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Consequences of Deposit Mobilisation with the Reference of Commercial Banks of Bihar

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Abstract – Alexander Gerschenkron1has set forward an idea which legitimizes that banks assumes a significant job in giving a pace to industrialization. Yet, banking framework isn't just the component of his clarification as he thinks about that it plays a key job at certain phase of industrialization; there are different factors too. He calls attention to that increasingly in reverse economy which is, more prominent part played by extraordinary institutional elements which are intended to expand the stockpile of capital. Right now, is reactant middle person that moves sparing into Capital. At the end of the day, the move of adapted surplus net savers to shortage spenders, helps in the use of genuine division yielded by making work out-pay lastly coming about into financial development. Verifiably, banking intermediation is unchallenged in the assembly of money related assets. Be that as it may, in bank commanded monetary framework as India seems to be, unchallenged job of banks have pulled in the consideration of scholastics, improvement offices, and strategy creators to look at the job of commercial banks in assets assembly, when it has neglected to deliver the longing and adjusted impact for all. In a bank driven money related framework like India, commercial banks need to assume imperative job in overseeing territorial parity and organization oral improvement by empowering the pace of credit sending.

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INTRODUCTION

In a bank overwhelmed monetary framework the investigation of the connection between pointers of budgetary improvement and financial development turns into an intricate wonder because of the included level of defect. Be that as it may, huge no. of pioneer works has clarified the relationship in a straightforward procedure of sparing and venture by expecting that, bank as money related middle people acknowledge stores which establish sparing part and awards credit for speculation. Crosscountry contemplates demonstrates that more prominent contribution of banks during the time spent assets preparation through its prime capacity of tolerating stores and allowing credit has delivered beneficial outcomes on the profitable resources of the economies. Yet, Long-term supportable financial development relies upon the capacity to raise the paces of collection of physical and human capital, to utilize the subsequent gainful resources all the more effectively. Early market analysts, for example, Schumpeter1 in 1911 recognized banks' job in encouraging mechanical advancement through their mediator job. He accepted that proficient distribution of reserve funds through distinguishing proof and financing of business people with the best odds of effectively actualizing inventive items and creation forms are instruments to accomplish this target. Some conspicuous researchers like Gurley and Shaw, Patrick, Goldsmith, and Mackinnon record appositive relationship between pay levels and proportions of budgetary intermediation through banks, and show that proficient intermediation adds to financial development in that it builds the volume of speculation and improves asset designation. Ongoing commitments in 'new' development hypothesis Romer, P and Lucas and the writing on endogenous monetary intermediation. Leland and Pyle, Diamond and Dybvig, Diamond, Bernanke and Gertler and Williamson have created models which show that the huge gathering of physical and human capital in immature and creating economies are the result of escalated and broad job of the banks in these economies.

The accessible writing bolsters the realities that economies with better financial intermediation develop quicker while wasteful financial intermediation bear the danger of development shortfall. As indicated by McKinnon, 3 advancement of budgetary framework permits money related extending which mirrors an expanding utilization of banking establishments which helps in the adaptation of the economy, and permits effective progression of assets among individuals and organizations over the time. Adaptation empowers reserve funds and decreases requirement on capital amassing and improves allocative proficiency of venture by moving capital from less gainful to increasingly profitable segments. Banking is normally the important money related industry and can possibly contribute the most or to most seriously hinder financial improvement in a nation. A sound financial framework consistently prompts adjusted order oral improvement of the economy through sufficient organization of credit to the different gainful segments.

Throughout the year's credit, this in normal speech had been viewed as a significant prerequisite of mechanical and business endeavor. The interest for credit emerges because of absence of concurrence between the acknowledgment of pay and demonstration of use either for direct utilization or for making resources at the same time, in all cases, it relies upon potential. Noted financial expert Schumpeter4 says, 'The vital order over beneficial components is given by money related cases as credit.' Credit is type of recently made buying influence for Schumpeter. Credit would mean a net increment in cash supply; banking, through its credit creation action, upgrade the cash supply.

