A Comparative Study of Non-Performing Assets in Scheduled Commercial Banks during Pre SARFAESI Period and Post SARFAESI Period

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Abstract

Non-performing assets have adversely affected the profitability of all scheduled commercial banks of India. Almost all banks whether it is public sector bank, new private sector bank or old private sector bank in India, are affected with this death worthy disease. Government of India has enacted many legislatures to recover the dead amount of loan advanced by banks from time to time. However, SARFAESI act is major enactment that has been introduced in 2002. In this research paper, an attempt is made to analyze the status of non-performing assets in sector wise banks before and after enactment of SARFAESI Act 2002.

Keywords: *Gross NPA, Net NPA, Pre SARFAESI, Post SARFAESI, Public sector Banks, New Private Sector Banks, Old Private sector Banks.*

Introduction

Banking sector in India is going through a transformation since era of the beginning liberalization. Interest rate has declined considerably. The performance of banks has improved slightly over time. However, public sector banks are doing the worst among all banks. The banking sector as a whole especially the public sector banks still suffer from considerable Non-performing Assets. The growing NPAs have been reeling under high level of bad debts. But the situation has improved over time. In the recent past, the bank regulators have introduced a number of measures to link the regulation of commercial banks to the level of risk and financial liability of these banks (Aspal&Malothra 2012). New legal developments like the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act provide new option to banks in their struggle against non-performing assets.

Non-Performing Assets

An asset is classified as non-performing asset (NPA) if the borrower does not pay dues in the form of principal and interest for a period of 180 days. However, with effect from March 2004, default status would be given to a borrower if dues were not paid for 90 days.

If any advance or credit facilities granted by a bank or the financial institution to a borrower become non performing, then the bank have to treat all the advances/credit facilities granted to that borrower as non performing without having any regard to the fact there may still exist certain advances/credit facilities having performing status.

With a view to moving toward international best practices and to ensure greater transparency, it has been decided to adopt the '90 days overdue' norms for identification of non-performing assets, from the year ending 31 March 2004. Thus with effect from March 2004, a non-performing asset (NPA) shall be a loan or an advance where:

1. Interest and/or installment of principal remain overdue for a period of more than 90 days in respect of a Term Loan.

2. The account remains 'out of order for more than 90 days, in respect of an overdraft/cash credit.

3. The bill remains overdue for a period of more than 90 days in the case of bill purchased and discounted.

4. 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 agriculture purpose and

5. Any amount to be received remains overdue for a period of more than 90 days in respect of other accounts.

Classification of assets

From the Reserve Bank of India definition of Non-Performing Asset, assets are categorized as follows.

1) Standard Assets: Assets which do not disclose any problem or once which carry only the normal risk to be classified as standard.

2) Sub-Standard assets: It is one which has been classified as Non-performing asset for a period not exceeding 12 months. With effect from 31 March 2005 a substandard asset is one which has remained NPA for a period less than or equal to one year (12 months) Thus the earlier period of 18 months has been reduced to 12 months.

3) Doubtful Assets: A doubtful asset is one, which remains sub- standard for a period of 12 months. With effect from 31 March 2005, an asset is classified as doubtful, if it has remained substandard for period of 12 months. Thus, the earlier period of 18 months has now reduced to 12 months.

4) Loss assets: Assets where the losses are confirmed or these are considered as uncorrectable are categorized as loss assets. These are the assets where the bank or external auditors or Reserve Bank of India, inspectors has identified loss but the amount has not written off, wholly or partly.

Review of Literature

Menon (2015) The level of NPA in private sector banks is lower than their nationalized counterparts. This could be due to better credit standards maintained by these private players. However, the authorities should ensure that the interest of customers is protected by the banks and they are not exceeding the limits, so as to reduce the NPA levels

Roy (2014) The alarming thing is that all the developed and developing countries have already managed to curb the NPA level from the high of 2008-09 at the time of global recession, where it is still rising in India.

