

Impact Factor - 6.261

ISSN - 2348-7143

INTERNATIONAL RESEARCH FELLOWS ASSOCIATION

# RESEARCH JOURNEY

INTERNATIONAL E-RESEARCH JOURNAL

PEER REFREED & INDEXED JOURNAL

January - 2019

SPECIAL ISSUE- 87 (B)

## Indian Financial Sector : Challenges and Prospects



### Guest Editor :

**Dr. K. K. Deshmukh**

Principal,

S.N. Arts, D.J. Malpani Commerce &

B.N. Sarada Science College, Sangamner,

Tal. Sangamner, Dist. Ahmednagar (MS) India.

### Chief Editor :

**Dr. Dhanraj T. Dhangar**

Yeola, Dist. Nashik (MS) India.

### Executive Editor :

**Dr. N. S. Sabale**

**Dr. G. K. Sanap**

**Prof. B. N. Shingade**

**Dr. K. D. Jadhav**

**Dr. P. J. Phalphale**

**Dr. G. R. Jaitmal**

**Dr. A. B. Hase**



### This Journal is indexed in :

- UGC Approved Journal
- Scientific Journal Impact Factor (SJIF)
- Cosmos Impact Factor (CIF)
- Global Impact Factor (GIF)
- International Impact Factor Services (IIFS)
- Indian Citation Index (ICI)
- Dictionary of Research Journal Index (DRJI)

SWATIDHAN PUBLICATIONS



'RESEARCH JOURNEY' *International E- Research Journal*  
Impact Factor - (SJIF) - 6.261, (CIF) - 3.452(2015), (GIF)-0.676 (2013)  
Special Issue 87(B)- Indian Financial Sector : Challenges & Prospects  
UGC Approved Journal

E-ISSN :  
2348-7143  
January-2019

Impact Factor – 6.261

E-ISSN – 2348-7143

INTERNATIONAL RESEARCH FELLOWS ASSOCIATION'S

# RESEARCH JOURNEY

International E-Research Journal

PEER REFREED & INDEXED JOURNAL

January-2019 Special Issue – 87 (B)

**Indian Financial Sector : Challenges and Prospects**

**Guest Editor:**

Dr. K. K. Deshmukh

Principal

S.N.Arts, D.J. Malpani Commerce &

B.N. Sarda Science College, Sangamner [M.S.] INDIA

**Executive Editor of the issue:**

Dr. N. S. Sabale

Dr. G. K. Sanap

Dr. B. N. Shingade

Dr. K. D. Jadhav

Dr. P. J. Phalphale

Dr. G. R. Jaitmal

Dr. A. B. Hase

**Chief Editor: Dr. Dhanraj Dhangar (Yeola)**

**SWATIDHAN INTERNATIONAL PUBLICATIONS**

For Details Visit To : [www.researchjourney.net](http://www.researchjourney.net)

