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## A STUDY ON FINANCIAL MOBILIZATION OF COMMERCIAL BANK WITH SPECIAL REFERENCE TO NORTHERN REGION OF INDIA

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**Abstract:** *This study is about to a study on financial mobilization of commercial bank with special reference to the northern region on India. There are three types of deposit accounts such as current account, saving account and term account. Deposits account are an indispensable tools of commercial banks use to enhance its profitability through advancing deposits mobilized to its customers in the form of loans which make the return of interest to commercial banks. The main source of data was the secondary data. So the researcher concludes that in the span of 5 years from 2011 to 2015, there is a significant increase in the number of deposits of commercial banks in northern region of India.*

**Keywords:** *Commercial Bank, Northern Region, Current Account, Saving Account, Term Account*

### INTRODUCTION

Mobilization of deposits is one of the important functions of banking business. It is an important source of working fund for the bank. Deposit mobilization is an indispensable factor to increase the sources of the banks to serve effectively. Mobilization of deposit plays an important role in providing satisfactory service to different sectors of the economy. The success of the banking greatly lies on the deposit mobilization. Performances of the bank depend on deposits, as the deposits are normally considered as a cost effective source of working fund. There are different types of deposits, with different maturity pattern carrying different rates of interests. Deposit mobilization is depending on the cost of deposits. Mobilization of deposits for a bank is as essential as oxygen for human being. To enhance profitability, banks take steps to minimize the expenditure and are forced to mobilize low cost deposits. (Sylvester, 2010)

### NORTHERN REGION

North India is a loosely defined region consisting of the northern part of India. The dominant geographical features of North India are the Indus-Gangetic Plain and the Himalayas, which



demarcate the region from the Tibetan Plateau and Central Asia. The term North India has varying definitions - the Ministry of Home Affairs in its Northern Zonal Council Administrative division included the states of Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu and Kashmir, Punjab and Rajasthan. while the Ministry of Culture in its North Culture Zone includes the state of Uttarakhand but excludes Delhi whereas the Geological Survey of India includes Uttar Pradesh and Delhi but excludes Rajasthan and Chandigarh.<sup>[3]</sup> Other states sometimes included are Bihar, Gujarat, Madhya Pradesh and West Bengal.

## REVIEW OF LITERATURE

Francis Appiah-Kubi Banson, Emmanuel Sey, Jonathan Sakoe (2010), in his analyse, **“The Role of Mobile Deposit in Deposit Mobilization in Ghana”**, as a result that mobile deposit is a 24 hours a day 7 days a week services which makes in convenient for customers to deposit money any time, any where. It has reduced queuing at FCP’s banking hall, encouraged the culture of saving especially among low income earners reduced the risk associated with carrying money to the bank to deposit and reduced the time and cost of travelling to the bank to deposit money. The mobile deposit solution through the use of speed banking cards has proven to be a complementary deposit system.

Dr. (Smt.) Rajeshwari M.Shettar (2014), in her study **“Deposit Mobilization and Socio-Economic Impact: A Case Study of Union Bank of India”**, the result found that remarkable growth of mobilization of all kinds of deposit in union bank of India, and the bank as a good corporate citizen, has stepped into the area of counseling the common man to help them and leas a decent and honorable life in the future days to come. Through the have made good progress in technology, the challenge lies in quickly disseminating these products amongst their clientele and also present themselves as a techno-savvy bank, particularly to the younger generation of the society.

## METHODOLOGY

The present study was mainly based on secondary data. The secondary data have been used to analyze the performance of the commercial bank with reference to its deposit mobilization. The required secondary data were collected from RBI website of state-wise deposits of scheduled commercial according to type of deposits. The study covers a period of five years from 2011 to 2015.



