

THE GROWTH TRENDS OF INDIA'S BANKING SECTOR: FINANCIAL INCLUSION, TECHNOLOGICAL AND THE SECTORAL DEVELOPMENTS

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Abstract

The banking sector is one of the most important financial pillars of the financial sector and is critical to the operation of the economy. We used secondary data from the Reserve Bank of India to accomplish the study's objectives of examining the growth trends of India's banking industry, financial inclusion, technological breakthroughs, and sectoral developments in the primary, secondary, and service sectors. The growth rate of total liabilities and assets was 172.6 percent, deposits were 177.4 percent, borrowings were 118.1 percent, net loans and advances grew at a rate of 153.6 percent, and investment rates increased by 181.6 percent. The capital adequacy related to the capital-to-risk-weighted asset ratio ranged from 13.02 to 13.8 percent. Bank sectoral development showed that the growth rates of agriculture were 200.9 percent, industry was 100.7 percent, and the service sector was 204.8 percent, and all three sectors had positive coefficients of correlation. The total number of debit cards increased by 293.9 percent, from 2280 to 8982 lakhs, while the total number of ATMs and CRMs increased by 220.2 percent, from 7450500 to 23858800. By offering loans with reasonable terms and paying for dependable remittance services and other services, the Indian banking system gives its citizens financial security. It also encourages them to save money and invest it in a variety of financial instruments, such as long-term bonds and government securities.

Keywords: Balance Sheet, Financial Inclusion, Asset Quality, Capital Adequacy.

Introduction

One of the main forces behind the Indian economy's expansion has been the banking industry. The banking sector is one of the most important financial pillars of the financial sector and is critical to the operation of the economy. The whole financial system depends on the banking sector. By offering infrastructure and investment finance, it has an impact on the nation's economy. The foundation of the world economy is the banking sector. Any nation's economic development and growth are greatly influenced by its banking industry. By offering loans with reasonable terms and paying for dependable remittance services and other services, the Indian banking system gives its citizens financial security. It also encourages them to save money and invest it in a variety of financial instruments, such as long-term bonds and government securities. Accordingly, Anu Alex and Dr. Priyanka Bobade (2020) analyse the impact of COVID-19 on the Indian banking industry. The COVID-19 pandemic has significantly impacted the economy. With the assistance of experts, the Reserve Bank of India, the country's top bank, made the required adjustments to its policy to deal with the COVID-19 pandemic. People are finding it difficult to make ends meet, so the Reserve Bank of India decided to give customers a break on their EMI payments by extending the time they have to make them. The goal of the research paper is to examine the policy changes that the RBI made in response to COVID-19, as well as the overall effects of COVID-19 on the Indian banking industry. According to the study, many steps have been taken to improve the Indian banking system as a result of the COVID-19 pandemic to make it more efficient and streamlined.

The majority of Indian banks were struggling with NPAs, non-loan recovery, and client fraud. Megha D. Shetty, S. Bhat (2022): An Analysis of the Development of Rural Banking in India Purpose: Rural banking in India has been crucial to advancing technology and achieving economic balance. The primary goal of rural banking is to give the rural population simple access to financial services. This paper's major objective is to shed light on RRBs and their role in India's banking system and economy. According to the survey, both the number of branches and their performance have increased. Expanding and financing individuals in rural areas is now more effective. The new amalgamation systems have simplified the process of maintaining and growing banks.

Sustainability and Ethical Banking: A Case Study of Punjab National Bank, Amrish Dogra, and Manu Dogra (2019) Ethical banking is a business strategy that responds to developing approaches to a sustainable economy based on the concepts of corporate social responsibility in the banking and finance industry. According to the study's empirical findings, the gross NPAs of Punjab National Bank will be equal to INR 84140.46 crores, or 9.56% of its average loans and advances, if the trend continues. The non-performing assets of PNB were predicted by the study using a multiple linear regression equation. The regulatory agencies can further analyse the bank's financial soundness following the scam with the aid of the predicted NPA figure. The goal of this critical research is to encourage a deeper investigation of PNB's financials while giving proper regard to transactions that weren't reported but were nonetheless affected by the scam. Dhrubaranjan Dandapat, Susmita Chatterjee, and Bhaskar Bagchi (2018) Case Studies of Selected Banks in Banking the Indian banking sector was founded in the seventeenth century and has since seen a variety of transformations.

