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Abstract— Indian banking sector has been facing so many serious issues regarding the increasing level of Non- Performing Assets (NPAs). The objective of our study is to find out the sector which has higher NPAs (Public/Private sector banks), causes and control measures for rising NPAs. The articles from 2010 to 2017 is used for the study of NPAs in banking sector of India. Majority of the articles deals with level and controlling measures of NPAs in Indian banking sector. The best indicator for the soundness of the banking sector of a country is its level of Non-performing resources (NPAs).

Keywords— *Non-Performing Assets, Banking sector, causes of NPAs, controlling measures, Public Sector Banks, credit risk*

I. INTRODUCTION

Banking is considered as the life blood of every country's economy. Any issue relating to the banking sector will adversely affect the economy. Indian banking sector has been facing so many serious issues regarding the increasing level of Non- Performing Assets (NPAs). According to RBI, Non-Performing Asset indicates an asset of borrower, which has been classified by a financial institution as sub-standard, loss or doubtful asset, with respect to the guidelines relating to asset classification. NPAs directly impacts on the liquidity, profitability and the overall quality of assets and successful survival of banks. The increasing level of default is leading to rise in Non-Performing Assets, reducing the profitability and quality assets in financial statements of banking sector. The issue of NPAs isn't just influencing the bank but also the entire economy. The NPA size on banking sector is comparatively higher in public sectors banks. To maintain the profitability and efficiency of banks the NPA must to be controlled and reduced. The level of NPA is best indicator for assessing the health of banking sector of a country. One of the key driver of NPAs in the banking sector is the Directed loan system under which commercial banks are required to provide 40% level of their credit to the priority sector of the financial system.

II. METHODOLOGY

This section provides an over-view of the existing research which focuses on a study on Non-Performing Assets in Indian banking sector. Banking system is considered as a basic part in economic progress and improvement of a nation through activation of reserve funds and arrangement of assets

to the beneficial segments. The problem of 'Non Performing Asset's isn't limited to Indian banks just actually, this is the issue of all nations of the world, regardless of nation is creating, created or poor. Rathore (2017) In India banks are going up against colossal issue of Non-Performing Assets (NPAs). NPA management needs inclusion and comprehension on the some portion of staff on nonstop premise so that there is centered consideration around recovery. Further, the bank employees for NPA management ought to be experienced, very much qualified and prepared with the goal that they can comprehend the issues of recuperation and manage them successfully. The study done by Ganesan and Santhanakrishnan (2013) find out that the sound financial position of a bank relies on the recovery of credits or its level of Non-performing Assets (NPAs). Decreased NPAs by and large gives the feeling that banks have reinforced their credit evaluation forms throughout the years and development in NPAs includes the need of arrangements, which cut down the general gainfulness of banks. The Indian banking system is confronting a difficult issue of NPA. The greatness of NPA is nearly higher out in the open parts banks. To enhance the proficiency and productivity of banks the NPA should be decreased and controlled.

Banks acting as a catalyst in the monitoring of financial operations and contributes for economic growth of the country. Satyanarayanan (2016) point out that in his studies that Non-Performing Assets reflect the execution of Banks and abnormal state of NPAs suggests that there are substantial quantities of credit defaults that influence the productivity and total assets of banks and furthermore dissolves the esteem of the benefit. The NPAs level of our banks is still high when contrasted with the outside bank. The issue of recovery isn't with little borrowers yet with extensive borrowers and a strict approach ought to be taken after for taking care of this issue. Meher (2017) focuses on how this demonetization would influence this most pivotal issue of keeping banking industry. The short run effect of demonetization can be seen on NPA levels at large scale level by concentrate the present information accessible on daily papers yet the correct NPA level for a long run period must be predicted. A short term positive effect of demonetization can be found in which the current NPAs have lessened a bit. Goyel and Piyush (2017) focuses on his study is to analyze the non-performing assets, net NPAs furthermore, net NPAs of 8 banks in India and to see the connection between net benefit, net NPAs also and gross NPAs. The point of the examination was to break down the

yearly reports of 8 banks to see the circumstance of NPAs in the nation. As we have done the examination on Net NPAs, Net Profit and Gross NPAs, we have discovered the connection between Net NPAs and Net Profit. The study concludes that NPAs are higher in public sector banks than that of private sector bank.

