

**Paper on 'Analysis of Deposits in The Mahendragarh Central Co-operative Bank Ltd. in Haryana'**

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**ABSTRACT**

This paper examines the analysis of deposits in The Mahendragarh Central Co-operative Bank Ltd. The study is based on secondary data collected from the annual reports of the Bank from 2009-10 to 2015-16. For this purpose Chi- Square test has been applied in this study. The results reveal that the pattern of growth in various deposits under study does not experience the same growth. The proportion of current deposits noticed to be 2.33 percent, saving deposits 46.88 percent and fixed deposits 50.79 percent in total deposits. The study proves that significant growth has been recorded in all types of deposits during the period of study. The findings of the paper also offer some meaningful suggestions to improve the deposits of Bank.

Keywords: Current deposits, Saving Deposits, Fixed Deposits and Total Deposits.

**Introduction**

Banking is one of the key sectors of the economy. Its energy and vitality indicate the health and prosperity of any nation. The basic functions of banks are accepting all kind of deposits and supply of money. Basically, India is agriculture based country. Agriculture and its aided activities play a dominant role in the Indian economy. Banks supply the money for all activities. To concentrate on the development of rural economy, the government of India extended help for the rural farmers, artesian, entrepreneurs by opening regional rural Banks and Co-operative Banks. The Indian banking system has witnessed structural, physical, qualitative and conceptual change particularly after nationalization. The nationalized banks have been interested with the task of acting as catalysts of economic development by causing a shift in the concept and philosophy of banking distinctly in

favour of objectives like serving the backward regions and the weaker section of the society and rendering assistance to small and cottage sector for employment generation. The Banks have contributed to an all-round growth of economy. Thus, the importance of banking sector in the economic development of our country cannot be overlooked. Both Co-operative and commercial banks have played a positive role in the growth of economy.

Deposits constitute the major source of funds for Central Co-operative Bank Ltd. The growth of deposits depends on savings. The savings are mobilized and channelized for capital formation which increases the speed for economic growth. The basic objective of any bank is facilitating the intermediation process. The first and foremost asset creating source is mobilizing deposits from public. The term capital deposits resource has been defined as per RBI (Amendment) Act 1977 to include any receipt of money by way of demands/Current deposits, term/fixed deposits etc. Deposits may be categorized into three forms i.e. demand deposits, time deposits and fixed deposits. Demand deposit is a deposit which can be withdrawn without notice and they can be repaid on demand current accounts and saving accounts are classified as demand deposits. Time deposits are repayable after a fixed date or after a period of notice. Fixed deposits include recurring deposits and miscellaneous deposits etc. Thus, a deposit of the bank shows the strength of the bank.

### Objectives of the Study

1. To examine the growth of various deposits.
2. To assess the composition of various deposits.
3. To test whether the various deposits i.e. current deposits, saving deposits, fixed deposits and total deposits are increasing or not.

### Hypothesis of the Study

H01 - The amount of current deposits is not increasing over the period of the study.

H02 - The amount of saving deposits is not increasing over the period of the study.

H03 - The amount of fixed deposits is not increasing over the period of the study.

H04- The amount of total deposits is not increasing over the period of the study.

### Period of the Study

The period of the study is from 2009-10 to 2015-16. A period longer than seven years could have been better to draw out more reliable conclusions, particularly on the basis of time series analysis; however, we restricted ourselves to seven years period due to non availability of information for a period longer than this.

### Methodology

The study is based on secondary data. The secondary data collected from published annual reports of The Mahendragarh Central Co-operative Bank Ltd. (Haryana). The data have been analyzed through the use of various statistically techniques such as mean( $\bar{X}$ ) coefficient of variation (C.V.),

Index, trend values, percentage and Chi- Square test ( $\chi^2$ ) have been applied to fulfill the objectives of the study.

### Analysis and Discussion

The data analyzed have been presented in different tables (seven in numbers), reflecting upon the various objectives of the study.

**Objective 1.** Growth analysis of various deposits has been shown in table number 1.

**Table No. 1**

Growth analysis of various Deposits in The Mahendragarh Central Co-operative Bank Ltd.  
(Rs. in Lakh)

Year	Current Deposits	Index	Saving Deposits	Index	Fixed Deposits	Index	Total Deposits	Index
2009-10	448.27	100.00	6316.54	100.00	6625.79	100.00	13390.60	100.00
2010-11	361.77	80.70	6718.78	106.37	6600.03	99.61	13680.58	102.17
2011-12	353.92	78.95	8102.53	128.27	7012.51	105.84	15468.96	115.52
2012-13	458.90	102.37	8036.94	127.24	7073.46	106.76	15569.30	116.27
2013-14	360.30	80.38	7311.60	115.75	8731.45	131.78	16403.35	122.50
2014-15	276.11	61.59	7343.57	116.25	9654.01	145.70	17273.69	128.99
2015-16	259.07	57.79	8067.30	127.72	11448.88	172.79	19775.25	147.68
$\bar{X}$	359.76		7413.89		8163.73		15937.39	
C.V.	.18		.09		.21		.13	

Source: Annual Reports of The Mahendragarh Central Co-operative Bank Ltd.

