AN EVALUATION OF NON PERFORMING ASSETS: A STUDY OF BANKING SECTOR IN INDIA

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Abstract: *NPAs point out the credit risk of the banks and the financial institutions. Operational effectiveness of the banks and financial institutions is affected by the quality of advances which in turn has an impact on their profitability, liquidity and solvency position* and leads the accumulation of losses in the succeeding years*. In this paper the researcher has tried to show the position of gross and net NPAs during the period of last 15 years and its preventive measures to maintain the level NPAs within acceptable limit in Indian banking sector in the present scenario on the basis of secondary data sources.*

Key words: *Gross NPA, Net NPA, Mean, t-test, Public Sector, Private Sector, Foreign Bank.*

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INTRODUCTION

The banking sector in India has undergone a drastic change after the first phase of economic liberalization in 1991. A healthy banking system is essential for rapid economic growth and to remain stable in competitive global business environment because a strong financial system can help to achieve efficient allocation of resources over the period by reducing inefficiencies arising out of market frictions and other socio-economic factors. The primary function of banks is to lend funds as loans to various sectors such as agriculture, industry, personal loans, housing loans etc. Thus, existence of Non-Performing Asset is an integral part of banking and amongst the various desirable characteristics of a well-functioning financial system; every bank has some Non-Performing Assets in its advance portfolio. However, NPA beyond a certain level is the cause of major concern to any financial institution because NPAs affect the smooth flow of credit. The Reserve Bank of India also states that, compared to other Asian countries and the US, the gross NPAs figures in India seems more alarming than the net NPAs figure. Therefore in recent times, the banks have become very cautious in extending loans.

Today non-performing assets are the subject of major concerns to the banking sector and the other non-banking financial institutions. As long as an asset generates income expected from it, it is treated as "performing asset" and an asset, including a leased asset, becomes non-Performing when it ceases to generate income for the bank. As per RBI guidelines- a bank/financial institution put commercial loans which are overdue for more than 90 days, and consumer loans which are due for more than 180 days into the category of NPA.

To strengthen the recovery of loans and dues by the banks and the other financial institutions, Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act‟ was introduced by the Government of India in the year 2002. But statistics shows NPAs are still on higher side and the said act is not proving much helpful in serving the purpose for which it was actually formed. The reason behind it may be the banks approach and attitude towards financing and recovery of loans as well as lack of knowledge about the law and its practice in banking and also violations of the RBI directives/circulars to be followed essentially by every bank and financial institutions. There are some common factors responsible for high level of NPA such as weak credit appraisal system, lack of proper follow up by bank, recession in the market, and natural calamities, inefficiency in management of borrower, poor legal framework, lack of entrepreneurial skills, diversion of funds etc as also identified by many other researchers

COMPOSITION OF NON PERFORMING ASSETS (NPAs)

NPAs are classified into Gross NPAs and Net NPAs. Gross NPAs are the sum total of all loan assets which is considered irrecoverable and classified as NPAs as on Balance Sheet date for which bank has made certain provisions as per RBI guidelines. It reflects the quality of loans made by banks. Net NPAs can be calculated after deducting the provisions regarding NPAs from Gross NPAs. It shows the actual burden of banks. The formula used to calculate the level of Gross NPAs and Net NPAs is as follows:

Gross NPAs Ratio = Gross NPAs / Gross Advances

Net NPAs Ratio = Gross NPAs – Provisions / Gross Advances – Provisions

FACTORS RESPONSIBLE FOR MOUNTING NPAs

The banking sector has been facing the serious problems of the rising NPAs. In fact public sector banks are facing more problems than the private sector banks. One of the main causes of NPAs in the banking sector is the directed loans system under which commercial banks are required to supply major portion of their credit to social and priority sectors for social and economic development of the country. Due to their socio economic role, there was high level of NPAs in their asset portfolio. After the liberalization in 1991, they faced high level competition from private sector and foreign banks. Similarly, poverty elevation programs of the government failed on various grounds in meeting their objectives. The huge amount of loan granted under such schemes was become totally irrecoverable by banks due to political manipulation, misuse of funds and non-reliability of target audience of these sections. Thus, operational restructuring of banks should ensure the reduction of NPAs in priority sectors but not priority sector lending.

