

PROJECT REPORT (17MBAPR407)
on
A STUDY ON NON PERFORMING ASSETS AT SBI, BENGALURU

BY

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1AY17MBA16

Submitted to

**VISVESVARAYA TECHNOLOGICAL UNIVERSITY,
BELGAVI**



In partial fulfilment of the requirements for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION
Under the Guidance of

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March 2019



TO WHOMSOEVER IT MAY CONCERN

This is to certify that Ms Kavyashree C L, No 1AY17MBA16, an MBA student from Acharya Institute of Technology, Bangalore has successfully completed Internship project on "A study on Non Performing Assets of SBI" as a part of the curriculum from 03.01.2019 to 16.02.2019.

She has completed the project under the guidance of Shri Anoop P, Branch Manager, State Bank of India, West of Chord Road Branch, Bangalore. During her project period, she has exhibited exemplary character and conduct, and was able to complete the project successfully within stipulated time.

We wish her success in all her future endeavors.

Thanking you

Yours sincerely

ಭಾರತೀಯ ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್ ಆಫ್ ಇಂಡಿಯಾ / ಕೃಪೆ ಭಾರತೀಯ ಸ್ಟೇಟ್ ಬ್ಯಾಂಕ್
For STATE BANK OF INDIA

ಶ್ರೀ.ಆರ್. ವ್ಯಾಜ್‌ಸುಬ್ಬರಾವ್ / ಶಾಖಾ ಪ್ರಬಂಧಕ / Branch Manager
ಶ್ರೀ.ಆರ್. ವ್ಯಾಜ್‌ಸುಬ್ಬರಾವ್ / ವೆಸ್ಟ್ ಆಫ್ ಕಾರ್ಡ್ ರೋಡ್ ಶಾಖಾ,
West of Chord Road Br. (36437), Bangalore-36.

Branch Manager



22.03.2019

Bangalore



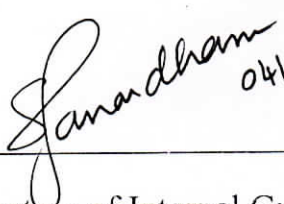
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Date: 04/04/2019

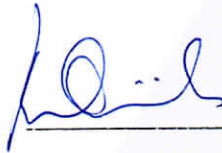
CERTIFICATE

This is to certify that **Ms. Kavyashree C L** bearing **USN 1AY17MBA16** is a bonafide student of Master of Business Administration course of the Institute 2017-19 batch, affiliated to Visvesvaraya Technological University, Belagavi. Project report on “**A Study on Non Performing Assets at SBI (West of Chord Road Branch), Bengaluru**” is prepared by her under the guidance of **Dr. Janardhan G Shetty**, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.


04/04/2019

Signature of Internal Guide


Signature of HOD
Head of the Department
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Signature of Principal/Dean Academics

Dr. Devarajiah R.M.
Dean-Academics
ACHARYA INSTITUTE OF TECHNOLOGY

DECLARATION

I **Kavyashree C L**, hereby declare that the Project report entitled “A STUDY ON NON PERFORMING ASSETS AT SBI,BENGALURU” with reference to “State bank of India, Bengaluru” prepared by me under the guidance of **Prof. Janardhan G Shetty faculty of M.B.A Department, Acharya institute of technology** and external assistance by **Mr. Anoop p, Branch Manager at State bank of India, Bengaluru** I also declare that this Project work is towards the partial fulfilment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone a summer project for a period of Six weeks. I further declare that this Project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University / Institution.

Place: Bengaluru
Date:11/04/2019

Kavyashree. CL

Signature of the student

ACKNOWLEDGEMENT

I wish to express my sincere thanks to our respected Principal, **Dr. Prakash M R**, beloved Dean-Academics, **Dr. Devarajaiah R M**, and deep sense of gratitude to **Dr. M M Bagali**, HOD, Acharya Institute of Technology, Bengaluru for their kind support and encouragement in completion of the Internship Report.

I would like to thank **Prof. Janardhan G Shetty**, Department of MBA, Acharya Institute of Technology, Bengaluru and external guide **Mr. Anoop P**, Branch manager at SBI Bengaluru, who gave me golden opportunity to do this wonderful Project in the esteemed organization, which helped me to learn various concepts.

Finally, I express my sincere thanks to my Parents, Friends and all the Staff of MBA department of AIT for their valuable suggestions in completing this Project Report.

Place: Bengaluru

Date: 11/04/2019

Kavyashree C L

USN:1AY17MBA16

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EXECUTIVE SUMMARY

The origin of the State Bank of India returns to the main decade of the 19th century. It started with the foundation of the bank of Calcutta on second June 1806. The financial part is the area of the economy dedicated to the holdings of money related to the resources of other people, contributing to those budgetary resources as the influence to make more wealth and to regulate certain activities by government organizations.

A study about the impact of Non-performing of assets where the study is conducted in State of India, at Rajajinagar Bangalore branch. Which has risen in its level of NPA over the years in the report the reason for the increase is observed and measured to the control the NPA is given the suggestion

NPA play important role in profitability of bank which is very necessary for the bank to understand the need and can control the level of NPA and also helps to know the needs to control it.

This study will give clear picture of NPA and discloses the needs objectives to study about NPA. NPA is studied by using bar diagram and certain test the hypothesis regression test is also used which helps to understand the degree and relation between the profits and gross NPA along with the levels of profits which helps to understand easily even for layman.

CHAPTER - 1
INTRODUCTION

1.1 Introduction about project

Project activity is an essential part of the academic curriculum of VTU MBA. It's a resourceful gap between understanding and its application through various series of intervention with the objective to give exposure to the corporate world and to get a practical experience project is included in the academics.

It was a useful 6-week project which had explored me to the banking activities at State bank of India, Bengaluru. This project gave me the opportunity to serve and to impose the practical and theoretical concepts in a right way.

This project helps to get to know about the organisation and concepts with that this project was very beneficial as it helped to work well in this competitive world. It provided the opportunity to learn and understand the banking concepts and helped to adjust for work environment in future. Internship in state bank of India from the date specified which was very useful and benefited to know about banking operations.

Topic for research study

“A study on non-performing assets at SBI, Bengaluru” conducted on state bank of India, WOC Road branch, Bengaluru.

1.2 INDUSTRY PROFILE

A bank is a budgetary establishment that provides saving money and monetary administration to their customers. It's a monetary institution that takes money from people and provides credit. It also performs Lending activities directly or indirectly through capital markets. Most of the country have institutionalized a system known as fractional-reserve banking under which banks keep reserves equal to a portion of their current liabilities. It's the most comprehended as a foundation which gives basic savings money administrations, for example tolerating stores and giving credits.

There are additional non-managing accounts in the organization that leads to a few money administrations without accepting the legitimate of a bank. A bank is a sub set related to money industry.

The other view of the origin of the word bank is a German term “bank” that means a joint stock finance. Then later the word tuned into the Italian word word “banco” were the Germans became the ruler to a major side of Italy. The French people were also using the same term as “bank”. Afterward, the Britishers turned this term into “Bank” later its universally accepted.

the banking system in India comprises indigenous banking that is unorganised sector and also modern banking know as organized sector. The unorganized sector means Indigenous bankers, Private money lenders, shroffs, centibars, etc. While organized sector includes commercial banks, Development banks, regional Banks, co-operatives banks and so on.

The central bank of India is known as reserves bank of India and an apex body of banking companies. With the rapid development of communication, transportation and industrialization, the banking business has made a drastic progress in this modern era and its as became a part of our daily life.

The Indian banking sector is maintained by RBI act of 1934. The BANKING REGULATION ACT 1949 by issuing direction to the maximum amount of deposits, the period and the rate of interest they could offer on the deposits accepted. India reserve bank, provides different rules and guidelines, polices and notifications on time to time to control the banking industries.

Indian banking system, as we see it today in India has come a long way. Its transitioned from unorganized system of lending and borrowing, passing through establishment of private banks to nationalized, to liberalization and now facing the globalization of the financial world.

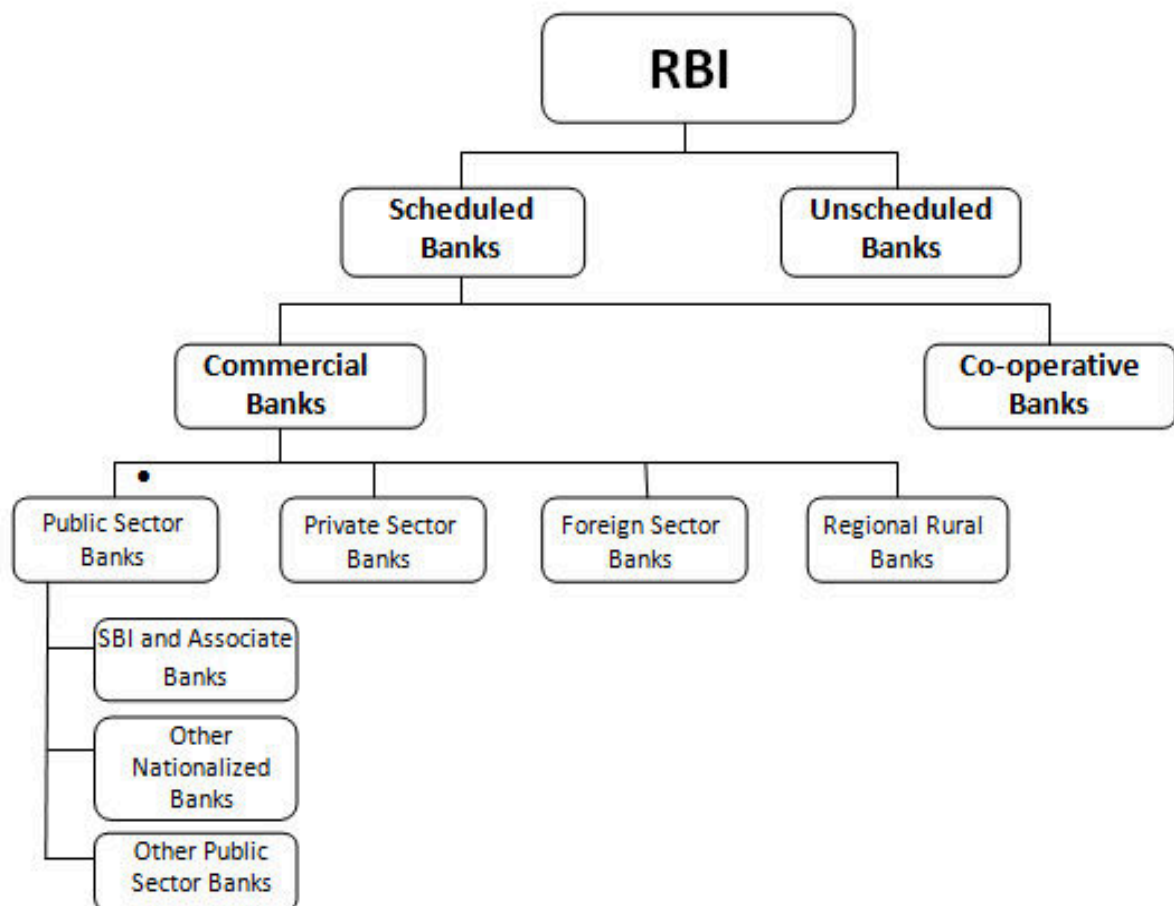
The organized system is well developed that it can compete with its international counterparts in terms of modern technology, financial products and services, infrastructure, efficiency and professional.

Structure of banking system in India

Banking system in India is totally headed by the RBI, India has no central bank before the formation of RBI. The RBI is known as a supreme monetary and a banking authority in regulating the banking segments in India. It's also known as reserve bank as it handles all the reserve of all the commercial banks.

The banking segments of India is classified into 2 division as shown in the below chart.

