Natural language processing (NLP) has recently gained much attention for representing and analysing human language computationally. It has spread its applications in various fields such as machine translation, email spam detection, information extraction, summarization, medical, and question answering etc. The paper distinguishes four phases by discussing different levels of NLP and components of Natural Language Generation (NLG) followed by presenting the history and evolution of NLP, state of the art presenting the various applications of NLP and current trends and challenges.