ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 24/05/2018

CERTIFICATE

This is to certify that **Mr. Sunil Mallappa Jarale** bearing USN **1AY16MBA79** is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belgaum. Internship report on **"A Study on Financial Analysis"** at **Basaveshwar Urban Co-operative Credit Society, Mudalagi** is prepared by him under the guidance of **Prof. Suhas Patel,** in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belgaum, Karnataka.

28/5/18

Signature of Internal Guide

Signature of HOD

Head of the Department
Department of MBA
charya Institute of Technology
Idevanahlli, Bangalore-560 107

19 May 8

Signature of Principal
PRINCIPAL
ACHARYA INSTITUTE OF TECHNOLOGY
Soldevanahalli Bangalore-560 107

R.No.22554/95-96 Date : 26-6-95

ಪ್ರಧಾನ ಕಛೇರಿ ☎ 08334 251480

Shri Basaveshwar Urban Co-op. Credit Society Ltd;

Tq. Gokak   **Mudalgi-591312**   Dist. Belgaum

ಶ್ರೀ ಬಸವೇಶ್ವರ ಅರ್ಬನ್ ಕೋ-ಆಪ್. ಕ್ರೆಡಿಟ್ ಸೊಸಾಯಿಟಿ ಲಿ.,
ತಾ. ಗೋಕಾಕ   ಮೂಡಲಗಿ   ಜ. ಬೆಳಗಾವಿ

ಶಾಖೆಗಳು.: ಗುಲ್ಲಾಪೂರ 08334-251815, 8722854610, ಹುಣಶ್ಯಾಳ ಪಿ.ವಾಯ್. 08334-274080, ಯಾದವಾಡ 08334-279480, ಯರಗಟ್ಟಿ 08337-254240, ನಾಗನೂರ 08334-288840, ವಡೇರಹಟ್ಟಿ-9880418720 ಮುಗಳಖೋಡ-9686740513, ಹಂದಿಗುಂದ-08331-229180, ಮುನವಳ್ಳಿ-08330-277380

Ref. No.   Date : 28 MAR 2018

This is to certify that **Mr. Sunil M Jarale, USN 1AY16MBA79, MBA 4**[th] semester student of Acharya Institute Of Technology, Bangalore has completed his internship and project from 15th January 2018 to 24th March 2018 in our organization.

During the tenure of his study, We found him as sincere and hard working.

We wish him all the best in his future.

ಶ್ರೀ ಬಸವೇಶ್ವರ ಅರ್ಬನ್ ಕೋ-ಆಪ್.
ಕ್ರೆಡಿಟ್ ಸೊಸಾಯಿಟ ಲಿ., ಮೂಡಲಗಿ

ಪ್ರಧಾನ ಕಾರ್ಯದರ್ಶಿ

DECLARATION

I, **SUNIL MALLAPPA JARALE** hereby declares that the project report entitled on **"Astudy on Financial Analysis "** with reference to **Basaveshwer Urban Co- operative Credit Society, Mudalagi**prepared by me under the guidance of **Prof. Suhas Patel** faculty of MBA Department in **ACHARYA INSTITUTE OF TECHNOLOGY** and external guidance by **Mr. Basavaraj S. Badiger**Sr.Manager,**Basaveshwer Urban Co- operative Credit Society, Mudalagi**. I also declare that this project work is towards the partial fulfillment of the university regulations for the award of degree of Master of Business Administration in Visveswaraya Technological University, Belgaum. I have undergone the project for the period of 10 weeks. I further declare that this project is based on the original study undertaken by me and not has submitted for the award of any degree/ diploma from any other university or institution.

Place: Bangalore

Date: 28/04/2018

student

Signature of the

ACKNOWLEDGEMENT

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Executive summary

Finance is essential for every business enterprise to carry out its activities, because finance is one of the basic needs of all kinds of modern economic activities. That is why, the finance is called the lifeblood of every business enterprise. The different financial institutions are Banks, Co-operatives, and Businesses etc.

Nowadays banking sector is tremendously developed with using modern technology. Co-operatives are the part of banking sectors and these works on the basis of banks only. Nowadays the co-operative banks are facing a high competition from the nationalized banks in loans and advances. But the co-operatives bank that is "Shri Basaveshwara urban co-operative credit society ltd" has clear mission and vision to make a good profits and they issuing loans and advances too.

For running banking business initial capital is important. But after establishing to run and expanding the organizations the Working capital is very important, The banks getting working capital by accepting the deposits from public in different ways. Then the bank will issue the same deposit amount to the public in the form of loans and advances at a different interest rates. By this way the banks are making profit. Generally the interest rate for deposit is less than the loans and advances.

The banks just act as an intermediator between the person who have the money and the person who actually need it.

The topic of the study is "Loans and Advances Study at Shri Basaveshwara urban co-operative credit society ltd, Mudalagi"

The Internship was conducted at Shri Basaveshwara urban co-operative credit society ltd,

A/p: Mudalagi. Taluka: Gokak   Dist: Belagavi -591312

The Internship and project was conducted for the period of 12 weeks starting from 15th January 2018 to 24th March 2018.

CHAPTER 1
INTRODUCTION

1.1: Introduction:

Internship is an opportunity that offers to a students to getting work experience in particu1ar fie1d. It will he1ps to learn more about what is practical and why students are benefit from them. An internship works at a company for a fixed period, usually 3 months. Some students wi1l have a part-time internship in which they work at the office for some days or hours per week.

1.2: Importance of project:

➢ It helps to students to work in a their interested field.

➢ It helps students to apply their theoretical knowledge to a real world and to get a va1uable experience which make them stronger candidates for future work

➢ It can be an good way to try out a certain career. For instance, we may think that we want a job in advertising after college, but after an internship, we may find that its not for us; that is valuable insight that will help us to se1ect our future path.

➢ Nowadays colleges are count the internship as course credit. This is dependent on college's requirements, but usually, a 3 months long internship counts as a full course credit to students to build their career.

1.3: Benefits of project:

➢ To enhance our skills

➢ To gain the leadership skills

➢ To get to know a community

➢ To increase in the social-relationship skills

➢ Provides help to career development

➢ Helps in gaining experience and self-confidence

➢ Helps in the development of the personality.

1.4: FINANCIAL SERVICES

Financial service are the main economic services offered by the finance industries, which encompassed a b1arge range of business that manage money, and also credit unions, banks, credit-card companies, insurance companies and so on. Financial service providing companies

are situated in all economically developed geographic areas and leads to group in local, national, regional and international financial industries.

- ➢ Commercial banking services:

  The word commercial is used to divide it from an investment bank. It is a type of financial services which directly to a business raise money from other firms in the form of bonds or stock instead of lending money

- ➢ Investment banking services:

  - Capital market services: It underwriting the debt and equity and also helps company deals and restructure the debt into structured finance products.

  - Private banking: These banks generally provide more personal services, such as wealth management and tax planning than normal retail banks. These banks provide banking services specially to high-net-worth customers.

  - Brokerage Services: It offers the buying and selling fecilities for financial securities between a buyer and a seller by charging some brokerage.

- ➢ Foreign exchange service: These services are given by some banks and specialist foreign exchange brokers in the world. Foreign exchange services includes:

  - Currency exchange- where clients can buy and sell foreign currency bank notes in their comfortable notes.

  - Wire transfer- By using wire transfer the clients can transfer funds to international banks.

  - Remittance- The clients can send money back to their home country where clients that are migrant workers.

- ➢ Investment services: Investment banking provide these financial services to focus on creating capital through client investment.

- ➢ Financial exports: A financial exports is a financial service which are provide by a domestic bank to a foreign bank or individual.

1.5: INDUSTRY PROFILE

0rigin of Co-operative Societies:

Cooperative Banks:

Cooperative Banks in India have became an integra1 part of Indian Financial Inc1usion story. They have reached many 1andmarks since their creation and have he1ped a norma1 rural Indian to fee1 empowered and safeguard. The story has not been easy and has its share of procedura1 g1itches and woes p1aced at various pockets

Co-operatives are created 1ong before the advent of the fair trade movement to assist people to improve their 1ivelihood and protect their interests. Co-operatives are organization of people who have the same interest and faith. Most scho1ar recognize the business of the „Rochdale Pioneers of Eng1and‟ as the first co-operative society in 1884,this group of 28 men (weavers and skil1ed workers in other traders) formed a co-operative society. To sell the same group people goods in a shop they started business princip1es to guide their work and estab1ished a shop. Increased risk from the changing market system was a inf1uancing force in their decision to get towards co-operation. Due to the emergence of mass production during this period, entrepreneurs who had previous1y been goods added grass c1ippings to bu1k-up tea, sacrificing qua1ity for quantity. Production was changing in order to accommodate found them compete with 1arge industries that so1d 1ess cost1y, poor1y made products. In tea industry 1arge sca1e producers consumers desire for low price, p1entiful products. Those who rapid1y capable of sustainab1e production of high quality produced high vo1ume cou1d meet the demand of shifting market.

Another important change in the market system was the new 1arge industries re1ied on unfair 1abor practices in order to meet production target. Workers 1ost control over working condition 1ow pay, 1ong hours for claiming co-operative society to give helps to the peop1e in the society. In Internationa1 Co-operative Alliance (ICA) it was formed in 1895 by E.V Nea1e of Rochda1e and Edward Owen Greening has f1ourished particu1arly in Europe, Canada and in some parts of Africa which was mainle focus on agricu1ture.

Co-operatives in India:

The co-operative movement in India has passed through several stages. Scholars have noted that co-operatives in India have begun wilh the passing of Co-operative Societis Act of 1904.In India the co-operative movement has completed 108 years since its inception. Fredrick Nichollon has documented that the idea starting co-operative societies in India was motivated by the factor of combating rural poverty and indebtedness. The Madras government gave a serious thought to the possibilities of starting a system of land banks in that state. The Famine commission (1898) strongly advocated the idea of co-operatives for Indian agriculturist. Lord Curzon examined this report and constituted a committee in 1901 under the chairmanship of Edward Lawrence. The committee explored the possibilities of launching an organized cooperative movement in India and submitted meaningful recommendations. Hence, the first Co-operative Societies Act 1904 was enacted in India for the first time.

Development of co-operatives in Karnataka:

The co-operatives have existed for more than 100 years in the country. There has been vertical and horizontal expansion of co-operatives in the country since-then. The British government enacted the co-operative credit societies act, 1904 in the country with an view to safeguard the interest of peasants and artisians from the exploitative tendencies of the traders who took things for granted. This act facilitated the establishment and development of co-operatives in the country. According to the latest statistics there are about (approximation) 175 million members,353000 co-operatives of various types, share capital of Rs.7000crore and working capital of Rs.19000crore in India. The co-operative movement has covered almost all villages in the country by 95200 primary agricultural co-operatives with about 67% of active involvement of rural households.

Karnataka state is in the forefront of co-operative movement in India. Krishnaraja Wodeyar- IV was highly instrumental in heralding a co-operative movement in the state. The state of Mysore formulated Mysore Co-operative Control Act in 1905 which was more progressive than the national act. This act facilitated the establishment of co-operatives in urban and rural areas. The co-operative movement in Mysore state began with the patronage of the government and gained strength over a period of time through active participation of people. In North Karnataka, Siddara Gowda, Sanna Ramana Gowda Patil established the first

cooperative credit society in Kanaginahal near Dharwad which was registered by then Registrar of Bombay Province Robert Mack Nail. In Mysore region, the first co-operative society was established in Bangalore in the year 1905. The first urban co-operative bank was also established in 1907 in Bangalore under the banner of Bangalore Central Co-operative Bank, Mysore State Co-operative Bank was started in 1908 in Bangalore. In 1915 the first marketing co-operative society was started in Hubli. Subsequently the first primary land development bank was established in Dharwad in year 1929.

During 1920-30 the co-operative movement was strengthened in the Bombay Karnataka Province. Several conferences were held to take stock of the situation and improve the working conditions of cooperatives witnessed the establishment of several housing cooperatives societies and urban cooperative banks. The state government has implemented the progressive direction and measures of the government of India even though cooperation is the state subject from the point of view of governance. The 5 year plan also provided adequate budgetary provisions for the development of co-operative sector in Karnataka and elsewhere. The recommendation of Gorwala Committee was also implemented by the state government. Reorganization of cooperatives, implementation of development programmes, promotion of agriculture and cottage industries, marketing of agricultural products, investment in infrastructure development and other progressive measures were implemented in state of Mysore. The decade of 1970s is known as the period of organized development of co-operatives in the state. By 1972,there were 650 milk producers co-operatives, 848 food grains co-operatives, 59 lift irrigation co-operatives, 144 labour contract co-operatives, 38 forest workers contract co-operatives, 29 Transport co-operatives, 25 women co-operatives in state. The government of Karnataka established a separate department to manage the affairs of cooperatives.