Chart No. 1.1 Banking segment in India



The Indian banking segments is generally divided into scheduled and unscheduled banks. All banks include in the 2nd schedule to the Reserve bank of India act, 1934 are scheduled banks. These banks comprise scheduled commercial banks and co-operative banks. scheduled co-operative Banks and urban cooperative banks. Scheduled commercial Banks

in India are categorised into 5 different groups according to their ownership and its operations:

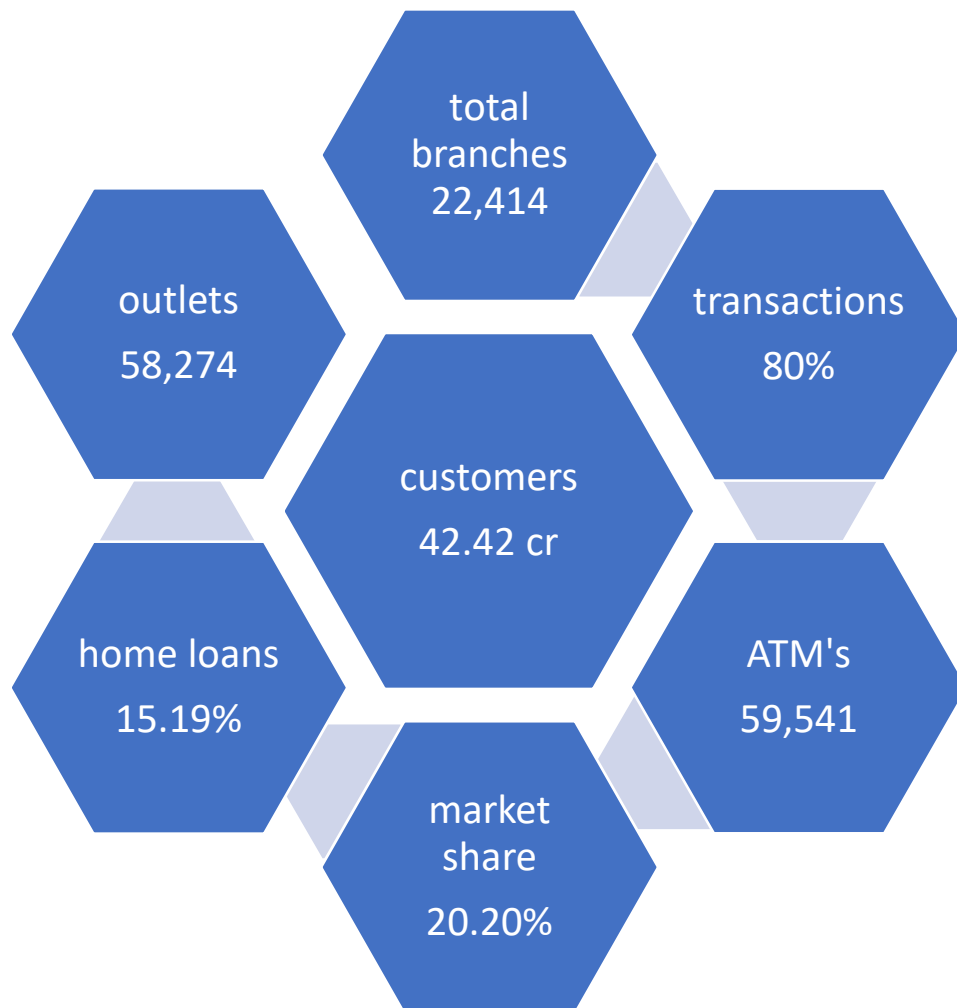
- State bank of India and its Associates
- Nationalised Banks
- Private Sector Banks
- Foreign Banks
- Regional rural banks.

commercial banks might be characterized as, any financial association that manages the deposits and credits of business associations. this bank provides bank checks and drafts, just as acknowledge cash on term stores. banks likewise go about as moneylenders, by method for as of late advances and overdrafts. commercial banks additionally consider a different types of deposits accounts, for example, checking, reserve funds, and time deposits. These banks are ruined to make a benefit by gathering of people. As SBI is a commercial bank which serves for the benefit of people and to their economy.

1.3 COMPANY PROFILE:

The state bank of India is the oldest and largest public sector bank in Indian banking sector with a market share of 25% in deposits and advance in the banking system. Founded in 1806, The bank of Calcutta, the bank of Bombay and the bank of Madras were merged by an act of legislature to form the Imperial bank of India in 1921. In 1955 the Imperial bank of India was nationalized and renamed as SBI.

The SBI group has a strong brand image and a pan India presence with a wide reach in rural and semi urban areas with 17337 branches including 4841 branches of its 6 associate banks and 59,541 ATMs s. it's also operating outside the India too with 142 overseas offices spread over 32 countries.



Retail banking has various outlets in countries banking. In starting it involves personal banking actions and it gives loans to the corporate clients who have good connection with bank branches in the country banking category. This groups involves in organization Agency and ATM services. The banks national banking groups (NBG) such as personal banking, small & medium enterprise (SMG) and government banking. The SBI groups recently started the general insurance & mutual fund business as a joint venture with Insurance Australia group.

The SBI has its head quartered in Mumbai. The firm as held 216th in the Fortune Global list around 500 competitors across the world's biggest corporations of 2017.

As state bank of India, the largest commercial bank in the country as well has in Bangalore with deposits more than Rs. 20,44,751 crores. It's one of the dominates to the Indian banking sector in commercial banks with a market share 23.7% in terms of total banking sector deposits.

The increasing focus on updating the technology enabled it reach still larger and better service levels, provide new delivery platforms and also improving the operations efficiency to counter the threat of competition effectively. It has maintained very good relationship between the customers and by providing fair rate of interest on deposits .it also provide good services by many modern facilities to their customers, such as, cash deposit machine, pass book printing machine, cheque withdrawal machine, and ATM.

The CBS (core banking solution) has been fully implemented with 17170 branches and 59,200 ATMs of the state bank group and now it's the strongest technology enabled distribution network in India.

The merger of all associate bank with the SBI have further strengthened it dominate position in the banking industry as the country's largest universal bank.

A bank has actively involved since 1973 in non-profit activity called communication services banking. All the branches and administrative offices throughout the country sponsor and participation in large number of welfare activities and social causes. Even through it has so many ups and downs, it has risen to real heights to set itself up as a model for others to follow.

The associate banks of SBI are –

1. State bank of Jaipur & Bikaner
2. State bank of Hyderabad
3. State bank of Patiala
4. State bank of Travancore and
5. Bhartiya Mahila bank

Now its Merged with state bank India from 1st April 2017 were the entire undertaking of these 5 banks were taken by single universal bank. So that the bank can centre on non-payer. A lot of people can avail many finances with the merger, were they can be benefited under a single roof that makes easy to recovery the debts.

The SBI is the 5th most popular online world financial website with 4.79 corers operators and 159 cores cash transactions during 12 months. Nowadays India is going to be digitalized and becoming a accelerated move of new idea and technology during the year. On 24th November 2017 SBI has launched its India's 1st comprehensive digital services platform called 'YONO' an acronym of 'you only need one',

List of current directors on the central board of state bank of India

Name	Designation
Shri Rajnish Kumar	Chairman
Shri P.K. Gupta	Managing Director
Shri Dinesh Kumar Khara	Managing Director
Shri Sanjiv Malhotra	Director

PROMOTERS OF STATE BANK OF INDIA

Shareholders	Shareholding
Promoters is Government of India	61.23%
FII's /GDRs /OCBs /NRIs	11.17%
Banks and Insurance Companies	10.00%
Mutual Funds and UTI	8.29%
Others	9.31%
Total	100.0%

Hence on 31st march 2017 the government of India hold around 61.23% equity shares in SBI. The life Insurance corporation of India, is a state held by its hugest ownership in the organization with 8.82% of shareholder.

1.4 VISSION, MISSION & QUALITY POLICY

VISSION:

Be the bank of choice for a transforming India

MISSION:

Committed to providing simple, Responsive and innovative financial solutions

OUR VALUES:

S-Services

T-Transparency

E-Ethics

P-Politeness

S-Sustainability

QUALITY POLICY:

- To ensure greater quality in giving client benefits.
- To manages clients and to give consistently progress.
- To accomplish our client's objectives

1.5 PRODUCTS & SERVICES OF STATE BANK OF INDIA:

State bank of India offers a different range of services to its client through its personal banking such as-

- **SBI House Loan**

SBI offers financing rates which concessions on green homes as per SBI's responsibility to Environment protection. The products given to its clients a onetime irrevocable choice to pick one of the 3 customized combinations of fixed and floating rates on loans and also to pick the request in which the fixed and floating rates will be benefited. The actual loan amount endorsed is Rs 5 lakh. were its items are again isolated into various types based on their term of reimbursement and their loan and advances packages for example, -

- SBI Margin home loans
- Home equity loans
- NRI house loans
- Gram Nivas
- Green house loan
- Surakshit house loan
- Yuva house loan
- Reality house loans
- House loan pal

hence, of the loans bank gives to its client which is agreeable to reimbursement commitment. The Tenure of the loans and advances is equivalent to the remaining maturity of its initial house loans.

- **SBI Car Loan**

The bank gives its customers the best car loans plan with an excellent favour and less cost. A fast view by the clients of same plans accessible with different banks to shows that SBI car/vehicle loans for new and old vehicles offer for the clients.

- **SBI Education Loan**

The bank gives term loan allowed to Indian nationals for seeking for higher education in India or abroad where confirmation has been verified. All courses having work prospects are qualified for securing education loans from banks.

- SBI Loans to Pensioners

The customers can benefit of a loan from their branch to meet their own expenses. They can avail profit a loan of up to limit of a year annuity, subject to a roofing of Rs 1 lakh. The loan might be reimbursed over a 5years and will convey a low intreat rate of 13.25 % per annum.

- SBI Loans against Shares/Debentures

The customer can take benefit of loans up to Rs 20 lakh against shares /debentures to empower the, to meet the contingencies, own needs or outstanding to buy in to rights or new issue of shares.

- SBI Agricultural Loans

The bank has provided the new products, to expand the stream of credit to the agriculture sector in the year 2003-2004. The loans of agriculture business group have raised from Rs 1,360 crore in 2003-2004 to Rs 34,933 crore in 2006-07 which shows a raise of 2468.6%. Agricultural credit are givens to buy the assets which are useful rural activities such as agribusiness, agriculture, plantation, sericulture, farming, animal husbandry, fisheries, horticulture, so far., where the credit amount is repaid over some undefined period of time which is limited to 3 years.

Under this agricultural credit there are different sorts of benefits given by the SBI through its plans for example: -

- Kizan Credit card plans
- Land development plans
- Minor Irrigation plans
- Farm mechanization plans
- Krishi Plus schemes for customized hiring of Tractor to Rural Youth
- Lead Bank schemes etc,

- SBI Industrial Loans

SBI provides day today finance to meet the whole range of small -term finance requirements that raises inside a corporate working operational cycle. The SBI working

capital credit can help firms in financing inventories, overseeing its inside money streams, internal part of cash flows, supporting supply chains, financing production and advertising operations, giving cash support to expand its organizations and conveying current resources. The SBI corporate term credit can support the firm in financing on current business development, reimbursing huge cost loans, innovation, technology, up gradation, R&D consumption, utilizing the explicit money streams that accumulate into a business, accumulating the early retirement plans and enhancing day today capital.

Since, the Bank expands the funding support to help agriculturists, Industrialists and poor man in other modes.

Apart from this the bank gives primary and secondary benefits to its clients.

PRIMARY SERVICES:

- **Accepting deposits**

Accepting of deposits is the most important functions of modern commercial bank. It is the basics of all other activities of the bank. It accepts following kinds of deposits.

a. fixed deposits

these are the deposits which are kept in the bank for a longer period the customer who deposits in the bank are benefited not only by their money in the safe custody but also with higher interest rate on their deposited money.

b. current deposits

these deposits are repayable on demand. A customer can deposit or withdraw their money anytime daily. There is no restriction regarding withdrawals from this account. Banks usually don't pay interest on demand deposits but a small rate of interest is paid only for a huge amount.

c. saving bank deposits

these are the deposits on which the banks provide some interest and some restrictions on the withdrawals. The customer is allowed to withdraw the the money twice in a week and the rate of interest is lower compared to fixed deposits. This type of account is usually opened by salary people to save a part in that.

Balance and interest rate for saving account depositors-

Deposits	Rate of Interest
Balance up to Rs. 1 crore	3.5% P. A
Balance more than Rs. 1 crore	4% P. A

d. Recurring Deposits

Recurring deposits gives its clients the elements of compensation to save at huge rate of interest which is applied for term deposits in conjunction with the liquidity to access the savings all the time. The Recurring Deposits is adjustable according to the period of amount deposited along with the maturity wqhich is limited from 1year to 120 months. It's the lowest and minimum monthly deposit fund. The client will begin a continuous deposit with the SBI for a monthly instalment of Rs one hundred only.

SBI Recurring Deposit Interest Rates-

period	Regular RD	Senior citizen RD
1-2 years	6.70%	7.20%
2-3 years	6.75%	7.25%
3-5 years	6.80%	7.30%
5-10 years	6.85%	7.35%

e. Term deposits

SBI provides secured and competitive interest rate and trust. And SBI maintain Flexibility in time of term deposit from seven days to ten years. It also affords reasonable low minimum deposit fund with SBI for a initial amount of Rs 1000 only. Clients of SBI can enjoy a loan/advances/overdraft facility against their money deposited in the bank. The bank gives loan / overdraft which is limited to 90 percent of their deposit fund in the personal cost.

f. Giving advance and loans

A 2nd main activity of public bank is to give credit and advances to its loyal clients. This is a major function of performing where it can earn income. Bank grants loans to business men for short time.it also lend and approve its customer personal security, gold and silver, stock of goods of any rate.

SECONDARY SERVICE

Agency services

A bank enacts as agent to its customer. It pays behalf of its customers and pays insurance premium, rent, taxes, bills etc the bank also accepts the instructions from the clients and make payments as and when its necessary. Bank charge few amount as commission for this service. Banks transfer of money from one place to another.

General services

The bank also performs general uses to its clients such as,

- Issue of loans, letter of credits, drafts etc
- Locker services
- Underwriting of offers
- Deals with foreign exchanges
- Reports on various projects

- welfare programmes
- Other general functions

1.6 AREAS OF OPERATIONS

- The bank is operating all over the India and its main headquarters is in Mumbai name called 'State Bank Bhawan'.
- The bank gives a wide variety of items by its network of branches across India and in foreign countries, and it also look off the NRIs (Non-resident Indians).
- There are 16 Regional hubs with 57 Zonal Offices which are located in all metropolitan cities of India
- SBI operates 18,354 branches across in each areas of the nation.
- It also had 191 overseas offices where it has been spread in 36 countries. The only bank which has large market share among another Indian banks in the overseas.

INFRASTRUCTURE FACILITIES

- The bank provides fully furnished infrastructure facilities by bestowing particular attention towards:

Sufficient space to the customer,

Standard furniture's

Providing Drinking water and wash room facilities

And bank take a special interest on senior citizens, handicap people, etc.

- The bank takes attention regarding general up-keep, hygiene cleanliness and maintenance of branch environment to give convenience to their customers.
- It provides a separate chamber at the branch along with a help desk and a regular reception counter.
- Barometer is displayed in all the chambers in English, Hindi along with booklets
- All employees are wearing an identification badge which display a photo on it and name on it.