Another reason for sudden rise in gross NPAs particularly of public sector banks was reported to be on account of a shift to system based recognition of NPAs from a manual one. Prior to this the computation of NPAs for most banks was worked out manually at branch level and was therefore subject to discretion of managers. Slowdown of economic growth and aggressive lending by banks in the past, especially during good times are the other causes responsible for fast increase of NPAs in Indian Banking Sector.

Ashly Lynn Joseph, 2014 in his paper-A Study on Analyzing the Trend of NPA Level in Private Sector Banks and Public Sector Banks "has also identified few major factors that are involved in the formation of NPA such as diversion of fund for expansion, diversification, modernization or for taking up new projects, diversion of fund for assisting or promoting associate concerns, time or cost overrun during the project implementation stage, business failure due to product failure, failure in marketing etc, inefficiency in bank management, slackness in credit management and monitoring, and inappropriate technology or problems related to modern technology. The researcher has also point out some external factors include recession in the economy as a whole, input or power shortage, price escalation of inputs, exchange rate fluctuations, and change in government policies responsible for rise in NPA level. Other factors include liberalization of the economy and the consequent pressures from liberalization like several competitions, reduction of tariffs etc, poor monitoring of credits and failure to recognize early warning signals shown by standard assets, sudden crashing of capital market and inability to raise adequate funds, mismatching of funds i.e. using loan granted for short term for long term transactions, granting of loans to certain sectors of the economy on the basis of government directives rather than commercial imperatives. Like Ashly Lynn Joseph, 2014, many other researchers such as Namita Rajput, (2012) and Satpal (2014) also analysed some reasons behind the formation of NPA.

Composition of Banking Sector in India

The banking sector in India comprise of public sector banks, private sector banks and foreign banks. In 1990-91, public sector banks accounted for as much as 91 percent of the total assets-with Private Indian Banks with 3 percent and Foreign Banks with 6 percent. After entry of many new Private Indian Banks in the mid 1990s, the Indian Banking Industry continued to dominate by the public sector banks. The market share of the public sector banks was little below 80 percent with over 12 percent with Indian private banks and 8 percent with foreign banks at the end of 2000-2001. Public sector banks still dominate the Indian banking industry having about 72.7 percent of the market share in total deposit and advances of the industry with 20.8 percent with Private Banks and 6.5 percent with foreign banks at the end of March 2013. Thus, public sector banks continue play a crucial role in the Indian economy by mobilizing savings and formation of investments and it contribute a lot directly to the GDP. But the share of public sector banks in gross NPAs has increased over the last decade and particularly since 2009 as accounted 85 per cent of the NPAs of the banking industry in 2013 as compared to 75 percent in 2003. However, during this period, their share in total bank credit increased only marginally, from 74 percent to 76 percent. This is in sharp contrast to the performance of new private sector banks, whose share in NPAs has fallen from over 14 percent in 2003 to 8 percent in 2013.

Impact of NPAs on Bank Performance

The performance of a bank can not be measured by the size of its assets but by the level of return on its assets. The NPAs do not generate interest income for banks rather banks are also required to provide provisions for NPAs from their current profits. It blocked the money which leads to opportunity cost also and thus NPAs do not only affect the current profitability of the banks but also future stream of profits. Sometimes, decreased profit lead to lack of enough cash in hand and create difficulty in operating the functions of bank and bank has to borrow money for a short period of time which lead additional cost to the bank. Further, bank has to bear additional cost due to the special employees to deal with and handle the NPAs and involvement of management's time and efforts in handling and managing NPAs.

Bank facing the problem of huge NPAs adversely affect their value in terms of market credit which create negative image in the mind of the people who are putting their money in the banks. Thus, NPAs adversely affect the capital adequacy*, profitability, liquidity and solvency position* of the banks. It leads the accumulation of losses in the succeeding years also thereby reducing competitiveness and steady erosion of capital resources and increased difficulty in augmenting capital resources. In such situation, NPAs generate a vicious cycle of affects on the sustainability and growth of the banking system, and if not managed properly could lead to bank failure.

