

## “ABC Analysis Of Public Sector Bank’s Gross And Net NPA’s For The Period 2007-2008 To 2016-2017”

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**ABSTRACT** :The Non-Performing Assets of the Banks are not only a matter of concern to the Indian Financial System, but a curse to the developing economy of our Country. The strategy and policy adopted by the PSBs, to control the rising NPAs and taking up new initiatives by the Banks, adapting to re-engineering of the entire financial system is the need of the hour. The Literature Review has been conducted to find out what other research scholars have studied about rising NPAs of the Banks in India. The authors tried to study the secondary data related to Gross and Net NPAs available in the public domain of Reserve Bank of India, Money Control website to perform the ABC Analysis to find out the health of the non performing assets of the banks. The Authors arrive to the conclusion that some of the PSBs figured in the poor performance group during the period 2007-2008 to 2016-2017, and have not taken lessons from the 2007-2008 US financial crisis. The authors are also of the view that it requires total re-engineering of our country’s financial system to save any further financial crisis in the near future.

**KEYWORDS:** Banks, Gross NPA, Net NPA, NPA, Public Sector Banks

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Date of Submission:17-10-2018

Date of acceptance: 03-11-2018

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### I. INTRODUCTION

India is a fast developing economy of the world, the role of banking sector is very important to shape up the economy of the country. The financial systems and specially the banking sector has to play a crucial role for the free flow of money and capital in the areas of opportunities and develop more and more start ups for the youths of the country to overcome the unemployment problems faced today by the country.

The Non Performing Assets (NPA) is therefore, becoming an important parameter for analysis of the financial position of the banking sector. The Banks are required to lock a huge amount of its finance by creating provisions for its doubtful debt. So more the NPAs of the Banks more money is blocked which otherwise would have been considered profit of the Bank. The business of the Bank’s is primary with the motive of making profits, but in the changing scenario it also has to play many roles in addition to it like the Insurance, supporting to the various Government Schemes announced form time to time. The Banks have to safeguard the deposits of the Customers and ensure that they are not misused by a selected class of people. The Banks are therefore, required to study the risk involved in lending to the business community as defaulting the loans to the Banks are on the rise now. A sound banking financial system is therefore, need of the hour.

### II. LITERATURE SURVEY

2.1 Mr.Gunjan M. Sanjeev [2007] The **objective** of his study “Bankers’ Perceptions on Causes of Bad Loans in Banks” was to identify the critical factors, which were responsible for the loans to go bad in the Indian commercial banking system. The Methodology adopted for the study was the primary data collected from credit managers of banks operating in India. The study has revealed that the external factors have a higher influence compared to the internal factors. Economic downturn and willful default have been found to be most critical. Poor credit scoring skill of managers, absence of suitable administrative penalties and target completion have been found to have a significant influence amongst factors related with the loan appraisal mechanism. Seizure and disposal of collateral have found to be the toughest challenges amongst the factors related with the loan monitoring and controlling mechanism. Loan manger’s level of motivation, manpower, skill to appraise collateral, effort to reduce costs, government and political intervention and soft budget constraints have been found to have a lower influence [1]

2.2 Ms. Komal Fulekar, Smita Shukla and Sadhna Kamatkar [2016] -The main objective of their study “Non Performing Assets: A Growing Concern for Banks” was to analyze the non performing assets of Public Sector Bank, Private Sector Bank and Foreign Bank from the year 2009-2010 to 2013-2014. The data was analyzed with the help of tables and charts. The study helped them to analyze Gross advances, Gross NPA and Gross NPA to Gross Advances Ratio (%) of those Banks. Their study observed that there was increase in level of NPA of Public Sector Banks, Private Sector Banks and Foreign Banks, which can severely affect the economy in many ways, if the NPA's are not properly managed and it can cause financial and economic degradation which in turn affects the investment climate which is crucial source looking to the state of economy during the presentation of their research paper. They have also suggested various measures to the Bankers to control NPA, as NPA causes serious problem on the profitability of the banks and the banks cannot earn income on such accounts and on the other hand they are required to charge the funding cost and provision requirements to their profits [2].

### **III. DEFINITIONS**

3.1 **Non-Performing Asset (NPA)** - In short NPA is defined as An asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank. A non-performing asset (NPA) is defined as a credit facility in respect of which the interest and/or installment of principal has remained 'past due' for specified period of time (90 days, March 31, 2004 onwards).

3.2 **Gross NPA** – It is simply the total number of NPAs of the Banks added together.

3.3 **Net NPA** - Net NPA is the total of actual bad assets minus the provision left aside. The Reserve Bank of India defines Net NPA as  $\text{Net NPA} = \text{Gross NPA} - (\text{Balance in Interest Suspense Account} + \text{DICGC/ECGC claims received and held pending adjustment} + \text{Part payment received and kept in suspense account} + \text{Total provisions held})$ .

### **IV. OBJECTIVE OF THE STUDY**

The objective of the research is to:

i) Perform ABC Analysis on the Public Sector Bank's Gross NPA and Net NPA for the period 2007-2008 to 2016-2017 to study the performance of management and governance of the PSBs, as per cumulative (descending method) of analysis.

### **V. RESEARCH METHODOLOGY**

It is an Analytical Research. The present study is based on Secondary Data available in the public domain of RBI and Money Control website.

VI. DATA ANALYSIS

6.1 GROSS NPA's of Public Sector Banks for the period 2007-08 to 2016-2017

Table : 1

Rs. In Million

Name of Bank	2007-2008	% of Total Gross NPA	Cumulative	Name of Bank	2008-2009	% of Total Gross NPA	Cumulative	Name of Bank	2009-2010	% of Total Gross NPA	Cumulative
SBI	128373	33.95060259	33.9506026	SBI	157140	37.18665029	37.1866503	SBI	195349	34.92747171	34.9274717
PNB	33193	8.778499777	42.7291024	PNB	25069	5.932494184	43.1191445	BOI	48827	8.730035276	43.657507
CBI	23500	6.215007524	48.9441099	BOI	24709	5.8473014	48.9664459	IOB	36111	6.45647498	50.113982
BOB	19814	5.240176982	54.1842869	CBI	23160	5.480735782	54.4471817	PNB	32144	5.747194256	55.8611762
BOI	19309	5.106620438	59.2909073	Canara Bk.	21680	5.13049878	59.5776804	Union	26709	4.775442116	60.6366183
Syndicate Bk.	17687	4.677652684	63.96856	IOB	19234	4.551661141	64.1293416	Canara Bk.	25903	4.631333151	65.2679515
Union Bk.	16566	4.381183602	68.3497436	Union Bk.	19234	4.551661141	68.6810027	CBI	24580	4.394787046	69.6627385
UCO	16520	4.369018055	72.7187617	BOB	18429	4.36116061	73.0421633	BOB	24007	4.292337372	73.9550759
IDBI Bk.	15647	4.138137137	76.8568988	Syndicate BK.	15945	3.773330399	76.8154937	IDBI	21294	3.807265881	77.7623418
OBC	12801	3.385460056	80.2423588	UCO Bank	15395	3.643174756	80.4586685	Syndicate	20068	3.588062914	81.3504047
Canara BK.	12726	3.365624926	83.6079838	IDBI Bank	14357	3.397535562	83.856204	UCO	16664	2.979443911	84.3298486
Allahabad Bk.	10105	2.672453235	86.280437	Allahabad BK.	10783	2.551760533	86.4079646	OBC	14688	2.626144513	86.9559931
IOB	9970	2.636750001	88.917187	OBC	10581	2.503957915	88.9119225	United	13723	2.453607105	89.4096002
BOM	7663	2.02662139	90.9438084	United Bank	10200	2.413795552	91.325718	Allahabad	12218	2.184520266	91.5941205
United Bk.	7610	2.012604564	92.956413	BOM	7984	1.889386636	93.2151047	BOM	12098	2.163064837	93.7571853
Corp. Bk.	5844	1.54555336	94.5019663	Vijaya Bank	6988	1.653686599	94.8687913	Vijaya	9945	1.778118681	95.535304
Dena Bank	5726	1.514346089	96.0163124	Dena Bank	6208	1.469102234	96.3378935	Corporation	6509	1.16377823	96.6990822
Vijaya Bank	5115	1.352755893	97.3690683	Corporation BK.	5592	1.323327914	97.6612214	Dena	6420	1.147865453	97.8469477
Indian Bank	4869	1.287696665	98.656765	Indian Bank	4592	1.086681291	98.7479027	Indian	5101	0.912034529	98.7589822
Andhra Bank	3724	0.984880341	99.6416453	Andhra Bank	3681	0.871096218	99.6189989	Andhra	4879	0.872341985	99.6313242
P&SB	1355	0.358354689	100	P&SB	1610	0.381001063	100	P&SB	2062	0.368675789	100
<b>TOTAL:</b>	<b>378117</b>	<b>100</b>		<b>TOTAL:</b>	<b>422571</b>	<b>100</b>			<b>559299</b>	<b>100</b>	