- Existing security system in branch have been reviewed and improved upon and to ensure the confidence amongst the workers and the people.

1.7 COMPETITORS OF SBI:

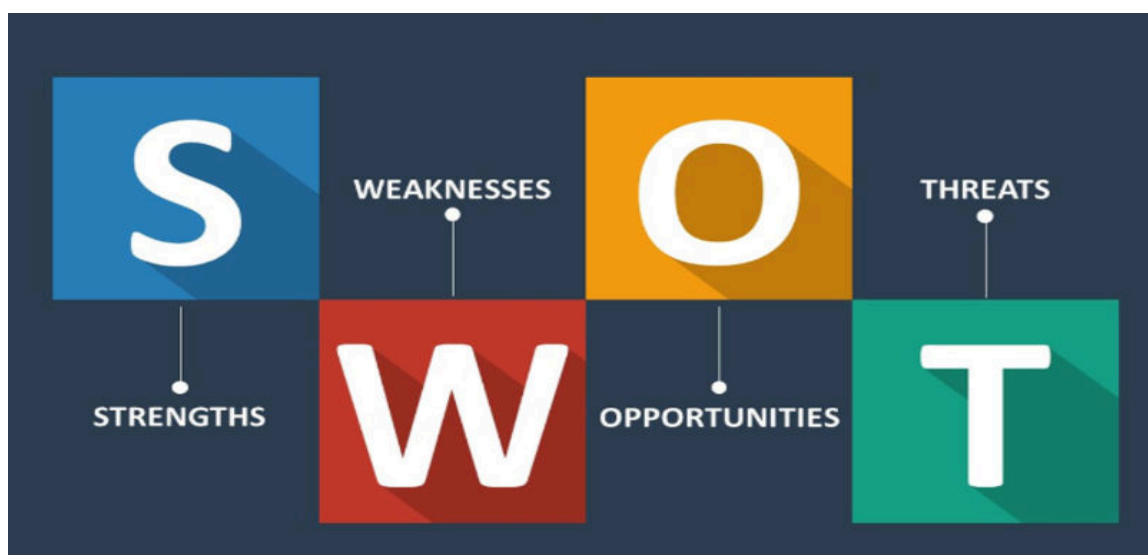
Some major competitors: -

1. Canara Bank
2. IDBI Bank
3. Central Bank of India
4. Bank of India
5. Punjab national bank
6. Indian bank
7. Bank of Baroda
8. Union bank of India and
9. Vijay Bank

However, in terms of market share, SBI stand as a tallest and largest player in the market.

1.8 SWOT ANALYSIS

It is a vital tool to understand and to take decision for all the sots of crises in the business and company, SWOT asses the strength, shortcoming, openings and dangers required in a business.it also promoting conditions inside and outside the bank



STRENGTH

- SBI is the first public sector to open and move the CBS
- It holds the ownership of the government of India which gives a high lift in the banking industries.
- SBI is a greatest bank in terms of market share in the country's revenue, assets and expenses.
- Transparency in charge
- Safety and security of money
- SBI operates more than 35 countries across the global which is closed to 200 offices
- SBI is a number one mover in the commercial banking service and took over the advantage of the commercial banking.
- Recently, SBI merger its 5 more associate banks namely state bank of Jaipur, Hyderabad, Patiala, Jaipur, Travancore and Mysore to increase its share in the market and to protect its position in the public.

WEAKNESS

- Private bank providing more facilities at lowest charges
- Young people are attracted by private banks due quick upgrade of technology.
- Rigid work culture.
- International existence is low when compared to the other world banks.
- Massive competition which have been limited the market share extension for SBI.
- Lack of proper technology driven services when we differentiate to the private banks.
- SBI has the hugest number of workers in the banking sector, since the bank invest a substantial amount of its earnings in worker's income.
- In spite of digitalization, the banks are still following the assumption of traditional bank to the young customers.

OPPORTUNITY

- Nationalizes bank more reliable and trustworthy.
- Expansion into rural, urban and international market to boost its business.

- Hence the bank has to be updated its few of operations in the banking sector, where there is a lot off platform to use its advanced techniques along with the software to ensure the relationship between its clients.
- There is a Pool of talents to be replaced in the top management to give better services to the upcoming generations.
- On the focus of cashless India, the bank has influenced the market it its vast outcomes.
- Banks have become more relevant with digitization and this will see an increase in the number of bank accounts aa well as for credit card usage.
- The bank has a various scheme to extend the investment in foreign dealings as a good flow of cash from the Asian retail.

THREATS

- Private banks venturing into the rural.
- Decrease of share in the market due to close competitors such as Canara banks and various private banks like AXIS, Indian overseas bank, HDFC, ICICI Banks.
- There have been a lot of issues lately on information theft and security. These cyber threads may affect the image of the bank if not managed properly.
- Foreign direct investments are permitted in banking industries up to 50%, were this is a main problem to the SBI. As public are attracted towards the foreign investment for the more facilities and upgradation of technologies in the banking areas.
- Apart from the SBI the other government banks such as Andhra, Punjab national bank, Allahabad bank, Indian bank and bank of Baroda are also taking clients preference before switch on to the private banks and monetary benfits are provided for credit and mortgages, as SBI itself is elaborated towards its regulations and verification process and it has taken huge period for it process.

1.9 FUTURE GROWTH AND PROSPECTS

The SBI has taken up with many schemes to develop skill set for people, few are mentioned below:

- **SBI Kaushal Vikas: -**

Under the project of “Kushal Vikas”, SBI Foundation gives ability to the development and training to the youth with the accentuation on SC, ST and ladies and up gradation of existing paramedic and unified wellbeing labs” to make an ability of talented pool of worldwide benchmarks who could verify the worker in all the market – a result, which include the dream of our honourable prime minister in making the India as the number one ‘Skill capital of the world”.

The competitors from socio-economically who has under estimated the groups of remote, areas and rural areas of Odisha and the eastern states with a focal point on a backward class on its reverse and leftwing extremist affect (LWEA)districts are too advantages to this project undertaking.

- **SBI parivarthan: -**

The vision of parivarthan is to empower the people who is physical disabilities (pwws) to benefit the good livelihood openings by the market that is connect to preparing the disabilities people and providing employments in the composed areas. The initial expect is to make a comprehensive work of the underprivileged and pwws the standards in the organization. This will trigger a few requested orders of greatness direct work of a community by corporate India as a representatives of workers choice, who convey the colossal values to their firm by the method for quality work, efficiency gains, and less consideration.

ACHIEVEMENTS AND AWARDS

- i.SBI was named as the best nationalized bank in the year 2015-16 by 'financial express's as a best bank award.
- ii.SBI was positioned as the best bank in India depend on its tier 1 capital by the banker of magazine in the year 2014 positioning.
- iii.SBI was named the most branded company in the global as per for bees in the year 2009 positioning.
- iv.SBI has also ranked 232nd in the fortune worldwide 500 ranking of the universe largest organization in the year 2016.
- v.From the IT Awards of innovation in customer management (DWP) The bank has got first place.
- vi.By Asia's Best CSR Practices Award in 2013 held in Singapore the bank was rewarded with Best CSR Practices in banking sector through CMO Asia.
- vii."Best Green Service Innovations" was awarded through Asian confederation of Business has Asian green future leadership award.
- viii.SBI has award with "best executive" to the chairman through Asia Money.
- ix.The was awarded with "best home loan provider" and its rated has "best public sector bank for Rural Reach".
- x.SBI has voted has the Best Banker in the Cash Management Services in its original Currency by Asia Money.

1.10 FINANCIAL STATEMENT OF SBI

BALANCE SHEET: SBI (000's is omitted)

CAPITAL AND LIABILITIES			
	As on 31.03.2017	As on 31.03.2016	As on 31.03.2015
Capital	797,35,04	776,28,05	746,57,03
Reserve and surplus	187488,71,22	143,498,16	127,691,65
Deposits	2044751,39,47	1,730,722,44	1,576,793,25
Borrowings	317693,65,83	323,344,59	205,150,29
Other liabilities and provision	15523,18,85	159,276,08	137,698,04
TOTAL LIABILITIES	2705966,30,41	2,357,617,55	2,048,079,08
ASSETS			
Cash & balance with RBI	127997,61,77	129,629,33	115,883,84
Balance with bank & money at call and short notice	43974,03,21	37,838,33	38,871,94
Investments	765989,63,09	575,651,78	481,758,75
Net advances	1571078,38,11	1,463,700,42	1,300,026,39
Fixed assets	42918,91,79	41928,90,78	32025,80,78
Other assets	154007,72,44	140,408,41	102,209,71
TOTAL ASSETS	2705966,30,41	2,357,617,55	2,048,079,80

RATIO ANALYSIS

Ratio analysis is used as a tool for financial analyst it tells about the connection among verities of items in balance sheet & in Income Statements. This analysis gives the pivotal data to the different accoutres regarding financial segments and its performance of the organization.

In short Ratio Analysis lay down the general frame work for taking the decision and framing the policy designing according to the company.

Current Ratio

Current ratio is a bridged gap between the current liabilities and current assets. Its calculated by this formula as shown below-

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities.}$$

Table showing the current Ratio

years	Current Assets (cr)	Current Liabilities(cr)	Current Ratio
2014-2015	2,048,079,80	2,048,079,08	1.00
2015-2016	2,357,617,55	2,357,617,55	1.00
2016-2017	2705966,30,41	2705966,30,41	1.00

Analysis and Interpretation:

In the above table it shows that the bank has maintained 100% current ratio in % from past 3 years. This shows the good development of the company and excellent performance in the bank.

Liquid Ratio / Quick Ratio:

Liquid Ratio tells the capacity of the company to repay its dues. It tells about the connection among the liquid assets and current liabilities. Its calculated through this formula :-

$$\text{Liquid Ratio} = \text{liquid assets} / \text{current liabilities}$$

Table showing the Liquid Ratio:

years	Liquid Assets	Current Liabilities	Liquid Ratio
2014-2015	1,920,388,15	2,048,079,08	0.93
2015-2016	2,214,119,39	2,357,617,55	0.93
2016-2017	25,184,759,19	2705966,30,41	0.93

Analysis and Interpretation:

Liquid assets of SBI for three years is stagnant which its unchangeable from past three years. It has maintained its liquidity of 93% in all the year. It's a very good sing for the bank regarding its liquidity position.

CHAPTER-2

CONCEPTUAL BACKGROUND AND

LITERATURE REVIEW

2.1 THEORETICAL BACKGROUND OF THE STUDY

Meaning of Non-Performing Assets: -

Non-performing assets is a loan /advance for which the re-instalment of principal or interest or both stays outstanding for a longer period in simple term non-performing assets means the debt were the re-payment is irregular its known has non-performing assets (NPA)

Definition of non-performing assets: -

- If the bills obtained or marked down, the bill stays past due for a longer period such as over 90 days.
- If an overdraft or cash credit propels, the record as a stay of “out of request” of an overdraft/money credit (OD/CC), if the wonderful modify remains wealth of to extent attracting influence as far drawing the power in each situation where the excellent change in the vital working records.

NPA came into Indian financial system with the introduction of prudential account standard. A benefit, which include a rented resource, which turns into non-performing when it as stop to produce salary to the bank Such Non-Performing Asset may have especially characterized credit inadequacies, which chance the liquidation of the obligation and depicted by unmistakable probability that a bank would support same misfortune, If the needs are not balanced properly.

Steps were taken to measure the borrowers account when the borrower re pays the remarkable intreat and segment. In like different manner with the focal points are additionally named as: -

- Non-performing assets.
- Performing/standard assets.

A 'Non-performing resource' (NPA) was described as a credit office in view of which the interest as well as segment of vital has positioned as 'past due' for a predetermined time allotment.

NPA is known as non- performing asset, the asset which are implies the various classification for loans in the books of accounts which are default and have arrears on the payment of interest on its initial amount. In certain cases, debts are being differentiated as non – performing, when advance instalments have not been paid for a period of 90 days or more.

Performing assets are the various differenced standard or the credits where the major period is minimum 90 days through the end of the financial year. It does not cover any hazard to the ordinary business.

A nonperforming asset is benefited where it reimbursement is not consistent. Bank raise assets on crisp stores, as well as by re using of credit creation. apart from this current, NPA's influences benefits too, as non-booking premium, wages and further more higher provisioning. Since it higher NPAs is higher which implies a substantial piece of the benefits should be kept aside as arrangement against terrible credits.

Banks usually classify their loans as nonperforming after 90 days of non-payment of interest and principal, which occur during a term of loan / due to failure at the time of maturity. Loan can be differentiated as NPA. If the company pay the interest but cannot pay on the maturity along with the principal.

Indian banking industries is facing many issues to raise the level of non-performing assets. Hence RBI, NPA represent an asset of borrower. NPAs will directly impact on liquidity, profitability as well as overall quality of assets too and it successful in survival banks too.

The issue of NPA is not troubling the bank even its influencing the whole economy and the size of banking industries is comparatively more in public domain banks. a NPA is directed loan system in commercial banks were it need 40% of credit level to its priority sector in the financial system.

A report is proclaimed as NPA in the recuperation of portions on advances and process of different perspectives according to RBI standards.

The RBI Guidelines

To protect the banks and the financial intuition the RBI sets certain Guidelines that are:-

- Banks should have their own standard for their internal monitoring of their various accounts.
- They have to follow the FDCI and the classes of assets.
- The management has to be effectively enough and responsive in operating its conditions as aspect in impact borrowing.
- If the longer period, then them arises a delay in the payments of accounts and the assets.
- There should be a appropriate loan certification to the auditors and the financial institutions with the need of the bank.