Similarly, if loans taken are not repaid, a lot of funds go out of the financial system and the cycle of lending- repaying-borrowing is broken. When borrowers do not pay, banks have to borrow additional funds to repay the depositors and creditors. Sometimes it leads to a situation where banks are reluctant to lend fresh funds to new projects or on-going projects thus choking the system. Once the credit to various sectors of the economy slows down, the economy is badly hurt. It creates the problem of slowdown in the industrial output and fall in the profit margins of the companies. All this resultantly causes depression in the market and decline in the growth rate of GDP

MEASURES TO CONTROL NPAs

As NPAs affect the *profitability, liquidity and solvency position* of the banks adversely, thus it is essential for the banking industry to take preventive as well as curative measures to maintain NPAs within limit. Under the preventive measures, problem of NPAs may be solved to a large extent by the use of proper credit assessment and risk management mechanism approach before sanctioning loans/advances. Further, like banks in the developed countries, the Indian banks should reduce their dependency upon lending as they can earn sufficient net margin by investing in safer securities though not at high rate of interest. It helps them for limiting the high level of NPAs gradually. Further, it is possible that average yield on loans and advances net default provisions and services costs do not exceed the average yield on safer securities due to absence of risk and service cost.

Similarly, under curative measures, Ghosh Committee on Final Accounts suggested 'Health Code System' (HCS). Under this system bank advances were classified into eight categories ranging from 1 (satisfactory) to 8 (bad and doubtful debt). In 1991, Narasimhan Committee on the financial system felt that the classification of assets according to 'Health Code System' was not in accordance with international standards and suggested that for the purpose of provision, banks should classify their advances into four broad groups, viz. (i) standard assets; (ii) substandard assets; (iii) doubtful assets; (iv) loss assets. Following this, prudential norms relating to income recognition, asset classification and provisioning were introduced in 1992 in a phased manner. In 1998, the Narasimhan Committee on Banking Sector Reforms recommended a further tightening of prudential standards in order to strengthen the prevailing norms and bring them on par with evolving international best practices. With the introduction of 90-days norms for classification of NPAs in 2001, the NPA guidelines were brought as par with international standards.

Central government and RBI have taken further steps by set up of Debt Recovery Tribunals and Lok adalats institutions for creating legal and regulatory environment to facilitate the recovery of existing NPAs of banks so that banks funds locked up in NPAs are released for recycling. The Lok adalats and Debt Recovery Tribunals have been empowered to organize Lok adalats to decide for NPAs of Rs. 10 lakhs and above. RBI has also directed Public sector banks to examine the cases of willful default of Rs. one crore and above and file criminal cases against them and also to fix staff accountability individually in such cases. Further, Credit Information Bureau of India Limited (CIBIL) was set up in January 2001 by SBI, HDFC, and two foreign technology partners to prevent those who take advantage of lack of system of information sharing amongst leading institutions to borrow large amount against same assets and property.

The corporate debt restructuring is also one of the methods suggested for the reduction of NPAs. It is a voluntary system based on debtors and creditors agreement. It will apply to standard and sub–standard accounts with potential cases of NPAs getting a priority accounts having outstanding exposure of Rs. 20 crores and above by banks and institutions.

In addition to the above, RBI has put in place a system for periodical circulation of details of willful defaulters of banks and financial institutions. Every year as on 31st March, RBI also publishes a list of defaulters of outstanding aggregate Rs. one crore and above against whom banks and financial institutions have filed suits for recovery of funds. It will serve as a caution list while considering a request for new or additional credit limits from defaulting borrowing units and also from the directors, proprietors and partners of these entities.

OBJECTIVES OF THE STUDY

Despite the above facts and after managing every challenge successfully as well as by giving standard services to the customers, NPA becomes the biggest problem and managing NPA is one of the hardest tasks for these banks because increasing NPA put an adverse impact upon the progress of the Indian economy and its financial system. On the other hand NPA is efficiently managed by the private sector banks, and it is controlled. The current paper tries to study the comparative status of Gross NPAs and Net NPAs in different public sector banks, private sector banks and foreign banks working in India.

HYPOTHESIS

$H0_G$: There is no significant difference between gross NPAs to gross advances ratio of the public sector banks, private sector banks, foreign banks working in India and Indian banking industry as a whole during the period of study.

$H0_N$: There is no significant difference between net NPA to net advances ratio of the public sector banks, private sector banks, foreign banks working in India and Indian banking industry as a whole during the period of study.

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METHODOLOGY

The study is analytical in nature, and covers a period of last 15 years from 1999-2000 to 2013-2014. The study is done based on secondary data obtained from annual reports of the selected banks, RBI Report on Trend and Progress of Banking sector in India, Economic Surveys of India, various books and journals. The scope of the study is limited to the analysis the overall position of NPAs in public sector banks, private sector banks and foreign banks working in India during the period of study. The data has been analysed using selected statistical tools such as mean and t- test at two tailed 5 % level of significance.

