

Structural Governance Deficiencies and their Impact on NPA Escalation: Evidence from Indian Banking

Manisha Bindlish, Research Scholar, Department of Commerce & Management, NIILM University, Kaithal (Haryana)
Dr. Anish Ahmad, Associate Professor, Department of Commerce & Management, NIILM University, Kaithal (Haryana)

Abstract

Non-Performing Assets (NPAs) have remained one of the most sensitive indicators of stress in the Indian banking system. While macroeconomic slowdowns and sectoral shocks are often blamed for rising NPAs, internal governance structures within banks play an equally critical role in determining whether credit stress is contained early or allowed to escalate. This study examines how structural governance deficiencies — including weak board oversight, inadequate risk monitoring, delayed asset recognition, and operational inefficiencies — contribute to the escalation of NPAs in Indian banks. Using secondary data from Reserve Bank of India (RBI) publications and annual reports of selected public and private sector banks over a ten-year period, the study analyzes the relationship between governance quality indicators and NPA ratios. The findings suggest that banks with stronger governance frameworks demonstrate quicker stress recognition, better recovery performance, and lower persistence of bad loans. Conversely, governance gaps tend to amplify credit risk during expansion phases and delay corrective action during downturns. The study argues that sustainable NPA reduction requires strengthening institutional accountability and operational efficiency within banks, rather than relying solely on external recovery mechanisms. The paper contributes to the literature by positioning NPAs not merely as borrower failures, but as reflections of internal governance discipline and credit culture within banking institutions.

Keywords: Non-Performing Assets, Corporate Governance, Credit Risk Management, Operational Efficiency, Indian Banking Sector

1. Introduction

The condition of a banking system is closely connected with the quality of its loan portfolio. When loans stop generating income, the overall stability of banks is affected. In India, the issue of Non-Performing Assets (NPAs) became serious during the mid-2010s. During that period, Gross NPA (GNPA) ratios increased sharply across Scheduled Commercial Banks (SCBs). In some public sector banks, GNPA levels crossed 9 percent. This created pressure on profitability, capital adequacy, and investor confidence. The Reserve Bank of India (RBI) had to conduct Asset Quality Reviews to identify stressed accounts properly and to ensure that banks were not under-reporting bad loans (Chakraborty, 2020).

In recent years, however, the situation has improved. According to RBI's Financial Stability Reports, GNPA ratios have reduced significantly and have come down to nearly 2–3 percent in the latest reporting cycles (RBI, 2024). This decline indicates that the banking system has strengthened compared to the crisis period. Reforms such as the Insolvency and Bankruptcy Code (IBC), stricter provisioning norms, recapitalization of public sector banks, and improved recovery mechanisms contributed to this improvement. But it would be incomplete to assume that legal reforms alone solved the NPA problem. Several researchers argue that the NPA crisis was not only the result of economic slowdown or sectoral stress. Instead, it was also linked to internal governance weaknesses within banks. Diluted credit appraisal standards, poor monitoring of large borrowers, and high exposure to specific sectors such as infrastructure and power increased vulnerability (Mohapatra & Sharma, 2022). In many cases, board-level supervision was not strong enough to question aggressive lending strategies. Credit growth targets often received more attention than credit quality. As a result, risky loans accumulated over time. Another important issue was the delayed recognition of stress. Banks sometimes restructured loans or extended additional credit to struggling borrowers instead of classifying them as NPAs. This practice, commonly referred to as “evergreening,” postponed the identification of real problems (Acharya & Rajan, 2021). Although it temporarily reduced

reported NPA figures, it did not solve the underlying financial weakness of borrowers. When the RBI later tightened supervision, many of these accounts had to be recognized as NPAs at once, leading to a sharp rise in bad loan ratios.

Therefore, the present study does not treat NPAs only as outcomes of economic cycles. Instead, it examines the internal governance structure of banks. The paper argues that asset quality depends significantly on how well governance mechanisms function. Factors such as board composition, independence of audit committees, strength of risk management systems, and transparency in disclosures influence credit discipline. If governance systems are weak or only symbolic, loan monitoring becomes ineffective and stress builds up gradually. The recent decline in NPAs raises an important question. Is this reduction the result of deep structural reform within banks, or is it partly due to favorable macroeconomic conditions and regulatory pressure? Some evidence suggests that better provisioning and stronger oversight have improved balance sheets (Verma & Gupta, 2023). However, governance reforms need to be sustained continuously; otherwise, similar stress may reappear during future credit expansion phases.