NARASIMHAM COMMITTEE- FIRST REPORT-HIGHLIGHTS

- Classification of assets i.e. reflect performing and non-performing assets (loss assets and substandard doubtful) and on NPA which will not to be recognized.
- Priority sector which defined and give bank finance to be regulated to 10%
- CRR and SLR are to be decreased
- Banks have to achieve capital adequacy of 8% by 1997 of Risk weighted assets.
- The uniform accounting practices on income found the asset classification and it's providing.
- Merger and acquisition of bank to 10 national banks, local banks, and international and rural banks.
- Formation of assets and its reconstruction of funds.

NARASIMHAM COMMITTEE-SECOND REPORT HIGHLIGHTS

- Capital adequacy is been raised from 8% TO 10% in this stage.
- Introduce the income recognition norms of 90 days in phased manner
- 2/3 larger banks with tie ups along both international orientation, 8-10 national banks and local banks.

- Reconstruction of assets companies have been set up to issue bonds which would from part of 2nd tier capital.
- The strategic decisions are identified and provide profitable products to the customers

The effects of NPAs

The default of primary sum/ premium, diminishes the income to the money lender which will bring about disturbance of the plans and abatement the financial profit.

NPA reduce earning capacity if the assets. The money blocked in NPA can't be recycled for future use. In simple words, NPAs reduce advances turnover constantly affects the potential profits.

Problems effected by NPA

- A high rate of interest and deposits rates may be charged by the bank to re-distribute their losses and the economic growth is being suffered by the financial markets.
- The owners won't be receiving a return on capital in the market. It will be the worst case if it fails the owner may has a chance of lose the assets.it may affect the shareholder pool.
- Non-performing loans will lead to bad investment some time. The credit may be misallocated from the different good project due to which it won't receive the failed project.
- There is a fear of NPA s demoralize the operating staff. Sometimes the staff becomes more sticky and rigid in handling the advances resulting to the inconvenience to genuine client.
- The banking sector may spill by the NPA and might lead to the economic disturbances

Symptoms of NPA:

- If the account balance is insufficient
- If there is no minimum balance in the account.
- The instalment has not been paid regularly.

- If 1st instalment of the loan is not paid
- The operation of the account is not regular
- There is various fluctuations in strategy's.
- If there is miscommunication between borrower and the bank.
- If there is delay in submitting the stock statements
- There is a chance of drastic change in the govt. policies.
- Many competitions are also an impact with the referred to the market.

Causes for NPAs in bank are: -

An account doesn't turn into an NPA overnight. It indicates the in-sufficiently balances in the loan where it had to take precautions to avoid the slippage of the record into NPA sector. An interior survey taken by the RBI tells that the request of unmistakable quality, the accompanying factors added to the NPAs are-

INTERNAL FACTOR

- Time period and cost rates are over ruined during the project implementation.
- In-efficient management of loans.
- Product obsolescence.
- Poor credit appraisals, improper SWOT investigation with respect to the bank.

EXTERNAL FACTOR

- Economic decline.
- Input or power imbalance.
- Raising of price.
- Fluctuation of exchange rates

Concept of NPA

The concept of assets quality on the books of public sector banks and financial institution came into bring when RBI introduce prudential standards on the recommendation by the Narasimhan committee in the period of 1992-1993. As shown in the above information. the reform process banks booking income on an accrual basis and their balance sheets didn't reflect their true specified healthy truncations. thus, the profit and capital and reserve were overstated by them.

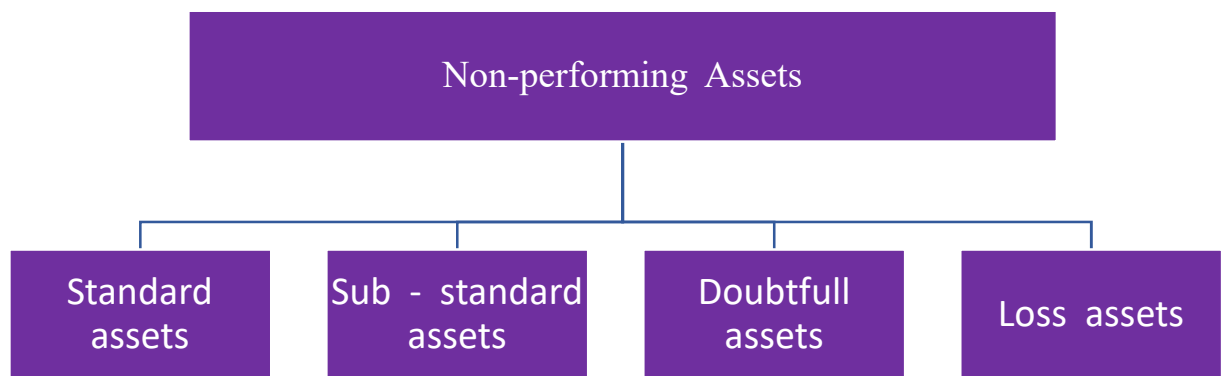
NON – PERFORMING ASSETS: -

The non-performing asset is a asset were the re-instalment of principal and interest rate in the loan account are irregular or overdue is known as NPA.

ASSETS CLASSIFICATION: -

According to the guidelines of RBI, bank must classify their assets on an on-going basis. the loan accounts have been classified into 4 categories as shown below.

Chart No. 2.1 Classifications of NPA



Standard assets: -

Standard assets are a standard resources and credits that administration are their advantage and very important portions on time, in spite of all the fact they are infrequently default up to 90 days. Standard resources are additionally known as performing assets

Sub - standard assets: -

Sub-standard assets are the resources those credit resources that stays non-performing for a time which is not equal to 1 year.

Doubtful Assets: -

The assets that become doubtful if it remains has sub-standard assets for a period of 1 year.

Loss Assets: -

The misfortune assets which is recognized as a sum has not been completely composed off. There are most part which are uncollectible. There is a feasible esteem which is low to the point that continuation as bankable resources is not guaranteed.

Types of NPA: -

The various types of NPA are: -

- Gross NPA
- Net NPA

Gross NPA: -

The gross NPA is a total sum of assets of the loan/credit account which have been classified as NPA under the guidelines of RBI. the quality of loans has been reflected by the gross NPA which have been made by the bank. It's also includes al classified assets.

The formula to calculate gross NPA ratio is-

$$\text{Gross NPA ratio} = \text{Gross NPAs} / \text{Gross Advance}$$

Net NPA: -

The net NPA is the bank offers deductions for various assets. There is large amount being included in the balance sheet of the NPA in India. They are different recovery process and the written off the time in India.

The formula is calculated for net non-performing ratios is,

$$\text{Net performing ratios} = \text{Gross NPA} - \text{Gross Advance}$$

Measurements taken against NPA are

- The bank should lend loans with care.
- The major focus should be on the viability then the categorization.
- The standard assets should be mechanism directly.
- Credit appraisal skill has to be improved.
- There should be prevention against slippage.

Recovery measure of NPA

There are various measures to be taken for the recovery it should be well planned by the NPA management areas,

1. Non-legal measures: -

The certain compromises that are essential requirements for the recovery of the amount due for the period. The bad debts are considered as legal process in loans. The study has been detail in terms of future gains and quick sacrifice with the effective development decision has been arrived.

2. Legal measures: -

There are various feature, which has no stamp duty payable, the recovery has to be quick. The reports regarding should be submitted on given time period related to the operation by the different regions.

2.2 LITERATURE REVIEW

Amandeep (1991)

He aimed to calculate the benefit and productivity of Indian nationalized banks by going through the effect and needed areas of loaning, credit policies, geographical extension, industrial weakness, company rivalry, ancillary income, deposit compensation, foundation costs, and put on bank gainfulness. Hence For this reason the trend examination by ratio analyst and regression analyst were particularly utilized.

C. S. Balasubramanian (2012)

His examination is mainly based on the Indian financial framework on monetary sector to bring down NPA in the banking region and, to improve the productivity through large monetary wellbeing's in banks, in casual This examination is completely valuable to the financial specialist in the banking area. And who are willing to invest by equity shares.

Charan Singh, Gaurav Sharda, Namrata Swamy, (2014)

Their investigation which looks at the effect of international Banking on Indian economy. In Future, it says about the different segments towards the international banking operations in the home country regarding the creation of NPAs in the host countries, where India as suitable case for it.

Prashanth K Reddy (2002)

His explore is research on the theme of, "A comparative study of NPA in India in the Global Context" which is analysed through the same and various, remedial measure. In Financial area the change of India has advanced quickly on various assets like loan cost de regulations, decline in secured requirements, limitations to pass the prudential standards & hazard dependent on supervision. In this paper which deals with the experience of the change on the dimension of NPA and recommends components to go through the issues by illustration on the experiences of various nations.

Dong (2002)

he tells about the idea of NPAs in the Indian financial framework and he talks about the key variables which are configuration includes that would be very needful for the assets reconstruction companies to assume a positive role in settling such NPAs.

Monika Singla and Dr Sonia Narula (2014)

In their investigation “empirical study on non-performing assets of bank” which tells that the miss board of bank in their positive connection between all advances, net benefits and NPA of bank which isn’t at all useful for bank. Bank can’t afford to offer credit to the new clients because of lacking in its finance, which becomes outstanding NPA.

Neha rani (2014)

“Analysis of non-performing assets of public sector banks” which tells i.e shares of nationalized banks is the first sector of NPA were it was large in 2008 but, after that it has declined. Anyway, measure of NPA of two banks is completely expanded, anyway there % of offer in all NPA is reducing continuously.

Parmar. R (2014)

He Attempts to go thoroughly the current pattern of all advances, net NPA, net benefits, of SBI bank. From past three years all advances and net benefits was demonstrated upward pattern in the bank.so it has been highlighted the connection between net profit and net NPA, since SBI indicated positive connection between net NPA and net profit.

Chatterjee. C (2012)

He tries to concentrate on the problems and conflicts of NPAs, approach which are orders towards RBI, activities of central government, situation of NPAs area wise and banking sector wise were it at long last corrective measures for NPAs in India. His article which has made on a comparative statement of NPAs of public & private part banks and international banks. while it has additionally endeavoured to understand the connection between NPAs net benefits and credit recovery of NPAs by various ways.

Maher (2017)

In his article he has mainly focused on how demonetization has impacted the most pivotal issues Of keeping traditional banking industry and digital banking sector. The short run of cash which has effect of demonetization can been a huge problem in the levels of NPA on bigger scale level due to this he concentrated the current information which is available on day today newspapers but it has a right NPA level for a more drawn out run period which he has anticipated. A present moment towards beneficial outcomes of demonetization can be found in the present NPAs.

Piyush and Goyal (2017)

Both of them as Focused on the study were the analyse of NPA, net NPAs furthermore, net NPAs of 10 banks in India where it has to be seen in the relationship between net NPAs, net profits likewise gross NPAs. The actual point which had been examined was to separate the yearly reports of 10-8 banks were to see the situation of NPAs in the nations. The study that concludes the NPAs are more in public division banks when it compares to private division banks.

R. Santhanakrishnan & Dr Ganesan (2017)

In their research paper “non-performing assets” a deep study of SBI have been made to attempt the examine of the NPA of SBI over the past decades. Starting from financial year 2002 to the financial year 2012. The researchers on this paper aimed to study the sources of development across various and choose banks. They extremely examined on the gross and the net NPA of the bank and conducted the investigation on the impact of NPA through the profitability of the bank. which have also suggested to take measures to improve NPA.

Reserve bank of India (2010)

The Communicated information has been seen on NPA in various paper which have been benefited the including a rented resource, then its get in to be not used resource when it doesn't produce the actual income for bank.

Krishan Chaitanya. V (2012)

He conducted the research stating that a solid financial segment is more vital for thriving economy. The disappointment on the financial part may have an adverse effect on other various sectors also. The NPA is one of the main worries for banks in India. The NPAs which reflects its affects and execution of banks. An abnormal state of NPAs which recommends high likelihood of a colossal number of credit defaulter which influence the value of the assets.

Dr Tanmay Kumar Pradhan (2012)

His investigation is to discover the larger amount of NPA which has compelled to the banks to take huge interest costs. This is the major reason to draw in high-chance borrowers which results in tremendous dimension of non-performing advances in future.

But also, many analyses are conducted regarding the impact of NPAs on banking value and stock costs which are more impacted by the NPA dimensions at certain time.

Amara, Aamir Azeem (2014)

Their research which utilizes the issues of non-performing credits is an essential part for banking segments, hence it considered has a advancement period. As it understands the banker among investors to moderate the issue of NPLs with respect to various techniques and strategies. The effect of NPLs has been evaluated particularly in this investigation about the article with information consist 16 main banks in spite of their sizes, and proprietorship by using panel fixed effective model.

Mahi pal Singh Yadav (2011)

In this article “Impact of non-performing assets on profitability and productivity of public sector banks in India” where it has been started when banks directly / indirectly affect the economic development through many factors. A Deposits of this, consist question which has been raised timely again and again on myriad restriction of the nationalised banks where it merely fulfils the social agenda of the govt. sector and has been increased the NPAs of banks.

Ponvannan. S. (2011)

He Stated that the NPA issues which causes problems and measures are taken to conclude the banking industry where the bank has to under go a major changes and challenges in the 1st phase of economic liberalization, since it’s the important credit management which has been emerged.in current trending time banks are were taken precautions regarding to extend the loans, which causes the mounting of NPAs.

