

# Analysis of Deposits and Credit Pattern of Schedule Commercial Banks in India

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## ABSTRACT

India is world second largest populated country in world after china. People from state need huge resources to live the life. It is also 6th largest economy of the world. Circulation of money in market and in the pockets of citizens is very important. If they get good money then only it is possible to lubricate the market in good speed. Bank is the main centre of collection and distributes the fund in market in India. 1.30 billion People get its best from banks. Schedule commercial Bank is working in mega network. Source of earning in India are farming, jobs, business etc. Government in between bring Jan Dhan Yojana by which they have open remaining accounts. This study is to analyses the Deposits and Credit pattern of Schedule Commercial Banks in India. Last eight years considered for analysis. This is comparative study.

## 1. Introduction

Indian Bank system consist of 27 public sector Banks, 21 Private Banks, 49 foreign Banks, 56 regional Banks, 1562 urban cooperative Banks. It is Fourth largest retails credit market. In India Banks involve the financial institution that takes public deposits and extends credit to those who need it. Banks are a considerable part of the financial system. It helps in the overall economic development. Banks are broadly classified as scheduled and non-scheduled banks in India regulated under the Banking Regulation Act, 1949. Scheduled banks include all the commercial banks like nationalized, foreign, development, cooperative and regional rural banks. Non-scheduled banks are the banks that do not stick to the rule set by the Reserve Bank of India. In this study we will analyses the pattern of Bank Deposits and Credits in various aspects.

## 2. Problem Statement

This is analytical study. Researcher has used secondary data for this research study. Data from RBI has used. This study has done to know the trends of deposits made by Account Holder. How credit of banks distributed area wise? Maturity period trends of fixed deposits in Schedule Commercial Banks are going to analyzed in this study.

## 3. Objectives

- To study the Deposits and Credits of Schedule Commercial banks
- To know the pattern of Deposits and Credits population wise, maturity wise and amount wise

## 4. Latest development in Banking Industry

Between December 2016 and March 2017, a major drive was undertaken to boost use of debit cards, resulting in an increase in the number of Point of Sale (PoS) terminals by an additional 1.25 million by 2017 end from 1.52 million as on November 30, 2016. The number of total bank accounts opened under Pradhan Mantri Jan Dhan Yojana (PMJDY) reached 333.8 million as on November 28, 2018. In connection to improve infrastructure in villages, 204,000 Point of Sale (PoS) terminals have been sanctioned from the Financial Inclusion Fund by National Bank for Agriculture & Rural Development (NABARD).

## 5. Data Analysis

Schedule Commercial Banks Maturity Pattern of Term Deposits- Short Term  
(Table No. 1)

Amount in Crore and Account in Thousands

Year	Up to 90 Days		91 Days and above but less than 6 Months		6 Months and above but less than 1 Year		1 Year and above but less than 2 Years	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
2011	2788	232483	3555	286335	7025	342079	48695	1328836
2012	2845	296641	4001	282524	5837	407770	68333	1743887
2013	2511	347233	2783	245431	15076	685547	63049	1768480
2014	3895	364909	2436	284586	17710	734703	70947	1897060
2015	3848	427722	2364	234647	19243	719993	86013	2310133
2016	3916	435318	2406	240635	21361	555536	101871	2628106
2017	4698	447000	4526	271332	33583	840158	101841	2542656
2018	4860	425420	4791	306336	28168	805586	99751	2944947

(Source: RBI Hand Book retrieved from <https://www.rbi.org.in>)

