

Chapter V

CHAPTER V

ANALYSIS AND INTERPRETATION

5.1 Introduction

Retail banking results in yielding better and improved bottom line for a bank and hence retail segment is a good opportunity for funds deployment. Consumer loans are acknowledged to be of lower risk and NPA perception. A diversified portfolio has a huge customer base that enables the bank to reduce their dependency on few or single borrower. Banks can earn good profits by providing non-fund based or fee-based services without deploying their funds. Retail lending improves lifestyle and fulfills objectives of the people through affordable credit. Further, it helps the economic revival of the nation through increased production activity.

5.2 Trend in Retail Loan Borrowers Market Size

With loan-availing procedures becoming lenient and the RBI delegating loan disbursement within a month of completion of formalities for eligible individuals, the demand for loans for personal use has experienced a positive growth trend since the beginning of the new millennium 2001. The trend in the increase of borrowers in various retail banking loan segments is discussed in this section of the study.

Table 5.1. Total Personal Loan Account Holders**(Number in Thousand)**

Years	Total Personal Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	3998.62	100	6728.52	100	1627.44	100	3184.01	100
2002-03	4345.78	109	7021.05	104	2215.45	136	4592.15	144
2003-04	5250.73	131	8142.84	121	4700.29	289	8124.29	255
2004-05	6382.86	160	8104.51	120	7393.99	454	8771.16	275
2005-06	7466.79	187	9014.09	134	8316.70	511	9447.19	297
2006-07	7293.03	182	9201.10	137	11642.54	715	11063.86	347
2007-08	7938.62	199	8715.40	130	16924.74	1040	8455.39	266
2008-09	8804.92	220	9737.31	145	22180.43	1363	7827.94	246
2009-10	9437.49	236	9876.29	147	22380.41	1375	6583.64	207
2010-11	9698.53	243	10572.80	157	24094.36	1481	5395.12	169
2011-12	9895.67	247	9534.12	142	23548.98	1447	9287.90	292
2012-13	10361.11	259	9912.79	147	20198.70	1241	4748.03	149
2013-14	10718.55	268	9765.85	145	21945.13	1348	4946.71	155
2014-15	9852.94	246	10725.88	159	21185.37	1302	5155.25	162
Mean	7960.40		9075.18		14882.47		6970.19	
SD	2251.42		1212.88		8507.90		2332.54	
CV (%)	28.28		13.36		57.17		33.46	
CGR	7.53		3.06		21.17		-0.39	

Source: Annual Report of RBI

The data presented in the above table 5.1 clearly indicates the number of accounts of scheduled commercial banks (total personal loans) during the study period of 2001-02 to 2014-15.

SBI and its Associate Banks

The above table clearly indicates that at the beginning of the financial year 2001-02 the number of accounts of SBI and its associate banks in the form of personal loans

accounted at 3998.62 thousand and this number had consistently increased to 9852.94 thousand by the end of the year 2014-15. Further, it has been observed that the number of loan accounts of SBI and its associate banks had registered significant growth of 7.53 per cent between the years 2001-02 to 2014-15.

Nationalised Banks

From the above data analysis, it has been clearly observed that the number of accounts of nationalised banks in the form of personal loans was registered at 6728.52 thousand at 2001-02 and the ratio had gradually risen to 10725.88 thousand by the end of the fiscal year 2014-15. The number of accounts of nationalised banks in the form of personal loans had recorded 3.06 per cent growth rate during the fourteen years study period.

Domestic Private Banks

It is evident from the above data analysis that in the financial year 2001-02 the number of personal loans lend by domestic private banks accounted at 1627.44 thousand and it had steadily increased to 21185.37 thousand by the closure of the study period 2014-15. Followed by it has been observed that the number of personal loans lends by domestic private banks had registered growth of 21.17 per cent between the years 2001-02 to 2014-15.

Foreign Banks

The above table clearly indicates that at the beginning of the study period 2001-02 the number of personal loans lending's of foreign banks accounted at 3184.01 thousand and it had increased to 5155.25 thousand by the closing year 2014-15. However, the number of personal loans lending of foreign banks had recorded negative growth of -0.39 per cent between the years 2001-02 to 2014-15.

The study observed that the domestic private sector banks exhibited in attracting total personal borrowers in comparison to their competitive public and foreign sector banks.

Table 5.2. Number of Accounts of Scheduled Commercial Banks (Consumer Durable Loans)

(Number in Thousand)

Years	Consumer Durable Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	297.04	100	501.10	100	104.50	100	16.09	100
2002-03	205.92	69	430.52	86	103.82	99	25.83	161
2003-04	143.90	48	534.64	107	297.05	284	28.92	180
2004-05	126.98	43	367.77	73	632.58	605	54.13	336
2005-06	169.55	57	556.77	111	371.77	356	57.04	355
2006-07	127.46	43	707.35	141	519.31	497	113.71	707
2007-08	55.46	19	454.41	91	91.03	87	116.87	726
2008-09	161.04	54	485.52	97	606.21	580	2.52	16
2009-10	173.07	58	355.72	71	137.44	132	0.25	2
2010-11	133.03	45	312.32	62	612.47	586	0.18	1
2011-12	98.09	33	226.05	45	605.20	579	4.26	26
2012-13	180.54	61	174.28	35	461.11	441	3.21	20
2013-14	290.56	98	140.02	28	260.10	249	2.76	17
2014-15	278.49	94	164.69	33	272.37	261	1.83	11
Mean	174.37		386.51		362.50		30.54	
SD	72.15		168.91		209.18		40.69	
CV (%)	41.38		43.70		57.71		133.21	
CGR	0.87		-9.46		6.02		-26.72	

Source: Annual Report of RBI

The above table 5.2 discusses the number of accounts of scheduled commercial banks (consumer durable loans) during the study period of 2001-02 to 2014-15.

SBI and its Associate Banks

It is evident from the above empirical data analysis that at the beginning of the financial year 2001-02 the number of accounts of SBI and its associate banks in the form

of consumer durable loans accounted at 297.04 thousand and this number had decreased to 278.49 thousand by the end of the year 2014-15. However, the number of loan accounts of SBI and its associate banks had registered significant growth of 0.87 per cent between the years 2001-02 to 2014-15.

Nationalised Banks

The data presented in the above table infers that at the beginning of the financial year 2001-02 the number of accounts of nationalised banks in the form of consumer durable loans accounted at 501.10 thousand and this number had drastically reduced to 164.69 thousand by the end of the year 2014-15. The number of loan accounts of nationalised banks had registered negative growth of -9.46 per cent per annum.

Domestic Private Banks

From the above table, it has been observed that at the financial year 2001-02 the number of consumer durable loans lends by domestic private banks accounted at 104.50 thousand and it had gradually increased to 272.37 thousand by the closure of the study period 2014-15. Followed by it has been observed that the number of consumer durable loans lends by domestic private banks had registered growth of 6.02 per cent between the years 2001-02 to 2014-15.

Foreign Banks

The above table clearly indicates that at the beginning of the study period 2001-02 the number of consumer durable loans lends by foreign banks accounted at 16.09 thousand and it had immensely reduced to 1.83 thousand by the end of the financial year 2014-15. Further, it has been inferred that the number of consumer durable loans lending of foreign banks had recorded negative growth of -26.72 per cent per annum, which is the least negative score in comparison to the other category of banks.

As discussed in the above table the consumer durable loans of the domestic private sector banks observed to be doubled during the study period 2001-02 to 2014-15. Whereas the market share of SBI and nationalised banks reduced drastically.

Table 5.3. Number of Accounts of Scheduled Commercial Banks (Housing Loans)**(Number in Thousand)**

Years	Housing Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	600.14	100	892.00	100	129.82	100	38.75	100
2002-03	1123.09	187	1000.21	112	122.90	95	51.75	134
2003-04	923.44	154	1388.22	156	475.41	366	63.21	163
2004-05	1155.99	193	1610.11	181	577.60	445	100.54	259
2005-06	1320.43	220	2027.08	227	802.67	618	124.45	321
2006-07	1575.17	262	2151.30	241	939.60	724	75.83	196
2007-08	1649.28	275	2203.45	247	992.19	764	94.60	244
2008-09	1835.07	306	2474.55	277	957.01	737	151.00	390
2009-10	2235.04	372	2506.98	281	899.15	693	97.30	251
2010-11	2095.65	349	2616.15	293	856.03	659	96.27	248
2011-12	2243.61	374	2605.75	292	916.07	706	437.19	1128
2012-13	2461.99	410	2644.25	296	1075.52	828	81.63	211
2013-14	2702.71	450	2498.51	280	1004.49	774	90.54	234
2014-15	2880.18	480	2807.99	315	1180.92	910	83.92	217
Mean	1771.56		2101.90		780.67		113.36	
SD	694.35		633.57		331.38		97.33	
CV (%)	39.19		30.14		42.45		85.86	
CGR	10.88		8.23		14.73		6.52	

Source: Annual Report of RBI

The above table 5.3 illustrates the number of accounts of scheduled commercial banks (housing loans) during the study period of 2001-02 to 2014-15.

SBI and its Associate Banks

The data presented in the above table clearly indicates that at the beginning of the financial year 2001-02 the number of accounts of SBI and its associate banks in the form of housing loans accounted at 600.14 thousand and this number had consistently

increased to 2880.18 thousand by the end of the year 2014-15. Further, it has been observed that the number of loan accounts of SBI and its associate banks had registered significant growth of 10.88 per cent between the years 2001-02 to 2014-15.

Nationalised Banks

From the above table, it has been inferred that the number of accounts of nationalised banks in the form of housing loans was registered at 892 thousand at 2001-02 and the ratio had consistently increased to 2807.99thousand by the end of the fiscal year 2014-15. The number of accounts of nationalised banks in the form of housing loans had recorded 8.23 per cent growth rate during the fourteen years study period.

Domestic Private Banks

Similarly, it has been inferred that at the financial year 2001-02 the number of housing loans lend by domestic private banks accounted at 129.82 thousand and it had steadily increased to 1180.92 thousand by the closure of the study period 2014-15. Subsequently, it has been observed that the number of housing loans lends by domestic private banks had registered growth of 14.73 per cent between the years 2001-02 to 2014-15.

Foreign Banks

The above table clearly indicates that at the beginning of the study period 2001-02 the number of housing loans lending's of foreign banks accounted at 38.75 thousand and it had gradually increased to 83.92 thousand by the closing year 2014-15. Followed by it has been inferred that the number of housing loans lending of foreign banks had recorded 6.52 per cent growth rate per annum.

Retail bank loan extended by the domestic private sector banks had grown 910 times between 2001-02 to 2014-15. Actual it was nearly double of the home loan offered by SBI (480 times growth) and Nationalised banks (315 times). Customer friendly bank loan clubbed with flexible interest options, repayment tenure and simplification of loan offering are considered to be a primary factor for the growth of home loan market for the banking sector in India, especially for domestic private sector banks.

Table 5.4 Number of Accounts of Scheduled Commercial Banks (Rest of the Personal Loans)

(Number in Thousand)

Years	Rest of the Personal Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	3101.43	100	5335.43	100	1393.12	100	3129.17	100
2002-03	3016.77	97	5593.31	105	1988.73	143	4514.58	144
2003-04	4183.39	135	6219.98	117	3927.83	282	8032.16	257
2004-05	5099.88	164	6126.62	115	6183.82	444	8616.49	275
2005-06	5976.82	193	6430.24	121	7142.26	513	9265.71	296
2006-07	5590.39	180	6342.45	119	10183.63	731	10874.32	348
2007-08	6233.88	201	6057.53	114	15841.53	1137	8243.92	263
2008-09	6808.82	220	6777.24	127	20617.21	1480	7674.42	245
2009-10	7029.38	227	7013.59	131	21343.81	1532	6486.09	207
2010-11	7469.86	241	7644.34	143	22625.85	1624	5298.66	169
2011-12	7553.97	244	6702.32	126	22027.72	1581	8846.45	283
2012-13	7718.58	249	7094.26	133	18662.07	1340	4663.19	149
2013-14	7725.28	249	7127.33	134	20680.53	1484	4853.41	155
2014-15	6694.27	216	7753.19	145	19732.08	1416	5069.50	162
Mean	6014.48		6586.99		13739.30		6826.29	
SD	1625.11		708.41		8159.79		2268.95	
CV (%)	27.02		10.75		59.39		33.24	
CGR	6.93		2.36		22.24		-0.45	

Source: Annual Report of RBI

The above table 5.4 represents the number of accounts of scheduled commercial banks (rest of the personal loans) during the study period of 2001-02 to 2014-15.

SBI and its Associate Banks

The above table clearly indicates that at the beginning of the financial year 2001-02 the number of accounts of SBI and its associate banks in the form of other personal loans

(jewel, vehicle, education etc.) accounted at 3101.43 thousand and this number had consistently increased to 6694.27 thousand, by the end of the year 2014-15. Further, it has been observed that the number of loan accounts of SBI and its associate banks had registered significant growth of 6.93 per cent between the years 2001-02 to 2014-15.

Nationalised Banks

The above table clearly infers that the number of accounts of nationalised banks in the form of rest of the personal loans was registered at 5335.43 thousand at 2001-02 and the ratio had gradually risen to 7753.19 thousand by the end of the fiscal year 2014-15. The number of accounts of nationalised banks in the form of rest of the personal loans had recorded 2.36 per cent growth rate during the fourteen years study period.

Domestic Private Banks

From the elaborate data discussion it has been observed that in the financial year 2001-02 the number of rest of the personal loans lend by domestic private banks accounted at 1393.12 thousand and it had massively increased to 19732.08 thousand by the closure of the study period 2014-15. Followed by it has been observed that the number of rest of the personal loans lend by domestic private banks had registered significant growth of 22.24 per cent between the years 2001-02 to 2014-15.

Foreign Banks

From the above empirical data analysis, it has been observed that at the beginning of the study period 2001-02 the number of rest of the personal loans lending's of foreign banks accounted at 3129.17 thousand and it had gradually risen to 5069.50 thousand by the closing year 2014-15. Further, it has been observing that the number of rest of the personal loans lending of foreign banks had recorded growth of -0.45 per cent, which is comparatively lesser than the other category of banks.

Rest of the personal loans are not collateralised and form part of unsecured loans of commercial banks. The study observed that the number of loan borrowers of private sector banks surpassed that of Nationalised and SBI banks during the study period 2001-02 to 2014-15.

Table 5.5 Retail Loan Borrowing Pattern from Scheduled Commercial Banks

(Value in Percentage, Number of Loan Borrowers)

Year	SBI & Its Associates				Nationalised Banks				Domestic Private Banks				Foreign Banks			
	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan
2001-02	25.73	32.33	36.14	23.93	43.30	54.54	53.71	41.17	10.47	11.37	7.82	10.75	20.49	1.75	2.33	24.15
2002-03	23.91	26.88	48.87	19.96	38.63	56.20	43.53	37.01	12.19	13.55	5.35	13.16	25.27	3.37	2.25	29.87
2003-04	20.03	14.33	32.40	18.71	31.06	53.22	48.70	27.81	17.93	29.57	16.68	17.56	30.99	2.88	2.22	35.92
2004-05	20.82	10.75	33.56	19.59	26.44	31.13	46.75	23.54	24.12	53.54	16.77	23.76	28.61	4.58	2.92	33.11
2005-06	21.80	14.68	30.89	20.74	26.32	48.20	47.42	22.32	24.29	32.18	18.78	24.79	27.59	4.94	2.91	32.16
2006-07	18.60	8.68	33.22	16.95	23.47	48.19	45.37	19.22	29.70	35.38	19.81	30.87	28.22	7.75	1.60	32.96
2007-08	18.89	7.73	33.39	17.14	20.73	63.31	44.61	16.65	40.26	12.68	20.09	43.55	20.12	16.28	1.92	22.66
2008-09	18.14	12.83	33.87	16.26	20.06	38.68	45.68	16.18	45.69	48.29	17.66	49.23	16.12	0.20	2.79	18.33
2009-10	19.55	25.97	38.95	16.79	20.46	53.37	43.69	16.75	46.36	20.62	15.67	50.97	13.64	0.04	1.70	15.49
2010-11	19.49	12.57	37.00	17.36	21.25	29.52	46.19	17.76	48.42	57.89	15.11	52.57	10.84	0.02	1.70	12.31
2011-12	18.93	10.51	36.17	16.74	18.24	24.21	42.01	14.85	45.06	64.82	14.77	48.81	17.77	0.46	7.05	19.60
2012-13	22.91	22.04	39.31	20.24	21.92	21.28	42.22	18.60	44.67	56.29	17.17	48.93	10.50	0.39	1.30	12.23
2013-14	22.62	41.90	42.93	19.13	20.61	20.19	39.68	17.65	46.32	37.51	15.95	51.21	10.44	0.40	1.44	12.02
2014-15	21.00	38.82	41.42	17.06	22.86	22.96	40.39	19.75	45.15	37.97	16.98	50.27	10.99	0.26	1.21	12.92

Source: Computed from Annual Report of RBI

The study observed that easy availability of bank loan and relaxation of loan borrowing practices by RBI and reduction in interest rates have supported the bankers both in public and private sectors in attracting more loan borrowers. Retail loan growth saw sharp expansion at the new-generation domestic private sector banks. The market share of these banks risen from just 10.47 per cent in 2001-02 to 45.15 per cent by the end of the fiscal year 2014-15. Retail borrowers seem to be moving towards private sector lenders to meet their loan needs this has reflected in the reduction of the market share of both public sector banks and foreign banks. The market share of SBI & its associates customers had reduced from 25.73 per cent in the beginning of the study period 2001-02 to 21 per cent in 2014-15. Similarly, the market share of nationalised banks dropped from 43.30 per cent to 22.86 per cent and foreign banks retail loan borrowers share dropped from 20.49 to 10.99 per cent between 2001-02 to 2014-15.

Further, the study observed that major portion of the retail loan of SBI & its associates was lent to the housing loan borrowers. The market growth of this bank in this segment had risen from 36.14 per cent in 2001-02 to 41.42 per cent by the end of the study period 2014-15. The study Further, observed that the competitive strength of nationalised banks vested with the Consumer durable loan borrowers. However, it was observed that in order to avoid mounting NPA margins the bank had gradually reduced consumers' durable loan, housing loan borrowers and other personal loan borrowers. Consumers' durable loan of nationalised banks accounted to 22.96 in 2014-15 dropped from 54.54 per cent in 2001-02. The study evidences the fact that the though housing loan borrowers of this bank group had dropped from 53.71 per cent in 2001-02 to 40.39 per cent by the end of the year 2014-15, still, this loan segment borrowers of nationalised banks were more in comparison to the other segment borrowers.

Faster expansion of domestic private sector banking services with the support of modern technologies and management concepts reflected in the increase of a number of retail loan borrowers' increase in all three segments of retail loans and also in total personal loan borrowing category. Quick loan sanctioning norms, flexible loan repayment terms and interest rate and more value for the loan were considered some of the features that influenced the loan borrowers to avail retail loans from private sector banks.

The study also observed that the vast financial and economic changes that happening in the western countries and few parts of Asia, directly affected the performance of foreign banks, who preferred to restrict its role in retail lending and focused on offering foreign customers based banking services.