*ABC Analysis of Public Sector Bank's Gross and Net NPA's for the period 2007-2008 to 2016-2017*

Name of Bank	2010-2011	% of Total Gross NPA	Cumulative	Name of Bank	2011-2012	% of Total Gross NPA	Cumulative	Name of Bank	2012-2013	% of Total Gross NPA	Cumulative
SBI	253263	36.41494079	36.4149408	SBI	396765	36.4826954	36.4826954	SBI	511894	33.48500647	33.4850065
BOI	48116	6.918267931	43.3332087	PNB	87196	8.017705967	44.5004014	PNB	134658	8.808511139	42.2935176
PNB	43794	6.296837347	49.6300461	CBI	72730	6.687551665	51.187953	BOI	87653	5.733728608	48.0272462
Union Bk.	36228	5.208974366	54.8390204	BOI	58940	5.419555824	56.6075089	CBI	84560	5.531403273	53.5586495
BOB	31525	4.532762419	59.3717829	Union Bk.	54499	5.011204155	61.618713	BOB	79826	5.221733653	58.7803831
UCO Bk.	31504	4.529742973	63.9015258	IDBI Bk	45514	4.185029925	65.8037429	UCO Bank	71301	4.664079763	63.4444629
IOB	30896	4.442322845	68.3438487	BOB	44648	4.10540089	69.9091438	IOB	66080	4.322553551	67.7670165
Canara Bk	30892	4.441747712	72.7855964	UCO Bk	40862	3.757276724	73.6664205	IDBI Bk	64500	4.219199516	71.986216
IDBI Bk	27847	4.003928154	76.7895245	Canara Bk	40318	3.707255713	77.3736763	Union Bk.	63138	4.130105722	76.1163217
Syndicate Bk	25990	3.736922927	80.5264475	IOB	39201	3.604547131	80.9782234	Canara Bk	62602	4.095043847	80.2113655
CBI	23940	3.442167559	83.968615	OBC	35805	3.292283615	84.270507	Allahabad Bk	51370	3.360314406	83.5716799
OBC	19205	2.761354552	86.7299696	Syndicate Bk	31827	2.926504975	87.197012	ODEC	41840	2.7369195	86.3085994
Allahabad Bk	16479	2.369401805	89.0993714	United Bk	21764	2.001208228	89.1982202	Andhra Bk	37145	2.429801024	88.7384005
United Bk	13558	1.949411352	91.0487827	Allahabad Bk	20890	1.92084359	91.1190638	Indian Bk	35655	2.332334244	91.0707347
Vijaya Bk	12592	1.810516872	92.8592996	Indian Bk	18508	1.701817767	92.8208816	Syndicate Bk	29785	1.948354381	93.0190891
BOM	11737	1.687582316	94.5468819	Andhra Bk	17980	1.653267963	94.4741495	United Bk	29638	1.938738531	94.9578276
Andhra Bk	9956	1.431504604	95.9783865	Vijaya Bk	17185	1.580167405	96.0543169	Corporation Bk	20482	1.339808442	96.2976361
Dena Bk	8422	1.210941319	97.1893278	BOM	12970	1.192596523	97.2469135	P&SB	15369	1.005346936	97.302983
Corporation Bk	7902	1.136174104	98.3255019	Corporation Bk	12742	1.171631834	98.4185453	Vijaya Bk	15329	1.002730378	98.3057134
Indian Bk	7403	1.064426334	99.3899283	Dena Bank	9565	0.879505454	99.2980507	Dena Bk	14525	0.950137566	99.255851
P&SB	4243	0.610071719	100	P&SB	7634	0.701949256	100	BOM	11376	0.74414905	100
<b>TOTAL:</b>	<b>695492</b>	<b>100</b>		<b>TOTAL:</b>	<b>1087543</b>	<b>100</b>		<b>TOTAL:</b>	<b>1528726</b>	<b>100</b>	

Name of Bank	2013-2014	% of Total Gross NPA	Cumulative	Name of Bank	2014-2015	Cumulative	% of Total Gross NPA	Name of Bank	% of Total Gross NPA	2015-2016	Cumulative
SBI	616054	29.46855536	29.4685554	SBI	567253	22.26399602	22.26399602	SBI	19.01986646	981728	19.01986646
PNB	188801	9.031177008	38.4997324	PNB	256949	32.34893434	10.08493831	PNB	10.81416144	558183	29.834026
BOB	118759	5.680762021	44.1804944	BOI	221932	41.05949764	8.710563303	BOI	9.663508921	498791	39.497535
BOI	118686	5.677270112	49.8577645	BOB	162614	47.44190099	6.382403353	BOB	7.850483368	405210	47.3480183
CBI	115000	5.500952621	55.3587171	IOB	149225	53.29880224	5.856901253	Canara Bank	6.129464295	316378	53.4774826
IDBI Bk	99620	4.765260001	60.1239771	Canara Bk	130400	58.41684495	5.11804271	IOB	5.821574851	300486	59.2990575
Union Bk	95637	4.574735703	64.6987128	Union Bk	130309	63.53131602	5.11447107	IDBI Bank	4.819268005	248751	64.1183255
IOB	90205	4.314899402	69.0136122	IDBI Bank	126850	68.51002552	4.978709492	Union Bk	4.682837256	241709	68.8011627
Allahabad Bk	80680	3.859277022	72.8728892	CBI	118730	73.1700348	4.660009286	CBI	4.401935604	227210	73.2030983
Canara Bk	75702	3.621157525	76.4940468	UCO Bank	102651	77.19896273	4.028927931	UCO Bank	4.050629331	209077	77.2537277
United Bk	71180	3.404850501	79.8988973	Allahabad Bk	83580	80.47937692	3.280414185	Allahabad Bk	2.980591457	153846	80.2343191
UCO Bank	66214	3.167305016	83.0662023	Corporation Bk	71067	83.26867095	2.789294028	OBC	2.848287341	147017	83.0826065
Andhra Bank	58576	2.801946094	85.8681484	Andhra Bk	68765	85.96761425	2.698943305	Corporation Bk	2.817792879	145443	85.9003994
OBC	56179	2.687287107	88.5554355	United Bk	65529	88.53954846	2.571934208	Syndicate Bank	2.679831595	138322	88.5802309
Corporation Bk	47368	2.265818468	90.821254	Syndicate Bk	64424	91.06811275	2.528564291	Andhra Bank	2.217067483	114436	90.7972984
Syndicate Bk	46111	2.205690664	93.026946	BOM	64021	93.58085978	2.512747027	BOM	2.012150125	103859	92.8094486
Indian Bk	45622	2.182299657	95.2092443	Indian Bank	56704	95.80642338	2.225563603	United Bk	1.834898645	94710	94.6443472
BOM	28599	1.368015165	96.5772594	Dena Bank	43930	97.53062289	1.724199511	Indian Bank	1.710130962	88270	96.3544782
Dena Bank	26160	1.251347135	97.8286066	P & SB	30822	98.74034921	1.209726322	Dena Bank	1.658499614	85605	98.0129778
P & SB	25535	1.221450654	99.0500572	Vijaya Bk	24432	99.69927574	0.95892653	Vijaya Bank	1.167682148	60271	99.1806599
Vijaya Bank	19859	0.949942766	100	OBC	7662	100	0.300724258	P & SB	0.819340076	42291	100
<b>TOTAL:</b>	<b>2090547</b>	<b>100</b>		<b>TOTAL:</b>	<b>2547849</b>	<b>100</b>		<b>TOTAL:</b>	<b>100</b>	<b>5161593</b>	

*ABC Analysis of Public Sector Bank's Gross and Net NPA's for the period 2007-2008 to 2016-2017*

