

TREND ANALYSIS OF BEST PERFORMING COOPERATIVE BANK IN INDIA: A CASE STUDY

NIVEDITA*

ABSTRACT

The Himachal Pradesh State Cooperative Bank Ltd. was awarded best performing bank for the year 2015-2016 by National Federation of State Cooperative Banks. The bank has been adjudged as first prize winner for overall performance. This study is an effort to find out trend of various variables related to the bank. Main function of a bank is accepting deposits for the purpose of lending. Therefore, data of deposits, loans and profit are taken for this study. It is found that bank is growing in each and every sphere.

KEY WORDS: BANK, COOPERATIVE, DEPOSITS, LOAN, PROFIT AND VARIABLES.

1.1 INTRODUCTION

The Himachal Pradesh State Cooperative Bank Ltd. is scheduled bank. This is apex cooperative bank in Himachal Pradesh. The Registration of Himachal Pradesh State Co-operative Bank Ltd. was done in August, 1953 under the Co-operative Society Act, 1912. The bank has started functioning on 15th March, 1954. At that time, the State of Himachal Pradesh used to be the Union Territory and there were only 6 districts in the State. In the year 1955 one Joint Stock Bank i.e., Bank of Sirmour was also merged in it. At present Himachal Pradesh State Co-operative Bank Ltd. is performing the dual function of Apex Co-operative Bank in the state of

* **Faculty Member in Management, Agriculture Cooperative staff training institute (ACSTI), Shimla.**

Himachal Pradesh and District Central Co-operative Bank in 6 districts viz. Bilaspur, Chamba, Kinnaur, Mandi, Shimla and Sirmour. The Bank is extending banking facilities in 5 districts viz. Kangra, Kullu, Hamirpur, Lahaul & Spiti and Una through its affiliated District Central Co-operative Bank namely The Kangra Central Co-operative Bank and in district Solan, The Jogindra Central Co-operative Bank is working as a District Central Co-operative Bank.

The Himachal Pradesh Co-operative Bank is serving the people of the State through a network of 241 online branches and extension counters and 87ATM of which about 94% is in the rural areas of the State which is a matter of applause and one branch at New Subzi Mandi, Azadpur, New Delhi for the benefit horticulturists and agriculturists of the State.

1.2 OBJECTIVES OF THE STUDY

- 1) To highlight the trend in the net profit of bank during the last five years.
- 2) To highlight the trend in deposits, loan & advances and CD ratio of the bank during the last six years.

1.3 RESEARCH METHOD

The study is based on the secondary data. Availability of the data is the limitation of this study. The paper discusses the conceptual framework of trend analysis in the banks during the period of 5 or 6 years up to 2016. Annual reports and websites are referred for the present study.

1.4 RESULTS AND ANALYSIS:

1.4.1 Analysis of Net Profit:

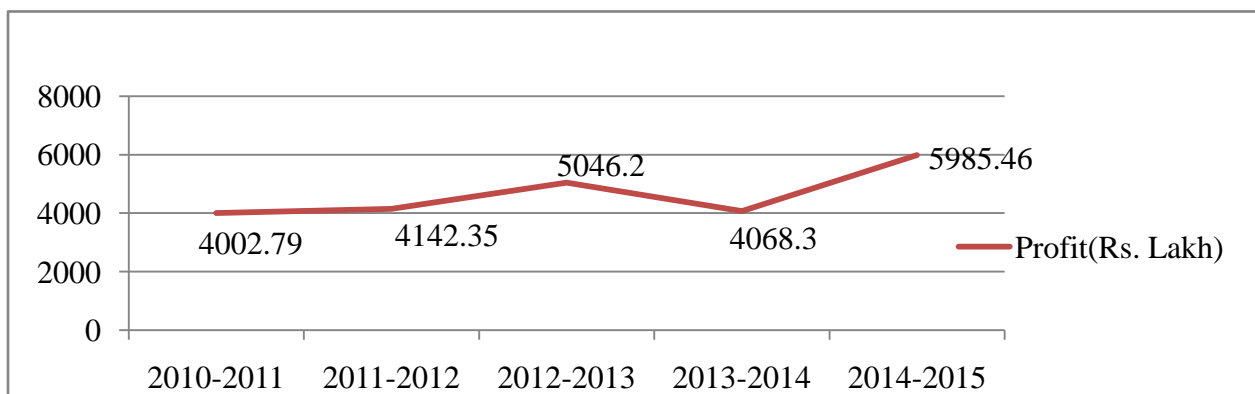


Figure 1

It is clear from the above figure that profitability of the bank has been increased from 2010-11 to 2011-12 i.e. 3%. From 2011-12 to 2012-13 and 2013-14 to 2014-15 it has been increased by 21% and 137% respectively. From the above figure it is clear that there is only one year when profit of bank has decreased. The H.P. State Co-operative Bank Ltd. is a profit earning and continuously dividend paying organization.

