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A Study on Loan and Advance schemes at State Bank of India

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Abstract

Bank of India (SBI), one of the largest public sector banks in India. Loans and advances are the primary sources of income for banks and play a crucial role in economic development by providing financial assistance to individuals, businesses, and agricultural sectors.
The main objective of this study is to examine different types of loan schemes such as home loans, personal loans, education loans, vehicle loans, gold loans, and agricultural loans, along with their features, interest rates, and eligibility criteria. SBI offers a wide range of loan products with competitive interest rates, flexible repayment options, and customer-friendly policies to meet diverse financial needs.
SBI Bank
The research is based on both primary and secondary data. Primary data is collected through surveys and customer feedback, while secondary data is gathered from bank reports, official websites, and previous research studies. The study also evaluates customer satisfaction, awareness levels, and preferences regarding different loan schemes.
The findings indicate that home loans and vehicle loans are among the most preferred options due to lower interest rates and easy repayment facilities. The study concludes that SBI plays a significant role in providing accessible and affordable credit, contributing to economic growth. However, there is a need to increase awareness among customers about various loan schemes and simplify procedures further.
This study focuses on analyzing the various loan and advance schemes offered by the State

Keywords: For this study include loan schemes, advance schemes, banking services, credit facilities, personal loans, home loans, education loans, agricultural loans, interest rates, EMI (Equated Monthly Installment), credit risk management, non-performing assets (NPAs), loan recovery, customer satisfaction, digital banking, financial inclusion, and services offered by State Bank of India.

1.1 INTRODUCTION

"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.

1.2 INDUSTRY PROFILE

INDIAN BANKING INDUSTRY:

In India the bankingis originated in 18th century. The oldest bank in India is the 'State Bank of India',it is the largest commercial bank in India. Its responsibilities taken by Reserve Bank of India. The Imperial Bank of India was took over these responsibilities in 1935 relating to the functioning of commercial Banks. After the Independence the RBI was become nationalised and it got the all powers. And 14 largest commercial banks was nationalized in 1961.

In 1786 the first General Bank was established in the country. And the Indian banking system was classified into 3 phases.

- Indian Banks from 1786 to 1969.
- Nationalization Banks of India and up to 1991 reforms.
- Reforms of Indian Banking sector after 1991.

PRIOR TO INDEPENDENCE:

In 1786 the first General Bank of India was established with as joint stock. After that Bank of Bengal and Bank of Hindustan was started till 1906. And later 3 Banks are started by the East India Company, i.e. Bank of Bengal in 1809, Bank of Bombay in 1840, and Bank of Madras in 1843. And they are the Presidency Banks and Independent units and well functioned. After, these three Banks combined together and established the new one i.e. Imperial Bank of India in 1920. A number of Banks with Indian management these are namely, Bank of India ltd, Canara Bank ltd, Punjab National Bank ltd.

2.3 REVIEW OF LITERATURE

1) Mishkin (2019): analysed point out the money related transmission instruments in corporate the financing cost channel, the swapping scale channel the benefit value channel and the credit channel. The loan fee channel is the essential money related transmission in the traditional micro economics model, per example, IS-LM model. Those models hold that fiscal arrangement works through the risk side of bank balance sheet given some level of value stickiness, an adjustment in cash.

2) Karthikeyan K (2020): an investigation of booked business banks in india for the time of 10 years with the reason to examine the size of NPAs, viability of NPA administration and the view of branch supervisors in regards to administration of NPAs. Factual procedures like compound development rates, averages, correlation and component examination have been utilised for the study.

3) Bhaskaran and Josh (2022): presumed that the recuperation execution of co-agent credit establishments proceeds to inadmissible which adds to the development of NPA even after the presentation of prudential regulation. They proposed authoritative and approach remedies to make co-agent credit establishments more effective, beneficial and productive association tuned in to focused business managing an account.

4) Dutta and Basak (2023): recommended that co-agent banks ought to enhance their recuperation execution, embrace new arrangements of automated observing of advances, actualise legitimate prudential standards and sort out consistent workshops to support in the focused savings money environment.

5) Singla (2024): underlined on budgetary administration and analysed the money related position of sixteen banks by considering benefit, capital sufficiency, obligation value and NPA.