Pradhan (2012) find out that the amount of NPA constrained the banks to charge higher PLR and PLR related loan costs. This will draw in high risk borrowers which, thus, may bring about more elevated amount of nonperforming progresses in future. Huge borrowers are observed to be the foremost defaulters. Mismanagement of the fund is also considered as one of the main cause of NPA. The study focused with business banks in Orissa state covering six driving banks, for example, SBI, Bank of India, Punjab National Bank, ICICI Bank, Andhra Bank and Bank of India. Ibrahim and Thangavelu (2014) In this paper, concentrates more to investigate the idea of NPAs, factors of credit resources the business banks in India with particular reference to public sector, private sector and foreign banks. The clients and the public would not keep trust on the banks any more if the banks have higher rate of NPAs. In this way, the issue of NPAs must be dealt with in such a way, to the point that would not destroy the money related positions and influence the picture of the banks. Das and Dutta (2014) Non-Performing Assets are a threatening issue for public sector banks, as overseeing and controlling NPA is essential. A loan or rent that does not meet the expressed primary sum and the intrigue sum installments is named as non-performing resources. The study concludes that there is no significant difference between the means of NPA of the banks at five percent level of significance. This study also focuses of the internal and external causes of the growth of NPAs. Natika (2016) .The crash in the banking sector may unfavorably affect different segments. A financier should be exceptionally mindful in loaning, since banker isn't loaning cash out of its own capital. A noteworthy bit of the cash loaned originates from the stores got from people in general and government share. An endeavor is made in this paper to break down the components adding to NPAs, the size of NPAs, purposes behind high NPAs and their effect on Indian keeping money tasks, connection between non-performing resources and business cycles, GDP, Interest rates and so on and to give reasonable recommendations to decrease NPAs in business banks. Pasha& Srivenkataramana (2014) mentioned that there is an increasing level of NPA can be find out (both gross and net) of public sector banks shows a marked rising trend during the 5 year period 2008-13. For better management of NPAs, it is helpful to first survey the causative variables for NPAs so that the remedial moves can be made as needs be. Presence of NPAs reduce the quality of asset report and consequently future wage producing prospects.

Prasad and Veena (2011) The Indian banking system is facing a major issue of NPA. The size of NPA is nearly higher public sector banks. To enhance the effectiveness and

gainfulness of banks the NPA should be lessened and controlled. This paper manages understanding the idea of NPAs, its size and real foundations for a record getting to be non-performing and techniques for overseeing NPA in Indian banks. The best marker for the soundness of the keeping money industry in a nation is its level of Non-performing resources (NPAs). Srivastava (2010) the reforms in the financial sector helped to a great extent to diminish NPA in Indian Bank Industry. This paper endeavors to examine the execution of various banks. To analyze the execution of public sector, private sector and remote banks specific pointers were taken into contemplations. These Indicators were Gross NPAs and Gross Advances. A Study on Non-Performing Resources of Indian banks in India, found that there is a slight change in the benefit quality reflected by decrease in the different NPA rate. The bank needs to make auspicious move against corruption of good performing resources.

Again the study done by Satpal (2014) find out that the issue of NPAs isn't just influencing the bank but also the entire economy. Truth be told abnormal state of NPAs in Indian banks is only an impression of the condition of strength of the business and exchange. It is important to reduce NPAs to enhance the financial sector. This study shows that degree of NPA is nearly high in public sector banks as contrasted with private banks. Although different advances have been taken by government to lessen the NPAs yet at the same time a part should be done to control this issue. Laveena and Guleria (2016) find out that Banks performance is reflected by its NPA level. The large number of NPA disintegrates the estimation of any benefits in banks and it additionally proposes that number of credit defaults in the banks have expanded also, total assets of banks have diminished. The development in NPA level expands the levels you need to set for arrangements which general declines the investors' esteem and benefits as well. In all finished world issue of expanding Non Performance Assets has been talked about ordinarily. Public sector banks must concentrate to contend with private segment banks in each field so they may likewise enroll their opposition. Banks must give careful consideration with respect to the borrower that has wanted advance and examine his/her monetary proclamations altogether to maintain a strategic distance from any entanglements in future that may prompt NPA. Gopi and Paulraj (2015) mentioned in their study about the factors that are adding to NPA are improper credit poor loan management policy, business failures, poor recovery of receivables, industrial recession and adverse exchange rates etc. if the proper management of the NPAs isn't attempted it would hamper the productivity of the banks. The NPAs obliterate the current benefit and intrigue wage and influence the smooth working of the reusing of the assets.