Ms Rajinialuja and Dr. Roshanlal (2010)

In this article they stated that the expanding NPAs of banking sector is a huge issue for office concern. It isn’t only an issue for banks yet it’s an additionally to demonstrates the deadly to the monetary development of the nation. PSBs are under extreme weights of NPAs when contrasted with its partners and private cum international banks. A NPAs are declined its profitability of the private banks, undermines its money related wellbeing and it comprise dissolvability. The research of the article expresses to compare the execution

of private & public division banks and it's a universal bank in India along aside by special reference to their concerned NPAs.

Mrs. K. Vasuki, Mr. M. Karunakar and Mr. S. Saravanan (2008)

In their article they have tried to highlight different aspects of NPA certain factors contributing NPAs, Magnitude and outcomes, recuperation strategies, capital sufficiency ratios. Along with the variable adding to NPA and their extent of NPA is explanations behind high NPA and their impact on Indian financial industries. Apart from this the capital hazard weightage of assets and proportions of public banks, the administration of credit hazard and its measure to control the NPA and its methods are also revealed. The consistently enduring solution for all the issues of NPAs can be accomplished only with the right credit evaluation & hazard the executives system. hence It is good to avoid more NPAs in the initial stage of credit union by taking correct solutions and putting it in the right places of rigorous and allocating the credit according to the appraisal mechanisms.

CHAPTER-3
RESEARCH DESIGN

The research a logical & methodical scan for appropriate data on a particular topic. The Research is art of scientific survey. Research is a systemized exertion to increase new information.

3.1 Statement of the problem:

- The enquire about particular issues, as a rule in refers to sum of problems where a specialist experience their involvement in it.
- The challenge of either a specific a hypothetical circumstance and wants to acquire an answer for the same.
- The current dissertation has been embraced to do the problem of NPA in state bank of India.

3.2 Need of the study:

- To study what are the role of NPA in banking sectors.
- To know how to operate the variables to manage NPA.
- To comprehend the execution of the state bank of India.
- To recognize levels of NPA.
- to study the NPA are the reasons for its crises.
- to understand the steps taken to regulate NPA by Indian banking sector.
- To know the methods adopted by RBI for management of NPA and factors effecting NPA levels.

3.3 Objectives of the study:

The major objectives of the present research are under the following heads: -

- To study the impact of NPA in the banks.
- To analyse the profitability of the bank and to understand the connection relating to the mechanism of the bank
- To understand the concept of NPA and the difference of assets classification by the bank. And to go through the precautions and measure taken by the bank to avoid NPA.

3.4 Scope of the Study:

- Study pertains the NPA in SBI and its overall impact on the bank's performance
- Study purely covers different strategies initiated by the bank to avoid the NPAs
- The study takes deep into NPAs in different sectors and comparison of total and percentage of NPA
- Study depends on the data given by the bank and its sites.
- Survey and assess the aggregate size of the NPAs

3.5 Research Methodology:

To accomplish the given objectives, data have been gathered from different sources and its included: -

- The research is basically found on secondary data where its in descriptive analysis. And the sources of the data.
- The information is obtained from the account office, by branch managers, promoting research, research reports, published articles related to NPA.
- The Statistical information on NPA, bank-specific and economic indicators have been collected mainly from RBI and SBI websites, annual reports and other publications.

Hypothesis:

H₀ – Here it's no linear relationship between net profit and net NPA (H₀=0).

H₁ – Here it's a linear relationship between net profit and net NPA (H₁≠0).

3.6 Limitation on the study: -

- As the guidelines of RBI regarding the NPAs will keep changing every year, the suggestions and findings are only specified to the particular period of the study.
- The data generated cannot be generalised to other branches.
- Where the bank operations are confidential, various information could not be obtained.
- The non-availability of related information regarding in detail.
- The study is for academic purpose hence it has few limitations.

CHAPTER SCHEME

Chapter 1: Introduction

The introduction gives the information about the topic by specifying its theoretical background and company details.

Chapter 2: Conceptual background & literature review

It includes the background, origin and details of NPA.

Chapter 3: Research methodology

This chapter gives the details of the research study. The title of the study, statement of problems, objective, scope, needs and limitations of the study.

Chapter 4: Analysis and interpretation of data

This chapter provides the information which is taken from SBI websites and it's been analysed properly, the results are presented in both graphical and sentences from.

Chapter 5: Findings, suggestions and conclusions

After the analysis and interpretation of data, the research is justified and followed by the suggestions and conclusions.

CHAPTER-4
ANALYSIS AND INTERPRETATION

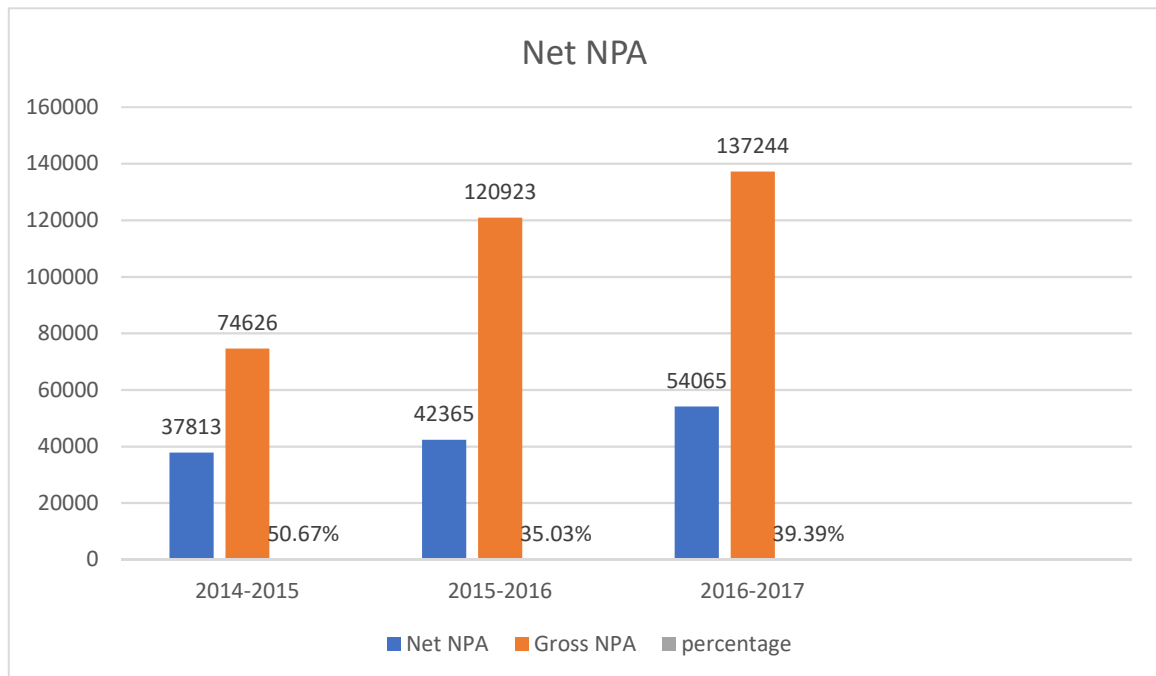
(Rs. in crores)

4.1 Table Showing the percentage of net NPA.

$\% \text{ of Net NPA} = \text{Net NPA} / \text{Gross NPA} * 100$

Years	Net NPA	Gross NPA	Percentage
2014-2015	37813	74626	50.67%
2015-2016	42365	120923	35.03%
2016-2017	54065	137244	39.39%

Graph 4.1: showing the percentage of net NPA



Analysis:

From the above information we can see that the net NPA over gross NPA is 50.67% in the year FY 2015 and it was declined to 35.03% and again it raised to 39.39%.

Interpretation:

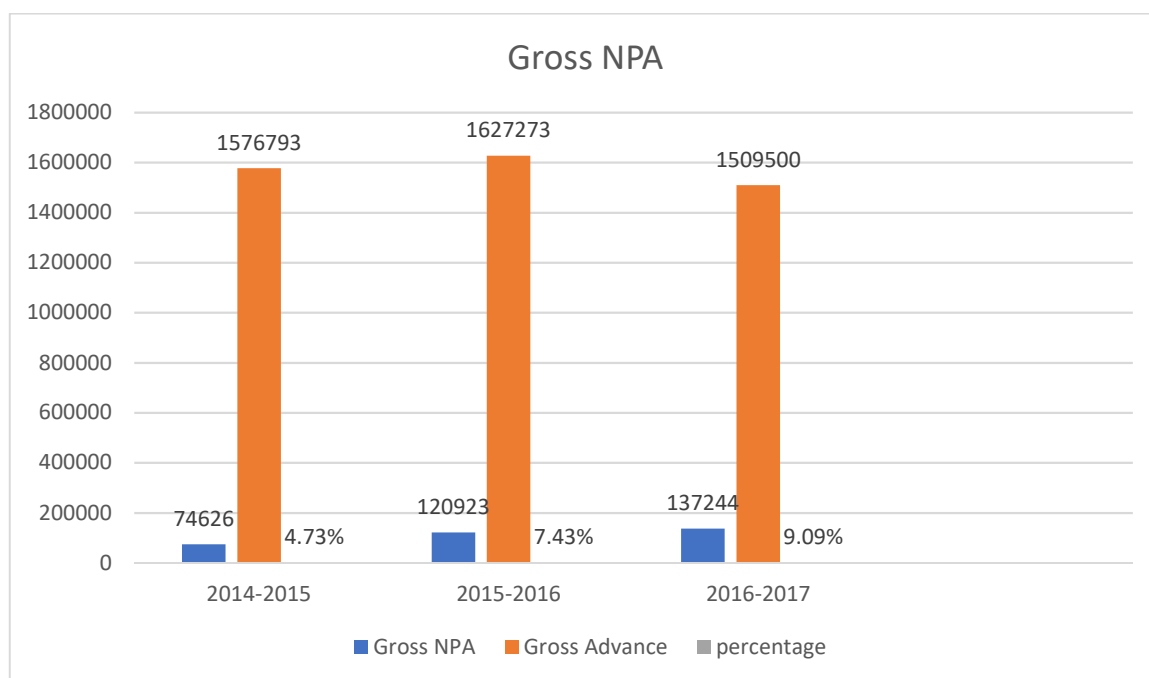
In the above information we can see that the net NPA (%) has declined by 15.64% in FY 2016 than 2015. Again, it has been raised by 4.36% in 2017 this shows the fluctuation in the net NPA year by year. Since, the bank is advised to maintain the constants in the upcoming years.

4.2 Table Showing the percentage of Gross NPA.

$$\text{Gross NPA} = \text{Gross NPA} / \text{Gross Advance} * 100$$

Years	Gross NPA	Gross Advance	Percentage
2014-2015	74626	1576793	4.73%
2015-2016	120923	1627273	7.43%
2016-2017	137244	1509500	9.09%

Graph 4. 2: Showing the percentage of Gross NPA



Analysis:

The analysis of table tells the Gross NPA over Gross Advances in the year FY 2015 was 4.73%, in 2016 7.43% and at the year 2017 the percentage of gross NPA is 9.09%. This shows the gradual raise in the gross NPA.

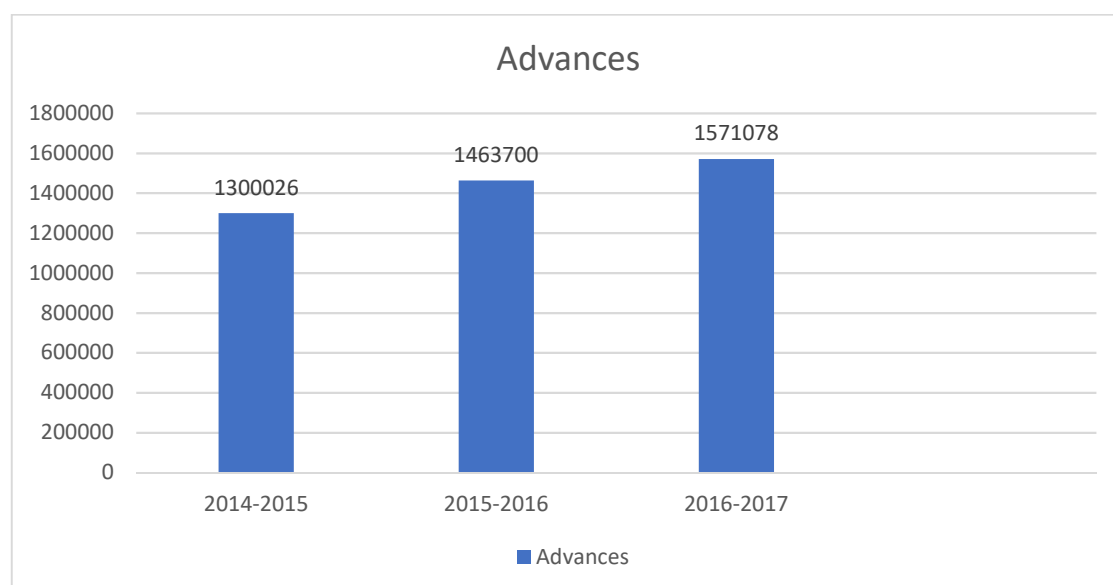
Interpretation:

After analysis from the above table it's clear that the gross advance and gross NPA is raising when compare to previous years. Since the bank is advise to maintain same constant in the upcoming years.

4.3 Table showing the advances

Years	Advances
2014-2015	1,300,026
2015-2016	1,463,700
2016-2017	1,571,078

Graph 4. 3: showing the advances



Analysis:

From the above table its shows that the advances are increasing year by year.

