

An Analytical Study of NPA Trends across Scheduled Commercial Banks in India

Dr. Gautam Bhowmik

Assistant Prof. in Economics

Hooghly Mohsin College, India

Abstract

Non-Performing Assets (NPAs) is a critical concern for the sustainability and profitability of the Indian banking system. This study tries to highlight a critical analysis of NPA trends among Scheduled Commercial Banks (SCBs) in India, with a special emphasis on public sector, private sector, and foreign banks. Using secondary data from the Reserve Bank of India, the study investigates the nature of trend of Gross and Net NPA over the past decades to identify patterns and variations. The analysis reveals that while public sector banks have factually exhibited higher NPA, the implementation of regulatory reforms such as the Insolvency and Bankruptcy Code and improved credit appraisal systems have contributed to a regular reduction in NPAs in recent years. While the Private sector banks demonstrate greater resilience due to stronger risk management and diversified portfolios. The paper concludes by emphasizing the necessity for judicious risk management for their credit, continuous asset quality monitoring, and effective recovery mechanisms to uphold financial stability in Indian banking sector.

Keywords: NPA, SCBs, Public Sector Banks, Private Sector Banks, Asset Quality, Financial Stability, Insolvency and Bankruptcy Code.

Copyright © 2025 The Author(s)

