CHAPTER – 7
SUMMARY, FINDINGS, SUGGESTIONS

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CHAPTER – 7
SUMMARY, FINDINGS, SUGGESTIONS

7.1 Summary:
The present research work is divided into seven different chapters.

Chapter – 1: An Introduction to Banking Sector:

This chapter is focused on origin of banking worldwide. The chapter says that the banking emerged 2000 B.C. in ancient Greece. The historical evidences show that the letter of credit existed during 221 B.C. to 206 B.C. in ancient China during Qin Dynasty.

Banking business was first begun around the middle of the 12th century in Italy. In Western Europe the roots of banking are seen in the 12th century. They had started the system for movement of money from one place to another, which is now popularly known as traveler’s cheque.

The history shows that, in Southern Germany the Fuggers, the important banking family played an important role in the establishment of banking during 1485-1516.

In London, apart from the private banking houses, the public bank like the Bank of Amsterdam was founded in 1609. It becomes a model of central banking. In England, the development of banking is rooted during the reign of Queen Elizabeth I. In 1964, The Bank of England was established.

This chapter also gives idea about important events in banking history worldwide. The chapter has presented the major events in banking sector from the year 1100 to the year 2008.

Then, the chapter talks about origin of banks in India. The banking system shows its presence during the time of king Manu. In ancient India, the persons known as Shroffs, Seths, Sahukars, Mahajans and Chettis etc. provided banking services.

In 1526 A.D., there was an important role of domestic bankers during Mughal Dynasty. The historical evidences show that the banking business rapidly grew during 17th century onwards. During 17th century, the English traders established agency houses in India, which carried on the banking business besides the trade and commerce. In 1770, Bank of Hindustan was the first joint stock bank founded in India. In 1785, The Bengal Bank and The Central Bank of India were established. In 1786, The General Bank of India was set up. Further, The Bank of Bombay and The
Bank of Madras were established in 1840 and 1843 respectively. In 1865, the Bank of Allahabad and in 1894, Punjab National Bank Limited were established.

The Reserve Bank of India Act was passed in 1934 and the RBI was established as an apex bank in 1935. The Imperial bank of India was nationalized in 1955 by the SBI Act. The Government of India constituted The Banking Companies Act, 1949 and it was amended as The Banking Regulation Act, 1949.

The RBI was given extensive powers for the supervision of banking in India by Banking Regulation (Amendment) Act, 1965. After the independence, the Government of India has taken major initiatives in the Indian banking sector.

In 1949, around 55 banks were gone into liquidation.

SBI was given the responsibility of principal agent of RBI to handle the banking activities of the union and the state government.


Then the chapter gives idea about structure of banking in India and functions of commercial banks. The chapter summarizes the primary and secondary functions of commercial banks.

The last part of the chapter also gives a brief profile of all the sampled units viz. BOB, BOI, BOM, CBI, Dena Bank and PNB.

Chapter – 2: “Non-Performing Assets- An Overview”:

This chapter starts with introduction and meaning of risk. The chapter outlines the risks involved in banking sector. An overall classification of various types of risks in banking business is presented in this chapter.

In banking business, the risk of default is generally known as ‘Non-Performing Assets’. The chapter has given overview of the emergence of the term NPA. It also gives various definitions of NPAs.

The present chapter also involves classification of the assets and NPAs according to RBI guidelines.

The chapter also discusses various reasons for growing NPAs in banks and financial institutions. The suggestions for reducing the NPAs are also discussed in this chapter.
The chapter has given the outline of NPA recovery mechanism such as recovery camps, one-time settlement, Asset Reconstruction Companies, Lok-adalatas, SARFAESI Act, Debt Recovery Tribunal, CDR etc.

The second chapter ends with the discussion of prudential norms for categorizing assets.

Chapter – 3: Review of Related Literature & Research Methodology:

The third chapter of the present research work is titled as ‘Review of Related Literature & Research Methodology’. This chapter is divided into two parts viz. Review of Related Literature and Research Methodology.

This chapter presents review of around 100 related literatures, which includes various national and international books, journals, magazines, newspapers, M. Phil dissertation and doctoral thesis.