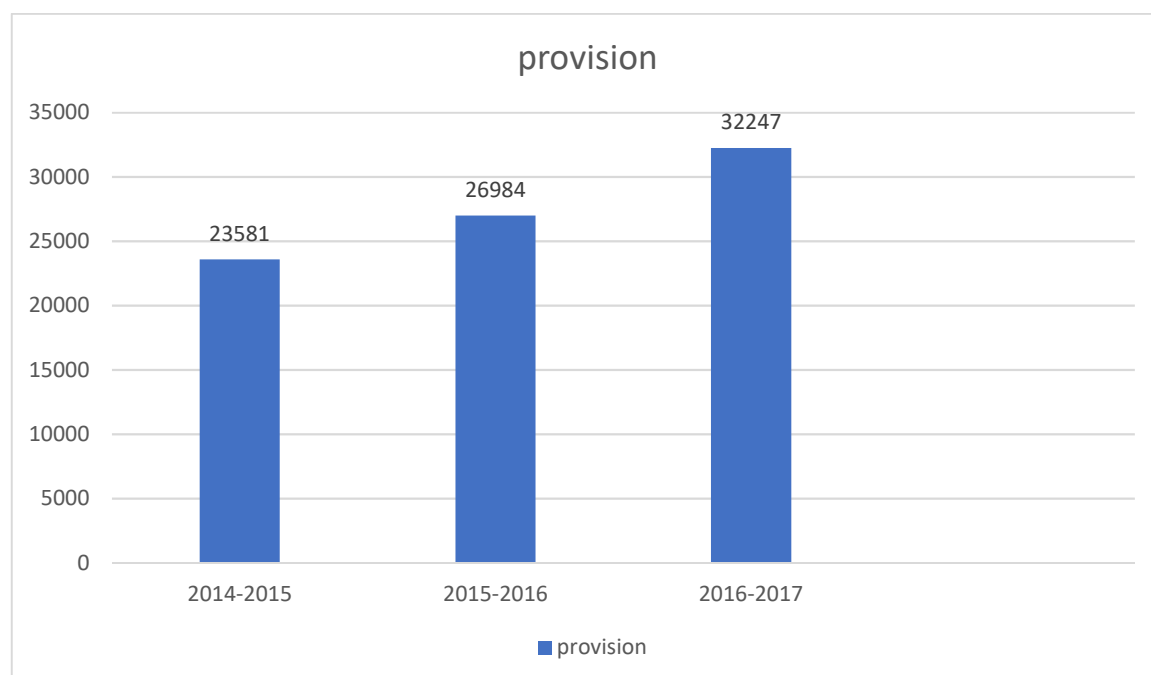
Interpretation:

After the analyzation from the above graph the advances are increasing from FY 2015 to 2016 and to 2017. Hence it shows that the bank performance is improved year by year since if the advances are raised the value of NPA will decline.

4.4 Table showing the performance of provision for NPA

Years	provision
2014-2015	23581
2015-2016	26984
2016-2017	32247

Graph 4.4: showing the performance of provision for NPA



Analysis:

From the above table it shows the provision made by the SBI. its shows that the provisions are increasing for certain extend.

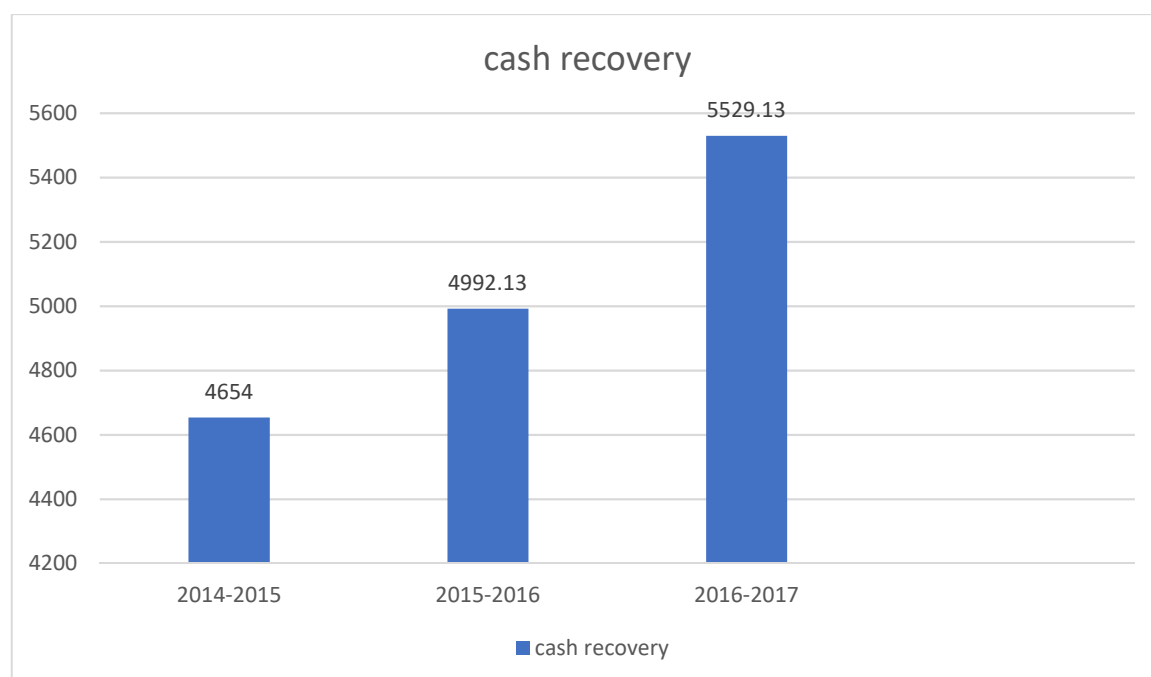
Interpretation:

After the analyzation from the above graph, it has been increased towards 2016, Again it has been increased in 2017 hence it should keep this development which is good sign for the bank.

4.5 Table showing the performance of cash recovery in NPA

Years	Cash recovery
2014-2015	4654
2015-2016	4992.13
2016-2017	5529.13

Graph 4. 5: showing the performance of cash recovery in NPA.



Analysis:

From the above table the cash recovery in NPA has been increasing by the SBI.

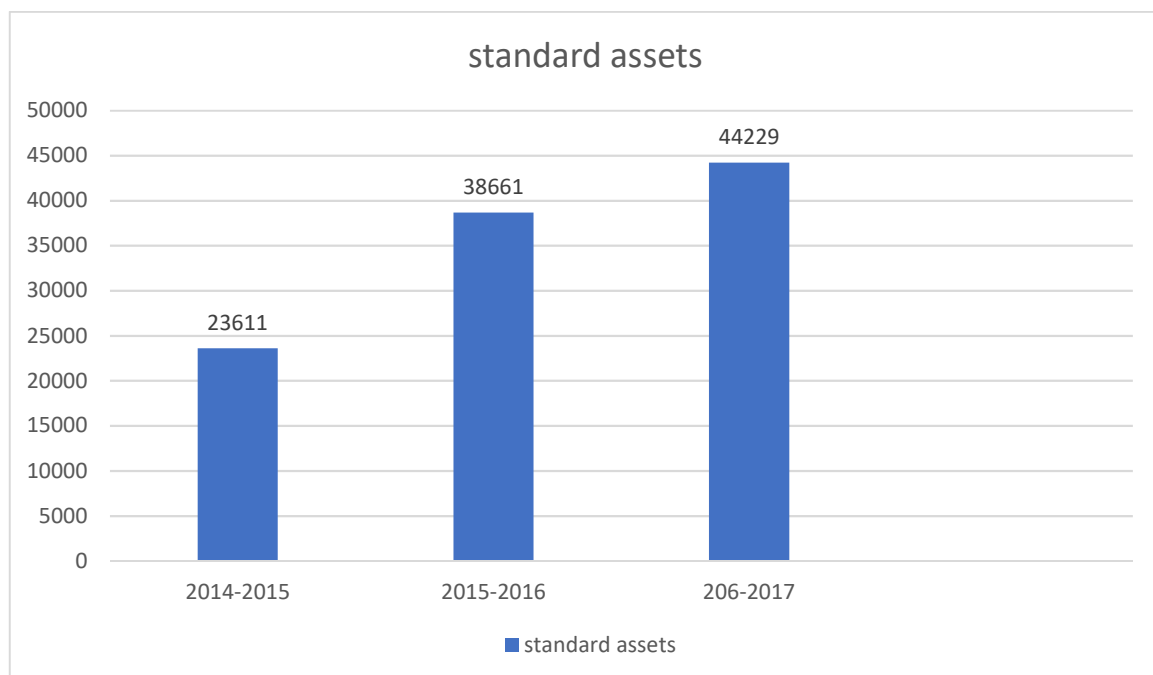
Interpretation:

After analyzation the performance of the bank is raised in cash recovery of the assets in the FY 15,16 and 17. which the unrealized assets become standard assets constantly.

4.6 Table showing slippage of standard assets to NPA category

Years	Slippage of standard assets
2014-2015	23611
2015-2016	38661
2016-2017	44229

Graph 4.6: showing the slippage of standard assets of NPA category



Analysis:

From the above table the slippages of standard asset to NPA is raising year by year. In FY 2015 the assets are 23611, In the year 2016 it has been raised to 38661 and by 2017 it raised to 44229.

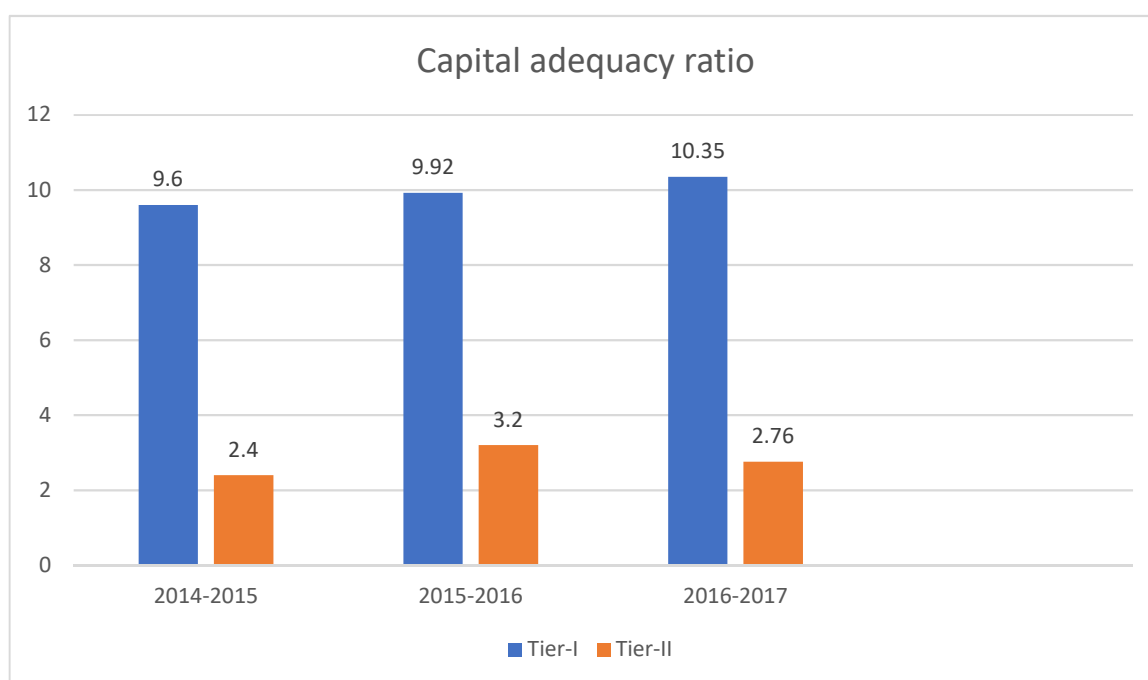
Interpretation:

As the performance of the bank on the standard assets has been raised yearly. Hence the advice to the bank is to maintain the same.

4.7 Table showing the percentage of capital adequacy ratio

Year	Tier-I	Tier-II
2014-2015	9.60	2.40
2015-2016	9.92	3.20
2016-2017	10.35	2.76

Graph 4.7 : Showing the percentage of capital adequacy ratio.



Analysis:

As every bank needs to have capital reserve to compensate its NPA. Like that the above table shows capital adequacy ratio which is based on 2 tier and this have been fluctuating yearly.

