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Growth of Guardian Souharda Sahakari Bank Niyamita in Bangalore District: An Economic Analysis

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Abstract: GSSBN bank is working in the urban and semi-urban areas. They are the back bone of banking system with the huge contribution to the growth of the nation. This article focuses on Services of Loans and Advances and Financial factors such as Share Capital, Reserves, Deposits, Loans and Advances, Investment and Net Profit. This paper analyzes the growth of financial services and tends of the Guardian Souharda Sahakari Bank Niyamita (GSSBN) in Bangalore District of Karnataka state. The simple statistical tools like Mean, Standard Deviation, and Co-efficient of Variation are for the study.
Keywords: Services, Membership, Share Capital, Reserves, Deposits, Investments, Loans and Advances, Net Profit.

I. INTRODUCTION

Banking business has done wonders in the world economy. The simple looking method of accepting money deposits from savers and then lending the same money to borrowers, banking activity encourages the flow of money to productive use and investments. This in turn allows the economy to growth. The co-operative banks are organized and managed on the principles of co-operation "Self-Help and mutual help". Souharda Co-operative Banks (SCBs) which are mainly catering to the needs of middle class and weaker sections of urban and semi urban areas.

The Guardian Souharda Sahakari Bank Niyamita (GSSBN) was established in 31st July 1998. Under the Karnataka Souharda Sahakari Act (KSSA) 1997. Mr. Collin R. Timms is the founder of the bank. This bank is one leading souharda co-operative bank in Karnataka state and got "Best Co-operative Bank" award of the year 2013" by the Karnataka State Federal Co-operative Limited in Bangalore. The bank has played itspivotal role in providing active counseling and assistance for all financial needs in service of the community. GSSBN envisages helping all members of the society focusing mainly on families and individuals the middle lower-middle class and poor sections. This bank is especially conceived and designed to meet the needs of family segments within the communities. Family is the building block of the society, and encourages thrift and enterprise among the youth. The prohibitive cost of higher education has been a major deterrent for the poor. GSSBN bank provide innovative credit scheme for this purpose.

GSSBN has promote saving among housewives by organizing weekly or monthly collections on a door to door basis. The potential for developing enterprise among women is immense given timely credit and simple counseling, women can be self employed with cottage and home industries, such as process foods, pickles, papads, needle work etc.

This bank has provide simple and attractive savings, schemes, credit for improving the quality of his/her life by purchasing time saving device and appliances, financial assistance and advice in self employment and opening of small business in order to exploit the full potential of his his/her skill. And provided their special needs like, health, hospitalizations etc. it will also seek to provide personalized services for their banking transactions like depositing pension slips, provided fund, LIC payments and with drawals, also advice them on investments, to enable them to have a safe and regular income at the twisting time in their lives. Senior citizens are given 0.5 percent extra on the deposits.

II OBJECTIVES OF THE STUDY

The following are the major objectives as the study

To examine the trend in growth of Guardian Souharda Sahakara Bank Niyamita in Bangalore District of Karnataka To study the Various Loans and Advances of GSSBN.

