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Commentary

An analysis of Balance Sheet with reference to State Bank of India

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Abstract:

A balance sheet is a financial statement which indicates in that reports a company's assets, liabilities,and shareholder equity. The balance sheet is very important and one of the three core financial statements which are used to assess a business. A Balance Sheet provides a detailed report of a company's finances, such as what business it owns and owes as of the date of publication. A company's balance sheet provides a remarkable amount of insight into its solvency and business dealings. A balance sheet contains of three primary sections they are assets, liabilities, and equity.

Introduction

State Bank of India is an Indian multinational public sector bank and financial services statutory body headquartered in Mumbai, Maharashtra. SBI is the 43rd largest bank in the world andranked 221st in the Fortune Global 500 list of the world's biggest corporations of 2020, being the only Indian bank on the list.

Literature Review:

The study by Naita Rajput and Anil (2019) found that banks play a dynamic role in shaping the economy of the country and if the credit risk is minimized the performance of the banking sector can be substantially improved. There will be more reforms required to strengthen the banking sector. The growth of the economy of any country depends on a stronger network of banking. The external factors have impacted the growth of the banking sector sustainability as identified by Nilesh Vitthal Limbore(2014) in his research. The banking sector faced many challenges due to global factors like terrorist attacks and other elements. In spite of internal developments, the Indian banking sector sustained growth and improved the

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economic situation as explained by Bimal Jalan (2002) in his address in managing new challenges in the banking sector.

Objectives of the study:

To study SBI 10 years balance sheet.

To study various ratios of SBI.

Research Methodology:

Data Collection: Data is collected from secondary sources i.e. from the Money control website, data is collected for 10 years –Balance sheet of SBI from March 2012 till Mach 2021.

Analysis of Data

Data Balance sheet of SBI from March 2012 till Mach 2021 is analysed on the basis of ratios like capital adequacy ratio, Gross NPA, Net NPA, Gross NPA in %, Net NPA in %, Net NPA to advances, tables and charts.

Analysis of Balance sheet:

Capital Adequacy Ratios (%): The capital adequacy ratio (CAR) is a measure of how much capital a bank has available, reported as a percentage of a bank's risk-weighted credit exposures. The purpose is to establish that banks have enough capital on reserve to handle a certain amount of losses, before being at risk of becoming insolvent. The following chart shows the capital adequacy ratio of state bank of India from March 2012 till March 2021. The highest CAR of SBI is in 2012 and the lowest CAR is in March 2015.

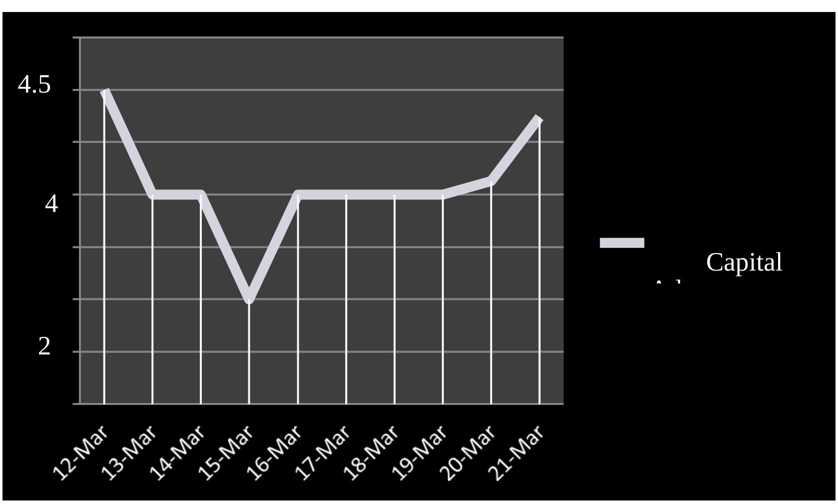
Balance Sheet of State Bank of India (in Rs. Cr.) from March 2012 to March 2021

Balance Sheet of State Bank of India (in Rs. Cr.)	21-Mar	20-Mar	19-Mar	18-Mar	17-Mar	16-Mar	15-Mar	14-Mar	13-Mar	12-Mar
EQUITIES AND LIABILITIES										
SHAREHOLDER' S FUNDS										
Equity Share Capital	892.46	892.46	892.46	892.46	797.35	776.28	746.57	746.57	684.03	671.04
Total Share Capital	892.46	892.46	892.46	892.46	797.35	776.28	746.57	746.57	684.03	671.04
Revaluation Reserve	23,577.35	23,762.67	24,653.94	24,847.99	31,585.65	0	0	0	0	0