6) Krishna (2025): considered in their examination paper, "Execution of Regional Rural Banks in Karnataka. An application of principal components and Discrimination function Analysis" attempted to distinguish the critical separation qualities of the two recognized gathering of Regional Rural banks in the condition of Karnataka. They reasoned that the quantity of workers per branch had most extreme separating energy to the degree of 55%, trailed by measure of borrowings (18%), credit store proportion (14%) and pay to use proportion (13%).

7) Khan (1994): In the report entitled "Farm credit Recovery overview report of the Palestinian issue and possible solutions" found pristine credit for the general public and federal banks and other commercial banks have been important to adequately address this need. He reasoned that banks should be exceedingly careful in screening of candidates prior to the dispensing of credit to lessen the non- instalment and need solid weights and checks after the dispensing all together to guarantee the convenient recuperation.

8) Viswanath (2001): study of the topic, assumed "Performance land credit co-operative design and excess contributions fault India Analyses" in a period from 1950 -1996, progress through the political action committee of the overall progress, from 2.434 billion rupees extended to 1.4201 trillions rupees, i.e. 587 times sadly, this expansion is related to duty increment over backward**.**

9) Dhanabhakyam and Kavitha (2012): Indian financial framework faces a few troublesome difficulties. The choose open segment banks have performed will on the wellsprings of development rate and money related proficiency amid the examination time frame. The old private part banks and the new private segment banks assume a crucial job in showcasing of new kind of stores and advances plans.

10) Sharma and Sharma (2006): concentrate dissected the client the experience of urban client banking. This examination discovered that client happy with credit offices, bank condition, routine work strategies, area, financing costs and so on. Also, were disappointed with advance conventions and the advancement through media.

11) P Geetha Rani (2014): the training credit program since its inception as been becoming both as far as number of understudies who have taken instruction advances for seeking after advanced education and the measure of instruction advances released. Nevertheless, these financing component of higher education don't seem to improve access and value in the advanced education framework as confirm from the National Sample Survey Organization and Bank information. Given this, with primary trust of the article is to perceive why and how to distinguish the limit dimension of credits that should be changed over into awards; for tending to the goals of access and value and for in a roundabout way encouraging instruction advances to focus on the princely and special for cost recuperation. Appropriately the article explains the justification and the component through which advance can be changed over into grants.

3.1 STATEMENT OF THE PROBLEM

- SBI Branch, Bangalore need to think about the client recognition about the development item given by them to the general population.
- To discover that what is the least demanding rout for giving development item.
- To discover the need of the client and subsequently figure the methodology to level the economy in the general public.
- How the items helping the clients.

3.2 NEED FOR THE STUDY

This project is mainly to know about banks granting loans and advances to the people.

Country is facing the problems of liberalization, privatization and globalization. In order to overcome these problems study of loans and advances is very crucial.

- To comprehend the difficulties and openings in the business.
- To know the prospective areas of investment for the banks in the near future.
- To know the various financial requirements of the individual and corporate borrowers.
- To know the credit facilities bank can provide to assist business needs.
- To study the progress and trends since more and more competitors have entered the market with many features in their services.

3.3 OBJECTIVES OF THE STUDY

- To determine the extent of loans and advances granted
- To examine the bank execution in the matter of credit
- To analyse the loans and advances recovered
- To study the rules governing the process of granting a loan

3.4 SCOPE OF THE STUDY

- It is about customer performance.
- This makes the bank to know current position and future plans.
- The study about various loans and advances and interest rates.

3.5 RESEARCH METHODOLOGY

It is the techniques for information representation. Fascinate examination includes overviews and actually discoveries enquire of various types, the motivation behind clear research is representation the condition of issue as an exists at current. In business research we frequently utilize the term trade fact to research for notify the study concentrates on.

3.6 DATA COLLECTION TOOLS

Information mainly gathered from both primary and secondary sources.

- **Primary Data:** It is a unique information source are gathered the directly by the specialists for explicit reason or venture.
- Primary information was gathered by the bank authorities.

- **Secondary Data:** It is gathered from the other than primary source, who already gathered the information i.e. yearly reports, cost sheet etc.
  - Secondary data was gathered from published materials, books, websites, balance sheets and records.