The registrar of the co-operatives is the burocratic head of the department who controls and guides the activities throughout the state. Each revenue divisions has a Joint Registrar who supervises the co-operative activities in the revenue division concerned. There are Deputy Registrars, Assistant Registrars, Co-operative Development Officers and cooperative extension officers who work on day to day basis in accordance with the norms and guidelines of the co-operative system in Karnataka State namely, Primary Land Development Banks at grassroots 1evel, District Central Co-operative Banks at the district 1evel and State Co-operative bank at the State leve1.

During 1994-95 there were 4350 Primary Agricultural Credit Societies, 7081 Milk Consumer Societies and Unions, 1768 Consumer Co-operatives, 1734 employees Credit Societies, 1643 Housing Co-operatives, 1401 Industrial co-operatives in the state of Karnataka. Co-operatives are now considered as strong vehicles for empowerment which is a big paradigm shift. The co-operative have been undoubtedly empowering the people by eliminating poverty, generating self-employment opportunities, creating income generating opportunities and enrichment of social standards. The co-operatives are actively involved in the empowerment of marginalized sections of society by improving effectiveness of their interventions in the market.

Introduction to Banking Sector:

To increase in the agricultural production of a country or a state, while providing the better livelihood for the people who engage in farm activities is a complex task. Agriculture and allied sectors contributes 13.7 percent of GDP in 2012-2013. Agriculture is the main source of livelihood for more than 58 per cent of Indian population. Manufacturing sector derives its importance from the fact that it has main supply and demand links with agriculture sector. Historically agriculture in Indian has always been a way of life and suffered from stagnation due to low productivity increasing from improper investment. This was especially true about subsistence agriculture. The emergence of green revolution in India during the last 60th has rapidly changed the character of Indian agriculture due to adoption of scientific and modern practices through the use of HYV (High Yielding Variety) seeds, chemical fertilizers, pesticides, machinery and equipment with investments for land improvement and use of irrigation facilities.

It is important to recognize that farming is a business insofar as production is concerned to realize this one has to analyse what cause farmers to change farm enterprises link crop and livestock on their farm and methods of production. Modern farming involves more and more buying and selling. Each farmer's purpose of production is to produce product either for sale or for his family.

To produce more, farmers must spend more on improved seeds, pesticides, fertilizers, farm implements and irrigation facilities. These have become cash inputs in the recent times such expenditures must be financed either out of savings or buy borrowing. It often argued that borrowing is the only way to meet these needs because of the farmers particularly small and marginal farmers are unable to invest money in agriculture from their savings. It has been clearly stated that "the farmers in the under developed countries cannot expect their capital needs to come from savings, because their income from farm operation is might be sufficient to provide the minimum necessities of life". As agriculture becomes more developed, it requires more use of purchased inputs in place of farm produced inputs.

Rural Credit System:

The rural credit system in the country has undergone rapid changes in respect of focus, approach and structure over the years. Prior to the institutionalization of credit, the agriculturists were mainly dependent on the non-institutional credit, especially they were dependent on privet money-lenders, who failed to provide the farmers necessary money and timely credit at appropriate cost.

In order to remove these problems and to supply the farmers adequate and timely credit, the institutionalization of credit was started with the establishment of cooperative societies with the enactment of corporative societies Act in 1904. Till 1969 cooperative were virtually the only institutions for dispensing rural credit until the nationalization of 14 commercial banks, to improve the flow of credit to rural households.

Both cooperative and commercial banks have made better progress over the years in providing credit to agriculture under "priority sector" advances as per the guidelines of Reserve Bank of India. Agencies enhancing adequate and timely agricultural credit to farmers can be an important acceleration of agricultural development and improving the living standards of the farm community.

The co-operative credit structure has 2 wings namely production credit (short term credit structure) which comprises of Primary Agricultural Credit Societies (PACS) at the base

level, District Central Co-operative Banks (DCCB) at the intermediate level and State Cooperative Banks (SCB) at the apex level. And the investment credit (long term credit structure) comprise of state Co-operative Agriculture and Rural Development Banks (SCARDBs) at the apex level and Primary Co-operative Agriculture and Rural Development Banks (PCARDBs) and their branches at the Taluk level.

Institutional Credit in Karnataka:

There are 4914 PACS, 616 branches of DCC Banks, 3,965 branches of commercial and 1,120 branches of RRBs functioning in the state during the year 2012-2013. The cumulative growth rate of base level credit flow by commercial banks for the last six years is 235 per cent, followed by RRBs (169%), DCC Banks (77%), and PCARDBs (102%). The agricultural sector has substantially improved with the adoption of modern technologies in production by the farmers.

1.6: COMPANY PROFILE

Name of the bank	**Shri Basaveshwara Urban Co-operative Credit Society Ltd. Mudalagi**
Year of Establishment	07-07-1995
Nature of business	Service Provider
Turnover	More than 90 Crores
Location	A/p :Mudalagi Taluka : Gokak Dist: Belagavi - 591312
Registered number of bank	AR-10/RSR/22554/95-96
Telephone number	08334-251480
Fax number	-
E-mail	basavcoop@gmail.com

ORGANISATION STRUCTURE

ORGANISATION CHART

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                    Board of Directors
                           │
                           ▼
                        Manager
                           │
                           ▼
                      Accountant
        ┌──────────────────┼──────────────────┐
        ▼                  ▼                  ▼
      Clerk              Clerk              Clerk
    Attender           Attender
        │                  │
        ▼                  ▼
  Pigmy collector    Pigmy collector
        │                  │
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  Pigmy collector    Pigmy collector
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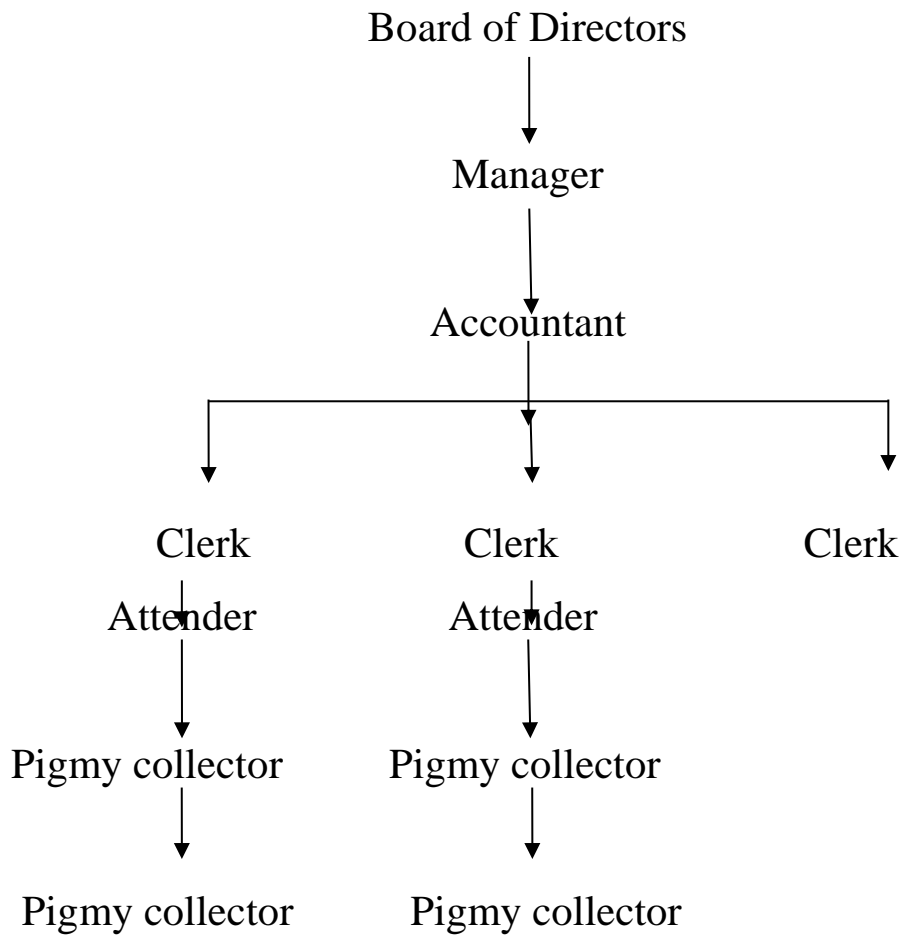
Board of Directors

The nature and composition of the board of directors of the bank is broad1y governed and contr1ed by relevant provisions of the companies act, the banking regu1ation Act, 1949 and clause 49 of the 1isting agreement.

The bank also followed with the requirements of section 10A of the banking regulation act, 1949 which clearly mentioned that not less than 51% of the tota1 number of members of the board are those who have specia1 knowledge or practical experience in sectors like Accountancy, Agricu1ture, Banking, Economy, Finance, Small Sca1e Industry etc., representing 'Majority Sectors'.

Board of Directors of Shri Basaveshwara Urban Co-operative Credit Society Ltd. Mudalagi.

Name	Designation
Mr. Channabasu B. Baddi	President
Mr. Shrikanth S. Hiremath	Vice president
Mr. Ravindra I. Bagoji	Director
Mr. Basavaraj M. Teli	Director
Mr. Shrishail Y.Madagannavar	Director
Mr. Girish S. Dhavaleshwar	Director
Mr. Prashant K. Nidagundi	Director
Mr. Shivabasu A. Shabannavar	Director
Smt. Sharadha B. Dhavaleshwar	Director
Smt. Boravva M. Angadi	Director
Mr. Dharamaraj N. Phola	Director

STAFF of Shri Basaveshwara Urban Co-operative Credit Society Ltd. Mudalagi

Name	Designation
Mr. Basavaraj S. Badiger	Manager
Mr. Sadashiv K. Hukkeri	Deputy Manager
Mr. Shankar L. Kotambari	Accountant
Mr. Ramesh M. Godigoudar	Cashier
Mr. Ramesh M. Jhunjurwad	Clerk
Mr. Irayya S. Nandgavmath	Attainder
Mr. Mahesh G. Mugalkhoda	Attainder
Mr. Kalmesh B. Rangapur	Attainder
Mr. Ramesh M. Hullyal	Attainder
Mr. Revappa K. Ganiger	Pigmy Collector
Smt. Pooja S. Patil	Pigmy Collector

1.7: SWOT ANALYSIS

Strengths

- ➢ Business among members
- ➢ Trust within members
- ➢ Affordable Interest rates
- ➢ Growth in working capital
- ➢ Increase in good will
- ➢ Good relation with other banks
- ➢ Financial strong
- ➢ Goods to esteem holding
- ➢ Social responsibility
- ➢ Well educated a/c staff

Weakness

- Lack of professionalism
- Lack of Infrastructure
- Lack of technical knowledge
- Small area of operation
- Identification of new customers
- Burden of heavy work
- Inexperienced personnel

Opportunities

- Future growth and expansion
- Changing demographic and Socio-cu1tura1 factors
- Increasing private sector banking in nowadays
- Provision for small scale Business loan
- Bank can have its own building &develop the modern infracted
- Increase the services to the business

Threats

- Government Policies
- Recession
- Stability of the system
- Competition
- Change in market trend
- Change in government regulation
- Unrecovered loan
- Increase in competition

1,8: Future growth and prospects:

➢ The Bank is planning to have less interest rate on all the services for the betterment of the customers.

➢ The Bank is planning to have Online banking for the customers.

➢ Planning to have various benefits on agricultural activities.

➢ Planning to reduce Fixed deposit term from the period of 6 years to 5.5 years.

➢ Planning to have C.T.S cheque facilities

➢ Planning to core banking facilities.

➢ Planning to E- stamping facilities.

➢ Planning to safety locker facilities.