5.3 Trend in Retail Loan Lending

Retail lending by banks in India assembled momentum succeeding financial sector reforms in the 1990s. Till then, most of the banking credit was focused on agriculture, industry, and commerce. The key role of bank lending till then was to support supply. To ensure that bank lending does not have finance consumption, the regulator had put various restrictions on retail credit limits on the total amount of housing loan and loans to individuals. Banks could lend only a specified percentage of the total lending to individuals for non-productive purposes. The regulator also imposed strict norms for the rate of interest, margin specification and maximum repayment period. These restrictions were gradually relaxed during the 1990s which paved the way for improved retail lending by Indian banks. Scheduled commercial banks constitute the predominant segment of the credit market in India. The retail loan portfolio of the scheduled commercial banks is discussed in this section of the study.

Table 5.6 Credit Limit of Scheduled Commercial Banks (Total Personal Loans)**(Values in Rs. Crores)**

Years	Total Personal Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	26972.87	100	43524.57	100	9999.99	100	22085.45	100
2002-03	43264.73	160	56943.27	131	16564.22	166	29438.86	133
2003-04	52302.45	194	82016.45	188	61811.98	618	41235.62	187
2004-05	81298.03	301	102972.55	237	94379.11	944	59034.26	267
2005-06	107105.60	397	142987.00	329	130979.43	1310	74504.68	337
2006-07	126994.81	471	173930.36	400	193978.65	1940	81198.09	368
2007-08	148710.38	551	180669.80	415	247442.47	2474	97495.17	441
2008-09	186410.99	691	216064.35	496	271439.31	2714	103742.71	470
2009-10	236066.83	875	241963.54	556	232818.34	2328	77229.50	350
2010-11	289642.73	1074	322159.97	740	278035.18	2780	80278.87	363
2011-12	333947.92	1238	345585.79	794	304885.21	3049	79330.24	359
2012-13	380562.38	1411	366682.93	842	386966.10	3870	79386.11	359
2013-14	433355.02	1607	432463.58	994	463645.50	4636	84352.04	382
2014-15	481027.40	1783	518088.16	1190	593127.94	5931	103833.79	470
Mean	209118.72		230432.31		234719.53		72367.53	
SD	151741.63		146959.47		169265.58		25621.80	
CV (%)	72.56		63.78		72.11		35.41	
CGR	23.93		19.67		29.85		9.18	

Source: Annual Report of RBI

The above table 5.6 illustrates the credit lending capacity of scheduled commercial banks (total personal loans) during the study period of 2001-02 to 2014-15.

SBI and its Associates

From the above data discussion it has been observed that at the beginning of the fiscal year 2001-02 the credit lending capacity of SBI and its associate banks in the form of personal loans accounted at Rs.26972.87 crores and the value had significantly

increased to Rs.481027.40 crores by the end of the study period 2014-15. The credit lending capacity of SBI and its associate banks in the form of personal loans had registered 23.93 per cent growth rate between the years 2001-02 to 2014-15.

Nationalised Banks

The data presented in the above table clearly infers that during the financial year 2001-02 the credit lending of nationalised banks in the form of personal loans was recorded at Rs.43524.57 crores and it had massively increased to Rs.518088.16 crores by the closing year 2014-15. Further, it has been observed that the credit lending of nationalised banks in the form of personal loans has recorded 19.67 per cent growth rate per annum.

Domestic Private Banks

It is evident from the empirical data analysis that at the beginning of the study period 2001-02 the domestic private banks had lent Rs.9999.99 crores in the form of personal loans and this quotient had drastically increased to Rs.593127.94 crores by the end of the fiscal year 2014-15 from just Rs.9999.99 crores in 2001-02. The credit lending of domestic private banks in the form of personal loans had registered significant growth of 29.85 per cent during the fourteen years study period.

Foreign Banks

From the above data discussion it has been inferred that the credit lending of foreign banks in terms of personal loans was observed at Rs.22085.45 crores in 2001-02 and it had steadily increased to Rs.103833.79 crores by the end of the financial year 2014-15. The credit lending of foreign banks in terms of personal loans had recorded 9.18 per cent growth rate per annum.

The study observed that the total personal loan of SBI & its associates registered 23.93 per cent per annum and nationalised banks total retail loan raised at the rate of 19.67 per cent. On the contrary, the private sector banks lending rate growth stood at 29.85 per cent and foreign banks total personal loan segment growth was recorded as 9.18 per cent.

Table 5.7. Credit Limit of Scheduled Commercial Banks (Consumer Durable Loans)**(Values in Rs. Crores)**

Years	Consumer Durable Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	1100.45	100	1719.68	100	352.42	100	181.39	100
2002-03	917.19	83	1528.80	89	357.16	101	252.71	139
2003-04	759.41	69	2112.57	123	1029.87	292	317.70	175
2004-05	761.02	69	1710.12	99	3639.07	1033	535.18	295
2005-06	1252.57	114	3463.40	201	2330.21	661	633.11	349
2006-07	1115.50	101	5112.97	297	3405.20	966	1599.18	882
2007-08	474.79	43	3064.52	178	840.29	238	2657.83	1465
2008-09	1023.64	93	4352.43	253	3032.61	861	23.09	13
2009-10	1190.87	108	2840.53	165	1717.12	487	5.32	3
2010-11	552.96	50	3852.06	224	2601.21	738	5.19	3
2011-12	434.21	39	2985.97	174	3736.10	1060	213.02	117
2012-13	1886.75	171	2643.20	154	4674.31	1326	747.25	412
2013-14	5061.76	460	2020.07	117	6140.62	1742	1591.39	877
2014-15	5292.05	481	2346.83	136	6149.88	1745	778.71	429
Mean	1558.80		2839.51		2857.58		681.51	
SD	1578.12		1062.39		1925.81		771.98	
CV (%)	101.24		37.41		67.39		113.28	
CGR	9.27		2.71		19.76		-1.19	

Source: Annual Report of RBI

The above table 5.7 clearly indicates the credit lending capacity of scheduled commercial banks (consumer durable loans) during the study period of 2001-02 to 2014-15.

SBI and its Associates

The data presented in the above table clearly infers that, at the beginning of the fiscal year 2001-02 the credit lending capacity of SBI and its associate banks in the form

of consumer durable loans accounted at Rs.1100.45 crores and the ratio had gradually risen to Rs.5292.05 crores by the end of the study period 2014-15. The credit lending capacity of SBI and its associate banks in the form of consumer durable loans had registered 9.27 per cent growth rate between the years 2001-02 to 2014-15.

Nationalised Banks

From the empirical data analysis it has been inferred that at the financial year 2001-02 the credit lending of nationalised banks in the form of consumer durable loans was recorded at Rs.1719.68 crores and it had slightly increased to Rs.2346.83 crores by the closing year 2014-15. Also, the credit lending of nationalised banks in the form of consumer durable loans has recorded 2.71 per cent growth rate per annum.

Domestic Private Banks

This passage of the study infers that at the beginning of the study period 2001-02 the domestic private banks have lend Rs.352.42 crores in the form of consumer durable loans and it had constantly increased to Rs.6149.88 crores by the end of the fiscal year 2014-15. The credit lending of domestic private banks in the form of consumer durable loans had registered 19.76 per cent growth rate during the fourteen years study period.

Foreign Banks

Further, it has been observed that the credit lending of foreign banks in terms of consumer durable loans was observed at Rs.181.39 crores in 2001-02 and it had steadily increased to Rs.778.71 crores by the end of the financial year 2014-15. However, the credit lending of foreign banks in terms of consumer durable loans had recorded negative growth of -1.19 per cent growth rate between the years 2001-02 to 2014-15.

The study found that the consumer durable credit of the SBI & its Associate's total retail loan raised at the rate of 9.27, nationalised banks registered 2.71 per cent per annum per cent. On the contrary, the private sector banks lending rate growth stood at 19.76 per cent and foreign banks consumer durable loan segment with a negative growth of -1.19 per cent was recorded.

Table 5.8. Credit Limit of Scheduled Commercial Banks (Housing Loans)**(Values in Rs. Crores)**

Years	Housing Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	12660.92	100	17367.81	100	2598.33	100	3656.25	100
2002-03	24858.81	196	24619.53	142	3977.41	153	5085.73	139
2003-04	24438.84	193	37874.20	218	25786.84	992	6342.13	173
2004-05	40774.24	322	53078.87	306	38468.19	1480	9858.58	270
2005-06	52626.73	416	81527.23	469	53657.73	2065	18190.87	498
2006-07	63603.62	502	99931.09	575	88449.04	3404	13938.54	381
2007-08	72781.19	575	101449.94	584	94041.88	3619	19479.75	533
2008-09	91300.32	721	124385.98	716	91936.41	3538	26556.68	726
2009-10	127260.49	1005	141399.08	814	82746.16	3185	20019.86	548
2010-11	149970.58	1185	153443.25	883	95023.35	3657	27571.37	754
2011-12	176015.58	1390	173310.19	998	98955.52	3808	24129.71	660
2012-13	204302.07	1614	190807.85	1099	151602.75	5835	28209.03	772
2013-14	239218.02	1889	222876.40	1283	172036.23	6621	32512.48	889
2014-15	275489.20	2176	285197.87	1642	206618.12	7952	37663.46	1030
Mean	111092.90		121947.81		86135.57		19515.32	
SD	85588.38		78619.34		60277.98		10631.07	
CV (%)	77.04		64.47		69.98		54.48	
CGR	25.08		21.30		31.19		17.63	

Source: Annual Report of RBI

The above table 5.8 represents the credit limit of scheduled commercial banks (housing loans) during the study period of 2001-02 to 2014-15.

SBI and its Associates

The data presented in the above table clearly indicates that at the financial year 2001-02 the credit lending capacity of SBI and its associate banks in the form of housing loans accounted at Rs.12660.92 crores and it had massively increased to Rs.275489.20 crores

by the end of the study period 2014-15. The credit lending capacity of SBI and its associate banks in the form of housing loans had registered significant growth of 25.08 per cent between the years 2001-02 to 2014-15.

Nationalised Banks

From the detailed data discussion it has been observed that at the financial year 2001-02 the credit lending of nationalised banks in the form of housing loans was recorded at Rs..17367.81 crores and it had steadily increased to Rs.285197.87 crores by the closing year 2014-15. Further, it has been observed that the credit lending of nationalised banks in the form of housing loans has recorded 21.30 per cent growth rate per annum.

Domestic Private Banks

It is evident from the empirical data analysis that at the beginning of the study period 2001-02 the domestic private banks have lend Rs.2598.33 crores in the form of housing loans and it had significantly increased to Rs..206618.12 crores by the end of the fiscal year 2014-15. The credit lending of domestic private banks in the form of housing loans had registered significant growth of 31.19 per cent during the fourteen years study period.

Foreign Banks

Similarly, it has been inferred that the credit lending of foreign banks in terms of housing loans was observed at Rs.3656.25 crores in 2001-02 and it had massively increased to Rs.37663.46 crores by the end of the financial year 2014-15. The credit lending of foreign banks in terms of housing loans had recorded 17.63 per cent growth rate per annum

Housing loan offered by the scheduled commercial banks had increased in the past 14 years. The study found that the housing loan extended by SBI & its Associate's total retail loan raised at the rate of 25.08 per annum between the study period 2001-02 to 2014-15. Nationalised banks registered 21.30 per cent per annum per cent. On the contrary, the Private sector banks lending rate growth stood at 31.19 per cent and foreign banks housing loan segment grew at the rate of 17.63 per cent per annum.

Table 5.9. Credit Limit of Scheduled Commercial Banks (Rest of the Personal Loans)**(Values in Rs. Crores)**

Years	Rest of the Personal Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	13211.50	100	24437.09	100	7049.24	100	18247.80	100
2002-03	17488.73	132	30794.95	126	12229.66	173	24100.42	132
2003-04	27104.21	205	42029.69	172	34995.27	496	34575.79	189
2004-05	39762.73	301	48183.56	197	52271.85	742	48640.49	267
2005-06	53226.29	403	57996.37	237	74991.49	1064	55680.70	305
2006-07	62275.68	471	68886.30	282	102124.41	1449	65660.37	360
2007-08	75454.40	571	76155.34	312	152560.31	2164	75357.59	413
2008-09	94087.03	712	87325.94	357	176470.29	2503	77162.94	423
2009-10	107615.47	815	97723.93	400	148355.06	2105	57204.32	313
2010-11	139120.00	1053	164864.66	675	180410.62	2559	52703.31	289
2011-12	157498.13	1192	169289.63	693	202193.59	2868	54987.51	301
2012-13	174373.55	1320	173231.88	709	230689.03	3273	50429.83	276
2013-14	189075.24	1431	207567.11	849	285468.66	4050	50248.17	275
2014-15	200246.16	1516	230543.47	943	380359.94	5396	65391.62	358
Mean	96467.08		105644.99		145726.39		52170.78	
SD	65495.63		69364.63		108181.55		17169.64	
CV (%)	67.89		65.66		74.24		32.91	
CGR	23.11		18.73		29.78		6.41	

Source: Annual Report of RBI

The above table 5.9 represents the credit limit of scheduled commercial banks (rest of the personal loans) during the study period of 2001-02 to 2014-15.

SBI and its Associate Banks

The above table clearly indicates that at the beginning of the financial year 2001-02 the credit limit of SBI and its associate banks in the form of other personal loans (jewel, vehicle, education etc.) accounted at Rs.13211.50 crores and it had drastically

increased to Rs.200246.16 crores by the end of the year 2014-15. Further, it has been observed that the credit limit of SBI and its associate banks had registered significant growth of 23.11 per cent between the years 2001-02 to 2014-15.

Nationalised Banks

The above table clearly infers that the credit limit of nationalised banks in the form of rest of the personal loans was registered at Rs.24437.09 crores at 2001-02 and it had gradually risen to Rs.230543.47 crores by the end of the fiscal year 2014-15. The credit limit of nationalised banks in the form of rest of the personal loans had recorded 18.73 per cent growth rate between the years 2001-02 to 2014-15.

Domestic Private Banks

From the elaborate data discussion it has been observed that at the financial year 2001-02 the total amount of rest of the personal loans lend by domestic private banks accounted at Rs.7049.24 crores in the beginning of the study period and it had massively increased to Rs.380359.94 crores by the closure of the study period 2014-15. Followed by it has been observed that the amount of rest of the personal loans lend by domestic private banks had registered significant growth of 29.78 per cent between the years 2001-02 to 2014-15.

Foreign Banks

From the above empirical data analysis, it has been observed that at the beginning of the study period 2001-02 the credit limit of foreign banks in the form of rest of the personal loans accounted at Rs.18247.80 crores and it had gradually increased to Rs.65391.62 crores by the closing of the fiscal year 2014-15. Further, it has been observing that the credit limit of rest of the personal loans of foreign banks had recorded growth of 6.41 per cent between the years 2001-02 to 2014-15.

The study found that the housing loan extended by SBI & its Associate's total retail loan raised at the rate of 23.11 per annum between the study period 2001-02 to 2014-15. Nationalised banks registered 18.73 per cent per annum per cent. The domestic private sector banks lending rate growth stood at 29.78 per cent and foreign banks grew at the rate of 6.41 per cent per annum.

Table 5.10. Retail Loan Lending Pattern of Scheduled Commercial Banks

(Value in Percentage, Value of Loan)

Year	SBI & Its Associates				Nationalized Banks				Domestic Private Banks				Foreign Banks			
	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan
2001-02	26.29	32.81	34.89	20.99	42.43	51.27	47.87	38.82	9.75	10.51	7.16	11.20	21.53	5.41	10.08	28.99
2002-03	29.59	30.01	42.46	20.67	38.95	50.03	42.05	36.39	11.33	11.69	6.79	14.45	20.13	8.27	8.69	28.48
2003-04	22.03	18.00	25.88	19.54	34.55	50.07	40.10	30.30	26.04	24.41	27.30	25.23	17.37	7.53	6.72	24.93
2004-05	24.08	11.45	28.68	21.05	30.49	25.73	37.33	25.51	27.95	54.76	27.06	27.68	17.48	8.05	6.93	25.75
2005-06	23.51	16.31	25.55	22.00	31.39	45.10	39.58	23.98	28.75	30.34	26.05	31.00	16.35	8.24	8.83	23.02
2006-07	22.04	9.93	23.92	20.83	30.19	45.52	37.58	23.04	33.67	30.31	33.26	34.16	14.09	14.24	5.24	21.96
2007-08	22.05	6.75	25.29	19.88	26.79	43.55	35.26	20.07	36.70	11.94	32.68	40.20	14.46	37.77	6.77	19.86
2008-09	23.97	12.14	27.32	21.63	27.78	51.62	37.22	20.07	34.90	35.97	27.51	40.56	13.34	0.27	7.95	17.74
2009-10	29.95	20.70	34.26	26.19	30.70	49.37	38.07	23.78	29.54	29.84	22.28	36.11	9.80	0.09	5.39	13.92
2010-11	29.86	7.89	35.20	25.90	33.21	54.94	36.02	30.70	28.66	37.10	22.31	33.59	8.28	0.07	6.47	9.81
2011-12	31.39	5.89	37.26	26.97	32.49	40.52	36.69	28.99	28.66	50.70	20.95	34.62	7.46	2.89	5.11	9.42
2012-13	31.36	18.96	35.54	27.73	30.21	26.56	33.19	27.55	31.89	46.97	26.37	36.69	6.54	7.51	4.91	8.02
2013-14	30.65	34.17	35.88	25.82	30.59	13.64	33.43	28.34	32.79	41.45	25.81	38.98	5.97	10.74	4.88	6.86
2014-15	28.36	36.33	34.22	22.85	30.55	16.11	35.43	26.30	34.97	42.22	25.67	43.39	6.12	5.35	4.68	7.46

Source: Computed from Annual Report of RBI

The increase in the number of borrowers clearly reflected in the increase in the amount of loan advanced by the private sector banks in India in all categories of personal loan segments in comparison to their competitors i.e., SBI & its Associates, nationalised banks and foreign banks. The banks operating in India were granted the freedom in the early 1990s to decide the quantum, the rate of interest, margin requirement, repayment period and other related conditions of retail loans. These relaxations had a positive impact on the growth of personal loans in the second half of the 1990s. The tremendous growth in bank credit to the household sector was attributed to several factors. The low inflation risk in view of anticipated inflation rate during the early 2000s led to a decline in both nominal and real interest rates. The growth in IT and its related activities influenced positively the demand for housing and other comfort and luxurious consumer products. Moreover, tax incentives for interest and principal payment of home loans to salary earners made retail loans more attractive.

5.4 Retail Loan Outstanding

In India, retail loans have sound security support, which appreciates with time. The level of the non-performing asset in the case of the retail loans is very low. With very low post credit supervision costs, the margins become attractive, especially in a scenario of falling interest rates. Retail loans for varying proposals like an acquisition of consumer durables, for meeting travel, medical expenses and the like also offer great scope for credit absorption. The trend of scheduled commercial banks in non-food credit outstanding is discussed in this section of the study.

