

ANALYSIS OF PRIORITY SECTOR NPAs WITH SPECIAL REFERENCE TO SBI MUMBAI CIRCLE AND SBI BANGALORE CIRCLE

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ABSTRACT

The Indian banking sector is facing a serious problem of Non Performing Assets. Non-performing assets are one of the major concerns for banks in India as they reflect the performance of banks and have affected the whole economy. The financial health of the banking sector can be assessed by the level of NPAs in the banks. NPAs affect the asset quality, credit risk and efficiency in the allocation of resources to productive sectors. The management is seriously concerned about the growing NPA menace. The earning capacity and profitability of many banks and financial institutions had been adversely affected by the high level of NPAs. The Govt. of India and Reserve Bank of India has initiated various measures to control the growing level of NPAs. The study analyzed the advances and Non Performing Assets in Priority sector and Non Priority sector in State Bank of India Mumbai circle and State Bank of India Bangalore circle along with the trend in Priority sector. We could find out the relation between Non Performing Assets and priority sector lending of banks. Here bank wise and sector-wise data has been gathered mainly from banks official sources and then analyzed with different parameters.

KEYWORDS: Agriculture Advances, Banking, Non-Performing Assets, Non-Priority Sector Priority Sector, Total NPA