

# Growth of Vikas Souharda Co-operative Bank Limited in Bellary District of Karnataka: A Financial Analysis

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**Abstract -** This paper focused on various financial services and activities status of the Vikas Souharda Co-operative Bank Limited (VSCBL) is one of the best financial services activities of Souharda Co-operative Bank in Bellary District of Karnataka state. It is promotes to financial service activities and some importance service of registered members, education loan, multi-purpose loan, small industrial loan, vehicle loan, general insurance facilities, small and marginal agricultural farmers, and also weaker sections community in both the urban and semi-urban areas. The VSCBL is one of the dominantly the success of role in the credit oriented development services and financial activities is significantly dependent upon the best performance of the souharda credit system in Bellary District of Karnataka state. The present study analyzed on the financial services and importance of services activities of the aspects such as number of Membership, Share Capital, Reserves, Deposits, Working Capital, Investment, Loans and Advances, and Net Profit.

**Keywords:** Origin of VSCBL, Financial Services, Growth of Financial, Various Services and Activities.

## I Introduction

The VSCBL is one of the best financial services and activities of Souharda Co-operative Bank in Bellary District of Karnataka state. It is promotes to financial service activities and some importance service of registered members, education loan, multi-purpose loan, small industrial loan, vehicle loan, general insurance facilities, small and marginal agricultural farmers, and also weaker sections community in urban and semi-urban areas. The VSCBL is one of the dominantly the success of role in the credit oriented development services and financial activities is significantly dependent upon the best performance of the credit structure circular flow of the credit institution and the Souharda Credit System in Bellary District of Karnataka state.

## II Objectives of the Study

The following are the major objectives as the study

- 1) To study the growth and financial service of the VSCBL in Bellary District of Karnataka.
- 2) To study the various services and activities of VSCBL.

## III Methodology of the Study

The present study is mainly based on secondary sources. The secondary data required collected from the Annual Reports and Journals of Vikas Souharda Co-operative Bank Limited, News Papers, Office documents of reports. The data analysis carried out by using simple statistical technique like, Mean, Standard Deviation and Co-efficient of variation. The study covers a period of ten years (2005-06 to 2015-16).

## Origin of the VSCBL

The Vikas Souharda Co-operative Bank Limited (VSCBL) bank founder is Mr.Diwakar and Mr.Vishwanath. C. Hiremath along with another a member started Vikas Yuvak Mandalis in the year 1979, to steps to steps growth and development (VSCBL) they involved themselves in various social activities like, Awareness Program, Educational Projects Cultural Programmes, and Financial Activity. The VSCBL is a best financial performance of famous bank in Hyderabad Karnataka region of Karnataka state.

## Adaptation of Souharda Act and Growth of Financial in VSCBL

The beginning of the Co-operative movement in India dates back to about 1904 when official efforts were initiated to create a new type of institution based on the principles of co- operative ideology. The basic idea behind Co-operation is "Self Help and Mutual Help" and "Mutual Aid" and "Each for all and all for each". In 1997 Karnataka Souharda Sahakari Act (KSSA) came into

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existence Vikas Co-operative Bank has converted to Vikas Souharda Co-operative Bank Ltd. Hospet started its operation at Hospet. This bank at present functioning namely, Hospete, Sindhanur, Hubballi, Gangavathi, Bellary, Kotturu, Toranagallu branches "VSCBL awarded as "Best Sahakari Bank in the year 2012.