Table 5.11. Credit Outstandings of Scheduled Commercial Banks (Total Personal Loans)**(Values in Rs. Crores)**

Years	Total Personal Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	22455.53	100	37011.62	100	7244.20	100	11366.39	100
2002-03	31425.98	140	49387.21	133	11742.81	162	15802.68	139
2003-04	43097.57	192	69358.54	187	43194.43	596	16756.14	147
2004-05	65016.29	290	87245.08	236	71964.98	993	23972.31	211
2005-06	84705.84	377	120974.16	327	104716.80	1446	34587.67	304
2006-07	98788.53	440	146180.49	395	145330.92	2006	33457.63	294
2007-08	115921.68	516	151651.77	410	159789.87	2206	47657.07	419
2008-09	142923.72	636	181885.31	491	167058.60	2306	49350.68	434
2009-10	178777.25	796	199877.11	540	131827.30	1820	34489.58	303
2010-11	212569.46	947	249165.24	673	155443.34	2146	36283.00	319
2011-12	241987.32	1078	275480.09	744	170007.81	2347	44847.43	395
2012-13	279587.17	1245	300387.63	812	236033.82	3258	33193.65	292
2013-14	320618.21	1428	335491.65	906	293517.66	4052	42301.51	372
2014-15	356294.60	1587	400414.80	1082	312854.18	4319	46778.54	412
Mean	156726.37		186036.48		143623.34		33631.73	
SD	110281.91		112600.08		93710.65		12459.79	
CV (%)	70.37		60.53		65.25		37.05	
CGR	22.98		18.70		26.62		9.22	

Source: Annual Report of RBI

The above table 5.11 illustrates the credit outstanding of scheduled commercial banks (total personal loans) during the study period of 2001-02 to 2014-15.

SBI and its Associates

From the above data discussion, it has been observed that at the beginning of the fiscal year 2001-02 the credit outstanding of SBI and its associate banks in the form of personal loans accounted at Rs.22455.53 crores and the ratio had significantly increased

to Rs.356294.60 crores by the end of the study period 2014-15. The credit outstanding of SBI and its associate banks in the form of personal loans had registered 22.98 per cent growth rate between the years 2001-02 to 2014-15.

Nationalised Banks

The data presented in the above table clearly infers that at the financial year 2001-02 the credit outstanding of nationalised banks in the form of personal loans was recorded at Rs.37011.62 crores and it had massively increased to Rs.400414.80 crores by the closing year 2014-15. Further, it has been observed that the credit outstanding of nationalised banks in the form of personal loans has recorded 18.70 per cent growth rate per annum.

Domestic Private Banks

Similarly, it has been inferred that at the beginning of the study period 2001-02 the domestic private banks have lend Rs.7244.20 crores in the form of personal loans and this proportion had drastically increased to Rs.312854.18 crores by the end of the fiscal year 2014-15. The credit outstanding of domestic private banks in the form of personal loans had registered significant growth of 26.62 per cent during the fourteen years study period.

Foreign Banks

From the above data discussion it has been inferred that the credit outstanding of foreign banks in terms of personal loans was observed at Rs.11366.39 crores in 2001-02 and it had gradually increased to Rs.46778.54 crores by the end of the financial year 2014-15. The credit outstanding of foreign banks in terms of personal loans had recorded 9.22 per cent growth rate per annum

The study observed that the credit outstanding of domestic private sector banks in the form of personal loans were higher in comparison to its competitive bankers.

Table 5.12. Credit Outstandings of Scheduled Commercial Banks (Consumer Durable Loans)

(Values in Rs. Crores)

Years	Consumer Durable Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	766.21	100	1388.98	100	270.08	100	166.39	100
2002-03	628.09	82	1209.83	87	290.94	108	253.69	152
2003-04	541.56	71	1635.81	118	740.50	274	317.59	191
2004-05	543.73	71	1355.05	98	2886.65	1069	523.51	315
2005-06	934.34	122	2870.95	207	1189.59	440	614.92	370
2006-07	867.40	113	4058.86	292	1841.51	682	1432.84	861
2007-08	361.36	47	2391.62	172	698.60	259	2530.52	1521
2008-09	757.45	99	3199.12	230	1973.17	731	20.05	12
2009-10	861.20	112	2312.02	166	1244.94	461	2.98	2
2010-11	286.53	37	3139.92	226	1388.39	514	3.15	2
2011-12	207.79	27	2497.84	180	2548.76	944	75.31	45
2012-13	1221.56	159	2163.45	156	2928.07	1084	635.83	382
2013-14	4221.63	551	1503.21	108	4279.60	1585	1415.40	851
2014-15	3867.27	505	1843.72	133	4643.51	1719	658.45	396
Mean	1147.58		2255.03		1923.17		617.90	
SD	1258.82		839.74		1383.17		723.44	
CV (%)	109.69		37.24		71.92		117.08	
CGR	8.57		2.65		18.88		-4.36	

Source: Annual Report of RBI

The above table 5.12 clearly indicates the credit outstanding of scheduled commercial banks (consumer durable loans) during the study period of 2001-02 to 2014-15.

SBI and its Associates

The data presented in the above table clearly infers that at the beginning of the fiscal year 2001-02 the credit outstanding of SBI and its associate banks in the form of

consumer durable loans accounted at Rs.766.21 crores and the ratio had gradually risen to Rs.3867.27 crores by the end of the study period 2014-15. The credit outstanding of SBI and its associate banks in the form of consumer durable loans had registered 8.57 per cent growth rate between the years 2001-02 to 2014-15.

Nationalised Banks

From the empirical data analysis, it has been inferred that at the financial year 2001-02 the credit outstanding of nationalised banks in the form of consumer durable loans was recorded at Rs.1388.98 crores and it had slightly increased to Rs.1843.72 crores by the closing year 2014-15. The credit outstanding of nationalised banks in the form of consumer durable loans has recorded 2.65 per cent growth rate per annum.

Domestic Private Banks

This passage of the study infers that at the beginning of the study period 2001-02 the credit outstanding of domestic private banks was accounted at Rs.270.08 crores in the form of consumer durable loans and it had constantly increased to Rs.4643.51 crores by the end of the fiscal year 2014-15. The credit outstanding of domestic private banks in the form of consumer durable loans had registered significant growth of 18.88 per cent during the fourteen years study period.

Foreign Banks

From the elaborate, it has been observed that the credit outstanding of foreign banks in terms of consumer durable loans was observed at Rs.166.39 crores in 2001-02 and it had steadily increased to Rs.658.45 crores by the end of the financial year 2014-15. However, the credit outstanding of foreign banks in terms of consumer durable loans had recorded negative growth of -4.36 per cent growth rate between the years 2001-02 to 2014-15.

Table 5.13. Credit Outstandings of Scheduled Commercial Banks (Housing Loans)**(Values in Rs. Crores)**

Years	Housing Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	11142.53	100	15464.07	100	2172.57	100	2918.42	100
2002-03	17650.45	158	22378.66	145	3437.35	158	4235.44	145
2003-04	21248.59	191	34156.14	221	22322.45	1027	5705.76	196
2004-05	34219.08	307	47481.13	307	33940.86	1562	8760.78	300
2005-06	43315.48	389	72320.98	468	47485.44	2186	16348.45	560
2006-07	51166.73	459	88433.29	572	74801.23	3443	11355.07	389
2007-08	59225.67	532	89729.29	580	80264.18	3694	15850.11	543
2008-09	72898.03	654	110136.86	712	76272.24	3511	21646.57	742
2009-10	99610.23	894	121148.04	783	65201.42	3001	16077.55	551
2010-11	113470.59	1018	131355.45	849	73686.42	3392	22094.71	757
2011-12	131907.66	1184	145968.91	944	75752.55	3487	20149.60	690
2012-13	154454.01	1386	163762.10	1059	120204.71	5533	19616.34	672
2013-14	181772.52	1631	180088.61	1165	136843.95	6299	23782.22	815
2014-15	208771.34	1874	229264.31	1483	164454.52	7570	26667.85	914
Mean	85775.21		103691.99		69774.28		15372.06	
SD	63881.48		63193.82		47441.05		7634.98	
CV (%)	74.48		60.94		67.99		49.67	
CGR	24.05		20.30		29.97		16.00	

Source: Annual Report of RBI

The above table 5.13 represents the credit outstanding of scheduled commercial banks (housing loans) during the study period of 2001-02 to 2014-15.

SBI and its Associates

The data presented in the above table clearly indicates that at the financial year 2001-02 the credit outstanding of SBI and its associate banks in the form of housing loans accounted at Rs.11142.53 crores and it had massively increased to Rs.208771.34

crores by the end of the study period 2014-15. The credit outstanding of SBI and its associate banks in the form of housing loans had registered significant growth of 24.05 per cent between the years 2001-02 to 2014-15.

Nationalised Banks

From the detailed data discussion it has been observed that at the financial year 2001-02 the credit outstanding of nationalised banks in the form of housing loans was recorded at Rs.15464.07 crores and it had steadily increased to Rs.229264.31 crores by the closing year 2014-15. Further, it has been observed that the credit outstanding of nationalised banks in the form of housing loans has recorded 20.30 per cent growth rate per annum.

Domestic Private Banks

It is evident from the empirical data analysis that at the beginning of the study period 2001-02 the domestic private banks have lend Rs.2172.57 crores in the form of housing loans and it had significantly increased to Rs.164454.52 crores by the end of the fiscal year 2014-15. The credit outstanding of domestic private banks in the form of housing loans had registered significant growth of 29.97 per cent during the fourteen years study period.

Foreign Banks

Similarly, it has been inferred that the credit outstanding of foreign banks in terms of housing loans was observed at Rs.2918.42 crores in 2001-02 and it had massively increased to Rs.26667.85 crores by the end of the financial year 2014-15. The credit outstanding of foreign banks in terms of housing loans had recorded 16 per cent growth rate per annum

Table 5.14. Credit Outstandings of Scheduled Commercial Banks (Rest of the Personal Loans)

(Values in Rs. Crores)

Years	Rest of the Personal Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	10546.79	100	20158.57	100	4801.55	100	8281.58	100
2002-03	13147.44	125	25798.72	128	8014.52	167	11313.54	137
2003-04	21307.42	202	33566.59	167	20131.48	419	10732.78	130
2004-05	30253.48	287	38408.90	191	35137.46	732	14688.01	177
2005-06	40456.02	384	45782.23	227	56041.77	1167	17624.30	213
2006-07	46754.40	443	53688.34	266	68688.18	1431	20669.72	250
2007-08	56334.66	534	59530.86	295	78827.09	1642	29276.45	354
2008-09	69268.24	657	68549.33	340	88813.19	1850	27684.06	334
2009-10	78306.82	742	76417.05	379	65381.94	1362	18409.05	222
2010-11	98812.34	937	114669.87	569	80368.53	1674	14185.14	171
2011-12	109871.87	1042	127013.34	630	91706.50	1910	24622.52	297
2012-13	123911.60	1175	134462.08	667	112901.05	2351	12941.49	156
2013-14	134624.06	1276	153899.83	763	152394.12	3174	17103.90	207
2014-15	143656.00	1362	169306.77	840	143756.15	2994	19452.24	235
Mean	69803.65		80089.46		71925.97		17641.77	
SD	45837.88		50112.11		45607.90		6302.80	
CV (%)	65.67		62.57		63.41		35.73	
CGR	22.04		17.65		24.74		4.37	

Source: Annual Report of RBI

The above table 5.14 represents the credit outstanding of scheduled commercial banks (rest of the personal loans) during the study period of 2001-02 to 2014-15.

SBI and its Associate Banks

The above table clearly indicates that at the beginning of the financial year 2001-02 the credit outstanding of SBI and its associate banks in the form of other personal loans

(jewel, vehicle, education etc.) accounted at Rs.10546.79 crores and it had drastically increased to Rs.143656 crores by the end of the year 2014-15. Further, it has been observed that the credit outstanding of SBI and its associate banks had registered significant growth of 22.04 per cent between the years 2001-02 to 2014-15.

Nationalised Banks

The above table clearly infers that the credit outstanding of nationalised banks in the form of rest of the personal loans was registered at Rs.20158.57 crores at 2001-02 and it had massively increased to Rs.169306.77 crores by the end of the fiscal year 2014-15. The credit outstanding of nationalised banks in the form of rest of the personal loans had recorded 17.65 per cent growth rate between the years 2001-02 to 2014-15.

Domestic Private Banks

From the elaborate data discussion it has been observed that at the financial year 2001-02 the total outstanding credit of rest of the personal loans lend by domestic private banks accounted at Rs.4801.55 crores and it had massively increased to Rs.143756.15 crores by the closure of the study period 2014-15. Followed by it has been observed that the outstanding credit of rest of the personal loans lends by domestic private banks had registered significant growth of 24.74 per cent between the years 2001-02 to 2014-15.

Foreign Banks

From the above empirical data analysis, it has been observed that in the beginning of the study period 2001-02 the credit outstanding of foreign banks in the form of rest of the personal loans accounted at Rs.8281.58 crores and it had gradually increased to Rs.19452.24 crores by the closing of the fiscal year 2014-15. Further, it has been observed that the credit outstanding of rest of the personal loans of foreign banks had recorded growth of 4.37 per cent between the years 2001-02 to 2014-15.

Forced provision for additional credit to new avenues such as personal loans (housing, automobiles, credit card receivables, education, and much else) and lending to infrastructure, which was the focus of the government's post-liberalisation growth strategy have greatly hurt the public sector banks in increasing their NPAs. Between 2003-04 and 2008-09 that proceeded the global financial crisis, this debt display paid

dividends in the form of high growth rates. The credit splurge seemed to continue even after the global crisis tripped India's flight along the runaway growth rate path. With perception, the reason seems obvious for a rise of NPAs of private sector banks and foreign banks.

The study observed that during the past 14 years the NPAs of the all four categories of banks has come down especially in a case of consumer durable loans and rest of personal loan outstanding reduced. However, the home loans of the bank groups have increased over the period 2001-02 to 2014-15. From the banks' point of view, housing loans present a structural problem, because of their long tenure. Banks can raise only short-term funds, and are exposed to a greater interest rate and liquidity risk in long tenure loans.

Table 5.15. Retail Loan Outstanding Trend of Scheduled Commercial Banks

(Value in Percentage, Value of Loan)

Year	SBI & Its Associates				Nationalised Banks				Domestic Private Banks				Foreign Banks			
	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan
2001-02	28.76	29.56	35.15	24.09	47.40	53.59	48.79	46.04	9.28	10.42	6.85	10.97	14.56	6.42	9.21	18.91
2002-03	29.00	26.36	37.00	22.56	45.58	50.78	46.91	44.27	10.84	12.21	7.21	13.75	14.58	10.65	8.88	19.41
2003-04	25.00	16.74	25.47	24.85	40.23	50.56	40.94	39.15	25.05	22.89	26.75	23.48	9.72	9.82	6.84	12.52
2004-05	26.20	10.24	27.51	25.53	35.15	25.52	38.17	32.42	28.99	54.37	27.28	29.65	9.66	9.86	7.04	12.40
2005-06	24.55	16.66	24.14	25.30	35.07	51.18	40.30	28.63	30.35	21.21	26.46	35.05	10.03	10.96	9.11	11.02
2006-07	23.31	10.58	22.66	24.63	34.50	49.49	39.17	28.29	34.30	22.46	33.13	36.19	7.90	17.47	5.03	10.89
2007-08	24.40	6.04	24.17	25.15	31.93	39.98	36.61	26.58	33.64	11.68	32.75	35.20	10.03	42.30	6.47	13.07
2008-09	26.41	12.73	25.95	27.24	33.61	53.77	39.20	26.95	30.87	33.16	27.15	34.92	9.12	0.34	7.70	10.89
2009-10	32.80	19.48	32.98	32.83	36.68	52.29	40.11	32.04	24.19	28.16	21.59	27.41	6.33	0.07	5.32	7.72
2010-11	32.53	5.95	33.31	32.08	38.13	65.17	38.57	37.23	23.79	28.82	21.63	26.09	5.55	0.07	6.49	4.61
2011-12	33.04	3.90	35.29	31.11	37.62	46.87	39.05	35.96	23.21	47.82	20.27	25.96	6.12	1.41	5.39	6.97
2012-13	32.92	17.58	33.72	32.25	35.37	31.13	35.75	35.00	27.79	42.14	26.24	29.38	3.91	9.15	4.28	3.37
2013-14	32.32	36.97	34.79	29.39	33.82	13.16	34.47	33.60	29.59	37.48	26.19	33.27	4.26	12.39	4.55	3.73
2014-15	31.92	35.12	33.18	30.17	35.87	16.74	36.44	35.56	28.02	42.16	26.14	30.19	4.19	5.98	4.24	4.09

Source: Computed from Annual Report of RBI

The study observed that total personal loan lending the SBI& its Associates has registered 1783 times growth during the study period. But the credit outstanding growth was recorded at 1587 times during the same period. Nationalised banks registered credit growth of 1190 times growth during the study period and its credit outstanding was recorded at 1082 times during the same period 2001-02 to 2014-15. Total personal loan lending the domestic private sector banks were registered 5931 times growth during the study period. But its credit outstanding was recorded at 4319 times during the 14 years i.e., 2001-02 to 2014-15. The study further observed that total personal loan lending the foreign banks registered 470 times growth during the study period 2001-02 to 2014-15. But its credit outstanding was recorded at 412 times growth during the same period.

The study observed that the retail loan outstanding of the all the public sector banks had been strictly monitored and controlled and that in turn reflected in the reduction of the loan NPAs margins during the study period. The SBI & its Associates succeeded in a reduction of its consumer's durable loan to the extent of 2.32 per cent between 2001-02 to 2014-15. Its personal loan dropped by 6.65 per cent from 46.97 per cent in 2001-02. However, the housing loan rose from 49.62 to 58.60 per cent. Heavy promotion of housing loan, easy loan availing option and reduction of interest rate were some of the reasons that could be reasoned for the growth of housing loan market for SBI & Associates in India. At the same time poor loan recovery practices adhered by the bankers, rising inflation and recession hinder the consumers of this loan from the timely repayment of the loan.

A similar trend of growth and reduction of retail loan practices was observed in the case of nationalised banks too. The study observed that consumers durable loan of this bank reduced from 3.75 per cent to 0.46. This bank experienced 3.29 per cent reduction in its NPAs in this category. On the contrary, during the study period of 14 periods, it has been observed that housing loan NPAs rose by 15.148 per cent, which was 6.5 per cent more than that of SBI & its Associated banks credit outstanding in this category. Nationalised banks were able to reduce the rest of another loan margin from 54.47 to 42.87 per cent, respectively during the period of 2001-02 to 2014-15.

From the elaborate data analysis, it has been inferred that though the domestic private sector banks exhibited higher efficiency in its lending practices the same amount of troubles it faced in managing its rising NPAs. As in case of the previous two bank categories, the domestic private sector banks private sector banks exhibited efficiency in reduction of its consumer durable loan (from 3.73 per cent growth in 2001-02 to 1.48 per cent growth in 2014-15) and rest of the personal loan (from 66.28 per cent to 20.33 per cent during the same period). Unsecured personal loans were another mechanism for ever greening of credit card outstanding, the domestic private sector banks have shown efficiency in a reduction of outstanding that is caused by credit card lending. However, the housing loan NPAs of this bank category was higher than that of SBI & Associated and Nationalised banks, which was recorded at 22.58 high in 2014-15. The foreign banks operating in India adopted a smart game practices in keeping its NPAs margin as loan as possible. This reflected in reduction rate of its consumer's durable loan NPAs and rest of the durable loan NPAs rated, which reduced to 0.05 per cent and 32.28 per cent from the beginning of the study period 2001-02. This could be the reason that the foreign banks were the first to start the retail lending in India. They tried to create origination, collection, and recovery models which were cost-effective, technology-intensive, and which allowed them to overcome their weakness of having a limited branch network. Lending process for retail loans was centralised and also automated to a large degree using various origination solutions and credit scoring models.

