

Project Report (17MBAPR407) on
A STUDY ON “COMPARATIVE ANALYSIS OF PCARD AND DCC BANK” AT
PRIMARY CO-OPERATIVE AND AGRICULTURE RURAL DEVELOPMENT BANK

BY

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Submitted to

VISHVESHWARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI.



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**ಪ್ರಾಥಮಿಕ ಸಹಕಾರ ಕೃಷಿ ಮತ್ತು ಗ್ರಾಮೀಣ ಅಭಿವೃದ್ಧಿ ಬ್ಯಾಂಕ್ ನಿ.,
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CERTIFICATE

This is to certify that Miss. VIDHYA R bearing USN 1IA17MBA61 student Of Acharya Institute of Technology soladevanahalli, Hesaragatta Main road , Bangalore-560107. who is studying MBA course has carried out her project work from 3rd January 2019 to 16th February 2019 in our Organization under the guidance of T M Bharathi , Manager of Primary Co-operative Agriculture and Rural Development Bank at Mulbagal and submitted a report on **“A Study on Comparative Analysis of PCARD BANK and DCC BANK.**


ವ್ಯವಸ್ಥಾಪಕರು
ಪ್ರಾಥಮಿಕ ಸಹಕಾರ ಕೃಷಿ ಮತ್ತು ಗ್ರಾಮೀಣ ಅಭಿವೃದ್ಧಿ
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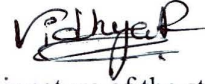
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DECLARATION

I **VIDHYA.R**, hereby declares that the project report entitled “**A Study on Comparative Analysis of PCARD and DCC Bank**” with reference “**Primary Co-operative Agriculture and Rural Development Bank, Mulbagal, kolar**” prepared by me under the guidance of **Prof. Mallika.B.K**, faculty of M.B.A Department, **ACHARYA INSTITUTE OF TECHNOLOGY** and external assistance by Mrs. Bharathi.T.M, Manager, Primary Co-operative Agriculture and Rural Development Bank. I also declare that this project work is towards the partial fulfilment of the university regulations for the awards of degree of Master of Business Administration in Visveswaraya Technological University Belgaum. I have undergone a summer project for a period of six weeks. I further declare that this project is based on the original study undertaken by me and not been submitted for the award of any degree/ diploma from any other university/institution.

Place: Bangalore

Date: 05/04/2019



Signature of the student

ACKNOWLEDGEMENT

I wish to express my sincere thanks to our respected Principal, **Dr. Prakash.M.R**, beloved Dean-Academics, **Dr. Devarajaiah.**, and deep sense of gratitude to **Dr. Bagali**, HOD, Acharya Institute of Technology, Bengaluru for their kind support and encouragement in completion of the Internship Report.

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Place: Bangalore.

Date: 05/04/2019

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EXECUTIVE SUMMARY

The project work of comparative analysis of PCARD and DCC Bank has been carried out at Primary Co-operative Agriculture and Rural Development Bank for the period of 6 weeks. The objectives behind the study is to evaluate the financial performance and profitability of PCARD and DCC Banks.

The PCARD and DCC Banks are the major co-operative banks in India. PCARD stands for Primary Co-operative Agriculture and Rural Development Bank and DCC is District Central Co-operative Bank.

The primary objective of this project is to evaluate the financial performance and profitability of the banks and their service and different types of loans provided to their customers. The study helps to evaluate the comparison between this banks by using common size and comparative statements.

To fulfill the above said objectives of the study the data is collected from Manager and Accountant of bank and also from banks reports, financial statements.

After the data had been collected, it had been tabulated according to the concept researched. The tables, charts have been clearly mentioned in the analysis of reports. Interpretation has been graphically mentioned in the comprehensive manner for efficient and effective understanding. Through this study the researcher has identified which bank has performed most effectively and efficiently.

CHAPTER-1

INTRODUCTION

1.1 INTRODUCTION

The word bank is derived from the Italian word "Banca" and the French word "Banque" describes the table or the exchange rate table. In ancient times, those who lend or exchange money in Europe used to offer a large number of coins from other countries for loans.

Finance is the blood of commerce and industry. In the current scenario, the banking sector is the backbone of modern business. The development of all countries depends largely on the banking system.

Definition of Bank

The Banking Regulatory Act of 1949 is an Indian law that regulates all banking companies in India. Banking Act was enacted in 1949 came into establishment in the year 1965 and changed Banking Regulations Act in the year 1965 march.

Applicable to Jammu and Kashmir in 1956. This law was originally applied only to banking companies. However, in 1965 it was modified to be applicable to cooperative banks and other changes were introduced.

According to the Banking Regulation Act of 1949, "The banking sector can receive public deposits, loans / investments, can be repaid if necessary, and can be withdrawn by cheque, procedure and order.

Evolution of Banks in India

The system of Banks in India is divided into two phases:

- Before Independence phase (1786-1947)
- After independence phase (from 1947 to the present)

The post-independence phase is divided into three periods:

- Before the nationalization phase (1947-1969)
- The post-nationalization phase (1969-1991)
- Liberalization stage (1991 to present)

Before – Independence phase (1786 to 1947

The Indian banking system can be tracked with the founding of Calcutta Bank in 1786. The Indian banking system has existed for the last decades of the 18th century with the establishment of British institutions in Bombay and Calcutta.

- There are three Presidential Banks: Bengal Bank, Bombay Bank and Madras Bank, which were created in the 19th century by the British East India Company.
- Three presidential banks merged and in 1935 a new bank called the Imperial Bank of India was born.
- Then the Imperial Bank of India will change its name later to State Bank of India.
- The Bank of Allahabad was founded in Allahabad in 1865.
- The National Bank of Punjab was founded in 1895.
- Indian Bank established in Bombay in 1906.
- In 1906 and 1913, many commercial banks such as Canara Bank, Indian Bank, Indian Central Bank, Baroda Bank and Mysore Bank were established under Indian control.
- The Reserve Bank of India was created in 1935 in accordance with the recommendations of the Young Hilton Council.
- Prior to independence, the banking system targeted only urban and rural populations and agriculture was completely neglected.

After – Independence phase (1947 to present)

During the independence period, the total banking sector was privately owned. Rural people in the country relied on small lenders to support themselves. To overcome these problems and to improve national economic development, the Indian government nationalized the Reserve Bank of India in 1949.

- The Imperial Bank of India was designated as a state-owned bank in 1955.
- The Banking Regulation Act came into force in 1949.

Nationalization period (1969 to 1991)

The Government of India nationalized 14 major banks in 1969 whose deposits are more than 50 crores.

The 14 major nationalized Banks are as follows:

1. Allahabad Bank
2. Overseas Indian banks
3. Andhra Bank
4. Oriental Commerce Bank
5. Baroda Bank
6. Punjab National Bank
7. Indian Banks
8. Bank of Maharashtra
9. Labor Union Bank (syndicate bank)
10. Canara Bank
11. Indian Commonwealth Bank
12. The Central Bank of India

13. Indian Commonwealth Bank

14. Social Bank

15. UCO Bank

16. Dena Bank

17. Vijay Bank

- The Indian banking system has grown rapidly since nationalization, but the rural and weak sectors are not included in this system.
- The Narasimham Committee recommended the establishment of Regional Credit Banks (RRBs) in 1974 to address these issues. RRB (Regional Rural Banks) was established on October 2, 1975 to provide credit to rural areas. Social
- In 1980, six other banks were nationalized. Due to the second nationalization, the loan target for the priority sector also increased to 40%.