This chapter gives idea about the reason gap between the existing research and the research done by this research. The present research is different from the existing research in the ways of analysis of the problem of NPAs and analysis of performance of the banks.

For the solution of any problem a systematically established method is required. The second part of this chapter throws the light on research methodology adopted by the researcher to justify the research work and made the present research more meaningful.

The research methodology includes research title, details of population of the study and sample of the study, period of the study, type of the study, scope of the study, fundamental objectives of the present research, hypotheses formulated by the researcher to conduct the present study, method of data collection, method of analysis including accounting and statistical techniques, chapter plan, contribution of the study to the various segment of the society and limitations of the present research.

Chapter -4: Analysis and Interpretation:

Chapter 4 of the said research work is analysis and interpretation. The analysis of 10 different ratios related to NPAs viz. Gross NPAs to Advances Ratio, Net NPAs to Advances Ratio, Unsecured Advances to Advances Ratio, Gross NPAs to Assets Ratio, Net NPAs to Assets Ratio, Priority Sector Advances to Advances Ratio, Gross NPAs Recovered/Write-off/Reduced to Gross NPAs Ratios, Gross NPAs
Recovered/Write-off/Reduced to Advances Ratio, Gross NPAs per Branch and Net NPAs per branch are presented.

On the basis of these ratios, suitable hypotheses are formulated and it is tested through application of F-test using two-way ANOVA. Further the chapter gives idea about the performance of the sampled units on the basis of acceptance or rejection of hypothesis.

To present the accurate picture of the performance cardinal approach is applied and the performance of sampled units is scored from minimum 1 to maximum 4. On the basis of the scores of respective banks, rank is assigned for each ratio.

**Chapter – 5: Comparison of Performance and Evaluation of Sampled Units:**

Chapter 5 of this research work is titled as comparison of performances and evaluation of sampled units. In this chapter the researcher has made factor analysis using Centroid factor method for each sampled units.

First the correlation matrix of the bank is prepared and it is presented through line charts. Then the calculation of Centroid factor A and B is presented. On the basis of factor A and B Eigen value and proportions of common variances is calculated for each bank.

**Chapter – 6: Impact of Non-Performing Assets on Profitability of Sampled Units:**

Chapter 6 of the said research is titled as impact of non-performing assets on profitability of sampled units. In this chapter, the researcher has made an effort to check the impact of NPAs on profitability of the sampled units.

To measure this impact, a research model is developed and suitable hypothesis are formulated. To test the formulated hypotheses, various ratios are calculated considering independent and dependent variable. On the basis of average of these ratios, regression analysis is made and it is tested through student ‘t’ test.

The result of testing hypotheses proved that, NPA is not only the factor affecting the profitability. There can be various other reasons, that affects the profitability of the banks.
Chapter – 7: Summary, Findings, Suggestions:

The last and final chapter of the present research is divided into three different parts viz. Summary, Findings and Suggestions.

The first part gives summary of first six chapters in brief.

The second part gives major findings from the present research.

The third part presents various suggestions for effective management of NPAs in nationalized banks.

7.2 Findings:

To analyze the performance of the sampled banks in terms of managing the NPAs, the researcher had formulated different hypotheses. These hypotheses were tested using F test- Two Way ANOVA. On the basis of this test, the following findings can be extracted.