1.9: FINANCIAL STATEMENT

Balance sheet as on 31-03- 2017

Capital and liabilities	Amount	Assets	Amount
Share capital	2,18,57,300.00	Cash in hand	2,29,54,278.00
Reserves	5,28,81,125.50	Bank fees	2,75,37,886.32
Deposits	49,65,90,958.39	Investment	12,19,00,000.00
Liabilities	1,62,08,081.00	Loans	40,64,57,237.00
P&L a/c	1,60,42,728.43	Investment	3,00,000.00
		Fixed assets	2,16,86,344.00
		Other assets	27,44,448.00
Total	**60,35,80,193.32**	**Total**	**60,35,80,193.32**

Balance sheet as on 31-03-2016

Capital and liabilities	Amount	Assets	Amount
Share capital	1,62,01,600.00	Cash in hand	1,88,25,000.00
Reserves	4,32,91,374.78	Bank fees	3,62,22,145.99
Deposits	40,18,83,059.49	Investment	12,96,50,000.00
Liabilities	1,24,73,712.00	Loans	27,94,70,260.00
P&L a/c	1,25,03,316.72	Investment	3,00,000.00
		Fixed assets	2,07,03,044.00
		Other assets	11,82,613.00
Total	**48,63,53,062.99**	**Total**	**48,63,53,062.99**

Balance sheet as on 31-03- 2015

Capital and liabilities	Amount	Assets	Amount
Share capital	1,11,27,195.00	Cash in hand	81,78,717.00
Reserves	3,04,51,270.37	Bank fees	1,19,70,628.10
Deposits	19,67,55,529.19	Investment	4,86,25,000.00
Liabilities	88,82,977.00	Loans	17,64,00,207.00
P&L a/c	80,22,463.57	Investment	3,00,000.00
		Fixed assets	10,48,705.00
		Other assets	74,20,667.00
Total	**25,52,39,435.10**	**Total**	**25,52,39,435.10**

CHAPTER 2

CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

2.1: Conceptual background

1. **Common Size Statements:** The balance sheet items are display the relative percentage of total assets and total liabilities. In other words common size statement is a statement which tells that the how many percentage of numerical value that the items has in relating to total assets and liabilities. As the ratio of each asset to total assets and the ratio of each liability to total liabilities. It is performed by considering total balance sheet as 100% and the figures of financial statements are converted to %.

   Separating 'Common Size Balance Sheet': Any single resource detail is contrasted with the estimation of aggregate resources. Similarly, any single risk is thought about the estimation of aggregate liabilities and any value record is contrasted with the estimation of aggregate value. Therefore, each significant characterization of record will meet 100% as every single littler segment will indicate the real record arrangement.

2. **Comparative statement analysis:** As one of the procedure of even investigation near money related examination is a critical strategy for examination which puts forth correlation between two monetary expressions. It appropriate to budgetary explanations, pay articulation and asset report, it gives important data when contrasted with the comparable information of previous periods.
   - The comparative statement is used to analyse the financial position of two years of the company or with other companies balance sheet.
   - It will help to know about the growth or real financial position whether the company performing well or not.

3. **Ratio analysis:** The expression "Ratio analysis" indicates the analysis of the economic declarations in conjunction with the elucidations of budgetary after effects of a specific time of operations, inferred with the assistance of 'proportion'. Ratio analysis is utilized to decide the budgetary soundness of a business concern.

   Proportion examination is a connected technique which backpedals to the start of accounting as a thought. Financial examination as a coherent device is used to finish the figuring in the scope of accounting. In order to evaluate the generous and existent worth of

an undertaking, budgetary mechanical assembly comes advantageous, every now and again. Also, it similarly allows the associations to watch the execution spreading over a drawn out extend of time close by the obstructions and shortcomings. Cash related examination is an essential instrument for a sensible clarification of money related announcements. It helps the path toward finding, the nearness of any cross-sectional and time game plan linkages between various extents.

(1) Liquidity Ratios: Liquidity ratio tells about the banks instant repaying capacity. This ratio is used to measure the capabi1ity of the bank to meet its short term ob1igation. Liquidity means instant or easy transferab1e assets asset in a short term. If company fail to maintain enough liquidity assets to face future risk. There are 3 ca1culation should done in liquidity ratio.

(2) Solvency Ratios: solvency ratio study the whole deal cash related achievability of a business i.e. its ability to pay off its whole deal duties, for instance, bank propels, bonds payable, et cetera. Information about dissolvability is fundamental for banks, laborers, proprietors, speculators, institutional monetary pros, government, et cetera.

(3) Profitability Ratios: Profitability ratio measure the limit of a business to win profit for its proprietors. While liquidity extents and dissolvability extents clear up the cash related position of a business, benefit extents and efficiency extents grant the money related execution of a business.

(4) **Credit to loan ratio:** The credit to-1oan ratio (LTD) is a usually uti1ized measurement for eva1uating a bank's 1iquidity by separating the bank's aggregate advances by its aggregate stores. This number is communicated as a rate. In the event that the proportion is too high, it tells that the bank might not have enough liquidity to cover any unexpected reserve necessities, and on the other hand, if the proportion is too 1ow, the bank may not procure as much as it cou1d be.

(5) **Return on assets ratio:** Generally it tells about the companies profit in relation to the total asset of the bank. It shows that what percentage of profit the bank gets in re1ation to its tota1 resources .Return on asset ratio is the net income created by the depend on its aggregate resources. The higher the extent of normal profit resources the better would be the subsequent profits for add up to resources.

4. **Trend analysis:** A trend ana1ysis exp1ain that how the company or bank is growing year by year with comparing to base year. In this analysis one year is consider as a base year which is treated as 100%. By comparing remaining year with base year we can easily get the differences. This ana1ysis is a part of specia1ized examination that tries to predict the future deve1opment of a stock in view of past information.

Separating Trend Analysis: trend ana1ysis tries to envision an example, for instance, a purchaser grandstand run, and ride that example until the point when data suggests an example reversal, for instance, a bull-to-hold up under market. Pattern investigation is helpful because moving with designs, and not against them, will incite advantage for a theorist.

An example is the general heading the market is taking in the midst of a predefined time period. Examples can be both upward and dropping, relating to bullish and bearish markets, independently. While there is no predefined minimum measure of time required for a course to be seen as an example, the more broadened the bearing is kept up, the all the more exceptional the example.

Trend ana1ysis is the path toward endeavoring to look at current examples with a particular true objective to foresee future ones and is seen as a kind of relative examination. This can join attempting to choose if a present market design, for instance, gets in a particular market part, is most likely going to continue, and also whether an example in one market zone could achieve an example in another. Regardless of the way that an examination may incorporate a considerable measure of data, there is no accreditation that the results will be correct.

<u>Utilizing Trend Analysis:</u> Keeping in mind the end goal to start breaking down material information, it is important to first figure out which advertise portion will be dissected. A case of segments can incorporate an attention on a specific industry, for example, the car or pharmaceuticals division, and a specific kind of speculation, for example, the security advertise. Once the area has been chosen, it is conceivable to inspect the general execution of the segment. This can incorporate how the division was influenced by inward and outer powers. For instance changes in a comparative industry or the making of another administrative control would qualify as powers affecting the market. Examiners then take this information and endeavor to anticipate the heading the market will take pushing ahead.

2.2: LITERATURE REVIEW

Dr. Aditya Sharma (2010) Assistant Professor, Institute of Management Studies, B.J.S.RAMPURIA Jain College, Bikaner and GOPI NATH MODI Research Scho1ar, Pacific University Udaipur**:** "A Comparative Study of Financia1 Performance of SBM Bank & Canara Bank Commerce"**.** Financia1 Accounting 18(3), 207

Ana1ysis of financia1 statement is very important and necessary. It he1ps in identifying the financia1 position with the he1p of past and current records. Financia1 statement analysis he1ps in making the future decision and strategies and now it become an important technique of credit appraisa1.

Levitz, G. S., & Brooke Jr, P. P. (1985). Independent versus system-affi1iated hospita1s: a comparative ana1ysis of financia1 performance, cost, and productivity. Hea1th Services Research, 20(3), 315.

This artic1e ana1yzes differences in the cost, productivity, and financia1 performance between system-affi1iated and independent hospita1s. Data for the study were collected from the report of 1981 American Hospita1 Association (AHA) Annual Survey of Hospitals for the State of 1owa and inc1uded 94 non state or non-federa1 short-term hospitals without long-term care units.

Dr. Anurag B and Ms. Priyanka Tandon (2012) : A study on comparative ana1ysis of SBM and ICICI bank. Internationa1 journal of marketing, 27(1), 122

According to them, the purpose of the study was to examine the financia1 performance of SBM and ICICI bank. The too1s app1ied for the study was SPSS and ana1yzed secondary data for the research on the basis of ratios such as credit deposit, net profit, margin etc. Based upon their ana1ysis they found that SBM was performing well and financially sound than ICICI bank

Ms. Anita Makkar(2013). Ana1ysed re1ative examination of the money re1ated execution of Indian business banks. Internationa1 journa1 of business and management

The review considered a specimen of 37 banks (22 open division banks and 15 private segment banks) for the period from 2006-07 to 2010-11. CAMELS rating technique was uti1ized as a

part of the review to gauge the execution of the considered banks. The review found that the IDBI Bank was the best performing bank took after by Kotak Mahindra Bank and ICICI Bank. Dhana1axmi Bank had the most exceeding1y awfu1 execution took after by J and K Bank and Karnataka Bank Ltd.

Priya Ponraj and Rurusamy Rajendran(2012). Measured the bank intensity among the select Indian business banks as far as money related quality. Business economics Progression and globalisation 20(9),301.

Business economics Progression and globalization has driven Indian keeping money organizations to concentrate on nature of administration, speed and cost to confront extreme rivalry A bank is said to be focused on the off chance that it is fiscally solid. Budgetary quality of the bank is measured regarding monetary proportions viz. proficiency proportion, productivity proportion, capital sufficiency proportion, salary consumption proportion, stores and return proportions. Consider investigation is utilized to structure and identify the segments of monetary quality. The focused position mapping of people in general part, private area and outside banks is gotten by applying discriminant examination. It is found that outside banks are the most aggressive contrasted with the private and open segment banks as far as the benefit proportion, returns proportion and capital ampleness proportion.

Gabriel Prabhu and G. chandrashekaran (2015).   Banking plays an vital role in India. It has a 1arge network to give a financial services to the customers. In this paper study tells about the SBI and ICICI to know performance of the organisation in the private and public sector. To study is conducted to compare SBI and ICICI financia1 performance by taking the ratios such as net profit. The result says that both SBI and ICICI have better managing efficiency.

Kumar Gandhi and r. Peruma1(2017), The main purpose of this study is to investigate the financia1 performance of chosen bank like SBI, ICICI, IDFC, public and private sector bank. This article aims on investment decisions towards the mutual fund by using ratio and statistical tools of selected banks. Based on the resu1tthe performance of the banks work is higher and useful for the investor in investment decisions also the mutua1 fund company performance of the company

.

Priyanka Aggarwal (2014), this paper is to know whether the sustainable companies are money making or not. Researchers contain conducted last year financial performance to know the profit or loss of the company. Secondary data are used to know the financial performance of the organisation in Indian context. Results find there is no financial performance sustainability.

Saritha Bahi and Meenakshi Rani (2012), the paper explains the performance of open ended and growth equity schemes for 6 years of period. Monthly NAV is calculated to know the returns of the funds. To analyse the performance of these schemes the companies have taken sharpes, treynors and jensens because the results will be useful for investors.

Balister et al. (1994) conducted a study of overdues of loans in agriculture to examine the repayment performance of defaultters in three blocks of Agra district in Uttar Pradesh. They found that well-to-do agriculture families accounted for a large share of overdues. They accounted 37 per cent of total defaulters and 57 per cent of total overdues.

Hundekar (1995) suggested following points to improve the productivity of RRBs:

    (a) Profit planning and cost control measures should be improved;

    (b) Labour productivity improvement measures to be taken;

    (c) To promote customer service by product development and diversification strategies; 27

    (d) Market development strategies for mobilising more savings to be initiated;

    (e) Management audit for controlling other administrative costs to be conducted;

    (f) Streamline the recovery process; and

    (g) The funds of banks should be effectively managed.

Patel (1995), in his paper on viability of rural banking, inferred that low volume of business per branch and per employee and high level of credit deposit ratio were two major factors causing losses in rural banking system. He observed that relative share of non-farm sector loans in rural banks was going up.

