PREFACE

The Indian banking system has a vital role in the growth of our economy and so its growth, efficiency, soundness and profitability are very important. It has passed through several phases including nationalisation and many banking sector reforms. Financial sector reforms initiated in India during 1990’s created competitive environment in the banking sector. With the emergence of new generation banks and foreign banks with customer friendly approach, many customers of public sector banks and old private sector banks have shifted to the new entrants in the field. The old commercial banks thus realised the need for having a customer centric approach in rendering services. One of the important sources of income for banks is lending and hence its management is essential. A proportionate and sensible balance between safety of funds and profitability must be ensured by an ideal management of credit.

The present study is intended to analyse and compare the retail finance practices of old commercial banks and new generation banks. The retail lending practices, monitoring mechanism of retail loans and cost of retail loans are studied in detail. The study also makes a comparison of the satisfaction level of customers of old commercial banks and new generation banks.