Table No. 1 reveals that current deposit has grown .58 times with C.V. value .18. This proves a very low growth in current deposits over the period of the study. The saving deposits have risen 1.28 times with C.V. value .09. This witnesses a slow growth in saving deposits for the same period of the study. The rise in fixed deposits is about 1.73 times with C.V. value .21. The value of C.V. .21 is just reasonable. The growth in total deposits is about 1.48 times with C.V. value .13. This witnesses that growth in total deposits is nominal. It appears that all the deposits under study do not experience the same growth.

**Objective 2.** Analysis of composition of various deposits has been shown in table number 2.

**Table No. 2**

Composition analysis of various Deposits in The Mahendragarh Central Co-operative Bank Ltd.

(Rs. in Lakh)

Year	Current Deposits	%	Trend	Saving Deposits	%	Trend	Fixed Deposits	%	Trend	Total	%
2009-10	448.27	3.35	3.35	6316.54	47.17	50.36	6625.79	49.48	45.60	13390.60	100.00
2010-11	361.77	2.64	3.01	6718.78	49.11	49.20	6600.03	48.25	47.33	13680.58	100.00
2011-12	353.92	2.29	2.67	8102.53	52.38	48.04	7012.51	45.33	49.06	15468.96	100.00
2012-13	458.90	2.95	2.33	8036.94	51.62	46.88	7073.46	45.43	50.79	15569.30	100.00
2013-14	360.30	2.20	1.99	7311.60	44.57	45.72	8731.45	53.23	52.52	16403.35	100.00
2014-15	276.11	1.60	1.65	7343.57	42.51	44.56	9654.01	55.89	54.25	17273.69	100.00
2015-16	259.07	1.31	1.31	8067.30	40.80	43.40	11448.88	57.89	55.98	19775.25	100.00
$\bar{X}$		2.33			46.88			50.79			

Source: Annual Reports of The Mahendragarh Central Co-operative Bank Ltd

Table No. 2 depicts the composition of various deposits in Mahendragarh Central Co-operative Bank Ltd. The proportion of current deposits happened to be 2.33 percent in total deposits acquired by the bank. The trend values witness a declining trend over the period of the study. The proportion of saving deposits noticed to be 46.88 percent in total deposits. The trend values witness a declining trend over the period of study. The fixed deposits contributed just 50.79 percent of total deposits of the bank. The trend values witness a rising trend over the period of the study. It can be inferred that the proportion of current deposits and saving deposits have come down in its total deposits while the proportion of fixed deposits has jumped up.

**Objective 3.** To test whether the various deposits are increasing or not.

It has been shown in the following tables (3 to 7).

**Table No. 3**

Analysis of the Currents Deposits of The Mahendragarh Central Co- operative Bank Ltd.

Year	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
2009-10	448.27	359.76	88.51	7834.02	21.78
2010-11	361.77	359.76	2.01	4.04	0.01
2011-12	353.92	359.76	-5.84	34.11	0.09
2012-13	458.90	359.76	99.14	9828.74	27.32
2013-14	360.30	359.76	0.54	0.29	0.001
2014-15	276.11	359.76	-83.65	6997.32	19.45
2015-16	259.07		-100.69	10138.48	28.18
	$\sum O = 2518.34$				$\chi^2 = 96.83$

Where O refers to the observed frequencies and E refers to the expected frequencies.

Table No.3 shows the analysis of current deposits for the period of seven years study. The tabulated value of  $\chi^2$  test at 1% and at 5% of level of significance is 16.81 and 12.59 respectively. The calculated value of  $\chi^2$  test is more than the tabulated value. The null hypothesis ( $H_01$ ) is rejected. It can be said that the amount of current deposits is increasing during the period of the study.

Table No. 4  
 Analysis of the Saving Deposits of The Mahendragarh Central Co- operative Bank. Ltd

Year	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
2009-10	6316.54	7413.89	-1097.35	1204177.02	162.42
2010-11	6718.78	7413.89	-695.11	483177.91	65.17
2011-12	8102.53	7413.89	688.64	474225.05	63.96
2012-13	8036.94	7413.89	623.05	388191.30	52.36
2013-14	7311.60	7413.89	-102.29	10463.24	1.41
2014-15	7343.57	7413.89	-70.32	4944.90	0.67
2015-16	8067.30	7413.89	653.41	426944.63	57.59
	$\Sigma O = 51897.26$				$\chi^2 = 403.58$

Table No. 4 exhibits the analysis of saving deposits for the period of seven years study. The tabulated value of  $\chi^2$  test at 1% and at 5% level of significance is 16.81 and 12.59 respectively. The  $\chi^2$  test value 403.58 is more than the tabulated value. Thus, the null hypothesis is ( $H_02$ ) rejected. It can be inferred that the amount of saving deposits is increasing during the period of the study.