3.7 STATISTICAL TOOLS

- Trend and Ratio analysis

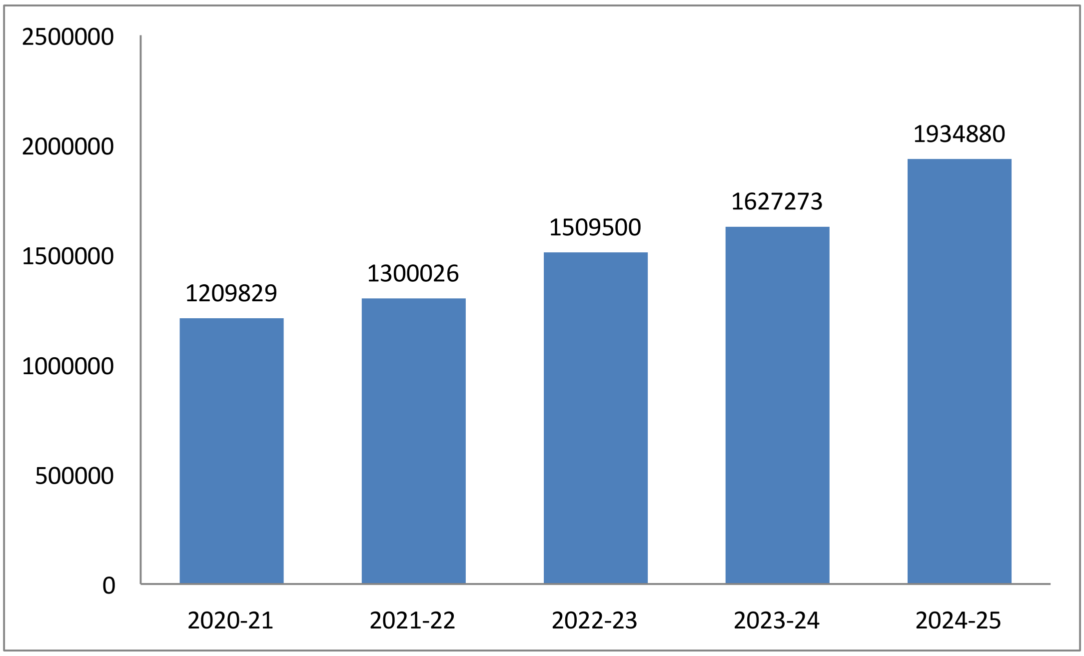
3.8 LIMITATIONS OF STUDY

- The investigation depends on the information of past 5 years only.
- The information for concentrate for the most part dependent on solitary bank.
- As lion's share of the clients are employees of the bank, they may be biased in giving the data.
- The timespan of the research was limited.

4.12 DATA ANALYSIS AND INTERPRETATION

1) Total Loans and Advances sanctioned by the State Bank of India:

Year	Loans and Advances (Amount in crores)
2020-21	12,09,829
2021-22	13,00,026
2022-23	15,09,500
2023-24	16,27,273
2024-25	19,34,488