Name of Bank	2016-17	% of Total Gross NPA	Cumulative
State Bank of India	1123430	18.14297393	18.1429739
Punjab National Bank	553705	8.942128463	27.0851024
Bank of India	520445	8.404991914	35.4900943
IDBI Bank	447526	7.227377362	42.7174717
Bank of Baroda	427187	6.898910126	49.6163818
Indian Overseas Bank	350983	5.668244054	55.2846258
Canara Bank	342020	5.52349496	60.8081208
Union Bank of India	337123	5.444410243	66.2525311
Central Bank of India	272510	4.400934482	70.6534655
Oriental Bank of Commerce	228593	3.691691373	74.3451569
UCO Bank	225410	3.640287115	77.985444
Allahabad Bank	206878	3.341002252	81.3264463
Andhra Bank	176700	2.85363885	84.1800851
Syndicate Bank	176093	2.843836027	87.0239211
Bank of Maharashtra	171887	2.775910702	89.7998319
Corporation Bank	170452	2.752735989	92.5525678
Dena Bank	126187	2.03787281	94.5904406
United Bank of India	109520	1.768707	96.3591476
Indian Bank	98651	1.593176719	97.9523244
Vijaya Bank	63818	1.030636809	98.9829612
Punjab & Sind Bank	62976	1.017038824	100
<b>TOTAL:</b>	<b>6192094</b>	<b>100</b>	

**Table 2**

Table depicting the Rank for Gross NPA (Bank with Highest Gross NPA is Rated 1)										
Name of the Bank	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
State Bank of India	1	1	1	1	1	1	1	1	1	1
Punjab National Bank	2	2	4	3	2	2	2	2	2	2
Central Bank of India	3	4	7	11	3	4	5	9	9	9
Bank of Baroda	4	8	8	5	7	5	3	4	4	5
Bank of India	5	3	2	2	4	3	4	3	3	3
Syndicate Bank	6	9	10	10	12	15	16	15	14	14
Union Bank of India	7	7	5	4	5	9	7	7	8	8
UCO Bank	8	10	11	6	8	6	12	10	10	11
IDBI Bank	9	11	9	9	6	8	6	8	7	4
Oriental Bank of Commerce	10	13	12	12	11	12	14	21	12	10
Canara Bank	11	5	6	8	9	10	10	6	5	7
Allahabad Bank	12	12	14	13	14	11	9	11	11	12
Indian Overseas Bank	13	6	3	7	10	7	8	5	6	6
Bank of Maharashtra	14	15	15	16	18	21	18	16	16	15
United Bank of India	15	14	13	14	13	16	11	14	17	18
Corporation Bank	16	18	17	19	19	17	15	12	13	16
Dena Bank	17	17	18	18	20	20	19	18	19	17
Vijaya Bank	18	16	16	15	17	19	21	20	20	20
Indian Bank	19	19	19	20	15	14	17	17	18	19
Andhra Bank	20	20	20	17	16	13	13	13	15	13
Punjab & Sind Bank	21	21	21	21	21	18	20	19	21	21



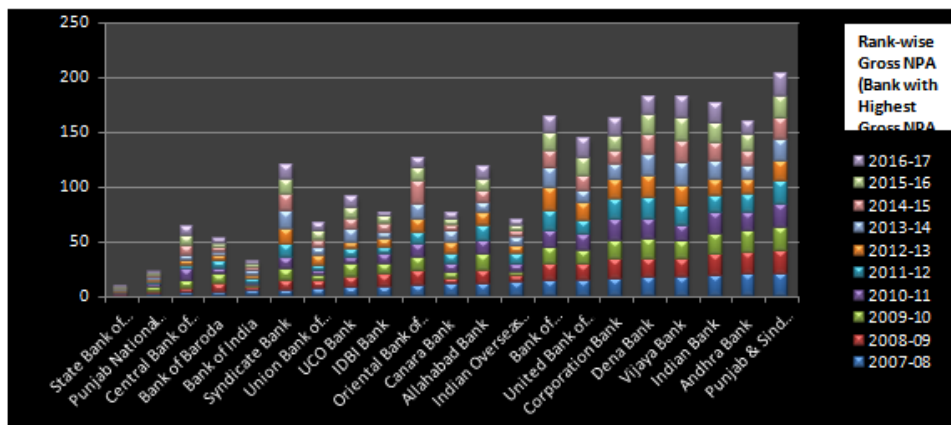


Table : 3

For deciding the management performance and governance, it was decided to have three groups from the cumulative (decreasing method) Gross NPAs of the Public Sector Banks i.e. 1-70 (Poor Performance), 71-90 (Satisfactory Performance), 91-100 (Good Performance).

**Group Ranking of Banks as per percentage of Total Gross NPAs for the period 2007-2008 to 2016-2017**

	Group	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
<b>Highest G NPAs (Poor)</b>	A (1-70%)	SBI, PNB, CBI, BOB, BOI, Syndicate., Union Bk.	SBI, PNB, BOI, CBI, Canara, IOB, Union Bk.	SBI, BOI, IOB, PNB, Union, Canara, CBI	SBI, BOI, PNB, Union, BOB, UCO, IOB	SBI, PNB, CBI, BOI, Union, IDBI, BOB
<b>Medium GNPAs (Satisfactory)</b>	B (71-90%)	UCO, IDBI, OBC, Can.Bk., Allah.Bk., IOB, BOM	BOB, Syndicate, UCO, IDBI, Allahabad, OBC	BOB, IDBI, Syndicate, UCO, OBC, United	Canara, IDBI, Syndicate, CBI, OBC, Allahabad	UCO, Canara, IOB, OBC, Syndicate, United
<b>Lowest GNPAs (Good)</b>	C (91-100%)	United Bk., Corp, Dena, Vijaya, Indian, Andhra, P&SB	United Bk., BOM, Vijaya, Dena, Corp., Indian, Andhra, P&SB	Allahabad, BOM, Vijaya, Corporation, Dena, Indian, Andhra, P&SB	United, Vijaya, BOM, Andhra, Dena, Corporation, Indian, P&SB	Allahabad, Indian, Andhra, Vijaya, BOM, Corporation, Dena, P&SB

	Group	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Highest G NPAs</b>	A (1-70%)	SBI, PNB, BOI, CBI, BOB,UCO, IOB	SBI, PNB, BOB, BOI, CBI, IDBI, Union, IOB	SBI, PNB, BOI, BOB, IOB, Canara, Union, IDBI	SBI, PNB, BOI, BOB, Canara, IOB, IDBI, Union	SBI, PNB, BOI, IDBI, BOB, IOB, Canara, Union, CBI
<b>Medium GNPAs</b>	B (71-90%)	IDBI, Union, Canara, Allahabad, OBC, Andhra	Allahabad, Canara, United, UCO, Andhra, OBC, Corporation	CBI, UCO, Allahabad, Corporation, Andhra, United	CBI, UCO, Allahabad, OBC, Corporation, Syndicate, Andhra	OBC, UCO, Allahabad, Andhra, Syndicate, BOM
<b>Lowest GNPAs</b>	C (91-100%)	Indian, Syndicate, United, Corporation, P&SB, Vijaya Bank, Dena, BOM	Syndicate, Indian, BOM, Dena, P&SB, Vijaya	Syndicate, BOM, Indian, Dena, P&SB, Vijaya, OBC	BOM, United, Indian, Dena, Vijaya, P&SB	Corporation, Dena, United, Indian, Vijaya, P&SB.

