

A COMPARATIVE STUDY OF ADVANCES CONTRIBUTING TO NON PERFORMING ASSETS BETWEEN SBI GROUP & NATIONALISED BANKS

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ABSTRACT

The rising Non Performing Assets in the banking sector in India has been one of the most challenging issues in the recent decade which is hurting financial prospects of economy as well. Directed advances made by banks to priority sector often considered as the main culprit of rising NPAs. The present study attempts to investigate the impact of priority sector advances, unsecured advances and advances made to sensitive sectors by banks on Gross NPAs of banks. Under the study the relative influence of advances made to abovementioned sectors by SBI group & Nationalised banks have been analysed separately by employing Multiple Regression model using SPSS-16. The results so obtained suggests that advances to these sectors are negatively correlated to Gross NPA further on the contrary to the assumption of same effect of these advances on Gross NPA it was found that all these advances significantly affects Gross NPA of nationalised banks whereas only unsecured advances significantly affects Gross NPA of SBI Group.

KEY WORDS: Non Performing Assets, Priority Sector Advances, Unsecured Advances, Sensitive Sector Advances,

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