

IMPACT OF NON-PERFORMING ASSETS(NPA) ON WORKING OF THE STATE BANK OF INDIA**AVANI OJHA¹, HEM CHANDRA JHA²**

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ABSTRACT

To ascertain impact of NPA on working of the State Bank of India together with other public sector banks' a research project was undertaken during FY 2016-17 and thereafter it was concluded that substandard, doubtful, and loss assets were increased in the bank. Similarly, increase in gross NPA (volume & percent) and net NPA had reduced the gross advances and credit-deposit ratio. The bank had to make more provisions for NPA which reduced the capital adequacy ratio and increased its total expenses. This had bad impacts as decreased net interest income (%), net interest margin (%), yield average on advances (%), and average return on assets (%). Ultimately, due to such negative effects, the bank earned a net profit of only ₹ 10,484 crores which was just 5.35% increase since last year when many of PSBs had shown more percentage growth in net profit. Moreover, keeping in view the largest total business of the SBI worth ₹ 35,54,251 crores, such a low net profit is not desirable.

Keywords: Impact, NPA, performance indicators, SBI, working

Introduction

The State Bank of India

The State Bank of India, the largest commercial bank in the country was established on 1st July 1955 with passing of the State Bank of India Act 1955 by taking over the whole of assets and liabilities of the Imperial Bank of India (Datta and Sundaram, 1999).

Section 33 of the State Bank of India Act 1955 enabled the bank to extend its term finances to large and small industries. Besides this, the State Bank group was empowered with extensive functions including the normal banking operations. Since then there has been changing dimensions of the nature of working of the State Banks' Group (Narsimham, 1967).

The Bank Group has important role to provide integrated credit to the rural sector. The financing of priority sector is the basic aspect of banking operations in the rural areas. The State Bank of India has taken full advantages of the Credit Guarantees Schemes started by the Government in conjunction with the Reserve Bank of India. The State Bank has brought all its advances to small-scale industries under this Guarantees Scheme (Narsimham, 1998).

In addition to these specific functions, the State Bank of India also extended financing to the co-operatives marketing and processing societies. The financial assistance to warehousing facilities is

another aspect of bank's financing activities. The Bank was implemented the lead bank schemes by initiating the district credit plans in collaboration with other public sector banks'. The Bank has special credit schemes for employment generation (Chaudhary and Sharma, 2011).

In recent years, the bank has entered into merchant banking, innovative banking and capital venture banking etc. Its working includes the international business with help of its branches in foreign. Hence, the State Bank of India has multi-dimensional aspects of workings included with normal banking business and innovative support to financial intermediaries in the capital as well to money market of the country (Basu, 2007).

Meaning of Non-Performing Assets

In the general term, an asset is classified as Non-performing Assets (NPA), if interest or installment payment of principal remain due and unpaid for more than 180 days. However, since March 2004, default status had to be given to a borrower, if dues are not paid for 90 days. If any advance or credit facility granted by a bank to a borrower becomes non-performing then the bank will have to treat all the advances and credit facilities granted to that borrower as non-performing regardless existence of some performing advances or credit facilities. As per guidelines of the RBI (1992), banks' in India must adopt the international banking norms on Income Recognition, Asset Classification, Provisioning and Capital Adequacy (Basu, 2005).

Review of Literature

The non-performing assets (NPAs) engrossed the attention of researchers in the late 1980's when the necessity to transform the banking sector was felt in Indian economy. The studies in this period highlighted the shortcomings in the functioning of the banking sector and stressed the need to incorporate prudential norms for income recognition, asset classification and provisioning (Poongavanam, 2011). Such analysis and inferences to a great extent helped the researcher in identifying the stages of development in NPA management (Kannan, 1998).

In an analytical study on NPA with special reference to State Bank of Hyderabad, Rajendar, K. and Suresh, S. (2007) evaluated the effectiveness of the reform process on the basis of the recommendations of the Narasimham Committee, using statistical data on banks for the period 2000-01 to 2005-06.