In this context, the paper adopts an inward-looking approach. It focuses on how structural governance deficiencies contribute to NPA escalation and whether improvements in governance practices have helped in reducing asset stress. By linking governance indicators with NPA trends, the study attempts to understand whether the improvement in asset quality is institutional and long-term in nature.

2. Conceptual Background

In the Indian banking system, governance is frequently discussed in terms of compliance and regulatory reporting, but in practice it goes much deeper than that. Governance determines how decisions are made inside the bank, how risks are evaluated, and how accountability is enforced. It is not only about having committees or independent directors on paper; it is about how seriously those mechanisms function in daily operations. By 2024, the concept of governance in Indian banking has evolved to include board oversight over credit concentration, the functioning of risk management committees, audit transparency, and the accuracy of asset classification. These structural components are important, but equally critical is the alignment of incentives within the institution. If management is rewarded mainly for loan growth, without adequate emphasis on asset quality, risk control tends to weaken over time (Madan & Kumar, 2023). The post-pandemic recovery period highlighted this issue clearly. According to the Reserve Bank of India (2024), one of the reasons the banking sector remained relatively resilient after COVID-19 was the improved recognition of stress and stricter provisioning norms. Banks were required to classify stressed accounts more transparently and maintain higher provisioning buffers. However, this improvement did not happen automatically; it was partly the result of stronger supervisory oversight and partly due to internal adjustments in governance practices. Banks that were quicker in identifying stress and restructuring viable accounts were able to prevent the accumulation of hidden NPAs. Those that delayed recognition often faced larger correction pressures later. When governance systems are weak, a different pattern can be observed. There is often an implicit focus on expansion—growing advances, increasing market share, and achieving quarterly targets. In such situations, credit appraisal may formally exist, but the depth of evaluation can decline. Loan documentation is completed, but the underlying borrower risk may not be adequately assessed. Monitoring systems may detect early warning signals such as irregular repayments, declining cash flows, or sectoral slowdown, but corrective action is postponed. Reddy and Prasad (2021) describe this situation as the “accumulation of hidden stress,” where the balance sheet appears stable for some time, but the underlying asset quality weakens steadily. Eventually, when recognition becomes unavoidable—often due to regulatory inspection or economic slowdown—NPAs rise sharply. Another governance-related issue is the tendency to restructure or refinance stressed

accounts instead of classifying them as non-performing. While restructuring is not inherently wrong, repeated or unjustified restructuring can delay transparency. This practice, sometimes referred to as ever-greening, reduces reported NPAs temporarily but increases long-term risk. Once regulatory scrutiny strengthens, such accounts are often reclassified, leading to sudden spikes in GNPA ratios. The Indian banking experience in the late 2010s showed how delayed recognition contributed to concentrated stress in certain banks.

On the other hand, stronger governance frameworks tend to operate differently. Banks with active and independent boards usually conduct periodic portfolio reviews and stress assessments. Risk management committees examine sectoral exposure and concentration limits more carefully. Audit committees question large credit approvals and provisioning assumptions. In such institutions, asset classification may initially appear stricter and NPAs may rise earlier, but the long-term trajectory tends to stabilize more quickly. Saini and Singhanian (2024) argue that realistic asset recognition, even if uncomfortable in the short run, prevents larger balance sheet distortions later.

Therefore, governance should not be viewed as a static compliance framework but as a dynamic internal control system. It influences how early stress is identified, how transparently it is reported, and how effectively recovery measures are implemented. The Indian banking experience shows that asset quality cycles are closely connected to governance strength. Sustainable reduction in NPAs requires consistent oversight, realistic classification, and alignment between growth objectives and risk management capacity. Without these elements, improvements in NPA ratios may remain temporary rather than structural.

3. Data and Methodology

Data Sources: This study relies entirely on secondary data collected from reliable public sources. Information on asset quality and overall banking stability has been taken from annual publications of the Reserve Bank of India (RBI), particularly reports related to financial stability and trends in banking. Bank-level financial and governance data have been collected from the annual reports of selected public and private sector banks. In addition, government press releases and official updates on NPA recovery measures have been used to understand policy-level changes during the study period. Using these sources ensures that the dataset is transparent and verifiable.

Sample Design: The study covers a ten-year period from 2014 to 2024. This time frame includes both the peak NPA stress period and the subsequent recovery phase, allowing for comparison across different credit cycles. The sample consists of selected public and private sector banks to capture variation in governance structures and operational practices. Annual data has been used for consistency, as governance disclosures and financial indicators are systematically reported on a yearly basis.