Mukund (2011) found that the cases get delayed inordinately in a Debt Recovery Tribunal much against the spirit and motive of its very establishment. Banks have expressed their dissatisfaction with the system that was instituted to ensure speedy recovery.

Objectives of the Study

1. To review the sector wise NPA position of scheduled commercial banks in pre –SARFAESI period and post SARFAESI period.

2. To assess the comparative position of NPAs of scheduled commercial banks in pre –SARFAESI period and post SARFAESI period.

Sources of Data

The data collected is mainly secondary in nature. The sources of data for this paper include the literature published by Indian Banking Association and Reserve Bank of India, various magazines, Journals, Books dealing with the current banking scenario and research papers.

Research Methodology

Research design used to carry out this study is descriptive research because it deals with statistical data and the main aim of the report is to review the NPA position of public sector banks, new private sector banks and old private sector banks during pre –SARFAESI Act 2002 and post SARFAESI Act 2002. An attempt has been made to analyse the sector wise magnitude of non-performing assets of banks under study. The study is done on the basis of data for the period of 20 years that has been segregated in two phases i.e Phase-I for 7 years (1996-97 to 2002-03) during Pre SARFAESI Act and Phase-II for 13 years (2003-04 to 2015-16) during Post SARFAESI Act. The sample size consists of 10 Public Sector Banks 5 New Private Sector Banks and 5 old Private Sector Banks. The scope of the study is limited to the analysis of NPAs of Sector wise selected scheduled commercial Banks in two phases. It examines comparative analysis of Gross NPA ratio, Net NPA ratio and rank them as per mean during PRE SARFAESI period and POST SARFAESI

period. The data has been analyzed using percentage method, and selected statistical tools such as mean, compound annual growth rate and ranking. Data is presented with the help of tables,

charts etc.

Table 2 shows the gross NPA ratio of sector wise scheduled

l banks in pre –SARFAESI period and post SARFAESI period.

SR.NO.	NAME OF THE BANK	TYPE OF BANK	Abbreviations
1.	STATE BANK OF INDIA	Public Sector Bank	SBI
2.	STATE BANK OF PATIALA	Public Sector Bank	SBOP
3.	ALLAHABAD BANK	Public Sector Bank	AB
4.	BANK OF INDIA	Public Sector Bank	BOI
5.	CANARA BANK	Public Sector Bank	CB
6.	CENTRAL BANK OF INDIA	Public Sector Bank	CBI
7.	INDIAN BANK	Public Sector Bank	IB
8.	PUNJAB AND SINDH BANK	Public Sector Bank	PSB
9.	PUNJAB NATIONAL BANK	Public Sector Bank	PNB
10.	UCO BANK	Public Sector Bank	UB
11.	HDFC BANK	New Private Sector Bank	HDFC
12.	ICICI BANK	New Private Sector Bank	ICICI
13.	AXIS BANK(UTI BANK)	New Private Sector Bank	AXIS
14.	INDUSIND BANK	New Private Sector Bank	ISB
15.	DEVLOPMENT CREDIT BANK	New Private Sector Bank	DCB
16.	CITY UNION BANK	Old Private Sector Bank	CUB
17.	DHANLAKSHMI BANK	Old Private Sector Bank	DB
18.	FEDERAL BANK	Old Private Sector Bank	FB
19.	JAMMU AND KASMIR BANK	Old Private Sector Bank	JKB
20.	KARNATAKA BANK	Old Private Sector Bank	KB

commercial banks during PRE SARFAESI Period with significant statistics like mean, growth rate of NPA's through CAGR. From the above table it is seen that gross NPA of public sector banks is in the downward trend with varying growth. The compound annual growth rate of public sector banks under study is in the range of -18.61% to -5.20%. The gross NPA of New private sector banks is having the upward trend with varying growth. The compound annual growth rate of New private sector banks under study is in very high range of -20.31% to 28.20%. In the same way, the gross NPA of old private sector banks is having generally the upward trend with varying growth. The compound annual growth rate of old private sector banks under study is in the range of -5.11% to 11.80%. As per the mean, which is the representative of data in the group, banks are ranked in ascending order, which interpret the gross NPA that better the performance, lower the ratio. From the above table it is extracted that HDFC Bank is ranked first as it was able to manage lowest