In India, the underlying banks were essentially connected only for financing activities as brokers' banks. Green banking initiatives: a qualitative study on the Indian banking industry, Meenakshi Sharma and Akanksha Choubey, 2022 All sectors of industry are increasingly concerned about the environment. The study is qualitative in nature and consists of 36 middle- to senior-level managers from twelve public and private Indian banks who participated in semi-structured, in-depth interviews. By increasing the availability of finance and meeting the needs of a green economy, the banking sector may play a significant role in greening the banking system. The study's findings showed that 63% of all respondents believed their bank developed several green banking products and services, 53% of bankers believed their bank integrated green internal processes into daily operations, and 78% of respondents believed their bank engaged in numerous green CSR initiatives. This investigation also reveals that more than 60% of respondents said green banking activities helped to rebuild customer trust by enhancing the green brand's reputation. Total liabilities and assets increased by 172.6 percent over the decade, from Rs. 7183400 crores in 2010-11 to Rs. 19578895 crores in 2020-21.

The deposits during this period were Rs. 5615900 to Rs. 15580325 crores, with 177.4 percent growth. The borrowings in the decades were from Rs. 675500 to Rs. 1473450 crores, with a growth rate of 118.1 percent. The growth rates of net loans and advances were 153.6 percent, the investment rates were 181.6 percent, and the total consolidated international claims increased from Rs. 246400 crores to Rs. 613794 crores with a growth rate of 149.1 percent in the 2010-11 to 2020-21 periods. There is a positive correlation coefficient for all the items on the balance sheet, which are: 0.9976 for total liabilities and assets, 0.9939 for deposits; 0.8381 for borrowings, 0.9911 for net loans and advances; 0.9811 for investments; and 0.7779 for the total consolidated international claims. That the net profits changed from Rs. 70300 crores in 2010-11 to Rs. 121998 crores in 2020-21, or 73.5 percent. The return on assets was negative in 2017-18 and 2018-19, and it was the lowest in 2019-20. The changes in the return in the 2013-15 and 2015-17 periods are consistent.

The negative return trend is also found in the return on equity, with the lowest return on equity of 0.8 in 2019-20. The net interest margin was almost constant from the 2010-11 to the 2020-21 periods. Over the analysed periods, the trend line of net profits of profitability shows a negative coefficient of -5820 and a very low positive correlation coefficient of 0-1506. That over the last two decades, capital adequacy, as measured by the capital-to-risk-weighted-asset ratio, has increased from 13.02 to 13.8 from 2010-11 to 2017-18 and has remained nearly stable. The capital-to-risk-weighted-assets ratio remained nearly constant from 2018-19 to 2019-20, with minor adjustments made for the 2020-21 period. Tier I capital increased by 22.9 percentage points over the decades, rising from 70.6 percent in 2010-11 to 86.8 percent in 2020-21. The 2010-11 CRAR tier I increased from 10% to 14.1 percent in 2020-21. From 2010-11 to 2015-16, the CRAR tier I was almost constant at 10%, but there was a slight increase after the periods.

In the periods from 2010-11 to 2020-21, the asset quality of the banks in India, showed that the gross NPAs changed from Rs. 97900 crores to Rs. 835138 crores, with a decadal growth rate of 753.1 percent. The net NPAs changed from Rs. 41700 to Rs. 258050, with a 518.8 percent growth rate.

In the gross NPAs ratio and the net NPAs ratio, the lowest were found at 2.5 percent and 1.1 percent in 2010–11, and the highest were at 11.2 percent and 6 percent in 2017–18. Similarly, the provision coverage ratio is lowest at 41.9 percent in 2015–16 and highest at 67.4 percent in 2020–21. The slippage ratio was lowest in 2010–11 with 2.03 percent and the highest in 2015–16 with 6.3 percent. The asset quality of gross and net NPAs is 9963 for gross NPAs and 34197 for net NPAs, with the growth rate of these two being the same. There is a very high positive correlation coefficient for the gross NPAs at 0.8504 and the net NPAs at 0.5208, respectively.