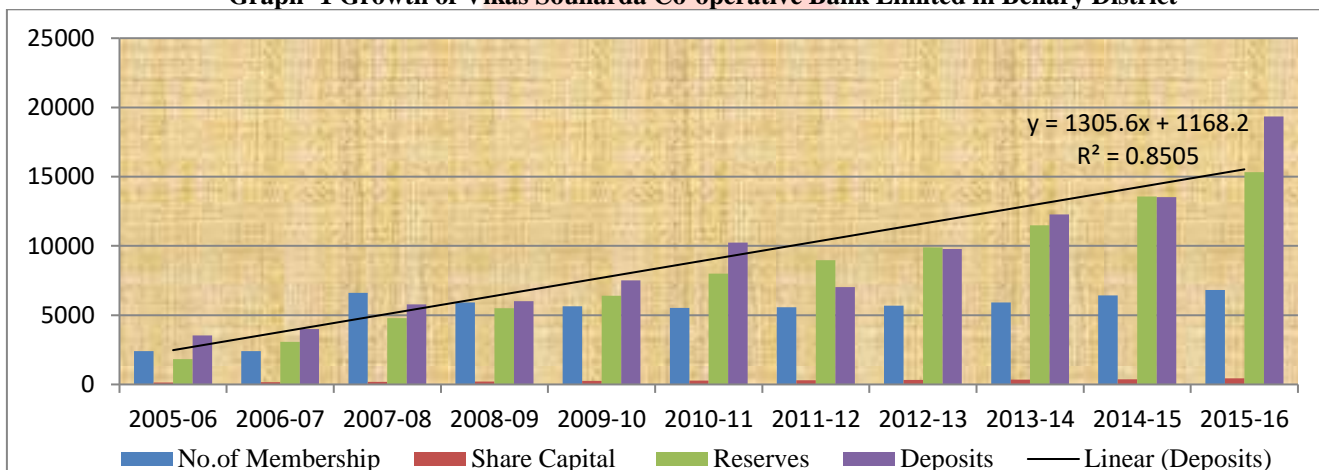
**Table-1 Growth of Vikas Souharda Co-operative Bank Limited in Bellary District (2005-06 to 2015-16)**

Years					(Rs. in lakhs)			
	No. of Membership	AGR	Share Capital	AGR	Reserves	AGR	Deposits	AGR
2005-06	2412	-	142.23	-	1832.26	-	3531.07	-
2006-07	2401	-0.46	158.37	11.35	3071.99	67.66	3994.95	13.14
2007-08	6618	175.64	197.04	24.42	4790.17	55.93	5789.25	44.91
2008-09	5921	-10.53	211.63	7.40	5496.9	14.75	6019.94	3.98
2009-10	5641	-4.73	249.23	17.77	6396.15	16.36	7521.56	24.94
2010-11	5533	-1.91	270.84	8.67	7987.99	24.89	10229.55	36.00
2011-12	5576	0.78	304.56	12.45	8965.3	12.23	7025.50	-31.32
2012-13	5680	1.87	328.56	7.88	9897.54	10.40	9770.09	39.07
2013-14	5914	4.12	348.94	6.20	11481.8	16.01	12275.62	25.64
2014-15	6438	8.86	375.05	7.48	13559.15	18.09	13518.61	10.13
2015-16	6821	5.95	444.16	18.43	15317.28	12.97	19342.36	43.08
<b>Total</b>	<b>58955</b>		<b>3030.61</b>		<b>88796.53</b>		<b>99018.5</b>	
<b>CGR</b>	<b>8.24</b>		<b>11.46</b>		<b>20.70</b>		<b>16.22</b>	
<b>Mean</b>	<b>5359.55</b>		<b>275.51</b>		<b>8072.41</b>		<b>9001.68</b>	
<b>SD</b>	<b>1523.32</b>		<b>94.78</b>		<b>4272.14</b>		<b>4695.22</b>	
<b>CV</b>	<b>28.42</b>		<b>34.4</b>		<b>52.29</b>		<b>52.15</b>	

Source: Annual Reports (2005-06 to 2015-16), Vikas Souharda Co-Operative Bank Limited.

Note: Actual values in terms of lakhs values in (brackets)

**Graph- 1 Growth of Vikas Souharda Co-operative Bank Limited in Bellary District**



The table-1 and graph-1 indicates that the growth of VSCBL in Bellary District of Karnataka during the period between 2005-06 to 2015-16. It is clearly from the analyzed that the number of membership was 2412 in 2005-06, which has increased to 6821 in 2015-16. The share capital was Rs.142.23 lakh in 2005-06, which has increased to 444.16 lakhs in 2015-16 respectively. The reserves are Rs.1832.26 lakh in 2005-06 which has increased to Rs.15317.28 lakhs in 2015-16. The deposit was Rs.3531.07 lakh in 2005-06 which has increased to Rs.19342.36 in 2015-16.