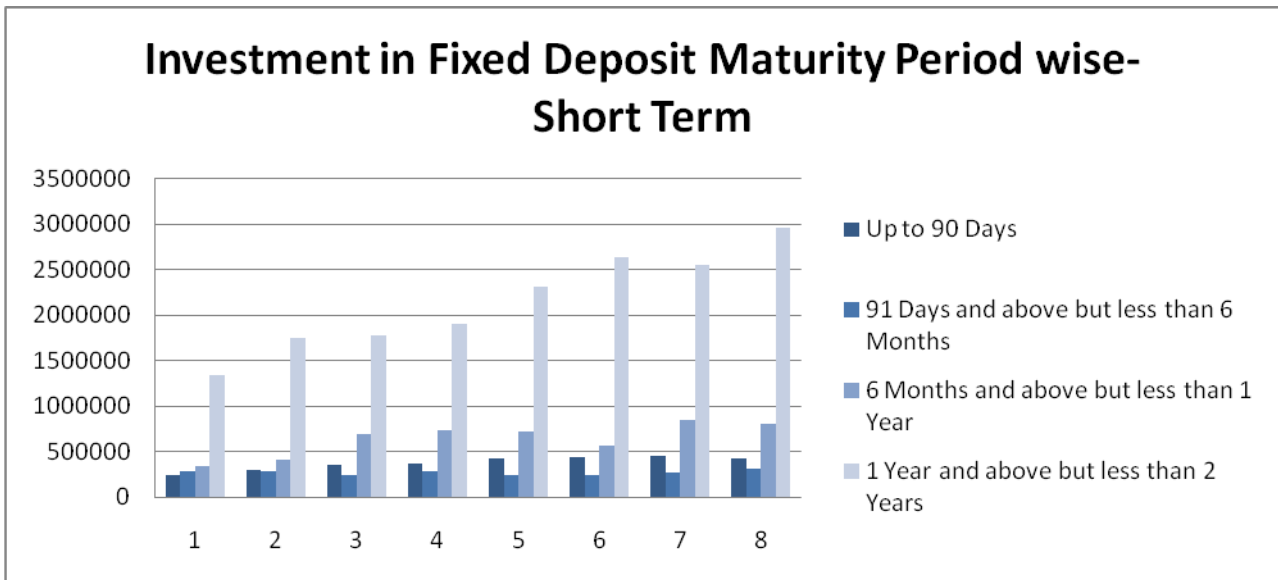


Fig. No. 1 Investment in Fixed Deposit Maturity Period wise (Amount in Crore)

In the above mentioned table and graphs Deposits made by Account holder of Schedule Commercial Bank has shown. These Deposits are short term deposits as far as maturity part is concern. Major four maturity part is shown for deposit. Various options from six months to 2 years are given in this

option. Since eight years data has shown from 2011 to 2018. Deposits from 6 months from 1 years is flexible. There is a increasing trends of deposits period of 1 year to 2 year. Account and Amount both has increased. It shows demands of product in market.

Schedule Commercial Banks Maturity Pattern of Term Deposits- Long Term (Table No. 2)

Amount in Crore and Account in Thousands

Year	2 Years and above but less than 3 Years		3 Years and above but less than 5 Years		5 Years and above	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
2011	26187	416226	29904	359395	28817	287859
2012	20974	357462	27939	378328	34259	353366
2013	27710	513457	31016	477794	38119	437217
2014	24955	477826	29352	604101	51294	773620
2015	27556	574156	29381	653719	48587	791137
2016	28572	643551	30758	718420	49695	847659
2017	29834	681929	28790	562909	52342	945980
2018	24676	613013	25532	497587	51207	1000865

(Source: RBI Hand Book retrieved from <https://www.rbi.org.in>)