6.2 NET NPA's of Public Sector Banks for the period 2007-08 to 2016-2017

Table: 4

Name of Bank	2007-2008	% of total Net NPA	Cumulative	Name of Bank	2008-2009	% of total Net NPA	Cumulative	Rs. In Million			
								Name of Bank	2009-2010	% of total Net NPA	Cumulative
SBI	74243	44.31941642	44.31941642	SSBI	96774	48.47498209	48.47498209	SBI	108702	39.26627245	39.26627245
UCO Bank	10923	6.52049332	50.83990974	Canara Bk.	15073	7.55020362	56.02518571	BOI	22075	7.974121582	47.24039403
IDBI Bank	10829	6.464379947	57.30428969	CBI	10630	5.324664266	61.34984998	IOB	19950	7.206510784	54.44690481
CBI	10600	6.32767822	63.63196791	IOB	9991	5.004583319	66.3544333	Canara Bk	17997	6.501031308	60.94793612
Canara Bank	8990	5.366587471	68.99855538	IDBI Bank	9490	4.753627835	71.10806113	IDBI Bank	14063	5.079957953	66.02789407
PNB	7538	4.499814945	73.49837032	UCO Bank	8127	4.070888663	75.17894979	PNB	9817	3.546181272	69.57407535
Syndicate Bk	6227	3.717212479	77.2155828	Syndicate Bk	6318	3.16474401	78.3436938	UCO Bank	9663	3.490552066	73.06462741
BOI	5920	3.533948591	80.74953139	BOI	6282	3.146711281	81.49040509	Union Bk	9653	3.48693978	76.55156719
OBC	5384	3.213982975	83.96351437	United Bk.	5250	2.629773038	84.12017812	Syndicate Bk	9632	3.479353979	80.03092117
BOBH	4936	2.946549028	86.9100634	BOB	4490	2.249082084	86.36926021	United Bk	7786	2.812525963	82.84344713
Allahabad Bk	3998	2.3866092	89.2966726	OBC	4424	2.21602208	88.58528229	CBI	7270	2.626132	85.46957913
IOB	3632	2.168125216	91.46479781	Allahabad Bk	4221	2.114337523	90.69961981	OBC	7238	2.614572685	88.08415182
United Bk.	3060	1.826669373	93.29146719	Union Bk	3259	1.63246292	92.33208273	BOM	6624	2.392778318	90.47693013
BOM	2540	1.51625497	94.80772216	Dena Bank	3134	1.569849276	93.90193201	BOB	6023	2.175679923	92.65261006
Dena Bank	2154	1.28583197	96.09355413	Vijaya Bank	2923	1.464157446	95.36608945	Vijaya Bk	5818	2.101628057	94.75423811
Vijaya Bank	1816	1.084062608	97.17761673	BOM	2719	1.361971979	96.72806143	Allahabad Bk	4702	1.698496928	96.45273504
Union Bk.	1276	0.761709189	97.93932592	PNB	2639	1.321899247	98.04996068	Dena Bank	4275	1.544252311	97.99698735
Corporation Bk	1269	0.757530534	98.69685646	Corporation Bk	1383	0.692757355	98.74271803	Corporation Bk	1973	0.712704049	98.7096914
Indian Bank	976	0.582623957	99.27948041	Indian Bank	938	0.469832783	99.21257082	Indian Bank	1449	0.523420257	99.23311166
P & SB	670	0.39995702	99.67943743	Andhra Bank	792	0.396720047	99.60929086	P & SB	1166	0.42119256	99.65430422
Andhra Bank	537	0.320562566	100.00	P & SB	780	0.390709137	100	Andhra Bank	957	0.34569578	100
<b>TOTAL:</b>	<b>167518</b>	<b>100</b>		<b>TOTAL:</b>	<b>199637</b>	<b>100</b>		<b>TOTAL:</b>	<b>276833</b>	<b>100</b>	

Name of Bank	2010-2011	% of total Net NPA	Cumulative	Name of Bank	2011-2012	% of total Net NPA	Name of Bank	Cumulative	2012-2013	% of total Net NPA	Cumulative
SBI	123469	36.73480924	36.73480924	SBI	158189	28.87329728	SBI	28.8732973	219565	26.19869797	26.19869797
Canara Bk	23299	6.931977424	43.66678667	CBI	46000	8.396106397	PNB	37.2694037	72365	8.634658432	34.8333564
PNB	20386	6.065294294	49.73208096	PNB	44542	8.129986329	BOI	45.39939	59473	7.096373121	41.92972952
OI	19450	5.786813206	55.51889417	BOI	36564	6.673809441	Canara Bank	52.0731994	52781	6.297877519	48.22760704
UCO Bank	18246	5.42859608	60.94749025	Canara Bank	33863	6.180811976	CBI	58.2540114	49880	5.951727528	54.17933457
Union Bk	18034	5.365521304	66.31301155	Union Bk	30250	5.521352576	BOB	63.775364	41920	5.001932999	59.18126757
IDBI Bank	16779	4.992130529	71.30514208	IDBI Bank	29109	5.313092633	Allahabad Bk	69.0884566	41268	4.924135759	64.10540333
IOB	13284	3.952289287	75.25743137	OBC	24590	4.488266441	UCO Bank	73.5767231	40693	4.855526229	68.96092956
Syndicate Bank	10308	3.066862238	78.32429361	UCO Bank	22639	4.132162016	IOB	77.7088851	40272	4.805292121	73.76622168
OBC	9382	2.791356375	81.11564998	IOB	19074	3.48146377	Union Bk	81.1903489	33534	4.001307757	77.76752944
CBI	8470	2.520015828	83.63566581	Bank of Baroda	15436	2.817441268	IDBI Bank	84.0077901	31004	3.699425828	81.46695526
BOB	7909	2.353105689	85.9887715	Indian Bank	11968	2.184447856	OBC	86.192238	29027	3.463528367	84.93048363
United Bk	7574	2.253435641	88.24220714	Syndicate Bank	11854	2.163640114	Andhra Bank	88.3558781	24092	2.874679623	87.80516325
Vijaya Bank	7412	2.205236992	90.44744413	Allahabad Bank	10917	1.992615077	Indian Bank	90.3484932	23843	2.844968714	90.65013197
Allahabad Bk	7364	2.19095591	92.63840004	United Bk	10756	1.963228704	United Bk.	92.3117219	19700	2.350622139	93.00075411
BOM	6190	1.84166446	94.4800645	Vijaya Bank	9980	1.82159004	Corporation Bank	94.1333119	14109	1.683498871	94.68425298
Dena Bank	5490	1.633398689	96.11346319	Corporation Bk	8694	1.586864109	Syndicate Bank	95.720176	11248	1.342121717	96.0263747
Corporation Bk	3977	1.183247101	97.29671029	Andhra Bank	7559	1.37969931	P & SB	97.0998753	11104	1.324939504	97.3513142
Indian Bank	3970	1.181164444	98.47787474	Dena Bank	5717	1.043490006	Dena Bank	98.1433653	9172	1.094411485	98.44572569
Andhra Bank	2737	0.814319164	99.2921939	P & SB	5476	0.999501709	Vijaya Bank	99.1428671	9097	1.085462416	99.5311881
P & SB	2379	0.707806099	100	BOM	4696	0.857132949	BOM	100	3929	0.468811898	100
<b>TOTAL:</b>	<b>336109</b>	<b>100</b>		<b>TOTAL:</b>	<b>547873</b>	<b>100</b>	<b>TOTAL:</b>		<b>838076</b>	<b>100</b>	

*ABC Analysis of Public Sector Bank's Gross and Net NPA's for the period 2007-2008 to 2016-2017*

