.	IMPACT OF DEMOGRAPHIC VARIABLES ON QUALITY OF WORK LIFE: AN ANALYSIS ON POLICE PERSONNEL'S OF TAMIL NADU POLICE DEPARTMENT IN TIRUNELVELI CITY <i>M. NIROSHA KAMALI & DR. SUSAN CHIRAYATH</i>	18
4.	STRATEGIES IMPLEMENTED IN ORGANIZED RETAIL SECTOR <i>RIJWAN AHMED MUSHTAK AHMED SHAIKH & DR. DILIP B. SHINDE</i>	24
5.	EVALUATION OF CUSTOMER RELATIONSHIP MANAGEMENT IN APSRTC: A CASE STUDY OF EMPLOYEES OF GUNTUR DISTRICT <i>M. V. SUBBA RAO & DR. M. S. NARAYANA</i>	28
6.	A STUDY ON FINANCIAL PERFORMANCE IN MAYURAM CO-OPERATIVE URBAN BANK LTD. WITH SPECIAL REFERENCE TO MAYILADUTHURAI, TAMILNADU <i>DR. R. SRINIVASAN</i>	35
7.	IMPACT OF PSYCHOSOCIAL FACTORS ON DOCTORS PRESCRIBING BEHAVIOR <i>ANKUSH & DR. DEEPAK KAPUR</i>	38
8.	DIMENSIONS IN GROWTH OF SMALL SCALE INDUSTRIES (MSMEs) IN ODISHA: AN IMPACT OF EMPLOYEES <i>GOLAKH KUMAR BEHERA, RUDRA PRASANNA MAHAPATRA & SALMAMANI TUDU</i>	43
9.	A STUDY ON KNOWLEDGE, ATTITUDE AND PRACTICE ASSESSMENT ABOUT BIO –MEDICAL WASTE MANAGEMENT AMONG HEALTHCARE PERSONNEL <i>T UMAMAHESWARA RAO, DR. V. N. SAILAJA & DR. N. BINDU MADHAVI</i>	47
10.	DIFFUSION OF PERCEIVED RISK: A KEY TO SUCCESS <i>DR. RUPINDER SINGH</i>	52
11.	THE ROLE OF BANCASSURANCE IN DIGITAL ERA <i>SREENISH S R & DR. S A SENTHIL KUMAR</i>	54
12.	VALUATION OF HERO MOTOCORP LTD. AND BAJAJ AUTO LTD.: AN ANALYTICAL PERSPECTIVE <i>SURENDER SINGH & DR. SHARMILA DAYAL</i>	57
13.	PRADHAN MANTRI JAN DHAN YOJANA - AN EXPLORATORY STUDY OF BANKS PARTICIPATION IN FINANCIAL INCLUSION IN INDORE DISTRICT <i>VAISHALI WAIKAR & DR. YAMINI KARMARKAR</i>	61
14.	IMPACT OF BANKING SOFTWARE PRODUCT OF INFOSYS AMONG BANK EMPLOYEES WITH SPECIAL REFERENCE TO CHENNAI <i>DR. S. SARAVANAN & DR. S. VELAYUTHAM</i>	65
15.	A STUDY OF NON PERFORMING ASSETS IN INDIAN PUBLIC SECTOR BANKS <i>DR. A. C. PRAMILA</i>	71
16.	DEMONETISATION: ANALYSIS OF ITS CURRENT KEY EFFECTS ON THE INDIAN ECONOMY <i>MOHD SAZID</i>	74
17.	A STUDY ON FACTORS AFFECTING BRAND LOYALTY OF FMCG USERS <i>DR. SWAYAMBHU KALYAN MISHRA</i>	76
18.	PORTFOLIO MANAGEMENT: A DECISION MAKING TOOL IN THE HANDS OF INVESTORS <i>SIMRAN SAINI</i>	80
19.	PERFORMANCE EVALUATION OF STATE BANK OF INDIA AND ITS ASSOCIATE BANKS THROUGH CAMEL ANALYSIS <i>VIJAY KUMAR SHARMA</i>	84
20.	FACTOR AFFECTING QUALITY OF WORK LIFE IN PUBLIC & PRIVATE SECTOR BANKS IN LUCKNOW <i>ISHA GUPTA</i>	92
	REQUEST FOR FEEDBACK & DISCLAIMER	98