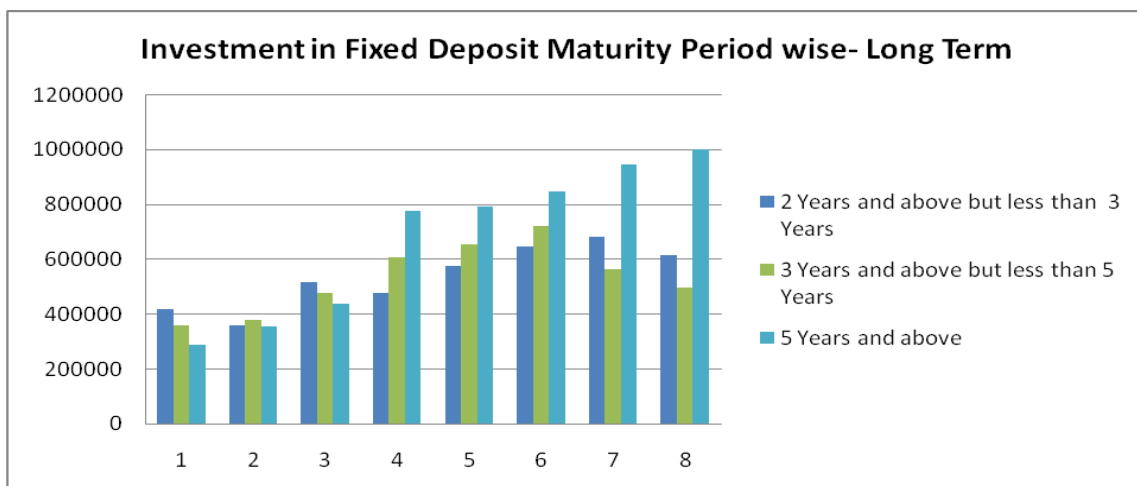


Fig. No. 2 Investment in Fixed Deposit Maturity Period wise – Long Term (Amount in Crore)

In the above mentioned table and graphs long term maturity periods for deposits has shown. Three type are available 5 years deposits is highest duration for deposits.

There is zigzag in 3 years to 5 years deposits. Increasing trends for 5 year of investment tenure. People are thinking of future perspective.

Schedule Commercial Banks Population wise Deposits  
(Table No. 3)

Amount in Crore and Account in Thousands

Year	Deposits							
	Rural		Semi Urban		Urban		Metropolitan	
	No. of Accounts	Amount Outstanding	No. of Accounts	Amount Outstanding	No. of Accounts	Amount Outstanding	No. of Accounts	Amount Outstanding
2011	250254	493266	212043	716831	168037	1110513	179796	3068941
2012	283072	573186	239951	842545	180626	1272592	199551	3389921
2013	335347	669889	283990	979194	203091	1497013	222677	3866525
2014	406624	787151	340522	1141077	231521	1714010	248043	4313483
2015	493970	915676	404661	1317251	266228	1964901	275033	4724283
2016	576171	1008941	470711	1477212	297715	2150576	301519	4962802
2017	604231	1121967	540511	1730689	317462	2248918	364448	5628455
2018	642225	1209786	568454	1851369	327038	2437498	373787	5935798

(Source: RBI Hand Book retrieved from <https://www.rbi.org.in>)

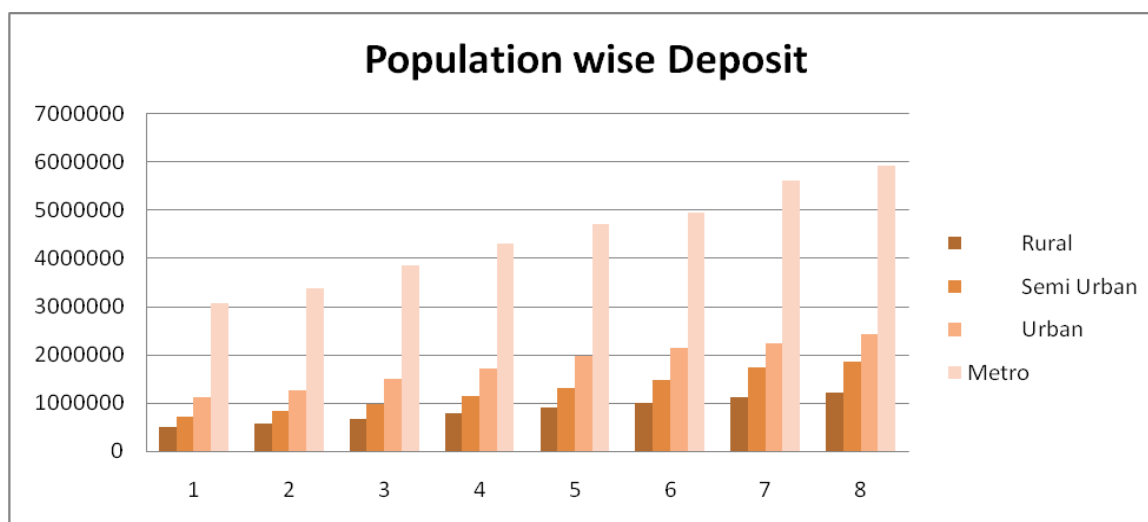


Fig. No. 3 Population wise Deposit

(Amount in Crore)

In the above mentioned table and figure population wise deposit are shown. India live in various territory. It has divided an above mentioned type. All population prefers to deposit in

bank. The trend is increasing to all variety. Metro people even having various avenues for investment they have interest in investing in Banks through deposit.