The sectoral development of bank credit between 2010-11 and 2020-21 revealed that gross bank credit increased by 190.1 percent from Rs. 36,674 crores to Rs. 10,648 crores, and bank credit to agriculture increased by 200.9 percent from Rs. 460,300 to Rs. 138,815 crores. The bank credit to industry changed from Rs. 1620800 to Rs. 3253636 crores with a growth rate of 100.7 percent, the bank credit to the service sector went from Rs. 900800 to Rs. 2745324 crores with a growth rate of 204.8 percent; and the personal loans from banks increased from Rs. 685400 to Rs. 2986457 crores with a growth rate of 335.7 percent. The trend line of bank credit to agriculture, industry, and service sectors had coefficients of 95950 for agriculture, 202089 for service, and 162282 for industry, with credit to industry having the most instances and agriculture having the fewest. The coefficient of correlation was positive for all sectors, with rates of 0.981, 0.9493, and 0.9245, respectively.

The total number of credit cards, total number of debit cards, total number of ATMs, and total number of CRM cards, of which the total number of credit cards increased from 180 lakhs to 620 lakhs with a 244.4 percent increase from 2010-11 to 2020-21, The total number of debit cards changed from 2280 to 8982 lakhs during the same year with 293.9 percent growth, and the total number of ATMs and CRMs changed from 7450500 to 23858800 during the same period with 220.2 percent growth rates. The trend line of the technological advancement in the growth of the total number of credit cards and debit cards during the periods 2010–11 to 2020–21 It reveals that the growth rates for the issue of credit cards were 766.38 and 46.082 for the issue of debit cards. There is a very high positive correlation coefficient between the total number of credit and debit cards over the analysed period. Customer service from banks as the number of complaints received against banks increased from 7663800 to 34174700 with a 346 percent growth rate from 2010-11 to 2020-21. Similarly, the total number of complaints addressed during these periods ranged from 7202100 to 37139500, with a growth rate of 416 percent, respectively. The total percentage of complaints addressed by the banks during these periods was above 90 percent. The credit-deposit ratio of banks changed from 76.5 percent to 69.4 percent between 2010-11 and 2020-21, with the lowest credit-deposit ratio in the 2020-21 periods and the highest at 79.1 percent in the 2012-13 period.

The number of new branches opened during this period ranged from 531400 to 308900, with a growth rate of -41.9 percent, and the number of banking outlets in villages was increased from 11620800 to 124807900, with the highest growth rate of 974 percent. The banking sector is one of the most important financial pillars of the financial sector and is critical to the operation of the economy. The whole financial system depends on the banking sector. By offering infrastructure and investment finance, it has an impact on the nation's economy.

Objectives

To examine the growth trends of India's Banking Sector after the to analyze the financial inclusion, technological and the sectoral Developments through the banking.

Methodology

In order to achieve the study's goals of examining the growth trends of India's banking industry, financial inclusion, technical advancements, and sectoral developments in the primary, secondary, and service sectors, we employed secondary data.

The Reserve Bank of India provided information on the balance sheet operation of banking, profitability of the banks, capital adequacy, asset quality, sectoral development of bank lending, technical development, customer services, and financial inclusion. The information was gathered between the years 2010–2011 and 2020–2021, respectively. The estimation was done using the trend line, simple growth, and least squares approaches.

Results and Discussion

The growth of banking sectors, balance sheet operation of banking, profitability of the banks, capital adequacy, asset quality, sectoral development of bank lending, technical development, customer services, and financial inclusion are examined in detail in the tables.