The overall observation of the study reveals that the consumer durable loans of the nationalised banks were less in comparison of all other three categories of banks. The domestic private sector banks failed in a reduction of its NPAs from housing loan. The foreign banks successful reduced its rest of the personal loan to nearly 31.28 per cent during the study period.

5.5 Retail Loan Recovery Practices of the Banks

At present scenario, the banking industry is in a transition phase. It is very obvious, during this stage the banks NPAs may be higher, which might reduce when the banks pass to the next stage of growth. With the effect of transition phase, the Indian banking sector is facing a serious problem of NPAs. The magnitude of NPAs is

comparatively higher in public sector banks. To progress the efficacy and profitability of banks the NPAs need to be reduced and controlled. The NPAs trend of retail loan lend by the scheduled commercial banks is discussed in this section of the study.

Table 5.16. Loan Recovery of Scheduled Commercial Banks (Total Personal Loans)

(Values in Rs. Crores)

Years	Total Personal Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	4517.34	100	6512.95	100	2755.79	100	2755.79	100
2002-03	11838.75	262	7556.06	116	4821.41	175	4821.41	127
2003-04	9204.88	204	12657.91	194	18617.55	676	18617.55	228
2004-05	16281.74	360	15727.47	241	22414.13	813	22414.13	327
2005-06	22399.76	496	22012.84	338	26262.63	953	26262.63	372
2006-07	28206.28	624	27749.87	426	48647.73	1765	48647.73	445
2007-08	32788.70	726	29018.03	446	87652.60	3181	87652.60	465
2008-09	43487.27	963	34179.04	525	104380.71	3788	104380.71	507
2009-10	57289.58	1268	42086.43	646	100991.04	3665	100991.04	399
2010-11	77073.27	1706	72994.73	1121	122591.84	4449	122591.84	410
2011-12	91960.60	2036	70105.70	1076	134877.40	4894	134877.40	322
2012-13	100975.21	2235	66295.30	1018	150932.28	5477	150932.28	431
2013-14	112736.81	2496	96971.93	1489	170127.84	6173	170127.84	392
2014-15	124732.80	2761	117673.36	1807	280273.76	10170	280273.76	532
Mean	52392.36		44395.83		91096.19		38735.79	
SD	41590.99		34904.32		78462.40		13995.90	
CV (%)	79.38		78.62		86.13		36.13	
CGR	27.40		24.16		36.25		9.18	

Source: Annual Report of RBI

The above table 5.16 clearly indicates the personal loan recovery of scheduled commercial banks during the study period of 2001-02 to 2014-15.

SBI and its Associate Banks

It is evident from the empirical data analysis that at the beginning of the financial year 2001-02 the personal loan recovery of Rs.4517.34 crores and the recovery rate had constantly increased to Rs.124732.80 crores by the end of the year 2014-15. The personal loan recovery of SBI and its associate banks had registered 27.40 per cent between the years 2001-02 to 2014-15.

Nationalised Banks

From the detailed data discussion it has been observed that the personal loan recovery of nationalised banks was accounted at Rs.6512.95 crores at 2001-02 and it had significantly increased to Rs.117673.36 crores by the end of the study period 2014-15. The personal loan recovery of nationalised banks had recorded 24.16 per cent growth rate per annum.

Domestic Private Banks

From the elaborate data discussion it has been inferred that the personal loan recovery of domestic private banks had registered 36.25 per cent growth rate during the fourteen years study period. Followed by, it has been observed that the personal loan recovery of domestic private banks had increased from Rs.2755.79 crores to Rs.280273.76 crores between the years 2001-02 to 2014-15.

Foreign Banks

From the above data analysis, it has been inferred that at the fiscal year 2001-02 the personal loan recovery of foreign banks was accounted at Rs.2755.79 crores and this rate had gradually increased to Rs.280273.76 crores by the end of the study period 2014-15. The personal loan recovery of foreign banks had recorded 9.18 per cent growth rate per annum.

Table 5.17. Loan Recovery of Scheduled Commercial Banks (Consumer Durable Loans)**(Values in Rs. Crores)**

Years	Consumer Durable Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	334.24	100	330.70	100	82.34	100	15.00	100
2002-03	289.10	86	318.97	96	66.22	80	-0.98	-7
2003-04	217.85	65	476.76	144	289.37	351	0.11	1
2004-05	217.29	65	355.07	107	752.42	914	11.67	78
2005-06	318.23	95	592.45	179	1140.62	1385	18.19	121
2006-07	248.10	74	1054.11	319	1563.69	1899	166.34	1109
2007-08	113.43	34	672.90	203	141.69	172	127.31	849
2008-09	266.19	80	1153.31	349	1059.44	1287	3.04	20
2009-10	329.67	99	528.51	160	472.18	573	2.34	16
2010-11	266.43	80	712.14	215	1212.82	1473	2.04	14
2011-12	226.42	68	488.13	148	1187.34	1442	137.71	918
2012-13	665.19	199	479.75	145	1746.24	2121	111.42	743
2013-14	840.13	251	516.86	156	1861.02	2260	175.99	1173
2014-15	1424.78	426	503.11	152	1506.37	1829	120.26	802
Mean	411.22		584.48		934.41		63.60	
SD	348.44		248.38		633.15		70.58	
CV (%)	84.73		42.50		67.76		110.98	
CGR	9.61		2.77		22.56		-	

Source: Annual Report of RBI

The above table 5.17 illustrates loan recovery of scheduled commercial banks (consumer durable loans) during the study period of 2001-02 to 2014-15.

SBI and its Associate Banks

From the empirical data analysis it has been observed that at the financial year 2001-02 the consumer durable loan recovery of SBI and its associate banks was accounted at Rs.334.24 crores and it had steadily increased to Rs.1424.78 crores by the closure of the year 2014-15. The consumer durable loan recovery of SBI and its associate banks had registered 9.61 per cent growth rate between the years 2001-02 to 2014-15.

Nationalised Banks

The data presented in the above table clearly indicates that at the financial year 2001-02 the recovery of nationalised banks in the form of consumer durable loans was recorded at Rs.330.70 crores and it had steadily increased to Rs.503.11 crores by the end of the financial year 2014-15. The recovery of nationalised banks in the form of consumer durable loans had registered 2.77 per cent growth rate per annum.

Domestic Private Banks

It is evident from the above data analysis that the recovery of consumer durable loans of domestic private banks had registered 22.56 per cent growth rate during the fourteen years study period. Further, it has been observed that the recovery of domestic private banks in the form of consumer durable loan had increased from Rs.82.34 crores to Rs.1506.37 crores between the years 2001-02 to 2014-15.

Foreign Banks

From the above data analysis, it has been inferred that at the fiscal year 2001-02 the recovery of consumer durable loans of foreign banks was accounted at Rs.15 crores and this rate had gradually increased to Rs.120.26 crores by the end of the study period 2014-15.

Table 5.18. Loan Recovery of Scheduled Commercial Banks (Housing Loans)**(Values in Rs. Crores)**

Years	Housing Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	1518.39	100	1903.74	100	425.76	100	737.83	100
2002-03	7208.36	475	2240.87	118	540.06	127	850.29	115
2003-04	3190.25	210	3718.06	195	3464.39	814	636.37	86
2004-05	6555.16	432	5597.74	294	4527.33	1063	1097.80	149
2005-06	9311.25	613	9206.25	484	6172.29	1450	1842.42	250
2006-07	12436.89	819	11497.80	604	13647.81	3206	2583.47	350
2007-08	13555.52	893	11720.65	616	13777.70	3236	3629.64	492
2008-09	18402.29	1212	14249.12	748	15664.17	3679	4910.11	665
2009-10	27650.26	1821	20251.04	1064	17544.74	4121	3942.31	534
2010-11	36499.99	2404	22087.80	1160	21336.93	5011	5476.66	742
2011-12	44107.92	2905	27341.28	1436	23202.97	5450	3980.11	539
2012-13	49848.06	3283	27045.75	1421	31398.04	7375	8592.69	1165
2013-14	57445.50	3783	42787.79	2248	35192.28	8266	8730.26	1183
2014-15	66717.86	4394	55933.56	2938	42163.60	9903	10995.61	1490
Mean	25317.69		18255.82		16361.29		4143.26	
SD	21795.85		15888.25		13151.19		3307.68	
CV (%)	86.09		87.03		80.38		79.83	
CGR	30.07		27.80		37.24		24.63	

Source: Annual Report of RBI

The above table 5.18 clearly indicates the housing loan recovery of scheduled commercial banks during the study period of 2001-02 to 2014-15.

SBI and its Associate Banks

From the above data discussion it has been observed that at the beginning of the financial year 2001-02 the housing loan recovery of Rs.1518.39 crores and the recovery rate had consistently increased to Rs.66717.86 crores by the end of the year 2014-15. The housing loan recovery of SBI and its associate banks had registered 30.07 per cent between the years 2001-02 to 2014-15.

Nationalised Banks

The data presented in the above table infers that the housing loan recovery of nationalised banks was accounted at Rs.1903.74 crores at 2001-02 and it had significantly increased to Rs.55933.56 crores by the end of the study period 2014-15. The housing loan recovery of nationalised banks had recorded 27.80 per cent growth rate per annum.

Domestic Private Banks

From the elaborate data discussion it has been inferred that the housing loan recovery of domestic private banks had registered 37.24 per cent growth rate during the fourteen years study period. Followed by, it has been observed that the housing loan recovery of domestic private banks had increased from Rs.425.76 crores to Rs.42163.60 crores between the years 2001-02 to 2014-15.

Foreign Banks

Further, it has been inferred that at the fiscal year 2001-02 the housing loan recovery of foreign banks was accounted at Rs.737.83 crores and this rate had steadily increased to Rs.10995.61 crores by the end of the study period 2014-15. The housing loan recovery of foreign banks had recorded 24.63 per cent growth rate per annum.

Table 5.19. Loan Recovery of Scheduled Commercial Banks (Rest of the Personal Loans)**(Values in Rs. Crores)**

Years	Rest of the Personal Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	2664.71	100	4278.52	100	2247.69	100	9966.22	100
2002-03	4341.29	163	4996.23	117	4215.14	188	12786.88	128
2003-04	5796.79	218	8463.10	198	14863.79	661	23843.01	239
2004-05	9509.25	357	9774.66	228	17134.39	762	33952.48	341
2005-06	12770.27	479	12214.14	285	18949.72	843	38056.40	382
2006-07	15521.28	582	15197.96	355	33436.23	1488	44990.65	451
2007-08	19119.74	718	16624.48	389	73733.22	3280	46081.14	462
2008-09	24818.79	931	18776.61	439	87657.10	3900	49478.88	496
2009-10	29308.65	1100	21306.88	498	82973.12	3691	38795.27	389
2010-11	40307.66	1513	50194.79	1173	100042.09	4451	38518.17	386
2011-12	47626.26	1787	42276.29	988	110487.09	4916	30364.99	305
2012-13	50461.95	1894	38769.80	906	117787.98	5240	37488.34	376
2013-14	54451.18	2043	53667.28	1254	133074.54	5921	33144.27	333
2014-15	56590.16	2124	61236.70	1431	236603.79	10527	45939.38	461
Mean	26663.43		25555.53		73800.42		34529.01	
SD	19705.75		19553.35		65367.77		11967.06	
CV (%)	73.91		76.51		88.57		34.66	
CGR	26.29		22.64		36.45		7.60	

Source: Annual Report of RBI

The above table 5.19 represents the loan recovery of scheduled commercial banks (rest of the personal loans) during the study period of 2001-02 to 2014-15.

SBI and its Associate Banks

The above table clearly indicates that at the beginning of the financial year 2001-02 the loan recovery of SBI and its associate banks in terms of other personal loans (jewel, vehicle, education etc.) accounted at Rs.2664.71 crores and it had massively increased to Rs.56590.16 crores by the end of the year 2014-15. Further, it has been observed that the loan recovery of SBI and its associate banks had registered significant growth of 26.29 per cent between the years 2001-02 to 2014-15.

Nationalised Banks

The above table clearly infers that the loan recovery of nationalised banks in terms of rest of the personal loans was registered at Rs.4278.52 crores at 2001-02 and it had steadily increased to Rs.61236.70 crores by the end of the fiscal year 2014-15. The loan recovery of nationalised banks for other personal loans had recorded 22.64 per cent growth rate between the years 2001-02 to 2014-15.

Domestic Private Banks

From the elaborate data discussion it has been observed that at the financial year 2001-02 the recovery of other personal loans of domestic private banks accounted at Rs.2247.69 crores and it had massively increased to Rs.236603.79 crores by the closure of the study period 2014-15. Followed by it has been observed that the recovery of other personal loans of domestic private banks had registered significant growth of 36.45 per cent between the years 2001-02 to 2014-15.

Foreign Banks

From the above empirical data analysis, it has been observed that at the beginning of the study period 2001-02 the loan recovery of foreign banks in the terms of rest of the personal loans accounted at Rs.9966.22 crores and it had steadily increased to Rs.45939.38 crores by the closing of the fiscal year 2014-15. Further, it has been observing that the loan recovery of rest of the personal loans of foreign banks had recorded growth of 7.60 per cent between the years 2001-02 to 2014-15.

Three main recovery approaches were employed by aggressive retail banks. These were: (i) Post-dated cheques or ECS (Electronic Clearing Service) debit authority. (ii) Use of Securitizations and Reconstruction of Financial Assets and Enforcement of Security Interests (SARFAESI) Act to sell properties (iii) Recovery agents. The study depicted a clearly, the mix of retail loan recovery pattern among the four categories of banker analysed.

The study observed that domestic private sector banks explicitly exhibited higher efficiency in recovery of loan offered in all categories. SBI & Its Associate banks exhibited efficiency in a reduction of its NPAs margins. Whereas, loan recovery efficiency of the nationalised banks has declined in all category of loan recovery during the study period 2001-02 to 2014-15. Foreign banks recovery efficiency had dipped in a case of housing loan and rest of rest of the personal loans in comparison that of consumer durable loans and total loan offered by this segment of the bank.

Table 5.20. Retail Loan Recovery Trend of Scheduled Commercial Banks

(Value in Percentage, Value of Loan)

Year	SBI & Its Associates				Nationalised Banks				Domestic Private Banks				Foreign Banks			
	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan	Total Personal Loan	Consumer Durable Loan	Housing Loan	Rest of the Personal Loan
2001-02	27.31	43.85	33.11	13.91	39.37	43.38	41.51	22.33	16.66	10.80	9.28	11.73	16.66	1.97	16.09	52.02
2002-03	40.77	42.94	66.50	16.48	26.02	47.37	20.67	18.97	16.60	9.83	4.98	16.00	16.60	-0.15	7.84	48.55
2003-04	15.58	22.14	28.98	10.94	21.42	48.45	33.77	15.98	31.50	29.40	31.47	28.06	31.50	0.01	5.78	45.02
2004-05	21.19	16.26	36.87	13.51	20.47	26.57	31.49	13.89	29.17	56.30	25.47	24.35	29.17	0.87	6.18	48.25
2005-06	23.11	15.38	35.09	15.58	22.71	28.63	34.70	14.90	27.09	55.12	23.26	23.11	27.09	0.88	6.94	46.42
2006-07	18.41	8.18	30.96	14.22	18.11	34.76	28.63	13.92	31.74	51.57	33.98	30.63	31.74	5.49	6.43	41.22
2007-08	13.83	10.75	31.76	12.29	12.24	63.76	27.46	10.69	36.97	13.43	32.28	47.40	36.97	12.06	8.50	29.62
2008-09	15.18	10.72	34.57	13.73	11.93	46.47	26.77	10.39	36.44	42.69	29.43	48.50	36.44	0.12	9.23	27.38
2009-10	19.01	24.74	39.85	17.00	13.97	39.66	29.19	12.36	33.51	35.43	25.28	48.13	33.51	0.18	5.68	22.51
2010-11	19.50	12.15	42.74	17.60	18.47	32.47	25.86	21.91	31.02	55.29	24.98	43.67	31.02	0.09	6.41	16.82
2011-12	21.30	11.10	44.72	20.64	16.23	23.93	27.72	18.32	31.23	58.21	23.52	47.88	31.23	6.75	4.04	13.16
2012-13	21.52	22.15	42.65	20.64	14.13	15.98	23.14	15.86	32.17	58.16	26.86	48.17	32.17	3.71	7.35	15.33
2013-14	20.50	24.75	39.85	19.85	17.63	15.23	29.68	19.56	30.93	54.83	24.41	48.51	30.93	5.19	6.06	12.08
2014-15	15.53	40.08	37.95	14.13	14.66	14.15	31.81	15.30	34.91	42.38	23.98	59.10	34.91	3.38	6.25	11.47

Source: Computed from Annual Report of RBI

At the beginning of the reform process, banks were burdened with a high percentage of Non-Performing Assets (NPAs) in their commercial and industrial lending portfolio. Banks looked at retail loans from the point of opinion in alteration of their loan portfolio, since in retail loans, the average ticket size is small and loans are broadly distributed over a huge number of borrowers. So, the average risk associated with retail loans is lower than corporate loans. In fact, risk familiar return on retail loans is significantly higher than the corporate loans during normal times.

The study observed that the loan recovery efficiency SBI & Its Associate banks exhibited efficiency in the reduction of its NPAs margins. That in, turn, had reflected in decline in consumer durable loans and total personal loans, whereas this banks recovery status of housing loan and rest of the personal have improved during the study period 2001-02 to 2014-15. The study observed that the loan recovery efficiency of the nationalised banks has decline in all category of loan recovery during the study period 2001-02 to 2014-15. As a result of adverse credit selection during the expansionary phase of the economy developments and to meet the competition the public sector banks had failed to manage its credit in right ways that in turn resulted in a poor recovery of loans extended by it.

On the contrary, domestic private sector banks exhibited higher efficiency in recovery of loan offered in all categories i.e., home loans, consumer durable loans and rest of the personal loans during the study period. Foreign banks recovery efficiency had dipped in a case of housing loan and rest of rest of the personal loans in comparison that of consumer durable loans and total loan offered by this segment of the bank. Foreign banks have focused more on credit lending and vehicle loans could be the primary reason for an increase in the loan outstanding or sluggishness in loan recovery, added to the economic crisis and rising inflation rates, which in turn caused more job losses, wage reduction and an increase in food and other essential items consumption expenses. In short, reduced the households' debt repayment ability. Compact NPAs generally gives the impression that banks have strengthened their credit appraisal processes over the years and growth in NPAs comprises the necessity of provisions, which bring down the overalls profitability of banks.

5.6 Competitive Status of the Banks in Retail Loan Lending, Outstanding and Recovery

Retail loans can be categorised based on three main parameters. One obvious classification is whether the loans are secured or unsecured. In this classification, housing, auto loans, loan against fixed deposits or any other financial security form one category, while credit cards, personal loans, and most educational loans fall in the other category. Another applicable factor on which retail loans can be classified is the tenure of the loan. The tenure ranges from 45 days in the case of a credit card to over 10 years for housing loans. The competitive status of scheduled commercial banks in retail loan lending, efficiency in the reduction of NPAs and its recovery management are discussed in this section of the analysis.