**Table 1 Composition of Deposits of State of Haryana**

Years/Accounts	Current Account	Savings Account	Term Accounts	Total
<b>2011</b>	131450.2 <b>(10.16)</b>	506103.9 <b>(39.12)</b>	656254.1 <b>(50.72)</b>	1293808.2 <b>(100.00)</b>
<b>2012</b>	156883.3 <b>(10.76)</b>	556927.5 <b>(38.19)</b>	745232.2 <b>(51.09)</b>	1458443.0 <b>(100.00)</b>
<b>2013</b>	164375.6 <b>(9.70)</b>	646409.6 <b>(38.16)</b>	883148.1 <b>(52.14)</b>	1693933.3 <b>(100.00)</b>
<b>2014</b>	180072.2 <b>(9.31)</b>	727582.8 <b>(37.64)</b>	1025490.0 <b>(53.05)</b>	1933145.0 <b>(100.00)</b>
<b>2015</b>	206390.5 <b>(9.27)</b>	794066.1 <b>(35.66)</b>	1226388.5 <b>(55.07)</b>	2226845.1 <b>(100.00)</b>
<b>Average</b>	167834.36 <b>(9.75)</b>	646217.98 <b>(37.54)</b>	907302.58 <b>(52.71)</b>	1721234.92 <b>(100.00)</b>

**Source: Secondary Data**

The researcher has inferred the following points from Table 1

1. Volume of Current deposits has increased by 1.57 times. The share of current accounts in total deposits has dropped from 10.16% to 9.27% during 2011-2015. Its average proportion is 9.75%.
2. Volume of Saving deposits has increased by 1.57 times. The share of Saving accounts in total deposits has decreased from 39.12% to 35.66% during 2011-2015. Its average proportion is 37.54%.
3. Volume of Term deposits has increased by 1.87 times. The share of Term accounts in total deposits has increased from 50.72% to 55.07% during 2011-2015. Its average proportion is 52.71%.

**Table 2 Composition of Deposits of State of Himachal Pradesh**

Years/Accounts	Current Account	Savings Account	Term Accounts	Total
<b>2011</b>	19147.4 <b>(5.91)</b>	108124.9 <b>(33.39)</b>	196515.3 <b>(60.69)</b>	323787.6 <b>(100.00)</b>
<b>2012</b>	19289.9 <b>(5.07)</b>	120898.1 <b>(31.82)</b>	239771.2 <b>(63.14)</b>	379959.1 <b>(100.00)</b>
<b>2013</b>	19636.4 <b>(4.36)</b>	144790.9 <b>(32.16)</b>	285758.4 <b>(63.47)</b>	450185.7 <b>(100.00)</b>
<b>2014</b>	23004.9 <b>(4.42)</b>	175450.3 <b>(33.74)</b>	321470.4 <b>(61.83)</b>	519925.6 <b>(100.00)</b>
<b>2015</b>	31841.6 <b>(5.31)</b>	190173.7 <b>(31.76)</b>	376749.5 <b>(62.92)</b>	598764.8 <b>(100.00)</b>
<b>Average</b>	22584.04 <b>(4.97)</b>	147887.6 <b>(32.53)</b>	284053 <b>(62.49)</b>	454524.6 <b>(100.00)</b>

**Source: Secondary Data**



The researcher has inferred the following points from Table 2

1. Volume of Current deposits has increased by 1.66 times. The share of current accounts in total deposits has dropped from 5.91% to 5.31% during 2011-2015. Its average proportion is 4.97%.
2. Volume of Saving deposits has increased by 1.76 times. The share of Saving accounts in total deposits has decreased from 33.39% to 31.76% during 2011-2015. Its average proportion is 32.53%.
3. Volume of Term deposits has increased by 1.92 times. The share of Term accounts in total deposits has increased from 60.69% to 62.92% during 2011-2015. Its average proportion is 62.49%.

