

Trends in Commercial Banks in Odisha: An Analysis

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Abstract: The growth of commercial banks moved space in Odisha after the Nationalization of banks in 1969. The state of Odisha has an extensive network of banking and financial system with a continuous growth in the number of branches of bank. The objectives of this paper are to analyse the trend in total commercial banks as well as to study the trend in average population and average area served by commercial banks branch in Odisha from 2012 till 2017 and also to know the trend in deposits in commercial banks in Odisha from 2011-12 till 2017-18. The present study is based on secondary data. The total commercial banks in Odisha increased to 4,770 during 2017 from 3,258 during 2012 with the increase in 46.408%. The year 2014 is marked as the highest percentage of increase in commercial banks in Odisha during the study period. The average population served by commercial banks went to 8.87 thousand during 2017 from 13.05 thousand during 2012. On the other hand, average area served by commercial banks went to 32.64 sq. kms during 2017 from 47.79 sq. kms during 2012. The deposit in Commercial banks in Odisha increased to Rs. 2,66,327.01 crores during 2017-18 from Rs. 1,24,826.40 crores during 2011-12. The growth of commercial banks indicates the extension of financial inclusion which helps in promoting the growth of the economy.

Keywords: Bank, Commercial, Trend.

1. Introduction

The Banking sector plays an important role in the economic development of the country. It also reflects the economic health of the country. Commercial banks also serve significant role in the financial system and the economy, by extending institutional credit as well as in sustaining economic development by mobilizing deposits and credits for development of the state. The growth of commercial banks moved space in Odisha after the Nationalization of banks in 1969. The state of Odisha has an extensive network of banking and financial system with a continuous growth in the number of branches of bank. The total branches of commercial banks functioning in Odisha went up from 3,258 in 2012 to 4,770 in 2017. On the other hand, the deposits in commercial banks in Odisha went to Rs. 2,66,727.01 crores during 2017-18 from Rs. 1,24,826.40 crores in 2011-12. But the average area served by branches of commercial banks went to 32.64 sq. kms during 2017 from 47.79 sq. kms in 2012.

2. Literature Review

Subudhi et al. (2012) have examined the operational statistics of all the banks operating in Odisha, to make a comparative study of their role as well as the performance parameters of regional rural banks and other banks. The study found that the regional rural banks are praise worthy for the rural people of Odisha in comparison to other public and private sector banks.

Dudhe (2017) has studied that in India all commercial banks excluding regional rural banks as well as local area banks have become Basel II compliant as on March 31, 2009. This paper suggested that efforts should be made by the monetary authorities to effectively manage the banks maximum lending of banks.

Kalpana et al. (2017) have studied that commercial banks mostly provide short term loans as well as in some cases medium term financial assistance and also to small scale units. The objective of this paper is to critically examine and analyze the role of commercial banks on economic growth in India. The study points out that how loans and credit affect the GDP and consequently the level of economic growth of India.

Renuka (2018) has examined that the growing trend of banking services is found significant after the new economic reforms in India. Inclusion in the schedule comes with its responsibilities of reporting to RBI as well as maintaining a percentage of its demand and time liabilities as cash Reserve Ratio (CRR) with RBI.

3. Objectives of the Study

The objectives of this study are as follows:

- 1) To analyse the trend in total commercial banks in Odisha from 2012 to 2017.
- 2) To know the trend in deposits in commercial banks in Odisha from 2011-12 till 2017-18.
- 3) To study the trend in average population and average area served by commercial banks branch in Odisha from 2012 till 2017.

4. Research Methodology

The present study is based on secondary data. The sources of getting secondary data are from government reports, books, journals, magazines, internet etc. The data is analysed in the

form of actual and percentage figures. Moreover, the analysis of data is reflected in the form of tables as well as figure.

5. Data and Results

A. Trend in total Commercial Banks in Odisha

The trend in total commercial banks in Odisha from 2012 till 2017 is given in table 1.

Table 1
Trend in Commercial Banks in Odisha

| Year | Total No. of Commercial Banks | % of Increase in Commercial Banks |
|------|-------------------------------|-----------------------------------|
| 2012 | 3,258 | - |
| 2013 | 3,483 | 6.906 |
| 2014 | 3,938 | 13.063 |
| 2015 | 4,329 | 9.928 |
| 2016 | 4,546 | 5.012 |
| 2017 | 4,770 | 4.927 |

Source: Odisha Profiles 2018

The table 1 shows the total commercial banks in Odisha increased to 4,770 during 2017 from 3,258 during 2012 with the increase in 46.408%. The year 2014 is marked as the highest percentage of increase and the year 2017 as the lowest percentage of increase in commercial banks in Odisha during the study period. The total commercial banks in Odisha is increasing trend during the taken period.

The total commercial banks in Odisha from 2012 till 2017 may be depicted in figure 1.

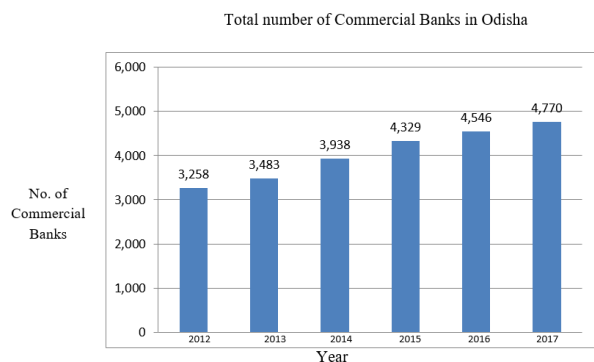


Fig. 1. Total Commercial Banks in Odisha from 2012 to 2017

B. Trend in Average Population and Average Area served by Commercial Banks Branch in Odisha

The trend in average population and average area served by commercial banks branch in Odisha from 2012 till 2017 is shown in table 2.

Table 2
Trend in Average population and Average Area served by Commercial Banks Branch in Odisha

| Year | Average Population served by a branch in ' 000 | Average Area (sq.kms) served by a branch |
|------|--|--|
| 2012 | 13.05 | 47.79 |
| 2013 | 12.37 | 44.7 |
| 2014 | 11.09 | 39.54 |
| 2015 | 10.22 | 35.97 |
| 2016 | 9.86 | 34.25 |
| 2017 | 8.87 | 32.64 |

Source: Odisha Profiles 2018

Table 3
Trend in Deposit in Commercial Banks in Odisha

| Year | Deposit in Commercial Banks (Rs. in Crores) |
|---------|---|
| 2011-12 | 1,24,826.40 |
| 2012-13 | 1,40,877.40 |
| 2013-14 | 1,62,948.40 |
| 2014-15 | 1,89,056.90 |
| 2015-16 | 2,10,851.20 |
| 2016-17 | 2,43,935.89 |
| 2017-18 | 2,66,327.01 |

Source: Odisha Profiles 2018

The table 2 indicates that the average population served by commercial banks went to 8.87 thousand during 2017 from 13.05 thousand during 2012. On the other hand, average area served by commercial banks went to 32.64 sq. kms during 2017 from 47.79 sq. kms during 2012.

C. Trend in Deposits in Commercial Banks in Odisha

The trend in deposits in commercial banks in Odisha from 2011-12 till 2017-18 is shown in table 3.

From the table 3, it is observed that the deposit in Commercial banks in Odisha increased to Rs. 2,66,327.01 crores during 2017-18 from Rs. 1,24,826.40 crores during 2011-12.

6. Conclusion

The growth of commercial banks indicates the extension of financial inclusion which also helps in promoting the growth of the economy. Therefore, there is need to extend more and more financial services with the acceleration of the path of economic development of the country.

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