The given above table-1 revealed that the Annual Growth Rate, Compound Annual Growth Rate, Average, Standard deviation, and Co-efficient of Variation of the VSCBL. The CAGR for the memberships is 8.24, the Mean (5359.55), the Standard deviation (1523.32) and Coefficient of Variation (28.48). The CAGR for the share capital is 11.46, the Mean (275.51), the Standard Deviation (94.78) and Coefficient of Variation (34.4) and the above table observed that the CAGR, Mean, Standard deviation, and CV of reserves and deposits in the VSCBL in Bellary District of Karnataka.

**Table-2 Growth of Vikas Souharda Co-operative Bank Limited in Bellary District (2005-06 to 2015-16)**

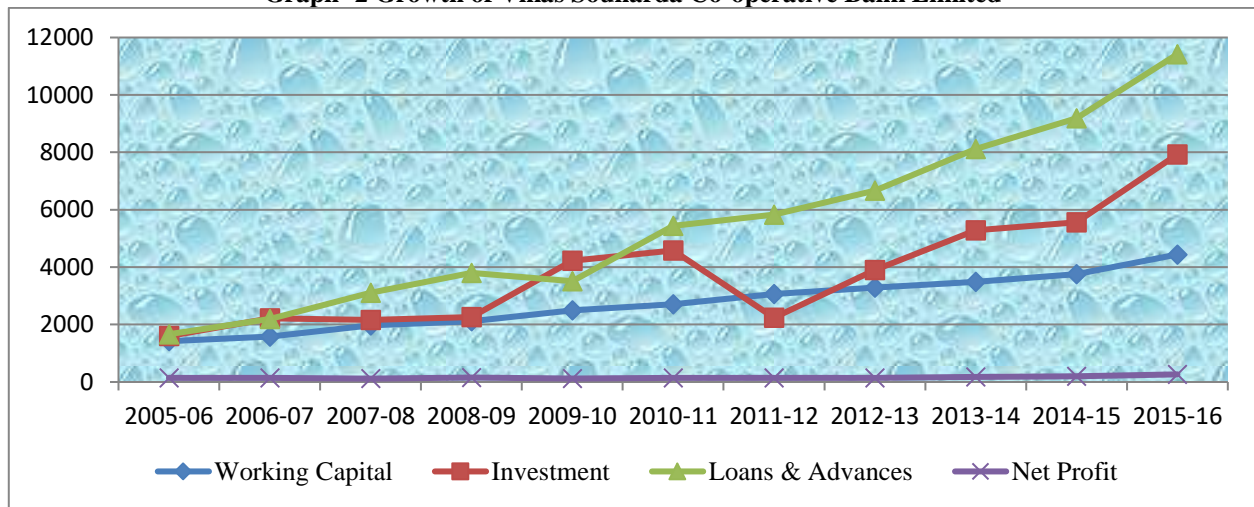
Years					(Rs. in lakhs)			
	Working Capital	AGR	Investment	AGR	Loans & Advances	AGR	Net Profit	AGR
2005-06	1422.28	-	1598.57	-	1665.05	-	140.19	-
2006-07	1583.74	11.35	2218.89	38.8	2197.91	32	139.54	-0.46
2007-08	1970.42	24.42	2161.9	-2.57	3109.26	41.46	118.16	-15.32
2008-09	2116.33	7.41	2265.33	4.78	3802.43	22.29	153.68	30.06

