

Executive Summary:

Indian banking sector has recently faced the problems of Non Performing Assets. This problem has been emerged largely in Indian banking sector since three decades. Due to this problem many Public Sector Banks have been adversely affected to their performance and operations. In Simple words Non Performing Assets problem is one where banks are not able to recollect their landed money from the clients or clients have been in such a condition that they are not in a position to provide the borrowed money to the banks.

The problem of NPA is danger to the banks because it destroys the healthy financial conditions of them. The trust on banking sector will goes down if the bank has more rate of NPA's. So the problem of NPAs should be solved in such a way that it should not affect the operational department, Financial condition and also not affect the brand image of the bank. Now RBI also taking various steps to reduce the NPA problem and banks also showing positive figures in reducing the NPA problem.

Today the Indian banking system has gone through major changes following financial sector reforms. Non-Performing assets is not only faced by the banks but also being faced by almost all financial organization. It affects the profitability of the organizations and they need to suffer huge losses. There are customers, who benefit the loans and later they are unable to repay it back. From such customers banks will suffer. It affects the organization from the financial part of the organization which at all affects the organization as a whole.

The present study helps me in analyzing the NPA position of KDCC bank Sirsi. In order to analyze the NPA position of KDCC bank I consider the data of last five years. This study helps me in knowing how NPAs are calculated in KDCC bank and how it managed and also this study helps me in knowing reason for creation of NPAs. Non performing assets are major burden for banking industry and it should be managed efficiently by the bank. The report includes all the information given by manager of the recovery department of KDCC bank and also it covers the performance of the NPA accounts of KDCC bank from the last Five years.