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III METHODOLOGY

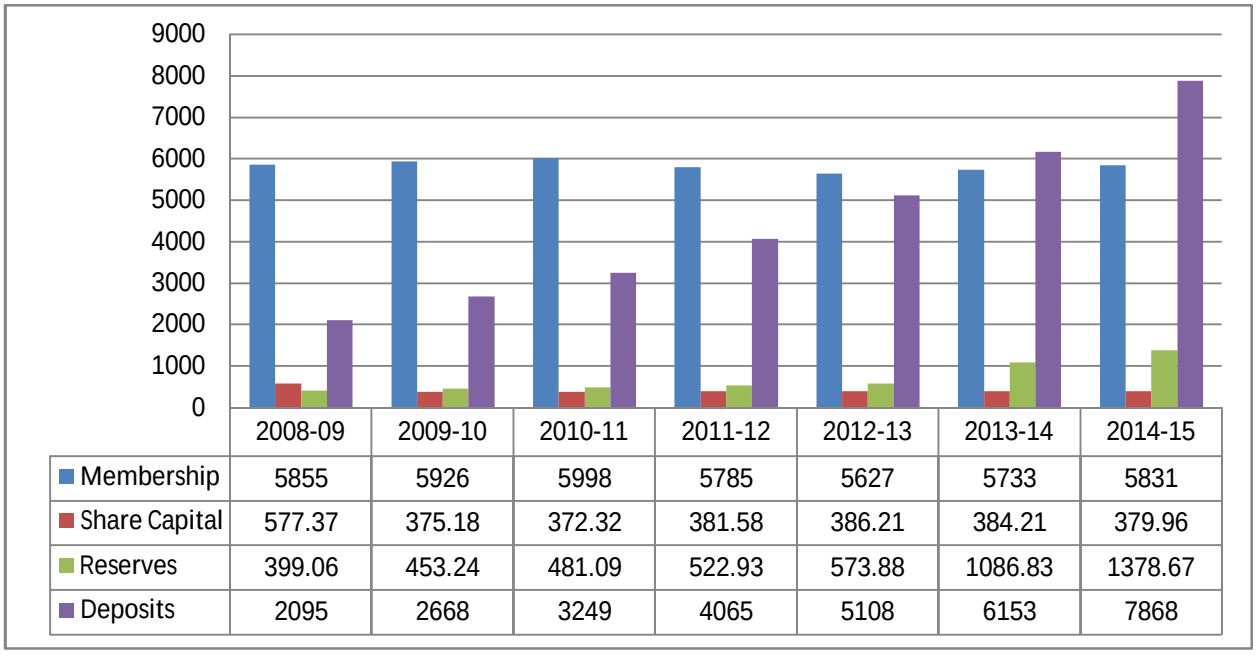
The present study entitled "Growth of Guardian Souharda Sahakari Bank Niyamita in Bangalore District: An Economic Analysis. The present study is prepared mainly on the bases of the secondary data information. The secondary data was collected from Office Records, Annual Reports, Office Records of KSSFCL, and Newspaper. 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 7 years (2008-09 to 2014-15).

Table -1 Growth of Guardian Souharda Sahakari Bank Niyamita in Bangalore District (2008-09 to 2014-15)(Rs. in Lakhs)

Year	Membership	AGR	Share Capital	AGR	Reserves	AGR	Deposits	AGR
2008-09	5855	-	577.37	-	399.06	-	2095	-
2009-10	5926	1.2	375.18	-35.02	453.24	13.58	2668	27.35
2010-11	5998	1.2	372.32	-0.76	481.09	6.14	3249	21.78
2011-12	5785	-3.6	381.58	2.49	522.93	8.70	4065	25.12
2012-13	5627	-2.7	386.21	1.21	573.88	9.74	5108	25.66
2013-14	5733	1.9	384.21	-0.52	1086.83	89.38	6153	20.46
2014-15	5831	1.7	379.96	-1.11	1378.67	26.85	7868	27.87
Total	40755		2856.83		4895.7		31206	
CAGR	-0.51		-4.10		22.34		24.31	
Mean	5822.14		408.12		699.39		4458.00	
SD	122.66		74.79		377.90		2054.57	
CV	2.10		18.32		54.03		46.08	

Source: Office Records (2008-09 to 2014-15), GSSBN in Bangalore

Graph -1 Growth of Guardian Souharda Sahakari Bank Niyamita in Bangalore District (2008-09 to 2014-15)



The table-1 and graph-1 indicates that the growth of GSSBN in Bangalore District during the period from 2008-09 to 2014-15. It is clearly from the analyzed that the Membership was about 5855 in 2008-09, which has decreased to 5831 in 2014-15. The Share Capital was Rs. 577.37 lakh in 2008-09, which has increased to Rs.379.96 lakh in 2014-15. The Reserves was Rs. 399.06 lakh in 2008-09 which has increased to Rs. 1378.67 lakh in 2014-15. The Deposits was Rs. 2095 lakh in 2008-09 which has increased to Rs.7868 lakh in 2014-15.