Table 1
Balance Sheet Operations of Banking

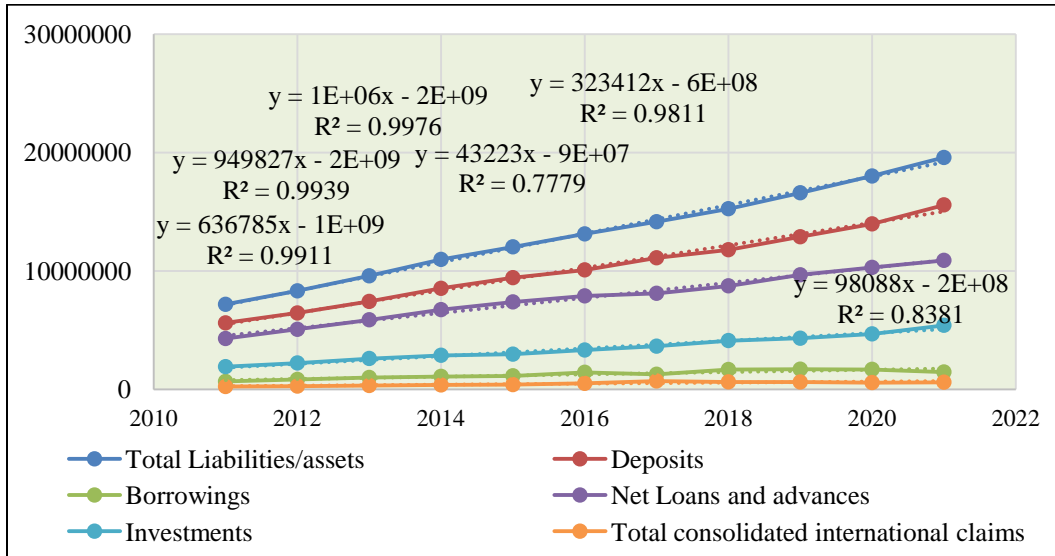
Year	Total Liabilities/assets	Deposits	Borrowings	Net Loans and advances	Investments	Off-balance sheet exposure (as percentage of on-balance sheet liabilities)	Total consolidated international claims
2010-11	7183400	5615900	675500	4297500	1923600	192.6	246400
2011-12	8320900	6453500	843800	5073600	2233900	175.4	280900
2012-13	9589952	7429677	1010385	5879773	2613051	138.3	331215
2013-14	10975930	8533170	1101300	6735230	2883260	122	377690
2014-15	12036992	9433838	1149900	7388179	2977592	126.4	405300
2015-16	13129300	10092700	1448800	7896500	3327800	111	511300
2016-17	14158000	11113900	1280700	8116200	3652200	107	716800
2017-18	15255033	11794005	1682309	8745997	4126237	113.5	638094
2018-19	16601045	12886643	1709670	9676183	4322464	122.8	629621
2019-20	18014425	13975045	1696120	10301897	4689842	125.6	578412
2020-21	19578895	15580325	1473450	10896381	5416159	118.8	613794

Source: RBI

The total liabilities/assets changed from Rs. 7183400 crores in the 2010–11 period to Rs. 19578895 crores in the 2020–21 period, representing a decadal growth rate of 172.6 percent. Table 1 depicts the balance sheet operation, which is from the total liabilities/assets to the total consolidated international claims. The deposits increased by 177.3 percent over this time, from Rs. 5615900 to Rs. 15580325 crores. The borrowings ranged from Rs. 675500 to Rs. 1473450 crores during the course of the decades, growing at a rate of 118.1 percent. Net loans and advances increased at a pace of 153.6 percent, investments increased at a rate of 181.6 percent, and total consolidated international claims increased by 149.5 percent from 2010–11 to 2020–21.

Figure 1

Trend Line of Balance Sheet Items



Source: Primary Data.

The trend line for balance sheet items such as total liabilities, deposits, borrowings, net loans and advances, investments, and total consolidated international claims is shown in Figure 1. The growth coefficients for the items are 1E+06 for total liabilities/assets, deposits, 98088 for borrowings, 636785 for net loans and advances, 323412 for investments, and 43223 for total consolidated international claims. All of the elements on the balance sheet have positive correlation coefficients: total liabilities/assets, 0.9976; deposits, 0.9939; borrowings, 0.8381; net loans and advances, 0.9911; investments, 0.9811; and total aggregate international claims, 0.7779.