1.4.2 Analysis of Deposits:

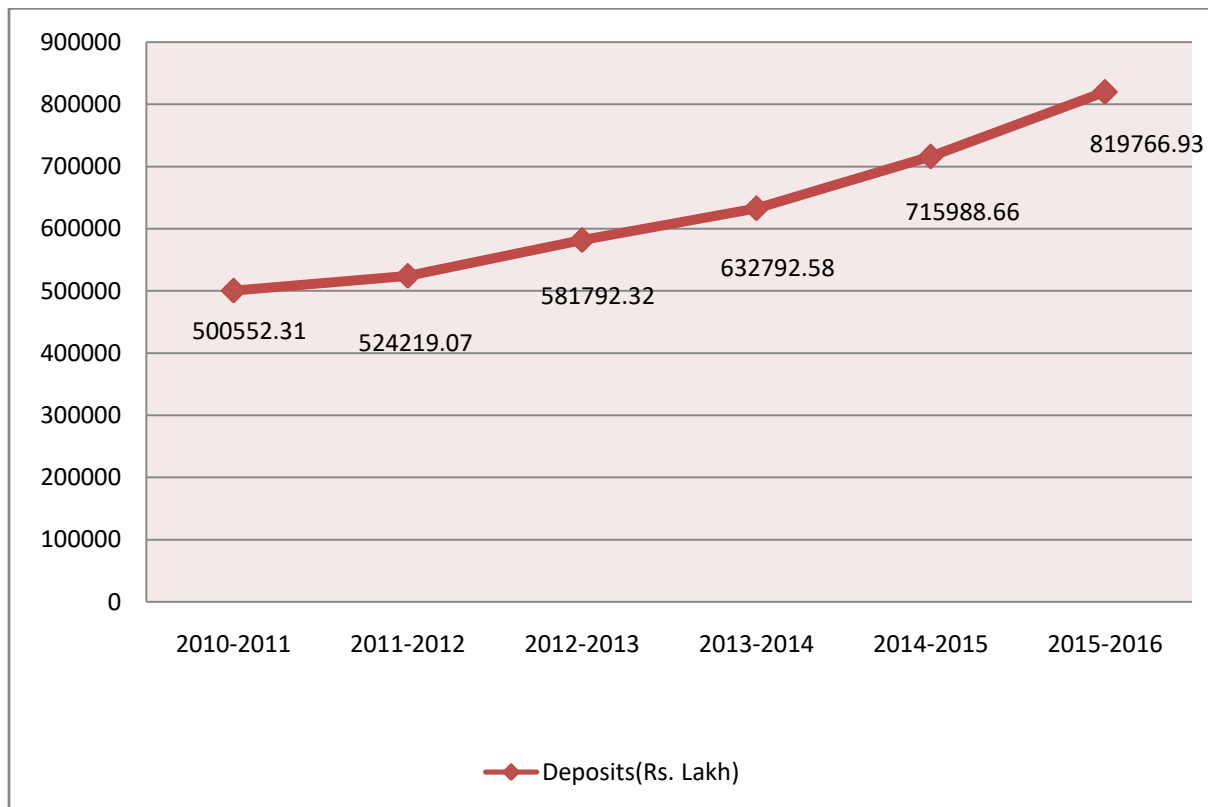


Figure2

It is clear from figure 2 that deposits of bank have been increasing continuously. There is increase of 4.7%, 10.98%, 8.7%, 13.1% and 14.4% in financial year 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015 and 2015-2016 respectively as compare to previous year. The H.P. State Co-operative Bank Ltd. is the first Co-operative Bank of India to implement Total Branch Automation software in all its branches. People are attracted toward this bank because of all required facilities. First ATM was set up in 2009 for providing 24*7 banking service.