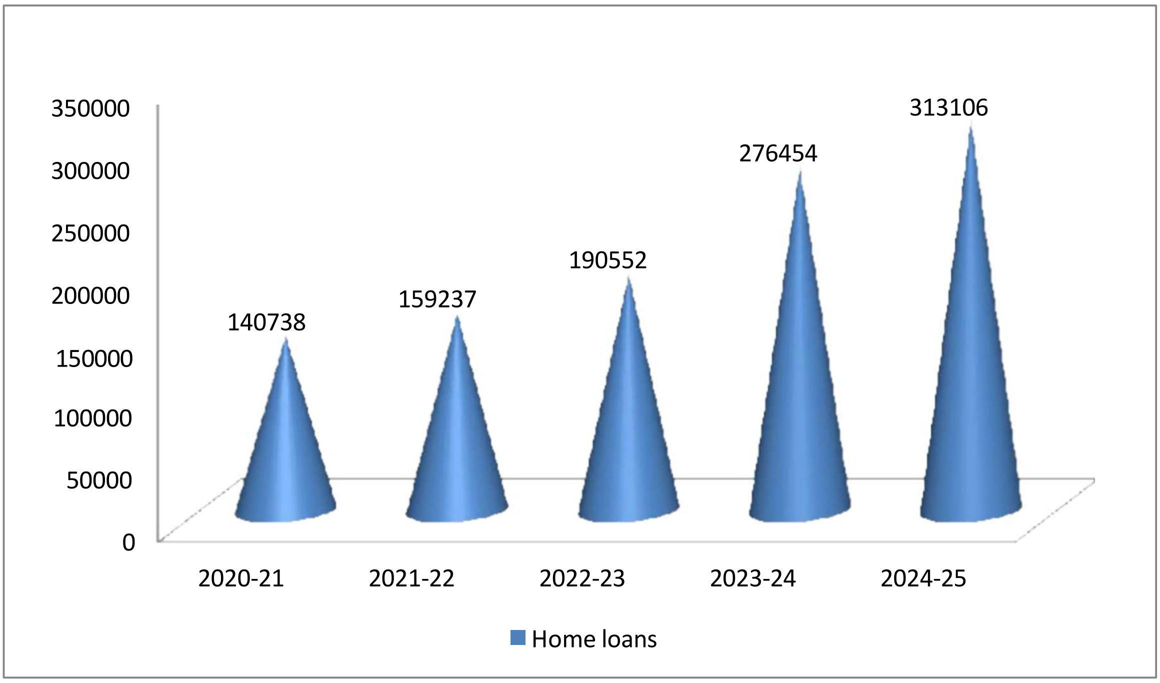


Interpretation:

From the year 2020-21 the loans and advances has been increased by 7.45%. In the year 2021-2022 increased by 16.11%. In year 2023-2024 increased by 7.80%. And in the year 2024-2025 increased by18.90%. In the above chart we can see that there's a fast growth in loans and advances that indicates the nation financial institution of India is assisting the economic needy human beings with the aid of imparting loans and advances at the low price of interest.

2) Total Home loans sanctioned by SBI:

Year	Loan Amount (in crores)
2020-21	140738
2021-22	159237
2022-23	190552
2023-24	276454
2024-25	313106



Interpretation:

Form the above graph we can understand that, the state bank of India providing more home loans to their customers. In this from the year 2020-21 there is a increased of Rs.18499crores. In the year 2021-22 increased Rs.31315 crores, in the year 2022-23 again increased Rs.85902 crores, and in the year 2024-25 it increased to Rs.36652 crores. So we can see that the increasing in home loans of SBI by every year, because of it provides home loans in a low rate of interests.

FINDINGS:

- From this project it is found that SBI advance product having the 1st place in the market at Bangalore, there is a great opportunity to compete with ICICI Bank & to retain its customer by fulfilling the requirement of customer in SBI advance product.
- In this project it is found that the sanctioning of loans and advances are increased by the bank every year. And it is providing these loans andadvances at a low interest rates.
- From this project the deposits of the state bank of India is increasing by every year.
- It's been located that about 80% correspondents are using advance manufactured from SBI and 20% aren't using any sort of increase made from SBI in Bangalore.
- All of SBI customers are glad with the services supplied by using the financial institution.
- Many of these clients satisfied with the low hobby price and longer repayment length of the advance product.
- Most of the clients at Bangalore favour to take mortgage from SBI.
- Approximately 25% of increase product users stated that the service of SBI in advance product is exceptional.
- A reaction from customer care is so clean & appropriate.
- Many customers have no time to call customer care in order that they're no longer able to understand about the service & functions of SBI develop product.
- Most clients are shifted from different bank's boost product to SBI because of hidden costs, high hobby rate, less reimbursement duration.
- Government employees are extra situation than personal personnel for enhance product.
- In 2017-18 the SBI is facing the net loss of Rs.6547 crores.
- The equity shareholders not gettingbetter returns on their capital in the year 2018.

CONCLUSION:

From the analysis component it is able to be finish that the clients have an amazing reply toward SBI increase merchandise. SBI is in 1st function having massive wide variety of customers and offering right offerings to them. The bank has a wide client base, so the financial institution have to concentrate on this to preserve those customers.

In gift situation SBI is the largest advance product issuer in India. Within a totally short period of time the fulfillment made by using SBI is super, what a everyday financial institution can't expect, but it's miles being carried out through SBI. It occurs due to employee determination closer to the organization, quickest growing Indian economy and brand photograph.

The present research work dealt with the performance of the SBI with reference to Ratio analysis and percentage analysis. There is a sufficient progress and good performance up to the 2023-24 and later the 2024-25 bank is in loss. The performance of the SBI has been analysed in detail in terms of deposit mobilisation, loans and advances, invest position, earning and profitability efficiency.

In the economic year 2024-25 the SBI attributed the net loss to decrease trading income and sizeable marketplace to marketplace losses due to hardening of bond yields and better provision because of wage revision and enhancement inside the gratuity ceiling.

We also came to know about the total process of disbursing a commercial loan and all its related aspects and the various types of loans available under the roof of SBI. However the bank is seen to be taking lot of initiative in attracting customers, helping them financially and provide expert support as and when required to its nearby business units to either setup or expand its operations.

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