Name of Bank	2013-2014	% of total Net NPA	Cumulative	Name of Bank	2014-2015	% of total Net NPA	Cumulative	Name of Bank	2015-2016	% of total Net NPA	Cumulative
SBI	310961	25.99082601	25.990826	SBI	275906	18.36140502	18.361405	SBI	558070	18.16118602	18.161186
PNB	99170	8.288833636	34.2796796	PNB	153965	10.24629303	28.607698	PNB	354226	11.52752214	29.6887082
BOI	74172	6.19946407	40.4791437	BOI	135176	8.995894562	37.6035926	BOI	279964	9.110825313	38.7993335
CBI	66500	5.558220901	46.0373646	IOB	98133	6.530701611	44.1342942	Canara Bank	208329	6.779618546	45.579152
BOB	60348	5.044022781	51.0813874	Canara Bk	87401	5.816492429	49.9507866	BOB	194065	6.315427392	51.8945794
Canara Bank	59655	4.986100269	56.0674877	BOB	80695	5.370211514	55.3209982	IOB	192126	6.252326813	58.1469062
Allahabad Bk	57218	4.782410279	60.8498979	Union Bk.	69190	4.604559572	59.9255577	IDBI Bank	146434	4.765379098	62.9122853
IOB	56581	4.729168373	65.5790663	CBI	68070	4.530024138	64.4555819	Union Bk	140259	4.564427025	67.4767123
Union Bk.	53403	4.463543922	70.0426102	UCO Bank	63306	4.212982342	68.6685642	CBI	132420	4.309323656	71.786036
IDBI Bank	49023	4.097453583	74.1400638	IDBI Bank	59925	3.987978499	72.6565427	UCO Bank	114436	3.724073115	75.5101091
United Bk	46641	3.898360617	78.0384244	Allahabad Bk	59789	3.978927768	76.6354705	Allahabad Bk	102925	3.349472415	78.8595815
OBC	39044	3.2633386118	81.3018106	OBC	48162	3.205156787	79.8406273	OBC	99322	3.232202542	82.0918021
UCO Bank	35564	2.972519822	84.2743304	Corporation Bk	44650	2.97143496	82.8120622	Corporation Bk	91601	2.980957228	85.0727593
Andhra Bank	33425	2.793737348	87.0680677	BOM	41266	2.746231468	85.5582937	Syndicate Bank	90149	2.933705016	88.0064643
Corporation Bk	31806	2.638417654	89.7264854	United Bk	40814	2.716151097	88.2744448	BOM	68320	2.223327233	90.2297915
Indian Bank	27637	2.309963174	92.0364486	Syndicate Bk	38437	2.557962947	90.8324077	United Bk	61107	1.988595685	92.2183872
Syndicate Bk	27206	2.273939216	94.3103878	Andhra Bank	36886	2.45474468	93.2871524	Andhra Bank	60357	1.964188551	94.1825758
P & SB	19186	1.603609417	95.9139972	Indian Bank	31470	2.094312614	95.381465	Indian Bank	54194	1.763626991	95.9462028
Dena Bank	18189	1.520277894	97.4342751	Dena Bank	30143	2.006001433	97.3874665	Dena Bank	52305	1.702153555	97.6483563
BOM	18073	1.510582351	98.9448574	P & SB	22660	1.508011561	98.895478	Vijaya Bank	42768	1.391792434	99.0401488
Vijaya Bank	12624	1.035142566	100	Vijaya Bank	16597	1.104521972	100	P & SB	29495	0.95985124	100
<b>TOTAL:</b>	<b>1196426</b>	<b>100</b>		<b>TOTAL:</b>	<b>1502641</b>	<b>100</b>		<b>TOTAL:</b>	<b>3072872</b>	<b>100</b>	<b>TOTAL:</b>

Name of Bank	2016-2017	% of total Net NPA	Cumulative
State Bank of India	582774	16.92201328	16.9220133
Punjab National Bank	327021	9.495711379	26.4177247
Bank of India	253050	7.347814864	33.7655395
IDBI Bank	252058	7.319010152	41.0845497
Canara Bank	216490	6.286221853	47.3707715
Indian Overseas Bank	197493	5.734605812	53.1053773
Union Bank of India	188321	5.468278375	58.5736557
Bank of Baroda	180802	5.249949113	63.8236048
Central Bank of India	142180	4.128481791	67.9520866
Oriental Bank of Commerce	141178	4.099386709	72.0514733
Allahabad Bank	134335	3.900686464	75.9521598
Corporation Bank	116922	3.395065044	79.3472248
Bank of Maharashtra	112296	3.260739846	82.6079647
UCO Bank	107034	3.10794711	85.7159118
Syndicate Bank	104110	3.023042898	88.7389547
Andhra Bank	103548	3.0067241	91.7456788
Dena Bank	77351	2.246041602	93.9917204
United Bank of India	65919	1.914090528	95.9058109
Indian Bank	56066	1.627988888	97.5337998
Punjab & Sind Bank	43751	1.270398135	98.8041979
Vijaya Bank	41182	1.195802062	100
<b>TOTAL:</b>	<b>3443881</b>	<b>100</b>	



Table : 5

**Rs. In Million**

**Table depicting the Rank for Net NPA ( Bank with Highest Net NPA is Rated 1)**

Name of the Bank	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
State Bank of India	1	1	1	1	1	1	1	1	1	1
UCO Bank	2	6	7	5	9	8	13	9	10	14
IDBI Bank	3	5	5	7	7	11	10	10	7	4
Central Bank of India	4	3	11	11	2	5	4	8	9	9
Canara Bank	5	2	4	2	5	4	6	5	4	5
Punjab National Bank	6	17	6	3	3	2	2	2	2	2
Syndicate Bank	7	7	9	9	13	17	17	16	14	15
Bank of India	8	8	2	4	4	3	3	3	3	3
Oriental Bank of Commerce	9	11	12	10	8	12	12	12	12	10
Bank of Baroda	10	10	14	12	11	6	5	6	5	8
Allahabad Bank	11	12	16	15	14	7	7	11	11	11
Indian Overseas Bank	12	4	3	8	10	9	8	4	6	6
United Bank of India	13	9	10	13	15	16	11	15	16	18
Bank of Maharashtra	14	16	13	16	21	21	20	14	15	13
Dena Bank	15	14	17	17	19	19	19	19	19	17
Vijaya Bank	16	15	15	14	16	20	21	21	20	21
Union Bank of India	17	13	8	6	6	10	9	7	8	7
Corporation Bank	18	18	18	18	17	16	15	13	13	12
Indian Bank	19	19	19	19	12	14	16	18	18	19
Punjab & Sind Bank	20	21	20	21	20	18	18	20	21	20
Andhra Bank	21	20	21	20	18	13	14	17	17	16

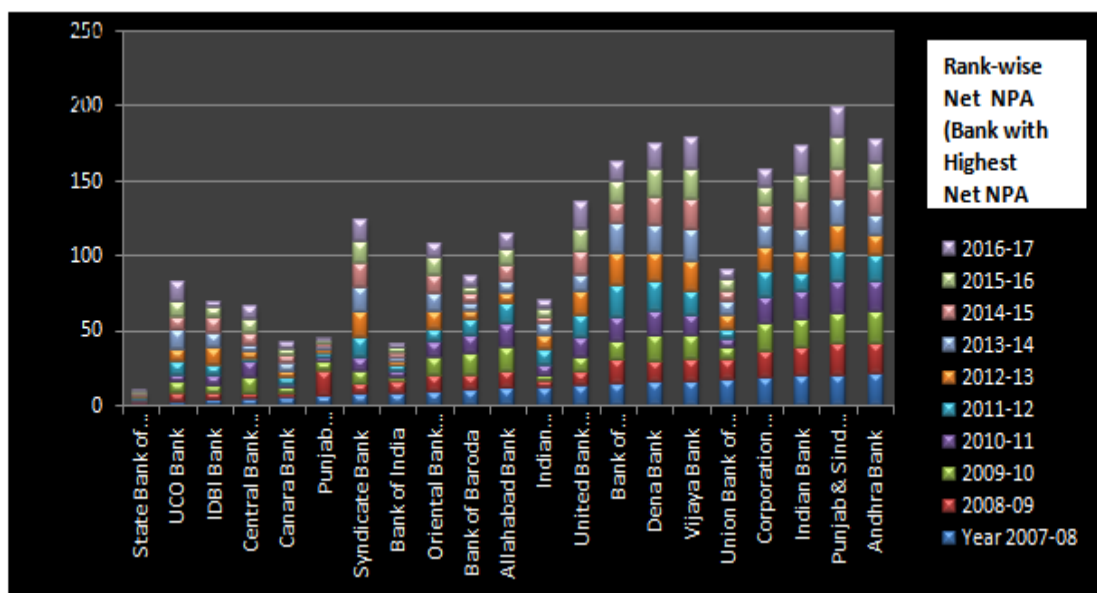


Table : 6

For deciding the management performance and governance, it was decided to have three groups from the cumulative (decreasing method) Net NPAs of the Public Sector Banks i.e. 1-70 (Poor Performance), 71-90 (Satisfactory Performance), 91-100 (Good Performance).