means GNPA ratio of 2.35%, followed by ICICI Bank at second position with mean GNPA ratio of 5.11%. Indian Bank and Punjab and Sind Bank have got lowest rank of 20 with a mean ratio of 28.79% and 19 with a mean ratio of 21.67% respectively followed by Allahabad Bank of 18th rank with GNPA ratio of 19.22%.

Similar trend has been shown by net NPA ratio in Table - 3 during PRE SARFAESI Act period. From the above table it is extracted that HDFC Bank is ranked first as it was able to manage lowest means NNPA ratio of 0.63%, followed by ICICI Bank at second position with mean NNPA ratio of 2.88% and third rank achieve by Jammu and Kashmir Bank with mean GNPA ratio of 3.36%. Indian Bank and Allahabad Bank have got lowest rank of 20 with a mean ratio of 16.32% and 19 with a mean ratio of 12.02% respectively followed by Punjab and Sind Bank at 18th Rank with 11.09%.

Table 2: Sector wise Gross NPA ratio and Ranks of Individual Banks (PRE-SARFAESI Act 2002)

Sectors	Banks	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	Mean	SD	Rank	CAGR
Public Sector Bank	SBI	16.02	14.14	15.56	14.25	12.93	11.95	9.34	13.46	2.29	14	-8.60%
	SBP	11.32	11.88	13.98	10.99	9.66	6.94	4.80	9.94	3.12	8	-13.32%
	AB	23.93	23.18	20.09	19.07	17.66	16.94	13.65	19.22	3.59	18	-8.93%
	BOI	11.78	11.55	11.87	12.90	10.25	9.37	8.55	10.90	1.55	10	-5.20%
	CB	20.26	18.69	18.32	10.42	7.48	6.22	5.96	12.48	6.38	12	-18.45%
	CBI	25.00	20.47	17.41	16.63	16.06	14.70	13.06	17.62	3.99	17	-10.26%
	IB	39.12	38.96	38.70	32.77	21.76	17.86	12.39	28.79	11.27	20	-17.44%
	PSB	30.71	26.79	23.01	15.27	18.45	18.19	19.25	21.67	5.46	19	-7.49%
	PNB	16.31	14.50	14.12	13.19	11.71	11.38	11.58	13.26	1.84	13	-5.55%
	UCO	28.35	24.04	22.55	18.79	11.64	9.59	8.24	17.60	7.86	16	-18.61%
Old Private Sector	AXIS	4.33	7.15	7.86	5.47	4.64	5.18	3.16	5.40	1.63	3	-5.11%
	CUB	8.50	11.03	12.02	12.40	13.69	13.20	12.11	11.85	1.71	11	6.08%
	DCB	8.09	7.03	6.25	7.40	7.84	9.29	9.56	7.92	1.19	6	2.82%
	DB	6.75	15.68	18.80	14.58	14.77	15.29	13.18	14.15	3.69	15	11.80%
	FB	7.00	7.34	10.93	11.75	12.84	11.88	8.21	9.99	2.41	9	2.69%
New Private Sector	HDFC	0.50	3.04	1.65	3.07	2.81	3.18	2.22	2.35	0.99	1	28.20%
	ICICI	2.24	1.93	4.72	2.54	5.42	10.23	8.72	5.11	3.28	2	25.42%
	ISB	2.74	5.33	10.08	7.14	6.13	7.41	4.94	6.25	2.30	4	10.32%
	JKB	12.14	9.40	7.90	6.52	4.97	3.62	3.11	6.81	3.26	5	-20.31%
	KB	4.47	4.98	8.01	8.82	10.58	10.43	12.99	8.61	3.08	7	19.46%