Dependent Variables: The primary dependent variables in this study are indicators of asset quality. The Gross NPA Ratio (GNPA) measures total bad loans as a percentage of total advances and reflects overall credit stress. The Net NPA Ratio (NNPA) adjusts for provisions and shows the actual exposure after buffers. The Slippage Ratio captures the rate at which new loans turn non-performing during a given year. Together, these variables help assess both the level and movement of distressed assets.

Governance Indicators: To evaluate governance quality, the study includes measurable structural indicators. The board independence ratio reflects the proportion of independent directors on the board. Risk committee activity is measured through the frequency of committee meetings and risk-related disclosures. Audit committee intensity indicates the seriousness of financial oversight. A disclosure transparency score is constructed based on the depth and clarity of NPA-related reporting in annual statements. These indicators collectively represent the internal governance framework of banks.

Operational Control Variables: Operational efficiency factors are included to avoid biased

results. The cost-to-income ratio measures efficiency in managing operating expenses. Credit growth rate captures the pace of lending expansion, which may influence risk accumulation. The provisioning coverage ratio reflects the extent to which banks have buffered against bad loans. Business per employee is used as a proxy for productivity and monitoring capacity. These variables help separate governance effects from operational performance.

Analytical Framework: A panel regression model is applied to examine whether governance indicators significantly influence NPA levels over time. The model controls for bank size and macroeconomic effects to reduce bias. By using panel data, the analysis captures both differences across banks and changes within banks over the study period. This approach helps identify whether improvements or weaknesses in governance are associated with movements in asset quality.

5. Data Analysis

5.1 Descriptive Analysis of NPA Trends (2014–2024)

The first stage of analysis examines the movement of asset quality indicators across the study period. The descriptive statistics show that GNPA ratios were significantly elevated during the initial years of the study, particularly between 2015 and 2019. Public sector banks recorded higher average GNPA ratios compared to private sector banks, indicating relatively greater exposure to stressed corporate and infrastructure sectors. In contrast, private sector banks demonstrated comparatively lower but more stable GNPA trends.

During the later years of the study period (2020–2024), GNPA and NNPA ratios show a declining trend across most sample banks. This decline corresponds with strengthened provisioning norms, asset quality reviews, and improved recovery mechanisms. However, the pace of reduction differs across institutions. Some banks show steady year-on-year improvement, while others display temporary fluctuations before stabilizing. This variation suggests that factors beyond macroeconomic recovery may be influencing asset quality, particularly governance-related differences.

The Slippage Ratio analysis further supports this observation. Banks with historically weaker governance indicators recorded higher slippage levels during expansion phases, particularly in years of rapid credit growth. Conversely, banks with stronger oversight mechanisms showed relatively controlled slippages even during periods of sectoral stress.

5.2 Governance Indicators and Their Patterns

The governance variables reveal noticeable differences between banks over the study period. Banks with higher board independence ratios generally demonstrate more consistent risk reporting and timely asset classification. In several cases, banks that increased the frequency of risk committee meetings following regulatory reforms showed subsequent improvements in provisioning coverage and stress recognition. Audit committee intensity also appears to correlate with disclosure quality. Banks with more active audit committees tend to provide detailed breakdowns of NPA movements, including slippages, recoveries, upgrades, and write-offs. On the other hand, banks with limited disclosure transparency often exhibit delayed recognition patterns, where stress accumulates before being fully reported. The constructed disclosure transparency score highlights a gradual improvement from 2018 onwards. This suggests that regulatory pressure and supervisory oversight contributed to more realistic reporting practices. However, governance strength remains uneven across institutions.

5.3 Operational Controls and Their Influence

Operational variables show important moderating effects. The cost-to-income ratio demonstrates a positive association with GNPA levels. Banks with higher operating inefficiencies often experience weaker monitoring systems, which may delay corrective actions. Similarly, aggressive credit growth rates during certain years appear linked with later increases in slippage ratios, especially where governance indicators are weak. Provisioning coverage ratio (PCR) shows a negative relationship with NNPA. Banks maintaining higher

provisioning buffers are able to absorb credit shocks more effectively, reducing net stress exposure. Business per employee, used as a proxy for productivity and monitoring capacity, shows mixed results. While higher productivity generally aligns with stronger asset quality, this relationship depends on governance strength and risk management systems.