Along these lines, audit of the literary works demonstrates that, the better working financial intermediation facilitate the outside financing limitations that hinder firm and modern development, and cultivate the pace of the monetary development. In a normally bank-overwhelmed money related framework as India seems to be, bank assumes imperative job in guaranteeing since a long time ago run development of the economy by assembling budgetary surplus from net savers to shortfall spenders. Notwithstanding, the way toward activating this surplus has being addressed when some particular districts of the economy has not profited in same extent as their commitment in producing these excess. The state like Bihar, where net savers have spared all the more yet the shortage spenders has obtained less has seen a specialized issue of least C D proportion in the state and proceeded till the date, coming about into poor capital arrangement, lesser profitability, lower per capita salary, and most significant loss of favorable condition for additional business exercises. In Bihar circumstance is basic in sending of credit by biggest gathering of money related mediators of the Indian economy, even with adequate reasons and assets for credit arrangement in the state. As on end walk, 2005 the territory of Bihar involves about, 5.6 percent, a huge piece of Indian financial system and contributes 2.3 percent in its complete store summing at ' 41007 cr. While total size of credit was remained at ' 12869 cr. appallingly lower than the size of sectoral credit sent in certain states like Gujarat, Karnataka, Rajasthan, Madhya Pradesh, Punjab, Haryana, and Delhi. Be that as it may, examination of the market size of these states with the market size of Bihar recounts to various story. According to white paper5 on state account by the administration of Bihar in 2006, advertise size of Bihar is 4.8 percent of the market size everything being equal, more than that of the market size of Punjab, Haryana, Delhi and, Madhya Pradesh and minimal not as much as that of the market size of Rajasthan, Karnataka, and Gujarat. Poor credit sending in the state has unfavorably influenced the economy of Bihar. The State has enlisted least fortunate pace of development during the majority of the long periods of change decades, running from extraordinary low, - 1.6 to 5.5 percent per annum.6 Thus, a realized obliviousness by set up 'organization for advancement' for example commercial banks has left a poor state on its own destiny. Notwithstanding, activities taken by these organizations may guarantee sufficient credit arrangement to the different segments of the state in this way, that, the territory of Bihar will remain in the column of created conditions of the nation. Poor C D proportion and its consequences are certifiably not a recently watched wonder for the state; 7 in actuality the state has seen the said marvel in its past likewise along these lines, thinking of it as a factor hindering development of the express, a few activities have been taken to improve it at all potential levels, yet circumstance is still wild. During my examination I have understood that the issue of low C D proportion has now changed over into the issue of poor C D proportion since, the state has seen most unfortunate, 20.7 percent of credit store proportion in March, 2001 with remarkable credit of Rs 5547.2 crore. During a similar period the national normal was 56.7 percent with extraordinary credit of Rs 538433.8 crore. In this way, the state has recorded simply, 1.03 percent of total credit conveyed by commercial banks the nation over. The circumstance turned out to be progressively helpless in March, 2007 with a lot of 0.9 percent altogether exceptional credit of the nation. The notable research work fundamentally center around the circumstances and logical results of low C D proportion in a predetermined time of 1991-2007. During my examination, I have stood up to with some particular circumstances like, division of the province of Bihar and changed strategy of computing C D proportion in 2005.8 Division of the time of 2000 was impossible to miss in some viewpoint; it has changed not just the geology or nation of the states, however it has likewise changed the idea of the economy. Changed arrangement and needs of both (Bihar and Jharkhand) the states have influenced the extension for banks just as borrowers.

Deposit Mobilisation:

At the hour of first nationalization, the all-out stores of all planned commercial banks were about Rs.5,000 crores. The Indian financial framework preceding the Banking Regulation Act was not sound. There were numerous little a banks with deceitful administration. Nonetheless, after the Banking Regulation Act, following the nationalization, there was an exceptional ascent in bank stores of planned commercial banks. Total bank stores on last Friday of March 1991 were Rs. 1,92,541 crores as against Rs. 4,665 crores in July 1969.11

LITERATURE REVIEW

Haslem (2012) uncovered that the inward determinants begin from the monetary records and the benefit and misfortune records of the bank concerned are regularly named as miniaturized scale or bank explicit determinants of gainfulness. The outer determinants are methodical powers that mirror the monetary condition. The writing gives blended proof on the effect of liquidity on benefit.

Revell (2013) examined the connection between bank productivity and expansion. He noticed that the impact of swelling on bank gainfulness relies upon whether bank compensation and other working costs expanded at a quicker pace than expansion.

Chippa and Sagar (2014) examined the varieties in the degree of banking advancement in Eighteen States in 1977 and contemplated its relationship with other social, financial and infrastructural factors. The investigation uncovered that proficiency rate followed by the infrastructural advancement rose as the most prevailing factors affecting the degree of banking improvement.