Liberalization phase (1991 to present)

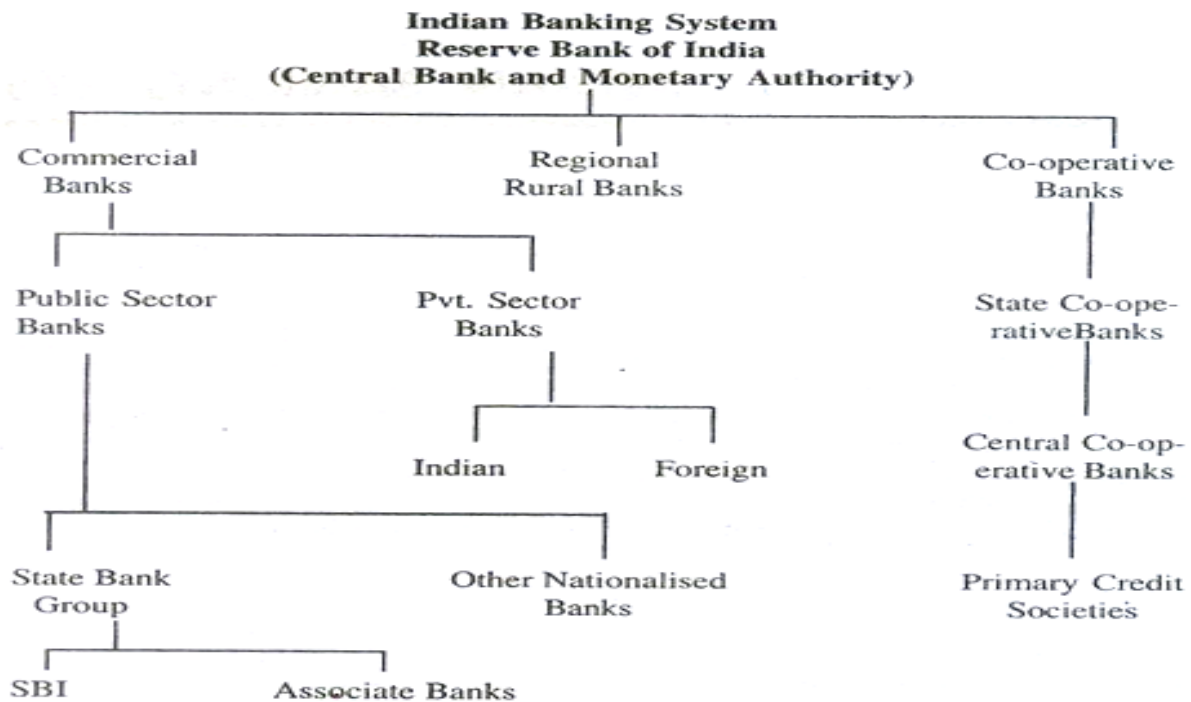
The Government of India has formed a committee under Shri. M. Narasimhan to improve the financial stability and profitability of public sector banks. The committee recommended several measures to reform the country's banking system.

- The objective of the recommendation was to make banks more competitive and sound and to ensure the stability of the financial system.
- A committee chaired by Shri. Narasimhan suggested no more proposed nationalization.
- India allowed foreign banks to open branches with subsidiaries or subsidiaries.
- The bank stressed that it should be motivated to abandon conservative and traditional banking systems and adopt gradual functions such as merchant banking, takeover and retail financing.
- RBI allowed 10 private actors to enter the banking sector. These were Global Trust Bank, ICICI Bank, HDFC Bank, AXIS Bank, Punjab Bank, Indus Land Bank, Centurion Bank, IDBI Bank, Times Bank and Development Credit Bank.

Recent Developments in Indian Banking Sector

- In the year 2003 and 2004 Kotak Mahindra Bank and Yes Bank got license from RBI to enter in the Banking system.
- In 2014 the IDFC and Bandhan financial services got license from RBI to enter in the banking system.
- Payments banks and small finance Banks are the new forms of banking institution in India.
- Digitalization in banking sector is growing at a faster rate.

STRUCTURE OF BANKS IN INDIA



STRUCTURE OF INDIAN BANKING SYSTEM

1.2 Industry profile

Co-operative Bank History

The Cooperative banking in India was established for the purpose of dealing the problems of rural credit. The cooperative banking history began in 1904 by adopting cooperative laws. The purpose of this law was to create a cooperative credit society to encourage the savings, co-operation and cooperation of farmers, craftsmen and limited means. Many cooperatives were created under this law. Establishment of new supervisory, audit and cooperative credit supply agencies: In 1912 the Cooperative Societies Act was created. These organizations are: a) major social syndicates; (b) the central bank; and (c) the local bank.

Although beginning has been made in the direction of establishing cooperative societies and extending cooperative credit, but the progress remained unsatisfactory in the pre-independence period. The cooperative credit formed only 3.1 per cent of the total rural credit in 1951-52 even after being in operation for half a century.

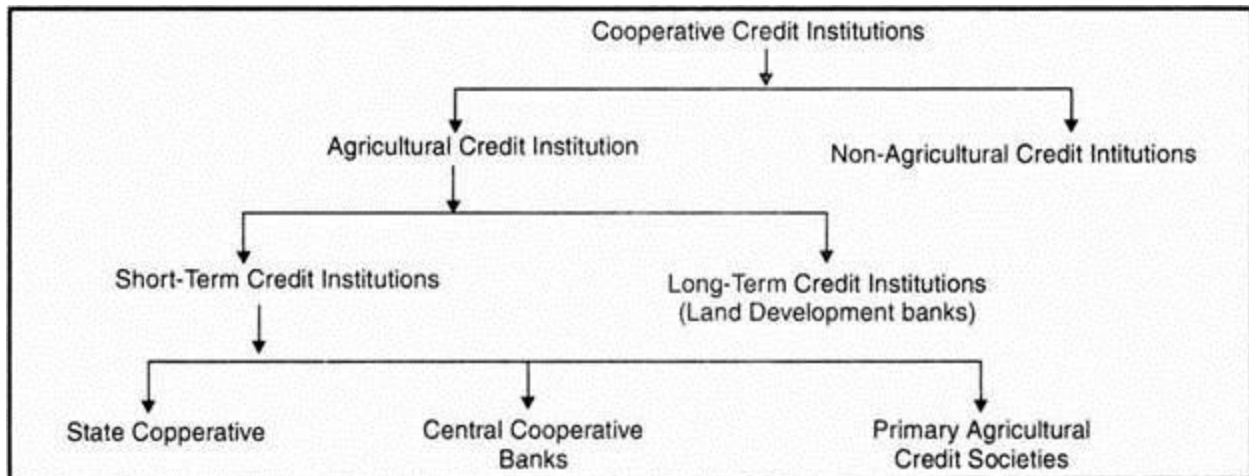
Cooperative Banking Structure:

There are many types of cooperative credit institutions in India. These institutions fall into two categories: 1. Agricultural organizations and 2. Non-agricultural organizations. Agricultural credit institutions dominate the overall cooperative credit structure.

Agricultural credit institutions are also classified as short-term agricultural credit institutions and long-term credit institutions.

The short term financial needs for agriculturists is provided by short term institutions they have three-tier federal structure (a) Apex bank is the state cooperative bank in each state (b) Central cooperative banks at district level (c) Village-level major agricultural credit companies.