2009-10	2492.25	17.76	4220.13	86.29	3515.55	-7.54	124.91	-18.72
2010-11	2708.45	8.67	4582.68	8.59	5439.49	54.73	148.51	18.89
2011-12	3068.57	13.3	2244.72	-51.02	5829.97	7.18	140.52	-5.38
2012-13	3285.66	7.07	3901.05	73.79	6669.6	14.4	146.53	4.28
2013-14	3489.45	6.2	5283.02	35.43	8110.78	21.61	175.03	19.45
2014-15	3750.5	7.48	5562.69	5.29	9187.76	13.28	201.03	14.85
2015-16	4441.62	18.43	7927.79	42.52	11417.7	24.27	264.42	31.53
<b>Total</b>	<b>30329.3</b>		<b>41966.8</b>		<b>60945.5</b>		<b>1752.52</b>	
<b>CGR</b>	<b>11.47</b>		<b>14.42</b>		<b>19.78</b>		<b>5.45</b>	
<b>Mean</b>	<b>2757.21</b>		<b>3815.16</b>		<b>5540.5</b>		<b>159.32</b>	
<b>SD</b>	<b>948.56</b>		<b>1947.96</b>		<b>3082.92</b>		<b>41.63</b>	
<b>CV</b>	<b>34.4</b>		<b>51.05</b>		<b>55.64</b>		<b>26.12</b>	

Source: Annual Reports (2005-06 to 2015-16), Vikas Souharda Co-operative Bank Limited.

Note: Actual values in terms of lakhs values in (brackets)

Graph- 2 Growth of Vikas Souharda Co-operative Bank Limited



The table-2 and graph-2 depicts of the financial performance of VSCBL during the study period from 2005-06 to 2015-16. The working capital was Rs. 1422.28 lakhs in 2005-06 which has increased to Rs. 4441.62 lakh in 2015-16. The investment VSCBL bank was Rs. 1598.57 lakhs in 2005-06 which has increased to 7927.79 in 2015-16. The loans and advances were about Rs.1665.05 lakh in 2005-06 which has increased to Rs. 11417.73 lakh in 2015-16. The net profit was about 140.19 lakhs in 2005-06 which has increased to 264.42 lakhs in 2015-16.

In the above table-2 shows that the Annual Growth rate, Compound Annual Growth Rate, Mean, Standard Deviation, and Co-efficient of Variation of VSCBL of Bellary District of Karnataka. The CAGR for working capital is 11.47, investment is 14.42, loans and an advance is 19.78 and net profit is 5.45. The Mean for working capital of 2757.21, the investment about 3815.16, the loans and advance was 5540.5 and the net profit is 159.32 and the standard deviation and co-efficient of variations of the VSCBL. The standard deviation for the working capital is 948.56, and CV is 34.4, the investment is 1947.96 and CV is 51.05, and the loans and advance is 3082.92 and CV is 55.64 and the net profit is 41.63 and CV is 26.12.

#### IV Various Services and Activities of Vikas Souharda Co-operative Bank Limited

The VSCBL are various services and activities such as following;

- Savings Banks
  - ✓ Benefits
    - Average monthly balance to be maintained to Rs. 1000/-.
    - CTS Cheque book.
    - All-time money card facility with withdrawal limit up to Rs.25,000/-.
    - Any branch banking facility throughout all branches of the bank for operations in saving, term deposit accounts.
    - SMS transaction alerts.
    - Statement of account at monthly intervals by electronic mail.
    - 365 days banking facility.
    - Mobile banking services.
- Current Accounts Facilities
- Term Deposit Facility

Vikas Souharda Co-operative Banks offers to several term deposit schemes for various duration's deposits at attractive interest rates, likes, Quarterly interest deposit scheme, monthly interest deposit scheme, recurring deposit scheme, internet banking services, mobile banking services, Rupay debit card.

- ATM Card Facility
  - Cash withdrawal
  - Balance Enquiry.
  - Mini statement.
  - E-commerce.
- RTGS (Real Time Gross Settlement) and NEFT (National Electronic Fund Transfer) services
- General insurance services.

### Conclusion

The VSCBL is a contributory various financial service; various services activities and some agricultural schemes where in the beneficiaries contribute a small amount of money every time to avail any possible working during the period in Bellary District of Karnataka. The VSCBL over the years have been playing a huge role for the development of small and medium enterprises, improvement of member's children education, conducted legal awareness programmes for women, agriculture loans etc. And also improvement in financial service and other scheme of VSCBL, contribution of VSCBL towards economic development of the study area.

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