ANALYSIS AND INTERPRETATION

To know the gross and net NPAs position in Indian banking sector, data of different public sector, private sector and foreign banks working in India has been collected for the financial year 1999-2000 to 2013-14. The results of gross NPAs to gross advances ratio and net NPAs to net advances ratio is shown in Table given below:

Bank Group-wise Gross NPA Ratio and Net NPA Ratio **(in Percentage)**

	PSBs		OPBs		NPBs		FBs		All Banks	
Year	GNPA Ratio	NNPA Ratio	GNPA Ratio	NNPA Ratio	GNPA Ratio	NNPA Ratio	GNPA Ratio	NNPA Ratio	GNPA Ratio	NNPA Ratio
1999-2000	13.4	7.0	11.5	6.4	4.0	2.9	5.5	1.2	12.1	8.2
2000-01	12.0	5.5	11.9	6.7	5.4	3.2	6.7	1.7	11.1	6.3
2001-02	11.1	4.5	11.1	7.1	8.9	5.0	5.5	1.9	10.4	5.5
2002-03	9.4	3.7	8.9	5.4	10	4.7	5.3	1.8	9.1	4.4
2003-04	7.8	2.8	7.6	3.8	5.0	2.4	4.8	1.5	7.2	2.8
2004-05	5.4	2.0	6.0	2.7	2.9	1.5	3.0	0.9	4.9	2.0
2005-06	3.7	1.4	4.4	1.7	1.7	0.8	2.1	0.8	3.3	1.2
2006-07	2.7	1.1	3.1	1.0	1.9	1.0	1.9	0.7	2.5	1.0
2007-08	2.2	1.0	2.3	0.7	2.5	1.2	1.9	0.8	2.3	1.0
2008-09	2.0	0.8	2.4	0.9	3.1	1.4	4.3	1.8	2.3	1.1
2009-10	2.2	0.8	2.3	0.8	2.9	1.1	4.3	1.8	2.4	1.1
2010-11	2.2	0.8	2.0	0.6	2.3	0.6	2.5	0.7	2.3	1.0
2011-12	3.0	0.9	1.8	0.6	1.9	0.4	2.7	0.6	2.8	1.3
2012-13	3.6	1.0	1.9	0.8	1.8	0.5	3.0	1.0	3.2	1.6
2013-14	4.5	2.6	1.8	0.7	1.8	0.6	3.9	1.1	3.8	2.1
Mean	5.680	2.393	5.267	2.660	3.740	1.820	3.827	1.220		
Std. Error Mean	1.030	.5060	1.008	.6499	.6695	.3869	.3917	.1239		
t-statistic (5% significance)	1.019	.738	.632	.985	-1.329	-.517	-2.051	-6.457		
Sig. (2-tailed)	.325	.473	.538	.341	.205	.613	.060	.000*		

***t- Critical (2-tailed) for GNPA Ratio=4.6 and for NNPA Ratio=2.02.**

(PSBs=Public Sector Banks, OPBs=Old Private Sector Banks, NPBs=New Private Sector Banks, FBs= Foreign Banks)

Public Sector Banks

Gross Non Performing Assets Ratio (GNPA Ratio)

As would be seen from the table, that there was a continuous decline (13.4% to 2%) in the GNPA ratio of public sector banks till 2008-09 and after that gross NPAs to gross advances ratio starts rising marginally (2.2% to 4.5%) till the last year of the study as shown by the results. However, there was not statistically significant difference between the average Gross NPA ratio of public sector banks and all banks as shown by t-statistic value of 1.019. The findings suggested that gross NPA position in the public sector banks is not different from the position of banking industry as a whole. Therefore, we accept the hypotheses $H0_G$.

Net Non Performing Assets Ratio (NNPA Ratio)

The results showed a continuous decline (7% to .8%) in the NNPA ratio of public sector banks till 2008-09. But the NNPA ratio started rising marginally (.9% to 2.6%) from 2011-12 till the last year of the study as shown by the results. However, there was not statistically significant difference between the average net NPA ratio of public sector banks and all banks as shown by t-statistic value of .738. Thus, the findings suggested that net NPA position in the public sector banks is also not different from the position of banking industry as a whole. Therefore, we accept the hypotheses $H0_N$.

From the above results, we conclude that gross and net NPA position in the public sector banks is not much different from the position of banking industry as a whole.