5.4 Panel Regression Results

The panel regression model was estimated to examine the impact of governance indicators on NPA escalation while controlling for operational and macroeconomic factors.

Key Findings:

Board Independence Ratio: The results show that when a bank has more independent directors on its board, its GNPA ratio tends to be lower. This means independent members help in keeping lending decisions under control. They question risky proposals and ensure proper monitoring. Because of this, banks with stronger independent oversight usually maintain better credit discipline.

Risk Committee Activity: Banks that conduct more frequent risk committee meetings tend to have lower slippage ratios. This suggests that active risk committees help in identifying stressed accounts at an early stage. When problems are detected early, corrective steps can be taken before loans turn into full NPAs.

Audit Committee Intensity: The findings show that banks with stronger and more active audit committees usually report lower NNPA ratios. This indicates that proper financial oversight improves transparency. It also ensures that provisioning is done adequately and that asset classification is not delayed.

Disclosure Transparency Score: Banks that provide clear and detailed disclosures about their stressed assets show more stable NPA trends. Transparency reduces sudden shocks in reporting because stress is recognized gradually and honestly. In contrast, poor disclosure may hide problems temporarily but leads to sharp increases later.

Operational Controls: Operational efficiency also plays an important role. A higher cost-to-income ratio is linked with higher GNPA levels, meaning inefficient banks struggle more with asset quality. Rapid credit growth often leads to higher slippages in later years, especially if risk controls are weak. On the other hand, banks that maintain higher provisioning coverage ratios are better protected against bad loans and show lower NNPA levels.

5.5 Interpretation of Results

The findings support the central argument of this study that structural governance deficiencies contribute to NPA escalation. The regression results indicate that governance is not a symbolic variable; it has measurable influence on asset quality outcomes.

Banks with stronger governance frameworks demonstrate:

- Earlier recognition of stress
- Lower slippage ratios
- More consistent provisioning
- Reduced volatility in GNPA trends

In contrast, banks with weaker governance indicators show:

- Higher accumulation of stressed assets
- Delayed classification patterns
- Greater sensitivity to credit expansion cycles

The analysis also reveals that governance and operational efficiency interact with each other. Even strong governance policies may not yield results if operational execution is weak. Similarly, operational efficiency alone cannot compensate for inadequate board oversight.

5.6 Sustainability of Recent NPA Decline

Although GNPA ratios declined significantly toward the later part of the study period, the results suggest that sustainability depends on continuous governance strengthening. If credit growth accelerates without parallel improvements in risk monitoring and board oversight,

similar stress patterns may re-emerge.

Therefore, the reduction in NPA levels observed by 2024 appears partly structural, but it requires institutional consistency to remain stable in future cycles.

5.7 Descriptive Statistics

Table 1: Descriptive Statistics (2014–2024, N = 110 Bank-Year Observations)

Variable	Mean	Std. Dev	Min	Max
GNPA (%)	5.84	3.12	1.21	12.43
NNPA (%)	2.31	1.45	0.32	6.87
Slippage Ratio (%)	3.76	2.04	0.88	8.95
Board Independence (%)	48.2	9.7	32	68
Risk Committee Meetings	6.4	2.1	3	11
Audit Committee Meetings	7.1	2.4	4	13
Disclosure Score (0–10)	6.8	1.5	3	9
Cost-to-Income (%)	51.6	8.9	38	69
Credit Growth (%)	12.3	6.2	-4	26
Provision Coverage Ratio (%)	68.4	11.7	42	88
Business per Employee (₹ Cr)	18.5	6.4	7.2	34.6

The average GNPA across the sample is 5.84%, reflecting inclusion of both high-stress and recovery periods. The standard deviation of 3.12 indicates noticeable variation across banks and years. Governance indicators show moderate variation, especially in board independence and disclosure transparency. The wide range in provisioning coverage ratio suggests that some banks strengthened buffers aggressively, while others remained relatively conservative.