Angadi (2015) estimated the degree of convergence of need division propels as a rule and agribusiness progresses specifically in chosen States in India. The investigation uncovered that the level of centralization of both need division progresses and farming advances in the chose States had diminished in 1979 when contrasted with 1969-70.

Bhattacharya (2016) broke down the effect of branch development on the store assembly in the various conditions of India. The wide end drawn by the scientist was that all the four sorts of stores were agreeably receptive to branch development in Maharashtra, Uttar Pradesh, Karnataka, Tamil Nadu, Andhra Pradesh, Gujarat, Punjab, Kerala and New Delhi. Anyway in the states like Himachal Pradesh, Jammu and Kashmir, Assam, Orissa and Bihar, the 4 degree of branch development was a little according to the previously mentioned states.

Kumar and others (1987) made an endeavor to contemplate the extension of commercial financial offices and degree of difference in farming financed by the commercial banks in different conditions of India. The investigation uncovered that the extension of banking offices had been broadened all the more quickly similarly in country regions when contrasted with Semi-Urban regions and Urban zones.

Malhotra (2012) considered 22 distinct parameters that affected the working of RRBs for the year 2000. Malhotra attests that land area of RRBs isn't the constraining element for their exhibitions. He further finds that it is the particular sustenance which RRB gets from its support banks which are cardinal to its presentation.

Rao (2013) dissected the effect of new innovation on the banking sectorTechnology changes the manner in which business is done and opened new vistas for accomplishing a similar work contrastingly in the most practical way.

Sinha (2014) in a field investigation of 5 RRBs found that non-need area progresses expanded pointedly in the second 50% of the 1990s for all the example banks, of 5 which 4 banks have a huge 25 percent of their portfolio put resources into nonpriority segment advances.

Nitin and Thorat (2015) give an infiltrating examination with respect to how requirements in the institutional measurement have genuinely debilitated the administration of the RRBs. They have contended that unreasonable institutional plans have offered ascend to contrary impetus structures for key partners, for example, political pioneers' arrangement producer, Banks staff and components have gone about as imperatives on their presentation.

Development and Development with Special Reference to Developing Economies, A P Thrilwal seventh Edition Macmillan 2003: this paper joins depiction and examination, with an accentuation on the elaboration of basic and helpful hypothetical financial models for a comprehension of the issues that involve the topic of improvement financial aspects. Aside from the hypothetical conversation of old style, neo traditional, and 'new' endogenous development hypothesis, this paper additionally centers around financing the improvement from the household sources with the better utilization of banks. 4. Hypothesis of Economic Growth and Technical Progress: An Introduction by Bakul H Dholakia and Ravindra H Dholakia, Macmillan India Ltd. 1998: this paper presents a hypothetical examination of the scientific form of development hypotheses. Schumpeterian examination of impediments in the method for advancement and job of credit in advancement has helped part in getting improvement. 5. Capital market the Indian budgetary scence. N Gopalsawmi Macmillan India ltd, 2005: capital markets are indicators of the economy. The writer of this paper has introduced a pleasant thought of the job of capital market in assets preparation. The paper likewise talked about the current standards and guideline identified with money related middle people working in India.

Gathering Despair-Agrarian Crisis in India, Members of viewpoint group, January, 2009: this is the assortment of field examines report led by gathering of studies and educators of Delhi University, and J N U. This paper encourages us to comprehend the agrarian emergency, its inclination, cause, and consequences in a live way. This paper is planned to explain the specialized prospects and restrictions of monetary development by and large and of the financial advancement of immature nations specifically. The part eight of this paper centers around job of money related approach and financial advancement. Keynes thought about open credit (for example government compensatory acquiring and spending and World Bank loaning activities) as a sine qua non of both local stable, development and worldwide monetary improvement, while simultaneously preferring a 'modest cash' approach as a supportive energizer to energetic interest over the long haul. Schumpeter, then again, viewed private credit as one of the key factors in monetary advancement, as an irreplaceable extra to enterprise and development. In the light of these financial experiences of Keynes and Schumpeter paper investigate the money related job in monetary improvement. Explicitly the concerned part will talk about the utilitarian relationship among credit, intrigue and development. Aside from the investigation of papers, diaries, look into papers, and monograms I have likewise experienced some particular written works on C D proportion as reports and suggestions. A portion of the significant panel and their proposals are as given beneath. 1. Team on C D proportion in Bihar express: the seven individuals board of trustees was established by Honorable Governor of RBI vide its correspondence no. RPCD:DO:LBS:876:517-91/92,dated June 25, 1992. Headed by Shri PannirSelvem, Executive Director, Bank of India, Bombay. Under the set goal of the team, the team had done colossal exercise and distinguished the purposes for low C D proportion in then Bihar and proposed significant strides to beat the issue. The team had recognized some fundamental issue behind low C D proportion. A portion of the significant are; Inadequate financial foundation and staff, The A C P gets ready by banks covers enormous no of record with low volume of credit, Absence of in reverse and forward linkage in the state, High rate of mechanical infection, Absence of land records, Migration of capital for interest in Bihar is occurring which isn't reflected in the C D proportion of the state, Poor recuperation execution of banks, and Lack of institutional reinforcement for enterprising advancement.