Old Private Sector Banks

Gross Non Performing Assets Ratio (GNPA Ratio)

The results given in the table showed that there was almost continuous decline (from 11.5% to 1.8%) in the GNPA ratio of old private sector banks till the last year of the study as shown by the results. However, there was not statistically significant difference between the average Gross NPA ratio of old private sector banks and all banks as shown by t-statistic value of .632. The findings suggested that gross NPA position in the old private sector banks is not different from the position of banking industry as a whole. Therefore, we accept the hypotheses $H0_G$.

Net Non Performing Assets Ratio (NNPA Ratio)

The results showed an overall decline from 6.4% to .7% in the NNPA ratio of old private sector banks during the period of study. However, the results showed some fluctuations in this ratio with slight rise in the last years of the study. However, t-statistic value of .985 given in the table indicates that difference between the average net NPA ratio of old private sector banks and all banks was not statistically significant. Therefore the findings suggested that net NPA position in the old private sector banks is also not different from the position of banking industry as a whole. Therefore, we accept the hypotheses $H0_N$.

From the above results, it is concluded that gross and net NPA position in the old private sector banks is not much different from the position of banking industry as a whole.

New Private Sector Banks

Gross Non Performing Assets Ratio (GNPA Ratio)

There was a sharp increase (4% to 10%) in the GNPA ratio of new private sector banks during the first 4 years of the study and after that results showed almost declining trend (5% to 1.8%) in this ratio with marginal fluctuations. However, average Gross NPA ratio of new private sector banks is not significanty different from average Gross NPA ratio of all banks as shown by t-statistic value of -1.329. The findings suggested that gross NPA position in the new private sector banks is not different from the position of banking industry as a whole. Therefore, we accept the hypotheses $H0_G$.

Net Non Performing Assets Ratio (NNPA Ratio)

The results showed an increase (2.9% to 5%) in the first 3 years of the study in the NNPA ratio of new private sector banks. After that the results showed a decline trend (4.7% to .6%) in this ratio with some fluctuations in this ratio during the rest of the study period. However, t-statistic value of -.517 given in the table indicates that difference between the average net NPA ratio of new private sector banks and all banks was not statistically significant. Therefore, the findings suggested that net NPA position in the new private sector banks is not different from the position of banking industry as a whole. Therefore, we accept the hypotheses $H0_N$.

From the above results, it is concluded that gross and net NPA position in the new private sector banks is not much different from the position of banking industry as a whole.

Foreign Banks

Gross Non Performing Assets Ratio (GNPA Ratio)

It would be seen from the table that there was a continuous decline (5.5% to 1.9%) in the GNPA ratio of foreign banks till 2007-08. Further, there is a sharp increase (4.3%) in this ratio in next 2 years of study and after decline in subsequent next year it was again start increasing (2.5% to 3.9%) till the last year of the study. However, average Gross NPA ratio of foreign banks is not significantly different at 5% level of significance from average Gross NPA ratio of all banks as shown by t-statistic value of -2.051 but this value shows significant difference at 10% level. The findings suggested that gross NPA position in the foreign banks is not different from the position of Indian banking industry as a whole. Therefore, we accept the hypotheses $H0_G$.

Net Non Performing Assets Ratio (NNPA Ratio)

The results showed an increase (2.9% to 5%) in the first 3 years of the study in the NNPA ratio of foreign banks. After that the results showed a decline trend (4.7% to .6%) in this ratio with some fluctuations in this ratio during the rest of the study period. Further, t-statistic value of –0.6.457 given in the table indicates that there is a statistically significant difference between the average net NPA ratio of foreign banks and all banks. Therefore, the findings suggested that net NPA position in the foreign banks is much better than the overall position of banking industry during the period of the study. Therefore, we reject the hypotheses $H0_N$ and accept the alternate hypothesis.

From the above results, it is concluded that gross NPA position in the foreign banks is not much different from the position of banking industry as a whole. However, net position in the foreign banks is much better as compared to the overall position of the Indian banking industry.