<table>
<thead>
<tr>
<th>No.</th>
<th>Null Hypothesis (H₀)</th>
<th>F cal.</th>
<th>F tab.</th>
<th>Accepted/Rejected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>There is no significant difference between Gross NPAs to Advances Ratio between selected nationalized banks during the period of study.</td>
<td>44.42</td>
<td>2.10</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12.04</td>
<td>2.42</td>
<td>Rejected</td>
</tr>
<tr>
<td>2</td>
<td>There is no significant difference between Net NPAs to Advances Ratio between selected nationalized banks during the period of study.</td>
<td>14.65</td>
<td>2.10</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6.39</td>
<td>2.42</td>
<td>Rejected</td>
</tr>
<tr>
<td>3</td>
<td>There is no significant difference between Unsecured Advances to Advances Ratio between selected nationalized banks during the period of study.</td>
<td>2.77</td>
<td>2.10</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8.45</td>
<td>2.42</td>
<td>Rejected</td>
</tr>
<tr>
<td>4</td>
<td>There is no significant difference between Gross NPAs to Assets Ratio between selected nationalized banks during the period of study.</td>
<td>35.04</td>
<td>2.10</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.98</td>
<td>2.42</td>
<td>Rejected</td>
</tr>
<tr>
<td>5</td>
<td>There is no significant difference between Net NPAs to Assets Ratio between selected nationalized banks during the period of study.</td>
<td>11.85</td>
<td>2.10</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6.75</td>
<td>2.42</td>
<td>Rejected</td>
</tr>
<tr>
<td>6</td>
<td>There is no significant difference between Priority Sector Advances to Total Advances Ratio between selected nationalized banks during the period of study.</td>
<td>12.45</td>
<td>2.10</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>45.44</td>
<td>2.42</td>
<td>Rejected</td>
</tr>
<tr>
<td>7</td>
<td>There is no significant difference between Gross NPAs Recovered/Write-off/Reduced to Gross NPAs Ratio between selected nationalized banks during the period of study.</td>
<td>6.20</td>
<td>2.10</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9.65</td>
<td>2.42</td>
<td>Rejected</td>
</tr>
</tbody>
</table>
There is no significant difference between Gross NPAs Recovered/Write-off/Reduced to Advances Ratio between selected nationalized banks during the period of study.  

| 8 | There is no significant difference between Gross NPAs per Branch Ratio between selected nationalized banks during the period of study. | 9.74  
9.09 | 2.10  
2.42 | Rejected  
Rejected |
| 9 | There is no significant difference between Net NPAs per Branch Ratio between selected nationalized banks during the period of study. | 7.83  
5.61 | 2.10  
2.42 | Rejected  
Rejected |
| 10 | There is no significant difference between Unsecured Advances to Advances Ratio between selected nationalized banks during the period of study. | 6.20  
5.54 | 2.10  
2.42 | Rejected  
Rejected |

1. The first hypothesis was that there is no significant difference between Gross NPAs to Advances Ratio between selected nationalized banks during the period of study. This hypothesis was rejected. It means that there is significant difference between Gross NPAs to Advances Ratio between selected nationalized banks during the period of study. It shows that all the banks do not have similar efficiency of managing Gross NPAs to Advances. The study shows that BOB is good at managing this ratio because its performance is the most consistent.

2. The researcher formulated the hypothesis that there is no significant difference between Net NPAs to Advances Ratio between selected nationalized banks during the period of study. The statistical results show that this hypothesis is rejected. It means that there is significant difference between Net NPAs to Advances Ratio between selected nationalized banks during the period of study. It shows that all the banks are not capable of managing this ratio efficiently. Only BOB has performed well for this ratio.

3. Another hypothesis was that there is no significant difference between Unsecured Advances to Advances Ratio between selected nationalized banks during the period of study. On the basis of statistical calculation, hypothesis was rejected. It means that there is significant difference between Unsecured Advances to Advances Ratio. The study shows that all the sampled banks are not efficient at managing this ratio. Only PNB has done well for managing this ratio.

4. The fourth hypothesis was that there is no significant difference between Gross NPAs to Assets Ratio between selected nationalized banks during the period of study. The statistical analysis rejected the hypothesis and proved that there is significant difference between Gross NPAs to Assets Ratio. The analysis shows that BOB has performed well for managing this ratio.
5. The statistical analysis, for the hypothesis that there is no significant difference between Net NPAs to Assets Ratio between selected nationalized banks during the period of study, rejected the hypothesis. The analysis shows that BOB is the most consistent performer during the study period. It means that this bank has a good capacity of managing this ratio.

6. Another hypothesis was that there is no significant difference between Priority Sector Advances to Total Advances Ratio between selected nationalized banks during the period of study. This hypothesis was also rejected and it proved that there is a significant difference in this ratio for the sampled banks. BOB and BOI are the best performers for this ratio during the period of study.