The team has not just distinguished the explanations for lower C D proportion of state yet in addition recommended all conceivable method to beat the issue. Before proposing the activity and steps the team had additionally thought about the proposals and suggestions of prior boards on the equivalent, similar to Sen advisory group of 1984, Ojha council of 1986, the C D R checking panel of 1986, and the elevated level working gatherings of SLBC-1990. A portion of the chosen recommendations by these advisory groups including the Selvam board of trustees are recorded underneath. Making mindfulness by appropriate exposure measures, Identification of business people, Mass crediting for crop creation, Development of minor water system, Identification of requirements, Review of existing mechanical units.

An arrangement of brisk removal of utilization, Introduction of new innovations, Establishment of linkage, Empowering the RRBs, A nonstop hunt of ID of unexplored regions and exercises. Credit Delivery framework in Bihar 2005(A consultancy study report); This report is set up in line with Rural Planning and Credit Delivery Department of Reserve Bank of India .

The RBI has established this working gathering after the gathering with SLBC, Bihar led by Union Finance Minister and was gone to by C M and Dy. C M of the territory of Bihar. The WG has set its following principle destinations. To audit the issues identified with KCC and SHGs in Bihar, Efforts made by investors in the territory of recuperation of awful advances, To survey the bank execution in Government supported projects in the state, and generally essential To test the instance of zero loaning by some bank office in the state. The WG has secured all the 38 areas of the state and visited, 539 parts of SCBs working in the state around then. Before the accommodation of the report the WG has likewise considered the discoveries and proposals of the gathering of the Bankers of Bihar set up by RBI, Patna office in 2003. Consequently after a long exercise the WG has presented its report to the RBI, Mumbai, and opined that, "the exhibition of the banks working in the state has been underneath desire, as reflected as lower C D proportion and poor recuperation of advance in the state. So the concerned establishments must take the issue of low C D proportion as a genuine test for the state. Yearly reports of state level investors board of trustees (SLBC Patna): The State Level Bankers' Committee (SLBC) has been visualized as a consultative and co-appointment body of every single budgetary foundation working in each state. The Committee is relied upon to examine issues, think about elective answers for the different issues in the field of banking improvement and develop an accord for co-ordinate activity by the part establishments. In Bihar State Bank of India is convener bank for SLBC. 4. Technique of figuring of C D proportion at different levels, prescribed by Mr. Y S P Thorat, (M D, NABARD) advisory group. The board was designated by service of fund, Government of India in 2003. The board of trustees has presented its report to the Government of India in 2005. With slight change in proposals of the board of trustees Government of India has acknowledged the suggestions and executed it with the assistance of RBI. According to new rules C D proportion is determined by banks at three levels and the store dispensed under RIDF plot is likewise considered for figuring C D proportion. 5. Bihar's Exposures Towards the Banking SectorA Report of The Special Taskforce on Bihar, July 2007: The Twelve part's taskforce was named by Government of India under the chairmanship of Shree S C Jha. After the nearby perception, discussion and conversation the taskforce opined that, Bihar's introduction to the financial administrations is exceptionally restricted and subsequently, per capita accessibility of money related administrations in Bihar is viewed as most minimal in the nation. To push Bihar on supported monetary development energy, there is a critical need to grow the base of budgetary administrations, with a specific spotlight on the rustic economy and medium business people. The extended budgetary administrations must be practical and their conveyance ought to be of high caliber.

OBJECTIVE OF THE STUDY

1. To examine the existing banking support and performance of the banks in the deployment of credit in the state of Bihar,

2. To determine the cause and effect of the problem of low C D ratio in the state of Bihar.

RESEARCH METHODOLOGY

The current investigation was mostly founded on secondary data. The secondary data have been utilized to break down the deposit mobilization of business banks. The necessary secondary data were gathered from RBI site.