Apart from explaining a conceptual framework of the NPA, Faizanuddin, Md and Mishra R.K. (2011) examined the dimensional approach of NPA in the banking system in India with special focus on State Bank of India, Patna Circle, Bihar. Findings and inferences based on analysis recommended major changes in the recovery policy, project financing norms, legal aspects and supervision of NPA accounts. Siraj, K.K. and Pillai, P.S. (2011) in their study assessed the impact of global financial crisis on NPA of the banking sector. The study measured the annual average growth rate (AAG) of NPA indicators, before and during the financial crisis. Ganesan, D. and Santhanakrishnan, R., (2013) have been made to evaluate the non-performance assets of the SBI since 2002. Tripathi, L. K. *et al.*, (2014) analyzed the impact of priority sector advances, unsecured advances and advances made to some sectors by banks like SBI group and other banks on Gross NPAs of banks. The study by Sulagna Das *et al.*, in 2014 was done on the State Bank of India and its associates.

Importance of the study

Examination of published works on NPA in public sector banks' in India showed that:-

- (1) Most of the studies focused on NPA ratio's (gross NPA ratio and net NPA Ratio) to assess the asset quality and effectiveness of credit risk management.
- (2) Very few studies were conducted examining the relationship between NPA and bank performance and macroeconomic indicators.
- (3) Only a few studies were conducted using banker's perception on incidence, impact and management of NPA.

Statement of the problem

Adherence to newly defined prudential norms of accounting saw a heavy build-up of NPA portfolios in books of many banks'. In 1992, NPA were alarmingly high for most of the public sector banks' accounting for more than 80% of the banking business in the country. In case of some banks', ratio of NPA to capital funds was disturbingly high and it exceeded even to their net worth which undermined solvency (Aravanan, and Vijaykumar, 2007). As per latest report of the RBI, "Trends and Progress of Banking in India 2016-17" the Gross NPA of public sector banks' have increased from ₹5,02,068 (9.83%) crores in 2016 to ₹5,89,502 (11.82%) crores in 2017. So after publication of the Narasimham Committee Report (1991) profitability and its related issues including reduction of NPA received priority in the agenda of all public sector banks' in the country. (Joshi and Little, 1996).

Objectives of the study

The main objectives of the present study are under the following heads:

1. To undertake study regarding working mechanisms of the SBI.
2. To study the impact of NPA on working of the SBI.
3. To make analyses of the profitability of the SBI.

Hypotheses Tested

The present research study is problem oriented analysis and thus, it may be studied on the development of following hypotheses:

1. After nationalization in 1969, the extension of banking sector activities is mainly guided by policies of the government.
2. Various problems have been faced by public sector banks' including the State Bank of India particularly with priority sector lending which caused large NPA as amount and defaulting accounts.
3. The Multi-Agency approach which caused less co-ordination is responsible for defaults in bank lending.
4. The structural system of banks' are lacking a goal approach to financing. Lending operations lacks co-ordination and thus difficult to contain NPA at desired levels.

Research Methodology

To achieve the stated objectives, data have been collected from various sources and include:-

- (1) Research reports, published articles, news reports and conference proceedings available in both national and international level related to NPA. The information obtained from these sources have been used for critical evaluation of the subject and identify research gap in the area of study.

(2) Statistical Data on NPA, bank-specific and economic indicators during 2007-08 to 2016-17, have been collected mainly from the RBI and the SBI websites, websites of other public sector banks, Indian Banks Association, India Stat and Ministry of Finance.

(3) Unpublished reports on the above topic.