The Land Development Bank provides long-term loans for agriculture. It is now called the Primary Bank for Agricultural and Rural Development. The overall structure of cooperative credit agencies is shown in the graph.



Short-Term Rural Cooperative Credit Structure:

There are three levels of short-term rural cooperative structure in rural India. Level I State-level cooperative banks: Level II includes central cooperative banks at the district level. Level III includes Village Primary Farm Credit Corporations (PACS).

Three short-term credit structures exist in 19 states, including SCB, CCB and PACS. Second, the two-phase short-term cooperation structure exists in 12 states. In the northeastern region, including Sikkim, the structure is in two stages and includes only SCB and PACS.

1. State Cooperative Banks (SCBs):

Functions and Organization:

The Apex institutions is State cooperative banks in the 3-tier cooperative credit structure, it operates at state level. A state cooperative bank has in each and every state.

State cooperative banks occupy a unique position in the cooperative credit structure because of their three important functions:

- (a) They provide a link through which the Reserve bank of India provides credit facility to the cooperatives & participates in the rural finance.
- (b) They function as balancing centers for the central cooperative banks by making available surplus funds of some central cooperative banks. To borrow or lend among themselves, the central cooperative banks does not permit.
- (c) The central cooperative banks finance, control and supervise and through them the primary credit societies.

2. Central Cooperative Banks (CCBs):

Functions and Organization:

In the 3-tier cooperative credit structure, central cooperative banks are in the middle.

There are two types of central cooperative banks.

(a) There may be cooperatives banking unions whose membership open only to cooperatives.

These cooperative banking associations exist in Haryana, Punjab, Kerala, Orissa and Rajasthan.

(b) There may be mixed central cooperative banks whose members are open to individuals and cooperatives. The central cooperative banks in the remaining states are this type. Providing loans to the primary cooperative societies is the main function of central cooperative banks. However, some loans are also given to individuals and others.

3. Primary Agricultural Credit Societies (PACSs):

Functions and Organization

In the three-tier cooperative credit structure the primary agriculture credit society forms the base. It is a village-level institution which directly deals with the rural people. It encourages savings among the agriculturists, accepts deposits from them, gives loans to the needy borrowers and collects repayments.

It serves as the last link between the ultimate borrowers, i.e., the rural people, on the one hand, and the higher agencies, i.e., Central cooperative bank, state cooperative bank, and the Reserve Bank of India, on the other hand.

With 10 or more persons of a village primary agriculture credit society may be started. Even the poorest farmers can become members because they have fewer fees.

The members of society have unlimited responsibility. This means taking full responsibility for the total loss of society if each member fails. Company executives are under the control of an elected organization.

Long term credit institution

Land Development Bank

The major objective is providing Long Term Loans to the Agriculture. Land development in short it is called as LDB. The name of LDB bank was changed now as primary cooperative

Agriculture and Rural development bank. The story of LDB has been quite long. In 1920, the first LDB bank was established in Jhang, Punjab. This bank is also based on cooperation. The main objective of the LDB is to promote land development, agriculture and agricultural production. Through the branch, LDB offers long-term loans to its members.

1.3 Company Profile

District Central Cooperative Bank History

The cooperative history in India started in the year 1904, in which Cooperative Societies Act was established. For the formation of central bank there were no provisions. The co-operative bank's promoters expected the rural credit community to be able to draw deposits from its members and the communities of affluent and use savings to meet the needs of the poor in the village. They thought that if the funds were not enough, they would be offset by government loans. However, the proposer's expectations were not realized. However, some companies have failed. For example, it lacks management improvements. They cannot increase their capital by increasing members' savings and mutual aid, thereby increasing their capital. As the cooperative movement became popular, society grew to leaps and bounds. Financial arrangements did not make enough money to cope with growing needs. The cooperative law was passed in 1912 to allow the central agency to register. Before the revision, some central banks were created to meet the financial needs of major corporations. The first central cooperative bank was created in Ajmer in 1910. However, this bill was amended to promote the growth of central funding agencies, and many years later many of these banks were created. From 1906 to 1918, it was called the origin of the central bank in many parts of the world. From 1919 to 1929, after the end of the first war, it lasted for about 79 years until the beginning of global depression, characterized by the expansion of the cooperative system. The number of central cooperative banks increased between 1919-20 and 1929-30, with increased membership and working capital. The war period revitalized the cooperative banks in India. The funds they hold and the working capital of these banks have increased significantly. Therefore, the cooperative credit societies in India are very important because they accepted three-tier structure of cooperative credit societies.

The original scheme of cooperation provided for organization of primary agricultural credit societies at the village level aim is to reduce the exploitation for poor peasants by the private money-lenders. It did not contemplate the organization of federal societies to function as financing agencies for the village primaries, which in most cases could not mobilize adequate financial resources through share capital from members, and thus failed to meet the even increasing demand for agricultural credit by farmers. However, this did not prove to be a healthy and conducive arrangement for primary cooperative societies which did not have any say in the management of such banks except having the relationship of a borrower and lender primaries in surplus areas having excess thrift deposits could not find proper channel for proper utilization of surplus resources to meet the demands of societies in deficit areas. Hence, there was the need for a balancing centre. Having failed to get proper financial support and guidance from appropriate agency, they felt the necessity of having their own arrangements with a right to participate in the shares and the management of their financing agency etc. All problems, facing the primaries the central government passed another cooperative Act of 1912. The deposits of these banks were continuously raising positive trends during the period 1950-51 to 1989-90. On an average annual increasing in deposits was Rs.2061.25 crores with an average growth in deposits of district central cooperative banks in India was 124.27 percent during the period 1950-51 to 1989-90. It means, district central cooperative banks have created the faith of public in cooperative banking business. The working capital of district central cooperative banks in India was Rs.55crores in 1950-51, which was increased up to Rs.16542 crores in 1989- 90, with an average, annual growth in working capital was 136.25, percent in this period of the study. In the growth of working capital of these banks was continuous and positive raising during the period 1950-51 to 1989-90. The maximum growth was 159.35 percent in 1973-74 and minimum was 69.9 percent in 1955-56 during the period from 1950-51 to 1989-90. The borrowings of district central cooperative banks in India were 85 Rs.10 crores in 1950-51, which increased up to Rs.5470 crores in 1989-90. The borrowings of these banks were increased with an average growth rate of 172.90 percent during this period. The growth in borrowing was shown continuous and positive on an average borrowing of this bank was Rs.1182.38 crores during the period from 1950-51 to 1989-90. The loans and advances of these banks were Rs.34 crores in 1950-51, which increased to Rs.10673 crores in 1989-90 on an average growth in loans and advances was 134.75 percent during the study period. The growth in loans and advances outstanding was continuously

increased during this period. The highest growth was 165.53 percent and lowest was 70.59 percent during the period from 1950-51 to 1989-90. The over dues of district central cooperative bank in India were Rs.3 crores in 1950-51, which increased to Rs.3528 crores in 1989-90. On an average over dues of these bank was Rs.790.88 crores. The over dues of these banks were increased with an average growth rate of 185.29 percent. On an average percentage of over dues to outstanding loans of these banks was only 0.94 percent, which, is good sign of efficient management of district central cooperative banks. The district central cooperative banks in India was found that a positive growth in all parameters of their growth during 1950-51 to 1989-90. During the period, the share capital, reserve, borrowing, loans & advances, deposits, owned funds and working capital has been shown continuous positive trends during the study period from 1950-51 to 1989-90 and the recovery of district central cooperative banks in India was found satisfactory during the period from 1950-51 to 1989-90.