ANALYSIS

1. Growth rate

2. Compound Annual Growth Rate

TABLE 1 TRENDS IN GROWTH RATE OF UTTAR PRADESH STATE

	Deposits Mobilization (Millions)			Rate of Growth (%)		
Years	Current deposit	Saving deposit	Term deposit	Growth of current deposit	Growth of saving deposit	Growth of deposit
2005-2006	9768.0	30625.0	118524.1	--	--	--
2006-2007	12836.3	37164.4	125416.2	31.41	21.35	5.81
2007-2008	10909.9	44504.5	125985.3	-15.01	19.75	0.45
2008-2009	17746.6	52330.6	166644.3	62.67	17.58	32.27
2009-2010	22678.1	64549.0	204767.2	27.79	23.35	22.88
2010-2011	22032.9	74973.6	218776.7	-2.85	16.15	6.84
2011-2012	27594.7	80830.5	256332.6	25.24	7.81	17.17
2012-2013	21006.3	90531.3	286268.6	-23.88	12.00	11.68
2013-2014	21078.3	103217.9	326958.7	0.34	14.01	14.21
2014-2015	2648.4	115130.6	373831.3	-87.44	11.54	14.34
Mean	16829.95	69385.7	220351			
SD	7567.96	28520	89428.5			
CAGR	-13%	16%	14%			

Source: Secondary Data

Table 1 shows that the quantity of current deposit accounts in 2005-2006 was 9768 million it has a development of 31.41% in 2006-2007 yet it has indicated a vacillation in development in the next years and a Compound Annual Growth Rate of -13% simultaneously "Saving Deposit" and "Term Deposit" show a continuous abatement in the development rate yet the CAGR of saving deposit is 16% Followed by term deposit 14%. One more thing can be seen here that the development a current deposit has Four negative figures that (-15.01),(- 2.85),(- 23.88),(- 87.44) during the times of 2007-2008,2010-2011,2012-2013 and 2014-2015. Saving deposit and term deposit have a no negative figure. Shows there the current deposit, saving deposits, term deposit in bank diminished definitely in that time of demonstrating a troublesome situation for the banks.

TABLE 2 TRENDS IN GROWTH RATE OF HARYANA STATE

	Deposits Mobilization (Millions)			Rate of Growth (%)		
Years	Current deposit	Saving deposit	Term deposit	Growth of current deposit	Growth of saving deposit	Growth of term deposit
2005-2006	99418.8	318779.0	633004.3	--	--	--
2006-2007	128004.0	355723.9	716158.5	28.75	11.59	13.14
2007-2008	161196.3	432652.7	912078.6	25.93	21.63	27.36
2008-2009	187650.8	488124.4	1193044.2	16.41	12.82	30.80
2009-2010	225237.8	648107.2	1278826.2	20.03	32.78	7.19
2010-2011	270757.7	799747.2	1524711.8	20.21	23.40	19.23
2011-2012	282668.5	867805.5	1880435.6	4.40	8.51	23.33
2012-2013	323106.1	975775.9	2288833.8	14.31	12.44	21.72
2013-2014	346841.4	1134485.1	2666594.7	7.35	16.26	16.50
2014-2015	460357.8	1266524.8	3050699.3	32.73	11.64	14.40
Mean	248523.92	728773	1614439			
SD	110751.9	333087	833809			
CAGR	19%	17%	19%			

Source: Secondary Data

Table 2 shows that the quantity of current deposit accounts in 2005-2006 was 99418.8 million it has a development of 28.75% in 2006-2007 yet it has indicated a variance in development in the next years and a Compound Annual Growth Rate of 19% simultaneously "Saving Deposit" and "Term Deposit" show a progressive diminishing and increment in development rate however the CAGR of saving deposit is 17% Followed by term deposit 19%. One more thing can be seen here that the development a Current Deposit, Saving Deposit and Term Deposit have no negative figures.