Table 3: Sector wise Net NPA ratio and Ranks of Individual Banks (PRE-SARFAESI Act 2002)

Sectors	Banks	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	Mean	SD	Rank	CAGR
Public Sector Bank	SBI	7.30	6.07	7.18	6.41	6.03	5.63	4.50	6.16	0.95	10	-7.75%
	SBP	5.88	7.04	8.23	6.09	4.92	2.94	1.49	5.23	2.34	6	-20.45%
	AB	14.84	15.09	12.54	12.24	11.23	11.09	7.08	12.02	2.70	19	-11.60%
	BOI	6.93	7.34	7.28	7.55	6.72	6.02	5.37	6.74	0.79	11	-4.16%
	CB	9.32	7.52	7.09	5.20	4.84	3.89	3.59	5.92	2.11	8	-14.70%
	CBI	14.40	12.21	9.79	9.84	9.72	7.98	7.02	10.14	2.49	16	-11.29%
	IB	25.24	26.01	21.67	16.80	10.06	8.28	6.15	16.32	8.26	20	-20.97%
	PSB	12.04	10.84	10.48	9.39	12.27	11.70	10.89	11.09	1.00	18	-1.66%
	PNB	10.38	9.57	8.96	8.52	6.69	5.32	3.86	7.61	2.39	14	-15.20%
	UCO	13.73	11.14	10.83	8.75	6.35	5.45	4.36	8.66	3.43	15	-17.40%
Old Private Sector	AXIS	3.66	5.63	6.32	4.71	3.43	2.74	2.39	4.13	1.47	4	-6.86%
	CUB	5.30	7.54	7.96	7.26	8.20	8.22	8.21	7.53	1.05	13	7.57%
	DCB	5.93	5.02	4.79	5.86	6.12	6.47	7.76	5.99	0.98	9	4.58%
	DB	4.51	11.01	12.33	11.08	11.34	11.66	9.25	10.17	2.67	17	12.72%
	FB	7.16	5.28	7.53	8.56	10.08	8.60	4.95	7.45	1.85	12	-5.97%
New Private Sector	HDFC	0.01	1.24	1.08	0.77	0.45	0.50	0.37	0.63	0.43	1	82.54%
	ICICI	1.73	1.14	2.88	1.53	2.19	5.48	5.21	2.88	1.77	2	20.17%
	ISB	2.08	3.96	7.20	5.98	5.25	6.59	4.25	5.04	1.76	5	12.65%
	JKB	6.03	4.57	3.79	3.22	2.45	1.88	1.58	3.36	1.58	3	-20.01%
	KB	3.12	3.06	4.99	5.73	6.93	5.90	7.36	5.30	1.70	7	15.38%

Table 4 shows the gross NPA ratio of sector wise scheduled commercial banks during POST SARFAESI period with significant statistics like mean, growth rate of NPA's through CAGR. From the above table it is seen that gross NPA of public sector banks is generally in the upward trend with varying growth. The compound annual growth rate of public sector banks under study is in the range of -8.23% to 7.27%. The gross NPA of New private sector banks is having the mixed trend with varying growth. The compound annual growth rate of New private sector banks under study is in range of -10.51% to 8.75%. In the same way, the gross NPA of old private sector banks is having generally the downward trend with varying growth. The compound annual growth rate of old private sector banks under study is in the range of -13.14% to -4.25%. As per the mean, which is the representative of data in the group, banks are ranked in ascending order, which interpret the gross NPA that better the performance, lower the ratio. From the above table it is extracted that HDFC Bank is ranked first as it was able to manage lowest

means GNPA ratio of 1.29%, followed by Axis Bank at second position with mean GNPA ratio of 1.46% and third rank achieve by IndusindBank.Bank with mean GNPA ratio of 1.88%. Development Credit Bank and Central Bank of India have got lowest rank of 20 with a mean ratio of 6.15% and 19 with a mean ratio of 5.97% respectively followed by Punjab and Sind Bank of 18th rank with GNPA ratio of 5.51%.