Primary Co-operative Agriculture and Rural Development Bank Profile

Introduction "Land Mortgage Bank of India", which was incorporated in 1863 in London, was the first land mortgage bank to be established in India. The bank, which was a private concern, carried on lending on the mortgage of lands, throughout the whole of India and existed for twenty years only. After the establishment of a Co-operative Land Mortgage Bank at Jhang (1920), many Co-operative Land Mortgage Banks were established in India. The Indian Rural Inquiry Committee (1954) recommended the establishment of a central land mortgage bank in each state. Priority for land improvement loans; Repair, development and purchase of agricultural machinery. The committee also recommended that the government contribute to the cooperative's capital at all levels. The second five-year plan (1956-1961) consolidated the main recommendations of the committee. Second, the central bank (SLDB / SCARDB) was created in a state where no such bank exists. (Bihar, Kerala and Rajasthan, 1957, West Bengal and Punjab, 1958, Uttar Pradesh and Goa). During the third Five Year Plan Period, Land Mortgage Banks received massive support from institutional investors and Reserve Bank of India, SBI and the Life Insurance Corporation of India. The plan also provided for the organization of 265 new Primary Land Mortgage Banks. During this period, Land Mortgage Banks started 34 reorienting their loan policies to lend for productive purposes and started paying much attention to the

development of agriculture and because of this, the Land Mortgage Banks began to be called 'Land Development Banks'. "In the initial stages, they were known as Land Mortgage Banks, which were established in the early thirties, for disbursing loans to farmers to redeem old debts and securing ownership rights to lands they cultivated. Land Mortgage Banks helped thousands of farmers to free themselves from the clutches of the money lenders. After the country gained independence, these institutions were assigned the role of intermediating long term loans for carrying out investment activities in agriculture and came to be known as "Land Development Bank". Later on they changed land development bank into primary cooperative Agriculture and Rural development bank.

1.4 Vision of PCARD Bank

To provide financial assistance to farmers for the social and for development of economic of the country. Helping the farmers to improve quality of life.

Mission of PCARD Bank

- Serving as friend and guiding all kind of cooperatives.
- Providing service and assistance for the improvement of the cooperative association.
- To receive steps to check whether the genuine cooperatives are organized and managed properly.

Vision of DCC Bank

To ensure adequate credit support and banking services for the economic development of district.

Mission of DCC Bank

To strive for socio economic development of the district by providing efficient finance services for Agriculture and Non-Agricultural based on co-operative principles.

1.5 Types of loans issued by PCARD Bank

- ❖ Minor irrigation loan.
- ❖ Land development loan.
- ❖ Horticulture loan
- ❖ Sericulture loan.
- ❖ Diversified (Animal husbandry).
- ❖ Fishery.
- ❖ Agriculture mechanization.
- ❖ Rural housing.
- ❖ Goober gas plant.
- ❖ Poultry farm

Purpose for which loans issued by PCARD Banks

1. Minor irrigation/Land development

- Sinking of new wells.
- Drip irrigation.
- Sprinkler irrigation.
- Land leveling and fencing.
- Purchase and installation of pump sets.
- Boring and Deeping.
- Construction of new tanks to conserve water for wet cultivation.

2. Sericulture Development

- Sericulture project, Karnataka.
- Loans for purchasing sericulture equipment.
- Constructions of rearing house for sericulture.

3. Horticulture/ Plantation

- Loans for growing mango and coconut development.
- Loans for Saputo, pomegranates, lemon, grapes, rose, etc

4. Diversified Activities

- Poultry farm.
- Sheep rearing.
- Pig rearing
- Bullock and bullock cart

1.6 Competitors profile

Following Banks are the competitors of PCARD Bank:

➤ DCC Banks

DCC (District central co-operative Banks) bank is a bank established in the year 1984 for providing loans for public. It is a cooperative bank operates at district level. It was established to provide banking to rural for agriculture sector.

➤ Pragathi Gramina bank

Pragathi gramina bank is formed by amalgamation of four Karnataka based RRB sponsored by Canara Bank. It is a rural bank 23-08-2013 under the RRB Act 1976.

➤ Other Commercial Banks

- ✓ State Bank of India.
- ✓ Vijaya Bank.
- ✓ Syndicate Bank.
- ✓ ICICI Bank.
- ✓ Corporation Bank.

1.7 Board of directors

SL:NO	NAMES	DESIGNATION
1	Shree. Gangi reddy	Chairman
2	M. Sadananda gowda	Vice - chairman
3	Uttanur srinivas	Director
4	M .N. shankaranarayana	Director
5	M. sreenivasa	Director
6	T. N. Narayanappa	Director
7	P. N. Ramachandrachari	Director
8	D. Ramappa	Director
9	G.R. Manohr	Director
10	P R Krishna reddy	Director
11	Lakshamma	Director
12	k.c. sharadha	Director
13	M.C. Nilakante gouda	Director

1.8 Products /Services profile of PCARD Bank

Business operational details:

- **Savings bank account**

It is an account for individual and non-trading organizations, etc.

Minimum amount to be maintained

Rs. 250 (without cheque book facility)

Rs. 1,000 (with cheque book facilities)

Interest 3.5% quarterly credit.

Operations

Individual or jointly

Pass book, pass sheet and nominations, standing instruction and cheque collection facility available.

- **Current accounts**

Current account is the most important type of bank account. They are generally opened by trading and industrial concern, public authorities. Current account customers can lend any amount of money and at any number of times. Current deposits are repayable on demand. It is reason, they are called demand deposits or demand liabilities.

Minimum amount to be maintained

Minimum balance- 5000

Maximum balance- no ceiling

Pass book, pass sheet available.

Products/ Service profile of DCC Bank

- Savings Account
- Current Account
- Fixed Deposit Account
- Lending
- Kissan credit cards
- Recovery
- Social security schemes
- Financial literacy Centre
- Deposit mobilization.

1.9 SWOT ANALYSIS OF PCARD BANK

Strengths, weakness, Opportunities and Threats of PCARD Bank are as follows:

Strengths

- ❖ Bank sanction loans at reasonable time after receiving all the necessary documents.
- ❖ PCARD Bank gives subsidies to the Farmers loans.
- ❖ PCARD Bank provides loans at lower interests.

- ❖ Bank provides loan sanction, cheque discounting, bill discounting and other services quickly.
- ❖ PCARD Bank provides maximum amount as loans to farmers than other Banks.
- ❖ Cooperative societies have branch facilities in the rural areas.

Weakness

- ❖ The portfolio of Agriculture is mainly concentrated on Maize Sector.
- ❖ The Management information system and customer relationship management should be updated to handle more customers.
- ❖ Appoint more staff with different skills.
- ❖ Need to update the risk management for expansion of planned one into new agriculture commodities.
- ❖ They should use modern technology for better customer service.

Opportunities

- ❖ Through value chain partners to finance farmers we can minimize costs and sales risk.
- ❖ Bank can offer more services to more farmers.
- ❖ There is an opportunity in growth of dairy, poultry and horticulture.

Threats

- ❖ Our value chain partners may not want to share in risk of financing their suppliers.
- ❖ There is draft legislation on capping interest rates for agricultural loans to producer to 6%.