**Table 3 Composition of Deposits of State of Jammu & Kashmir**

Years/Accounts	Current Account	Savings Account	Term Accounts	Total
<b>2011</b>	47883.0 <b>(11.93)</b>	197722.1 <b>(42.24)</b>	185903.8 <b>(46.30)</b>	401508.9 <b>(100.00)</b>
<b>2012</b>	57565.6 <b>(11.53)</b>	212361.7 <b>(42.45)</b>	230344.3 <b>(46.04)</b>	500271.5 <b>(100.00)</b>
<b>2013</b>	65128.5 <b>(10.97)</b>	254348.8 <b>(42.83)</b>	274329.3 <b>(46.19)</b>	593806.6 <b>(100.00)</b>
<b>2014</b>	65603.1 <b>(9.86)</b>	277871.6 <b>(41.75)</b>	322098.8 <b>(48.39)</b>	665573.5 <b>(100.00)</b>
<b>2015</b>	73726.5 <b>(10.00)</b>	295715.9 <b>(40.11)</b>	367762.5 <b>(49.88)</b>	737205.0 <b>(100.00)</b>
<b>Average</b>	61981.34 <b>(10.69)</b>	247604 <b>(42.71)</b>	276087.7 <b>(47.63)</b>	579673.1 <b>(100.00)</b>

**Source: Secondary Data**

The researcher has inferred the following points from Table 3

1. Volume of Current deposits has increased by 1.54 times. The share of current accounts in total deposits has dropped from 11.93% to 10.00% during 2011-2015. Its average proportion is 10.69%.
2. Volume of Saving deposits has increased by 1.50 times. The share of Saving accounts in total deposits has decreased from 42.24% to 40.11% during 2011-2015. Its average proportion is 42.71%.
3. Volume of Term deposits has increased by 1.84times. The share of Term accounts in total deposits has increased from 46.30% to 49.88% during 2011-2015. Its average proportion is 47.63%.



**Table 4 Composition of Deposits of State of Punjab**

Years/Accounts	Current Account	Savings Account	Term Accounts	Total
<b>2011</b>	98165.3 <b>(6.42)</b>	608284.9 <b>(39.81)</b>	821644.4 <b>(53.77)</b>	1528094.6 <b>(100.00)</b>
<b>2012</b>	106833.2 <b>(6.18)</b>	663287.4 <b>(38.36)</b>	958902.8 <b>(55.46)</b>	1729023.3 <b>(100.00)</b>
<b>2013</b>	123666.1 <b>(6.19)</b>	740493.9 <b>(37.06)</b>	1133943.9 <b>(56.75)</b>	1998103.8 <b>(100.00)</b>
<b>2014</b>	128448.3 <b>(5.58)</b>	818787.4 <b>(35.60)</b>	1352975.7 <b>(58.82)</b>	2300211.4 <b>(100.00)</b>
<b>2015</b>	160207.0 <b>(6.12)</b>	893193.9 <b>(34.09)</b>	1566322.5 <b>(59.79)</b>	2619723.4 <b>(100.00)</b>
<b>Average</b>	123464 <b>(6.17)</b>	744809.5 <b>(36.60)</b>	1166758 <b>(57.33)</b>	2035031 <b>(100.00)</b>

Source: Secondary Data

The researcher has inferred the following points from Table 4

1. Volume of Current deposits has increased by 1.63 times. The share of current accounts in total deposits has dropped from 6.42% to 6.12% during 2011-2015. Its average proportion is 6.17%.
2. Volume of Saving deposits has increased by 1.45 times. The share of Saving accounts in total deposits has decreased from 39.81% to 34.09% during 2011-2015. Its average proportion is 36.60%.
3. Volume of Term deposits has increased by 1.91 times. The share of Term accounts in total deposits has increased from 53.77% to 59.79% during 2011-2015. Its average proportion is 57.33%.