© All rights reserved with the authors & publisher

Price : Rs. 800/-



**INDEX**

No.	Title of the Paper	Author's Name	Page No.
1	Interest Coverage Ratio of the Selected Tea Companies in India <b>Dr. Jignesh P. Vaghela &amp; Prin. Dr. K.N.Chavda</b>		05
2	Does Audit Classification Reflects the Efficiency of Societies : A Case Study of Urban Cooperative Credit Societies in Goa <b>Dr. Suraj Popker</b>		13
3	Credit Deployment and Deposit Mobilization of Selected Urban Co-Operative Credit Societies in Goa : A Study <b>Mr. Amrut F. Naik</b>		23
4	Farm Loan Waiver : Problems and Solutions <b>Dr. Gopal Dhavade</b>		29
5	Financial Literacy, Financial Inclusion, Customer Protection <b>Swati Pandey &amp; Prem Shanker Diwedi</b>		31
6	Causes-Effects and Remedial for Non-Performing Assets in Public Sector Undertaking Banks <b>Dr. T. N. Salve</b>		37
7	Digital Marketing Trends in Indian Banking Sector <b>Bipin Sable</b>		45
8	NPAS of Public and Private Sector Banks – Cause and Remedies <b>Dr. N.S. Sabale &amp; Dr. Gorakshnath Sanap</b>		51
9	Flow of Credit to MSME Sector: Impact of Demonetisation & GST <b>Dr. Manohar Sanap &amp; CA. Prashant Munot</b>		57
10	Problems of NPAs in Public Sector Banks <b>Dr. Pramodini Kadam</b>		67
11	Financial Inclusion in India : Need and Measures <b>Dr. G. K. Sanap &amp; Dr. G.R. Jaitmal</b>		69
12	Need of CSR for Indian Public Sector Banks <b>Mr. Shingade B.N.</b>		75
13	Farmers Suicide : Challenge before Indian Financial Sector <b>Dr. Sambhaji Kale &amp; Akshay Kale</b>		80
14	Impact of Demonetization on Indian Banking <b>Prof. R. G. Kolhe</b>		84
15	<b>Analysis of Growth in Deposits and Advances of Selected Banks in India</b> <b>Bahekar Pratibha Ambadas Pratibha Bahekar &amp; Dr. Vijaykumar Wawle</b>		<b>87</b>
16	Challenges and Prospects of Indian Banking Sector <b>Dr. Manohar Kanawade</b>		91
17	Problems of Beneficiaries in Indhira Gandhi Old Age Pension Scheme of Shrirampur Tahasil <b>Dr. Manohar Sanap &amp; Mr. Maruti Kekane</b>		95
18	Comparative Analysis of Financial Statements of Maharashtra Gramin Bank During 2016 and 2017 <b>Dr. Vasant Pawale &amp; Vivekanand Taklikar</b>		100
19	Recent Trend in Banking Sector <b>Dr. M. V. Jagtap</b>		105
20	Impact of Demonetization: A Conceptual Framework <b>Jaywant Bhadane</b>		110
21	Use of Information Technology in Banking System <b>Dr. L.G. Retwade</b>		114
22	Study of Motivational Factors of Women Entrepreneur <b>Prof. Manasi Atitkar</b>		119
23	Indian Banking Sector:- Challenges and Opportunities <b>Pravin Bonke</b>		127
24	Financial Inclusion-Role of Payment Banks in India <b>Prof. Ramdas Gadge</b>		133
25	Recent Advancement In Electronic Banking Service Quality <b>Dr. Kamlakar Kamble</b>		139
26	Analysis of Banking Digitalization <b>Dr. Ramesh Kashide</b>		143
27	India Post Payments Banks – Problems and Challenges <b>Dr. S. D. Khairnar &amp; Prof. S. B. Bharute</b>		145
28	Implementatation of Govt. Schemes by Banks ie. PMJDY, Mudra Yojana, Direct Benefit Transfer etc. <b>Prof. Miss Nilofar Anwar Shaikh</b>		151

## Analysis of Growth in Deposits And Advances of Selected Banks In India

**Pratibha Ambadas Bahekar**

K.K.Wagh Arts, Com, Sci & Computer Sci, College,  
Bhausahab Nagar (Pimplas Ramache)  
Tal. Niphad, Dist : Nashik  
Mob. : 8855858304

**Dr. Vijaykumar Wawle**

Assistant professor  
Head, Department of Economics  
BYK College, Nashik.