Table 5.21. Comparison of Number of Retail Loan Accounts of Scheduled Commercial Banks

(Number of Accounts: Values in Per cent)

Year	SBI & its Associates				Nationalised Banks				Domestic Private Banks				Foreign Banks			
	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans
2001-02	100	7.43	15.01	77.56	100	7.45	13.26	79.30	100	6.42	7.98	85.60	100	0.51	1.22	98.28
2002-03	100	4.74	25.84	69.42	100	6.13	14.25	79.66	100	4.69	5.55	89.77	100	0.56	1.13	98.31
2003-04	100	2.74	17.59	79.67	100	6.57	17.05	76.39	100	6.32	10.11	83.57	100	0.36	0.78	98.87
2004-05	100	1.99	18.11	79.90	100	4.54	19.87	75.60	100	8.56	7.81	83.63	100	0.62	1.15	98.24
2005-06	100	2.27	17.68	80.05	100	6.18	22.49	71.34	100	4.47	9.65	85.88	100	0.60	1.32	98.08
2006-07	100	1.75	21.60	76.65	100	7.69	23.38	68.93	100	4.46	8.07	87.47	100	1.03	0.69	98.29
2007-08	100	0.70	20.78	78.53	100	5.21	25.28	69.50	100	0.54	5.86	93.60	100	1.38	1.12	97.50
2008-09	100	1.83	20.84	77.33	100	4.99	25.41	69.60	100	2.73	4.31	92.95	100	0.03	1.93	98.04
2009-10	100	1.83	23.68	74.48	100	3.60	25.38	71.01	100	0.61	4.02	95.37	100	0.00	1.48	98.52
2010-11	100	1.37	21.61	77.02	100	2.95	24.74	72.30	100	2.54	3.55	93.91	100	0.00	1.78	98.21
2011-12	100	0.99	22.67	76.34	100	2.37	27.33	70.30	100	2.57	3.89	93.54	100	0.05	4.71	95.25
2012-13	100	1.74	23.76	74.50	100	1.76	26.68	71.57	100	2.28	5.32	92.39	100	0.07	1.72	98.21
2013-14	100	2.71	25.22	72.07	100	1.43	25.58	72.98	100	1.19	4.58	94.24	100	0.06	1.83	98.11
2014-15	100	2.83	29.23	67.94	100	1.54	26.18	72.28	100	1.29	5.57	93.14	100	0.04	1.63	98.34
Average	-	2.49	21.69	75.82	-	4.46	22.63	72.91	-	3.48	6.16	90.36	-	0.38	1.61	98.02

Source: Computed Data

The growth of retail credit in India has been largely an urban phenomenon. From the socio-economic point of view, consumer durable loans helped individual borrowers to acquire necessary modes of transport and consumer durables which improved their comfort and lifestyle. These loans also helped create the demand for white goods in the economy and thereby contributed to a growth of the manufacturing sector. On the flipside, auto loans increased the number of vehicles in a short period. The data presented in the above table indicates the comparison of retail loan lending practices (number of accounts) of scheduled commercial banks during the study period 2001-02 to 2014-15.

SBI & its Associate Banks

From the above data analysis it has been observed that out of the total personal loan accounts of SBI & its Associate banks, a number of accounts of consumer durables loans accounted for 2.49 per cent, housing loans (21.69 per cent) and rests of the personal loans (75.82 per cent), respectively. Here the rests of the personal loans include vehicle loan, jewel loan, education loan etc.

Nationalised Banks

From the above data discussion it has been observed that among the total number of personal loan accounts of nationalised banks consumer durables loans had registered 4.46 per cent, housing loans (22.63 per cent) and rests of the personal loans (72.91 per cent).

Domestic Private Banks

The above table clearly indicates that the domestic private sector banks have sanctioned 3.48 per cent for consumer durable loans, 6.16 per cent for housing loans and 90.36 per cent for the rests of the personal loans.

Foreign Banks

Similarly, it has been observed that among the total number of personal loan accounts of foreign banks consumer durables loans had registered 0.38 per cent, housing loans (1.61 per cent) and rests of the personal loans (98.02 per cent).

Table 5.22. Comparison of Credit Limit of Scheduled Commercial Banks

(Credit Limit: Values in Per cent)

Year	SBI & its Associates				Nationalised Banks				Domestic Private Banks				Foreign Banks			
	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans
2001-02	100	4.08	46.94	48.98	100	3.95	39.90	56.15	100	3.52	25.98	70.49	100	0.82	16.56	82.62
2002-03	100	2.12	57.46	40.42	100	2.68	43.24	54.08	100	2.16	24.01	73.83	100	0.86	17.28	81.87
2003-04	100	1.45	46.73	51.82	100	2.58	46.18	51.25	100	1.67	41.72	56.62	100	0.77	15.38	83.85
2004-05	100	0.94	50.15	48.91	100	1.66	51.55	46.79	100	3.86	40.76	55.38	100	0.91	16.70	82.39
2005-06	100	1.17	49.14	49.70	100	2.42	57.02	40.56	100	1.78	40.97	57.25	100	0.85	24.42	74.73
2006-07	100	0.88	50.08	49.04	100	2.94	57.45	39.61	100	1.76	45.60	52.65	100	1.97	17.17	80.86
2007-08	100	0.32	48.94	50.74	100	1.70	56.15	42.15	100	0.34	38.01	61.65	100	2.73	19.98	77.29
2008-09	100	0.55	48.98	50.47	100	2.01	57.57	40.42	100	1.12	33.87	65.01	100	0.02	25.60	74.38
2009-10	100	0.50	53.91	45.59	100	1.17	58.44	40.39	100	0.74	35.54	63.72	100	0.01	25.92	74.07
2010-11	100	0.19	51.78	48.03	100	1.20	47.63	51.17	100	0.94	34.18	64.89	100	0.01	34.34	65.65
2011-12	100	0.13	52.71	47.16	100	0.86	50.15	48.99	100	1.23	32.46	66.32	100	0.27	30.42	69.31
2012-13	100	0.50	53.68	45.82	100	0.72	52.04	47.24	100	1.21	39.18	59.61	100	0.94	35.53	63.52
2013-14	100	1.17	55.20	43.63	100	0.47	51.54	48.00	100	1.32	37.11	61.57	100	1.89	38.54	59.57
2014-15	100	1.10	57.27	41.63	100	0.45	55.05	44.50	100	1.04	34.84	64.13	100	0.75	36.27	62.98
Average	-	1.08	51.64	47.28	-	1.77	51.71	46.52	-	1.62	36.02	62.37	-	0.91	25.29	73.79

Source: Computed DataThe data presented in the above table 5.22 indicates the comparison of retail loan lending practices (credit limit) of scheduled commercial banks during the study period 2001-02 to 2014-15.

SBI & its Associate Banks

The above table clearly indicates that out of the total personal loan lend by SBI & its associate banks, the amount borrowed by the consumers in the form of consumer durables loans accounted for 1.08 per cent, housing loans (51.64 per cent) and rest of the personal loans (47.28 per cent), respectively.

Nationalised Banks

Followed by it has been inferred that the amount lend by nationalised banks in the form consumer durables loans had registered 1.77 per cent, housing loans (51.71 per cent) and rests of the personal loans (46.52 per cent).

Domestic Private Banks

Similarly, it has been observed that the amount lend by domestic private sector banks in the form of consumer durable loans has recorded 1.62 per cent, housing loans (36.02 per cent) and rests of the personal loans (62.37 per cent).

Foreign Banks

Further, it has been found that out of the total lend in the form of personal loan accounts of foreign banks consumer durables loans had registered 0.91 per cent, housing loans (25.29 per cent) and rests of the personal loans (73.79 per cent).

Table 5.23. Comparison of Retail Loan Outstandings of Scheduled Commercial Banks

(Values in Per cent)

Year	SBI & its Associates				Nationalised Banks				Domestic Private Banks				Foreign Banks			
	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans
2001-02	100	3.41	49.62	46.97	100	3.75	41.78	54.47	100	3.73	29.99	66.28	100	1.46	25.68	72.86
2002-03	100	2.00	56.17	41.84	100	2.45	45.31	52.24	100	2.48	29.27	68.25	100	1.61	26.80	71.59
2003-04	100	1.26	49.30	49.44	100	2.36	49.25	48.40	100	1.71	51.68	46.61	100	1.90	34.05	64.05
2004-05	100	0.84	52.63	46.53	100	1.55	54.42	44.02	100	4.01	47.16	48.83	100	2.18	36.55	61.27
2005-06	100	1.10	51.14	47.76	100	2.37	59.78	37.84	100	1.14	45.35	53.52	100	1.78	47.27	50.96
2006-07	100	0.88	51.79	47.33	100	2.78	60.50	36.73	100	1.27	51.47	47.26	100	4.28	33.94	61.78
2007-08	100	0.31	51.09	48.60	100	1.58	59.17	39.25	100	0.44	50.23	49.33	100	5.31	33.26	61.43
2008-09	100	0.53	51.00	48.47	100	1.76	60.55	37.69	100	1.18	45.66	53.16	100	0.04	43.86	56.10
2009-10	100	0.48	55.72	43.80	100	1.16	60.61	38.23	100	0.94	49.46	49.60	100	0.01	46.62	53.38
2010-11	100	0.13	53.38	46.48	100	1.26	52.72	46.02	100	0.89	47.40	51.70	100	0.01	60.90	39.10
2011-12	100	0.09	54.51	45.40	100	0.91	52.99	46.11	100	1.50	44.56	53.94	100	0.17	44.93	54.90
2012-13	100	0.44	55.24	44.32	100	0.72	54.52	44.76	100	1.24	50.93	47.83	100	1.92	59.10	38.99
2013-14	100	1.32	56.69	41.99	100	0.45	53.68	45.87	100	1.46	46.62	51.92	100	3.35	56.22	40.43
2014-15	100	1.09	58.60	40.32	100	0.46	57.26	42.28	100	1.48	52.57	45.95	100	1.41	57.01	41.58
Average	-	0.99	53.35	45.66	-	1.68	54.47	43.85	-	1.68	45.88	52.44	-	1.82	43.30	54.89

Source: Computed DataThe above table 5.23 represents the comparison of retail loan lending practices (outstanding credit) of scheduled commercial banks during the study period 2001-02 to 2014-15.

SBI & its Associate Banks

It is evident from the above empirical data analysis that the credit outstanding of SBI and its associates in terms of consumer durable loans had registered 0.99 per cent average growth, housing (53.35 per cent) and rest of the personal loans (45.66 per cent), respectively.

Nationalised Banks

The above table clearly indicates that the outstanding amount of nationalised banks in terms of consumer durable loans had registered growth of 1.68 per cent, housing (54.47 per cent) and rest of the personal loans (43.85 per cent) between the years 2001-02 to 2014-15.

Domestic Private Banks

This passage of the study infers that the credit outstanding of domestic private sector banks in the form of consumer durable loans had registered growth 1.68 per cent, housing (45.88 per cent) and rest of the personal loans (52.44 per cent) during the fourteen years study period.

Foreign Banks

From the above data discussion it has been inferred that the credit outstanding of foreign banks in the form of consumer durable loans had registered growth 1.82 per cent, housing (43.30 per cent) and rest of the personal loans (54.89 per cent) between the years 2001-02 to 2014-15.

Table 5.24. Comparison of Retail Loan Recovery of Scheduled Commercial Banks

(Recovery: Values in Per cent)

Year	SBI & its Associates				Nationalised Banks				Domestic Private Banks				Foreign Banks			
	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans	Personal Loans	Consumer Durables	Housing	Rest of the Personal Loans
2001-02	100	7.40	33.61	58.99	100	5.08	29.23	65.69	100	2.99	15.45	81.56	100	0.14	6.88	92.98
2002-03	100	2.44	60.89	36.67	100	4.22	29.66	66.12	100	1.37	11.20	87.43	100	-0.01	6.24	93.77
2003-04	100	2.37	34.66	62.98	100	3.77	29.37	66.86	100	1.55	18.61	79.84	100	0.00	2.60	97.40
2004-05	100	1.33	40.26	58.40	100	2.26	35.59	62.15	100	3.36	20.20	76.44	100	0.03	3.13	96.84
2005-06	100	1.42	41.57	57.01	100	2.69	41.82	55.49	100	4.34	23.50	72.15	100	0.05	4.62	95.34
2006-07	100	0.88	44.09	55.03	100	3.80	41.43	54.77	100	3.21	28.05	68.73	100	0.35	5.41	94.24
2007-08	100	0.35	41.34	58.31	100	2.32	40.39	57.29	100	0.16	15.72	84.12	100	0.26	7.28	92.46
2008-09	100	0.61	42.32	57.07	100	3.37	41.69	54.94	100	1.01	15.01	83.98	100	0.01	9.03	90.97
2009-10	100	0.58	48.26	51.16	100	1.26	48.12	50.63	100	0.47	17.37	82.16	100	0.01	9.22	90.77
2010-11	100	0.35	47.36	52.30	100	0.98	30.26	68.76	100	0.99	17.40	81.61	100	0.00	12.45	87.55
2011-12	100	0.25	47.96	51.79	100	0.70	39.00	60.30	100	0.88	17.20	81.92	100	0.40	11.54	88.06
2012-13	100	0.66	49.37	49.97	100	0.72	40.80	58.48	100	1.16	20.80	78.04	100	0.24	18.60	81.16
2013-14	100	0.75	50.96	48.30	100	0.53	44.12	55.34	100	1.09	20.69	78.22	100	0.42	20.76	78.82
2014-15	100	1.14	53.49	45.37	100	0.43	47.53	52.04	100	0.54	15.04	84.42	100	0.21	19.27	80.52
Average	-	1.47	45.44	53.10	-	2.30	38.50	59.20	-	1.65	18.30	80.04	-	0.15	9.79	90.06

Source: Computed Data

The above table 5.24 discusses the comparison of retail loan lending practices (recovery) of scheduled commercial banks during the study period 2001-02 to 2014-15.

SBI & its Associate Banks

From the above data analysis, it has been observed that the personal loan recovery of SBI & its associate banks had registered 1.47 per cent (consumer durables loans), 45.44 per cent (housing loans) and 53.10 per cent (rests of the personal loans) during the study period of 2001-02 to 2014-15.

Nationalised Banks

The above table infers that the amount of loan recovery of nationalised banks accounted at 2.30 per cent (consumer durables loans), 38.50 per cent (housing loans) and 59.20 per cent (rests of the personal loans) between the years 2001-02 to 2014-15.

Domestic Private Banks

From the above empirical data analysis, it has been observed that the loan recovery of domestic private sector banks had registered growth 1.65 per cent for consumer durable loans, 18.30 per cent for housing loans and 80.04 per cent for the rests of the personal loans.

Foreign Banks

Similarly, it has been inferred that the personal loan recovery of foreign banks had registered growth of 0.15 per cent (consumer durables loans), 9.79 per cent (housing loans) and 90.06 per cent (rests of the personal loans) between the years 2001-02 to 2014-15.

Table 5.25. Competitive Status of Banks in Retail Lending and Recovery Average of 2001-02 to 2014-15

Category of Bank	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Mean	CGR	Mean	CGR	Mean	CGR	Mean	CGR
Loan Borrowers								
Number of Personal Loan Borrowers	7960.40	7.53	9075.18	3.06	14882.47	21.17	6970.19	-0.39
Number of Consumer Durables Loan Borrowers	174.37	0.87	386.51	-9.46	362.50	6.02	30.54	-26.72
Number of Housing Loan Borrowers	1771.56	10.88	2101.90	8.23	780.67	14.73	113.36	6.52
Number of Rest of Personal Loan Borrowers	6014.48	6.93	6586.99	2.36	13739.30	22.24	6826.29	-0.45
Credit Limit								
Credit Limit of Personal Loans	209118.72	23.93	230432.31	19.67	234719.53	29.85	72367.53	9.18
Credit Limit of Consumer Durable Loans	1558.80	9.27	2839.51	2.71	2857.58	19.76	681.51	-1.19
Credit Limit of Housing Loans	111092.90	25.08	121947.81	21.30	86135.57	31.19	19515.32	17.63
Credit Limit of Rest of Personal Loans	96467.08	23.11	105644.99	18.73	145726.39	29.78	52170.78	6.41
Credit Outstanding								
Credit Outstanding of Personal Loans	156726.37	22.98	186036.48	18.70	143623.34	26.62	33631.73	9.22
Credit Outstanding of Consumer Durable Loans	1147.58	8.57	2255.03	2.65	1923.17	18.88	617.90	-4.36
Credit Outstanding of Housing Loans	85775.21	24.05	103691.99	20.30	69774.28	29.97	15372.06	16.00
Credit Outstanding of Rest of Personal Loans	69803.65	22.04	80089.46	17.65	71925.97	24.74	17641.77	4.37
Loan Recovery								
Recovery of Personal Loans	52392.36	27.40	44395.83	24.16	91096.19	36.25	38735.79	9.18
Recovery of Consumer Durable Loans	411.22	9.61	584.48	2.77	934.41	22.56	63.60	-
Recovery of Housing Loans	25317.69	30.07	18255.82	27.80	16361.29	37.24	4143.26	24.63
Recovery of Rest of Personal Loans	26663.43	26.29	25555.53	22.64	73800.42	36.45	34529.01	7.60

Source: Computed Data

From the above data analysis, it has been observed that the domestic private banks are aggressive in retail loan lending as they have an advantage in lending to “Soft Information” (Soft Information refers to information that cannot be easily publicly verified by a third party. Examples of soft information may include a loan officer’s subjective evaluation of a households future financial viability) firms which allows them to lend more, and at higher rates without substantially higher default rates. Even though these lend more in retail they have shown effective performances in recovering the loan outstanding. On the contrary, the nationalised banks have reduced its credit lending proportion in order to minimize the outstanding NPAs, but due to its large operational size, these banks have higher outstanding NPAs.

Table 5.26. Consolidation of Competitive Status of Banks in Retail Lending and Recovery Average of 2001-02 to 2014-15

Category of Bank	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Mean	CGR	Mean	CGR	Mean	CGR	Mean	CGR
Gross NPA	31853.68	14.29	60900.71	12.82	16001.55	9.24	5294.17	13.19
Addition to NPA	19857.04	21.96	38421.49	23.20	10016.59	12.23	3654.62	15.21
Reduction in NPA	12171.71	11.97	22736.07	13.91	6065.67	6.97	2562.63	8.75
Net NPA	15394.61	15.68	31766.57	17.33	5762.57	7.53	1607.45	10.58
Total Advances	761998.88	20.95	1669980.61	23.12	638190.57	22.53	161293.09	16.38

Source: Computed Data

As stated earlier in Table 5.26, it has been inferred that due to its large volume size the credit limit i.e., total advances of nationalised banks is high which in turn resulted in higher outstanding NPAs.

From the elaborate data analysis, it has been inferred that stung by all-time high levels of bad loans, domestic private sector lenders have changes their focusing aggressive towards consumers and small borrowers. To ensure growth and protect

margins of loan value and its interest rates, as their corporate lending persisted slow among poor demand and low factory output. This is clearly depicted in the increase in their retail lending and managing of their outstanding and credit recovery management practices adhered. At the same time, it has been observed that the Public sectors efficiency in managing its credit lending, NPAs and recovery management over the years. The study compliment the findings concluded by Mishra (2009) that retail lending revolution was led by foreign banks till 2001, but the new generation private sector banks took the baton from them thereafter.

5.7 Market Share of the Banks in the Retail Loan Market

A retail bank loan of India consists of 27 public sector banks, 20 private sector banks, and 42 foreign banks. The typical products offered in the Indian retail banking segment are housing loans, consumption loans for purchase of durables, auto loans, credit cards and educational loans. The loans are marketed under attractive brand names to differentiate the products offered by different banks. The market share of the retail loan lender between 2001-02 to 2014-15 is discussed in this section of the study.