Table-1: Performance indicators of the State Bank of India					
Performance indicators	2012-13	2013-14	2014-15	2015-16	2016-17
Number of Branches	14816	15869	16333	16784	17170
Number of Employees	228296	222809	213238	207739	209567
Total Assets (□ in Crores)	1566261	1792748	2048079	2357617	2705966
Total Business (□ in Crores)	2248356	2639531	2912217	3357995	3554251
Per Employee Business (□ in Crores)	9.43	10.64	12.34	14.11	16.24
Capital Adequacy Ratio % (Basel-III)	12.44	12.79	12	13.12	13.11
Total Deposits (□ in Crores)	1045617	1209829	1300026	1730722	2044751
Cost of Deposit (%)	6.29	6.27	6.34	6.35	5.98
Credit-Deposit Ratio (%)	85.17	86.84	84.47	83.56	80.38
Gross Advances (□ in Crores)	1202740	1394409	1576793	1627273	1509500
Priority Sector Advances (□ in Crores)	264313	280819	288952	339567	351894
Substandard Assets (□ in Crores)	26175	28289	23611	38661	44229
Doubtful-1 Assets (□ in Crores)	17916	21362	16657	40330	44890
Doubtful-2 Assets (□ in Crores)	12893	22664	26814	32513	71376
Doubtful-3 Assets (□ in Crores)	3602	3659	4329	8988	14674
Loss Assets (□ in Crores)	3398	4760	3213	2970	3995
Gross NPA (□ in Crores)	51189	80737	74626	120923	137244
Gross NPA (%)	4.75	4.95	4.29	6.5	6.9
Net NPA (□ in Crores)	21956	42204	37813	42365	54065
Net NPA (%)	2.1	2.57	2.24	3.81	3.71
Provisions for NPA (□ in Crores)	14167	14224	23581	26984	32247
Total Income (□ in Crores)	135692	154904	174973	191844	210979
Net Interest Income (□ in Crores)	44329	49282	55015	57195	61860

Net Interest Income (%)	7.76	7.57	7.61	7.27	6.86
Other Income (□ in Crores)	16037	18553	22576	27845	35461
Other Income (%)	1.04	1.03	1.13	1.25	1.39
Total Expenses (□ in Crores)	121586	144012	161871	181893	200495
Cost to Income Ratio (%)	48.51	52.67	49.85	49.13	47.75
Net Interest Margin (%)	3.34	3.17	3.16	2.96	2.84
Yield Average on Advances (%)	10.54	10.47	10.58	10.12	9.46
Average Return on Assets (%)	0.89	0.65	0.68	0.46	0.41
Operating Profit (□ in Crores)	31082	32109	38914	43258	50848
Per Employee Profit (□ in Lacs)	6.45	4.85	6.02	4.7	5.11
Net Profit/Loss (□ in Crores)	14105	10891	13102	9951	10484
Source: Annual Reports of the State Bank of India					

Results and Discussion

Performance indicators of the State Bank of India (2012-13 to 2016-17)

Table-1 & 2 represents various performance indicators those have been derived from annual reports of the SBI and the RBI. Further, in this connection, data have been collected from RBI report on the trend and progress of banking in India. Such details are being presented as:

Number of branches: During 2012-13 it was the lowest as 14816 which increased gradually up to 2016-17 as the highest as 17170, however, percentage increase had decreased gradually during the period. During 2013-14 it was the highest as 7.1% and during 2016-17 it was the lowest as 2.29% which is lower than PSBs average of 2.72% during respective year.

Number of employees: During 2012-13 it was the highest as 228296 which decreased gradually up to 2015-16 as the lowest 207739 thereafter it slightly increased during 2016-17 as 209567. In terms of percentage it shown negative growth as -2.4% in 2013-14, highest decline as -4.29% during 2014-15, -2.57% during 2015-16 and the highest growth rate of 0.87% during 2016-17, however it was lower than PSBs average of 1.89% during respective year.

Total assets: During 2012-13 it was the lowest as □ 1566261 crores which increased gradually up to 2016-17 the highest as □ 2705966 crores. In percentage it had fluctuating trends and the highest noted during 2015-16 as 15.11% and the lowest during 2014-15 as 14.24%, however during 2016-17 it had 14.77% growth rate which was higher than PSBs average of 13.17% during respective year.