Similar trend has been shown by net NPA ratio in Table - 4.104 during POST SARFAESI Act period. From the above table it is extracted that HDFC Bank is ranked first as it was able to manage lowest means NNPA ratio of 0.31%, followed by AXIS Bank at second position with mean NNPA ratio of 0.63% and third rank achieve by Federal Bank with mean GNPA ratio of 0.98%. UCO Bank and Central Bank of India have got lowest rank of 20 with a mean ratio of 2.91% and 19 with a mean ratio of 2.89% respectively followed by Punjab and Sind Bank at 18th Rank with 2.87%

Table 4: Sector wise Gross NPA ratio and Ranks of Individual Banks (POST-SARFAESI Act 2002)

Sectors	Banks	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Mean	SD	Rank	CAGR
Public Sector Bank	SBI	7.75	5.96	3.90	2.92	3.04	2.98	3.28	3.48	4.90	4.75	4.95	4.25	6.50	4.51	1.50	14	-1.46%
	SBP	3.71	4.13	2.40	1.80	1.42	1.30	2.14	2.60	2.94	3.25	4.44	5.41	7.87	3.34	1.83	8	6.47%
	AB	8.66	5.80	3.90	2.61	2.01	1.80	1.71	1.80	1.91	3.92	5.72	5.46	9.75	4.23	2.70	12	0.99%
	BOI	7.86	5.45	3.70	2.42	1.68	1.70	1.64	2.64	2.90	2.99	3.24	5.39	13.06	4.21	3.21	11	4.32%
	CB	6.33	3.89	2.30	1.51	1.31	1.60	1.53	1.47	1.75	2.57	2.49	3.89	9.40	3.08	2.37	6	3.35%
	CBI	12.55	9.50	6.80	4.81	3.16	2.70	2.32	1.82	4.83	4.80	6.27	6.09	11.95	5.97	3.48	19	-0.41%
	IB	7.99	4.19	2.90	1.85	1.21	0.90	0.76	0.99	1.94	3.33	3.67	4.40	6.65	3.14	2.26	7	-1.52%
	PSB	18.16	18.16	9.60	2.43	0.74	0.70	0.63	0.99	1.64	2.96	4.41	4.76	6.48	5.51	6.20	18	-8.23%
	PNB	9.35	5.96	4.10	3.45	2.74	1.80	1.71	1.79	3.15	4.27	5.25	6.55	12.90	4.85	3.27	15	2.72%
	UCO	6.93	4.96	3.30	3.17	2.97	2.20	2.15	3.32	3.73	5.42	4.32	6.76	16.09	5.02	3.67	17	7.27%
Old Private Sector Banks	AXIS	2.88	1.98	1.70	1.13	0.83	1.10	1.39	1.28	1.18	1.19	1.29	1.36	1.71	1.46	0.52	2	-4.25%
	CUB	10.36	5.89	4.30	2.58	1.81	1.80	1.36	1.21	1.01	1.13	1.81	1.86	2.41	2.89	2.64	4	-11.44%
	DCB	8.19	14.19	15.00	5.14	1.55	8.80	8.68	5.86	4.40	3.18	1.68	1.76	1.51	6.15	4.61	20	-13.14%
	DB	11.43	8.51	6.70	5.06	2.95	2.00	1.53	0.74	1.18	4.81	5.99	6.70	6.36	4.92	3.17	16	-4.77%
	FB	7.44	7.29	4.60	2.95	2.42	2.60	2.97	3.49	3.35	3.44	2.46	2.03	2.83	3.68	1.75	9	-7.74%
New Private Sector Banks	HDFC	1.86	1.69	1.40	1.39	1.42	2.00	1.44	1.06	0.95	0.85	0.91	0.89	0.92	1.29	0.39	1	-5.70%
	ICICI	4.70	4.27	1.50	2.08	3.30	4.30	6.52	5.80	4.83	3.22	3.02	3.78	5.82	4.09	1.48	10	1.80%
	ISB	3.30	3.53	2.90	3.07	3.04	1.60	1.23	1.01	0.98	1.02	1.12	0.81	0.87	1.88	1.08	3	-10.51%
	JKB	3.04	2.72	2.50	2.89	2.53	2.60	1.97	1.95	1.54	1.59	1.06	5.96	8.32	2.97	2.00	5	8.75%
	KB	11.93	7.58	5.10	3.95	3.42	3.70	3.73	3.97	3.26	2.51	2.92	2.95	3.44	4.50	2.57	13	-9.84%