**Table 5.27. Proportion of Number of Accounts of Scheduled Commercial Banks
(Total Personal Loans)**

(Values in Per Cent)

Years	Total Personal Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	25.73	100	43.30	100	10.47	100	20.49	100
2002-03	23.91	93	38.63	89	12.19	116	25.27	123
2003-04	20.03	78	31.06	72	17.93	171	30.99	151
2004-05	20.82	81	26.44	61	24.12	230	28.61	140
2005-06	21.80	85	26.32	61	24.29	232	27.59	135
2006-07	18.60	72	23.47	54	29.70	284	28.22	138
2007-08	18.89	73	20.73	48	40.26	385	20.12	98
2008-09	18.14	71	20.06	46	45.69	436	16.12	79
2009-10	19.55	76	20.46	47	46.36	443	13.64	67
2010-11	19.49	76	21.25	49	48.42	462	10.84	53
2011-12	18.93	74	18.24	42	45.06	430	17.77	87
2012-13	22.91	89	21.92	51	44.67	427	10.50	51
2013-14	22.62	88	20.61	48	46.32	442	10.44	51
2014-15	21.00	82	22.86	53	45.15	431	10.99	54
Mean	20.89		25.38		34.33		19.40	
SD	2.25		7.43		13.99		7.60	
CV (%)	10.76		29.28		40.76		39.16	
CGR	-0.69		-4.82		11.91		-8.01	

Source: Annual Report of RBI

The data presented in the above table 5.27 indicates the percentage distribution of a number of accounts of scheduled commercial banks (total personal loans) during the study period of 2001-02 to 2014-15. Out of the total personal loans lend by scheduled commercial banks the number of loan accounts of domestic private banks had consistently increased and registered growth of 11.91 per cent between the years 2001-02

to 2014-15. However the proportion number of loan accounts of other sectors i.e., SBI and its associates, nationalised and foreign banks had registered negative growth of -0.69, -4.82 and -8.01 during the fourteen years study period.

Thus it has been found that the domestic private banks lend more aggressively than the other banks. This may be due to the reason that private banks are more likely to lend to “Soft Information” firms.

Table 5.28. Proportion of Credit Limit of Scheduled Commercial Banks (Total Personal Loans)

(Values in Per Cent)

Years	Total Personal Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	26.29	100	42.43	100	9.75	100	21.53	100
2002-03	29.59	113	38.95	92	11.33	116	20.13	93
2003-04	22.03	84	34.55	81	26.04	267	17.37	81
2004-05	24.08	92	30.49	72	27.95	287	17.48	81
2005-06	23.51	89	31.39	74	28.75	295	16.35	76
2006-07	22.04	84	30.19	71	33.67	345	14.09	65
2007-08	22.05	84	26.79	63	36.70	376	14.46	67
2008-09	23.97	91	27.78	65	34.90	358	13.34	62
2009-10	29.95	114	30.70	72	29.54	303	9.80	46
2010-11	29.86	114	33.21	78	28.66	294	8.28	38
2011-12	31.39	119	32.49	77	28.66	294	7.46	35
2012-13	31.36	119	30.21	71	31.89	327	6.54	30
2013-14	30.65	117	30.59	72	32.79	336	5.97	28
2014-15	28.36	108	30.55	72	34.97	359	6.12	28
Mean	26.80		32.17		28.26		12.78	
SD	3.73		4.16		8.13		5.40	
CV (%)	13.91		12.93		28.78		42.22	
CGR	1.91		-1.60		6.78		-10.22	

Source: Annual Report of RBI

It is evident from the above data analysis that out of the total personal loans lend by scheduled commercial banks the domestic private banks had registered growth of 6.78 per cent between the years 2001-02 to 2014-15. Followed by, SBI & its associate banks had recorded 1.91 per cent growth rate per annum. Whereas the loan lending average of nationalised banks and foreign banks had recorded negative growth of -1.60 per cent and -10.22 per cent, respectively. Thus, it has been concluded that domestic private banks are very aggressive in retail lending over the years, whereas, the focus on nationalised and foreign banks towards retail loan lending to the small ticket loans of households have declined over the years.

**Table 5.29. Proportion of Outstanding Credit of Scheduled Commercial Banks
(Total Personal Loans)**

(Values in Per Cent)

Years	Total Personal Loans							
	SBI & its Associates		Nationalised Banks		Domestic Private Banks		Foreign Banks	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	28.76	100	47.40	100	9.28	100	14.56	100
2002-03	29.00	101	45.58	96	10.84	117	14.58	100
2003-04	25.00	87	40.23	85	25.05	270	9.72	67
2004-05	26.20	91	35.15	74	28.99	312	9.66	66
2005-06	24.55	85	35.07	74	30.35	327	10.03	69
2006-07	23.31	81	34.50	73	34.30	370	7.90	54
2007-08	24.40	85	31.93	67	33.64	363	10.03	69
2008-09	26.41	92	33.61	71	30.87	333	9.12	63
2009-10	32.80	114	36.68	77	24.19	261	6.33	43
2010-11	32.53	113	38.13	80	23.79	256	5.55	38
2011-12	33.04	115	37.62	79	23.21	250	6.12	42
2012-13	32.92	114	35.37	75	27.79	299	3.91	27
2013-14	32.32	112	33.82	71	29.59	319	4.26	29
2014-15	31.92	111	35.87	76	28.02	302	4.19	29
Mean	28.80		37.21		25.71		8.28	
SD	3.74		4.45		7.46		3.49	
CV (%)	12.98		11.97		29.03		42.09	
CGR	2.03		-1.51		5.06		-9.38	

Source: Annual Report of RBI

From the Table 5.29, it was found that focus on nationalised and foreign banks towards retail loan lending to the small ticket loans of households have declined over the years. This in, turn, has reflected in the nationalised banks the reduction of a personal loan outstanding i.e., NPAs, from 47.40 per cent in 2001-02 to 35.87 per cent by the end of the year 2014-15. Similarly foreign banks have also reduced their outstanding credit ratio from 14.56 per cent in 2001-02 to 4.19 per cent by the end of the financial year 2014-15. On the other hand, the credit outstanding of SBI and its associates had increased from 28.76 per cent in 2001-02 to 31.92 per cent by the end of the financial year 2014-15. It has been also observed that the domestic private banks are very aggressive in retail lending over the years which in turn resulted in increased of credit outstanding, the ratio was observed at 9.28 per cent in 2001-02 which had increased to 28.02 per cent by the closure of the financial year 2014-15.

Table 5.30. Proportion of Credit, Outstanding and Recovery of SBI and its Associate Banks

(Values in Per cent)

Years	SBI & its Associate Banks															
	Total Personal Loans				Consumer Durable Loans				Housing Loans				Rest of the Personal Loans			
	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit
2001-02	26972.87	22455.53	16.75	83.25	1100.45	766.21	30.37	69.63	12660.92	11142.53	11.99	88.01	13211.50	10546.79	20.17	79.83
2002-03	43264.73	31425.98	27.36	72.64	917.19	628.09	31.52	68.48	24858.81	17650.45	29.00	71.00	17488.73	13147.44	24.82	75.18
2003-04	52302.45	43097.57	17.60	82.40	759.41	541.56	28.69	71.31	24438.84	21248.59	13.05	86.95	27104.21	21307.42	21.39	78.61
2004-05	81298.03	65016.29	20.03	79.97	761.02	543.73	28.55	71.45	40774.24	34219.08	16.08	83.92	39762.73	30253.48	23.91	76.09
2005-06	107105.60	84705.84	20.91	79.09	1252.57	934.34	25.41	74.59	52626.73	43315.48	17.69	82.31	53226.29	40456.02	23.99	76.01
2006-07	126994.81	98788.53	22.21	77.79	1115.50	867.40	22.24	77.76	63603.62	51166.73	19.55	80.45	62275.68	46754.40	24.92	75.08
2007-08	148710.38	115921.68	22.05	77.95	474.79	361.36	23.89	76.11	72781.19	59225.67	18.63	81.37	75454.40	56334.66	25.34	74.66
2008-09	186410.99	142923.72	23.33	76.67	1023.64	757.45	26.00	74.00	91300.32	72898.03	20.16	79.84	94087.03	69268.24	26.38	73.62
2009-10	236066.83	178777.25	24.27	75.73	1190.87	861.20	27.68	72.32	127260.49	99610.23	21.73	78.27	107615.47	78306.82	27.23	72.77
2010-11	289642.73	212569.46	26.61	73.39	552.96	286.53	48.18	51.82	149970.58	113470.59	24.34	75.66	139120.00	98812.34	28.97	71.03
2011-12	333947.92	241987.32	27.54	72.46	434.21	207.79	52.15	47.85	176015.58	131907.66	25.06	74.94	157498.13	109871.87	30.24	69.76
2012-13	380562.38	279587.17	26.53	73.47	1886.75	1221.56	35.26	64.74	204302.07	154454.01	24.40	75.60	174373.55	123911.60	28.94	71.06
2013-14	433355.02	320618.21	26.01	73.99	5061.76	4221.63	16.60	83.40	239218.02	181772.52	24.01	75.99	189075.24	134624.06	28.80	71.20
2014-15	481027.40	356294.60	25.93	74.07	5292.05	3867.27	26.92	73.08	275489.20	208771.34	24.22	75.78	200246.16	143656.00	28.26	71.74
Growth Rate	1683.37	1486.67	54.81	-11.03	380.90	404.73	-11.36	4.95	2075.90	1773.64	102.00	-13.90	1415.70	1262.08	40.11	-10.13

Source: Annual Report of RBI

It is evident from the above table 5.30 that SBI and its associate banks have given more preference to housing loans due to its preference among the public. Priority sectors have been an integral part in credit delivery, priority sector lending includes lending to those sectors that impact large sections of the population.

Table 5.31. Proportion of Credit, Outstanding and Recovery of Nationalised Banks

(Values in Per cent)

Years	Nationalised Banks															
	Total Personal Loans				Consumer Durable Loans				Housing Loans				Rest of the Personal Loans			
	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit
2001-02	43524.57	37011.62	14.96	85.04	1719.68	1388.98	19.23	80.77	17367.81	15464.07	10.96	89.04	24437.09	20158.57	17.51	82.49
2002-03	56943.27	49387.21	13.27	86.73	1528.80	1209.83	20.86	79.14	24619.53	22378.66	9.10	90.90	30794.95	25798.72	16.22	83.78
2003-04	82016.45	69358.54	15.43	84.57	2112.57	1635.81	22.57	77.43	37874.20	34156.14	9.82	90.18	42029.69	33566.59	20.14	79.86
2004-05	102972.55	87245.08	15.27	84.73	1710.12	1355.05	20.76	79.24	53078.87	47481.13	10.55	89.45	48183.56	38408.90	20.29	79.71
2005-06	142987.00	120974.16	15.39	84.61	3463.4	2870.95	17.11	82.89	81527.23	72320.98	11.29	88.71	57996.37	45782.23	21.06	78.94
2006-07	173930.36	146180.49	15.95	84.05	5112.97	4058.86	20.62	79.38	99931.09	88433.29	11.51	88.49	68886.30	53688.34	22.06	77.94
2007-08	180669.80	151651.77	16.06	83.94	3064.52	2391.62	21.96	78.04	101449.94	89729.29	11.55	88.45	76155.34	59530.86	21.83	78.17
2008-09	216064.35	181885.31	15.82	84.18	4352.43	3199.12	26.50	73.50	124385.98	110136.86	11.46	88.54	87325.94	68549.33	21.50	78.50
2009-10	241963.54	199877.11	17.39	82.61	2840.53	2312.02	18.61	81.39	141399.08	121148.04	14.32	85.68	97723.93	76417.05	21.80	78.20
2010-11	322159.97	249165.24	22.66	77.34	3852.06	3139.92	18.49	81.51	153443.25	131355.45	14.39	85.61	164864.66	114669.87	30.45	69.55
2011-12	345585.79	275480.09	20.29	79.71	2985.97	2497.84	16.35	83.65	173310.19	145968.91	15.78	84.22	169289.63	127013.34	24.97	75.03
2012-13	366682.93	300387.63	18.08	81.92	2643.20	2163.45	18.15	81.85	190807.85	163762.10	14.17	85.83	173231.88	134462.08	22.38	77.62
2013-14	432463.58	335491.65	22.42	77.58	2020.07	1503.21	25.59	74.41	222876.40	180088.61	19.20	80.80	207567.11	153899.83	25.86	74.14
2014-15	518088.16	400414.80	22.71	77.29	2346.83	1843.72	21.44	78.56	285197.87	229264.31	19.61	80.39	230543.47	169306.77	26.56	73.44
Growth Rate	1090.33	981.86	51.80	-9.11	36.47	32.74	11.49	-2.74	1542.11	1382.56	78.92	-9.71	843.42	739.87	51.68	-10.97

Source: Annual Report of RBI

The above table 5.31 clearly indicates that out of the total personal loans lend by nationalised banks, the maximum amount of credit was allotted to housing loans as it constitutes the biggest segment of the entire retail credit over the past years.

Table 5.32. Proportion of Credit, Outstanding and Recovery of Domestic Private Banks

(Values in Per cent)

Years	Domestic Private Banks															
	Total Personal Loans				Consumer Durable Loans				Housing Loans				Rest of the Personal Loans			
	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit
2001-02	9999.99	7244.20	27.56	72.44	352.42	270.08	23.36	76.64	2598.33	2172.57	16.39	83.61	7049.24	4801.55	31.89	68.11
2002-03	16564.22	11742.81	29.11	70.89	357.16	290.94	18.54	81.46	3977.41	3437.35	13.58	86.42	12229.66	8014.52	34.47	65.53
2003-04	61811.98	43194.43	30.12	69.88	1029.87	740.50	28.10	71.90	25786.84	22322.45	13.43	86.57	34995.27	20131.48	42.47	57.53
2004-05	94379.11	71964.98	23.75	76.25	3639.07	2886.65	20.68	79.32	38468.19	33940.86	11.77	88.23	52271.85	35137.46	32.78	67.22
2005-06	130979.43	104716.80	20.05	79.95	2330.21	1189.59	48.95	51.05	53657.73	47485.44	11.50	88.50	74991.49	56041.77	25.27	74.73
2006-07	193978.65	145330.92	25.08	74.92	3405.20	1841.51	45.92	54.08	88449.04	74801.23	15.43	84.57	102124.41	68688.18	32.74	67.26
2007-08	247442.47	159789.87	35.42	64.58	840.29	698.60	16.86	83.14	94041.88	80264.18	14.65	85.35	152560.31	78827.09	48.33	51.67
2008-09	271439.31	167058.60	38.45	61.55	3032.61	1973.17	34.93	65.07	91936.41	76272.24	17.04	82.96	176470.29	88813.19	49.67	50.33
2009-10	232818.34	131827.30	43.38	56.62	1717.12	1244.94	27.50	72.50	82746.16	65201.42	21.20	78.80	148355.06	65381.94	55.93	44.07
2010-11	278035.18	155443.34	44.09	55.91	2601.21	1388.39	46.63	53.37	95023.35	73686.42	22.45	77.55	180410.62	80368.53	55.45	44.55
2011-12	304885.21	170007.81	44.24	55.76	3736.10	2548.76	31.78	68.22	98955.52	75752.55	23.45	76.55	202193.59	91706.50	54.64	45.36
2012-13	386966.10	236033.82	39.00	61.00	4674.31	2928.07	37.36	62.64	151602.75	120204.71	20.71	79.29	230689.03	112901.05	51.06	48.94
2013-14	463645.50	293517.66	36.69	63.31	6140.62	4279.60	30.31	69.69	172036.23	136843.95	20.46	79.54	285468.66	152394.12	46.62	53.38
2014-15	593127.94	312854.18	47.25	52.75	6149.88	4643.51	24.49	75.51	206618.12	164454.52	20.41	79.59	380359.94	143756.15	62.21	37.79
Growth Rate	5831.29	4218.69	71.44	-27.18	1645.04	1619.31	4.84	-1.47	7851.96	7469.58	24.53	-4.81	5295.76	2893.95	95.08	-44.52

Source: Annual Report of RBI

The above table 5.32 clearly infers that domestic private banks have concentrated on all category of personal loans, but they have lend a higher proportion of housing loans, the proportion of credit had increased from 2598.33 per cent in 2001-02 to 206618.12 per cent by the end of the study period 2014-15.

Table 5.33. Proportion of Credit, Outstanding and Recovery of Foreign Banks

(Values in Per cent)

Years	Foreign Banks															
	Total Personal Loans				Consumer Durable Loans				Housing Loans				Rest of the Personal Loans			
	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit	Credit Lending	O/S Credit	% of Recovery	% of O/S Credit
2001-02	22085.45	11366.39	48.53	51.47	181.39	166.39	8.27	91.73	3656.25	2918.42	20.18	79.82	18247.80	8281.58	54.62	45.38
2002-03	29438.86	15802.68	46.32	53.68	252.71	253.69	-0.39	100.39	5085.73	4235.44	16.72	83.28	24100.42	11313.54	53.06	46.94
2003-04	41235.62	16756.14	59.36	40.64	317.70	317.59	0.03	99.97	6342.13	5705.76	10.03	89.97	34575.79	10732.78	68.96	31.04
2004-05	59034.26	23972.31	59.39	40.61	535.18	523.51	2.18	97.82	9858.58	8760.78	11.14	88.86	48640.49	14688.01	69.80	30.20
2005-06	74504.68	34587.67	53.58	46.42	633.11	614.92	2.87	97.13	18190.87	16348.45	10.13	89.87	55680.70	17624.30	68.35	31.65
2006-07	81198.09	33457.63	58.80	41.20	1599.18	1432.84	10.40	89.60	13938.54	11355.07	18.53	81.47	65660.37	20669.72	68.52	31.48
2007-08	97495.17	47657.07	51.12	48.88	2657.83	2530.52	4.79	95.21	19479.75	15850.11	18.63	81.37	75357.59	29276.45	61.15	38.85
2008-09	103742.71	49350.68	52.43	47.57	23.09	20.05	13.17	86.83	26556.68	21646.57	18.49	81.51	77162.94	27684.06	64.12	35.88
2009-10	77229.50	34489.58	55.34	44.66	5.32	2.98	43.98	56.02	20019.86	16077.55	19.69	80.31	57204.32	18409.05	67.82	32.18
2010-11	80278.87	36283.00	54.80	45.20	5.19	3.15	39.31	60.69	27571.37	22094.71	19.86	80.14	52703.31	14185.14	73.08	26.92
2011-12	79330.24	44847.43	43.47	56.53	213.02	75.31	64.65	35.35	24129.71	20149.60	16.49	83.51	54987.51	24622.52	55.22	44.78
2012-13	79386.11	33193.65	58.19	41.81	747.25	635.83	14.91	85.09	28209.03	19616.34	30.46	69.54	50429.83	12941.49	74.34	25.66
2013-14	84352.04	42301.51	49.85	50.15	1591.39	1415.4	11.06	88.94	32512.48	23782.22	26.85	73.15	50248.17	17103.90	65.96	34.04
2014-15	103833.79	46778.54	54.95	45.05	778.71	658.45	15.44	84.56	37663.46	26667.85	29.19	70.81	65391.62	19452.24	70.25	29.75
Growth Rate	370.15	311.55	13.23	-12.47	329.30	295.73	86.70	-7.82	930.11	813.78	44.65	-11.29	258.35	134.89	28.62	-34.44

Source: Annual Report of RBI

From the above data analysis, it has been inferred that like other commercial banks foreign banks have concentrated on housing loans which constitute the major part of the retail credit. Unlike other banks, the recovery rate of foreign banks had registered negative proportion of -0.39 per cent during the financial year 2002-03.