TABLE 3 TRENDS IN GROWTH RATE OF BIHAR STATE

Deposits Mobilization (Millions)				Rate of Growth (%)		
Years	Current deposit Amount (in Rs. crore)	Saving deposit	Term deposit	Growth of current deposit	Growth of saving deposit	Growth of term deposit
2005-2006	750414.2	782566.7	3327239.9	--	--	--
2006-2007	927366.9	903535.7	4715466.0	23.58	15.46	41.72
2007-2008	1677087.9	1161685.5	5787913.7	80.84	28.57	22.74
2008-2009	1404081.0	1385806.4	7190402.8	-16.28	19.29	24.23
2009-2010	1840251.0	1631464.0	8548199.2	31.06	17.73	18.88
2010-2011	2124916.8	2121529.6	10286417.9	15.47	30.04	20.33
2010-2011	2124916.8	2121529.6	10286417.9	15.47	30.04	20.33
2011-2012	1757486.2	2056402.6	11484778.3	-17.29	-3.07	11.65
2012-2013	2057154.2	2331412.9	13400261.9	17.05	13.37	16.68
2013-2014	2180375.2	2630628.6	15477446.7	5.99	12.83	15.50
2014-2015	2544188.6	2927778.7	16028127.9	16.69	11.30	3.56
Mean	1726332.2	1793281.07	9624625.43			
SD	563159.4	734780.7	4459388.7			
CAGR	15%	16%	19%			

Source: Secondary Data

Table 3 shows that the quantity of current deposit accounts in 2005-2006 was 750414.2 million it has a development of 23.58% in 2006-2007 however it has demonstrated a vacillation in development in the next years and a Compound Annual Growth Rate of 15% simultaneously "Saving Deposit" and "Term Deposit" show a steady decline in development rate yet the CAGR of saving deposit is 16% Followed by term deposit 19%. One more thing can be seen here that the development a Current Deposit has Two negative figures that (- 16.28),(- 17.29) during the times of 2008-2009 and 2011-2012. One negative figure is in the long periods of 2011-2012 (3.07) Saving deposit and term deposit have a no negative figure. Shows there the current deposit, saving deposits, term deposit in bank diminished definitely in that time of indicating an ominous domain for the banks.

TABLE 4 TRENDS IN GROWTH RATE OFRAJASTHAN

	Deposits Mobilization (Millions)			Rate of Growth (%)		
Years	Current deposit	Saving deposit	Term deposit	Growth of current deposit	Growth of saving deposit	Growth of term deposit
2005-2006	686.3	3436.8	3742.5	--	--	--
2006-2007	976.2	2917.1	5721.4	42.24	-15.12	52.88
2007-2008	1107.2	3311.5	6558.4	13.42	13.52	14.63
2008-2009	1326.8	3895.9	7333.2	19.83	17.65	11.81
2009-2010	1510.7	4879.7	8056.2	13.86	25.25	9.86
2010-2011	1674.3	5851.6	9013.5	10.83	19.92	11.88
2011-2012	1651.5	7231.2	11691.8	-1.36	23.58	29.71
2012-2013	1773.9	8876.5	14687.5	7.41	22.75	25.62
2013-2014	2470.7	11023.9	16201.0	39.28	24.19	10.30
2014-2015	2961.1	11918.5	18458.2	19.85	8.12	13.93
Mean	1613.87	6334.27	10146.37			
SD	682.85	3298.94	4896.53			
CAGR	18%	15%	19%			

Source: Secondary Data

Table 4 shows that the quantity of current deposit accounts in 2005-2006 was 686.3 million it has a development pace of 42.24 % in 2006-2007 yet it has indicated a change in development in the next years and a Compound Annual Growth Rate of 18% simultaneously "Saving Deposit" and "Term Deposit" show a slow lessening in development rate however the CAGR of saving deposit is 15% Followed by term deposit 19%. One more thing can be seen here that the development a Current Deposit has a negative figures that (- 1.36) during the times of 2011-2012. A negative figure is Saving Deposit (- 15.12) in the time of 2006-2007. No negative figure is Term deposit. Shows there the current deposit, saving deposits, term deposit in bank diminished radically in that time of demonstrating a horrible domain for the banks.

CONCLUSIONS

It is observed that deposit ratio of Bihar state is continuously lower than the national average and lowest among all the states of India. It is a challenge for Bankers, policy makers, and experts to improve it up to the national average. But still the condition is under veiling. However, much action has been taken to improve the credit deposit ratio of the Bihar state. The present state government has shown its keen interest to solve the problem of low C D Ratio.44 Undoubtly, it is the will of the state government and bankers too that, the state's credit-deposit ratio has finally crossed the threshold mark of 35 percent, and now stands at 36.70 percent at the end of the 2011-12 fiscal.

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