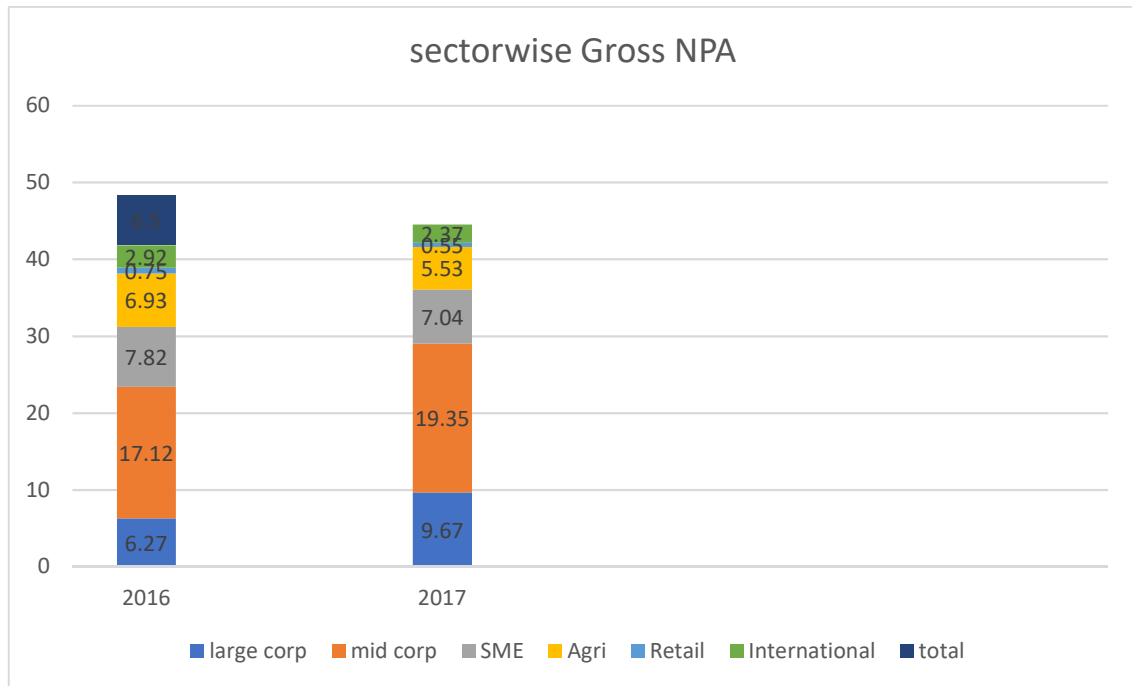
Interpretation:

The clear analyzation says that the percentage of capital adequacy ratio has been divided into 2 Base 1. Which is showing increased result in 1 tier and other one is fluctuating as shown in the above graph.

4.8 Table showing Assets Quality sector-wise Gross NPA for the year 2016 and 2017

SECTORS	March 2016		March 2017	
	Amount	% of NPA	Amount	% of NPA
Large corporate	20,696	6.27	33,070	9.67
Mid corporate	41,515	17.12	47,009	19.35
SME	17,032	7.82	15,850	7.04
Agriculture	8,687	6.93	7,455	5.53
Retail	2,458	0.75	2,165	0.55
International	7,785	2.92	6,794	2.37
Total	98,173	6.50	1,12,343	6.90

Graph 8: showing the Assets Quality sector-wise gross NPA.



Analysis:

The table shows assets quality in sector wise of NPA for the 2016 and 2017. we can see that the amount of various sector has been decreased compare to 2016.

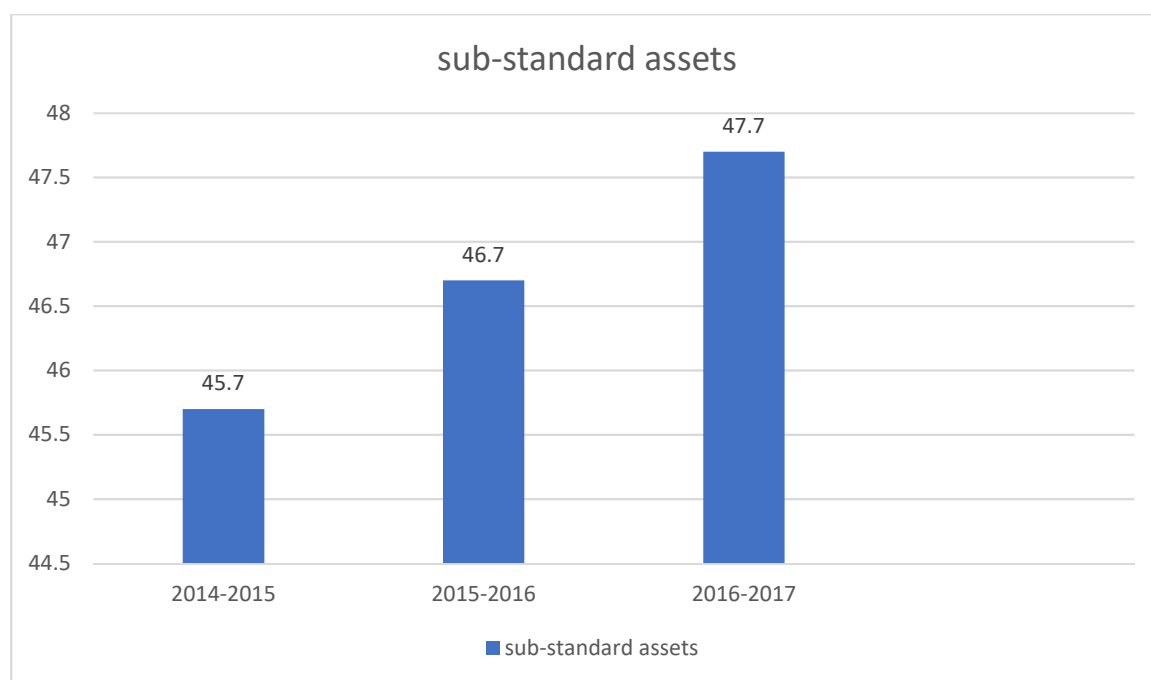
Interpretation:

The analyzation says that the decrease in the gross NPA in sector wise from 2016 to 2017. Hence its advised to take certain measures to overcome.

4.9 Table showing the performance of sub-standard asset ratio

Years	Sub-standard asset ratio
2014-2015	45.7
2015-2016	46.7
2016-2017	47.7

Graph 4. 9: showing the performance of sub-standard assets ratio.



Analysis:

Above table tells us the sub-standard assets have been slightly increasing compare to 2015,16 and 17.

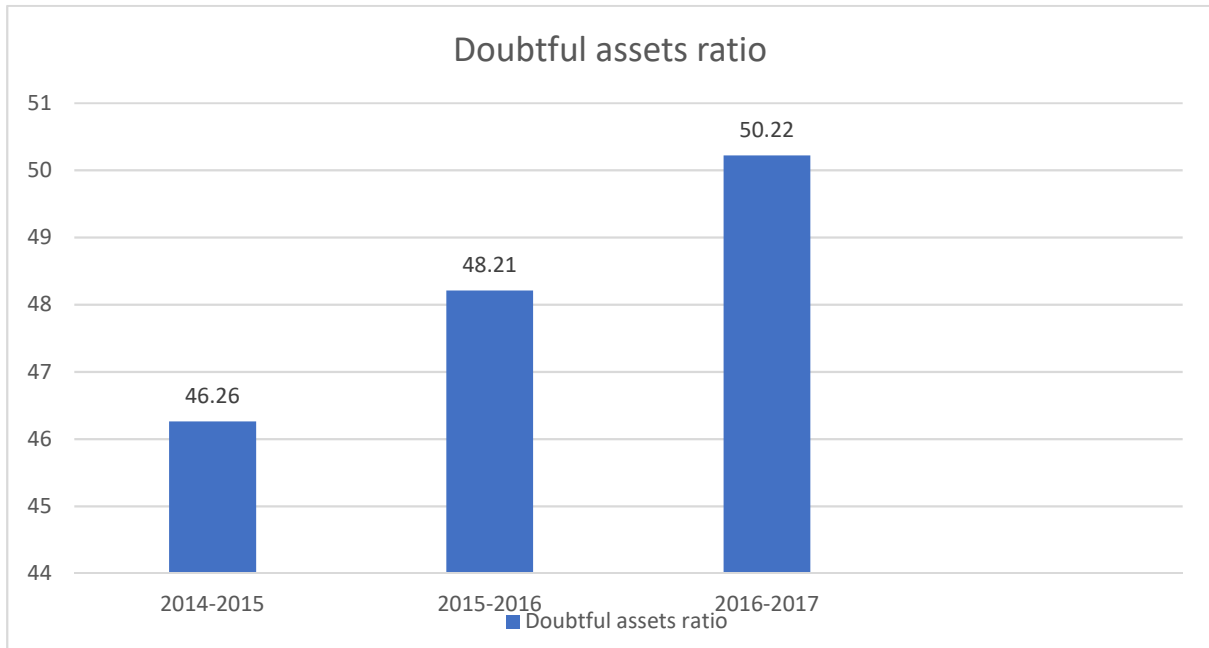
Interpretation:

The analyzation says that the increase in the assets turn from sub-standard to the doubtful assets as it is increasing in the graph it is to be turn to doubtful assets.

4.10 Table showing the performance of doubtful assets ratio.

Years	Doubtful assets ratio
2014-2015	46.26
2015-2016	48.21
2016-2017	50.22

Graph 4.10 : showing the performance of doubtful assets ratio.



Analysis:

The table shows doubtful assets ratio from the 2015,2016 and 2017 which has been increasing.

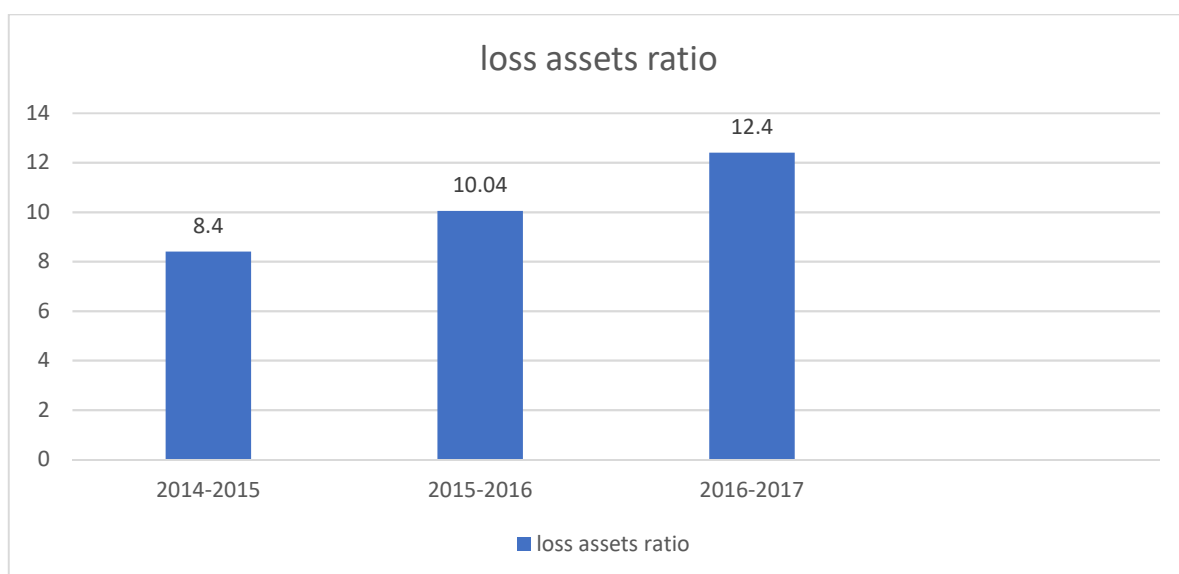
Interpretation:

As the clear analysis says that the assets positions from doubtful to the loss asset goes on raising from the previous year 2015 to 2016 and 2017.

4.11 Table showing the performance of loss assets ratio

Years	Loss assets ratio
2014-2015	8.40
2015-2016	10.04
2016-2017	12.40

Graph 4. 11: showing the performance of loss assets ratio.



Analysis:

Table shows the ratios of loss assets which is increasing yearly and its ability to recovery of interest / principal will be identified.

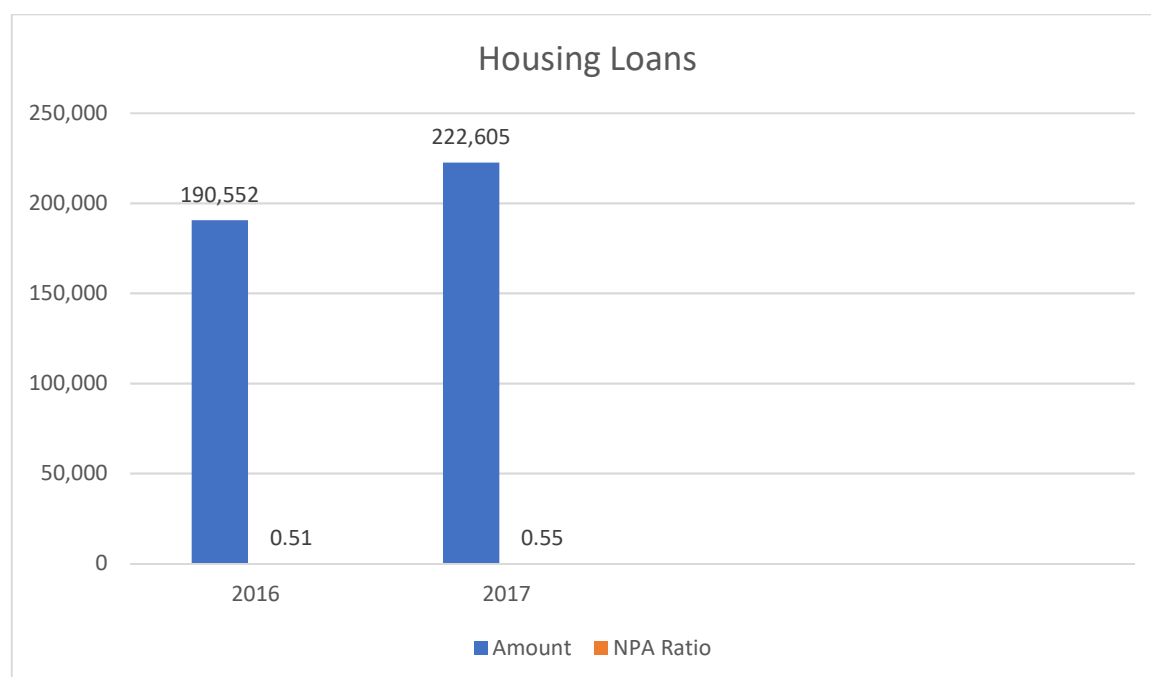
Interpretation:

As the analyzation says the ratios have been increasing were the assets is in a regular payment of principal and interest. If irregular then it would have been doubtful assets.