Table 2

Profitability of the Banking Sectors

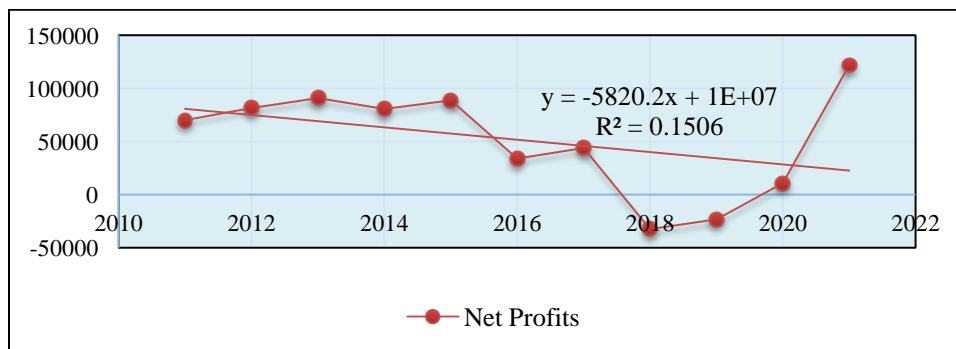
Year	Net profit	Return on Asset (RoA) (Per cent)	Return on Equity (RoE) (Per cent)	Net Interest Margin (NIM) (Per cent)
2010-11	70300	1.10	14.96	2.9
2011-12	81700	1.08	14.6	2.9
2012-13	91165	1.0	13.8	2.6
2013-14	80910	0.8	10.7	2.7
2014-15	89078	0.8	10.4	2.6
2015-16	34100	0.4	3.6	2.6
2016-17	43900	0.4	4.2	2.5
2017-18	-32438	-0.15	-2.81	2.5
2018-19	-23397	-0.09	-1.9	2.7
2019-20	10911	0.15	0.8	2.8
2020-21	121998	0.7	7.7	2.9

Source: RBI.

In Table 2, which highlights profitability from net profits to net interest margin, it is shown that net profits increased by 73.5 percent from Rs. 70300 crores in 2010–11 to Rs. 121998 crores in 2020–21. In the years 2017–18 and 2018–19, the return on assets was negative, and the year 2019–20 saw the lowest return. The return differences between 2013 and 2015, as well as 2015 and 2017, are constant. Return on equity exhibits a downward trend as well, with 2019–20 showing the lowest return on equity at 0.8. From 2010–11 to 2020–21, the net interest margin was essentially steady.

Figure 2

Trend Line of the Profitability – Net Profits



Source: RBI.

Figure 2 depicts the trend line of profitability's net profits, with a very low positive correlation coefficient of 0.1506 and a negative correlation coefficient of -5820 during the investigated time periods.

Table 3

Capital Adequacy Related to Banks

Year	Capital to risk weighted assets ratio (CRAR) @	Tier I capital (as percentage of total capital) @	CRAR (tier I) (Per cent) @
2010-11	13.02	70.6	10.0
2011-12	12.9	72.8	10.4
2012-13	13.9	74.1	10.3
2013-14	13	77.5	10.1
2014-15	13	79.7	10.3
2015-16	13.3	81.2	10.8
2016-17	13.6	82.1	11.2
2017-18	13.8	84.3	11.7
2018-19	14.3	85.5	12.2
2019-20	14.8	85.5	12.6
2020-21	16.3	86.8	14.1

Source: RBI - @: Figures are as per the Basel III framework.

Table 3 demonstrates that the capital adequacy throughout the previous decades, as measured by the capital to risk-weighted assets ratio, has been nearly consistent between 2010–11 and 2017–18, ranging from 13.02 to 13.8. The capital to risk-weighted assets ratio essentially remained unchanged from 2018–19 to 2019–20, with some modifications beginning in the 2020–21 year. Tier I capital climbed by 22.9 percentage points over the course of the decade, rising from 70.6% in 2010–11 to 86.8% in 2020–21. The 2020–21 CRAR Tier I ranged from 10% to 14.1% in 2010–11. From 2010–11 to 2015–16, the CRAR tier I practically remained at 10%; however, there was a slight increase following those two years.