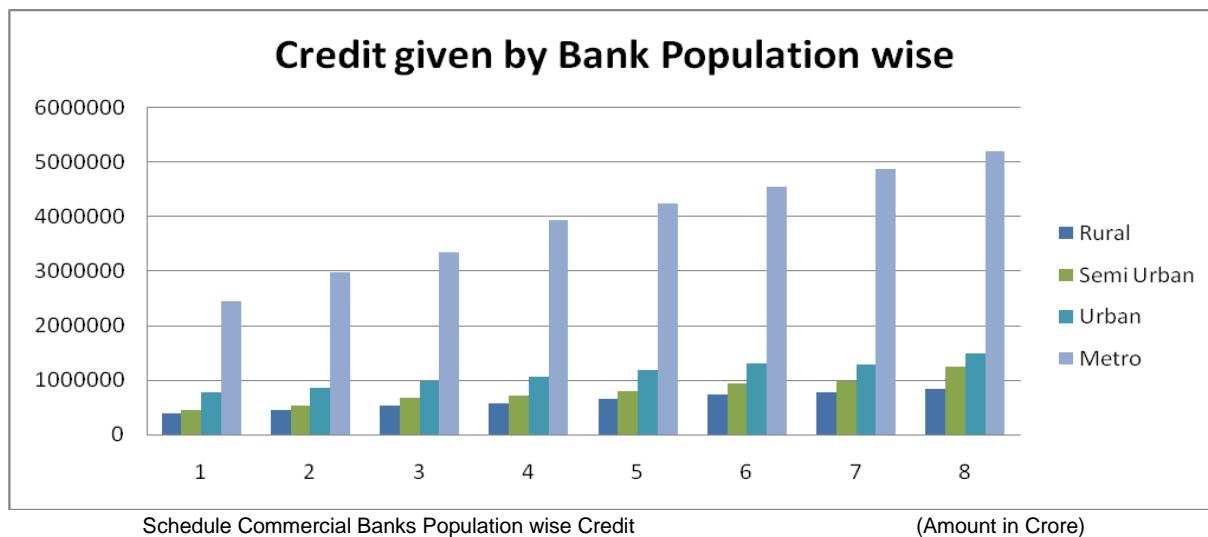
Schedule Commercial Banks Population wise Credit  
(Table No. 4)

Amount in Crore and Account in Thousands

Credit							
Rural		Semi Urban		Urban		Metropolitan	
No. of Accounts	Amount Outstanding	No. of Accounts	Amount Outstanding	No. of Accounts	Amount Outstanding	No. of Accounts	Amount Outstanding
40018	392449	28772	451987	16896	779516	35038	2451694
41749	442212	31292	528289	17740	854868	40099	2977898
45703	523971	34621	675653	20924	987761	27038	3337932
48343	566705	39094	717764	25379	1061470	25934	3936144
52777	655361	39526	796609	23777	1179094	28160	4247408
57297	735783	44832	936328	28014	1296576	32231	4553957

58864	774024	47019	975665	28795	1287293	37706	4880887
59197	837817	53245	1239397	37204	1493146	47330	5196612

(Source: RBI Hand Book retrieved from <https://www.rbi.org.in>)



In above table and graphs population wise credit has shown. Bank has product in the form of loan to account holder. Bank gets interest on credit and they run the bank. It is actual source of income for the bank. As we observed deposits trend and loan trend is also similar. Metro people are taking good amount of loan from bank. Bank offer loan for Housing, Personal, Car and many more. The deposit made by customer is used to distribute to customer. As deposits goes high there is chance to get scope for loan availability.

**6. Observations**

- Even having various options for investment from capital market to money market customer still prefer to invest in Bank.
- Fixed Deposit is major product for any bank. Deposits amount, maturity and population change but there is huge demand for fixed deposit

- Security is major aspect of concern to customer hence investor going for deposits in Banks.
- Government Banks are considered safer than private banks, all population is have believe on banking system.
- Other investment options are just for income and risk taking people. Customer who want stability for life they prefer banks.
- Banks should secure all interest of customer. Loan distribution system must be more accurate.
- Bank need to work on NPA to return deposits of customer. There are few banks in cooperative sector face problems of liquidity.

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