**Table 5 Composition of Deposits of State of Rajasthan**

Years/Accounts	Current Account	Savings Account	Term Accounts	Total
<b>2011</b>	112029.5 <b>(8.75)</b>	501668.4 <b>(39.19)</b>	666302.2 <b>(52.05)</b>	1280000.1 <b>(100.00)</b>
<b>2012</b>	125178.1 <b>(8.31)</b>	573158.6 <b>(38.05)</b>	807975.1 <b>(53.64)</b>	1506311.7 <b>(100.00)</b>
<b>2013</b>	145386.6 <b>(8.25)</b>	664544.2 <b>(37.70)</b>	952782.1 <b>(54.05)</b>	1762712.8 <b>(100.00)</b>
<b>2014</b>	153549.8 <b>(7.63)</b>	775534.1 <b>(38.53)</b>	108390.4 <b>(53.84)</b>	2012574.2 <b>(100.00)</b>
<b>2015</b>	186180.5 <b>(7.91)</b>	876505.8 <b>(37.22)</b>	1292108.4 <b>(54.87)</b>	2354794.7 <b>(100.00)</b>
<b>Average</b>	144464.9 <b>(8.10)</b>	678282.2 <b>(38.04)</b>	960531.6 <b>(53.86)</b>	1783279.0 <b>(100.00)</b>



**Source: Secondary Data**

The researcher has inferred the following points from Table 5

1. Volume of Current deposits has increased by 1.66 times. The share of current accounts in total deposits has dropped from 8.75% to 7.91% during 2011-2015. Its average proportion is 8.10%.
2. Volume of Saving deposits has increased by 1.75 times. The share of Saving accounts in total deposits has decreased from 39.19% to 37.22% during 2011-2015. Its average proportion is 38.04%.
3. Volume of Term deposits has increased by 1.94 times. The share of Term accounts in total deposits has increased from 53.05% to 54.87% during 2011-2015. Its average proportion is 53.86%.

**Table 6 Composition of Deposits of State of Chandigarh**

Years/Accounts	Current Account	Savings Account	Term Accounts	Total
<b>2011</b>	29350.1 <b>(7.72)</b>	88287.8 <b>(23.23)</b>	262345.5 <b>(69.04)</b>	379983.4 <b>(100.00)</b>
<b>2012</b>	40695.1 <b>(10.33)</b>	90423.5 <b>(22.96)</b>	262720.3 <b>(66.71)</b>	393838.9 <b>(100.00)</b>
<b>2013</b>	37084.2 <b>(8.17)</b>	101708.8 <b>(22.41)</b>	315124.3 <b>(69.42)</b>	453917.3 <b>(100.00)</b>
<b>2014</b>	33556.1 <b>(6.95)</b>	107858.3 <b>(22.35)</b>	341207.6 <b>(70.70)</b>	482622.0 <b>(100.00)</b>
<b>2015</b>	39601.7 <b>(7.14)</b>	149623.2 <b>(26.99)</b>	365106.5 <b>(65.86)</b>	554331.3 <b>(100.00)</b>
<b>Average</b>	36057.44 <b>(7.96)</b>	107580.3 <b>(23.75)</b>	309300.8 <b>(68.29)</b>	452938.6 <b>(100.00)</b>

**Source: Secondary Data**

The researcher has inferred the following points from Table 6

1. Volume of Current deposits has increased by 1.35 times. The share of current accounts in total deposits has dropped from 7.72% to 7.14% during 2011-2015. Its average proportion is 7.96%.
2. Volume of Saving deposits has increased by 1.75 times. The share of Saving accounts in total deposits has decreased from 39.19% to 37.22% during 2011-2015. Its average proportion is 38.04%.



3. Volume of Term deposits has increased by 1.94 times. The share of Term accounts in total deposits has increased from 53.05% to 54.87% during 2011-2015. Its average proportion is 53.86%.