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

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

Faculty, Shree Ram Institute of Business & Management, Urjani

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

Principal (Retd.), Maharaja Agrasen College, Jagadhri

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

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

CO-EDITOR**DR. BHAVET**

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

EDITORIAL ADVISORY BOARD**DR. CHRISTIAN EHIUBUCHE**

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

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 & Management, Kaithal

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. KAUP MOHAMED

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

PROF. ANIL K. SAINI

Chairperson (CRC), Guru Gobind Singh I. P. University, Delhi

DR. ARAMIDE OLUFEMI KUNLE

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

DR. S. TABASSUM SULTANA

Principal, Matrusri Institute of P.G. Studies, Hyderabad

DR. MIKE AMUHAYA IRAVO

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

DR. NEPOMUCENO TIU

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

DR. ANA ŠTAMBUK

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

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

PROF. SANJIV MITTAL

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

DR. SHIB SHANKAR ROY

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

PROF. NAWAB ALI KHAN

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

DR. SRINIVAS MADISHETTI

Professor, School of Business, Mzumbe University, Tanzania

PROF. ABHAY BANSAL

Head, Department of I.T., Amity School of Engineering & Technology, Amity University, Noida

DR. KEVIN LOW LOCK TENG

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

DR. OKAN VELI ŞAFAKLI

Associate Professor, European University of Lefke, Lefke, Cyprus

DR. V. SELVAM

Associate Professor, SSL, VIT University, Vellore

DR. BORIS MILOVIC

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

DR. N. SUNDARAM

Associate Professor, VIT University, Vellore

DR. IQBAL THONSE HAWALDAR

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

DR. MOHENDER KUMAR GUPTA

Associate Professor, Government College, Hodal

DR. ALEXANDER MOSESOV

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

RODRECK CHIRAU

Associate Professor, Botho University, Francistown, Botswana

DR. PARDEEP AHLAWAT

Associate Professor, Institute of Management Studies & Research, Maharshi Dayanand University, Rohtak

DR. DEEPANJANA VARSHNEY

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

BIEMBA MALITI

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

DR. KIARASH JAHANPOUR

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

DR. SAMBHAVNA

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

YU-BING WANG

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

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. JASVEEN KAUR

Faculty, University Business School, Guru Nanak Dev University, Amritsar

SURAJ GAUDEL

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

DR. RAJESH MODI

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

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 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. 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>

A STUDY OF NON PERFORMING ASSETS IN INDIAN PUBLIC SECTOR BANKS

DR. A. C. PRAMILA
ASST. PROFESSOR OF COMMERCE
MAHARAJA'S COLLEGE
UNIVERSITY OF MYSORE
MYSURU

ABSTRACT

Banking sector plays a vital role in the economic development of a nation. The Indian banking sector has played a significant role in achieving the socio-economic objectives through deposit mobilization, mass branch networking, priority sector lending etc. But in the post liberalization era the Indian banking sector has been facing the reduced productivity, deteriorated asset quality and efficiency and increased cost structure. Among these short comings, the erosion of asset quality is considered as the biggest threat for the development of a sound and efficient banking sector. The deteriorated asset quality affects the profitability, intermediation costs, liquidity, income generating capacity and overall functioning of banks. The reduction in asset quality results in accumulation of nonperforming assets (NPAs). Today the Indian banking sector is facing a serious problem of NPAs. The NPAs in public sector banks have been growing constantly year by year. To improve the efficiency and profitability of banks the NPAs need to be reduced and controlled. This paper highlights the causes for increasing NPAs, impact of NPAs on banks and the magnitude of NPAs in the Indian public sector banks.

KEYWORDS

public sector banks, NPAs, Gross NPAs and Net NPAs.