1.4.3 Analysis of Loans and Advances:

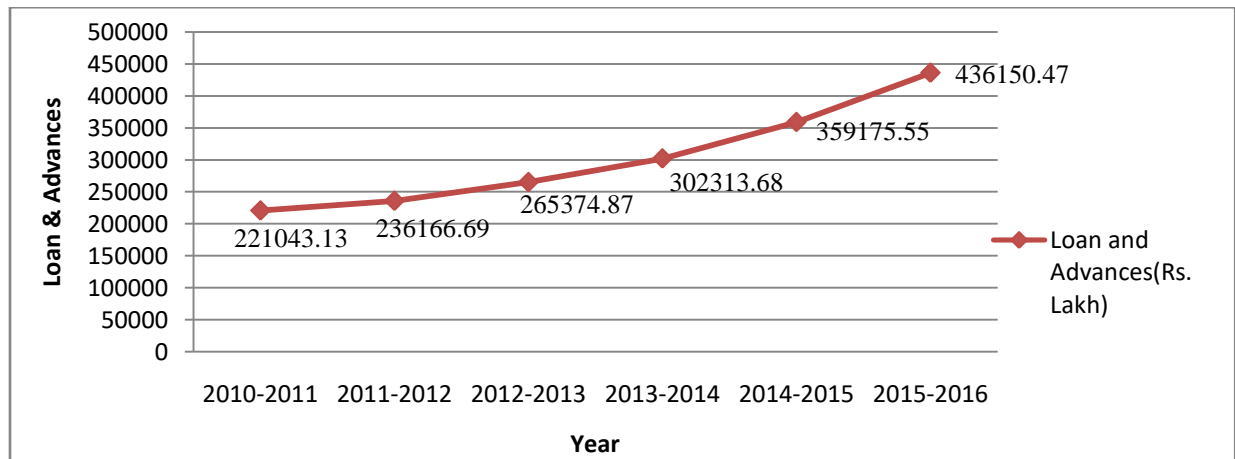


Figure 3

It is clear from the figure 3 that loan and advances are increasing year by year. It has been increased by 6.84%, 12.36%, 13.91%, 18.80% and 21.4% in financial year 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015 and 2015-2016 respectively as compare to previous year. H.P. State Cooperative Bank has prepared and implemented number of loan schemes targeted towards all sections of the society at most attractive terms. The bank is offering financial products suiting the requirements of people of all the classes of the society at most attractive forms with personalized services and a sense of accountability in association with use of latest technology facilitating anywhere and anytime banking.

1.4.4 Trend in CD Ratio

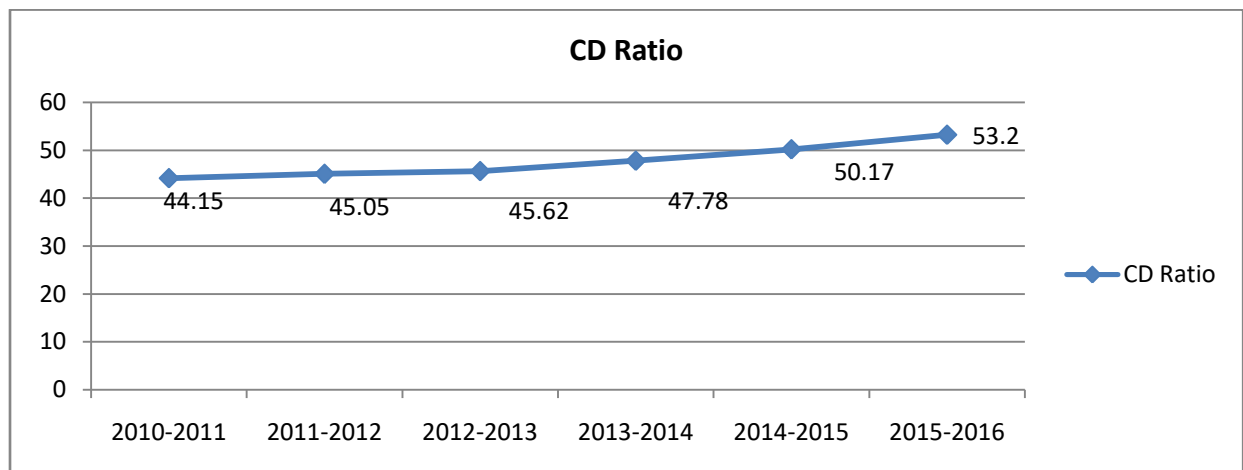


Figure 4

It is depicted from the figure no. 4 that CD ratio is increasing. CD ratio stands for credit and deposit ratio. It means if deposits are 100 then credits are 44.15, 45.05, 45.62, 47.78, 50.17 and

53.2 respectively from financial year 2011 to 2016. It shows that bank is perfectly utilizing its deposits and using that money for lending purpose.

ACHIEVEMENTS

- Scheduled bank status by RBI.
- The Bank was awarded the first prize in the country for overall performance by NAFSCOB for 2015-2016.
- All branches are fully computerized.
- ATM cum Debit Card
- Mobile App: Himpesa.
- Mobile Banking.
- Net Banking

CONCLUSION

Cooperative was started in India in 1904. We have seen many successful cooperative organizations in India like Amul, Bhuttico and others. These days we can see that cooperatives are successful in banking also. The Himachal Pradesh State Cooperative Bank is a live example of this fact.

References

- 1) Annual Reports of The Himachal Pradesh State Cooperative Bank Ltd.
- 2) Cooperative movement in India. From: shodhganga.inflibnet.ac.in/bitstream/10603/260/9/09_chapter%204.pdf
- 3) Evolution of cooperatives in India. From: pib.nic.in/feature/fe0299/f1202992.html
- 4) Functions of cooperative bank | Management Paradise. From: www.managementparadise.com/...co-operatives.../236500-functions-cooperative-bank
- 5) hpscb.com
- 6) State Cooperative Bank gets National Awards. From: <http://www.divyahimachal.com/2017/08/state-cooperative-bank-gets-three-national-awards/>
- 7) Types & Function of Cooperative Banks in India. From: co-operative.ozg.in/2012/07/types-function-of-cooperative-banks-in.html