The results also showed that on an average gross NPAs ratio and net NPAs ratio in public sector banks is 5.68 percent and 2.39 percent. Whereas these ratios are 5.27 percent and 2.66 percent in old private sector banks, 3.74 percent and 1.82 percent in new private sector banks while it is 3.83 percent and 1.22 percent in foreign banks working in India. Thus, it is clear from these results that gross as well as net NPAs position in public sector banks is worse as compared to private sector banks and foreign banks. The results given in the table also showed that gross as well as net NPAs position in private sector banks in far better in comparison to foreign banks in later years of the study. Further, there is almost continuously decline in the level of gross NPAs and net NPAs in public sector banks till 2010-11when it comes to 2.2 percent and 0.8 percent from 13.4 percent and 7 percent in 1999-2000. But gross and net NPAs ratio of these banks again started rising from 2011-12 till the last year of the study when it reached at 4.5 percent and 2.6 percent which is not a good sign for the efficiency and profitability of these banks. In nutshell, the results showed that gross and net NPA position in public sector banks, old and new private sector banks, foreign banks is not significantly different (at two tailed 5% level) as compared to the overall position of Indian banking industry as indicated by their respective t-statistic value given in the table during the period of study except that overall net NPA position of foreign banks is much better as compared to the Indian banking industry.

CONCLUSION

Banking system helps in creating a sound financial system in a country and thus plays a very significant role in its economic development because the strength of an economy is closely related to the reliability of its banking system. Non-Performing Assets are the subject of major concerns to the banking sector and the other non-banking financial institutions. The failure of the banking system may have an adverse impact on other sectors. Thus, there is need to ensure that the banking system recognizes financial distress early, takes prompt steps to resolve it, and ensure fair recovery for lenders and investors so that banking sector continue their functioning without stress

The problem of NPAs can be solved only with appropriate credit appraisal and risk management mechanism. Thus, banking system should be equipped with prudential norms to reduce and maintain the NPAs within limit because NPA is one of the major barriers in the success of a bank and affects its performance negatively. The current study analyses the level of NPAs in public and private sector as well as foreign banks in India. The study is based on the secondary data collected from the annual reports of selected banks for the last 15 years starting from 1999-2000 to 2013-14. An attempt is made to analyse the data with the help of statistical tool like mean, and t- test. The main objective of the study was to find out whether there is any difference in the NPAs occurrence of the various sector banks in Indian banking industry during the period of the study. The study concludes that difference is not statistically significant between average gross and net NPAs of public sector banks, old and new private sector banks, foreign banks as compared to the Indian banking industry as a whole during the period of study. However, on an average, gross NPAs ratio and net NPAs ratio in public sector banks is 5.68 percent and 2.39 percent whereas these ratios are 5.27 percent and 2.66 percent in old private sector banks, 3.74 percent and 1.82 percent in new private sector banks while it is 3.83 percent and 1.22 percent in foreign banks working in India. Therefore, the results show that gross as well as net NPAs position in public sector banks is worse as compared to private sector banks and foreign banks working in India. However, results indicate that public sector banks have improved their position by reducing the level of their gross as well as net NPAs over the period of study. Hence, it may safely concluded that gross as well as net NPAs position in private sector bank is much better as compare to public sector banks and foreign banks working in India.

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APPENDIX

One-Sample Statistics of Gross NPAs

	N	Mean	Std. Deviation	Std. Error Mean	t	df	Sig. (2-tailed)	Mean Difference
GNPAp	15	5.6800	3.99020	1.03027	1.019	14	.325	1.05000
GNPAo	15	5.2667	3.90397	1.00800	.632	14	.538	.63667
$GNPA_N$	15	3.7400	2.59279	.66946	-1.329	14	.205	-.89000
$GNPA_F$	15	3.8267	1.51727	.39176	-2.051	14	.060	-.80333

One-Sample Statistics of Net NPAs

	N	Mean	Std. Deviation	Std. Error Mean	t	df	Sig. (2-tailed)	Mean Difference
NNPAp	15	2.3933	1.95976	.50601	.738	14	.473	.37333
$NNPA_O$	15	2.6600	2.51703	.64989	.985	14	.341	.64000
$NNPA_N$	15	1.8200	1.49867	.38695	-.517	14	.613	-.20000
$NNPA_F$	15	1.2200	.47988	.12390	-6.457	14	.000	-.80000

Note: Test value of GNPA = 4.63 & Test value for NNPA = 2.02

$GNPA_P$ = GNPA for PSB, NNPAp = NNPA for PSB,

GNPAo = GNPA for old Private Sector Bank, NNPAo = NNPA for old Private Sector Bank,

$GNPA_N$ = GNPA for New Private Sector Bank, $NNPA_N$ = NNPA for New Private Sector Bank

$GNPA_F$ = GNPA for Foreign Bank, $NNPA_F$ = NNPA for Foreign Bank