
A Consequence of Non-performing Assets and impact on Return on Assets of Banks with Special Reference to Selected Scheduled Commercial Public Sector banks in India

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CITATION: Sengani, V. and Banudevi, P. B. (2019), "A Consequence of Non-performing Assets and impact on Return on Assets of Banks with Special Reference to Selected Scheduled Commercial Public Sector banks in India", *MERC Global's International Journal of Management*, Vol. 7, Issue 2, pp. 158-161.

ARTICLE HISTORY: Submitted: February 12, 2019, Revision received: March 05, 2019, Accepted: March 15, 2019

ARTICLE TYPE: Research paper

ABSTRACT

The most fateful problem being faced by banks all over the world in recent times is spiralling non-performing assets (NPA). They are affecting their viability and solvency. Non Performing assets are one of the leading concerns for banks in India. Non recovered loans decrease the profitability of banks. Besides, banks with a high level of NPA's have to carry more own funds by way of capital and create reserves and provisions and to provide reduce for the loan losses and shareholder value. This paper explains the consequences of non-performing assets and the impact of NPAs on return on assets of banks.

KEYWORDS: Non-performing assets, Return on assets, Banks, Scheduled banks, Commercial banks, Public sector banks.

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