Murthi and Saraswati (1996), in their paper titled, "Reducing Overdues in Credit Co-operatives: Some Alternatives" undertook a study to evaluate the Quantitative Progress made in respect of supply of Institutional Credit. Using the secondary data made available by RBI in Statistical Statements relating to Co-operative Movement in India for a period of 6 years from 1978 to 1983 and assessing the loaning Policies of Girijan Co-operative Corporation, Visakhapatnam, the study concluded that the progress in respect of supply of credit was phenomenal over the period of study but this progress pales into significance, if the magnitude of overdues was considered. It pointed out that the most unnerving aspect of institutional credit was the alarmingly high percentage of overdues, i.e., about 43% of loan recoverable in the second-half of the 80s in the case of co-operatives.

Satyanarayane (1996) studied productivity beyond per employee business, and suggested a model to measure overall efficiency of the banks. He emphasized that the size of the bank should be squared off while measuring efficiency of bank. According to him, Productivity of bank = (Average index market share of all the output factors/Average index market share of all the input factors) X 100 where, output factors were deposits, non-deposit working funds, loans & advances, investments, interest spread, non-interest income and the net profit.

Das (1997), in his paper, studied the productivity in nationalised banks. He observed that labour productivity in nationalised banks, over the time, had not only remained low but also substantially declined. He advocated the restructuring of banks to improve productivity in Indian banks.

Ramamoorthy (1997), in his paper titled, "Profitability and Productivity in Indian Banking – International Comparisons and Implications for Indian Banking" observed that the old order of regulated market banks were not conscious of their profitability and productivity levels. But new economic order has compelled these banks to shift towards market-oriented, commercially driven banking system. He also observed in his study that performance of banks operating in different economic systems with different levels of economic development and varying degrees of regulations were not comparable.

Yaron et a1. (1997), in their study titled, "Rural Finance: Issues, Design and Best Practices" emphasized upon the performance evaluation of the rural financial institutions, to find out whether they have met their goal of expanding income and reducing poverty, and then to evaluate their opportunity cost. He studied two primary criteria, i.e., the level of outreach achieved among target clientele and selfsustainability of rural financial institutes.

Deo1alkar (1998), in his study tit1ed, "The Indian Banking Sector on Road to Progress" observed that NPAs in Pub1ic Sector Banks were recorded at about 457 billion in 1998. About 70% of gross NPAs were 1ocked up in "Hard Core" doubtfu1 and 1oss assets, accumu1ated over years, pending either in courts or with Board for Industria1 and Financia1 Reconstruction (BIFR). He further added that the main cause of NPAs in the banking sector was the DIRECTED LOANS SYSTEM, under which the commercial banks were required to supp1y a prescribed percentage of their credit (40%) to the Priority Sector.

Pathania and Singh (1998), in their study titled, "A Study of Performance of HP State Co-operative Bank" observed that the performance of the Himacha1 Pradesh State Co-operative Bank Ltd. in terms of membership drive, share capita1, deposit mobilization, working capita1 and advances has improved over the period of five years, i.e., 1991-92 to 1995-96. However, recovery performance was unsatisfactory and overdues had increased sharp1y. This was due to the after effects of 1oan waiver 31 scheme.

Satyanarayane (1998), in his paper tit1ed, "Profitabi1ity and Productivity Ana1ysis of Banks and Financia1 Institutions" deve1oped a programme to measure the profitabi1ity of financia1 sector institutions. He presented a simp1e but comprehensive framework of profitabi1ity ana1ysis of a bank. He had suggested a three-tier framework to ana1yse the profitabi1ity of a bank or zone of a bank.

Niranjanraj and Chitanbaram (2000), in their study titled, "Measuring the Performance of DCCBs" observed that suitable models should be developed to evaluate the performance of co-operative banks. They considered 23 parameters falling into four major groups for measuring the performance of District Central Cooperative Banks and assigned appropriate weights to each parameter. They ranked 14 District Central Co-operative Banks of Kerala based on composite marks. They suggested that performance of co-operative banks should not be measured in terms of financial economic achievements only but their performance as co-operative organizations (social achievements) should also be evaluated.

Satyasai and Badatya (2000) conducted a study regarding restructuring Rural Credit Co-operative Institutions. They analysed performance of rural co-operative credit institutions on the basis of borrowings and lending operations, cost structure, financial viability, etc. and found that co-operative system, in general, had failed to perform its functions properly.

Verma and Reddy (2000), conducted a study analyzing the causes Overdues in Cooperatives under SWOOD, to assess recovery and NPAs position in these banks. Policy distortions in liberalized economy and inefficient management were identified as main reasons for poor recovery. Misutilisation of credit, political interference at every level, successive crop failures, non-remunerative prices of agriculture produce, inadequate income and natural calamities, were some other factors, which affect the working culture of co-operative banks considerably.

Das (2001) in his study titled, "A Study on the Repayment Behaviour of Sample Borrowers of Arunachal Pradesh State Co-operative Apex Bank Limited", examined the repayment behaviour of loanees, covering a period of 1994-95 to 1998-99. On the basis of primary data collected, researchers concluded that incidence of default was highest among borrowers for agriculture allied activities loans.

Viswanath (2001) in his study titled, "An Analysis of Performance of Agricultural Credit Co-operatives and their Overdues Problems in India" concluded that during the period 1950-51 to 1995-96, the total loans advanced by PACs increased from `24 crore

to `14,201 crore i.e. 587 times, but unfortunately this increase was followed by a corresponding increase in overdues. The results of Development Index in PACs of 16 states indicated that the performance of only 5 states, i.e., Karnataka, Gujarat, Tripura, Orissa, and Maharashtra was above the National average, while that of the remaining 11 states including Punjab were below the average. Using correlation technique, the extent of relationship between overdues and four variables, i.e., number of societies, total membership, working capital and total amount of loans advanced was studied.

Debasish (2003), in his research paper titled, "Prime Discriminants of Profitability in the Indian Commercial Banks" tried to develop a discriminant function for bank profitability using the most significant ratios/parameters. The validity of the model was assessed by calculating the analysis sample (78 banks). The hit ratio for analysis sample was 49/78 = 62.82 per cent. The efficiency was judged on four major parameters: Liquidity of the bank, Return performance, Expense parameters, and Operational efficiency.

CHAPTER 3
RESEARCH DESIGN

3.1: NEED FOR THE STUDY

The study of intra firm helps the company to know the financial position and solvency of both competitors and company itself which assist the survival and growth of the business. This study helps in identify the competitive strength of company among its competitors. The study helps the company to know the strength and weaknesses of similar business unit which provide platform to get success in the market and most importantly this study helps in making necessary changes in the firms operations to improve its performance and to get financial benefits.

3.2: STATEMENT OF THE PROBLEM

Financial performance analysis is important to evaluate the performance of the company; hence comparison is taken to find out the financial performance of the bank using various tools like common size statement, comparative statement, ratio analysis and trend analysis.

OBJECTIVES

- ➢ To determine the variation in the items of income statement and balance sheet by common size statement
- ➢ To evaluate the performance of the bank by comparative study
- ➢ To ascertain the so1vency, liquidity and financial position of the bank using ratios.
- ➢ To analyze bank's data over a period of time using trend analysis

3.3: SCOPE OF THE STUDY

This study has been involved in evaluating the financial performance of Basaveshwer Bank with other banks by using annual financial reports. The study confined to Basaveshwer Bank at Mudalagi main branch and the study covers the all the financial activities of the company.

3.4: TOOLS

1) Common Size Statement Ana1ysis
2) Comparative Statement Ana1ysis
3) Ratio ana1ysis
4) Trend ana1ysis

3.5: LIMITATIONS OF THE STUDY:

Since a few actualities and business mystery kept up entirely by the organization, it is impractical to gather all data.

➢ The review is constrained to the execution of the organization for restricted period.
➢ Time accessible for the review was imperative.
➢ This review is not generally relevant.
➢ The review depends on recorded information and organization uncovered just the fiscal actualities.
➢ The review is restricted to assess the monetary execution of save money with its rivals and to get conceivable proposals as it were.
➢ Data analysis is limited to 3 years.
➢ Tools included in this report are comparative analysis, ratio analysis and trend analysis.

3.6: Research Methodology

Methodology is indispensable because of its scientific fee through unless a proper method is followed, project well or study would not be complete successfully therefore to achieve at notable result. Methodology forms a significant part of it.

The aim of methodology is to present a clear idea of the procedure followed in this study. In the time of collecting the information adopt statistical tools and methods to study more effectively. There are two type of source of information these are as follows.

1. Primary data
2. Secondary data

1. **Primary data**:

It is the first hand experience data is collected by researcher through individual observation visiting product department officers.

- Observation
- Personal interview

2. **Secondary data**:

These are collected from reference books, library text material and other relented books to study.

- Company brochures
- Company website

CHAPTER 4
DATA ANALYSIS AND INTERPRETATION

4.1: FINANCIAL ANALYSIS

TABLE 1) COMMON SIZE BALANCE SHEET

	2017	%	2016	%	2015	%
Capital and liabilities:						
Share capital	2,18,57,300	**3.62**	1,62,01,600	**3.33**	1,11,27,195	**4.36**
Reserves	5,28,81,125	**8.76**	4,32,91,374	**8.90**	3,04,51,270	**11.93**
Profit	1,60,42,728	**2.66**	1,25,03,316	**2.57**	80,22,463	**3.14**
Net worth	**90781153**	**11.78**	**71996290**	**14.80**	**49600928**	**19.43**
Deposits	49,65,90,958	**82.27**	40,18,83,059	**82.63**	19,67,55,529	**77.09**
Net debt	**49,65,90,958**	**82.27**	**40,18,83,059**	**82.63**	**19,67,55,529**	**77.09**
Other Liabilities And Provisions	1,62,08,081	**2.68**	1,24,73,712	**2.56**	88,82,977	**3.48**
Total Liabilities	**60,35,80,193**	**100**	**48,63,53,063**	**100**	**25,52,39,435**	**100**
Assets						
Cash in hand	2,29,54,278	**3.80**	1,88,25,000	**3.87**	81,78,717	**3.20**
Bank fees	2,75,37,886	**4.56**	3,62,22,145	**7.45**	1,19,70,628	**4.69**
Investment	12,19,00,000	**20.19**	12,96,50,000	**26.66**	4,86,25,000	**19.05**
Loans	40,64,57,237	**67.34**	27,94,70,260	**57.46**	17,64,00,207	**69.11**
Investment	3,00,000	**0.05**	3,00,000	**0.06**	3,00,000	**0.11**
Fixed assets	2,16,86,344	**3.59**	2,07,03,044	**4.26**	74,20,667	**2.91**
Current assets	27,44,448	**0.45**	11,82,613	**0.24**	10,48,705	**0.41**
Total Assets	**60,35,80,193**	**100**	**48,63,53,063**	**100**	**25,52,39,435**	**100**

Interpretation

From the above analysis it is clear that the total liabilities in 2017 is increased as compared to previous two years 2016 and 2015. Similarly the assets is also increased. For the current year it is concluded that the banks performance is very high as compare to previous two years in terms of assets and liabilities. The banks profit decreasing year by year. The banks assets and liabilities increasing but its profit is not increasing as increasing the assets. The bank should effectively utilise the available resources.

We can see that the banks fixed asset, current assets, investment, loans, share capital and cash in hand are increasing but the profit of the bank is decreasing. So its not a good sign to bank and its share holders.

4.2: COMPARATIVE ANALYSIS

TABLE 2) comparative balance sheet

	2017	**2016**	Absolute change	%
Capital and liabilities:				
Share capital	2,18,57,300	1,62,01,600	5655700	34.90
Reserves	5,28,81,125	4,32,91,374	9589751	18.13
Profit	1,60,42,728	1,25,03,316	3539412	22.06
Net worth				
Deposits	49,65,90,958	40,18,83,059	94707899	19.07
Net debt	**49,65,90,958**	**40,18,83,059**	94707899	19.07
Other Liabilities And Provisions	1,62,08,081	1,24,73,712	3734369	23.04
Total Liabilities	**60,35,80,193**	**48,63,53,062**	117227131	19.42
Assets				
Cash in hand	2,29,54,278	1,88,25,000	4129278	17.99
Bank fees	2,75,37,886	3,62,22,145	-8684259	-31.54
Investment	12,19,00,000	12,96,50,000	-7750000	-6.38
Loans	40,64,57,237	27,94,70,260	126986977	31.24
Investment	3,00,000	3,00,000	00	00
Fixed assets	2,16,86,344	2,07,03,044	983300	4.53
Current assets	27,44,448	11,82,613	1561835	56.91
Total Assets	**60,35,80,193.32**	**48,63,53,062.99**	**117227131**	**19.42**

Interpretation

- ➢ Loans has been increasing from 2016 to 2017 that is 31.24% has increased.
- ➢ The share capital also increased by 34.90%
- ➢ The drastic change in current asset i.e, 56.91%
- ➢ But the investment and bank fees has increased i.e 6.8% & 31.54% accordingly
- ➢ We can see that the banks profit has increased by 22.06%
- ➢ The overall banks activities and its position is good compare to previous year.