### Abstract:

*Banks are playing a fundamental role in the growth of economy of the country. A bank is an institution engaged in accepting deposits and granting loans. One of the important role of the banking industry is to channelize the deposit money for the purpose of the lending activity. A pattern of deposit and lending is one of the important factors which affect the profitability and risk management of a bank. The objective of the research study is to analyze the difference between the deposits and advances of three scheduled banks. One bank from each sector (Public, Private and Co- operative) are selected for the study and the research period is from 2013 to 2017. The  $x^2$  or chi square test was used for the purpose of hypothesis testing. The result shows that  $x^2$  or chi square test value is smaller than table value, it means that there is significant difference between the growth rate of deposit and advance of selected banks under the study.*

**Key Words** – Banks, Deposits, Advances

### Introduction

The deposit is the amount that is kept with the bank by customers for the safety and earning interest. On the other hand, the advance is the amount that the bank lends to the individual and corporate bodies in order to earn income. One of the important roles of the banking industry is to channelize the deposit money for the purpose of the lending activity. A pattern of deposit and lending is one of the important factors which affect the profitability and risk management of a bank. The banking sector has been at the forefront of the financial sector and its operations & working have a large impact on the economy of the nation.

### Review of Literature

1. Selvakumar M., (2010)<sup>1</sup> The author concluded that there was no significant difference in the growth rate of the deposits, advances, income, expenditure and profit of Regional Rural Banks (RRBs) in the other states of India and RRBs operating in Tamil Nadu.
2. Shollapur M. R., (2010)<sup>2</sup> This paper was an attempt to analyze the fund management in the banking industry. The author used 12 public sector banks as a sample for the study and did a study of the period from 1999-2000 to 2006-07. The sources and uses of funds as represented by the various items of liabilities and assets contained in the balance sheets, which were considered for the purpose of analysis. Similarly, items such as interest cost, interest income were drawn from the profit and loss accounts of these banks. The study showed that the

overall cost of funds, in terms of cost of deposits, as well as cost of borrowings for the banking industry, as a whole, has maintained a decreasing trend.

**Objective of the Study**

1. To analyze the growth of deposit and advances of three scheduled banks.

**Hypothesis of the Study**

1. There is no significant difference between the growth of total deposits of selected banks under the study.
2. There is no significant difference between the growth of total advances of selected banks under the study.

**Tool Used**

Testing of the above hypothesis was done by analyzing the growth of demand deposits, saving deposits, term deposits, total deposits, priority-sector advances, non-priority sector advances and total advances of selected banks. Mean, Standard Deviation, Karl Pearson Correlation & Chi square or  $X^2$  test was used for the purpose of hypothesis testing.

**Sample for the Study:**

The present research study is analytical in nature. The Random sampling method was used for taking samples for the study. Numerous Public Sector, Private Sector, and Co-operative Sector banks are operating in India. So, for the convenience of the present research study, one prominent banks from each sector are selected for the study. Samples are as follows

1. Public Sector Bank - State Bank of India (SBI)
2. Private Sector Bank - Industrial Credit and Investment Corporation of India (ICICI)
3. Co-operative Sector Bank – The Nashik Marchant Co-operative bank Ltd.

**Data Analysis and Interpretation:**

**Deposit:**

There are two general types of bank deposits: Demand deposit and Time deposits. Demand deposits are the placement of funds into an account that allows the depositors to withdraw his or her funds from the account without warning or with less than seven days notice. A time deposit is an interest-bearing deposit held by a bank or financial institution for a fixed term whereby the depositor can withdraw the funds only after giving notice. The total deposit of selected bank is show below the table.

**Table No. – 1**

**Total Deposits of Various Banks (In Corer)**

Year	SBI	ICICI	NAMCO	$X^2$
2013	1202739	292613	14014	11.87
2014	1394408 (15.93)	331913(13.43)	12219(-13.79)	
2015	1576793 (13.07)	361562(8.93)	13804(12.97)	
2016	1730722 (9.76)	421425(16.56)	14482(4.92)	
2017	2044751 (18.14)	490039(16.28)	16067(10.95)	
Mean	1589882.6	379510.4	141172.2	
S.D.	144049.09	77640.55	1382.63	