**Table 7 Composition of Deposits of State of Delhi**

Years/Accounts	Current Account	Savings Account	Term Accounts	Total
<b>2011</b>	1214640.1 <b>(19.10)</b>	1002826.2 <b>(15.77)</b>	4141763.0 <b>(65.13)</b>	6359229.2 <b>(100.00)</b>
<b>2012</b>	1155683.8 <b>(16.89)</b>	1052233.5 <b>(15.38)</b>	4633416.2 <b>(67.73)</b>	6841333.5 <b>(100.00)</b>
<b>2013</b>	843500.3 <b>(11.21)</b>	1147533.3 <b>(15.26)</b>	5530831.6 <b>(73.53)</b>	7521865.2 <b>(100.00)</b>
<b>2014</b>	833162.3 <b>(10.23)</b>	1295882.5 <b>(15.91)</b>	6017600.4 <b>(73.87)</b>	8146645.2 <b>(100.00)</b>
<b>2015</b>	914562.6 <b>(10.34)</b>	1473807.9 <b>(16.66)</b>	6455463.1 <b>(71.01)</b>	8843833.6 <b>(100.00)</b>
<b>Average</b>	992309.8 <b>(13.16)</b>	1194457 <b>(15.84)</b>	5355815 <b>(71.01)</b>	7542581 <b>(100.00)</b>

Source: Secondary Data

The researcher has inferred the following points from Table 7

1. Volume of Current deposits has increased by 1.35 times. The share of current accounts in total deposits has dropped from 19.10% to 10.34% during 2011-2015. Its average proportion is 13.16%.
2. Volume of Saving deposits has increased by 1.75 times. The share of Saving accounts in total deposits has decreased from 15.77% to 16.66% during 2011-2015. Its average proportion is 15.84%.
3. Volume of Term deposits has increased by 1.94 times. The share of Term accounts in total deposits has increased from 65.13% to 71.01% during 2011-2015. Its average proportion is 71.01%.

## FINDINGS OF THE STUDY

1. Volume of Current deposits has increased by 1.57 times. Its average proportion is 9.75%. Volume of saving deposits has increased by 1.57 times. Its average proportion is 37.54%. Volume of Term deposits has increased by 1.87 times. Its average proportion is 52.71%.
2. Volume of Current deposits has increased by 1.66 times. Its average proportion is 4.97%. Volume of Saving deposits has increased by 1.76 times. Its average



proportion is 32.53%. Volume of Term deposits has increased by 1.92 times. Its average proportion is 62.49%.

3. Volume of Current deposits has increased by 1.54 times. Its average proportion is 10.69%. Volume of Saving deposits has increased by 1.50 times. Its average proportion is 42.71%. Volume of Term deposits has increased by 1.84times. Its average proportion is 47.63%.
4. Volume of Current deposits has increased by 1.63 times. Its average proportion is 6.17%. Volume of Saving deposits has increased by 1.45 times. Its average proportion is 36.60%. Volume of Term deposits has increased by 1.91 times. Its average proportion is 57.33%.
5. Volume of Current deposits has increased by 1.66 times. Its average proportion is 8.10%. Volume of Saving deposits has increased by 1.75 times. Its average proportion is 38.04%.Volume of Term deposits has increased by 1.94 times. Its average proportion is 53.86%.
6. Volume of Current deposits has increased by 1.35 times. Its average proportion is 7.96%. Volume of Saving deposits has increased by 1.75 times. Its average proportion is 38.04%.Volume of Term deposits has increased by 1.94 times. Its average proportion is 53.86%.
7. Volume of Current deposits has increased by 1.35 times. Its average proportion is 13.16%.Volume of Saving deposits has increased by 1.75 times. Its average proportion is 15.84%.Volume of Term deposits has increased by 1.94 times. Its average proportion is 71.01%.

## **SUGGESTIONS AND CONCLUSION**

Commercial bank is the premier and potential financial institution in India. They provide the financial services through the India. In the present paper to cover the northern region of the commercial bank of India. The banking and financial activities provided by the commercial bank of India in northern part of India. This providing the bank service is non breakable and ever growing nature excluding the deposit mobilization and trade. So the research concludes that in the span of 5 years from 2011 to 2015, there is a significant increase in the number of deposits of commercial banks in northern region of India.

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