Table 4
Asset Quality of the Banking Sector

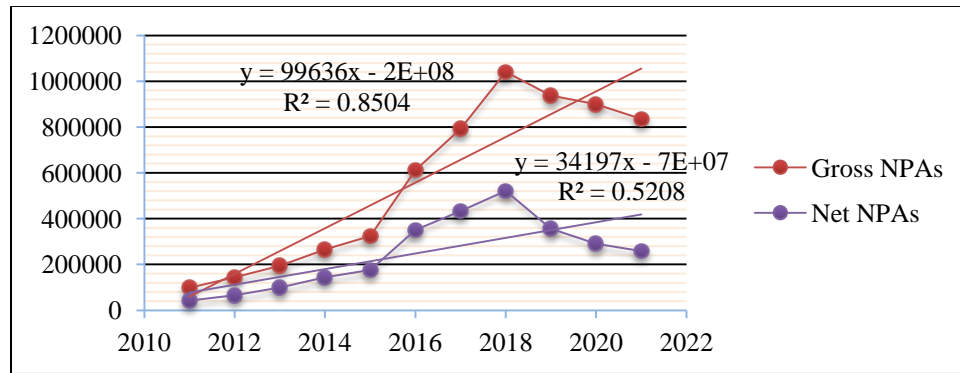
Year	Gross NPAs	Net NPAs	Gross NPA ratio (Gross NPAs as percentage of gross advances)	Net NPA ratio (Net NPAs as percentage of net advances)	Provision Coverage Ratio (Per cent)	Slippage ratio (Per cent)
2010-11	97900	41700	2.5	1.1	55.1	2.03
2011-12	142900	65200	3.1	1.3	51.9	2.5
2012-13	194100	98700	3.2	1.7	47.6	2.8
2013-14	264400	142600	3.8	2.1	44.7	3.3
2014-15	323300	175400	4.3	2.4	44	3.2
2015-16	611900	349800	7.5	4.4	41.9	6.3
2016-17	791800	433100	9.3	5.3	43.5	5.7
2017-18	1039679	520838	11.2	6.0	48.3	7.6
2018-19	936474	355068	9.1	3.7	60.5	4.0
2019-20	899803	289370	8.2	2.8	66.2	3.8
2020-21	835138	258050	7.3	2.4	67.4	2.8

Source: RBI.

Table 4 demonstrates that the asset quality of Indian banks altered between 2010–11 and 2020–21; gross nonperforming assets increased from Rs. 97900 crores to Rs. 835138 crores with a decadal growth rate of 753.1 percent. The net NPAs increased by 518.8 percentage points, from Rs. 41700 to Rs. 258050. The lowest gross and net NPA ratios were 2.5 percent and 1.1 percent, respectively, in 2010–2011, and 11.2 percent and 6 percent, respectively, in 2017–2018. Similar to this, the provision coverage ratio ranges from 41.9 percent in 2015–16 to 67.4 percent in 2020–21. The slippage ratio was 2.03 percent at its lowest point in 2010–11 and 6.3 percent at its greatest point in 2015–16.

Figure 3

Trend Line of Asset Quality – Gross & Net NPAs



Source: RBI.

Gross NPAs have a coefficient of 9963, and net NPAs have a coefficient of 34197, which represents the growth rate of these two. Figure 3 depicts the asset quality of gross and net NPAs. The gross and net NPAs have extremely high positive correlation coefficients, 0.8504 and 0.5208, respectively.

Table 5

Sectoral Development of Bank Credit

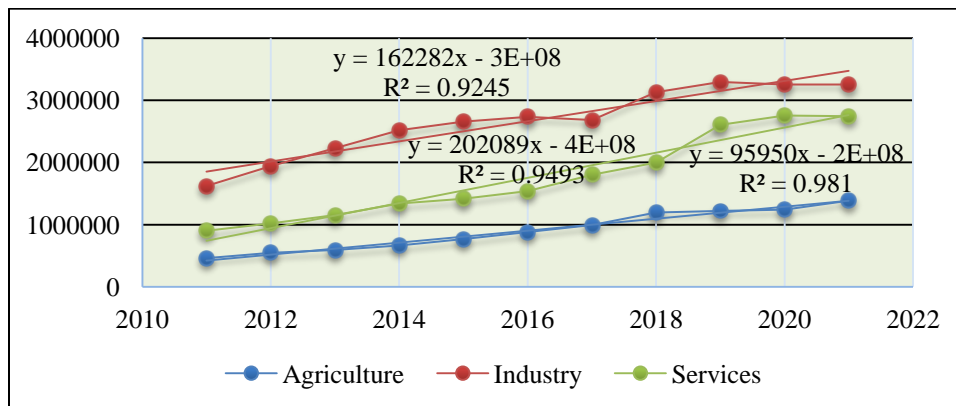
Year	Gross Bank Credit	Agriculture	Industry	Services	Personal Loans
2010-11	3667400	460300	1620800	900800	685400
2011-12	4379300	547700	1940800	1018800	790000
2012-13	4964177	589914	2230179	1151866	897584
2013-14	5620820	665980	2516480	1337450	1009690
2014-15	6102300	765900	2657600	1413100	1166300
2015-16	6650000	882900	2730700	1541100	1392200
2016-17	7134700	992400	2680000	1802200	1620000
2017-18	8399196	1193400	3129512	1998817	1942501
2018-19	9526932	1217594	3293638	2602287	2304313
2019-20	10098420	1239575	3252801	2754823	2659249
2020-21	10640808	1384815	3253636	2745324	2986457