SWOT Analysis of DCC Bank

The following are the Strengths, Weakness, Opportunities and Threats of District Central Co-operative Bank:

Strengths

- ❖ The bank mainly focuses on the development of their members.
- ❖ Trust is the main factor for effective functioning of a cooperative bank.

- ❖ The bank offers loans to their members at reasonable interest rates.

Weakness

- ❖ Lack in training and education of members which is necessary for customer satisfaction.
- ❖ The banks lack in implementation of new technology such as ATMs and computers.
- ❖ The members generally lack domain certification that is financial degrees, etc.
- ❖ The bank operates in a limited area.
- ❖ The expansion of organization may effect, because of high interest rates.

Opportunities

- ❖ The bank can open branches at state level.
- ❖ Number of branches can increase in overall nation.
- ❖ Bank can introduce new services like ATM, Mobile banking, etc.
- ❖ Bank should perform marketing activity through media.
- ❖

Threats

- ❖ Changes in bank rules and regulations may disturb in regular services of bank.
- ❖ Crisis in the co-operative banking sector may disturb the progress of the bank.
- ❖ All the depositories withdraw their money from bank because any wrong rumors against bank.

Future growth and prospectus

PCARD Bank provides high interest rates in fixed deposits to attract more customers.

- This bank provides loans to Traders, shop-keepers and individuals at different levels.
- The PCARD Bank provides loans for small scale industries.
- Increase in the investment of shareholder's fund.
- The bank is providing Debit and Credit card facilities to their customers.

1.10 Financial statements of DCC Bank

Profit and loss Account (Amount in crores)

	2017-2018	2016-2017
INCOMES		
Interest on advances	1,940.27	1,647.95
Income from Investments	420.79	393.52
Interest on Balance sheet with RBI and other	18.03	5.78
Others	33.9	28.9
Total Interest Earned	2,412.99	2,076.15
Other Income	310.28	249.45
Total Income	2,723.26	2,325.6
EXPENDITURE		
Interest Expenses	1,417.56	1,279.06
Payments to provisions for employees	381.23	308.03
Depreciation	53.36	39.03
Operating expenses	346.14	281.27
Total Operating Expenses	780.73	628.33
Provision towards income tax	167.83	115.72
Provision towards deferred Tax	-27	-8.68
Other provisions and contingencies	138.8	111.49
Total provisions and contingencies	279.63	218.53
Total expenditure	2,477.92	2,125.92
Net profit/loss for the year	245.34	199.68
Net profit/loss after EI and prior year items	245.34	199.68
Profit /loss Brought forward	274.07	136.51
Total profit/loss available for Appropriation	519.41	336.91
APPROPRIATIONS		
statutory Reserve	61.34	49.92

Special Reserve	18.62	12.1
Capital Reserve	3.24	1.8
Investment Reserve	-2.91	0.71
Revenue and other Reserves	-6.07	-2.41
Equity share dividend	18.49	Nil
Balance carried to Balance sheet	426.71	274.07
Total Appropriations	519.41	336.19
OTHER INFORMATION		
EARNING PER SHARE		
Basic EPS (rs)	8.02	7.01
Diluted EPS (rs)	7.85	6.87
DIVIDEND (%)		
Equity dividend rate (%)	8	5

Balance Sheet for the year ended from 31-03-14 to 31-03-18 (amt in crores)

	2017-2018	2016-2017
Capital and Liabilities		
Total share capital	308.08	285.36
Equity share capital	308.08	285.36
Share application money	1.41	1.58
Reserves	2,247.9	1,661.43
Net worth	2,557.39	1,948.37
Deposits	24,006.86	19,289.21
Borrowings	1,926.71	1,275.81
Total debt	25,933.57	20,565.02
Other liabilities and provisions	1,480.69	1,276.48
Total liabilities	29,971.65	23,789.87
Assets		
Cash and Balances with RBI	1,136.39	858.3
Balance with Banks, Money at call	1,235.59	334.16
Advances	20,336.69	15,817.63
Investments	6,218.96	5,817.94
Gross Block	494.02	488.57
Revaluation Reserves	250.44	256.5
Net Block	243.58	232.07
Other Assets	800.44	729.77
Total Assets	29,971.65	23,789.87
Contingent Liabilities	7,357.66	3,064.27
Book Value (Rs)	82.96	68.22

FINANCIAL STATEMENT OF PCARD BANK

PROFIT AND LOSS ACCOUNT (Amount in crores)

Particulars	2017-2018	2016-2017
INCOMES		
Interest / discount/advances/bills	29096.44	29585.67
Income from investment	10412.1	10771.29
Interest on balance with RBI and other Banks	646.99	768.2
Others	1096.56	322.49
Total interest earned	41252.09	41387.64
Other income	6949.85	7554.4
Total income	48194.94	48942.04
EXPENDITURE		
Interest expended	29088.76	31515.87
Payments to and provisions to employees	5444.11	4915.09
Depreciation	445.05	327.54
Operating expenses(excludes employee cost and depreciation)	3668.78	3269.65
Total operating expenses	9557.94	8512.28
Provision towards income tax	2338.62	520.00
Other provisions and contingencies	11431.86	7271.97
Total provisions and contingencies	13770.48	7791.97
Total expenditures	52417.18	
Net profit/ loss for the year	-4222.24	1121.92
Net profit/loss after EI and prior year items	-4222.24	1121.92
Profit / loss brought forward	-2748.90	0.00
Total profit/loss available for appropriation	-6971.14	1121.92
APPROPRIATION		
statutory reserves	Nil	281.0

Special reserves	Nil	Nil
Capital reserves	Nil	777.0
Investment reserves	Nil	Nil
Revenue and other reserves	Nil	Nil
Dividend and dividend tax from the previous year	63.92	Nil
Equity share dividend	Nil	Nil
Tax on dividend	Nil	Nil
Balance carried to balance sheet	-7035.06	63.92
Total Appropriation	-6971.14	1121.92
OTHER INFORMATION		
EARNING PER SHARE		
Basic EPS	-70.47	20.63
Diluted EPS	-70.47	20.63
Dividend percentage		
Equity dividend rate (%)	Nil	10.0

Balance Sheet as on 31st march 2014 to 31st march 2018 (Amt in crores)

Particulars	2017-2018	2016-2017
Capital and Liabilities		
Total share capital	733.24	597.29
Equity share capital	733.24	597.29
Reserves	28,346.86	27,715.10
Net worth	29,080.10	28,312.39
Deposits	524,771.86	495,275.24
Borrowings	38,808.51	39,503.56
Total debt	563,580.37	534,778.80
Other liabilities and provisions	17,700.90	15,055.10
Total liabilities	610,361.37	578,146.29
Assets		
Cash and balances with RBI	22,100.04	19,922.50
Balance with banks, money at call	27,812.29	38,902.96
Advances	381,702.99	342,008.76
Investments	144,053.67	150,265.89
Gross block	8,318.64	7,168.32
Revaluation reserves	6,524.73	5,373.15
Net block	1,793.91	1,795.17
Other assets	32,898.47	25,251.02
Total assets	610,361.37	578,146.30
Contingent liabilities	320,510.97	459,646.73
Book value (rs)	396.59	474.01

CHAPTER-2

CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

2.1 INTRODUCTION

Comparative studies are broad concepts. Comparative means comparing at least two comparable alternatives, processes, products, qualifications, data sets, systems, and so on. If there are changes in the financial statements in accounting, multiple accounting periods can be presented together to detect new trends in the company's operations and results. Comparative is useful for guiding or modeling something else. Using a comparative analysis, it is useful to measure the relationship between two or more variables and the reporting period. The company uses benchmarks to identify competitive positions and operational results over a period of time. Large organizations can understand the resources required to perform monthly or quarterly financial benchmarking, but it is recommended that you perform at least an annual financial comparative analysis. Financial statements play an important role in benchmarking banks. By analyzing financial comparisons, banks can identify significant trends by identifying significant changes. A comparative analysis of banks can determine the performance of a bank.