It is inferred from the above-detailed discussion that the scheduled commercial banks operating in India have experienced a mixed reaction in retail loan recovery and outstanding managements. In short, it can be claimed that retail loan borrowers have not disappointed banks either in loan availing retail loans or its repayments, that is why they are comfortable in lending to those customers. Further, it has been concluded that the domestic private sector banks are considered as the market leaders in the retail loan market.

5.8 Movement of NPAs of Scheduled Commercial Banks in India

From elaborate data analysis presented in the above discussion it has been inferred that NPAs of Indian banks are high but, in a case of public sector bank are higher than private sector bank. In this case, it has been the primary concern for assessing the Movement of NPAs of the scheduled commercial banks operating in India. Gross NPA is an advance which is considered irrecoverable, for a bank has made requirements and which is still held in banks' books of account. Net NPA is obtained by deducting items like interest due but not recovered, part payment received and kept in suspense account from Gross NPA. This section has focused its discussion on the movement of NPAs of scheduled commercial banks in India from 2001-02 to 2010-15.

Table 5.34. Movement of Non-Performing Assets (NPAs) of State Bank of India and its Associates

(Amount in Rs. Crores)

Years	Gross NPA		Addition to NPA		Reduction in NPA		Net NPA	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	19735.90	100	5374.69	100	6231.48	100	8968.23	100
2002-03	16557.43	84	6815.74	127	7850.60	126	7494.41	84
2003-04	15988.31	81	6983.97	130	8202.57	132	5966.78	67
2004-05	15616.47	79	5603.49	104	5975.93	96	6362.85	71
2005-06	13288.63	67	5601.64	104	7915.66	127	6067.11	68
2006-07	12676.94	64	6264.53	117	6128.60	98	6359.30	71
2007-08	15486.14	78	9476.51	176	6675.41	107	8508.93	95
2008-09	18352.16	93	12878.85	240	9829.44	158	10744.57	120
2009-10	23532.46	119	15116.84	281	7980.34	128	12831.39	143
2010-11	30398.79	154	22712.21	423	11186.38	180	14790.59	165
2011-12	48214.60	244	34121.70	635	15280.80	245	20236.70	226
2012-13	62778.40	318	42541.90	792	21914.70	352	28100.90	313
2013-14	79816.90	404	59255.79	1102	28244.94	453	41815.10	466
2014-15	73508.45	372	45250.65	842	26987.06	433	37277.73	416
Mean	31853.68		19857.04		12171.71		15394.61	
SD	23842.01		18057.43		7841.72		12027.49	
CV	74.85		90.94		64.43		78.13	
CGR	14.29		21.96		11.97		15.68	

Source: Annual Report of RBI

The data presented in the above table 5.34 discusses the movement of Non-Performing Assets (NPAs) of state bank of India and its associate banks during the study period of 2001-02 to 2014-15.

Gross NPA

The above table infers that at the beginning of the financial year 2001-02 the gross NPA of SBI and its associate banks was registered at Rs.19735.90crores and it had massively increased to Rs.73508.45crores by the end of the year 2014-15. The gross NPA of SBI and its associate banks had registered 14.29 per cent growth rate between the years 2001-02 to 2014-15.

Addition to NPA

The above table clearly infers that in the financial year 2001-02 the amount in addition with NPA was accounted at Rs.5374.69 crores and it had increased to Rs.45250.65 crores by the end of the year 2014-15. The amount in addition with NPA had registered 21.96 per cent growth rate per annum.

Reduction in NPA

The data presented in the above table visibly indicates that the reduction in NPA of SBI and its associate banks had registered 11.97 per cent growth rate between the years 2001-02 to 2014-15. Followed by, it has been observed that the reduction in NPA of this sector was recorded at Rs.6231.48 crores in 2001-02 and it had drastically increased to Rs.26987.06 crores by the end of the study period 2014-15.

Net NPA

From the above empirical data analysis, it has been observed that at the fiscal year 2001-02 the net NPA of SBI group was accounted at Rs.8968.23 crores and it had constantly increased to Rs.37277.73 crores by the end of the study 2014-15. The net NPA of SBI and its associate banks had registered 15.68 per cent growth rate per annum.

Table 5.35. Movements of Non-Performing Assets (NPAs) of Nationalised Banks**(Amount in Rs. Crores)**

Years	Gross NPA		Addition to NPA		Reduction in NPA		Net NPA	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	36763.05	100	10293.60	100	7609.40	100	18432.22	100
2002-03	38315.00	104	11890.37	116	10448.99	137	16034.86	87
2003-04	35548.97	97	11148.95	108	12482.64	164	13368.02	73
2004-05	32782.90	89	10407.53	101	14516.29	191	10701.18	58
2005-06	28817.48	78	11138.79	108	15124.75	199	8493.43	46
2006-07	26291.44	72	13350.05	130	15875.79	209	8785.68	48
2007-08	25117.20	68	14617.08	142	15791.32	208	9327.53	51
2008-09	26803.69	73	18458.81	179	16441.33	216	10288.41	56
2009-10	34265.12	93	28218.40	274	18176.64	239	15407.23	84
2010-11	44222.95	120	35514.77	345	25974.25	341	21281.38	115
2011-12	69047.80	188	58686.80	570	32582.20	428	38925.40	211
2012-13	102227.40	278	77274.80	751	42925.80	564	61936.40	336
2013-14	147447.41	401	104290.08	1013	41664.16	548	88819.73	482
2014-15	204959.47	558	132610.86	1288	48691.39	640	122930.48	667
Mean	60900.71		38421.49		22736.07		31766.57	
SD	54208.57		39811.92		13339.16		35243.21	
CV	89.01		103.62		58.67		110.94	
CGR	12.82		23.20		13.91		17.33	

Source: Annual Report of RBI

The above table 5.35 discussed the movement of Non-Performing Assets (NPAs) of nationalised banks during the study period of 2001-02 to 2014-15.

Gross NPA

The data presented in the above table clearly indicates that at the beginning of the financial year 2001-02 the gross NPA of nationalised banks was observed at Rs.36763.05 crores and it had steadily increased to Rs.204959.47 crores by the end of the financial year 2014-15. The gross NPA of nationalised banks had registered 12.82 per cent growth rate per annum.

Addition to NPA

From the above data analysis, it has been observed that the amount in addition to NPA of nationalised banks was recorded at Rs.10293.60 crores and it has increased to Rs.132610.86 crores by the end of the study period 2014-15. The amount in addition to NPA of this sector has registered growth of 23.20 per cent per annum.

Reduction in NPA

It is evident from the data analysis that at the financial year 2001-02 the amount in the reduction to NPA of nationalised banks was accounted at Rs.7609.40 crores and it had massively increased to Rs.48691.39 crores by the end of the study period 2014-15. Followed by it has been observed that the amount of the reduction to NPA of this sector had registered 13.91 per cent growth rate between the years 2001-02 to 2014-15.

Net NPA

From the above data discussion, it was observed that at the beginning of the year 2001-02 the net NPA of nationalised banks was Rs.18432.22 crores and it had significantly increased to Rs.122930.48 crores by the closure of the year 2014-15. The Net NPA of nationalised banks was recorded as 17.33 per cent growth rate annum.

Table 5.36. Movements of Non-Performing Assets (NPAs) of Domestic Private Banks**(Amount in Rs. Crores)**

Years	Gross NPA		Addition to NPA		Reduction in NPA		Net NPA	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	11476.60	100	7880.29	100	2080.97	100	3566.91	100
2002-03	12055.58	105	6119.11	78	8830.80	424	4322.90	121
2003-04	10380.81	90	4730.89	60	6157.94	296	4177.92	117
2004-05	8706.04	76	3342.67	42	3485.08	167	4032.94	113
2005-06	7782.36	68	3576.61	45	4321.22	208	3161.31	89
2006-07	9255.32	81	5179.81	66	3158.55	152	4028.15	113
2007-08	12983.52	113	7662.34	97	3775.88	181	5645.93	158
2008-09	16983.71	148	12614.67	160	8088.61	389	7417.88	208
2009-10	17639.97	154	11651.38	148	6498.35	312	6505.06	182
2010-11	18240.58	159	8657.07	110	5418.54	260	4431.46	124
2011-12	18797.80	164	9874.20	125	7375.00	354	4401.10	123
2012-13	21070.80	184	12883.00	163	6378.50	307	5994.50	168
2013-14	24542.42	214	19380.34	246	9367.62	450	8861.54	248
2014-15	34106.23	297	26679.85	339	9982.36	480	14128.32	396
Mean	16001.55		10016.59		6065.67		5762.57	
SD	7263.94		6489.61		2475.78		2892.23	
CV	45.40		64.79		40.82		50.19	
CGR	9.24		12.23		6.97		7.53	

Source: Annual Report of RBI

The above table 5.36 discusses the movements of Non-Performing Assets (NPAs) of domestic private banks during the study period of 2001-02 to 2014-15.

Gross NPA

The data presented in the above table clearly indicated that at the beginning of the financial year 2001-02 the gross NPA of domestic private banks was accounted at Rs.11476.60 crores and it had gradually increased to Rs.34106.23 crores by the end of the financial year 2014-15. The gross NPA of domestic private banks had recorded growth of 9.24 per cent per annum.

Addition to NPA

From the above data analysis, it has been observed that the amount in addition to NPA of domestic private banks ,was recorded at Rs.7880.29 crores at 2001-02 and it had massively increased to Rs.26679.85 crores by the end of the study period 2014-15. The amount in addition to NPA of this sector had registered growth of 12.23 per cent between the years 2001-02 to 2014-15.

Reduction in NPA

The data presented above infers that at the financial year 2001-02 the amount in the reduction to NPA of domestic private banks accounted at Rs.2080.97 crores and it had steadily increased to Rs.9982.36 crores by the end of the study period 2014-15. The amount of the reduction to NPA of domestic private banks had recorded 6.97 per cent growth rate between the years 2001-02 to 2014-15.

Net NPA

From the above data discussion it has been observed that at the beginning of the financial year 2001-02 the net NPA of domestic private banks was accounted at Rs.3566.91 crores and it has significantly increased to Rs.14128.32 crores by the closure of the year 2014-15. The net NPA of domestic private banks has recorded 7.53 per cent growth rate per annum.

Table 5.37. Movements of Non-Performing Assets (NPAs) of Foreign Banks**(Amount in Rs. Crores)**

Years	Gross NPA		Addition to NPA		Reduction in NPA		Net NPA	
	Value	Index	Value	Index	Value	Index	Value	Index
2001-02	2726.45	100	1123.17	100	1439.55	100	849.51	100
2002-03	3595.36	132	1757.81	157	1155.51	80	867.35	102
2003-04	2893.66	106	1394.83	124	1322.42	92	903.21	106
2004-05	2191.96	80	1031.85	92	1489.33	103	639.07	75
2005-06	1927.31	71	1091.45	97	1355.45	94	807.56	95
2006-07	2262.75	83	1417.05	126	1081.89	75	926.97	109
2007-08	2856.67	105	2663.81	237	2041.61	142	1250.14	147
2008-09	6833.25	251	8429.84	751	4468.75	310	2973.30	350
2009-10	7180.53	263	9205.03	820	5513.13	383	2975.69	350
2010-11	5068.67	186	3527.37	314	5514.33	383	1312.46	154
2011-12	6268.90	230	4485.40	399	3270.10	227	1408.40	166
2012-13	7977.00	293	4144.20	369	2413.70	168	2662.80	313
2013-14	11565.02	424	6795.70	605	1856.54	129	3171.13	373
2014-15	10770.84	395	4097.14	365	2954.48	205	1756.65	207
Mean	5294.17		3654.62		2562.63		1607.45	
SD	3219.83		2761.94		1570.86		929.51	
CV	60.82		75.57		61.30		57.83	
CGR	13.19		15.21		8.75		10.58	

Source: Annual Report of RBI

The above table 5.37 illustrates the movement of Non-Performing Assets (NPAs) of foreign banks during the study period of 2001-02 to 2014-15.

Gross NPA

The above table clearly indicates that at the beginning of the financial year 2001-02 the gross NPA of foreign banks was registered at Rs.2726.45 crores and it had gradually increased to Rs.10770.84crores by the end of the year 2014-15. The gross NPA of foreign banks had registered 13.19 per cent growth rate between the years 2001-02 to 2014-15.

Addition to NPA

The above table clearly infers that at the financial year 2001-02 the amount in addition with NPA of foreign banks was accounted at Rs.1123.17 crores and it had increased to Rs.4097.14 crores by the end of the year 2014-15. The amount in addition with NPA of this sector had registered 15.21 per cent growth rate per annum.

Reduction in NPA

The data presented in the above table clearly indicates that the amount of the reduction to NPA of foreign banks had registered growth of 8.75 per cent between the years 2001-02 to 2014-15. Followed by, it has been observed that at the fiscal year the reduction in NPA of this sector was recorded at Rs.1439.55 crores and it had steadily increased to Rs.2954.48 crores by the end of the study period 2014-15.

Net NPA

From the above empirical data analysis, it has been observed that in the fiscal year 2001-02 the net NPA of foreign banks was accounted at Rs.849.51 crores and it had constantly increased to Rs.1756.65 crores by the end of the study 2014-15. The net NPA of foreign banks had registered 10.58 per cent growth rate between the years 2001-02 to 2014-15.

Net NPA shows the actual burden of banks. The study observed that the Net NPAs of all four categories of banks has drastically reduced over the 14 years of the study period. The additions of NPAs risen at the rate of 21.96 per cent per annum for SBI & its Associates. The growth rate of Nationalised banks was recorded at 23.20 per cent per annum 12.23 per cent in case of Domestic Private Sector Banks and 15.21 per cent for Foreign Banks. The study observed that all banks both public and private sector managed to reduce and retain its NPAs in par with the loan distribution: SBI & Associated banks at 15.68 per cent per annum, Nationalised banks at slight lower rate of 17.33 per cent per annum domestic private sector banks at 7.53 per cent and foreign banks at 10.58 per cent per annum. The study finally declares that the NPAs of the scheduled commercial banks were far lower than the NPAs caused by the industrial sectors.

5.9 Total Deposit vs. Retail Loan Lending Proportions

Retail credit ensures that the business is widely dispersed among a large customer base distinct in the case of corporate lending, where the risk may be concentrated on a selected few plans. The ability of a bank to direct a large portfolio of retail credit products depends upon such factors like; strong credit assessment capability, sound documentation, strong possessing capability, regular constant follow- up, skilled human resource, technological support. These factors encourage the banks to extend more of retail credit out of its total deposits accumulated.

Table 5.38. Total Advance of SBI & its Associate Banks

(Amount in Rs. Crores)

Years	Total Advance		Total Personal Loans		Proportion of Total Personal Loans to Total Advances
	Value	Index	Value	Index	
2001-02	164589.42	100	26972.87	100	16.39
2002-03	189203.86	115	43264.73	160	22.87
2003-04	220515.80	134	52302.45	194	23.72
2004-05	284753.97	173	81298.03	301	28.55
2005-06	371679.33	226	107105.60	397	28.82
2006-07	482269.67	293	126994.81	471	26.33
2007-08	593722.37	361	148710.38	551	25.05
2008-09	739449.88	449	186410.99	691	25.21
2009-10	857936.82	521	236066.83	875	27.52
2010-11	994153.64	604	289642.73	1074	29.13
2011-12	1151991.28	700	333947.92	1238	28.99
2012-13	1379224.01	838	380562.38	1411	27.59
2013-14	1564477.73	951	433355.02	1607	27.70
2014-15	1674016.55	1017	481027.40	1783	28.73
Mean	761998.88		209118.72		-
SD	521631.42		151741.63		-
CV	68.46		72.56		-
CGR	20.95		23.93		-

Source: Annual Report of RBI

The above table 5.38 clearly indicates that the total advances offered by SBI and associate banks in form of retail loan have registered growth 20.95 per cent between the years 2001-02 to 2014-15. Followed by it has been inferred that the total advances of this sector were Rs.164589.42 crores and it had drastically increased to Rs.1674016.55 crores by the end of the year 2014-15. Further, it has been inferred that in the financial year 2001-02 the SBI and its associate banks have distributed 16.39 per cent of its total advances for personal loans and this proportion had increased to 28.73 per cent by the end of the study period 2014-15.

Table 5.39. Total Advance of Nationalised Banks

(Amount in Rs. Crores)

Years	Total Advance		Total Personal Loans		Proportion of Total Personal Loans to Total Advances
	Value	Index	Value	Index	
2001-02	316091.14	100	43524.57	100	13.77
2002-03	354837.30	112	56943.27	131	16.05
2003-04	412223.92	130	82016.45	188	19.90
2004-05	569460.74	180	102972.55	237	18.08
2005-06	734608.38	232	142987.00	329	19.46
2006-07	957876.81	303	173930.36	400	18.16
2007-08	1203678.40	381	180669.80	415	15.01
2008-09	1519761.86	481	216064.35	496	14.22
2009-10	1843081.86	583	241963.54	556	13.13
2010-11	2310279.27	731	322159.97	740	13.94
2011-12	2725316.21	862	345585.79	794	12.68
2012-13	3093620.68	979	366682.93	842	11.85
2013-14	3536658.98	1119	432463.58	994	12.23
2014-15	3802233.03	1203	518088.16	1190	13.63
Mean	1669980.61		230432.31		-
SD	1227541.33		146959.47		-
CV	73.51		63.78		-
CGR	23.12		19.67		-

Source: Annual Report of RBI

From the above data analysis, it has been clearly inferred that at the beginning of the financial year 2001-02 the total advances of Nationalised banks was Rs.316091.14 crores and it had constantly increased to Rs.3802233.03 crores by the end of the study period 2014-15. The total advances lend by the Nationalised banks had recorded significant growth of 23.12 per cent between the fourteen years study period. Similarly, it has been inferred that in the financial year 2001-02 the nationalised banks have lend 13.77 per cent of its total advances for personal loans and this proportion had reduced to 13.63 per cent by the end of the study period 2014-15.

Table 5.40. Total Advance of Domestic Private Banks

(Amount in Rs. Crores)

Years	Total Advance		Total Personal Loans		Proportion of Total Personal Loans to Total Advances
	Value	Index	Value	Index	
2001-02	116430.13	100	9999.99	100	8.59
2002-03	137710.48	118	16564.22	166	12.03
2003-04	170895.51	147	61811.98	618	36.17
2004-05	221303.30	190	94379.11	944	42.65
2005-06	312961.78	269	130979.43	1310	41.85
2006-07	414751.28	356	193978.65	1940	46.77
2007-08	518402.42	445	247442.47	2474	47.73
2008-09	575327.60	494	271439.31	2714	47.18
2009-10	632440.94	543	232818.34	2328	36.81
2010-11	797543.98	685	278035.18	2780	34.86
2011-12	966402.95	830	304885.21	3049	31.55
2012-13	1143248.58	982	386966.10	3870	33.85
2013-14	1342934.62	1153	463645.50	4636	34.52
2014-15	1584314.42	1361	593127.94	5931	37.44
Mean	638190.57		234719.53		-
SD	469772.60		169265.58		-
CV	73.61		72.11		-
CGR	22.53		29.85		-

Source: Annual Report of RBI

From the above empirical data analysis, it has been observed that at the fiscal year 2001-02 the total advances of domestic private banks was accounted at Rs.116430.13 crores and it had massively increased to Rs.1584314.42 crores by the closing of the financial year 2014-15. Further, it has been inferred that the total advances of domestic private banks had registered 22.53 per cent growth rate per annum. It has been also observed that in the financial year 2001-02 domestic private banks had distributed 8.59 per cent of its total advances for personal loans in 2001-02 and this proportion had significantly increased to 37.44 per cent by the end of the financial year 2014-15.