INTRODUCTION

A well developed financial system enables the efficient allocation of resources to various priority sectors like agriculture, SSIs, infrastructure development, micro credit, venture capital, housing loan etc. The banking sector being the part of the financial system plays a vital role in the economic development of a nation. The Indian banking sector has played a commendable role in achieving the socio-economic objectives. But in recent years, the rising level of NPAs is causing sleepless nights to the government and the banks. NPAs beyond a certain level are a cause of concern. Lending is one of the primary functions of banks. Granting of credit especially to priority sector is generally encouraged because it results in the economic growth. However, lending is always associated with the credit risk which arises from the failure of borrowers. The non recovery of loans along with the interest results in creating bad loans which affects the profitability of banks.

CONCEPT OF NON PERFORMING ASSET

NPA refers to non-performing assets and the lenders consider it as those assets that are not fetching benefits to them. The word is not new to the bankers. It is regular but disguised loan asset. An asset becomes nonperforming when it ceases to generate income for the bank. Prior to 31st March, 2004 a nonperforming asset was defined as a credit facility in respect of which the interest or installment of principal has remained past due for a specified period of time which was four quarters. Due to the improvements in payment and settlement system, recovery climate, up gradation of technology in the banking system, etc., it has been decided to dispense with past due concept, with effect from March 31st 2004.

Accordingly, as from the date, a non-performing asset is an advance where:

- Interest and / or installment of principal remain overdue for a period of more than 90 days in respect of term loans,
- The account remains out of order for a period or more than 90 days, in respect of an overdraft or cash credit,
- 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 purpose,
- Any amount to be received remains overdue for a period of more than 90 days.

NPA CLASSIFICATION

NPA have been classified into following four types:

1. **Standard Assets:** A standard asset is a performing asset. Standard assets generate continuous income and repayments as and when they fall due. Such assets carry a normal risk and are not NPA in the real sense.

2. **Sub-Standard Assets:** All those assets (loans and advances) which are considered as non-performing for a period of 12 months

3. **Doubtful Assets:** All those assets which are considered as non-performing for period of more than 12 months

4. **Loss Assets:** All those assets which cannot be recovered. These assets are identified by the Central Bank or by the Auditors.

TYPES OF NPA

GROSS NPA

Gross NPAs are the sum total of all loan assets that are classified as NPAs as per RBI Guidelines as on Balance Sheet date. Gross NPA reflects the quality of the loans made by banks. It consists of all the nonstandard assets like as sub-standard, doubtful, and loss assets. It can be calculated with the help of following ratio: Gross NPAs Ratio = Gross NPAs / Gross Advances

NET NPA

Net NPAs are those type of NPAs in which the bank has deducted the provision. Net NPA shows the actual burden of banks. Since in India, bank balance sheets contain a huge amount of NPAs and the process of recovery and write off of loans is very time consuming, the banks have to make certain provisions against the NPAs according to the central bank guidelines.

It can be calculated by following:

Net NPAs = Gross NPAs – Provisions / Gross Advances – Provisions

NEED FOR THE STUDY

A well built and functioning banking sector is significant for economy. The failure of the banking sector may have an unfavourable effect on other related sectors. A banker shall be very cautious in lending because banker is not lending money out of his own capital. A major portion of the money lent comes from the deposits accepted from the public and government share. At present the rising level of NPAs in the public sector banks is a matter of serious economic concern. Hence, there is a need for the study of NPAs in public sector banks.

OBJECTIVES OF THE STUDY

The objectives of this study are:

1. To study the concept of NPAs.
2. To examine the causes and impact of NPAs on banks.
3. To highlight the NPA status of public sector banks during the last decade and
4. To suggest measures to avoid the future NPAs

RESEARCH METHODOLOGY

RESEARCH DESIGN

The research design used to carry out this study is descriptive research because it deals with statistical data and the main aim of the study is to describe the causes for the growing NPAs and its impact on the banking sector.

SOURCES OF DATA

The data collected is secondary in nature. The sources of data for the study include the newspapers, journals, magazines, published and unpublished research papers, reports of RBI and related web sites.