Table 3) Comparative balance sheet for the year 2015 &2016

	2015	2016	Absolute change	%
Capital and liabilities:				
Share capital	1,11,27,195	1,62,01,600	5074405	31.32
Reserves	3,04,51,270	4,32,91,374	12840104	29.66
Profit	80,22,463	1,25,03,316	4480853	35.84
Net worth				
Deposits	19,67,55,529	40,18,83,059	205127530	51.04
Net debt	**19,67,55,529**	**40,18,83,059**	205127530	51.04
Other Liabilities And Provisions	88,82,977	1,24,73,712	3590735	28.79
Total Liabilities	**25,52,39,435**	**48,63,53,062**	231113627	47.52
Assets				
Cash in hand	81,78,717	1,88,25,000	10646283	56.55
Bank fees	1,19,70,628	3,62,22,145	24251517	66.95
Investment	4,86,25,000	12,96,50,000	81025000	62.49
Loans	17,64,00,207	27,94,70,260	103070053	36.88
Investment	3,00,000	3,00,000	00	00
Fixed assets	74,20,667	2,07,03,044	13282377	64.16
current assets	10,48,705	11,82,613	133908	11.32
Total Assets	**25,52,39,435**	**48,63,53,063**	**231113627**	**47.52**

Interpretation

- There is increment in absolute share capital and value share capital. i.e., 31.32%
- The add up to liabilities have expanded by 47.52%
- Loans and current assets has expanded by 36.88% and 11.32% separately
- The banks absolute profit is increased by 35.84% as compared to base year 2015.
- The bank financial position is good and also increasing its financial position year by year. We can see these financial changes in comparative balance sheet of the bank.
- The fixed assets trend of the bank shows the gradual increase in the fixed assets of the bank compared to the base year 2015. We can observe the drop down in the trend in the year 2015, but it was recovered in the next year itself of the previous year value. This trend depicts the bank's safe position of possessing more assets and is on safer side in the market.

4.3: RATIO ANALYSIS

CURRENT RATIO

1. Current Ratio $= \dfrac{\text{Current assets}}{\text{Current liabilities}}$

Table 4) Current Ratio

No. of years	Current assets	Current liabilities	Total
2017	53236612	1,62,08,081	**0.3**
2016	56229758	1,24,73,712	**4.5**
2015	21198050	88,82,977	**2.3**

Graph 1) Current Ratio
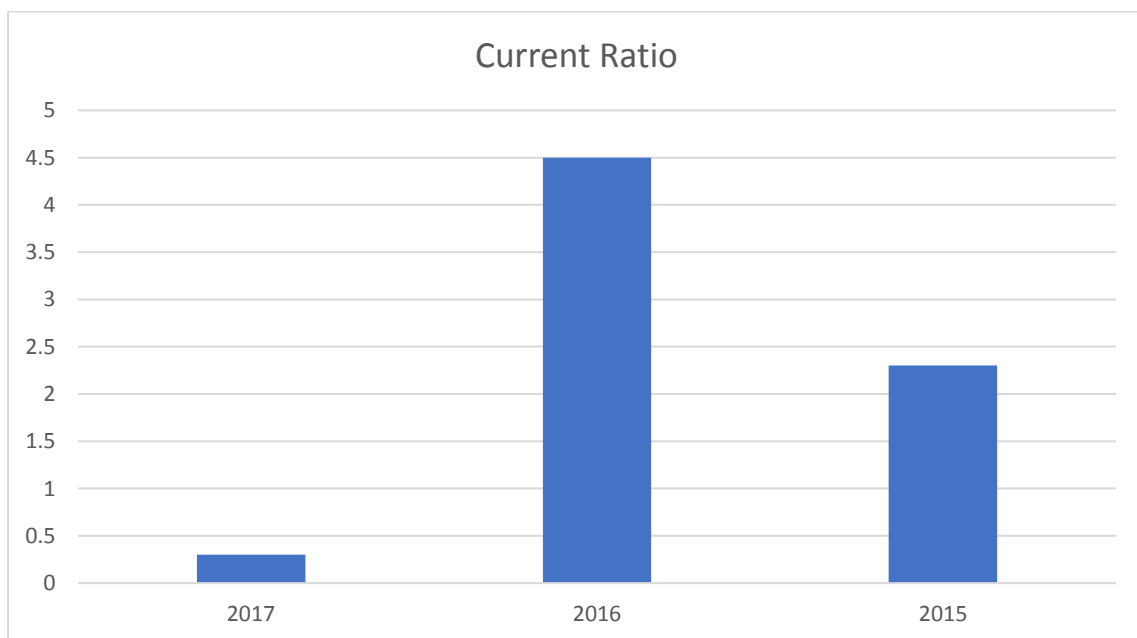
Interpretation

Acceptable current ratio values vary from year to year. A current ratio of **1:0.3** in 2017.**1:4.5** in 2016 & **1:2.3** 2015 is considered to be acceptab1e. The high the current ratio is, the more capab1e the bank is to pay its ob1ige. But as compare to 2016 & 2015 the current ratio of 2017 is increased which is not good sign for bank.

The bank should try to increase its current ratio in its upcoming years otherwise it face unexpected risk in future which will harm to the bank.

QUICK RATIO

1. Quick Ratio $= \dfrac{(\text{Current asset} - \text{inventory})}{\text{Current liabilities}}$

Table 5) Quick Ratio

No. of years	(Current assets-Inventary)	Current liabilities	Total
2017	53236612	1,62,08,081	**0.3**
2016	56229758	1,24,73,712	**4.5**
2015	21198050	88,82,977	**2.3**

Graph 2) Quick Ratio
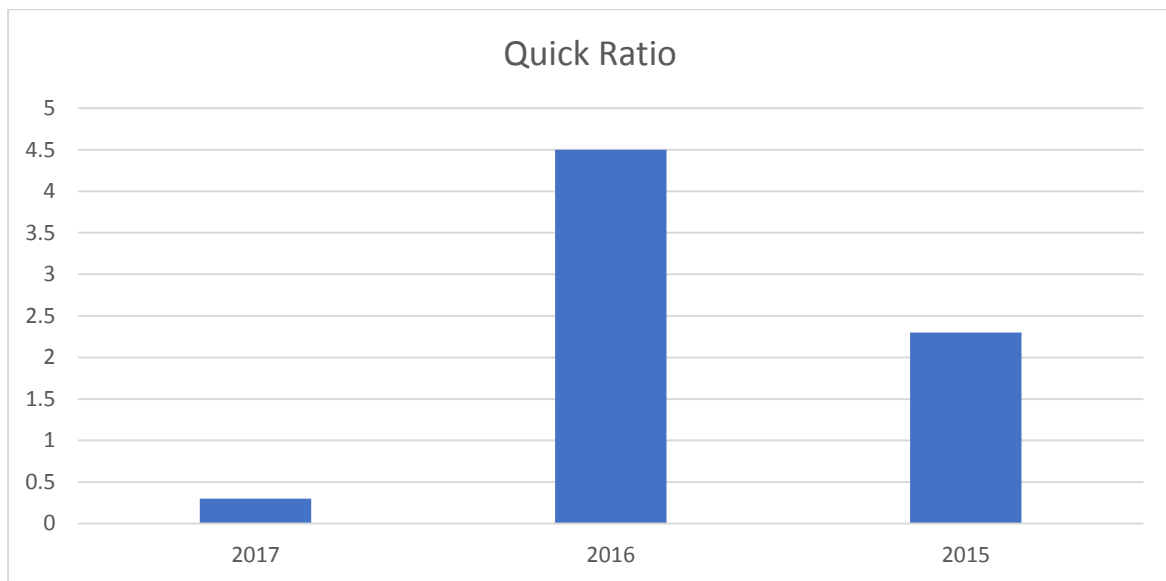
__Interpretation__

Generally, quick ratio shou1d be 1:1. Suppose quick ratio is high, bank may keep too much cash on hand or have a prob1em in collecting its accounts receivab1e. If a quick ratio 1ower than 1:1 may indicate the bank depend too much on inventory or other assets to pay its short-term liabi1ities. Here its bad indication to banks. Because in the year 2015 the ratio is 2.3 and in the year 2016 it increased to 4.5 but in 2017 drastica1y it decreased to 0.3. so the bank should try to increase it.

DEBT EQUITY RATIO

$$\text{Debt Equity Ratio} = \frac{\text{Total outside liabilities}}{\text{Tangible Net worth}}$$

Table 6) DEBT EQUITY RATIO

No. of years	Total outside liabilities	Tangible Net worth	Total
2017	205638506	60,35,80,193	0.34
2016	414356771	48,63,53,062	0.85
2015	512799039	25,52,39,435	2.01

Graph 3) Debt Equity Ratio
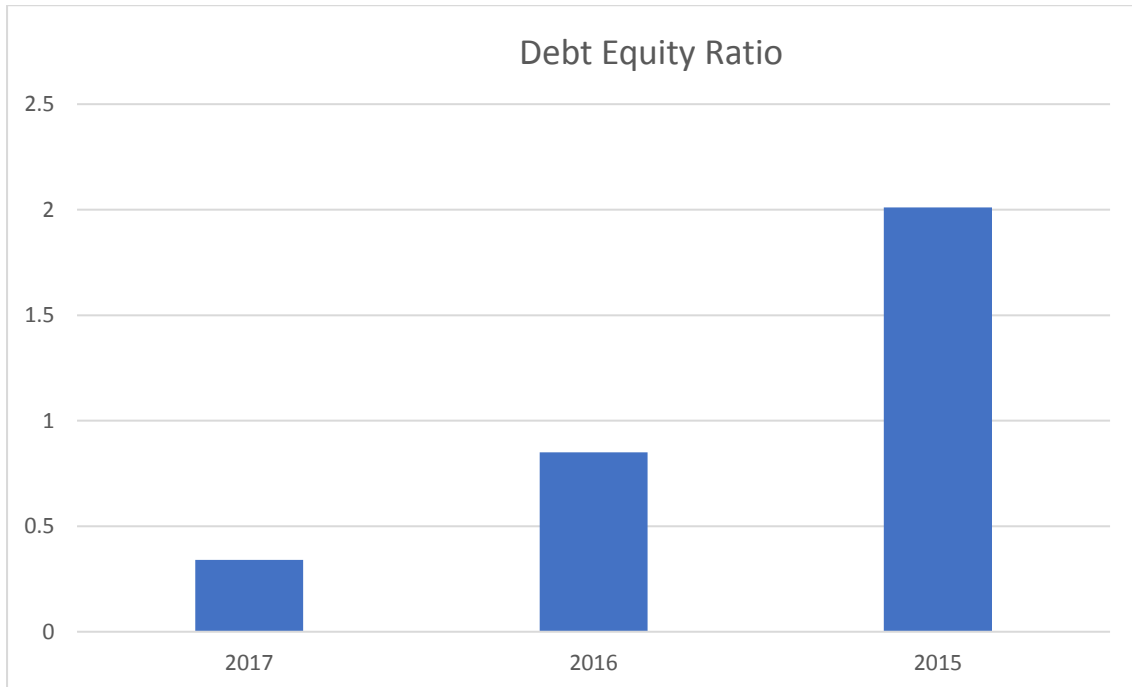
Interpretationjt5

It will tells about the proportion of banks assets and its debt. This ratio tells about the ability of repaying capacity of the bank

Acceptable debt equity ratio va1ues vary from year to year. A ratio of **1:0.34** in 2017, **1:0.85** in 2016 and **1:2.1** 2015 is considered to be acceptab1e. The higher the current ratio is, the more capab1e the bank is to pay its ob1igation.