4.12 Table showing NPA accounts of housing loans:

Years	Amount	NPA Ratio
2016	190,552	0.51
2017	222,605	0.55

Graph 4. 12: showing NPA accounts of housing loans



Analysis:

The above table shows the housing loans which are availed by SBI customers to get their own home. The NPA of housing loans is increasing compare to 2016.

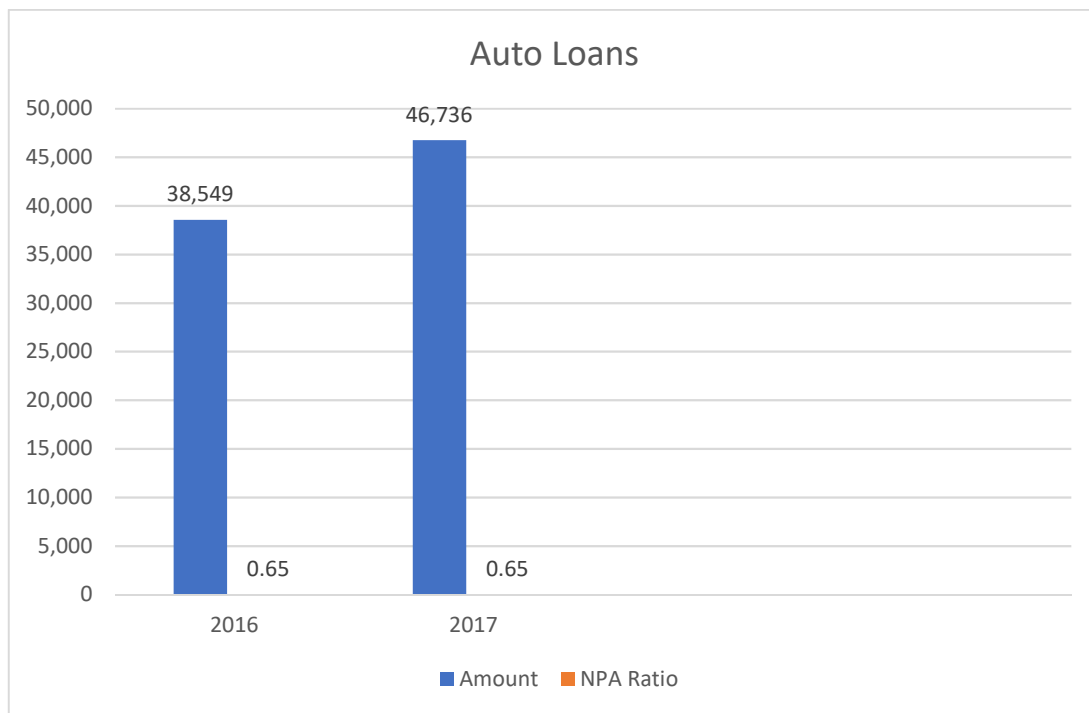
Interpretation:

The analyzation says that the percentage of the house loans in SBI is increasing year by year where as their dream to build or get their own houses.

4.13 Table Showing NPA accounts of Auto loans.

Years	Amount	NPA Ratio
2016	38,549	0.65
2017	46,736	0.65

Graph 4. 13. Showing NPA accounts of Auto Loans.



Analysis:

As the above table states that the auto loans are given which has become NPAs. Where there is a slight increase from 2016.

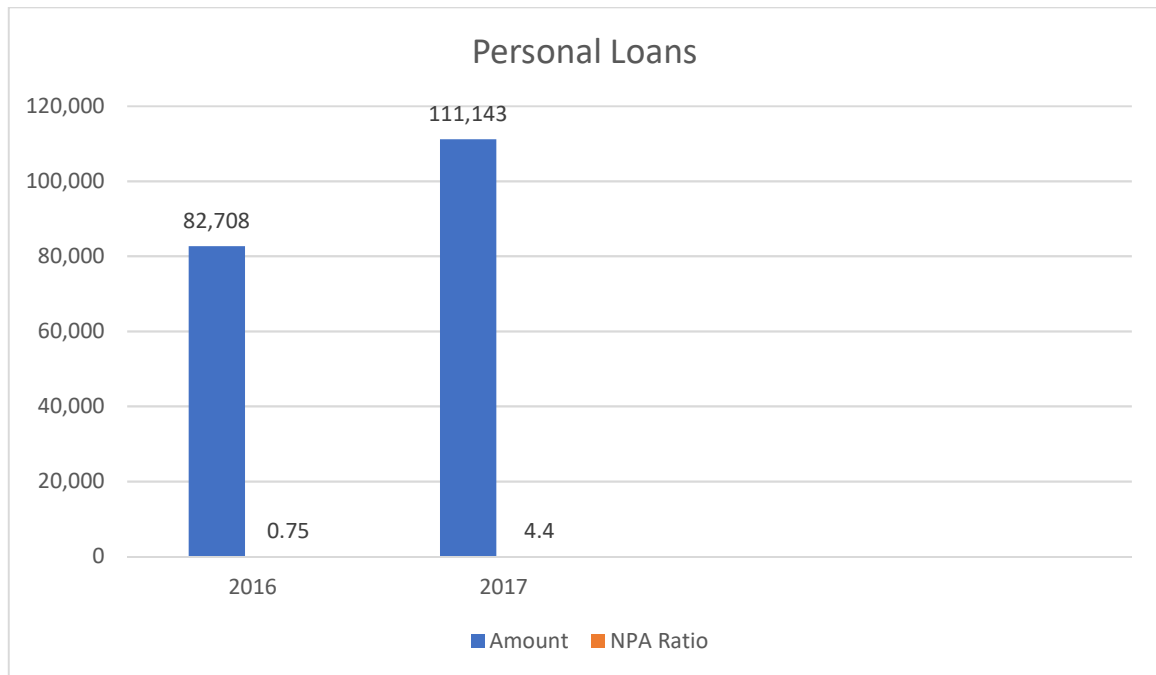
Interpretation:

As the graph says there is increase in the year 2017. And the depicts the customers who owns the auto and the account becomes non- performing for the bank.

4.14 Table Showing NPA accounts of Personal loans:

years	Amount	NPA Ratio
2016	82,708	0.75
2017	111,143	0.55

Graph 4. 14: showing NPA accounts of personal loans.



Analysis:

The above table indicate the personal loans taken by the SBI customers and which has become NPA for the Bank where it has been increased from 2016 to 2017.

Interpretation:

The clear analyzation tells that the bank is trying to solve the problem of its customers by increasing to great extended of loans.

CHAPTER – 5

Findings, Suggestions and Conclusion

5.1 FINDINGS: -

- As provision regarding NPA of SBI bank is raising from last three years where its raising from 23581,26984 to 32297.
- Another major finding that net NPA in SBI is 40% in previous year.
- The development of gross NPA and net NPA has been raising year by year. If it raises or decline it drastically effects the profits of the bank.
- There is a good relation in between NPA and profits due to improper choice of customer by the bank.
- After the merger, SBI has joined the league in which top 50 banks are in terms of resources.
- The gross NPA according to the sector is been declined in the previous year in each sector to 45%
- The sub-standard assets are increasing from the year 2014-2015 to 2016-2017 to 2%.
- The doubt-full assets are also raising from the year 2014-2015 to 2016-2017 to 5%.
- The loss assets are also raising from the year 2014-2015 to 2016-2017 to 4%.
- The study as found that the management of Non-Performing Assets say that no statistically significant variations in NPA of SBI.
- SBI has to work more on ensuring its services more reliable. Its important for all services organization, that too in banking sectors
- Bank should ensure that the employees deliver the services on time, as the time is very much important factor will be purchasing of services.

5.2 SUGGESTIONS: -

In the period of the project, there was clear i.e. the NPA has major impact in the loan portfolio which effect the balance sheet of the bank. Then its ultimately effects the profit the banks. However, the bank is also trying its best to decrease the % of the NPA in upcoming years.

- The SBI need to control its provision towards NPA by taking some precautions for the recovery of the loans.
- Bank should proper choice the borrower and should keep good administration which is favour to the borrowers.
- Bank need to take precautions regarding the credit assessment's, and should take measures in pre and post sanction of the loans to avoid slippages and standard assets of NPA.
- Recognitions of NPA in starting stage is very important and certain steps have to be taken up to recover the loans and to minimize the NPA of bank.
- The bank needs to take some measures and action to recover the loans against the borrowers for the fast recovery.
- The bank should highlight the potential NPAs under the special category.
- Bank should keep monitoring and should take immediate actions and remedies if it founds miss usage.
- Bank should audit regularly so that it can ensure the fringe which don't slip to the NPA category.
- SBI has too look after before issuing advance to a customers or proposal has to be judiciously examined and then the credit has to given

5.3 CONCLUSIONS: -

The issue regarding nonperforming assets have been a major issue for banking sector in India. The Reserve Bank of India, as given the guidelines and norms to SBI bank to regulate the delince of NPA. The analysis on NPA regarding reference to SBI has striated, to research beyond the circumstance of the non-performing assets and that effect in the execution of the bank.

Over the range in the undertake usually NPA's have more impact in the evolution in the action of all monetary foundation effecting their benfits in the report, It finally affect their benefit's however, it can been seen in this Bank also it try-out its maximum to decline its NPA's and also taking a good precautions towards its reasons also.

To wrap up State Bank of India had improved to regulate a wrong framework to decide a NPA by which its hold a standard portfolios in the banking area. credit is revealed by the report that State Bank of India NPA however, In hold its need a great watch to hold up and lessons in the NPA to a lower segment that can boost the improvement of State Bank of India.

I hereby conclude that the analysis of the facts and figures that the financial performance of the state group as a researcher regarding NPAs at the SBI bank may be considered to be satisfactory with little variations in quantum and in the percentage as not very alarming.

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B.S Raman (advance financial management-united publications)

Annexures
(Rs in Crores)

BALANCE SHEET

PARTICULARS	2014-2015	2015-2016	2016-2017
LIABILITIES			
Capital	746,57,31	776,27,77	797,35,04
Reserves & surplus	127691,65,34	143498,15,83	187488,71,22
Deposits	1576793,24,50	1730722,43,61	2044751,39,47
Borrowing	205150,29,26	224190,58,61	317693,65,83
Other Liabilities and provisions	137698,03,57	159875,57,46	155235,18,85
TOTAL	2048079,79,98	2259063,03,28	2705966,30,41
ASSETS			
Cash and balances with RBI	115883,84,35	129629,32,53	127997,61,77
Balances with bank	38871,93,86	37838,33,12	43974,03,21
Investments	481758,74,78	477097,27,65	765989,63,09
Advances	1300026,39,29	1463700,41,75	1571078,38,11
Fixed assets	9329,16,42	10389,27,72	42918,91,79
Other assets	102209,71,28	140408,4,51	154007,72,44
TOTAL	2048079,79,98	2259063,03,28	2705966,30,41

PROFIT & LOSS ACCOUNT

PARTICULARS	2014-2015	2015-2016	2016-2017
INCOME			
Interest earned	152397,07,42	163685,30,61	175518,24,04
Other income	22575,89,26	28158,36,01	35460,92,75
TOTAL	17497,96,68	191843,66,62	210979,16,79
EXPENDITURE			
Interest expended	97381,82,36	106803,49,21	113658,50,34
Operating expenses	38053,87,14	41782,36,65	46472,76,94
Provisions and contingencies	26435,69,98	33307,15,39	40363,79,25
TOTAL	161871,39,48	181893,01,25	200495,06,53
PROFIT			
Net profit for the year	13101,57,20	9950,65,37	1048,10,26
Profit brought forward	32,48	32,48	31,68
TOTAL	13101,89,68	9950,97,85	10484,41,94
APPROPRIATIONS			
Transfer to statutory reserve	4029,07,98	2985,19,61	3145,23,08
Transfer to capital reserve	105,50,44	345,27,46	1493,38,64
Transfer to revenue and other reserves	5889,05,56	4267,35,10	3430,54,64
Dividend for the PY+ Tax on dividend	0	80	0
Dividend for the current year	2648,17,28	2018,32,20	2108,56,29
Tax on dividend for the CY	429,75,94	334,51,00	306,37,61

Balance carried over to B/S	32,48	31,68	31,68
TOTAL	13101,89,68	9950,97,85	10484,41,94
Basic EPS	17.55	12.98	13.43
Diluted EPS	17.55	12.98	13.43



ACHARYA INSTITUTE OF TECHNOLOGY
DEPARTMENT OF MBA

PROJECT(17MBAPR407) -WEEKLY REPORT

NAME OF THE STUDENT: KAVYASHREE C L

INTERNAL GUIDE: Prof.JANARDHAN SHETTY

USN: 1AY17MBA16

COMPANY NAME: STATE BANK OF INDIA,(WOC BANGALORE)

WEEK	WORK UNDERTAKEN	EXTERNAL GUIDE SIGNATURE	INTERNAL GUIDE SIGNATURE
3 rd Jan 2019 – 9 th Jan 2019	Industry Profile and Company Profile		
10 th Jan 2019 – 17 th Jan 2019	Preparation of Research instrument for data collection		
18 th Jan 2019 – 25 th Jan 2019	Data collection		
26 th Jan 2019 – 2 nd Feb 2019	Analysis and finalization of report		
3 rd Feb 2019 – 9 th Feb 2019	Findings and Suggestions		
10 th Feb 2019 – 16 th Feb 2019	Conclusion and Final Report		



Company Seal



College Seal

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