STATUS OF NPAs OF PUBLIC SECTOR BANKS

The status of NPAs of public sector banks in India in the last decade as on 31st March is as follows:

TABLE 1

Years	Total amount of NPAs (Amount in Rs billion)	Percentage change in NPAs
2007	383.05	----
2008	396.00	3.38
2009	440.32	11.19
2010	572.93	30.12
2011	710.80	24.06
2012	1124.89	58.26
2013	1558.90	38.58
2014	2184.33	40.12
2015	2670.00	22.23
2016	4760.00	70.25

Source: RBI Report on "Trend and progress of Banking in India"

CAUSES OF NPA

The various causes of NPAs are:

1. The target oriented approach of the banks in lending is deteriorating the qualitative aspect of lending and wilful defaults.
2. Ineffective supervision of loan accounts.
3. Lack of technical and managerial expertise on the part of borrowers.
4. Directed loan system under which banks are required to supply 40 percent of their credit to priority sectors.
5. Lack of strict prudential norms.
6. The legal impediments and time consuming nature of asset disposal proposal.
7. Manipulation of debtors using political influence.
8. Postponement of problem in order to show higher earnings.
9. Inability of the corporate sector to raise capital through the issue of equity or other debt instruments from the capital market.
10. Limited liability provisions come in the way of recovery of loans by auctioning personal property.
11. Recession world over has been impacting consumer and business demand and this has been causing losses to the industry. Due to the recession, repayment of some loans has become uncertain.

IMPACT OF NPA ON THE BANKS

The NPAs causes the following impact on the banks:

1. The NPAs reduces the profitability of the banks.
2. It affects the capital adequacy ratio of the banks.
3. It affects the return on assets.
4. Decreased profit leads to lack of adequate cash in hand requiring banks to borrow money even for a shortest period of time. This not only affects the liquidity position of the bank but also results in additional cost to the bank.
5. Now a days, banks are employing special persons to deal with the recovery of loans and handle NPAs. This results in additional cost to the bank.
6. The NPAs of a bank creates a negative impact in the minds of the people resulting in the loss of goodwill and brand image.

SUGGESTIONS

The following suggestions are offered to reduce and avoid future NPAs:

1. The first and the foremost measure to be taken by the bank is to study the credibility of the customers before granting credit.
2. The banks should prepare a loan recovery policy, create special recovery cells and fix targets of recovery in a time bound manner.
3. The banks must make special efforts to recover the written off accounts as these are impacting the income of the banks.
4. The government should quickly implement the bankruptcy law and initiate action for recovery of bad loans.
5. The individuals, partnership firms and companies which have failed to repay the loans should be declared bankrupt and their assets must be attached and auctioned to recover loans.
6. The government should stipulate a condition that public sector banks in order to be eligible to get the support from bank recapitalization fund should first initiate action to recover bad loans.
7. The RBI should allow the declaration of the names of the big the wilful defaulters.
8. Lastly, the banks, centre and enforcement agencies should take stern action regarding the recovery of loans.

CONCLUSION

In view of the rising NPAs in the public sector banks and the RBIs financial stability report which states that under the baseline scenario, the GNPA ratio for public sector banks may go up to 10.1 per cent by march 2017, it is very much essential to bring these banks out of the crisis and to take economy forward on the path

of faster economic growth. The centre, courts and enforcement agencies should take stern action regarding the recovery of loans. A promising step has been taken recently by the RBI which has submitted the list of defaulters of above Rs. 500 crore to the Supreme Court in a sealed cover.

REFERENCES

1. Asha Singh --- Performance of NPAs in Indian Commercial Banks --- International Journal of marketing, Financial services and Management Research (2013).
2. Ashwani Mahajan – An article on Stern action necessary to recover bad loans -- Deccan Herald dated May 30th, 2016.
3. B. Selvarajan and DR. G. Vadivalagan.--- A study on Management of NPAs in priority sector with reference to Indian Bank and Public Sector Banks --- Global journal of Management and Business Research (2013).
4. Chandan Kumar Tiwari and Dr. Ravindra Sontakke --- NPAs -- A cause of concern for banks --- ASMs International E-Journal of ongoing Research in Management and IT.
5. News on NPAs in Deccan Herald dated July 20th, 2016.
6. Srinivas. K.T --- A study on composition of NPAs of Public Sector Banks in India --- International Journal of Engineering and Management Research (2013).
7. Sulagna Das and Abhijit Dutta --- A study of NPAs of Public Sector Banks in India --- IOSR Journal of Business and Management (2014).

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 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.

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