Reserves and Surplus	229,405.38	207,352.30	195,367.42	193,388.12	155,903.06	143,498.16	127,691.65	117,535.68	98,199.65	83,280.16
Total Reserves and Surplus	252,982.73	231,114.97	220,021.36	218,236.10	187,488.71	143,498.16	127,691.65	117,535.68	98,199.65	83,280.16
Total Shareholders Funds	253,875.19	232,007.43	220,913.82	219,128.56	188,286.06	144,274.44	128,438.23	118,282.25	98,883.69	83,951.21
Deposits	3,681,277	3,241,620.	2,911,386.	2,706,343.	2,044,751	1,730,722.	1,576,793	1,394,408	1,202,739	1,043,647
Borrowings	417,297.70	314,655.65	403,017.12	362,142.07	317,693.66	323,344.59	205,150.29	183,130.88	169,182.71	127,005.57
Other Liabilities and Provisions	181,979.66	163,110.10	145,597.30	167,138.08	155,235.19	159,276.08	137,698.04	96,926.65	95,455.07	80,915.09
Total Capital and Liabilities	4,534,429.	3,951,393	3,680,914	3,454,752	2,705,966	2,357,617.	2,048,079	1,792,748.	1,566,261.	1,335,519.
ASSETS										
Cash and Balances with Reserve Bank of India	213,201.54	166,735.78	176,932.42	150,397.18	127,997.62	129,629.33	115,883.84	84,955.66	65,830.41	54,075.94
Balances with Banks Money at Call and Short Notice	129,837.17	84,361.23	45,557.69	41,501.46	43,974.03	37,838.33	38,871.94	47,593.97	48,989.75	43,087.23
Investments	1,351,705.	1,046,954	967,021	1,060,986.	765,989	575,651	481,758	398,799	350,927	312,197
Advances	2,449,497.	2,325,289.	2,185,876	1,934,880	1,571,078	1,463,700.	1,300,026	1,209,828	1,045,616.	867,578
Fixed Assets	38,419.24	38,439.28	39,197.57	39,992.25	42,918.92	10,389.28	9,329.16	8,002.16	7,005.02	5,466.55
Other Assets	351,768.68	289,613.55	266,327.70	226,994.20	154,007.72	140,408.41	102,209.71	43,568.21	47,892.03	53,113.02
Total Assets	4,534,429.	3,951,393.	3,680,914	3,454,752	2,705,966	2,357,617	2,048,079	1,792,748	1,566,261	1,335,519.
OTHER ADDITIONAL INFORMATION										
Number of Branches	22,219.00	22,141.00	22,010.00	22,414.00	17,170.00	16,784.00	16,333.00	15,869.00	15,002.00	14,270.00
Number of	245,652.00	249,448.00	257,252.00	264,041.00	209,567.00	207,739.00	213,238.00	222,809.00	228,296.00	215,481.00

Employees										
Capital Adequacy Ratios (%)	13.74	13.13	13	13	13	13	12	13	13	14
KEY PERFORMANCE INDICATORS										
Tier 1 (%)	11.44	10.71	11	10	10	10	10	10	9	10
Tier 2 (%)	2.3	2.42	2	2	3	3	2	3	3	4
ASSETS QUALITY										
Gross NPA	126,389.00	149,091.85	172,753.60	223,427.46	112,342.99	98,172.80	56,725.34	61,605.35	51,189.39	39,676.46
Gross NPA (%)	5	6	8	11	7	7	4	5	5	5
Net NPA	36,809.72	51,871.30	658,947.40	110,854.70	58,277.38	55,807.02	27,590.58	31,096.07	21,956.48	15,818.85
Net NPA (%)	1.5	2.23	3	6	4	4	2	3	2	2
Net NPA To Advances (%)	2	2	3	6	4	4	2	3	2	2
CONTINGENT LIABILITIES, COMMITMENTS										
Bills for Collection	1,706,949.91	55,758.16	70,022.54	74,027.90	65,640.42	199,140.17	92,795.25	74,028.42	66,639.54	66,959.85
Contingent Liabilities	1,706,949.	1,214,994	1,116,081	1,162,020	1,046,440	971,956.01	971,956.01	1,017,329	926,378.91	832,605.