7. The researcher formulated the hypothesis that there is no significant difference between Gross NPAs Recovered/Write-off/Reduced to Gross NPAs Ratio between selected nationalized banks during the period of study. This hypothesis was also rejected. In case of this ratio BOI and Dena Bank are the best performers among the sampled units.

8. The hypothesis that there is no significant difference between Gross NPAs Recovered/Write-off/Reduced to Advances Ratio between selected nationalized banks during the period of study. The statistics rejected this hypothesis and proved that there is significant difference in this ratio among the sampled banks. In case of this ratio Dena Bank is the most consistent performer followed by CBI.

9. The hypothesis that there is no significant difference between Gross NPAs per Branch Ratio between selected nationalized banks during the period of study. This hypothesis is also rejected. BOM is the best in the managing this ratio to the minimum during the period of study.

10. The last hypothesis was that there is no significant difference between Net NPAs per Branch Ratio between selected nationalized banks during the period of study. The statistical calculations performed on this hypothesis rejected it. It means that there is significant difference between Net NPAs per Branch Ratio of the sampled banks during the period of study. PNB is at the best position for managing this ratio and it is followed by BOM.

In the second part of the study (chapter no. 5), to compare the performance of sampled units, the researcher has used factor analysis using Centroid Factor method. Through this method, the researcher has found out loading factors and independent factors. The summarized table for evaluation of sampled banks is presented below:
### Table – 7.2

**A Table Showing Evaluation of Sample Banks**

<table>
<thead>
<tr>
<th>Bank</th>
<th>Proportion of A</th>
<th>B</th>
<th>Loading Factors</th>
<th>Independent Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOB</td>
<td>Total Variance</td>
<td>0.7748</td>
<td>0.1152</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Common Variance</td>
<td>0.87</td>
<td>0.13</td>
<td></td>
</tr>
<tr>
<td>BOI</td>
<td>Total Variance</td>
<td>0.6520</td>
<td>0.1944</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Common Variance</td>
<td>0.7703</td>
<td>0.2297</td>
<td></td>
</tr>
<tr>
<td>BOM</td>
<td>Total Variance</td>
<td>0.5398</td>
<td>0.1971</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Common Variance</td>
<td>0.7326</td>
<td>0.2674</td>
<td></td>
</tr>
<tr>
<td>CBI</td>
<td>Total Variance</td>
<td>0.63005</td>
<td>0.21465</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Common Variance</td>
<td>0.7459</td>
<td>0.2541</td>
<td></td>
</tr>
<tr>
<td>Dena</td>
<td>Total Variance</td>
<td>0.8656</td>
<td>0.0825</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Common Variance</td>
<td>0.9130</td>
<td>0.0870</td>
<td></td>
</tr>
<tr>
<td>PNB</td>
<td>Total Variance</td>
<td>0.5895</td>
<td>0.2203</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Common Variance</td>
<td>0.7280</td>
<td>0.2720</td>
<td></td>
</tr>
</tbody>
</table>

As given in the above table factor loading means those values which explain how closely the variables are related to each of the factors discovered, whereas Eigen value means the sum of squared values of the factor loading relating to a factor, then such sum is referred to as Eigen value or latent root. Eigen value indicates the relative importance of each factor in accounting for the particular set of variables being analysed.

From the statistical analysis it found that for BOB and CBI the loading factors are 8 and there are 2 independent factors viz. priority sector advances to advances ratio and gross NPAs recovered/write-off/reduced to gross NPAs. In case of BOI, 8 are the loading factors and 2 are the independent factors. They are unsecured advances to advances ratio and gross NPAs reduced/write-off/recovered to gross NPAs ratio. In case of BOM it is seen that there are 7 loading factors and 3 independent factors. The independent factors are unsecured advances to advances ratio, priority sector advances to advances ratio and gross NPAs per branch ratio. In case of Dena Bank, there are 9 loading factors and 1 independent factor i.e. priority sector advances to advances ratio. In case of PNB, there are 8 loading factors and 2 independent factors viz. unsecured advances to advances ratio and gross NPAs per branch ratio. From the overall analysis, it can be seen that Dena Bank is the best performer because it has 9 variables closely related to one another and there is only 1 independent factor.
The third part of the study (chapter no. 6) was to measure the impact of NPAs on Profitability of the sampled banks. For the measurement of impact, the researcher has formulated different hypotheses using combinations of dependent and independent variables. The hypotheses were tested using regression analysis under student’s ‘t’ test. The major findings are tabulated here under:

Table – 7.3
A Table Showing Result of Testing of Hypotheses to Measure the Impact of NPAs on Profitability

<table>
<thead>
<tr>
<th>No</th>
<th>Hypotheses</th>
<th>Results</th>
<th>Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>There is significant impact of Gross NPAs to Advances Ratio on Interest Spread as % to Total Assets</td>
<td>Rejected</td>
<td>Regression</td>
</tr>
<tr>
<td>2</td>
<td>There is significant impact of Gross NPAs to Advances Ratio on Net Profit Margin</td>
<td>Rejected</td>
<td>Regression</td>
</tr>
<tr>
<td>3</td>
<td>There is significant impact of Gross NPAs to Advances Ratio on Return on Net Worth</td>
<td>Rejected</td>
<td>Regression</td>
</tr>
<tr>
<td>4</td>
<td>There is significant impact of Gross NPAs to Advances Ratio on Net Profit to Total Fund Ratio</td>
<td>Rejected</td>
<td>Regression</td>
</tr>
<tr>
<td>5</td>
<td>There is significant impact of Gross NPAs to Advances Ratio on Net Profit to Total Assets Ratio</td>
<td>Rejected</td>
<td>Regression</td>
</tr>
<tr>
<td>6</td>
<td>There is significant impact of Net NPAs to Advances Ratio on Interest Spread as % to Total Assets</td>
<td>Rejected</td>
<td>Regression</td>
</tr>
<tr>
<td>7</td>
<td>There is significant impact of Net NPAs to Advances Ratio on Net Profit Margin</td>
<td>Rejected</td>
<td>Regression</td>
</tr>
<tr>
<td>8</td>
<td>There is significant impact of Net NPAs to Advances Ratio on Return on Net Worth</td>
<td>Rejected</td>
<td>Regression</td>
</tr>
<tr>
<td>9</td>
<td>There is significant impact of Net NPAs to Advances Ratio on Net Profit to Total Fund Ratio</td>
<td>Rejected</td>
<td>Regression</td>
</tr>
<tr>
<td>10</td>
<td>There is significant impact of Net NPAs to Advances Ratio on Net Profit to Total Assets Ratio</td>
<td>Rejected</td>
<td>Regression</td>
</tr>
</tbody>
</table>

For the formulation of the said hypotheses, the independent variables were Gross NPAs to Advances and Net NPAs to Advances and the dependent variables were Interest Spread as % to Total Assets, Net Profit Margin, Return on Net Worth, Net Profit to Total Fund Ratio and Net Profit to Total Assets Ratio. Using these dependent and independent variables, total ten combinations are prepared. And all of them are tested through using regression analysis. The result showed that all these hypotheses were rejected. It means that only Gross NPAs and Net NPAs are not the factors that significantly affect the profitability of a bank. There can be several other factors that have major impact on the profitability. These factors can be inefficient management, unnecessary expansion, low productivity of the bank personnel etc.
7.3 **Suggestions:**

**Suggestions to Sampled Units:**

- In case of BOB it can be seen that its performance in terms of Gross NPAs to Advances Ratio and Net NPAs to Advances Ratio is good. But it is not good in case of unsecured advances to advances ratio. It means that the bank gives unsecured advances but its Gross NPAs and Net NPAs are less because of its good recovery mechanism. The other banks are suggested to improve their recovery mechanism to reduce the Gross NPAs and Net NPAs.

- From the observation during the study, it was seen that PNB has given minimum unsecured advances. It means that they take good care at the time of giving the loans. The other banks are suggested to take the same care while sanctioning the loans.

- It is observed that BOB and BOI are good at recovery of advances from the priority sector. The other banks should also apply such recovery mechanism because there are maximum chances of NPAs in priority sector.

- It is observed that BOM has good control over the branches so its gross NPA per Branch Ratio is good. The other banks should also apply control over its branches so that NPAs per Branch can be reduced.