5.8 Correlation Matrix

Table 2: Correlation Matrix

Variable	GNPA	Board Indep.	Risk Comm.	Audit Comm.	Disclosure CIR	Credit Growth	PCR
GNPA	1						
Board Indep.	-0.41*	1					
Risk Comm.	-0.38*	0.45*	1				
Audit Comm.	-0.33*	0.39*	0.52*	1			
Disclosure	-0.47*	0.48*	0.44*	0.51*	1		
CIR	0.36*	-0.22	-0.19	-0.18	-0.27*	1	
Credit Growth	0.29*	-0.15	-0.11	-0.09	-0.18	-0.18	1
PCR	-0.52*	0.31*	0.34*	0.29*	0.42*	0.42*	0.42*

(*Significant at 5% level)

GNPA shows negative correlation with governance variables, especially disclosure transparency (-0.47) and board independence (-0.41). Provision coverage ratio has the strongest negative correlation (-0.52), indicating that higher buffers are associated with lower net stress. Cost-to-income ratio shows positive association with GNPA, suggesting inefficiency increases asset stress.

5.9 Panel Regression Results

Model: Fixed Effects Panel Regression

Dependent Variable: GNPA

Table 3: Regression Output

Variable	Coefficient	Std. Error	t-Statistic	Significance
Board Independence	-0.042	0.015	-2.80	0.006
Risk Committee Activity	-0.118	0.051	-2.31	0.023
Audit Committee Intensity	-0.074	0.032	-2.18	0.031
Disclosure Transparency	-0.267	0.082	-3.25	0.002
Cost-to-Income	0.061	0.021	2.90	0.005
Credit Growth	0.084	0.037	2.27	0.025
Provision Coverage Ratio	-0.058	0.014	-4.14	0.000
Bank Size (Control)	-0.019	0.008	-2.12	0.036

$R^2 = 0.62$

Adjusted $R^2 = 0.58$

F-statistic (overall) = 14.73 ($p < 0.001$)

Interpretation of Regression

The regression model explains around 62 percent of the variation in GNPA levels, which is considered reasonable in panel data studies related to banking performance. This suggests that the selected variables capture a substantial portion of the factors influencing asset quality. The results show that board independence has a clear negative effect on GNPA, meaning that banks with stronger independent oversight tend to maintain lower levels of bad loans. Similarly, risk committee activity also reduces NPA levels, indicating that frequent review of risk exposure helps in controlling credit stress. Among all governance indicators, disclosure transparency appears to have the strongest impact. Banks that report asset quality information more clearly and consistently show more stable NPA patterns.

On the operational side, the cost-to-income ratio is positively associated with GNPA, which means that inefficient banks are more likely to experience higher credit stress. Credit growth also shows a positive relationship with GNPA, particularly during expansion periods, suggesting that rapid lending without strong monitoring increases future risk. In contrast, the provisioning coverage ratio has a significant negative effect, showing that banks with stronger provisioning buffers are better protected against loan defaults. Overall, these findings indicate that governance-related factors are not only statistically significant but also economically important in explaining NPA trends in Indian banks. During the peak stress phase between 2018 and 2020, several banks in India experienced a sharp rise in Gross Non-Performing Asset (GNPA) ratios. This period was associated with aggressive corporate lending, high exposure to infrastructure and large project financing, and in some cases relatively weak credit screening processes. Public sector banks were more affected because of their greater concentration in stressed sectors and legacy corporate accounts. In addition, stricter regulatory inspections and asset quality reviews forced banks to recognize previously restructured or delayed accounts as NPAs, which further pushed up reported bad loan ratios. The rise in NPAs during this phase was therefore not sudden but reflected the accumulation of risk over earlier years. Following this high-stress period, reforms began to show gradual results. Improved asset recognition norms, stricter provisioning requirements, recapitalization of banks, and structured recovery mechanisms contributed to a steady decline in NPA levels.

Governance deficiencies appear to have contributed significantly to NPA escalation. In banks where board oversight was limited or where risk committees were not actively engaged, corrective action was often delayed. Weak board independence reduced the level of questioning around high-risk lending decisions and sectoral concentration. When oversight is passive, management may prioritize credit expansion without adequate risk assessment. Over time, this leads to accumulation of stressed assets. Strong governance structures, on the other hand, tend to enforce regular portfolio reviews and tighter monitoring. Delayed recognition of stress also

played a role in the escalation of NPAs. In certain cases, stressed accounts were restructured or renewed instead of being classified as non-performing. While such measures temporarily reduced reported NPA levels, they postponed transparency and allowed financial weakness to grow. Once regulatory supervision intensified, many of these accounts had to be recognized at once, leading to sharp increases in GNPA ratios. Delayed classification also increased provisioning requirements in later years, affecting profitability.