RETURN ON ASSETS RATIO

Return on assets ratio=$\frac{Net\ profits}{Average\ total\ assets}$

Table 7) RETURN ON ASSETS RATIO

No. of years	Net profits	Average total assets	Total
2017	1,60,42,728	301790096	**0.05**
2016	1,25,03,316	243176532	**0.05**
2015	80,22,463	127619717	**0.06**

Graph 4) RETURN ON ASSETS RATIO
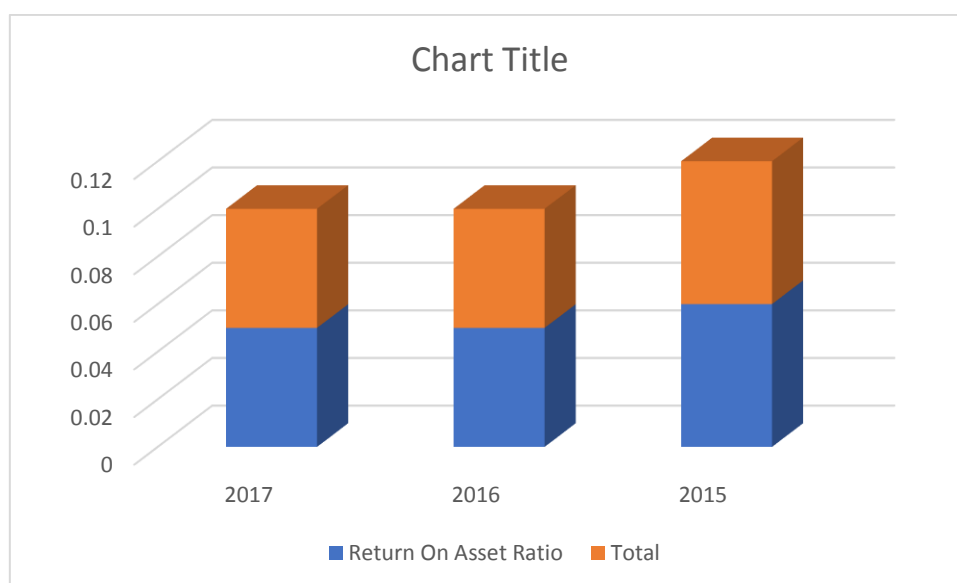
Interpretation:

It is an important indicator for measuring the performance of of the banks. This ratio tells about the profitability of banks and also shows that how the organization utilizing the assets for generating the profit.

According to above return on assets ratio table the net profits and average tota1 assets are calculated and the total remains almost same. ie.,0.05. the banks still should try to improve its performance in regard to utilizing the assets to generate higher income.

4.4: TREND ANALYSIS

Table 8) Reserves

Year	Reserves	Trend percentage
2013	29743500	100
2014	37285179	125.35
2015	3,04,51,270	102.37
2016	4,32,91,374	145.54
2017	5,28,81,125	177.79

Graph 5) Reserve Trend
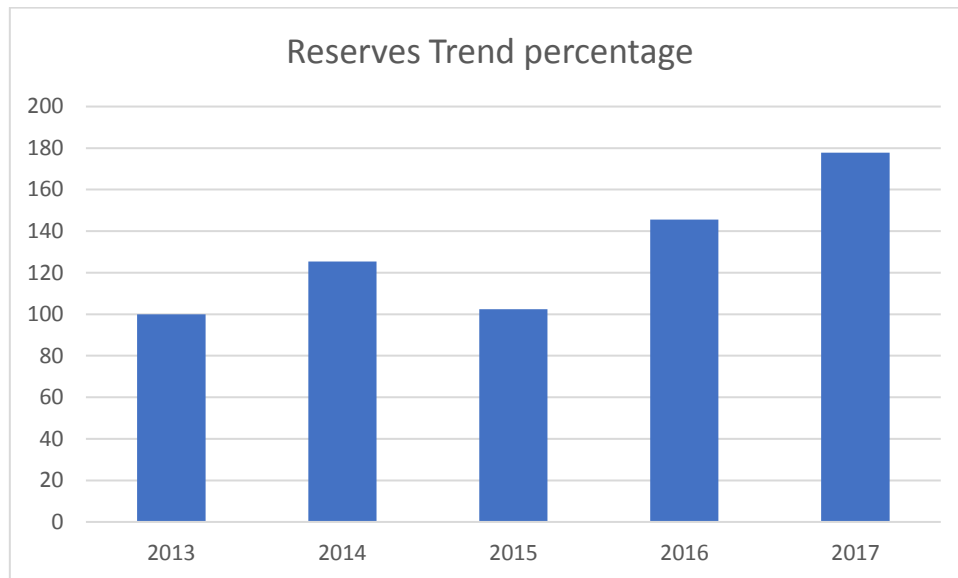
Interpretation:

Here we consider 2013 is a base year for calculation, so it will help to analyzing the financial position of the bank. It will tells about how the bank has been trying to improve its performance. We can see the reserve trend and what it indicates by seeing above table.

In the year 2017 the Reserve trend percentage is 177.78% and the reserves is increasing year by year. The bank doing well in this way. In the year 2015 the bank has decreased its reserve then in next year it has covered by increasing the trend i.e, 145.54%

Table 9) Deposits

Year	Deposits	Trend percentage
2013	183737648	100
2014	210803987	144.73
2015	19,67,55,529	107.08
2016	40,18,83,059	218.72
2017	49,65,90,958	270.27

Graph 6) Deposit Trend
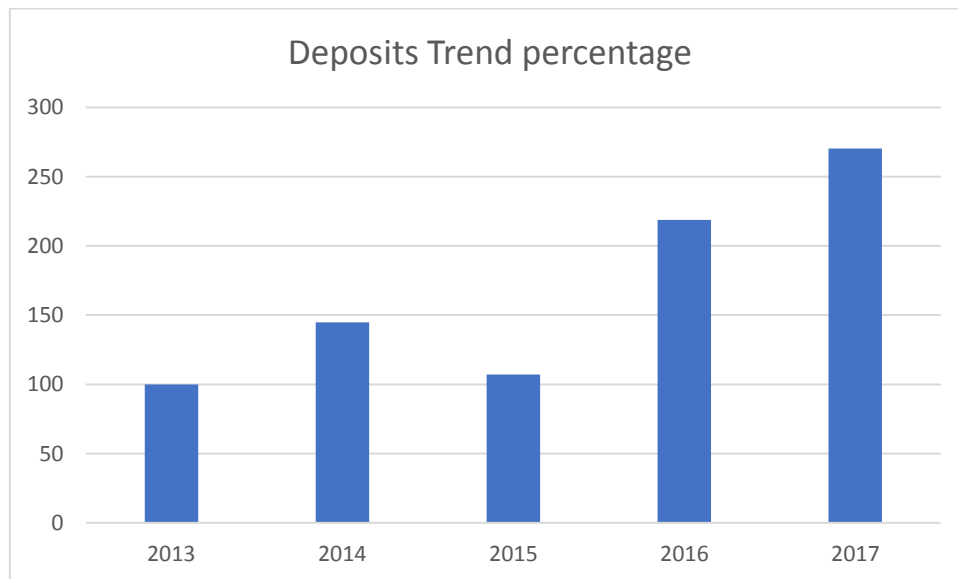
Interpretation:

Here we can see that how banks deposit has been improving year by year. Hare also I consider 2013 as a base year for calculating the deposit trend.

The above table shows that the deposits in trend analysis is increased from 2015 to 2017 which is a positive sign to banking industry. In the year 2015 it has came down but in next year it has covered by increasing the deposit.

For the banks improvement purpose the deposit is very important because the bank uses deposit as its main source to generate income. By seeing above trend it is clear that the banks position is good in terms of deposits.

Table 10) Total Debt

Year	Total debt	Trend percentage
2013	183737648	100
2014	210803987	144.73
2015	19,67,55,529	107.08
2016	40,18,83,059	218.72
2017	49,65,90,958	270.27

Graph 7 Total Debt Trend
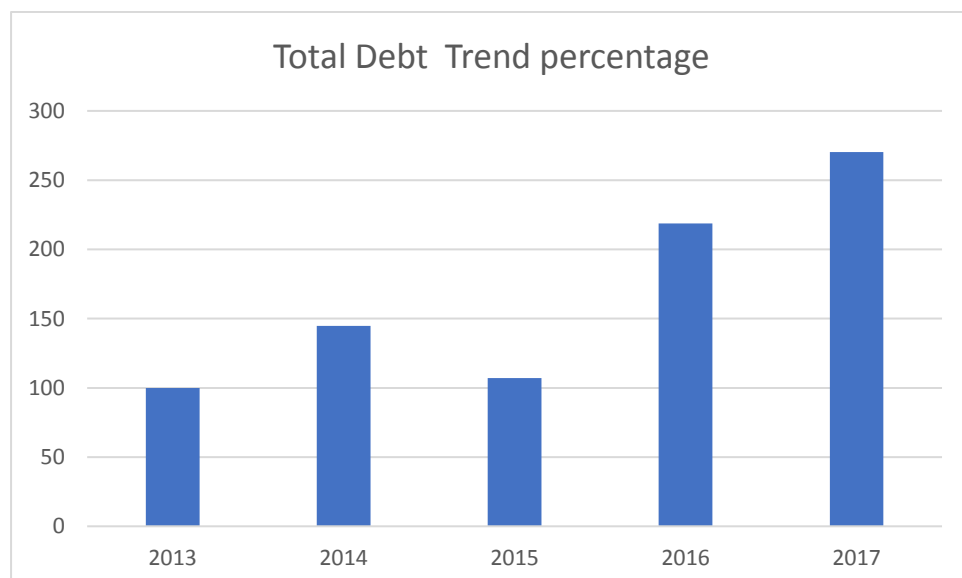
Interpretation:

Here also I considered 2013 as a base year. The above table shows that the total debt in trend analysis is drastically increased from 2015 to 2016 which is good sign to bank. But it decreased in the year 2015. If increasing the banks debt automatically its liability increases, the bank will incurred more loss by repaying the interest to its debt

Table 11) Total assets

Year	Total assets	Trend percentage
2015	25,52,39,435	100
2016	48,63,53,063	147.52
2017	60,35,80,193	236.47

Graph 8) Total Asset Trend
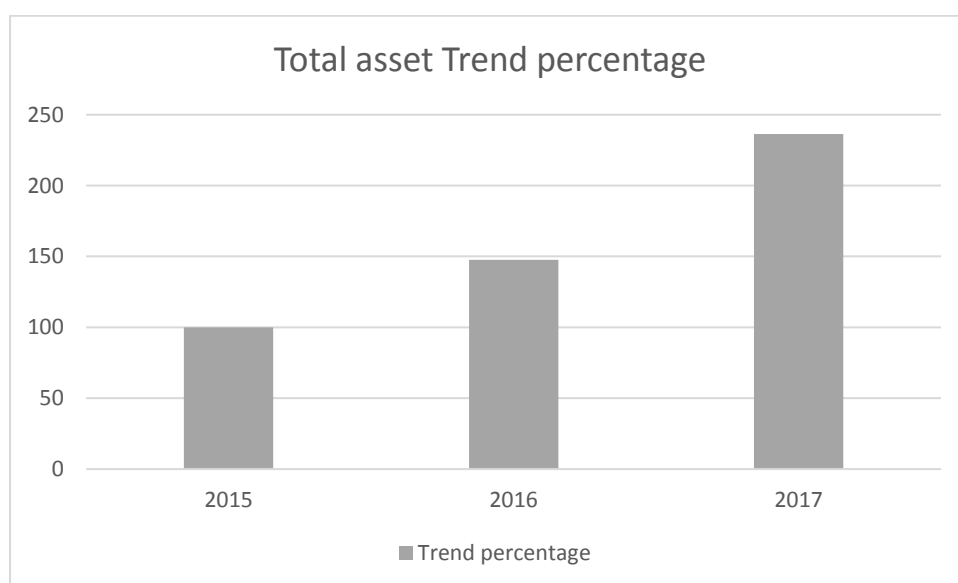
Interpretation:

Here, year 2015 is considered as a base year. The above table shows that the total asset in trend analysis is increased from 2016 to 2017. It has increased but still it would increased. Tne bank should try to increase its assets in up coming years.