Total business: During 2012-13 it was the lowest as □ 2248356 crores which increased gradually up to 2016-17 the highest as □ 3554251 crores. In percentage it had fluctuating trends and the highest noted during 2013-14 as 17.39% and the lowest as 5.84% during 2016-17, however it was higher than PSBs average of 4.18% during respective year.

Table-2: Performance indicators of Public Sector Banks'			
Sl.	Performance indicators	2015-16	2016-17
1	Number of Branches	82764	85018
2	Number of Employees	775476	790204
3	Total Assets (□ in Crores)	7819575	8849658
4	Total Business (□ in Crores)	12438512	12959113
5	Per Employee Business (□ in Crores)	15.64	15.82
6	Capital Adequacy Ratio % (Basel-III)	11.36	11.73
7	Total Deposits (□ in Crores)	6988889	7573085
8	Cost of Deposit (%)	6.65	6.03
9	Credit-Deposit Ratio (%)	79.9	70.59
10	Gross Advances (□ in Crores)	5464223	5237045
11	Priority Sector Advances (□ in Crores)	1502271	1589374
12	Substandard Assets (□ in Crores)	465099	469164
13	Doubtful-1 Assets (□ in Crores)	384113	518077
14	Doubtful-2 Assets (□ in Crores)	366671	637426
15	Doubtful-3 Assets (□ in Crores)	53370	99681
16	Loss Assets (□ in Crores)	46617	53087
17	Gross NPA (□ in Crores)	519778	623867
18	Gross NPA (%)	9.51	12.32
19	Net NPA (□ in Crores)	280419	330322
20	Net NPA (%)	6.08	7.7
21	Provisions for NPA (□ in Crores)	143110	152386
22	Total Income (□ in Crores)	679457	713163
23	Net Interest Income (□ in Crores)	457790	423802
24	Net Interest Income (%)	8.25	7.4
25	Other Income (□ in Crores)	85882	114790
26	Other Income (%)	1.57	1.7

27	Total Expenses (□ in Crores)	622502	637823
28	Cost to Income Ratio (%)	53.49	52.96
29	Net Interest Margin (%)	2.34	2.28
30	Yield Average on Advances (%)	10.23	9.49
31	Average Return on Assets (%)	0.24	0.09
32	Operating Profit (□ in Crores)	126982	149909
33	Per Employee Profit (□ in Lacs)	-1.11	-0.51
34	Net Profit/Loss (□ in Crores)	-16133	3435

Source: Compiled from Annual Reports of Public Sector Banks'

Per employee business: This was the lowest as □ 9.43 crores during 2012-13 which increased gradually up to 2016-17 the highest as □ 16.24 crores. In percentage it had fluctuating trends and the highest noted during 2014-15 as 15.97% and the lowest 1.77% during 2015-16. During 2016-17 it had growth rate of 15.09% which was quite higher than PSBs average of 1.15% during respective year.

Capital adequacy ratio (%): Under Basel-III the bank has maintained such ratio in fluctuating trends, during 2014-15 it was the lowest as 12.0% and the highest as 13.12% during 2015-16. In percentage growth, it had fluctuating trends and the lowest during 2014-15 as -0.79% and the highest as 1.12% during 2015-16. During last year 2016-17 such percentage was -0.01% which is lower than PSBs average of 0.37% for the respective year.

Total deposits: Under this section, gradual increasing trends were noted during 2012-13 as the lowest □ 1045617 crores and the highest □ 2044751 crores during 2016-17. However percentage growth of deposits was noted as the highest 33.12% during 2015-16 and the lowest as 7.45% during 2014-15. During 2016-17 it was as 18.14% which is quite higher than PSBs average of 8.35% for the respective year.

Cost of deposit (%): It had fluctuating trends and the highest noted during 2015-16 as 6.35% and the lowest in 2016-17 as 5.98% which is lower than PSBs average of 6.03% for the same year. However, in percentage growth it had gradual fluctuating trends and the highest rate noted during 2014-15 as 0.07% and the lowest during 2016-17 as -0.37% which was higher than PSBs average of -0.62% for the respective year.

Credit-Deposit ratio (%): it had fluctuating trends during the period and noted as the highest during 2013-14 as 86.84% and the lowest as 80.38% during 2016-17. In percentage growth the same trend was observed with the highest in 2013-14 as 1.67% and the lowest as -3.18% during 2016-17 which is slightly higher than PSBs average of -3.31% for the respective year.

Gross advances: It had fluctuating trends during the period and noted as the lowest during 2012-13 as □ 1202740 crores and the highest during 2015-16 as □ 1627273 crores. In terms of percentage growth in gross advances, the same trend was observed with the highest during 2012-13 as 15.93% and the lowest during 2016-17 as -7.23% which is lower than PSBs average of -4.15% for the respective year.

Priority sector advances: it had gradual increasing trends during the period and noted as the lowest during 2012-13 as ₹ 264313 crores and the highest as ₹ 351894 crores during 2016-17. In terms of percentage growth it had fluctuating trends and noted as the highest during 2015-16 as 17.51% and the lowest during 2014-15 as 2.89%. During 2016-17, it had 3.63% of growth rate which is lower than PSBs average of 5.79% for the respective year.

Substandard assets: The gradual fluctuating trends was observed as the lowest during 2014-15 as ₹ 23611 crores and the highest as ₹ 44229 crores in 2016-17. In terms of percentage growth in substandard assets, the highest growth was observed in 2015-16 as 63.74% and the lowest as -16.53% during 2014-15. During 2016-17 such percentage was 14.4% which is quite higher than PSBs average of 0.87% for the respective year.

Doubtful-1 assets: The gradual fluctuating trends was observed as the lowest during 2014-15 as ₹ 16657 crores and the highest as ₹ 44890 crores in 2016-17. In terms of percentage growth in Doubtful-1 assets, the same fluctuating trends was observed with the highest during 2015-16 as 142.12% and the lowest during 2014-15 as -22.02%. During 2016-17 such percentage was 11.3% which is quite lower than PSBs average of 34.87% for the respective year.

Doubtful-2 assets: The gradual fluctuating trends was observed as the lowest during 2012-13 as ₹ 12893 crores and the highest as ₹ 71376 crores during 2016-17. In terms of percentage the same fluctuating trends was observed during the period, with the lowest as 18.31% during 2014-15 and the highest as 119.53% during 2016-17 which is quite higher than PSBs average of 73.84% for the respective year.

Doubtful-3 assets: The gradual increasing trends was observed during the period with the lowest during 2012-13 as ₹ 3602 crores and the highest as ₹ 14674 crores during 2016-17. In terms of the percentage growth, fluctuating trends was observed with the lowest during 2012-13 as 1.58% and the highest 107.62% during 2015-16. During 2016-17, it was observed as 63.26% which was lower than PSBs average of 86.77% for the respective year.

Loss assets: The fluctuating trends was observed during the period with the lowest during 2015-16 as ₹ 2970 crores and the highest as ₹ 4760 crores during 2013-14. In terms of percentage growth the same fluctuating trends was observed with the highest 40.08% during 2013-14 and the lowest -3.25% during 2014-15. The year 2016-17 was observed with 34.51% growth in loss assets which was quite higher than PSBs average of 13.87% for the respective year.

Gross NPA: The fluctuating trends was observed during the period with the lowest during 2012-13 as ₹ 51189 crores and the highest as ₹ 137244 crores during 2016-17. In terms of percentage growth, the highest as 57.72% was observed during 2013-14 and the lowest as -7.56% during 2014-15. The year 2016-17 was noted with 13.49% of the growth which was lower than PSBs average of 20.02% for the respective year.

Gross NPA (%): The fluctuating trends was observed during the period with the lowest as 4.29% during 2014-15 and the highest as 6.9% during 2016-17 which is quite lower than PSBs average of 12.32% during the respective year. In terms of percentage growth, the lowest growth was noted during 2014-15 as -0.66% and the highest as 0.4% during 2016-17 which was quite lower than PSBs average of 2.81% for the respective year.

Net NPA: The fluctuating trends was observed during the period with the lowest as ₹ 21596 crores and the highest as ₹ 54065 crores during 2016-17. In terms of percentage growth, the same fluctuating

trends was observed with the lowest -10.4% during 2014-15 and the highest as 92.22% during 2013-14. The year 2016-17 was noted with the 27.61% of growth which was higher than PSBs average of 17.79% for the respective year.

Net NPA (%): The fluctuating trends was observed during the period with the lowest as 2.1% during 2012-13 and the highest as 3.81% during 2015-16. In terms of percentage growth, the same fluctuating trends was observed with the highest 1.57% during 2015-16 and the lowest -0.33% during 2014-15. The year 2016-17 was noted with -0.1% growth which was quite lower than PSBs average of 1.62% for the respective year.

Provisions for NPA: The gradual increasing trends was observed during the period with the lowest as ₹ 14167 crores during 2012-13 and the highest as ₹ 32247 crores during 2016-17. In terms of percentage growth, the highest 65.78% was observed during 2014-15 and the lowest as 0.4% during 2013-14. During 2016-17, 19.5% growth was observed which was quite higher than PSBs average of 6.48% for the respective year.

Total income: The gradual increasing trends was observed during the period with the lowest as ₹ 135692 and the highest as ₹ 210979 crores during 2016-17. In terms of percentage growth, the fluctuating trends was observed with the highest 14.15% during 2013-14 and the lowest as 9.64% during 2015-16. The year 2016-17 was noted with the 9.97% growth rate which was quite higher than PSBs average of 4.96% for the respective year.

Net interest income: The gradual increasing trends was observed during the period and the lowest during 2012-13 as ₹ 44329 crores and the highest as ₹ 61860 crores during 2016-17. In terms of percentage net interest income, fluctuating trends was observed with the lowest during 2015-16 as 3.96% and the highest as 11.63% during 2014-15. During 2016-17, it was as 8.15% which was quite higher than PSBs average of -7.42% for the respective year.

Net interest income (%): The fluctuating trends was observed during the period and the lowest 6.86% during 2016-17 and the highest 7.76% during 2012-13. In terms of percentage growth, the same fluctuating trends was observed as the highest 0.04% during 2014-15 and the lowest -0.41% during 2016-17 which is higher than PSBs average of -0.85% for the respective year.

Other income: The gradual increasing trends was observed during the period and the lowest during 2012-13 as ₹ 16037 crores and the highest ₹ 35461 crores during 2016-17. In terms of percentage growth, the same increasing trends was observed as the lowest 15.68% during 2012-13 and the highest 27.35% during 2016-17 which is lower than PSBs average of 33.66% for the respective year.

Other income (%): The fluctuating trends was observed during the period and the lowest 1.03% during 2013-14 and the highest 1.39% during 2016-17 which is lower than PSBs average of 1.7% for the respective year. In terms of percentage growth, gradual increasing trends was observed as the lowest -0.01% during 2013-14 and the highest as 0.14% during 2016-17 which was higher than PSBs average of 0.13% for the respective year.

Total expenses: The gradual increasing trends was observed during the period, the lowest during 2012-13 as ₹ 121586 crores and the highest as ₹ 200495 crores during 2016-17. In terms of percentage growth, fluctuating trends was observed as the highest during 2013-14 as 18.44% and the lowest as 10.22% during 2016-17 which is quite higher than PSBs average of 2.46% for the respective year.

Cost to income ratio (%): The fluctuating trends was observed during the period, the highest 52.67% during 2013-14 and the lowest 47.75% during 2016-17 which is lower than PSBs average of 52.96% for the respective year. In terms of percentage growth, the same fluctuating trends was observed, the highest 4.16% during 2013-14 and the lowest -3.72% during 2014-15. During 2016-17, it was as -1.38% which was lower than PSBs average of -0.53% for the respective year.

Net interest margin (%): The gradual decreasing trends was observed during the period, the highest 3.34% during 2012-13 and the lowest 2.84% during 2016-17 which is higher than PSBs average of -0.06% for the respective year. In terms of percentage growth, fluctuating trends was observed as the lowest -0.17% during 2013-14 and the highest as -0.01% during 2014-15. During 2016-17, it was as -0.12% which is lower than PSBs average of -0.06% for the respective year.

Yield average on advances (%): The fluctuating trends was observed during the period, the lowest 10.12% during 2015-16 and the highest 10.58% during 2014-15. During 2016-17 it was as 9.46% which was lower than PSBs average of 9.49% for the respective year. In terms of percentage growth, the same fluctuating trends was observed, the highest as 0.11% during 2014-15 and the lowest as -0.66% during 2016-17 which was higher than PSBs average of -0.74% for the respective year.

Average return on assets (%): The fluctuating trends was observed during the period, the highest 0.89% during 2012-13 and the lowest 0.41% during 2016-17 which was higher than PSBs average of 0.09% for the respective year. In terms of percentage growth, the same fluctuating trends was observed during the period, the lowest -0.24% during 2013-14 and the highest 0.03% during 2014-15. During 2016-17, it was as -0.05% which is higher than PSBs average of -0.15% for the respective year.

Operating profit: The gradual increasing trends was observed during the period and the lowest ₹ 31082 crores during 2012-13 and the highest ₹ 50848 crores during 2016-17. In terms of percentage growth, fluctuating trends was observed with the lowest 3.3% during 2013-14 and the highest 21.19% during 2014-15. During 2016-17, it was 17.54% which is lower than PSBs average of 18.05% for the respective year.

Per employee profit: The fluctuating trends was observed during the period, the highest ₹ 6.45 lacs and the lowest ₹ 4.7 lacs during 2015-16. During 2016-17, it was as ₹ 5.11 lacs which is quite higher than PSBs average of ₹ -0.51 lacs for the respective year. In terms of percentage growth the same fluctuating trends was observed, the lowest -24.8% during 2013-14 and the highest 24.12% during 2014-15. During 2016-17, it was as 8.72% which is lower than PSBs average of 54.05% for the respective year.

Net profit/Loss: The fluctuating trends was observed during the period, the highest as ₹ 14105 crores during 2012-13 and the lowest as ₹ 9951 crores during 2015-16. In terms of percentage growth, the highest growth was noted as 20.3% during 2014-15 and the lowest as -24.04% during 2015-16. During the year 2016-17, it was as 5.35% which is lower than PSBs average of 121.29% for the respective year.

Conclusion

The State Bank of India is the largest bank in the country with deposits more than ₹ 20,44,751 crores as on March 31, 2017. It dominates to the Indian banking sector with a market share around 23.07% in terms of total banking sector deposits. The increasing focus on upgrading the technology enabled it to reach better, improve service levels, provide new delivery platforms and improve operating efficiency to counter the threat of competition effectively. The core banking solution (CBS) has been fully implemented with 17170 branches and 59,200 ATMs of the State Bank group and it is now the strongest technology enabled distribution network in India. The merger of

all of its 7 associate banks with the SBI as on 1st April 2017 have further strengthened its dominant position in the banking sector as the country's largest universal bank. It is clear from analyses of the figures that the financial performance of the State Bank Group may be considered to be satisfactory with little variations in quantum and percentage as not very alarming.

Acknowledgements

Authors are thankful to Shri Rajeev Kumar Das (Assistant General Manager to State Level Bankers Committee, Bihar) for providing all the necessary and updated data regarding Non-performing Assets and performance indicators of SBI & other public sector banks'. We are also thankful to Prof. B.B.L. Das (Head of the University Department of Commerce & Business Administration, Lalit Narayan Mithila University, Darbhanga) for his everlasting kind co-operation.

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