Source: Annual Bank Report SBI, ICICI, NAMCO

From the above table, it was found that total deposits of all the SBI & ICICI banks, are showing an increasing trend from the year 2013 to 2017. On the other hand, total deposits of NAMCO bank are showing a decreasing trend in the year 2014. According to Karl Pierson correlation the deposit correlation value of SBI & ICICI banks 0.99. It means that there is High positive correlation between SBI & ICICI bank deposits. According to Karl Pierson correlation the deposit correlation value of ICICI & NAMCO banks 0.78. It means that there is High positive correlation between ICICI & NAMCO bank deposits. According to Karl Pierson correlation the deposit correlation value of SBI & NAMCO banks 0.75. It means that there is High positive correlation between SBI & NAMCO bank deposits.

In  $X^2$  table degree of freedom 8 level 0.05 or 0.01 table value is 15.51 and 20.09. This table  $X^2$  value is 11.87 smaller than table value. It means there is no significant difference between the growth of total deposits of selected banks under the study this hypothesis is true.

**Advances :**

When a fund provided by the bank to a business corporation or an entity for a specific purpose to be repayable after a short duration is known as advances. Advances by commercial banks are made in different forms such as demand loan, term loan, cash credit, overdraft etc. The Total advances in selected bank show in below table.

**Table No. 2**  
**Total Advance of Bank (In Corer)**

Year	SBI	ICICI	NAMCO	$X^2$
2013	1045616	290249	9103	6.27
2014	1209828(15.70)	338702(16.69)	9440(3.69)	
2015	1300026(7.45)	387522(14.41)	9357(0.88)	
2016	1463700(12.59)	435263(12.31)	9392(0.37)	
2017	1571078(7.33)	464232(6.65)	9089(3.24)	
Mean	1318049.6	383193.6	9276.2	
S.D.	207059.31	70560.93	167.19	

Source: Annual Bank Report SBI, ICICI, NAMCO

From the above table, it was found that total advance of all the banks, are showing an increasing trend from the year 2013 to 2017. According to Karl Pierson correlation the advance correlation value of SBI & ICICI banks 0.99. It means that there is High positive correlation between SBI & ICICI bank advances. According to Karl Pierson correlation the advance correlation value of ICICI & NAMCO banks 0.00. It means that there is No correlation between ICICI & NAMCO bank advances. According to Karl Pierson correlation the advance correlation value of SBI & NAMCO banks -0.01. It means that there is Low Negative correlation between SBI & NAMCO bank advances.

In  $X^2$  table degree of freedom 8 level 0.05 or 0.01 table values is 15.51 and 20.09. This table  $X^2$  value is 6.27 greater than table value. It means there is no significant difference between the growth of total advance of selected banks under the study this hypothesis is true.

**Conclusion :**

By analyzing the total deposits and total advance of selected banks, it was found public sector banks have more than deposits and advances in comparison to private and co-operative sector banks. The  $X^2$  or chi square test was used to find out whether there is any significant difference between the growth rate of deposits and advances of banks under the study or not.



From the analysis, it was found that the calculated  $X^2$  or chi square test value is smaller than the table value for total deposits and total advances. Here, table value is 15.51 and 20.09 at 0.05 or 0.01 level of 8 degree of freedom. In conclusion, it can be said that there is conclusive evidence which significantly proves that null hypothesis is accepted as there is a significant difference between the growth rate of deposits and advances of banks.

### References

1. Selvakumar, M., 2010, Regional Rural Banks (RRBs): Performance Analysis, Indian Journal of Finance, ISSN- 0973-8711, Vol.-4, Issue-8, pp. -3-19
2. Shollapur, M.R., 2010, Fund Management in Banks: - A Cost – Benefit perspective, International Business and Economics Research Journal- ISSN-2157-9393, Vol.-9 No.-11, pp.-21-30
3. Arbor, J., 2005, The effect of capital structure on profitability: empirical analysis of listed firms in Ghana, Journal of Risk Finance, ISSN-1526-5943, Vol.-6, No.-5, pp.-438-445