Sectors	Banks	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Mean	SD	Rank	CAGR
Public Sector Bank	SBI	3.48	2.65	1.88	1.56	1.78	1.79	1.72	1.63	1.82	2.10	2.57	2.12	3.81	2.22	0.72	14	0.76%
	SBP	1.36	1.23	0.99	0.83	0.60	0.60	1.04	1.21	1.35	1.62	3.17	3.88	3.98	1.68	1.19	9	9.36%
	AB	2.37	1.28	0.84	1.07	0.80	0.72	0.66	0.79	0.98	3.19	4.15	3.99	6.76	2.12	1.89	13	9.13%
	BOI	4.50	2.80	1.49	0.95	0.52	0.44	1.31	0.91	1.47	2.06	2.00	3.36	7.79	2.28	2.02	15	4.68%
	CB	2.89	1.88	1.12	0.94	0.84	1.09	1.06	1.10	1.46	2.18	1.98	2.65	6.42	1.97	1.50	12	6.88%
	CBI	5.57	2.98	2.59	1.70	1.45	1.24	0.69	0.65	3.09	2.90	3.75	3.61	7.36	2.89	1.93	19	2.35%
	IB	2.71	1.35	0.79	0.35	0.24	0.18	0.23	0.53	1.33	2.26	2.26	2.50	4.20	1.46	1.25	6	3.72%
	PSB	9.62	8.11	2.43	0.66	0.37	0.32	0.36	0.56	1.19	2.16	3.35	3.55	4.62	2.87	3.02	18	-5.93%
	PNB	0.98	0.20	0.29	0.76	0.64	0.17	0.53	0.85	1.52	2.35	2.85	4.06	8.61	1.83	2.35	10	19.85%
	UCO	3.65	2.93	2.10	2.14	1.98	1.18	1.17	1.84	1.96	3.17	2.38	4.30	9.09	2.91	2.07	20	7.90%
Old Private Sector Banks	AXIS	1.29	1.39	0.98	0.72	0.42	0.40	0.40	0.29	0.27	0.36	0.44	0.46	0.74	0.63	0.38	2	-4.53%
	CUB	6.37	3.37	1.95	1.09	0.98	1.08	0.58	0.52	0.44	0.63	1.23	1.30	1.53	1.62	1.62	8	-11.21%
	DCB	4.84	6.34	4.50	1.64	0.66	3.88	3.11	0.96	0.57	0.75	0.91	1.01	0.75	2.30	1.98	16	-14.39%
	DB	6.68	3.92	2.82	1.75	0.88	0.88	0.84	0.30	0.66	3.36	3.80	3.29	2.78	2.46	1.81	17	-7.05%
	FB	2.89	2.21	0.95	0.44	0.23	0.30	0.48	0.60	0.53	0.98	0.74	0.73	1.64	0.98	0.80	3	-4.61%
New Private Sector Banks	HDFC	0.16	0.24	0.44	0.43	0.47	0.63	0.31	0.19	0.18	0.20	0.27	0.25	0.28	0.31	0.14	1	4.77%
	ICICI	2.21	1.65	0.72	1.02	1.55	2.09	2.12	1.11	0.73	0.77	0.97	1.61	2.98	1.50	0.70	7	2.52%
	ISB	2.72	2.71	2.09	2.47	2.27	1.14	0.50	0.28	0.27	0.31	0.33	0.31	0.36	1.21	1.06	5	-15.51%
	JKB	1.48	1.41	0.92	1.13	1.07	1.38	0.28	0.20	0.15	0.14	0.22	2.77	4.31	1.19	1.20	4	9.32%
	KB	4.98	2.29	1.18	1.22	0.98	0.98	1.31	1.62	2.11	1.51	1.91	1.98	2.35	1.88	1.05	11	-6.07%