2.2 Methods used in analysis of financial statements

- A. Comparative financial statements
- B. Common – size statements
- C. Trend Ratios
- D. Ratio analysis

Comparative Financial Statements

The comparative financial statements are the financial statements used in the entity's financial position and provide a time perspective from which the various elements of the financial statements can be reviewed.

Comparative financial statements reveal the following data:

- Absolute data
- Increase / Decrease in the data
- Percentage change in data.
- Percentage of total

You can compare two or more corporate financial statements to draw conclusions. This is called "B2B comparison".

1. Comparative Balance Sheet

Use the balance sheet for two or more years to compare the assets, liabilities and net assets of the company. The comparative report is very useful to study the trends of the company.

Benefits

- Comparisons show trends in sales, production costs, and profit.
- A comparison description helps analysts analyze company performance.
- A comparison statement used to compare the performance within the company with the average performance of the in-house comparison. This will help us to identify the company's weaknesses and corrective action can be taken accordingly.

Disadvantages

- Companies may not have the same size and age as other companies, that other companies follow other accounting procedures, such as depreciation and inventory valuation.
- Period comparisons may be misleading if the period is characterized by changes in accounting methods, inflation, or recession.

Importance of comparative analysis

- **Make presentations simple**

Comparative financial statements provide financial data easily and simply. Otherwise data for the same item is displayed side by side for each year. This not only simplifies the presentation, but also makes it possible to compare the two companies.

- **It helps to draw conclusion**

Comparative financial statements help analysts to quickly and easily draw their conclusions.

- **Helps to evaluate**

Executives can analyze trends and plan and create a variety of future plans and policy tools.

- **Help with problem detection**

Benchmarking not only helps executives identify problems, but also sets various budget controls and corrective actions to ensure that the company's current performance matches the performance of the "planned goal". By comparing financial data over two years, the finance department can easily detect company problems.

Common- size statements

This is a profit and loss statement used to compare several companies at the same time. Common size analysis is useful for comparing companies of different sizes. It is often wise to compare a firm to its best performance. Companies can be compared to the entire industry. You can use the percentage to compare with that segment, or you can see the percentage change by comparing two balance sheets. The figures are expressed as a percentage of total assets, total liabilities and total sales. The total asset is 100 and the other assets are expressed as a percentage of the total. Similarly, the total debt is 100 and the other debt is expressed as a percentage of the total. Each item is also referred to as an item or 100% because it is displayed as a percentage of a total of 100.

2.3 Literature reviews

1. Bhatia et al (2015) Is an attempt to compare the public and private sectors based on the strength of public awareness, customer-centric core services and services. The Indore District was selected for research purposes and 50 public and private sector banks were sampled. This led to the conclusion that people are more satisfied with private banks because of better services.

2. Dupit, P. (2012) Compared the three types of public, private and foreign banks using physical volumes and attempted to compare the efficiency of banks in terms of maximizing revenue during the period 1992-2000. As a result, PNBs was more effective than private banks, but not different from foreign banks.

3. Singh and Tandon (2012), The Indian Banking System is a vast banking network that provides people with many kinds of financial services. India's State Bank is India's largest public sector bank and ICICI Bank is India's second largest private sector bank. The financial results of SBI and ICICI Bank are compared based on comparative analysis and common size statement.

4. Prasanta K. Padhy (2011) Attempted to compare the financial results of some private and public banks. This study indicates that this model is another approach to improving performance. The main goal was to increase understanding of "financial performance" and determine which banking outcomes were effective.

5. Malli, Reena R. (2011) in his paper tried to compare on marketing of Banking products and financial services of banks. The study objectives, the findings indicate the differences in public, private and cooperative bank 's marketing efforts majorly in the products and services offerings by the banks.

6. Kamble et al., (2011) constructed the quality of service between customer expectations about service and their perception about the banks.

7. Vanpariya, Parthasarathy Ganguly (2010) SERVQUAL vs SERVPERF: Assessment of the Indian Bank Sector: This explanatory study addresses the issue of bank sector performance measurement in India. Consistent with the objectives outlined above, this paper examines the applicability of two of the most popular financial performance measures in the financial sector in India.

8. Bhagyalakshmi Venkatesh and Suresh Ghai (2010): A comparative study of private, public, foreign and cooperative banks in India: This study is intended to understand how Indian customers perceive these four types of banks. The study analyzed these four types of banks as multiple parameters to assess the overall assessment of banking services.

9. Razor (2009), In his paper, the analysis of profitability in an eased regulatory environment has analyzed the specific financial variables of the four major banking groups such as public sector banks, all private sector banks, new private sector banks and foreign banks. Profitability has declined in this deregulated environment. He stressed the need to make the banking sector competitive in a regulated environment. They should prefer an uninteresting source of income.

10. Hummayoun Naeem, Asam Akram and Iqbal Saif (2009) Reviewed the financial performance of the banking sector. In the analysis, the financial performance of foreign banks is more efficient than the financial performance of public sector banks. The study concluded that if financial performance is effectively managed, it can make a significant contribution to profitability.

11. Alamelu (2008) Has studied the profitability of Indian public sector banks. He discussed various issues related to lowering profit margins for private sector banks in India's public sector banks.

12. Pooja Mengi (2008) studied "financial performance and profitability -An empirical study of public and private sector banks" The study compares the financial performance and profitability of a public and private banks of Jammu. The financial and profitability of both the banks has been measured. It was found that private sector banks financial and profitability is more effective than public sector banks.

13. Amudha and Banu (2007) Emphasizes the need for employee contact and service experience assessments. This research focuses on the financial performance of public, private and foreign banks.

14. B S Bodla and Richa Verma Bajaj (2006) "Private Sector Banking Studies in India" In this article, the researchers focused on the Data Envelopment Analysis (DEA) approach, which was applied to determine the efficiency of private banks in India. In this model, banks are considered service providers, while interest, interest and non-interest expenses (NPA) are taken

into account. According to the results of the study, the position of private banks is greatly influenced by production variables.

15.Regasamy and Kumar (2005) Compared the financial performance of the three major banking sectors and showed that foreign banks were in the top position in terms of financial performance over the private sector.

16.Duncan and Elliott (2002) investigated financial performance among Australian retail financial institutions. The results of their study show that all financial performance measures are positively. This means that customer satisfaction through services increase financial performances in the banks.

17. Allred and Addams (2000) Investigated the financial performance of banks and densely populated areas to determine financial performance (banking and population density). On the other hand, their findings show that neither banks nor credit unions are doing well.

18. comprehensive study by Kwan and Hee (1994) asserted that high financial performance result in higher profitability. The finding of their study has emphasized on financial performance in Singapore retail banking.