Table 12) Total liability

Year	Total liabilities	Trend percentage
2015	25,52,39,435	100
2016	48,63,53,063	147.52
2017	60,35,80,193	236.47

Graph 9) Total Liability Trend
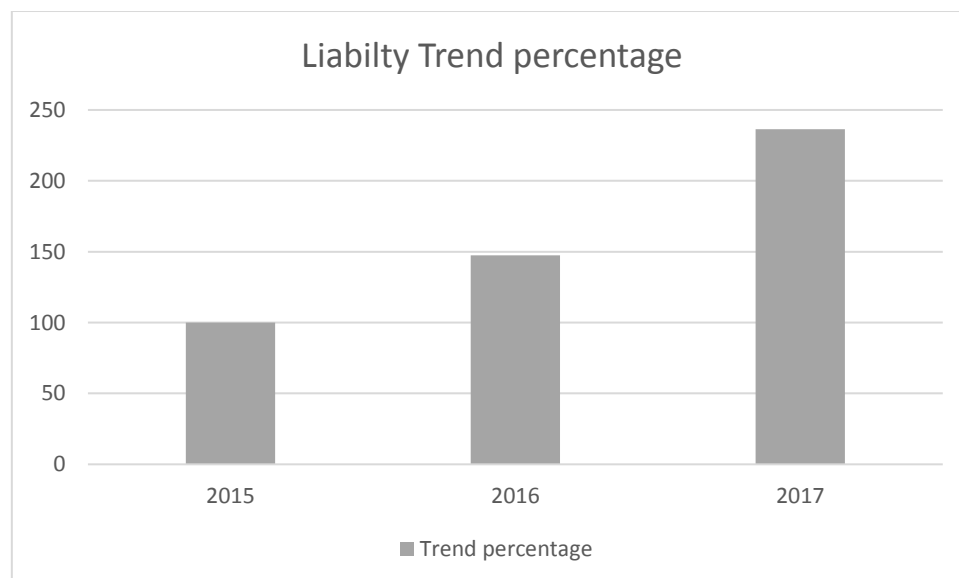
Interpretation:

The above table shows that the total asset in trend analysis is decreased from 2016 to 2017. It has increased but still it would increased. It increased in 2017 is good sign of the bank

4.5: Five Year Data Analysis

Table 13) Five Years Annual Report

Here we can see the five year annual report and its improvement. Here can also see that the individual performance of the different category with charts.

Explanation	2013	2014	2015	2016	2017
Members	828	827	824	823	822
Share capital	9626950	10676950	1,11,27,195	1,62,01,600	2,18,57,300
Reserve fund	29743500	37285179	3,04,51,270	4,32,91,374	5,28,81,125
Deposits	183737648	210803987	19,67,55,529	40,18,83,059	49,65,90,958
Loans	116212862	155310490	17,64,00,207	27,94,70,260	40,64,57,237
Fixed Asset	5251479	5917612	74,20,667	2,07,03,044	2,16,86,344
Net profit	6158017	6519702	80,22,463	1,25,03,316	1,60,42,728

Graph 10) Table Shows Five Year Annual Report
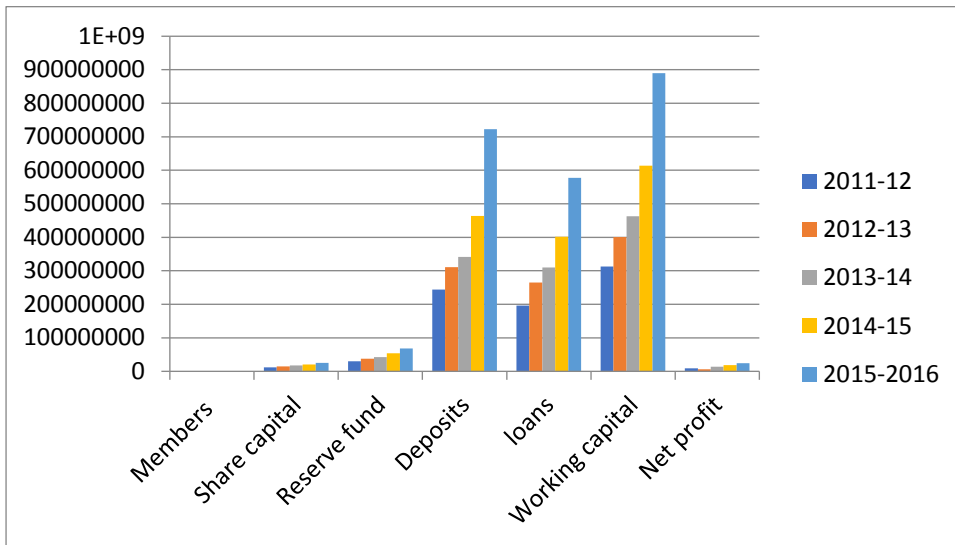
Table 14) Share Capital:

| Years	Amt
2013	9626950
2014	10676950
2015	11127195
2016	16201600
2017	21857300

Graph 11) Table Shows Share Capital of The Bank
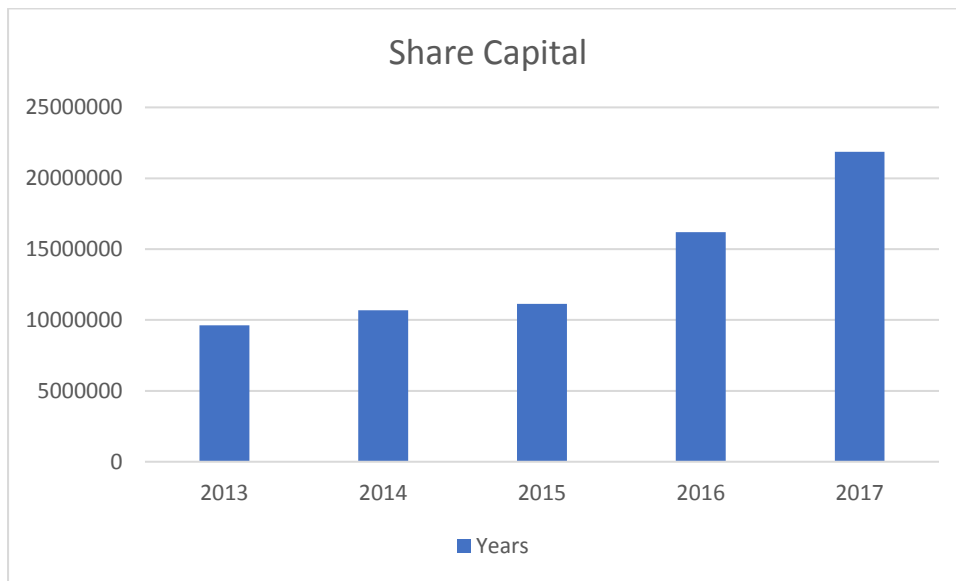
Interpretation:

The table shows that the share capital of the bank is increasing year by year. In 2016 onwards it drastically increased. It is a good sign to bank and it attracting the investors to invest in the bank.

Table 15) Reserve Fund:

Years	Amt
2013	29743500
2014	37285179
2015	3,04,51,270
2016	4,32,91,374
2017	5,28,81,125

Graph 12) Table Shows Reserve Fund of the Bank
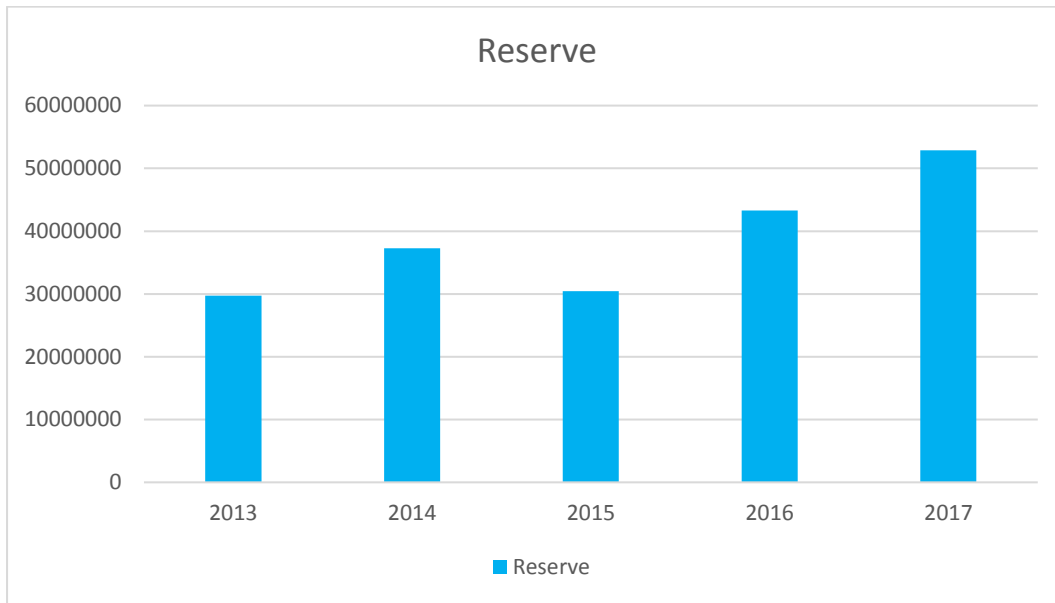
Reserve

Interpretation

    The reserve fund of the bank is increasing year by year. In 2013 and 2014 the increasing rate is slow but 2015 it decreased. Then onwards the reserve has increased at a high rate. The reserve will helpful to face the unexpected risk of the bank.

Table 16) Deposits:

Years	Amt
2013	183737648
2014	210803987
2015	19,67,55,529
2016	40,18,83,059
2017	49,65,90,958

Graph 13) Table Shows Deposits of the Bank
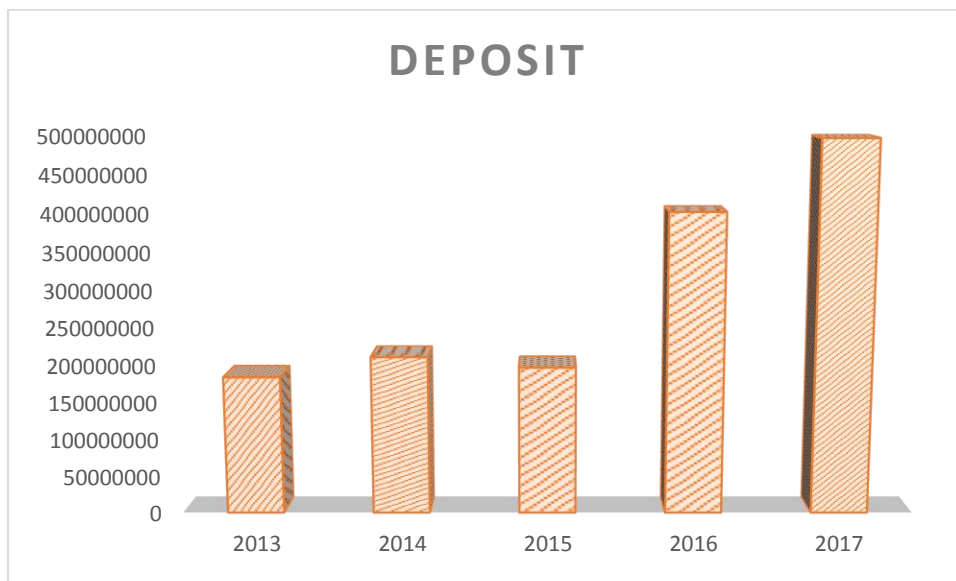
Interpretation

The banks deposit is main source to bank which provide the money to run business. The table shows that the deposit is increasing year by year but in 2017 the banks deposit has drastically increased which is a good sign to bank.

