

Executive Summary

The main aim of any person is the utilization money in the best manner since the India is country were more than half of the population has problem of running the family in the most efficient manner. However Indian people faced large number of problem till the development of the full-fledged banking sector. The Indian banking sector came into the developing nature mostly after the 1991 government policy. The banking sector has really helped the Indian people to utilize the single money in the best manner as they want. People now have started investing their money in the banks and banks also provide good returns on the deposited amount. The people now have at the most understood that banks provide them good security to their deposits and so excess amounts are invested in the banks. Thus, banks have helped the people to achieve their socio economic objectives. The banks not only accept the deposits of the people but also provide them credit facility for their development. Indian banking sector has the nation in developing the business and service sectors. But recently the banks are facing the problem of credit risk .It is found that many general people and business people borrow from the banks but due to some genuine or other reasons are not able to repay back the amount drawn to the banks. The amount which is not given back to the banks is known as the non performing assets. Many banks are facing the problem of nonperforming assets which hampers the business of the banks. Due to NPA the income of the banks is reduced and the banks have to make the large number of the provisions that would curtail the profit of the banks and due to that the financial performance of the banks would not show good results The main aim behind making this report is to know how Cooperative Sector Banks are operating their business and how NPA play its role to the operations of the Cooperative Sector Banks . Comparative analysis of NPA of selected banks and also find out the co- relation between NPA and profitability of selected cooperative banks. There are five chapters in this research.

The first chapter is about “An Overview of the Banking Sector in India” This chapter presents Introduction, Origin of the word Bank, Definition of Bank, Features of Banking, History of Indian Banking System, Banking System India, Overview of Indian Banking System, Growth of Banking Industry, Types of Banks in India, Role of Banks in India, Functions of modern Bank, Future of Indian Banking, Services of Indian Bank, E- Banking, Problems & Prospects of Indian Banks, Conclusion.

In the second chapter researcher discusses “Conceptual frame work of NPA management” This chapter presents Introduction, Meaning and definition of NPA, Factors contributing to NPA, Reasons for NPA, Early warning signals for NPA, Impact of NPA, Management of NPA, Remedies Available for NPA, Recommendations of the Narsimham Committee, RBI Guidelines for NPA Recognition, Why and How does an account become an NPA Treatment of account as NPA, Income Recognition, Provisioning norms for NPA, conclusion.

In the third chapter , "Research Methodology" This chapter presents Introduction, The title of the study, Review of literatures, Relevance of the study, Scope of the study, Objectives of the study, Research Methodology, Hypothesis, Universe of the study, Nature of the study, Research Design, Sampling Design, Data Collection, Data Analysis, Chapter Plan, Limitation of the study.

Fourth Chapter divided into Three parts researcher discussed first part “ Analysis of Non-Performing Assets of Selected Banks” This chapter is completely based on the secondary information collected through published annual reports of the selected banks. The collected data is analyzed by preparing tables and ratios has used to know nonperforming assets of the selected banks during the study period. Ratios like gross NPA ratio, Net NPA ratio, problem assets ratio, total provision ratios, doubtful assets ratio, loss assets ratio, and depository safety ratio etc. In the second part "Comparative Analysis of nonperforming assets " This chapter is also based on secondary data collected through published annual reports of the selected banks. Comparative analysis of different ratios related to NPAs of selected banks has been done with line chart. It covers the broader hypothesis testing and conclusions have been drawn on the basis of the analysis. Third part was main part of the minor research project “Impact of NPA on Profitability” This chapter includes introduction, Correlation of NPA with ROA of Selected banks, Correlation of GNPA with ROA of selected Banks, Correlation of NNPA with ROA of selected Banks. It covers the broader hypothesis testing and conclusions have been drawn on the basis of the analysis and Different Ratios related to NPAS , mean , ANOVA, Co- relation etc. have been used to analysis

In the last chapter researcher also try to give suggestions to reduce the NPA . Thus, the study would help the decision makers to understand the financial performance and growth of selected different Cooperative Banks compared to the NPA.

I hope this research work will help to academicians as well as concerns.

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