Table 5.41. Total Advance of Foreign Banks

(Amount in Rs. Crores)

Years	Total Advance		Total Personal Loans		Proportion of Total Personal Loans to Total Advances
	Value	Index	Value	Index	
2001-02	48632.39	100	22085.45	100	45.41
2002-03	52170.90	107	29438.86	133	56.43
2003-04	60507.46	124	41235.62	187	68.15
2004-05	75318.25	155	59034.26	267	78.38
2005-06	97561.93	201	74504.68	337	76.37
2006-07	126338.57	260	81198.09	368	64.27
2007-08	161132.85	331	97495.17	441	60.51
2008-09	165384.56	340	103742.71	470	62.73
2009-10	163260.38	336	77229.50	350	47.30
2010-11	195510.64	402	80278.87	363	41.06
2011-12	229848.75	473	79330.24	359	34.51
2012-13	263679.98	542	79386.11	359	30.11
2013-14	291141.88	599	84352.04	382	28.97
2014-15	327614.77	674	103833.79	470	31.69
Mean	161293.09		72367.53		-
SD	91286.12		25621.80		-
CV	56.60		35.41		-
CGR	16.38		9.18		-

Source: Annual Report of RBI

It is evident from the above table 5.41 that the credit distribution of foreign banks the credit distributions of foreign banks had recorded 16.38 per cent growth rate between the years 2001-02 to 2014-15. Subsequently, it has been observed that the total advances of this sector were accounted at Rs.48632.39 crores at 2001-02 and it had gradually increased to Rs.327614.77 crores by the end of the financial year 2014-15. Further, it has been inferred that in the financial year 2001-02 foreign banks have lend 45.41 per cent of its total advances for personal loans in 2001-02 and this proportion had decreased to 31.69 per cent by the end of the study period 2014-15.

5.10 Results of Hypotheses Testing

The future of banking will definitely despite on risk management dynamics. Only those banks that have efficient risk management system will survive as long run in the market. The operative management of credit risk is a critical component of comprehensive risk management important for long-term success of a banking institution. Credit risk is the oldest and biggest risk that bank, by a quality of the nature of business, inherits. This has, however, acquired a greater significance in the recent past for various reasons. Primary among them is the wind of economic liberalization that is blowing across the globe. India is no exception to this strike towards the market driven economy. Competition from within and outside the bank groups has intensified that focus on reduction of rising NPAs.

H₀₁: There exists no uniformity in the growth of retail loan lending trend among various categories of Commercial Banks operating in India.

H₁₁: There exists uniformity in the growth of retail loan lending trend among various categories of Commercial Banks operating in India.

Table 5.42. Growth of Retail Loan Lending Trend Among Various Categories of Commercial Banks Operating in India

(Values in Rupees Crores)

Variables	Mean	SD
SBI & its Associate Banks	209118.72	151741.63
Nationalised Banks	230432.31	146959.47
Private Sector Banks	234719.53	169265.58
Foreign Banks	72367.53	25621.80

Level of significance: 5 per cent

The study observed that the retail loan lent by the domestic private sector banks were highest, which stood at the average of Rs. 234719.53 crores and it was lowest in the case of foreign Banks recorded at the average of Rs.72367.53 crores for a period of 14 years i.e., 2001-02 to 2014-15.

Table 5.43. Results of Paired ‘t’ Test - Growth of Retail Loan Lending Trend Among Various Categories of Commercial Banks Operating in India

Variables	SBI & its Associate Banks			Nationalised Banks			Private Sector Banks			Foreign Banks		
	SBI Vs NB	SBI Vs Private	SBI Vs Foreign	NB Vs SBI	NB Vs Private	NB Vs Foreign	Private Vs SBI	Private Vs NB	Private Vs Foreign	Foreign Vs SBI	Foreign Vs NB	Foreign Vs Private
MD	21313.6	25600.8	136751.2	21313.6	4287.2	158064.8	25600.81	4287.2	162352.0	136751.2	158064.8	162352.0
SDD	16732.4	46934.1	135962.6	16732.4	40905.2	130004.1	46934.1	40905.2	149757.1	135962.6	130004.1	149757.1
R	.994	.963	.668	.994	.976	.711	.963	.976	.793	.668	.711	.793
t	4.766	2.041	3.763	4.766	.392	4.549	2.041	.392	4.056	3.763	4.549	4.056
DF	13	13	13	13	13	13	13	13	13	13	13	13
Table Value	22.362	22.362	22.362	22.362	22.362	22.362	22.362	22.362	22.362	22.362	22.362	22.362

Level of significance: 5 per cent (Note: MD-Mean Differences, SDD-Standard Deviation Differences)

From the above table 5.43 it has been inferred that the calculated ‘t’ values are less than the table value 22.362 at 5 per cent level of significance. Therefore the null hypothesis framed stands accepted and it has been concluded that there exists no uniformity in the growth of retail loan lending trend among various categories of commercial banks operating in India. It is evident from the above table that the retail loan lending trend of nationalised and domestic private banks are higher in comparison to SBI and its associate’s banks. There are twenty one nationalised banks functioning in India, similarly, there are twenty domestic private sector banks (13 old private and 7 new private sector banks) are currently in operation. So it is very obvious that the loans offered by the twenty banks are greater than the six SBI and Its associates. Similarly, though there 42 foreign banks operating in India, majority of the banks focus it services towards their corporate clients than on local retail consumers, thus the value and volume of retail loan offered by the foreign banks are far lesser than that of SBI & Its Associates.

H₀₂: Public sector banks exhibits no higher efficiency in retail loan lending under various categories (Housing, Consumers Durable and Other Personal Loans) in comparison to the private sector and foreign banks.

H₁₂: Public sector banks exhibits higher efficiency in retail loan lending under various categories (Housing, Consumers Durable and Other Personal Loans) in comparison to the private sector and foreign banks.

Table 5.44. Efficiency of Public and Private Sector Banks in Retail Loan Lending

(Values in Rupees Crores)

Variables	Public Sector Banks		Private Sector Banks	
	Mean	SD	Mean	SD
Total Personal Loans	439551.03	298270.41	307087.06	190229.97
Consumer Durable Loans	4398.31	1671.05	3539.08	2192.35
Housing Loan	233040.71	163525.35	105650.89	70372.04
Rest of the Personal Loans	202112.07	134432.83	197897.16	118765.28

Level of significance: 5 per cent

From above presented descriptive data analysis it has been inferred that the public sector banks have been lending more of personal loans in all categories in comparison to their counterparts' domestic private sector banks. The averages of the 14 years analysis revealed that the total loan lent in the personal loan segment valued Rs.439551.03 crores for public sector banks and in the same category the private sector lending was average to Rs.307087.06 crores between the periods of 2001-02 to 2014-15. The competitive position of the banks stood at Rs.4398.31 crores for public sector banks and Rs.3539.08 crores in case of domestic private sector banks, in the category of consumers durable loan lending. In the case of home loan lending the 14-year averages of the public sector banks was recorded at Rs.233040.71 crores and Rs.105650.89 crores for domestic private sector banks. Similarly, the rest of personal loan recorded a difference of Rs.4214.91 crores in the favour of public sector banks.

From the detailed descriptive analysis of the data, it has been clearly inferred that the performance of the domestic private sector banks registered a massive growth from 2003-04 to 2007-08, that in turn supported in its growth and sustainability of its retail loan market and it also helps the bank in retaining its competitive position.

Table 5.45. Results of Paired 't' Test - Efficiency of Public and Private Sector Banks in Retail Loan Lending

Variables	Total Personal Loans (Public Vs Private)	Consumer Durable Loans (Public Vs Private)	Housing Loan (Public Vs Private)	Rest of the Personal Loans (Public Vs Private)
MD	132463.97	859.23	127389.82	4214.91
SDD	128669.32	1359.06	97245.76	48987.67
R	.957	.785	.966	.933
T	3.852	2.366	4.901	.322
DF	13	13	13	13
Table Value	22.362	22.362	22.362	22.362

Level of significance: 5 per cent (Note: MD-Mean Differences, SDD-Standard Deviation Differences)

From the above table 5.45 it has been inferred that the calculated ‘t’ values are less than the table value 22.362 at 5 per cent level of significance. Therefore the alternate hypothesis framed stands accepted and it has been concluded that public sector banks exhibit higher efficiency in retail loan lending under various categories (housing and consumers durable other personal loans) in comparison to the private sector and foreign banks.

H₀₃: Public sector banks do not have the higher retail loan outstanding in comparison to the private sector and foreign banks.

H₁₃: Public sector banks have the higher retail loan outstanding in comparison to the private sector and foreign banks.

Table 5.46. Comparison of Loan Outstanding of Public and Private Sector Banks

(Values in Rupees Crores)

Variables	Public Sector Banks		Private Sector Banks	
	Mean	SD	Mean	SD
Total Personal Loans	342762.85	222625.76	177255.07	103940.48
Consumer Durable Loans	3402.61	1307.97	2541.07	1637.07
Housing Loan	189467.20	126492.41	85146.34	54331.54
Rest of the Personal Loans	149893.12	95738.33	89567.74	48858.34

Level of significance: 5 per cent

As in a case of lending the overall outstanding i.e., NPAs of Public sector banks were comparatively more than that of the private sector banks. The study observed that the NPAs of the public sector banks were Rs.165507.78 crores more in a case of a total personal loan outstanding than that of public sector banks. Similarly, it was observed that public sector banks outstanding were recorded as high of Rs.861.54 crores, Rs.104320.86 crores and Rs.60325.38 crores in three sub-division of the personal loan categories.

Table 5.47. Results of Paired ‘t’ Test - Comparison of Loan Outstanding of Public and Private Sector Banks

Variables	Total Personal Loans (Public Vs Private)	Consumer Durable Loans (Public Vs Private)	Housing Loan (Public Vs Private)	Rest of the Personal Loans (Public Vs Private)
MD	165507.78	861.54	104320.86	60325.38
SDD	129339.58	1131.37	75989.41	55011.63
R	.943	.726	.959	.911
T	4.788	2.849	5.137	4.103
DF	13	13	13	13
Table Value	22.362	22.362	22.362	22.362

Level of significance: 5 per cent (Note: MD-Mean Differences, SDD-Standard Deviation Differences)

From the above table 5.47 it has been inferred that the calculated ‘t’ values are less than the table value 22.362 at 5 per cent level of significance. Therefore the alternate hypothesis framed stands accepted and it has been concluded that public sector banks have higher retail loan outstanding housing and consumers durable other personal loans) in comparison to the private sector and foreign banks.

H₀₄: Private sector and foreign banks does not exhibit higher efficiency in retail loan recovery in comparison to public sector banks.

H₁₄: Private sector and foreign banks exhibit higher efficiency in retail loan recovery in comparison to public sector banks.

Table 5.48. Comparison of Loan Recovery of Public and Private Sector Banks

(Values in Rupees Crores)

Variables	Public Sector Banks		Private Sector Banks	
	Mean	SD	Mean	SD
Total Personal Loans	96788.19	76048.65	129831.99	88682.15
Consumer Durable Loans	995.70	389.69	998.01	678.06
Housing Loan	43573.51	37386.61	20504.55	16393.18
Rest of the Personal Loans	52218.96	38879.90	108329.43	72457.27

Level of significance: 5 per cent

The study observed that the public sector banks registered more efficient in recovery of housing loan, which was Rs.23068.96 crores more than that of loan recovered by the domestic private sector banks during the study period 2001-02 to 2014-15. On the contrary, the domestic private sector banks recorded efficiency in recovery of loan both in consumer durable (Rs.2.31 crores).and rest of the personal (Rs.56110.47 crores) segments. The total personal loan recovery by this category of bank was Rs.33043.80 crores more than that of public sector banks.

Table 5.49. Results of Paired ‘t’ Test - Comparison of Loan Recovery of Public and Private Sector Banks

Variables	Total Personal Loans (Public Vs Private)	Consumer Durable Loans (Public Vs Private)	Housing Loan (Public Vs Private)	Rest of the Personal Loans (Public Vs Private)
MD	33043.80	2.31	23068.97	56110.47
SDD	30929.03	487.87	21619.43	40737.80
R	.941	.707	.978	.906
T	3.997	.018	3.993	5.154
DF	13	13	13	13
Table Value	22.362	22.362	22.362	22.362

Level of significance: 5 per cent (Note: MD-Mean Differences, SDD-Standard Deviation Differences)

From the above table 5.49 it has been inferred that the calculated ‘t’ values are less than the table value 22.362 at 5 per cent level of significance. Therefore the alternate hypothesis framed stands accepted and it has been concluded that private sector and foreign banks exhibit higher efficiency in retail loan recovery (housing and consumers durable other personal loans) in comparison to public sector banks. It has been also found that the private sector banks are highly efficient in lending and recovery of housing and other personal loans like jewel loan, credit card loans, vehicle loans etc., but the private sector banks have shown poor performance in processing consumer durable loans.

H₀₅: Public sector banks are not observed to be least efficient in reduction of its retail credit NPAs in comparison to the private sector and foreign banks.

H₁₅: Public sector banks are observed to be least efficient in reduction of its retail credit NPAs in comparison to the private sector and foreign banks.

Table 5.50. Efficiency of Public and Private Sector Banks in Reduction of its Retail Credit NPAs

(Values in Rupees Crores)

Variables	Public Sector Banks		Private Sector Banks	
	Mean	SD	Mean	SD
Consumer Durable Loans	2.67	1.68	3.49	1.84
Housing Loan	107.82	6.77	89.18	17.03
Rest of the Personal Loans	89.51	5.63	107.33	16.28

Level of significance: 5 per cent

A replica loan outstanding status was registered by the both category of banks in restricting in the rise of NPAs. The study observed that the public sector banks were least efficient in reduction of housing loan NPAs, which was Rs.23068.96 crores more than that of Rs.89.18 crores of the domestic private sector banks during the study period 2001-02 to 2014-15. On the contrary, the domestic private sector banks recorded the least efficiency in a reduction of its loan NPAs both in consumer durable (Rs.3.49 crores).and rest of the personal(Rs.107.33 crores) segments. The total personal loan NPAs of this category of a bank was high at Rs.3.49 crores more than that of public sector banks.

Table 5.51. Results of Paired ‘t’ Test - Efficiency of Public and Private Sector Banks in Reduction of its Retail Credit NPAs

Variables	Consumer Durable Loans (Public Vs Private)	Housing Loan (Public Vs Private)	Rest of the Personal Loans (Public Vs Private)
MD	.82	18.63	17.82
SDD	1.86	13.25	13.72
R	.441	.695	.591
T	1.643	5.263	4.858
DF	13	13	13
Table Value	22.362	22.362	22.362

Level of significance: 5 per cent (Note: MD-Mean Differences, SDD-Standard Deviation Differences)

From the above table 5.51 it has been inferred that the calculated ‘t’ values are less than the table value 22.362 at 5 per cent level of significance. Therefore the alternate hypothesis framed stands accepted and it has been concluded that public sector banks are observed to be the least efficiency in a reduction of its retail credit NPAs in comparison to the private sector and foreign banks.

5.11 Measure of Inter-Bank Performances with the Support of Pearson’s Correlation Co-efficient

Banks are the credit creators. NPAs created due to improper lending adversely affect the profitability, liquidity, and solvency. While the importance of NPAs management of banking institutions is widely recognised, the literature lacks a comprehensive measure that can be used to measure the extent of NPAs management efficiency of banks. Pearson’s correlation co-efficient matrix has been performed to measure and explicitly reveal the influences of various parameters that influence the rise of NPAs and its impact on other operational parameters.

Table 5.52. Results of Pearson’s Correlation Co-efficient Retail Credit Lending Practices Among Banks

Variables	Retail Credit Limit			
	SBI & its Associates	Nationalised Banks	Domestic Private Banks	Foreign Banks
Gross NPA	0.918	0.835	0.907	0.514
Addition to NPA	0.941	0.926	0.882	0.544
Reduction in NPA	0.907	0.959	0.597	0.471
Net NPA	0.922	0.846	0.835	0.532

Level of Significance: 5 per cent (Sig 2-tailed)

The data presented in the above table 5.52 infers that there exists a positive correlation between the intra-inter variables tested. The study observed that the Gross NPA (0.918) and the Net NPA (0.922) was high in SBI & its Associates. The Gross NPA (0.514) and the Net NPA (0.532) was low in foreign banks. In case of addition to NPA

(0.941) was high in SBI & its Associates and was low (0.544) in foreign banks. Finally, the Reduction in NPA (0.959) was high in nationalised banks and was low (0.471) in foreign banks. The study concluded that NPAs has impact on the credit outstanding and its recovery practices by the banks by it are not as severe as in case of domestic public and private sector banks. The study also concluded that NPAs rise is directly associated with the credit outstanding and its recovery practices by the banks.

5.12 Conclusion

The sound financial health of a bank is the guarantee not only to its depositors but is equally significant from the loan borrowers' participation i.e., in terms of loan borrowing and its timely repayment. At the beginning of the fiscal year 2001-02 the credit lending capacity of SBI and its associate banks in the form of personal loans accounted at Rs.26972.87 crores and the ratio had significantly increased to Rs.481027.40 crores by the end of the study period 2014-15. During the same period, the credit lending of nationalised banks in the form of personal loans was recorded at Rs.43524.57 crores and it had massively increased to Rs.518088.16 crores by the closing year 2014-15. The total personal domestic private banks have lend Rs.9999.99 crores in 2001-02 and this quotient had drastically increased to Rs.593127.94 crores by the end of the fiscal year 2014-15. The credit lending of foreign banks in terms of personal loans was observed at Rs.22085.45 crores in 2001-02 and it had steadily increased to Rs.103833.79 crores by the end of the financial year 2014-15. The study observed that the over the years the all four categories of banks have reduced consumer durable loans and rest of other personal loans, on the contrary, housing finance by this category of banks have increased during the study period. The reduction in loan lending to the retail sector has greatly supported the banks in reduction its loan outstanding i.e., NPAs margins.

Further, the study observed that the loan recovery efficiency of the both public sector banks have declined in case of consumer durable loans and rest of other personal loans, whereas these banks recovery status of housing loan have improved during the study period 2001-02 to 2014-15. On the contrary, the study depicted that retail loan recovery of the private sector banks and foreign banks have dipped in a case of rest of

other personal loans in comparison to consumer durable loans and housing loans. These banks have focused more on credit lending and vehicle loans, could be the primary reason for an increase in the loan outstanding or sluggishness in loan recovery added to the economic crisis and rising inflation rates. The study has observed gross NPAs, Addition and reduction, recovery and net NPAs of SBI & Its Associate banks and foreign banks have reduced in 2013-14 compared to 2014-15. On the other hand, all these NPAs parameters have registered growth in case of nationalised banks and domestic private sector banks.