Table No. 5  
 Analysis of Fixed Deposit of The Mahendragarh Central Co- operative Bank Ltd.

Year	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
2009-10	6625.79	8163.73	-1537.94	2365259.44	289.73
2010-11	6600.03	8163.73	-1563.70	2445157.69	299.51
2011-12	7012.51	8163.73	-1151.22	1325307.49	162.34
2012-13	7073.46	8163.73	-1120.27	1255004.87	153.73
2013-14	8731.45	8163.73	567.72	322305.99	39.48
2014-15	9654.01	8163.73	1490.28	2220934.48	272.05
2015-16	11448.88	8163.73	3285.15	10792210.52	1321.97
	$\Sigma O = 57146.13$				$\chi^2 = 2538.81$

Table No 5 highlights that the analysis of fixed deposits for the period of seven years study. The calculated value of  $X^2$  test is 2538.81. The tabulated value of  $\chi^2$  at 1% and at 5% level of significance is 16.81 and 12.59 respectively. The calculated  $\chi^2$  value is more than the tabulated value. The null hypothesis ( $H_03$ ) is rejected. So, we conclude that the amount of fixed deposits is increasing during the period of the study.

Table No. 6  
 Analysis of Total Deposits of The Mahendragarh Central Co- operative Bank Ltd.

Year	O	E	(O-E)	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
2009-10	13390.60	15937.39	-2546.79	6486139.30	406.97
2010-11	13680.58	15937.39	-2256.81	5093191.38	319.97
2011-12	15468.96	15937.39	-468.43	219426.66	13.77
2012-13	15569.30	15937.39	-368.09	135490.25	8.50
2013-14	16403.35	15937.39	465.96	217118.72	13.62
2014-15	17273.69	15937.39	1336.30	1785697.69	112.04
2015-16	19775.25	15937.39	3837.86	14729169.38	924.19
	$\Sigma O = 111561.73$				$\chi^2 1798.66$

Table No.6 shows that the analysis of total deposits for the periods of seven years study. The calculated value of  $\chi^2$  test is 1798.66. The tabulated value of  $\chi^2$  at 1% and at 5% level of significance is 16.81 and 12.59 respectively. The calculated value of  $\chi^2$  is more than the tabulated value. The null hypothesis (H04) is rejected. This proves that the amount of total deposit is increasing during the period of the study.

Table No. 7  
 Summary of the Results

Sr. No.	Hypothesis	Tabulated Value		Degree of Freedom =n-1 (7-1)=6	Calculated Value	Results
		0.01	0.05			
1	H01	16.81	12.59	6	96.83	Reject
2	H02	16.81	12.59	6	403.58	Reject
3	H03	16.81	12.59	6	2538.81	Reject
4	H04	16.81	12.59	6	1798.66	Reject

Table No. 7 portrays that the hypothesis i.e. H01, H02, H03 and H04 rejected. It can be inferred that the amount of current deposits, saving deposits, fixed deposits and total deposits have increased during the period of the study in The Mahendragarh Central Co- operative Bank Ltd. in Haryana.

### Findings and Suggestions

Finance is the root of economic growth and deposits is considered to be its branch. The growth in current deposits is about .58 times, 1.28 times in saving deposits, 1.73 times in fixed deposits and 1.48 times in total deposits with C.V. value .18, .09, .21 and .13 respectively. So, the patterns of growth in various deposits differ from each other in this bank. The proportion of current deposits is 2.33 percent, saving deposits 46.88 percent and fixed deposits 50.79 percent in total deposits. Further the proportion of fixed deposits is showing increasing trend values, while the current deposits and saving deposits are witnessing declining trend values. It means the proportion of current deposits and saving deposits have come down in its total deposits, while the proportion of fixed deposits has jumped up. The Chi. Square ( $\chi^2$ ) test value is more than the tabulated value at 1 percent and at 5

percent of level of significance of various deposits i.e. current deposits, saving deposits, fixed deposits and total deposits. It proves that significant growth has been observed in all types of deposits of the Mahendragarh District Central Co-operative Bank Ltd. in Haryana.

The findings of this paper may be useful to the government, society, public, depositors, savers, users and fund managers to judge the amount of various deposits mobilized and channelized for capital formation which, in turn accelerates economic growth. The Central Co-operative Bank should go for the use of information technology and other electronic methods in this changing scenario of the banking sector that help to improve the amount of various deposits, to improve the deposits mobilization and to create banking habits among the people. The bank should conduct awareness programs from time to time in circle and at villages. It is expected that with proper Co-operation and Co-ordination of the public as well as government, the bank will do much better in future.

### Scope for Further Research

Further researchers can examine lending, recovery and management of non-performing assets in Central Co-operative banks in Haryana.

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