



**Status of Gross and Net Advances of Public Sector Banks During 2010-11
To 2019-20**

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Abstract:

Indian public sector banks play a vital role in overall social economic development of the nation. Present research paper focuses on the status of gross and net advances of public sector banks during 2010-11 to 2019-20. In this research paper it is important to mention the meaning and importance of gross advances and net advances of public sector banks. It is found that Indian public sector banking year on year importantly increased more numbers of beneficiaries and advances also. In this research paper the difference between gross advances and net advances also explain. After so many banking sector reforms banks profitability and efficiency was increased. Ultimately it is found that Indian public sector banking provides different types of short run as well as long run advances to needed ones.

Introduction:

Indian public sector banks play a Vital role in overall socio-economic development of the nation. After the nationalisation of public sector banks spread the bank branch network in remote areas at a vast speed. The main objective of bank nationalisation is to act on behalf of the government to fulfil economic obligations towards the common man. Commercial banks they acted over enthusiastically in penetrating into far-flung and remote corners of the country. At the same time public sector banks have bring big social responsibility that was upon the own head and carry all banking services for each and every individual.

This paper importantly focuses on the check out of status of gross and net advances of public sector banks during 2010-11 to 2019-20. The cause of this period is only for the purpose of after the LPG policy 1991 banking sector had a great level of modernisation in banking services. After the so many banking sector reforms banks profitability and efficiency was increased in the Modern era. So as per this concern banks profitability and efficiency is also depend on the status of advances of public sector banks.

In the Indian contact the financial sector specially the public sector banking importantly increased more numbers of beneficiaries from time to time of the same time Indian public sector banking introduced many more new process products and services and credit advanced schemes and services with the new ICT infrastructure. Today human life banking services play an important role to complete different financial needs of Banking customers and account holders. Nowadays economic activities of the public have increased and they want more specific banking services for their businesses and financial needs. For all the time, long run financial credit supply will not be needed. Most of the time short run credit supply also demanded in the forms of

different business needs. And individual financial needs. Short run advances place important role to fulfill small financial needs for the short run.

Hypothesis of the research:

1. There is no financial stability in the economy.
2. Day by day financial exclusion is rising in the economy.
3. There is a gap between total demand for money and total supply of money.
4. The Indian banking sector credit facility is not adequate as per demand for credit.

Objectives of the study.

1. To study the status of gross and net advances given by public sector banks during the period 2010-11 to 2019-20.
2. To study the meaning and nature of gross advances and net advances.
3. To study the status of gross advances and net advances.
4. To understand the importance and different types of advances of public sector banks etc.

Research methodology:

Present research paper importantly stand on secondary data source those are available on RBI statistical handbook on Indian economy. Internal secondary institutional data where collected from RBI website. At the same time for understanding the nature and meaning of advances of public sector banks data were collected from different related websites and reference books.

What are advances?

Indian public sector banking provides different types of short run as well as long run loans and advances to needed ones. Here we understand the meaning of advances in specific way under Indian public sector banks.

Meaning of advances in Indian public sector banks refers to providing short run credit supply for three to six months and sometime it will be for up to 1 year also to meet specific financial needs against the salary or any economic activity is called as advances. This facility of advances of credit offered by any PSU bank to meet short term needs is important. This term credit facility such as for pay day loans, salary advances, cash advances. They are similar to loans but more usually as one to three months sometimes it is for 1 year also. Growth of advances under public sector banks was improved. This type of credit provides for travel needs, petty cost, cash floats, small economic activities, operating businesses and for education purposes also.

What are gross advances?

In simple way we can say that gross advances is the total amount of credit that has been provided before any type of deductions. In other way we can say that gross advances means such credit amount that is paid to the payee in his account without any deductions is called as gross advances given by any public sector banks like SBI.

What is net advances?

The term net advances refers to such advances that is the principal amount outstanding advances minus the amount on deposit in account is called as NET advances. This concept is also used for measuring npa ratios which provide details into the financial health and asset quantity of any Financial Institutions. It is calculated by the net NPA by the net advances provided by any

bank during a specific period of time then it should multiply the result by 100 to get a percentage value of NNPA.

Difference between gross advances and net advances:

The term gross advances refers to the total amount of cash or credit advances considering economically needed advances, salary advances, services and maintenance advances etc. Where the term net advances refers to the gross advances received by any individual or company from a bank, minus all considerable cost is called NET advances. This is the primary difference between gross advances and net advances.

Importance of advances:

Banks run this important function in an innovative way. There are so many qualitative changes in the form of advances. Nowadays, Bank advanced also known as loans please Vital role especially in public sector banks. Private banks and all other banks also introduce this facility. This facility of loans helps people in time of their financial needs. They can provide short term relief by helping Bank consumers to meet their important and immediate financial needs. Banks accept different deposits from the public when they use to make short term loans to needed ones. There are two types of advances called short term advances and long term advances. Advances place Vital role to help people to reduce their financial stress and bridge the gap between demand for credit and supply of credit. This is one of the significant banking facilities offered by any bank to meet short term financial requirements. Most of the time people choose this facility for pay day loans, cash advances where the repayment duration is very short such as one month to three months in some cases it is for 1 year also. People enjoyed this banking facility to meet their financial productive needs. Advances can be of multiple types. Here are some of the important types of advances.

1. Overdraft facility of bank.
2. Cash credit of bank
3. Pay day loans of banks.
4. Bill and commodity purchase advances etc.

Status of gross and net advances of public sector banks during 2010-11 to 2019-20:

Following table number 1.1 shows the status of gross and net advances of public sector banks during the period of 2010-11 to 2019-20. In this table any public sector banks are considered during the period for 10 years 2010-11 to 2019-20. The amount mentioned in crore of Rupees from both side gross advances and net advances of public sector banks

Table 1.1: “Gross and net advances of public sector banks during 2010-11 to 2019-20”
(Amount is in crore of Rupees)

Year (End March)	Gross Advances	Net Advances
2010–11	3346450	3305632
2011-12	3942732	3877308
2012-13	4560169	4472845
2013-14	5215920	5101137
2014-15	5615793	5476250

2015-16	5823907	5593577
2016-17	5874849	5557232
2017-18	6141698	5697350
2018-19	6382461	5892667
2019-20	6615112	6158112

Source: supervisory returns and report on Trend and progress of Banking in India.

Data retrieved from Table Number 54 boss and net NPAs of Scheduled commercial bank Bank Group wise <http://m.rbi.org.in/scripts/publicationsView.aspx?id=21860>

The above table number 1.1 shows the status of gross and net advances of public sector banking during the period of 2010-11 to 2019-20. The mentioned amount is in crore of Rupees. Air is considered a March for each and every year. The status of gross advances shows that year on year it is increasing. This is one of the positive aspects of gross advances of public sector banks throughout all the 10 years. The status of net advances of public sector banks during 2010-11 to 2019-20 the overall status of net advances is having the increasing trends throughout for all the years. It is indicating the gross and net advances of public sector banks during the given period of time. Public sector banks plays Vital role to attend financial inclusion and provide necessary services for needed ones.

Conclusion:

Gross and net advances of public sector banks during 2010-11 to 2019-20. This present research paper focuses on the status of gross and net advances of public sector banks only during a given period of time. It is found that from public sector banking institutions gross advances of public sector banks are rises at the same time for a given period of time net advances of public sector banks also increases for all the selected years. This is one of the positive aspects of the Indian banking sector. For achievements of social economic development of the economy Indian banking sector plays a significant role for increase of banking services and banking infrastructure facilities.

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