**Group Ranking of Banks as per percentage of Total Net NPAs for the period 2007-2008 to 2016-2017**

	Group	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
<b>Highest N NPAs</b>	A (1-70%)	SBI, UCO, IDBI, CBI, Canara	SBI, Canara, CBI, IOB	SBI, BOI, IOB, Canara, IDBI, PNB	SBI, Canara, PNB, BOI, UCO, Union	SBI, CBI, PNB, BOI, Canara, Union, IDBI
<b>Medium N NPAs</b>	B (71-90%)	PNB, Syndicate, BOI, OBC, BOB, Allahabad	IDBI, UCO, Syndicate, BOI, United, BOB, OBC, Allahabad	UCO, Union, Syndicate, United, CBI, OBC, BOM	IDBI, IOB, Syndicate, OBC, CBI, BOB, United, Vijaya	OBC, UCO, IOB, BOB, Indian, Syndicate, Allahabad
<b>Lowest N NPAs</b>	C (91-100%)	IOB, United, BOM, Dena, Vijaya, Union, Corporation, Indian, PSB, Andhra	Union, Dena, Vijaya, BOM, PNB, Corporation, Indian, Andhra, P&SB	BOB, Vijaya, Allahabad, Dena, Corporation, Indian, P&SB, Andhra	Allahabad, BOB, Dena, Corporation, Indian, Andhra, P&SB	United, Vijaya, Corporation, Andhra, Dena, P&SB, BOM

	Group	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
<b>Highest N NPAs</b>	A (1-70%)	SBI, PNB, BOI, Canara, CBI, BOB, Allahabad, UCO	SBI, PNB, BOI, CBI, BOB, Canara, Allahabad, IOB, Union.	SBI, PNB, BOI, IOB, Canara Bank, BOB, Union, Central, UCO	SBI, PNB, BOI, Canara, BOB, IOB, IDBI, Union.	SBI, PNB, BOI, IDBI, Canara, IOB, Union, BOB, CBI
<b>Medium N NPAs</b>	B (71-90%)	IOB, UBI, IDBI, OBC, Andhra, Indian.	Idbi, United, OBC, UCO, Andhra, Corporation	IDBI, Allahabad, OBC, Corporation, BOM, United, Syndicate	CBI, UCO, Allahabad, OBC, Corporation, Syndicate, BOM	OBC, Allahabad, Corporation, BOM, UCO, Syndicate
<b>Lowest N NPAs</b>	C (91-100%)	United, Corporation, Syndicate, P&SB, Dena, Vijaya, BOM	Indian, Syndicate, P&SB, Dena, BOM, Vijaya.	Andhra, Indian, Dena, P&SB, Vijaya	United, Andhra, Indian, Dena, Vijaya, P&SB	Andhra, Dena, United, Indian, P&SB, Vijaya.

**6.3 GROSS & NET NPAs – Analysis -**

For deciding the management performance and governance, it was decided to have three groups from the cumulative (decreasing method) Gross & Net NPAs of the Public Sector Banks.

**Group I** – 1 - 70 – Poor Management Performance & Governance.

**Group – II** - 71- 90 – Satisfactory Management Performance & Governance.

**Group – III** - 91 – 100 - Good Management Performance.

**GROUP – I** – SBI, PNB, CBI were in Group I i.e. 1-70% (Poor Performance) most the years in Gross NPAs and Net NPAs during the period of study i.e. 2007-2008 to 2016-2017. An analysis of these three Bank's movement is studied and it is observed as below:

**State Bank of India** – SBI is considered as a big Public Sector Bank compared to all other PSBs. It was the Bank with highest Gross & Net NPAs for all the 10 years period of study i.e. 2007-08 to 2016-2017. It is necessary to see the Banks merged with SBI and its Associate Banks. Before 2007-2008 SBI had acquired thirteen Banks from 1961 to 1996. The Banks acquired by SBI from 2007-2008 to 2016-2017 are as below:

**Banks acquired by SBI**

**Table: 7**

S.No.	Banks Acquired/Merged with SBI	Date of Merger
1.	State Bank of Saurashtra	13.08. 2008
2.	State Bank of Indore	26.08.2010
3.	State Bank of Bikaner and Jaipur	01.04.2017
4.	State Bank of Hyderabad	01.04.2017
5.	State Bank of Mysore	01.04.2017
6.	State Bank of Patiala	01.04.2017
7.	State Bank of Travancore	01.04.2017
8.	Bhartiya Mahila Bank	01.04.2017

It can be observed from above Table 2,3,5 and 6 that there is no much impact of the Gross NPA of the two banks i.e. State Bank of Saurashtra and State Bank of Indore on the total Gross NPAs of the SBI, as it continuously remained the highest. The other Banks SBBJ, SBH, SBM, SBP, SBT were merged as on 01.04.2017. Since the study period is upto 31.3.2017, there is also no impact of its merger with SBI. However, it is important to see the total SBI'S Gross NPAs as on 31.3.2018 i.e. after merger as and when published by RBI on it's website.

**Table: 8**

**Gross & Net NPAs of SBI for the period 2007-2008 to 2016-2017**

**Rs. In Million**

Year	Gross NPAs					Net NPAs	
	Previous Year	Addition during the year	Reduction during the year	Write-off during the year	Current Year	Previous Year	Current Year
2007-08	99982	78990	50599	-	128373	52577	74243
2008-09	128373	111402	82636	-	157140	74243	96774
2009-10	157140	118428	60315	19905	195349	96774	108702
2010-11	195349	181457	83475	40069	253263	108702	123469
2011-12	253263	247122	96177	7443	396765	123469	158189
2012-13	396765	319934	148857	55948	511894	158189	219565
2013-14	511894	412167	179182	128825	616054	219565	310961
2014-15	616054	294350	130116	213035	567253	310961	275906
2015-16	567253	641985	69878	157633	981728	275906	558070
2016-17	981728	390714	43314	205698	1123430	558070	582774

It can also be observed from the above table that since 2007-2008, SBI has been recovering it's NPAs and also writing off it's NPAs since 2009-2010, but the addition of NPAs during the years are too high and the figures pertaining from the years 2011-12 are beyond the control of the Bank. The rise of NPAs during the year 2016-17 was double as compared to 2014-15. M/s. Kingfisher Airlines headed by Mr. Vijay Mallya defaulted the SBI by about 11600 Million in a consortium of loan of 14 banks of Rs.43000 Millions. The total Gross NPA of SBI as on end of March 2017 was Rs.1123430 Million, whereas the willful defaulters amounted to Rs.251040 millions. It therefore, amounts to 22.35% of total default.

Shri O.P.Bhatt was Chairman of the Bank from July 2006 to 31.3.2011, he was succeeded by Shri Pratip Chaudhari (7.4.2011 to 30.9.2013). Smt. Arundhati Bhattacharya, succeeded Shri Chaudhari and was Chairman of SBI from 7 October 2013 to 6 October 2017. She was due for retirement in October 2016, but was granted extension till October 2017. The high rise in NPAs for the period 2012-2013 to 2016-2017, were during her period. The Performance and Governance of the Bank during her period was not satisfactory. The same lead to the rise of NPAs [3].

**Punjab National Bank** – It was considered as the second largest bank. It was also the second highest bank as far as Gross NPAs is concerned for 8 years out of the 10 years of research study, except during the year 2009-10 and 2010-11. Six Banks were merged with PNB between 1951 to 2003. There were no mergers of any bank with PNB during the study period 2007-2008 to 2016-2017, so there is no impact of merged banks Gross NPAs in PNB.

**Table: 9**  
**Gross & Net NPAs of PNB for the period 2007-2008 to 2016-2017**

Year	Gross NPAs					Net NPAs	
	Previous Year	Addition during the year	Reduction during the year	Write-off during the year	Current Year	Previous Year	Current Year
2007-08	33907	19532	20246	-	33193	7256	7538
2008-09	30215	17311	22457	-	25069	7538	2639
2009-10	25069	28381	21306	-	32144	2639	9817
2010-11	32144	43367	31717	-	43794	9817	20386
2011-12	4243	5507	2116	-	7634	2379	5476
2012-13	87196	86470	39009	-	134658	44542	72365
2013-14	134658	108100	53957	-	188801	72365	99170
2014-15	188801	166596	39251	59197	256949	99170	153965
2015-16	30822	19599	4777	3354	42291	22660	29495
2016-17	558183	224146	136573	92051	553705	354226	327021

It can be observed from the Tables 2,3,5 and 6, that there is no specific reason for the improvement for the Bank's Performance during the years 2009-10 and 2010-11. However, it is observed that the authorities who were holding office during the study period were Shri K.C.Chakravarty was CMD of the Bank from 2007-2009, Shri K.R.Kamath from October 2009 - October 2014, Shri Gauri Shankar, ED of the Bank was vested with additional charge of MD & CEO of the Bank from 9.2.15 to 13.8.15, Smt. Usha Ananthasubramanian from 14.8.2015 to 05.05.2017. The NPAs of the Bank were large during the period 2012-13 to 2016-2017 i.e. during the tenure of Shri Kamath, Shri Gauri Shankar and Smt. Usha Ananthasubramanian. It is also observed that there was no head for the Bank for the period November 2014 to January 2015. The default consortium of 14 banks by Kingfisher Airlines headed by Mr. Vijay Mallya, was to the extent of 5040 Million approx. It was during the period 2014-15. The other observation is that as on end of March the total Gross NPA of the bank was Rs. 176093 Million. The big willful defaulters were 122780 Million, which means the total default by the willful defaulters is approx. 69.72%. The recent cases of diamond merchant which has come to light is also during the period 2013-2014 to 2016-2017. The governance of the Bank seems to be the main reason for the high NPAs and poor performance of the Bank. The bells of the PNB scam were ringing from 2013-14 itself [4].