Source: RBI

Table 5 shows the sectoral development of bank credit during the 2010-11 period to 2020-21 periods, the gross bank credit increased from Rs. 3667400 crores to Rs. 10640808 crores with the growth rate of 190.1 percent and the bank credit to agriculture were 200.9 percent of the Rs. 460300 to Rs. 1384815 crores. The bank credit to industry changed from Rs. 1620800 to Rs. 3253636 crores with the growth rate of 100.7 percent, the bank credit to service sector were Rs. 900800 to Rs. 2745324 crores with 204.8 percent and the personal loans from banks increased from Rs. 685400 to Rs. 2986457 crores with the growth rate of 335.7 percent.

Figure 4

Trend Line of the Sectoral Development - Agriculture, Industry and Services



Source: RBI

The sectoral development of bank credit to the agriculture, industry, and service sectors is depicted by a trend line in Figure 4. The coefficients for these three sectors were 95950 for agriculture, 202089 for services, and 162282 for industry, with industry receiving the most and agriculture receiving the least. All three sectors had positive coefficients of correlation, with rates of 0.981, 0.9493, and 0.9245, respectively.

Table 6

Technological Development – Credit and Debit Cards

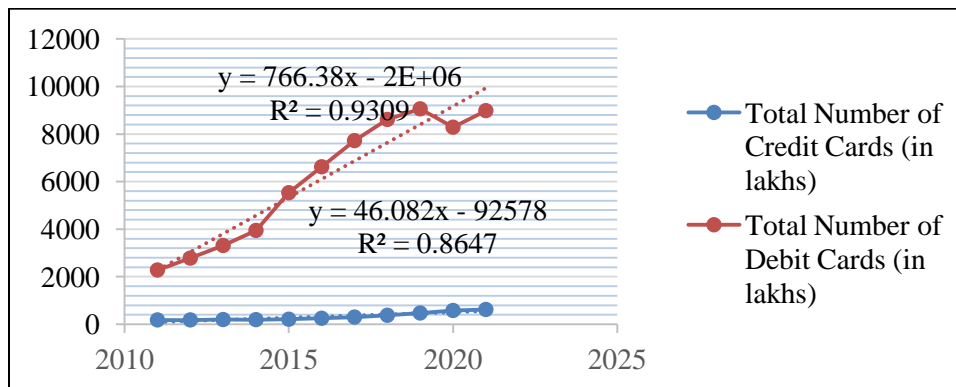
Year	Total number of credit cards (in lakhs)	Total number of debit cards (in lakhs)	Number of ATMs and CRMs
2010-11	180	2280	7450500
2011-12	180	2780	9568600
2012-13	196	3310	11401400
2013-14	192	3944	16175000
2014-15	210	5530	18927900
2015-16	250	6620	19895200
2016-17	300	7720	20835400
2017-18	375	8611	20705200
2018-19	471	9058	20219600
2019-20	577	8286	21076000
2020-21	620	8982	23858800

Source: RBI.

Table 6 displays technical advancements such as the total number of credit cards, debit cards, ATM cards, and CRM cards. The total number of credit cards went from 180 lakh to 620 lakh during the years 2010–11 and 2020–21, representing a 244.4 percent gain. In the same year, the total number of debit cards increased by 293.9 percent, from 2280 to 8982 lakhs, and the total number of ATMs and CRMs increased by 220.2 percent, from 7450500 to 23858800.

Figure 5

Trend Line of the Total number of Credit Cards and Debit Cards



Source: RBI

Figure 5 depicts the growth of the total number of credit and debit cards from 2010–2011 to 2020–21 along a technological trend line. According to the data, the growth rate for credit card issuance was 766.38 percent and 46.082 percent for debit card issuance. The total number of credit cards and debit cards across the analysis period had a very strong positive association coefficient.

