ASSESSMENT OF NON-PERFORMING ASSETS OF SCHEDULED COMMERCIAL BANKS IN INDIA FROM VARIOUS DIMENSIONS

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ABSTRACT
The strength of economy of any country basically hinges on the strength and efficiency of financial system, which, in turn, rests upon a sound banking system. Scheduled commercial banks dominate the financial landscape, accounting for over half of the financial flows in the economy. The issue of non-performing assets (NPA) of the scheduled commercial banks, the root cause of the recent global financial crisis, has been drawing the attention of the policymakers and academicians. Banks today are judged not only on the basis of number of branches and volume of deposits but also on the basis of quality of assets. Non-performing assets constitute a major portfolio of the banks portfolio and hence are an inevitable burden on the banking industry. NPAs adversely affect the profitability, liquidity and solvency of the banks. The problem of NPAs, which was ignored till recently, has been given considerable attention after liberalization of the financial sector in India.

This paper, examines the trends of NPAs in India, from various dimensions and a comparative analysis of Gross and Net NPAs of Scheduled Commercial Banks. At the same time paper explains about prefatory and precautionary measures to scale down the NPAs.

KEYWORDS: liberalization, NPA.

BIBLIOGRAPHY:


