



A STUDY OF NON-PERFORMING ASSETS IN STATE BANK OF INDIA

P.Geetha ,Mcom,MBA,NET

Assistant professor of commerce

Virudhunagar Hindu Nadar Senthikumra Nadar College

Virudhunagar.

ABSTRACT

Banking sector is the fast growing sector of any nation. To day, banking sector is becoming more complex. With the advent of the modernisation and automation, the ease of obtaining loans and advances has increased. There are many new products available in the market to advance loans. The business gets accelerated with the bank loans and as a result, economic position gets enriched. On the other hand, while the loans are not repaid, it questions the income and performance of the bank by itself. While the bank's loan helps the development of an industry, when the loans and advances become a nonperforming asset, it creates a negative impact on the bank's credibility and performance.

INTRODUCTION

Finance is the life blood of every activity. It is the basic for socio-economic growth. It acts as a catalytic agent, so it is a great necessity. The role of finance in the economic development of a country is recognized. To meet this growing need of finance, the banking system was strengthened during the early period of independence in India. This is the core of the money market in economy. The banks are the most important segments of the financial sector. Generally, banks collect money from those who have spare money or who try to save it out of their income and lend this money out to those who require it. This mechanism of providing finance is a highly useful necessity in any community.

In the modern era, the process of globalization has mainly its huge influenced on the Indian banking industry. In the post liberalization period, there was an ardent need to bring about structural changes in the Indian banking system so as to make it economically viable and competitively strong. Therefore, the Government of India set up a High Level Committee with Mr. M. Narasimham, a former Governor of RBI, as chairman to examine all respects relating to the structure, organization, functions and procedures of the financial system. Based on the recommendations of the Narasimham Committee, the first phase of Financial Sector Reforms was initiated in 1991. Even though these reforms pump a vibrant action in the banking sector,