Chart showing capital Adequacy Ratio for March 2012-March 2021



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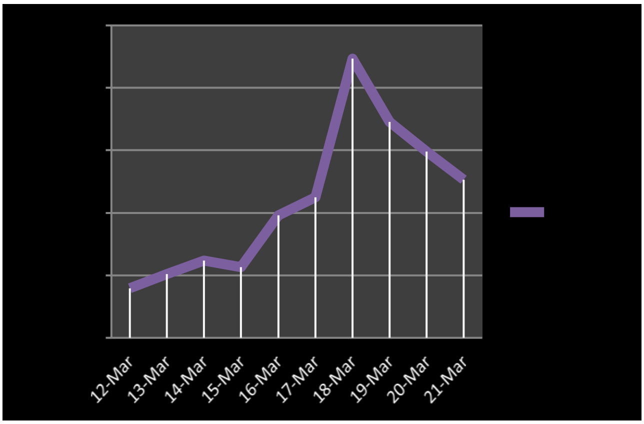
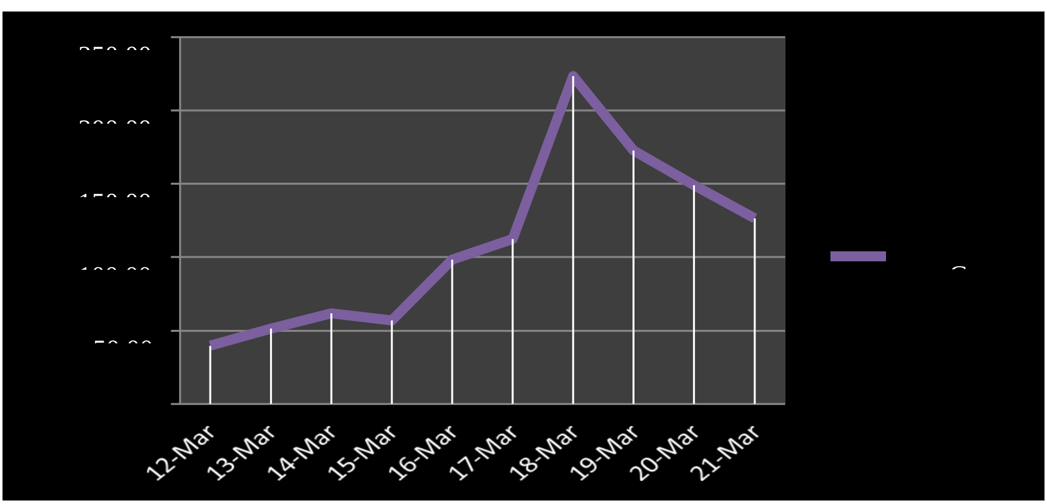
Gross NPA: The following data is the Gross NPA of SBI from March 2012 till March 2021. The Highest Gross NPA of SBI was found in March 2018 and from March 2018 till March 2021 it again fell down.

Chart showing Gross NPA for March 2012-March 2021



Gross NPA (%): The following data is the Gross NPA of SBI from March 2012 till March 2021. The Highest Gross NPA of SBI was found in March 2018 and from March 2018 till March 2021 it again fell down.