19. Coskun and Frohlich (1992) emphasized that as competition increases and profitability affects, banks must develop a competitive advantage over other financial institutions. Henceforth, financial performance plays a vital role in the development of the banks and helps to face severe completion.

20. Michel (2004) in his paper concluded that superior bank financial performance leads to higher satisfaction. Conversely, financial failures have a negative impact on banks. Therefore, to face competition in banking sector, efforts should be made to increase the financial performance.

CHAPTER-3

RESEARCH DESIGN

3.1 Statement of the problem

In the present scenario, we have more number of banks. In each and every bank they accept deposits and issue loans and advances to attract and help the customers. Most of banks perform their activities smoothly by balancing these two activities.

The topic of the research is “Comparative analysis of PCARD and DCC Bank”. The financial performance plays important role in every banking sector by ascertaining the performance and maintaining loans and advances functions effectively, this study has been conducted to know the effectiveness of both the banks.

3.2 Need for the study

This project helps to comparing the financial statements and the relationship between the banks.

It also helps to finding the problems faced by the bank. Moreover, it helps in measuring the profitability and growth potential of the banks.

3.3 Objectives of the study

The study is about comparing the PCARD and DCC Bank, the objectives of the study is as follows.

- To evaluate the financial performance of banks.
- To make comparison between both the banks.
- To know the profitability of banks.

3.4 SCOPE OF THE STUDY

Knowing customer expectation from banks and for promoting ethics and human values. The study helps in knowing what all different loans provided by the banks to their customers and identifying which bank provides loans at lower interest with maximum amount for improving services and CRM practices. Hence both the banks are public sector banks helps in getting clear picture by comparing their financial performance and commitments and to know which bank financial performance is effective. The study helps to know whether the assets and liabilities are increased or decreased by comparing two banks and also helps in finding the percentage of assets and liabilities increased or decreased.

3.5 Research Methodology

The research methodology helps to know the qualitative or quantitative techniques used. So it is one of the most important factor in the research work. The sources of data are as follows:

➤ Primary Data

The study on comparative analysis of PCARD and DCC Bank data is collected by discussing with bank Accountant Mrs.Vinutha and Mrs. Bharathi Manager of the Bank.

➤ Secondary Data

The study on comparative analysis of PCARD and DCC bank secondary data is collected through financial statements from 31-03-13 to 31-03-18 and with the help of bank

The tools used for data analysis is Comparative balance sheet and Common size balance sheet for 5years.

3.6 Limitations of the Study

- Some financial information cannot be collected, because it is confidential.
- The detailed information is not collected due to non-availability of time.
- The study is confined mainly to the financial statement.

CHAPTER SCHEME

Chapter 1: Introduction

Introduction, Industry Profile and company Profile: Promoters Vision, Mission and Quality Policy, Products/ services Profile, Areas of Operation, Infrastructure facilities, Competitors information, SWOT Analysis, Future growth and prospects and Financial Statements.

Chapter 2: Conceptual background and Literature review

Theoretical background of the study, Literature review with research gap (with minimum 20 literature review)

Chapter 3: Research Design

Statement of the problem, Need for the Study, Objectives, Scope of the Study, Research Methodology, Hypotheses, Limitations, Chapter Scheme.

Chapter 4: Analysis and Interpretation

Analysis and Interpretation of the data- collected with relevant tables and graphs. Results obtained by the using statistical tools must be included.

Chapter 5: Findings, Conclusions and Suggestions

Summary of findings, Conclusion and Suggestions, Recommendations

Bibliography

❖ Annexure, Questionnaire used, Any others.

CHAPTER-4

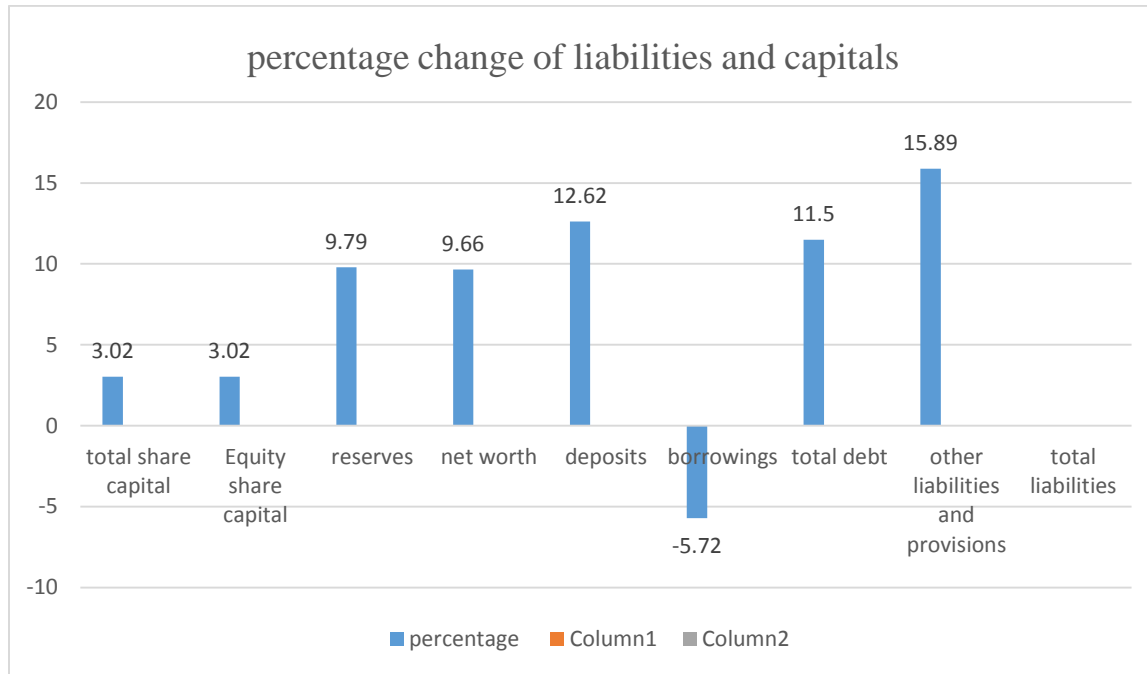
ANALYSIS AND INTERPRETATION

Table 4.1: Comparative analysis of PCARD Bank for the year 2013-2014 and 2014-2015

Particulars	2013-14	2014-15	Increase/decrease	Percentage(%)
Capital and liabilities				
Total share capital	461.26	475.20	13.94	3.02
Equity share capital	461.26	475.20	13.94	3.02
Reserves	23,660.60	25,978.18	2,317.58	9.79
Net worth	24,121.86	26,453.38	2,331.52	9.66
Deposits	420,722.82	473,840.10	53,117.28	12.62
Borrowings	27,230.64	25,671.57	(1,559.07)	(5.72)
Total debt	447,953.46	499,511.67	51,558.21	11.50
Other liabilities and provisions	14,348.29	16,629.66	2,281.37	15.89
Total liabilities	486,423.61	542,594.71	56,171.1	11.54
Assets				
Cash and balances with RBI	22,153.78	21,971.95	(181.83)	(0.82)
Balance with banks money at call	22,674.93	26,669.14	3,994.21	17.61
Advances	301,067.48	330,035.51	28,968.03	9.62
Investments	126,828.26	145,346.18	18,517.92	14.6
Gross block	6,641.56	6,949.45	307.89	4.63
Revaluation reserves	5,498.25	5,405.85	(92.4)	(1.68)
Net block	1,143.31	1,543.6	400.29	35.01
Other assets	12,555.85	17,028.32	4,472.47	35.62
Total assets	486,423.61	542,594.7	56,171.1	11.54

