

A Study of Business Loan Provided by Banking Sectors to Analysis Banking Business

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Abstract: *The Project report deals with the research topic "a study of business loan provide by banking sectors to analyse banking business at state bank of India". The Project aims at analyzing the Loan and Advances of the bank; thereby it helps the bank to improve its leading process. The main purpose of this research is to identify Loans and Deposits at State Bank of India to calculate the proportion of different Deposits to the total Deposits, to find the proportion of different loans to the total loans. Finance and banking is the life blood of trade, commerce and industry. Now-days, banking sector acts as the backbone of modern business. Development of any country mainly depends upon the banking system. A bank is a financial institution which deals with deposits and advances and other related services. It receives money from those who want to save in the form of deposits and it lends money to those who need it. The banking is one of the most essential and important parts of the human life. In current faster lifestyle peoples may not do proper transitions without developing the proper bank network. The banking System in India is dominated by nationalized banks. The performance of the banking sector is more closely linked to the economy than perhaps that of any other sector. The growth of the Indian economy is estimated to have slowed down significantly. The economic slowdown and global developments have affected the banking sectors' performance in India in resulting in moderate business growth. It has forced banks to consolidate their operations, re-adjust their focus and strive to strengthen their balance sheets. Here researcher's objective is to study the Indian banking sector and performance of Indian banks.*

Keywords: Indian banking sector.

I. INTRODUCTION

The State Bank of India or the SBI is a public-sector bank and financial service statutory body. It is the largest commercial bank in India in terms of assets, profits, deposits, number of branches and employees. The SBI came into existence on July 1, 1955. It has its headquarters in Mumbai, Maharashtra

“Loans and Advances” the topic deals with the financial growth of society’s the bank will plays an important role. Public will borrow the loans for various purpose from the banks. By providing loans to the skilled people to build their infrastructure, so that it creates employment opportunities.

These loans and advances granted by commercial banks to the highly beneficial to firms and individual, companies for meeting their short term & long term financial needs for their business.

State Bank of India (SBI) a Fortune 500 company, is an Indian Multinational, Public Sector Banking and Financial services statutory body headquartered in Mumbai. The rich heritage and legacy of over 200 years, accredits SBI as the most trusted Bank by Indians through generations.

SBI, the largest Indian Bank with 1/4th market share, serves over 45 core customers through its vast network of over 22,000 branches, 62617 ATMs/ADWMs, 71,968 BC outlets, with an undeterred focus on innovation, and customer centricity, which stems from the core values of the Bank - Service, Transparency, Ethics, Politeness and Sustainability.

The Bank has successfully diversified businesses through its various subsidiaries i.e. SBI General Insurance, SBI Life Insurance, SBI Mutual Fund, SBI Card, etc. It has spread its presence globally and operates across time zones through 229 offices in 31 foreign countries.

Growing with times, SBI continues to redefine banking in India, as it aims to offer responsible and sustainable Banking solutions.

II. LITERATURE REVIEW

1. Manish Mittal and Arena Dhademad (2005): they found that higher profitability is the only major parameter for evaluating banking sector performance from the shareholders point of view. It is for the banks to strike a balance between commercial and social objectives. They found that public sector banks are less profitable than private sector banks. Foreign banks top the list in terms of net profitability. Private sector banks earn higher non-interest income than public sector banks, because these banks offer more and more fee based services to business houses or corporate sector. Thus there is urgent need for public sector banks to provide such services to stand in competition with private sector banks.

2. I.M. Pandey (2005):

An efficient allocation of capital is the most important financial function in modern times. It involves decision to commit the firm's funds to the long term assets. The firm's value will increase if investments are profitable and add to the shareholders wealth. Financial decisions are important to influence the firm's growth and to involve commitment of large amount of funds. The types of investment decisions are expansion of existing business, expansion of new business and replacement and modernization. The capital budgeting decisions of a firm has to decide the way in which the capital project will be financed. The financing or capital structure decision. The assets of a company can be financed either by increasing the owners claims on the creditors' claims. The various means of financing represent the financial structure of an enterprise.

3. Mediate Tarawneh (2006) financial performance is a dependent variable and measured by Return on Assets (ROA) and the intent income size. The independent variables are the size of banks as measured by total assets of banks, assets management measured by asset utilization ratio (Operating income divided by total assets) operational efficiency measured by the operating efficiency ratio (total operating expenses divided by net income)

4. Vacant decay (2007): The Reserve Bank of India plays a very vital role. It is known as the banker's bank. The Reserve Bank of India is the head of all banks. All the money formulations of commercial banks are done under the Reserve Bank of India. The RBI performs all the typical functions of a good central bank as it is involved in planning the economy of the country. The main function is that the RBI should control their credit. It is mandatory for the Bank to maintain the external value of the rupee. Major function is that it should also control the currency.

5. K. C. Sharma (2007) Banking has entered the electronic era. This has been due to reforms introduced under the WTO compliances. Private sector banks have been permitted to open their shops in the country. These banks are either foreign or domestic banks with foreign partnerships. Some of them have been set up by Development Financial Institutions in order to embrace concept of universal banking, as practiced in advanced countries. The private sector on the other hand have begun their high tech operations from the initial stage and made the elite of the country to taste the best banking practices that happens in the western countries. They have foreseen the digital world and have seen the emerging electronic market, which has encouraged them to have a better customer service strategy that would be able to deliver the things as per customer's requirement.

III. RESEARCH METHODOLOGY

RESEARCH DESIGN:

The purpose of the methodology is to design the research procedure. This includes the overall design, the sampling procedure, the data collection method and analysis procedure.

Marketing research is the systematic gathering recoding and analyzing of data about problem retaining to the marketing of goods and services.

The essential purpose of marketing research is to provide information, which will facilitate the identification of an opportunity of problem situation and to assist manager in arriving at the best possible decisions when such situations are encountered.

Method is Used

Basically there are two types of researches, which according to their applicability, strength, weaknesses, and requirements used before selecting proper type of research, their suitability must be seen with respect to a specific problem two general types of researches are exploratory and conclusive.

Exploratory Research Design:

It is also known as qualitative research, it seeks to discover new relationships it aims at defining the main problem & inducing the identification of the relevant variables and the possible alternative solutions it can further be divided into three parts.

Conclusive Research

It is also known as quantitative research; it is designed to help executives of action that is to make decision.

When a marketing executive makes a decision a course of action is being selected from among a number of available.

The alternatives may be as few as two or virtually infinite.

They may be well defined or only vaguely glimpsed.

Conclusive research provides information, which helps the executives make a rational decision. In some instances, particularly if any experiment is run, the research may come

close to specifying the precise alternatives to choose, in their cases especially with descriptive studies the research will only particularly clarify the situation and much will be left to the executive's judgment.

Primary data collection tools

Tools used to gather data include case studies, interviews, occasionally observation, surveys etc.

SECONDARY DATA

Tools used to gather data include Government publications, websites, books, journal articles, internal records etc.

Always specific to the researcher's needs.

Data interpretation and analysis techniques to be used:

For the representation of analysis of data, graphs and charts are used

Objective

1. To study on various business loan scheme.
2. To analyse the various sectors of banking business
3. To study on services provided by banking sector

Hypothesis

H1. There is difference in loan provided by SBI and other banks.

H2. There is no difference in loan provided by SBI and other bank.

H0. There is no difference in satisfaction level of customers in SBI banks.

IV. FINDINGS OF THE STUDY

- Most of people are having Saving Bank A/C in more than one bank. 39.33 people have their SBI A/C only in SBI. SBI is considered the fastest bank
- SBI is the most trusted bank and it was found that all of the A/C holders say that SBI is the most prestigious bank and ATM centers of SBI are most available than any other bank.
- Only 26% of people surveyed say that SBI employees are co-operative when compared to other banks.
- More than half persons have ATM card that's good as it can increase the swiftness of services.

- Most of the customers surveyed find ATM facility satisfactory. → All ATM card holders find the operating system easy 89% people do not use their ATM card in other banks ATM centre and its Reasons given by the respondents:

Charges levied by the bank

SBI'S ATM centers are available everywhere in nearby area. 61% of the people surveyed are unaware to the service of Net Mobile banking 90% of the people who are aware to the service do not use Net/Mobile Banking. The reasons given by the respondents are: Unawareness to the Internet.

Do not need

Fear of fraud

- 60% people are unaware of the availability of Any Branch Banking Facility 55% of the people who are aware to the availability of the Any Branch Banking (ABB) facility use it. 80% of the people surveyed say that the employees are cooperative which is good for SBI
- 92% people say Yes they get their problems solved, however most of the people surveyed say they never faced problems. 96% of the people surveyed are happy with the services of SBI.
- Most of people agree that SBI is No. 1 bank in KADI.

V. SUGGESTIONS

1. Bank should have modern looking equipments or hi-tech equipments and all types of services should be given in a single window which will enhance the image of the bank.
2. Bank's physical facilities should be visually appealing. It should take efforts to have good layout, architecture design, aesthetics and exterior forefronts to attract customers.
3. Bank should take steps to ensure that bank employees are well trained, so each bank employee is able to offer complete and comprehensive information to the customers and appears neat at the reception desk with pleasant personality.
4. Pamphlets, brochures, accounts statements, etc. materials of the bank are also visually appealing. Bank can make good advertisements by making use of these tangibles particularly in festival seasons which will increase the bank's business.
5. Bank when makes commitment to do something by certain time, it should do so. Bank should have consistent policies combined with a knowledgeable staff and follow up procedure which will foster a high degree of institutional cohesion and reliability.

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