Chart showing Gross NPA% for March 2012-March 2021



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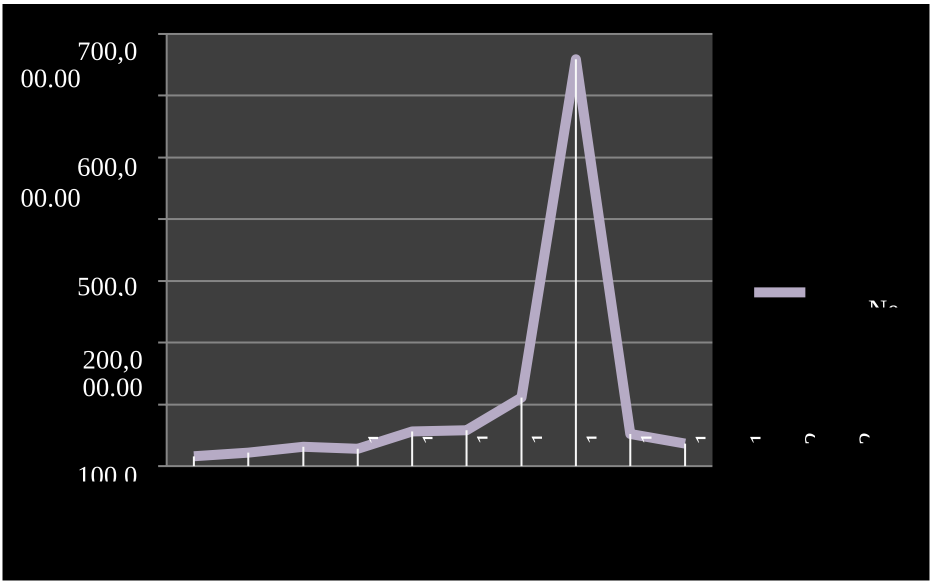
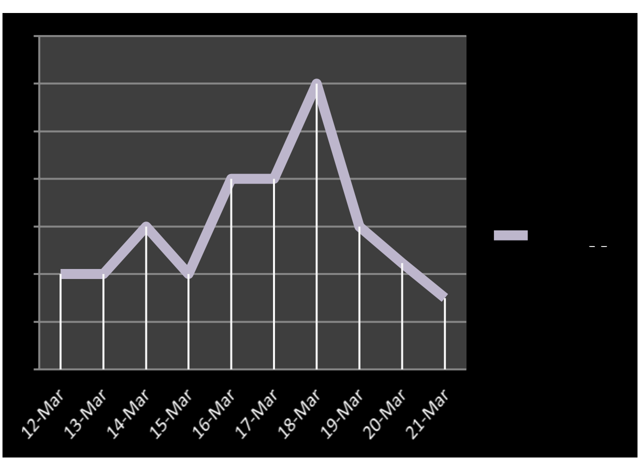
Net NPA: The following data is the Net NPA of SBI from March 2012 to March 2021. The highest Net NPA is in March 2019 and the lowest Net NPA is in March 2012 which is

Chart showing Net NPA for March 2012-March 2021



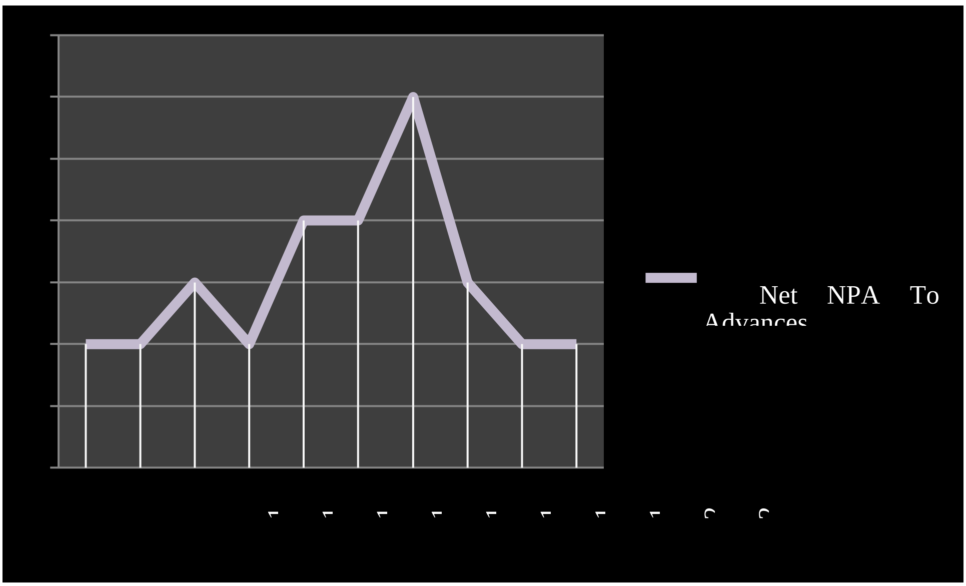
Net NPA %: Following data is Net NPA of SBI from March 2012 till March 2021. Highest Net NPA% is in March 2018 and lowest Net NPA % is in March 2021.

Chart showing Net NPA% for March 2012-March 2021



Net NPA To Advances (%):Following data is Net NPA To Advances of SBI from March 2012 till March 2021. Highest Net NPA To Advances is March 2018 and lowest Net NPA is in March 2021.

Chart showing Net NPA Advances % for March 2012-March 2021



Findings and Suggestions:

The highest CAR of SBI is in 2012 and the lowest CAR is in March 2015. The Highest Gross NPA of SBI was found in March 2018 and from March 2018 till March 2021 it again fell down. The Highest Gross NPA of SBI was found in March 2018 and from March 2018 till March 2021 it again fell down. The highest Net NPA is in March 2019 and the lowest Net NPA is in March 2012. The highest Net NPA% is in March 2018 and the lowest Net NPA % is in March 2021. The highest Net NPA To Advances is March 2018 and the lowest Net NPA is in March 2021.

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