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Ph.D Thesis Title : An Analysis of Non-Performing Assets in Regional Rural Banks in India in Post Transformation Era

Abstract

The first chapter is devoted to the discussion on the concept of bank and banking, evolution of Regional Rural Banks (RRBs), objectives and functions of RRBs and history of rural credit. Moreover, the need, objectives, research methodology, and organization of the study have also been discussed in the present chapter.

In the Second chapter, discussion on the recommendations of various committees constituted by Government of India for reforming the RRBs and the performance of RRBs after consolidation in the post transformation period which has taken place as a result of recommendations of these committees. NPAs have always been the cause of concern for any bank especially the RRB. NPAs erode the profitability of a bank and can even put its survival in danger. Hence, after the discussion on the performance of RRBs in the post consolidation period in the present chapter, it was felt necessary to discuss the conceptual framework of NPAs in Indian banking industry which has been made the subject matter of the subsequent chapter.

Third chapter explains the framework for NPAs of RRBs in India including the norms for asset classification, income recognition and provisioning. The chapter also discusses the reasons for NPAs and the measures that can be taken by RRBs for managing NPAs. It is after the discussion of the assets classification norms for RRBs, their income recognition, provisioning, causes for NPAs, and the measures for NPAs management in the present chapter, the next chapter analyzes the trends of NPAs of RRBs among different bank groups

to find out the changes in their assets quality and the behavior of NPAs with regard to their types and distribution.

As mentioned above, fourth chapter is devoted to the analysis of the trends of NPAs of RRBs among different bank groups for a five year period from FY 2010-11 to FY 2014-15 considering the two phases of amalgamation to find out the changes in the assets quality of RRBs and the behavior of their NPAs with regard to their types and distribution. An analysis of NPAs in three major RRBs is being taken into account to assess the performance of NPAs in RRBs.

In the fifth chapter, an attempt has been made to study of causes of NPAs, consequences of NPAs, impact of NPAs on the performance of banks with especial reference to the impact of NPAs on the profitability of RRBs in the post consolidation period.

Sixth chapter is devoted study the strategies followed by RRBs for the management of NPAs to reduce the present NPAs and to avoid the further slippage of standard assets to NPAs category. The strategies adopted to attain its objective include creation of proper data base, creating awareness among bank staff, strengthening pre-sanction appraisal, post sanction monitoring and follow up system of loan accounts, rehabilitation of potentially viable sick units, review and renewal of loan accounts, meetings with borrowers, checking slippage of standard accounts to NPAs, setting up of recovery/legal departments, recovery of dues through compromise settlements, bringing attitudinal change, writing-off bad debts, possession and sale of assets of the borrowers, supervision over the working of banks, following principles of lending, and effective recovery management.

The Seventh chapter deals with the summary, conclusions, limitations, future scope of the study, and the recommendations that derive from the study to minimize the level of NPAs so that RRB's can improve their performance through increase in productivity and profitability.