Table 6: Composite Ranks of Scheduled Commercial Banks

Bank	Pre SARFAESI Act 2002 (1996-97 to 2002-03)				Post SARFAESI Act 2002 (2003-04 to 2015-16)			
	Ranks as per GNPA	Ranks as per NNPA	Average	Composite Ranks	Ranks as per GNPA	Ranks as per NNPA	Average	Composite Ranks
SBI	14	10	12	12	14	14	14	15
SBP	8	6	7	6	8	9	8.5	8
AB	18	19	18.5	18	12	13	12.5	12
BOI	10	11	10.5	10	11	15	13	14
CB	12	8	10	9	6	12	9	10
CBI	17	16	16.5	17	19	19	19	20
IB	20	20	20	20	7	6	6.5	7
PSB	19	18	18.5	18	18	18	18	17
PNB	13	14	13.5	14	15	10	12.5	12
UCO	16	15	15.5	15	17	20	18.5	19
AXIS	3	4	3.5	3	2	2	2	2
CUB	11	13	12	12	4	8	6	5
DCB	6	9	7.5	8	20	16	18	17
DB	15	17	16	16	16	17	16.5	16
FB	9	12	10.5	10	9	3	6	5
HDFC	1	1	1	1	1	1	1	1
ICICI	2	2	2	2	10	7	8.5	8
ISB	4	5	4.5	5	3	5	4	3
JKB	5	3	4	4	5	4	4.5	4
KB	7	7	7	6	13	11	12	11

Table 6 shows the composite rank of each bank, this is computed by averaging the ranks of banks as per GNPA and NNPA. This reason behind this is that average performance in each will determine goodness in performance of bank to curb the nonperforming assets during PRE SARFAESI period and during POST SARFAESI period. In above concluding table, final ranks are assigned to banks is based on the average of earlier two ranks. It can be seen that in PRE SARFAESI period, HDFC Bank has been proved as best performer and ranked first followed by ICICI Bank at second position. Third rank achieved by Axis Bank and 4th rank is attained by Jammu and Kashmir Bank. Indian Bank has lowest rank of 20. Allahabad Bank and Punjab and Sind Bank have same ranking of 18 followed by Central Bank of India with 17th rank.

Conclusion

The NPAs have always created a big problem for the banks in India. It is just not only problem for the banks but for the economy too. Profitability of banks is adversely affected due to growth in non-performing assets. It is very important for banking sector to curb non-performing assets maintain profitability and survival in long run. Results of above study has enlighten the sector wise level of nonperforming assets of different scheduled banks and relation between different banks in the level of nonperforming assets in two phases i.e PRE SARFAESI period and POST SARFAESI period. It is found that during PRE SARFAESI period, level of gross and net NPA ratio of public sector banks is on an average in downward trend. On the other hand, new and old private sector have on an average upward

trend of non-performing assets on the contrary, during POST SARFAESI period, public sector banks and have shown ineffectiveness of SARFAESI Act, 2002 to curb NPAs. Whereas, new and old private sector banks have shown better management to curb NPAs. However, Indian Bank has slippages during the period of study in controlling of NPAs in the early years of the decade. (Selvarajana & Vadivalagan 2013).

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