Table 7

Customer Services – Complaints Received & Addressed

Year	Total number of complaints received against banks during the year	Total number of complaints addressed	Percentage of complaints addressed
2010-11	7663800	7202100	93.98
2011-12	7288900	7288500	99.99
2012-13	7054100	6970400	92.70
2013-14	7657300	7874500	95.90
2014-15	8513100	8466000	95.90
2015-16	10289400	10115300	95.00
2016-17	13098700	12534500	92.00
2017-18	16359000	17480500	96.50
2018-19	18473000	18260200	89.10
2019-20	30670400	30559200	92.90
2020-21	34174700	37139500	97.40

Source: RBI.

Table 7 looks at customer service from the perspective of banks. From 2010–11 to 2020–21, complaints received against banks climbed from 7663800 to 34174700, a 346 percent increase in complaints. The total number of complaints handled throughout these times ranged from 7202100 to 37139500, representing a growth rate of 416 percent in each case. The banks handled more than 90% of the complaints received during these times.

Table 8

Financial Inclusion – Bank Branches and Outlets

Year	Credit-deposit ratio (Per cent)	Number of new bank branches opened	Number of banking outlets in villages (Total)
2010-11	76.5	531400	11620800
2011-12	78.6	740100	18137300
2012-13	79.1	775700	26845400
2013-14	78.9	1131500	38380400
2014-15	78.3	859800	55371300
2015-16	78.2	698600	58630700
2016-17	73	483000	59809300
2017-18	74.2	393800	56954700
2018-19	75.1	451600	59715500
2019-20	73.7	433400	59921700
2020-21	69.4	308900	124807900 [^]

Source: RBI, ^: Significant increase in numbers is due to reclassification done by banks.

The financial inclusion of the banks was highlighted in Table 8 for the time periods 2010–11 to 2020–21, which demonstrates that the credit–deposit ratio changed from 76.5 percent to 69.4 percent, with the lowest ratio occurring in 2020–21 and the greatest at 79.1 percent in the 2012–13 period. With a growth rate of -41.9 percent, 531400 to 308900 new branches were opened during this time, while the number of banking locations in villages increased from 11620800 to 124807900, with the highest growth rate of 974 percent.

Conclusion

The banking sector is one of the most important financial pillars of the financial sector and is critical to the operation of the economy. Total liabilities and assets grew at rates of 172.6 percent, 177.4 percent, 118.1 percent for borrowings, 153.6 percent for net loans and advances, 181.6 percent, and 149.1 percent for total consolidated international claims, respectively. that the net profits changed from Rs. 70300 crores in 2010–11 to Rs. 121998 crores in 2020–21, or 73.5 percent. Capital adequacy has increased from 13.02 to 13.8 in 2010–11 to 2017–18 and is nearly stable over the last two decades, as measured by the capital to risk-weighted assets ratio. Tier I capital increased from 70.6 percent in 2010–11 to 86.8 percent in 2020–21, a 22.9 percent increase over the decades, a 753.1 percent gross NPA growth rate, and a 518.8 percent net NPA growth rate. In 2015–16, the provision coverage ratio was 41.9 percent, rising to 67.4 percent in 2020–21. There is a very high positive correlation coefficient for the gross NPAs at 0.8504 and the net NPAs at 0.5208.

The sectoral development of bank credit was as follows: gross bank credit increased by 190.1 percent, bank credit to agriculture increased by 200.9 percent, credit to industry increased by 100.7 percent, the service sector increased by 204.8 percent, and personal loans increased by 335.7 percent. The coefficient of correlation was positive for all sectors, with rates of 0.981, 0.9493, and 0.9245, respectively. The total number of credit cards increased by 244.4 percent, debit cards by 293.9 percent, and ATMs and CRMs increased by 220.2 percent during the same period, rising from 745050 to 23858800. The number of complaints received increased from 7663800 to 34174700 with a 346 percent growth rate, and the number of complaints addressed increased from 7202100 to 37139500 with a 416 percent growth rate, respectively. With the financial inclusion of the banks, the credit-deposit ratio changed from 76.5 percent to 69.4 percent. The number of new branches fell by 41.9 percent, while the number of village banking outlets increased by 974 percent.

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