**Central Bank of India** – It can be observed from table 2,3,5 and 6 that the Bank was amongst the top four Gross NPAs during the period of study.

**Table: 10**  
**Gross & Net NPAs of CBI for the period 2007-2008 to 2016-2017**

Year	Gross NPAs					Net NPAs	
	Previous Year	Addition during the year	Reduction during the year	Write-off during the year	Current Year	Previous Year	Current Year
2007-08	25720	6650	8870	-	23500	8780	10600
2008-09	23500	8730	9070	-	23160	10600	10630
2009-10	23160	10330	8910	-	24580	10630	7270
2010-11	24580	14090	14730	-	23940	7270	8470
2011-12	23940	68490	19700	-	72730	8560	46000
2012-13	72730	51250	39420	-	84560	46000	49880
2013-14	84560	75690	45250	-	115000	49880	66500
2014-15	115000	65790	48200	13860	118730	66490	68070
2015-16	118730	151450	30180	12790	227210	68070	132420
2016-17	227209	104878	35617	23956	272513	132418	142178

During 2007-2008, 2008-2009 it was able to recover less during that period i.e. Rs.8870 and Rs.9070 Million. It improved its position during the years 2009-2010, 2010-2011. The Bank was able to recover Rs.8910 million and Rs.14730 million during the years 2009-2010, 2010-2011 from its defaulters. The ranking of the Bank again went in high NPAs for three years from 2011-2012, 2012-2013 and 2013-2014 as the defaulted Gross NPAs during that period were on higher side. The consortium of 14 banks loan defrauded by Mr. Vijay Mallya of King

Fisher Bank impacted CBI for approx. 2770 Million during the period 2013-2014 and 2014-2015. The Bank recovered its position of NPAs during the next three years 2014-15, 2015-16 and 2016-17 and retained ninth position, the main reason being it succeeded in recovering Rs.25512, Rs.9506 and Rs.65984 Million and writing off the Gross NPAs of Rs.13860, Rs.12790 and Rs.23956 Million during the said period.

Ms. H.A.Daruwalla was CMD of the Bank from June 2005 to 31 Dec 2008, Shri S.Sridharan from 2.3.2009 to 31.5.2011, Shri M.V.Tanksale from 29.6.2011 to 31.7.2013, Shri Rajeev Rishi from 1.8.2013 to 31.8.2013. The position of CMD was vacant from 1.1.2009 to 28.2.2009. The period of Shri S. Sridharan from 2009-10 to 2010-2011 was good when the Bank improved its position. The NPA management and Governance were the main reason for high NPAs of the Bank.

**GROUP – II – IDBI, Oriental Bank of Coerce and Bank of Maharashtra** - were in Group II i.e. 71 – 90% (Satisfactory Performance) most the years in Gross NPAs and Net NPAs during the period of study i.e. 2007-2008 to 2016-2017. An analysis of movement of two Banks i.e. Canara Bank and Bank of Maharashtra is studied and it is observed as below:

**Canara Bank** – It can be observed from Tables 2,3,5 and 6, that the Bank was in Group II of the NPAs in most of the years during the study period i.e. 2007-2008 to 2016-2017.

**Table : 11  
Gross & Net NPAs of Canara Bank for the period 2007-2008 to 2016-2017**

Year	Gross NPAs				Net NPAs		
	Previous Year	Addition during the year	Reduction during the year	Write-off during the year	Current Year	Previous Year	Current Year
2007-08	13735	14257	15265	-	12726	9270	8990
2008-09	12726	23777	14824	-	21680	8990	15073
2009-10	21680	32663	28440	-	25903	15073	17997
2010-11	25903	35084	29613	-	31374	17997	23299
2011-12	31374	45898	36955	-	40318	23299	33863
2012-13	40318	58193	35909	-	62602	33863	52781
2013-14	62602	84436	71336	-	75702	52781	59655
2014-15	75702	108695	39276	14722	130400	59655	87401
2015-16	130400	247241	27392	33870	316378	87401	208329
2016-17	316378	116521	35431	55448	342020	208329	216490

It is observed from Tables 2,3,5 and 6 that during 2007-08 the Bank was at 11 position. However in 2008-09 and 2009-10 the Bank went near to the highest position at number five and six. In 2010-11 onwards it started again improving its position and between 2011-12 to 2013-14 it went up again to 9 and 10 positions respectively. The Bank again went down during the period 2014-15 to 2016-2017 with ranking 6, 5 and 7<sup>th</sup> respectively. During that period the Bank had written off its NPAs by Rs.14722 Million, 33870 Million and Rs.55448 Million respectively. However, the Gross NPAs were very high it was Rs.108695 Million in 2014-15, Rs.247241 Million in 2015-16 which was more than the previous year and Rs.116521 during 2016-17. A fraud in which former DGM of Canara Bank was involved took place in 2014, which was done by one logistic company to the tune of Rs.2900 Million, impacting Canara Bank and Vijaya Bank. The CBI had also charge sheeted ex-CMD of Canara Bank in a jewellery merchant fraud amounting to Rs.6800 Million during the same period. The CBI had also charge sheeted two Ex-CMDs of Canara Bank Shri S. Raman and Shri A.C.Mahajan for defrauding the bank for 70000 Million loan by a diamond firm during their tenure. However, the Bank was lucky that it was in the 14 Banks consortium of loan defrauded by Vijay Mallya of Kingfisher Airlines during the year 2014-2015. The Bank had performance management and governance issue.

**Bank of Maharashtra** - The Bank was in Group II of NPAs in most of the years during 2007-2008 to 2016-2017.



**Table : 12**  
**Gross & Net NPAs of Bank of Maharashtra for the period 2007-2008 to 2016-2017**  
**Rs. In Million**

Year	Gross NPAs					Net NPAs	
	Previous Year	Addition during the year	Reduction during the year	Write-off during the year	Current Year	Previous Year	Current Year
2007-08	8203	2521	3061	-	7663	2774	2540
2008-09	7663	3686	3364	-	7984	2541	2719
2009-10	7984	8757	4643	-	12098	2719	6624
2010-11	12098	6992	7352	-	11737	6624	6190
2011-12	11737	8759	7526	-	12970	6190	4696
2012-13	40318	58193	35909	-	62602	33863	52781
2013-14	11376	25893	8670	-	28599	3929	18073
2014-15	28599	46336	8278	2637	64021	18407	41266
2015-16	64021	57239	8367	9033	103859	41758	68320
2016-17	103859	91191	9591	13571	171887	69193	112296

It can be observed from the Tables 2,3,5 and 6 that the NPA position in ranging for the Bank was almost same during 2007-2008 to 2010-2011. Shri Allen Pereira, CMD was holding charge. Shri Narendra Singh was holding charge as CMD from 1.2.2012 to 30.9.2013, it can be observed that during his period the Bank went upto 18 to 21<sup>st</sup> position. Even the Bank was successful in recovering Rs. 35909 Million of bad loans in the year 2012-2013. After his retirement Shri Sushil Muhnoot took over as CMD and was sacked by the Government before his retirement in September 2016 on the grounds that he had two flats. The Bank was in down ranking from 2014-15 to 2016-17 during the tenure of Shri Muhnoot and Shri Ravindra Marathe, both of whom were recently arrested by the CBI in Rs.30000 billion DSK Group fraudulent loan scam. It is interesting to note that the Bank had written off Rs.2637, Rs. 9033 and Rs.13571 Million during the years 2014-15 to 2016-2017. The issue of down ranking of Bank of Maharashtra is related to performance management and governance issue.