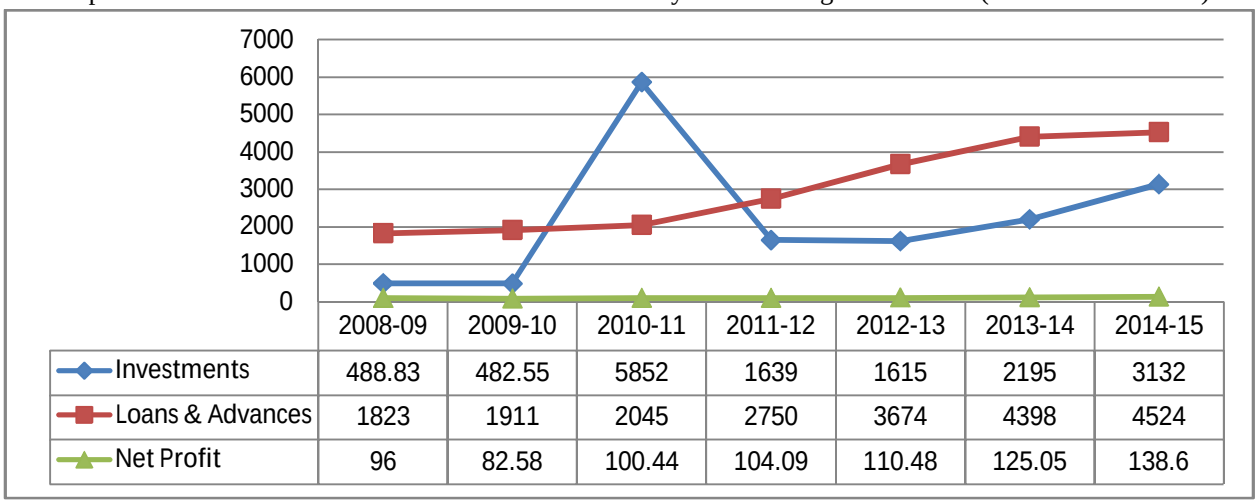
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Table -2 Growth of Guardian Souharda Sahakari Bank Niyamita in Bangalore District (2008-09 to 2014-15)(Rs in Lakhs)

Year	Investment	AGR	Loans & Advances	AGR	Net Profit	AGR
2008-09	488.83	-	1823	-	96	-
2009-10	482.55	-1.28	1911	4.83	82.58	-13.98
2010-11	5852	1112.72	2045	7.01	100.44	21.63
2011-12	1639	-71.99	2750	34.47	104.09	3.63
2012-13	1615	-1.46	3674	33.60	110.48	6.14
2013-14	2195	35.91	4398	19.71	125.05	13.19
2014-15	3132	42.69	4524	2.86	138.6	10.84
Total	15404.38		21125		757.24	
CAGR	29.85		19.46		7.51	
Mean	2200.63		3017.86		108.18	
SD	1859.23		1174.36		18.69	
CV	84.48		38.91		17.27	

Source: Office Records (2008-09 to 2014-15), GSSBN in Bangalore.

Graph -2 Growth of Guardian Souharda Sahakari Bank Niyamita in Bangalore District (2008-09 to 2014-15)



The above table-2 and graph-2, show that the growth of GSSBN in Bangalore District during the period from 2008-09 to 2014-15. It is clearly from the analyzed that the investment was Rs. 488.83 lakh in 2008-09, which has increased to Rs. 3132 lakh in 2014-15. The Loans and Advances was Rs. 1823 lakh in 2008-09 which has increased to Rs.4524 lakh in 2014-15. The Net Profit was Rs. 96 lakh in 2008-09 which has increased to Rs. 138.6 lakh in 2014-15.

A. Various Services of Loans and Advances of GSSBN

The Loans and Advances by the bank can be classified three categories. Like Short-term loan, Medium-term loan and Long-term Loan.

B. The GSSBN are various services of Loans and Advances such as following.

Sl. No	Loans and Advances	Rate of Interest for other Borrowers	Rate of Interest for borrowers with no default in previous Loan
1	Unsecured Salary Loan	19.75%	18.75%
2	Vehicle Loan (New)	16.00%	15%

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3	Vehicle Loan (Second hand)	17.50%	17.50%
4	Education Loan (Secured)	15.00%	14.00%
5	Education Loan (Unsecured)	19.75%	18.75%
6	Business Loan (Secured)	16.00%	15.00%
7	Small Business Loan (Unsecured)	19.75%	18.75%
8	Taxi Operators Loan	16.50%	16.00%
9	Housing Loan	15.50%	15.00%
10	Gold Loan	14.50%	
11	Secured Term Loan	16.50%	15.50%
12	Unsecured Term Loan	19.75%	18.75%
13	OD Secured	18.00%	17.00%
14	OD Unsecured	19.75%	18.75%
15	Secured Salary Loan(Service more than 5years)	15.00%	-
16	Secured Salary Loan(Service less than 5years)	15.50%	-

IV. FINDINGS OF THE STUDY

A. The Membership during 2011-12 to 2012-13 declined.
B. The Share Capital has negative growth.
C. The Reserves of the bank has positive growth.
D. This bank deposits has positive growth.
E. Investment and Loans and Advances has positive growth of GSSBN.
F. The Annual Growth Rate (AGR) is negative only during 2009-10

V. SUGGESTIONS

A. The bank should introduce attractive schemes to increase membership.
B. GSSBN bank should provide innovative credit facilities.
C. Steps should be taken to attractive more souharda institutional deposits.
D. The bank should make necessary attempts to providemore short-term and medium term loans.
E. The bank should encourage the youth entrepreneurs to take up new ventures.

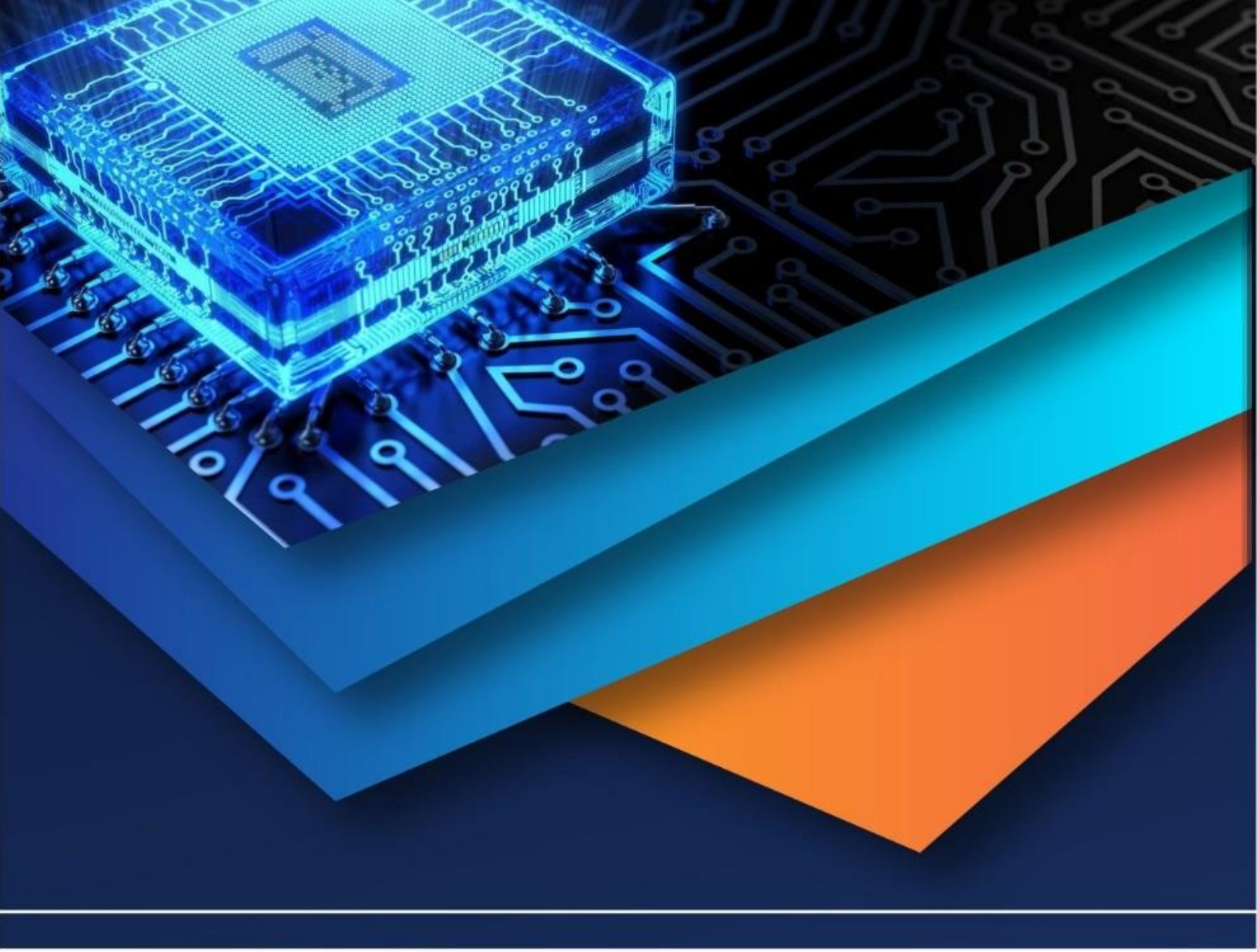
VI. CONCLUSION

Guardian Souharda Sahakari Bank Niyamita is a strong team in the banking operation. This team is able to take up the business developed by the marketing team very efficiently. The group is involved in door step banking for senior citizen and institutions. It also developed banking transaction and the same is delivered at the door step of the customer. The service provided by the bank has started to yield the positive results with the positive response from the members.

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