III. DATA ANALYSIS AND INTERPRETATION

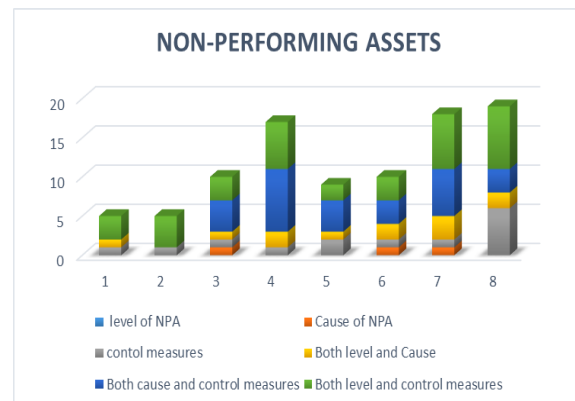
Table 1: Article analysis results

Year	level of NPA	Cause of NPA	Control Measures	Both level and Cause	Both cause and Control measures	Both level and Control measures	All the three	Total no of articles
2010	0	0	1	1	0	3	0	5
2011	0	0	1	0	0	4	0	5
2012	0	1	1	1	4	3	1	11
2013	0	0	1	2	8	6	0	17
2014	0	0	2	1	4	2	4	13
2015	0	1	1	2	3	3	0	10
2016	0	1	1	3	6	7	1	19
2017	0	0	6	2	3	8	1	20
	0	3	14	12	28	36	7	100

Source: Authors' Computation

The articles are categorized into 7 areas like level of NPA, causes of NPA, control measures of NPA, both level and cause, both cause and control measures, both level and control measures and all the three (level, cause and control). The articles are analyzed over years from 2010 to 2017. Out of the 100 articles, 3% of articles dealing with the study of causes of Non-Performing Assets (NPAs), 14% of article focused on the controlling measures of NPAs, 12% of articles deals with the study of both analysis of level and causes of NPAs in commercial banks, 28% of articles deals with the focused on both cause and control measures of NPAs, 36% of articles deals with the study of both level and control measures of NPAs, 7% of articles deals with all the three components like (level, cause and control). More than 51% study conducted during the time period of 2012-2017. From the data we can clearly understand that more number of articles are deals with the study of both level and control measure of NPAs in the Indian banking sector.

Figure 1: Graphical representation of analyzed results



Source: Authors' Computation

From the systematic study of the articles we found out that the level of NPAs is higher in the Public Sector Banks comparing with the Private Sector Banks. After the implementation of several reforms in the Indian banking sector, certain measures were taken to reduce the NPAs. NPAs directly impacts on the liquidity, profitability and the overall quality of assets and successful survival of banks. The huge rates of NPAs have a harmful effect on a bank's benefit in various ways. They are: reduced interest income, erosion of capital base and reduction in their competitiveness, creation of reserves and provisions that come from profits, to act as cushions for loan losses etc. The frequency of non-performing resources (NPAs) is influencing the execution of credit foundations financially. The management of NPAs has a vital importance for strengthening our banking sector as well as our economy.

IV. CONCLUSION

NPAs are one of the most important threatening issue faced by banking sector in the current scenario. Through an efficient monetary mechanism and controlling measures we can reduce the level of NPAs. The objective of our study is to find out the sector in which has higher NPAs (Public/Private sector banks), causes and control measures for rising NPAs. The articles from 2010 to 2017 is used for the study of NPAs in banking sector of India. Majority of the articles deals with the level and controlling measures of NPAs. Out of the total articles we analyzed, we find out that the level of NPAs is higher in Public Sector Banks comparing with Public Sector Banks. 3% of articles dealing with the study of causes of Non-Performing Assets (NPAs), 14% of article focused on the controlling measures of NPAs, 12% of articles deals with the study of both analysis of level and causes of NPAs in commercial banks, 28% of articles deals with the focused on both cause and control measures of NPAs, 36% of articles deals with the study of both level and control measures of NPAs, 7% of articles deals with all the three components like (level, cause and control). The root of the issue of rising NPAs lies in the nature of overseeing credit chance by the banks and willful defaulters.

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