

SELECTED BANKING INDICATORS 1947-1997

FOREWORD

Banking development in India since her Independence is impressive. It reflects successful orientation of commercial banks to the growing needs and complexities of development. Long time series data on some of the major indicators of banking since India's Independence are not available at one place. Compiling such data is time consuming as well as costly. The Reserve Bank of India has published such data in the different issues of its main publication "Statistical Tables Relating to Banks in India". This publication attempts to present data collected from several volumes of the main publication on a number of banking variables, which consist *inter alia* of aggregate deposits, credit, investments, balances with the Reserve Bank of India and average excess reserve over the statutory minimum balance on a monthly frequency. The annual balance sheet data on selected items of liabilities and assets have also been included.

It is hoped that this publication will be useful to all academic research workers, policy makers and bankers.

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INTRODUCTION

The data presented in this special publication are primarily compiled from several volumes of the publication entitled “Statistical Tables Relating to Banks in India” starting from the year 1947. Some data are also taken from “Banking and Monetary Statistics of India, 1954” and “Form X” returns. The information are in aggregate level and presented in two tables viz. a) Table 1: Month-wise Business of Scheduled Commercial Banks and b) Table 2: Liabilities and Assets of Commercial Banks in India. Table 1 presents monthly data based on “Form A” returns under Section 42(2) of RBI Act starting from 15th August 1947 to March 1997, while Table 2 presents liabilities and assets of commercial banks based on annual accounts of banks. Monthly Section 42(2) data presented here relate to the last Friday of each month and annual balance sheet data for the years 1947 to 1987 relate to 31st December while the same for the remaining years relate to 31st March. Source of each item, as appropriate, is given in both the tables.

GENERAL EXPLANATIONS

The items included in Table 1 are: 1) Number of reporting banks, 2) Borrowings from banks, 3) Demand and time deposits from banks, 4) Demand deposits from others, 5) Time deposits from others, 6) Aggregate Deposits, 7) Other demand and time liabilities, 8) Borrowing from RBI, 9) Cash in hand, 10) Balances with the RBI, 11) Balances with banks in current accounts, 12) Money at call and short notice, 13) Investments in Government securities, 14) Investments in other approved securities, 15) Total investments, 16) Inland bills purchased and discounted, 17) Foreign bills purchased and discounted, 18) Loans and advances, 19) Total bank credit and 20) Average excess reserve over the statutory minimum balance. Monthly data of some items in Table 1 were not uniformly available from 1947 due to inclusion/deletion of items from the “Form-A” returns. Such items and their coverage are given in the table below.

Items	Available from
1) Borrowings from banks	July, 1948
2) Investments in Government Securities	November, 1951
2) Borrowings from RBI against usance bills and promissory notes	February, 1952 to August 1979
3) Foreign bills purchased and discounted	May 1954
4) Demand and Time deposits from banks	November, 1960
5) Other demand and time liabilities	November, 1960
6) Investments in “Other Approved Securities”	January, 1970

Monthly data for all other items are uniformly available from 15th August 1947 to March 1997. Some item-wise explanations of Table 1 are given below:

- 1) “Borrowings from banks” presents borrowings from all commercial and co-operative banks including borrowing in terms of “Money at call and short notice”. It also includes Borrowings from IDBI, Agricultural Refinance Corporation, EXIM Bank and NABARD but excludes borrowings from the RBI.
- 2) “Other demand and time liabilities” include a) Interest due to other banks and interest accrued on deposits, b) Bills payable, c) Suspense account balances, d) Unpaid dividends, etc.
- 3) “Balances with banks in current account” includes balances in current account with notified financial institutions also.
- 4) Excess Reserve data relate to last reporting Friday of each month.
- 5) “-” indicates nil or negligible.

The data on liabilities and assets of commercial banks as presented in Table 2 for the years 1950 to 1989 are as per the format given in the balance sheet under Section 29(1) of the Banking Regulation Act, 1949. The data presented as on March 1989 relate to the period of 15 months from January 1987 to March 1989 due to change in the financial year from January-December to April-March. The data for the period 1990 to 1997 are taken from "Form-X" under Section 27 of Banking Regulation Act, 1949.

Some item-wise explanations of Table 2 are given below:

- 1) For the years 1947 to 1949, (a) "Other liabilities" include borrowings, bills payable and profit carried to next year's account, (b) "Cash in hand and cash with RBI and SBI" denotes 'cash in hand only', (c) "Cash at banks" include 'money at call and short notice', (d) "Other investments" include investments in shares and debentures and (e) "Other assets" include fixed assets and loss.
- 2) From 1950 onwards, Cash and balances with the banks include: a) Cash in hand and with Reserve Bank of India and SBI* b) balances with banks in current accounts in India and outside India and c) balances with other banks in savings and fixed deposit accounts in India and outside India.
- 3) Investments in "others" includes investments in gold also.
- 4) Loans, advances, cash credits and overdrafts figures relate to India and outside India as well. This figure includes due from banks. Similarly, the data on "Bills discounted and purchased" are payable in India and outside India.
- 5) Fixed Assets include a) Premises less depreciation, b) Non-banking assets acquired in satisfaction of claims and c) Furniture and fixtures less depreciation.
- 6) "Other assets" include silver also.
- 7) Contra items are excluded from the asset side.

● The name Imperial Bank of India was changed to State Bank of India with effect from July 1, 1955 in pursuance of the State Bank of India Act, 1955.

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