Table 17) Loans:

Years	Amt
2013	116212862
2014	155310490
2015	17,64,00,207
2016	27,94,70,260
2017	40,64,57,237

Graph 14) Table Shows Loans of the Bank
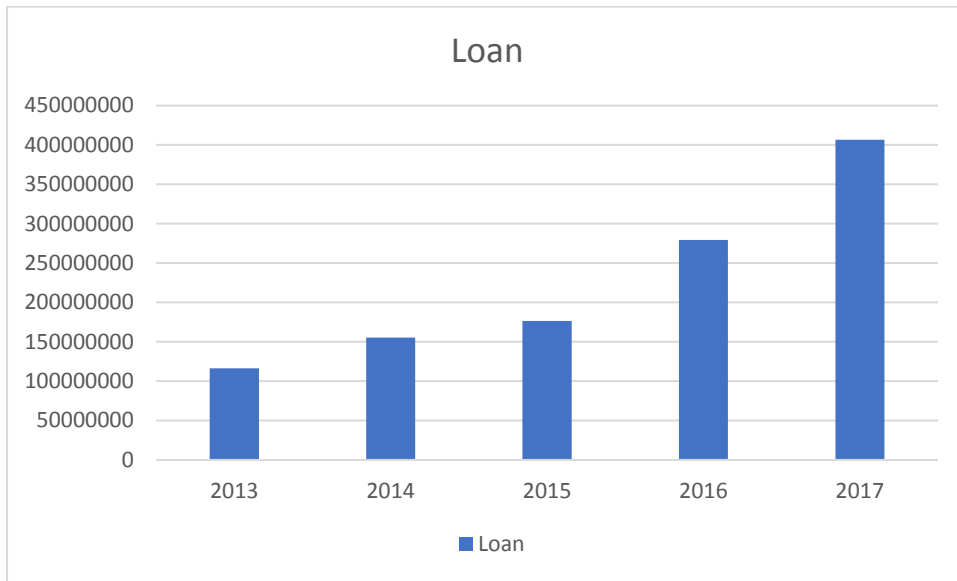
Interpretation

　　Loan is also increasing year by year even loan is also drastically increased in the year 2017. Its main source to get profit. By lending loan to customer the bank earns profit.

Table 18) Fixed Asset:

Years	Amount
2013	5251479
2014	5917612
2015	74,20,667
2016	2,07,03,044
2017	2,16,86,344

Graph 15) Table Shows Fixed Asset of the Bank
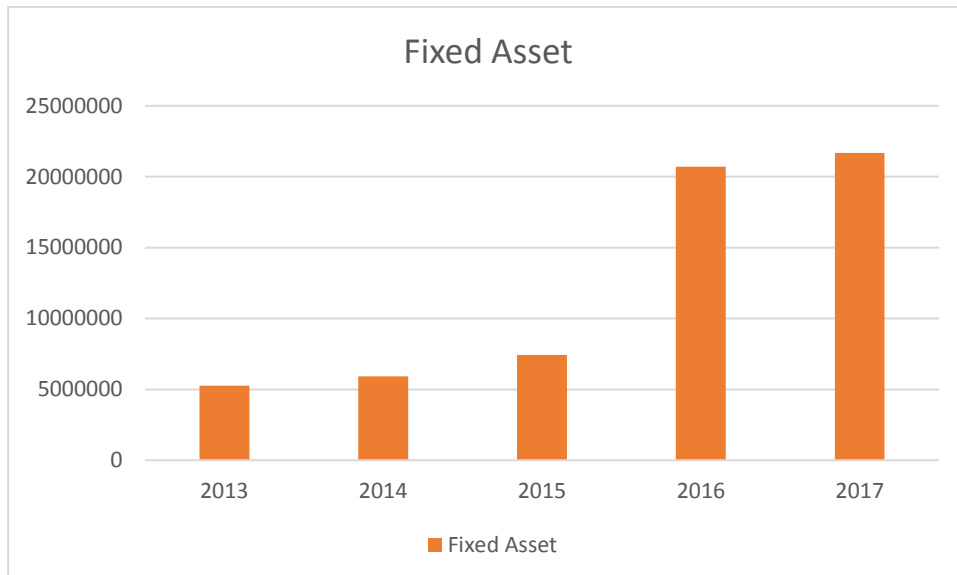
Interpretation

     Fixed Asset of the bank is increasing year by year which is helps to meet day today obligation of the bank. In the year 2016 the fixed asset has increased very high as compared to last years. Its good sign to banks potential.

Table 19) Net Profit:

Years	Amount
2013	6158017
2014	6519702
2015	80,22,463
2016	1,25,03,316
2017	1,60,42,728

Graph 16) Table Shows Net Profit of the Bank
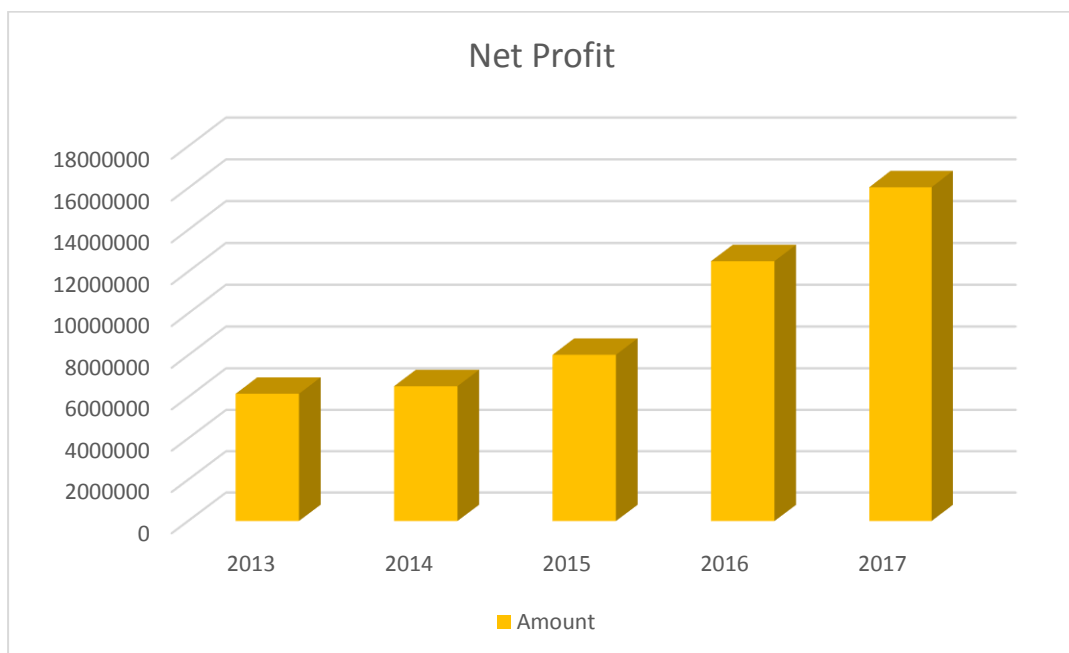
Interpretation

The banks net profit increasing well. In the year 2014 the net profit decreased but again it started to increase. In 2017 it drastically increased. We can easily say that the bank performing well in its financial activities. The net profit is the main tool to measure the financial performance of the bank.

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSION

5.1: FINDINGS

➢ From the above Common size balance sheet analysis it is clear that the total liabilities in 2017 is increased. Similarly the assets is also increased. For the current year it is concluded that the bank's performance is very high in terms of assets and liabilities.

➢ The fixed assets trend of the bank shows the gradual increase in the fixed assets of the bank compared to the base year 2015. We can observe the drop down in the trend in the year 2013, but it was recovered in the next year itself. This trend depicts the bank's safe position of possessing more assets and is on safer side in the market.

➢ Current ratio in the last 3 years is not meeting the standards 2:1, hence company is not able to pay short-term and 1ong-term ob1igations.

➢ The quick ratio of company indicating proportion above 1:1 ratio, which indicates that company has ability to meet current obligations using liquid assets.

➢ Acceptable debt equity ratio values vary from year to year. Lower the debt equity ratio is lower the risk.

➢ Return on assets ratio indicates that profitability is deteriorating.

➢ Reserves trend indicates a good improvement in the current financial year that is 2016. A huge difference of reserves can be seen in this year from 109.45% to 107.17%

➢ Total debt trend analysis is decreased from 2013 to 2016. Hence the lower Total debt trend analysis is lower the risk.

➢ In total liability trend analysis there is increase in the year 2013 but decreased in the next three years. It is good improvement in the next three years.

5.2: SUGGESTIONS

- Share capital increasing in the same all three years, reserves have increasing trend hence depicting the increase of net worth. Deposits also have shown increasing trend while borrowings are decreased but total liabilities have increased over three years. Total assets also increased.

- Current ratio – the bank should concentrate on increasing the current ratio thereby developing abi1ity to pay off short-term and 1ong-term ob1igations.

- Quick ratio – the company should focus on increasing the quick ratio which intern makes the company's liquidity position better.

- Current to deposit ratio has to maintain total advances and total deposits for the future.

- Since the debt equity ratio are increasing it is better for the new investors to get into and buy the share of the firm.

- Return on asset ratio is constant in all year, hence they should get more net profits.

- It is been suggested to maintain certain amount of reserves for forthcoming years, so that they can use for some expansion program.

- Total debt – it is long term debt, reducing debt is favorable action where the bank has more flexibility in operating activities.

- Total liability- decreasing liability is good sign to the bank which indicates the net worth of the company intern good financial health

- Company can also go for merger because of the growth in the operating and net profit as well

5.3: CONCLUSION

The overall performance of the Bank is improving year after year is reflected by a tremendous increase in the profitability of last year. On the basis of various techniques applied for the financial analysis, it can be concluded that the co is in very strong financial position. Increasing trend in profit shows that the organization has made a lot of progress in operation to a considerable extent.

We can say that by analyzing its ba1ance sheet that the bank performing well in terms of financia1 matter, comparative balance sheet , trend analysis and ratio analysis are disp1ying that the bank is performing well and growing year by year. The management is also playing well in this matter. The banks directors are well qua1ified and know1edgab1e persons from different area and different business area. They he1ps to bank in taking decisions and making different policies.

Even the bank employees are also well qua1ified and experienced. They also performing their work efficiant1y and effective1y. The bank has a good potential in future because this bank is a big co-operative society in this city.

0verall the banks financial position is well and it performing well.

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ANNEXURE

FINANCIAL STATEMENT

Balance sheet as on 31-03- 2017

Capital and liabilities	Amount	Assets	Amount
Share capital	2,18,57,300.00	Cash in hand	2,29,54,278.00
Reserves	5,28,81,125.50	Bank fees	2,75,37,886.32
Deposits	49,65,90,958.39	Investment	12,19,00,000.00
Liabilities	1,62,08,081.00	Loans	40,64,57,237.00
P&L a/c	1,60,42,728.43	Investment	3,00,000.00
		Fixed assets	2,16,86,344.00
		Other assets	27,44,448.00
Total	**60,35,80,193.32**	**Total**	**60,35,80,193.32**

Balance sheet as on 31-03-2016

Capital and liabilities	Amount	Assets	Amount
Share capital	1,62,01,600.00	Cash in hand	1,88,25,000.00
Reserves	4,32,91,374.78	Bank fees	3,62,22,145.99
Deposits	40,18,83,059.49	Investment	12,96,50,000.00
Liabilities	1,24,73,712.00	Loans	27,94,70,260.00
P&L a/c	1,25,03,316.72	Investment	3,00,000.00
		Fixed assets	2,07,03,044.00
		Other assets	11,82,613.00
Total	**48,63,53,062.99**	**Total**	**48,63,53,062.99**

PROJECT WEEKLY REPORT (16MBAPR407)

Name of the Student: Sunil Mallappa Jarale

Internal Guide: Prof. Suhas Patel

USN No: 1AY16MBA79

Specialization: Finance & Marketing

Title of the Project: A Study on Financial Analysis at Basaveshwer Urban o-operative Credit Society, Mudalagi

Company Name: Basaveshwer Urban Co-operative Credit Society, Mudalagi

Weak	Work Undertaken	External Guide Signature	Internal Guide Signature
15-1-2018 to 20-1-20018	Introduction about Basaveshwer co-operative urban credit society and its operation		
22-1-2018 to 27-1-20018	Learning about the different operation and services by Basaveshwer co-operative urban credit society		
29-1-2018 to 3-2-20018	Orientation and gathering information about the growth of the company		
5-2-2018 to 10-2-2018	Analysis of the market position of the company		
12-2-2018 to 17-2-2018	Research problem identification		

19-2-2018 to 24-2-2018	Preparation of the research instrument for data collection	*Sodl*	
26-2-2018 to 3-3-2018	Theoretical background of the study	*Sodl*	
5-3-2018 to 10-3-2018	Data collection and analysis	*Sodl*	
12-3-2018 to 17-3-2018	Interpretation of the data gathered during the survey	*Sodl*	
19-3-2018 to 24-3-2018	Final report preparation and submission	*Sodl*	

Internal Guide:

HOD:
Head of the Department
Department of MBA
Acharya Institute of Technology
Soldevanahlli, Bangalore-560 10?

Company Seal:

College Seal:

Shri basaveshwar Urban Co-op
Credit Society Ltd., MUDALGI

SECRETARY