**GROUP – III** – United Bank of India and Punjab and Sind Bank - were in Group III i.e. 91 – 100% (Good Performance) most the years in Gross NPAs and Net NPAs during the period of study i.e. 2007-2008 to 2016-2017. An analysis of its movement is studied and it is observed as below:

**United Bank of India** - The Bank was in Group II during most of the period of study i.e. from 2007-2008 to 2016-2017.

**Table : 13**  
**Gross & Net NPAs of United Bank of India for the period 2007-2008 to 2016-2017**  
**Rs. In Million**

Year	Gross NPAs					Net NPAs	
	Previous Year	Addition during the year	Reduction during the year	Write-off during the year	Current Year	Previous Year	Current Year
2007-08	8170	3260	3820	-	7610	3330	3060
2008-09	7610	8110	5520	-	10200	3060	5250
2009-10	10204	9803	6284	-	13723	5250	7786
2010-11	13723	9842	10007	-	13558	7786	7574
2011-12	13558	19642	11436	-	21764	7574	10756
2012-13	21764	24848	16974	-	29638	10756	19700
2013-14	29638	80073	38531	-	71180	19700	46641
2014-15	71180	40872	38916	7607	65529	46641	40814
2015-16	65529	50111	14435	6494	94710	40814	61107
2016-17	94710	35331	13384	7137	109520	61107	65919

It can be observed from Table 2,3,5 and 6 that the movement of the bad loans of the Bank was changing in Group 3, but was not constant for 3 to 4 years. The NPAs of the Bank were on the higher side from 2010-11 to 2016-2017, but also the Bank was managing recovery of it. During the years 2014-2015 to 2016-2017, the Bank had written off NPAs amounting to Rs.7607 Million, 64694 Million and Rs.7137 Million respectively for the said

period. The Bank showed continuous rise in reduction of NPAs from 2011-12, but at the same time its NPAs from 2011-12 are also on rise. During 2013-14 it was at a very high level of Rs.80073 Million. It was the period of Smt. Archana Bhargava was holding office as CMD of the Bank. She was holding office from 23.4.2013 to 20.2.2014. She was asked to take VRS by the Government as she was acquiring disproportionate assets worth over Rs.3.6 crores. After her taking VRS the office of CMD was lying vacant till Shri Petluri Srinivasan was posted as CMD of the Bank. During the vacant period the office was managed by the two EDs, and they were successful in reducing the NPAs of the Bank worth Rs.38531 and Rs.38916 Millions. The Bank had written off their NPAs of Rs.7607, Rs.6595 and Rs.7137 Million during the period 2014-2015 to 2016-2017. The performance of the EDs in the absence of regular head of the Bank was responsible for good NPA management and in turn performance and governance of the Bank. The only negative aspect was that the Bank was part of the Consortium of Rs.43030 Million loans disbursed in 2014 to Kingfisher Airlines under the head of Vijay Mallya. The Bank's exposure was to the tune of 256 crores.

**Punjab & Sind Bank** - The Bank was in Group II during most of the period of study i.e. from 2007-2008 to 2016-2017 and was in the least NPA ranking during the study period i.e. 2007-08 to 2016-207.

**Table : 14**  
**Gross & Net NPAs of Punjab & Sind Bank for the period 2007-2008 to 2016-2017**  
**Rs. In Million**

Year	Gross NPAs					Net NPAs	
	Previous Year	Addition during the year	Reduction during the year	Write-off during the year	Current Year	Previous Year	Current Year
2007-08	2908	1058	2612	-	1355	770	670
2008-09	1355	1419	1164	-	1610	670	780
2009-10	1610	2081	1629	-	2062	780	1166
2010-11	2062	3835	1653	-	4243	1166	2379
2011-12	4243	5507	2116	-	7634	2379	5476
2012-13	7634	10936	3201	-	15369	5476	11104
2013-14	15369	16196	6030	-	25535	11104	19186
2014-15	25535	12424	4505	2633	30822	19186	22660
2015-16	30822	19599	4777	3354	42291	22660	29495
2016-17	42291	29001	3409	4906	62976	29495	43751

It is observed from Table 2,3,5 and 6, that the Bank had good NPA management during the study period. It was the Bank with least NPAs for the period 2007-2008 to 2011-2012. It was little down for three years 2012-2013 to 2014-2015. The Bank was part of the Consortium of 14 Banks which gave loan to Kingfisher Airlines. The Bank's exposure was to the extent of 38.30 crores. The Bank again raised to the Bank with least NPAs during 2015-16 to 2016-17. The Bank had written off Rs.2633, Rs.3354 and Rs.4906 Millions during the period 2015-16 to 2016-17. The NPAs of the Banks were well managed and the governance of the Bank was good. During the period 2007-2008 to 2011-2012 the Bank was under the leadership of Shri S.R.P..Singh, S.G.S.Vedi, Sandeep Jindal. In the next year 2012-13 the Bank slipped to third last bank with least NPAs when there was no CMD in office and was in charge of an ED (P.K.Anand) and started recovering thereafter under the leadership of Shri Jatinder Singh, who was an IAS Officer. Unfortunately the Bank was a part of 14 Bank Consortium of Loan given to Kingfisher Airlines. It's exposure was to the extent of 38.30 Crores.

### VI. Conclusion

It is observed from the analysis of data for the period 2007-2008 to 2016-2017 regarding Gross NPA's of the Public Sector Banks that SBI, PNB, CBI, BOB and Union Bank of India were in the first group i.e. 1-70 (Poor Performance and Governance). Whereas the other remaining Public Sector Banks were either in the second group i.e. 71-90 (Satisfactory Performance and Governance) or in the third group i.e. 91-100 (Good Performance and Governance).

As regards the Net NPA's of the Public Sector Banks from the analysis of data for the period 2007-2008 to 2016-2017 that the Net NPA's of SBI, CBI, Canara Bank, CBI, IOB, BoI, PNB, BOB, Union Bank of India, IDBI Bank were in the first group i.e. 1-70 (Poor) during most of the years. Whereas the remaining Public Sector Banks were either in the second group i.e. 71-90 (Satisfactory) or in the third group i.e. 91-100 (Good). This shows that

there was Management and Corporate Governance issues in respect of Banks in first group of both Gross NPA's and Net NPA's, as they were not having proper efficient credit management system.

It can also be observed that the bells of rising NPA's were already ringing in respect of Punjab National Bank, which is in news for the big financial scam by a diamond merchant. Also, defaulting of loans given to the both big businessman/houses by the other Banks which are not only in group 1 of our study but also in group two and three are on the rise day by day. Daily we can see fresh cases of defrauding the Banks coming to light and it brings pressure on the economy of our country.

The rising NPA's of the Public Sector Banks is therefore, a concern to our country and the present financial situation and the rising NPA's during the period 2017-2018 and during the first quarter of 2018-2019 and the collapse of financial system in respect of some financial institutions, depreciation of Rupee against Dollar and increase of price of crude oil per barrel in the international market, crashing of share market recently is a matter of concern. In addition to it the merger and amalgamation of the PSBs and branches of some of the PSBs are adding up to the concerns. The recent statements made by some of the eminent economist, financial experts and high position persons holding office in the Government leaves common man feel unsecured in the present financial scenario. It is therefore, necessary to control the rising NPA's of the Banks, to effect recovery of the loans and advances given to the business communities ensure good corporate governance policies, qualified, dedicated and honest top management. It is also necessary to have tight financial measures by the Government and the Regulators and Supervisors of the Banks in India, and to bring financial discipline in the entire financial system of the country or else one will not be surprised if the next world financial crisis similar to the 2007-2008 US financial crisis starts from India as collapse of one Bank will lead to collapse of entire financial system of our country around the globe.

## **VII. Limitations & Scope For Future Study**

### **7.1 Limitations –**

The Limitations of the Study is that it is based on secondary data and is a part of the thesis to be submitted by the principal author to the university.

### **7.2 Scope for Future Study -**

The principal author has taken a look into the secondary data Gross and Net NPA's of Private Sector Banks in the thesis to be submitted to the University of Mumbai, to find out impact of Gross and Net NPA's on the Performance of the select Public and Private Sector Banks in India.

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Abhay Korde "ABC Analysis Of Public Sector Bank's Gross And Net NPA's For The Period 2007-2008 To 2016-2017" "International Journal of Business and Management Invention (IJBMI) , vol. 07, no. 10, 2018, pp 49-64