Operational inefficiency further aggravated asset quality problems. Banks with higher cost-to-income ratios and weaker monitoring systems faced greater difficulty in tracking borrower performance. Inefficient processes delayed recovery action and reduced the effectiveness of follow-up mechanisms. In such situations, even small repayment issues could escalate into larger defaults. Therefore, governance weakness combined with operational inefficiency created a higher probability of loan deterioration. Rapid credit expansion also contributed to future stress. During periods of strong economic growth, some banks expanded lending quickly without proportionate strengthening of risk controls. When monitoring capacity did not keep pace with credit growth, slippage ratios increased in subsequent years. This pattern indicates that aggressive growth strategies, if not supported by strong governance frameworks, tend to result in higher NPA formation.

6. Discussion

The findings of this study show that NPA trends in Indian banks are not driven only by economic conditions or regulatory reforms, but also by internal governance quality. While the decline in GNPA levels after 2020 reflects improved recovery mechanisms and stricter supervision, the variation across banks suggests that institutional strength played a key role. Banks with stronger board independence, active risk committees, and better disclosure practices managed credit stress more effectively than those with weaker oversight structures. The regression results indicate that governance is not just a formal requirement but has measurable impact on asset quality. Independent boards and active risk monitoring reduce the likelihood of loan deterioration by encouraging early identification of stress. Transparency in reporting also prevents sudden spikes in NPAs by ensuring timely classification. In contrast, weak governance often leads to delayed recognition and accumulation of hidden stress.

Operational efficiency further influences this relationship. Higher cost-to-income ratios and rapid credit growth without proper controls tend to increase future slippages. Provisioning coverage, on the other hand, strengthens resilience against shocks. Overall, the study confirms that sustainable NPA reduction depends on continuous governance discipline and balanced credit expansion rather than temporary regulatory pressure.

7. Policy Implications

The results suggest that long-term NPA control requires stronger internal governance rather than temporary corrective actions. First, boards must take clearer responsibility for major credit decisions and sector exposure, ensuring active oversight instead of formal approval. Second, managerial incentives should be linked to risk-adjusted performance and asset quality, not only loan growth, to discourage aggressive lending practices.

Third, banks should institutionalize early warning systems with clear measurable triggers to detect stress at an early stage. Fourth, transparency in disclosure must be strengthened so that stress is recognized gradually and honestly. Fifth, risk committees should function more actively with regular monitoring of portfolio risks. Finally, credit expansion should be aligned with monitoring capacity and operational strength to avoid future slippages. These measures together can reduce the structural causes of NPA escalation.

8. Conclusion

This study shows that the rise and fall of NPAs in Indian banking cannot be understood only through regulatory reforms or economic cycles. The evidence suggests that structural governance weaknesses inside banks play a meaningful role in the escalation of stressed assets.

Although regulatory interventions, stricter supervision, and recovery mechanisms have helped reduce NPA levels in recent years, long-term stability depends largely on how effectively individual banks manage their internal governance systems. Where boards exercise real oversight, risk committees function actively, and stress is recognized at an early stage, asset quality tends to remain more stable. On the other hand, when governance remains weak or passive, problems accumulate silently and surface later in the form of sharp NPA spikes. The findings therefore indicate that banking resilience is not created only by external policy measures, but by consistent institutional discipline, transparent reporting, and responsible credit management practices embedded within the organizational structure of banks.

References

1. Acharya, V. V., & Rajan, R. G. (2021). *The banking sector and the resolution of stressed assets in India*. *Journal of Financial Stability*, 54, 100871.
2. Chakraborty, I. (2020). Asset quality review and banking sector reforms in India. *Economic and Political Weekly*, 55(18), 45–52.
3. Madan, P., & Kumar, S. (2023). Governance mechanisms and credit risk management in Indian banks. *Journal of Banking and Financial Regulation*, 18(2), 112–129.
4. Mohapatra, S., & Sharma, R. (2022). Corporate governance and non-performing assets: Evidence from Indian banking sector. *International Journal of Financial Studies*, 10(3), 67–82.
5. Reddy, Y. V., & Prasad, A. (2021). Hidden stress and delayed recognition in Indian banking. *Indian Journal of Finance*, 15(4), 23–37.
6. Reserve Bank of India. (2024). *Financial stability report*. Reserve Bank of India. <https://www.rbi.org.in>
7. Saini, R., & Singhania, M. (2024). Board effectiveness and asset quality management in emerging economies. *Global Business Review*, 25(1), 89–104.
8. Verma, A., & Gupta, N. (2023). Governance reforms and NPA reduction in Indian banks. *Asian Journal of Accounting Research*, 8(2), 156–170.