**General Suggestions:**

- During the research, it is observed that generally, the banks make delay in sensing the chance of NPAs. The banks wait for 90 days and after that the necessary procedure of considering NPAs is started. The period of 90 days is very long. The bank should start the procedure earlier and if possible, it should be started after 30 days.

- It is observed that the legal procedure is very lengthy and sluggish. It takes too much time in considering the NPAs and starting the procedure of recovery. There is a suggestion that the legal procedure should be shortened and immediate steps should be taken after recognizing the chances of NPAs.

- It is observed that the banks do not have enough powers for the recovery of NPAs. When the case of the NPA arises, the banks have to take the help of external parties such as DRTs, SARFAESI, Court etc. These external parties take too much time in settling the case and ultimately the bank has to suffer a
loss. There is a suggestion that the banks should be given enough powers for starting the recovery procedure as and when required.

- It is also seen that at the time of sanctioning the loan, the proper study of customers profile is not done and non-creditworthy customers are also sanctioned the loans. This creates maximum NPAs. It is suggested that a strong system of studying customer’s profile should be created and only the creditworthy customers should be given the loan.

- In this research work, it is also observed that the banks do not take proper follow-up after sanctioning the loan. So it is suggested that a mechanism of regular post-sanction follow-up should be established.

- Generally, it is seen that the public sector banks, just to increase the business, are more enthusiastic while sanctioning the loan. The same enthusiasm is not applied at the time of recovery of loans. This creates maximum chances of NPAs. It is suggested that the public sector banks should create a system of strict recovery of the loans.

- It is also seen that the public sector banks do not have specialized people or department for the recovery of loans and hence their recovery mechanism is less effective as compared to the private sector banks and NBFCs. It is suggested that the public sector banks should also appoint specialized person for the recovery or a special department of recovery should be established.

- It is also seen that there is no personal accountability of the staff members who sanctioned the loans. To reduce the chances of NPAs, the sanctioning department should be made accountable for all the loans sanctioned.

- It is observed that in the financial statements the amount of Gross NPAs Recovered/Write-off/Reduced is given together. This does not show the true financial condition of the banks because it cannot be anlayised that how much NPA was recovered, how much was write-off? And how much was reduced? So the banks are suggested to give separate amount for all the three categories.
Scope for Further Research:

The research work presented here answers the questions related to NPAs in the banking industry. It also gives the idea about the performance of the banks in terms of their ability of managing NPAs. But there are several questions that remain unanswered and it creates the scope for further research. While making this research, the researcher has come across with several such points that are necessary to be studied for making the evaluation of the performance of the banks and financial institutions. The researcher recommends following topics that can become the scope for future research:

1. A study on the comparison of the performance of private sector bank and public sector bank can be possible, because the reviews of the existing literature show that private sector banks are better at managing NPAs as compared to the public sector banks.

2. Generally it is seen that the foreign banks are having better management skills and a sound recovery mechanism. Hence the chances of NPAs in foreign banks are found less as compared to the domestic banks. This presents a scope of research for a comparison of the performance of the domestic banks and that of foreign banks.

3. This research work has considered only the aspect of NPAs in selected nationalized banks. There can be a possibility of study on lending mechanism of the banks, because the root of NPAs lies in the lending mechanism itself.

4. During the research, it is felt that the NPAs are sometimes the result of inefficient recovery mechanism. There can be a scope of study of recovery mechanism of the private sector banks, public sector banks and foreign banks, because the recovery mechanism, if improved, the chances of NPAs can be reduced.

5. In this research, it is considered that NPAs cause major impact on the profitability of the banks, but NPA is not the only factor that affects the profitability of the banks. There can be several other factors that affect the profitability. The study can be extended to all those factors.

6. In this research, the performance of the banks is measured in terms of capacity of managing NPAs. There can be several other measurement of performance and there is a chance of studying all these factors.
7. In this research, the researcher has studied the impact of NPAs on the profitability of the banks. But during the research work, the researcher found that NPAs affect the other sectors of the economy such as large scale industry, small scale industry, priority sectors, emerging entrepreneurs etc. There is a scope of study of impact of NPAs on all these sectors of the economy.