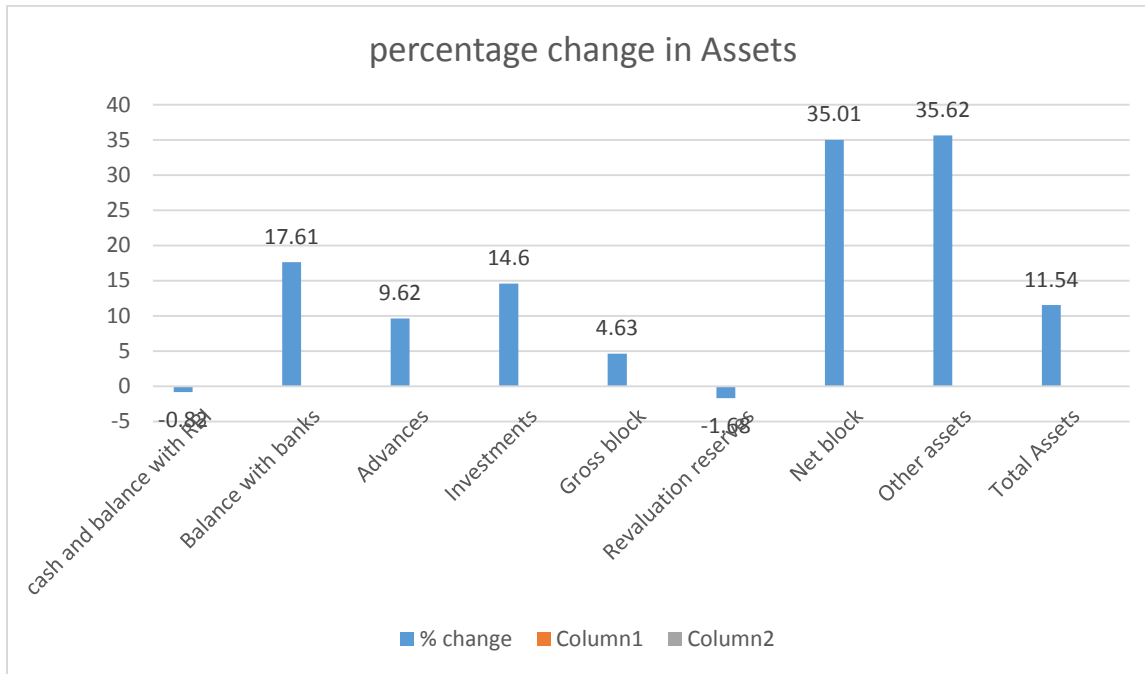
Graph: 4.1

Graph showing percentage change in capitals and liabilities of PCARD Bank for the year 2013-14 to 2014-15



Graph:4.1

Graph showing percentage change in Assets of PCARD from 2013-14 to 2014-15



Analysis and interpretation:

The net block of fixed assets has increased by 35% in the year 2014-15 when compared to 2013-14. The funds for this increased long term assets are raised from the long term debt and issue of share capital.

The current liabilities are increased by 15.89% whereas the liquid assets and other current assets is increased by 17.61% and 9.62% respectively. But the company is not maintaining minimum cash balance.

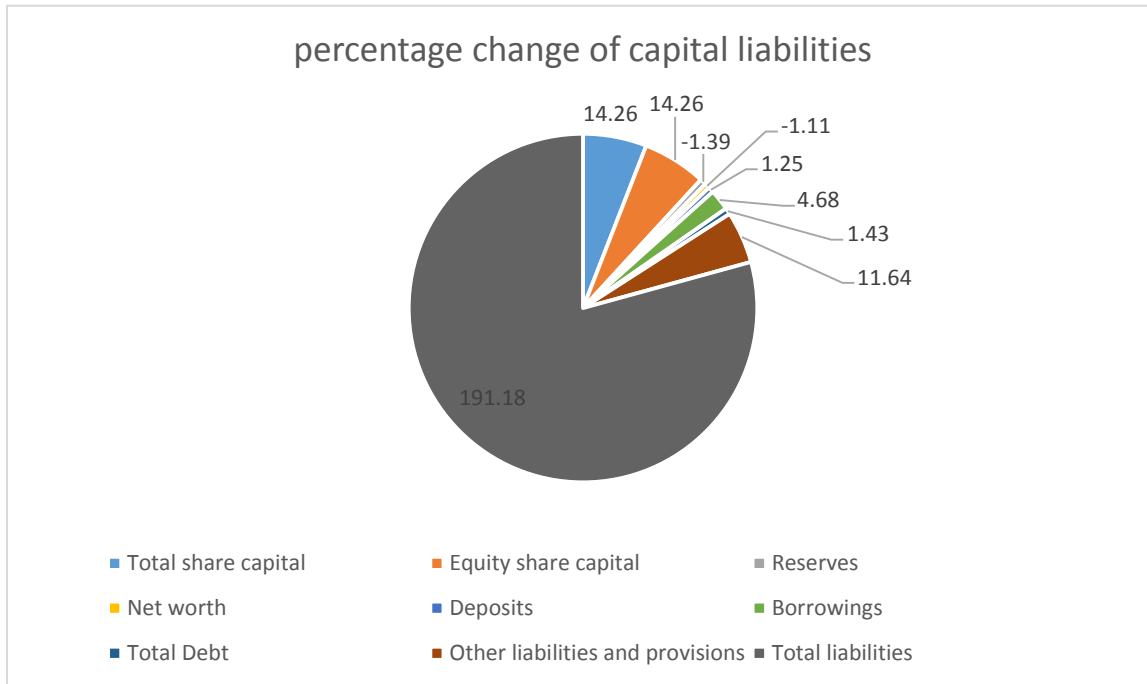
There is increase in reserves by 9.79% which shows that there is increase in profits during the year 2014-15.

Table: 4.2 Comparative analysis of PCARD Bank for the year 2014-15 to 15-16

Particulars	2014-15	2015-16	Increasing/decreasing	Percentage
Capital and liabilities				
Total share capital	475.20	542.99	67.79	14.26
Equity share capital	475.20	542.99	67.79	14.26
Reserves	25,978.18	25,615.55	(362.63)	(1.39)
Net worth	26,453.38	26,158.54	(294.84)	(1.11)
Deposits	473,840.10	479,791.56	5,951.46	1.25
Borrowings	25,671.57	26,873.32	1201.75	4.68
Total debt	499,511.67	506,664.88	7153.21	1.43
Other liabilities and provisions	16,629.66	14,692.70	1936.96	11.64
Total liabilities	542,594.71	547,516.12	4921.41	0.90
Assets				
Cash and Bank balance with RBI	21,971.95	20,664.05	(1307.9)	(5.95)
Balance with banks, money at call	26,669.14	36,069.61	9400.47	35.24
Advances	330,035.51	324,714.82	(5320.69)	(1.61)
Investments	145,346.18	142,309.30	(3036.88)	(2.08)
Gross block	6,949.45	7,198.10	248.65	3.57
Revaluation reserves	5,405.85	5,444.66	38.81	0.71
Net block	1,543.60	1,753.44	209.84	13.59
Other Assets	17,028.32	22,004.89	(4976.57)	(29.22)
Total Assets	542,594.70	547,516.11	4921.41	0.90

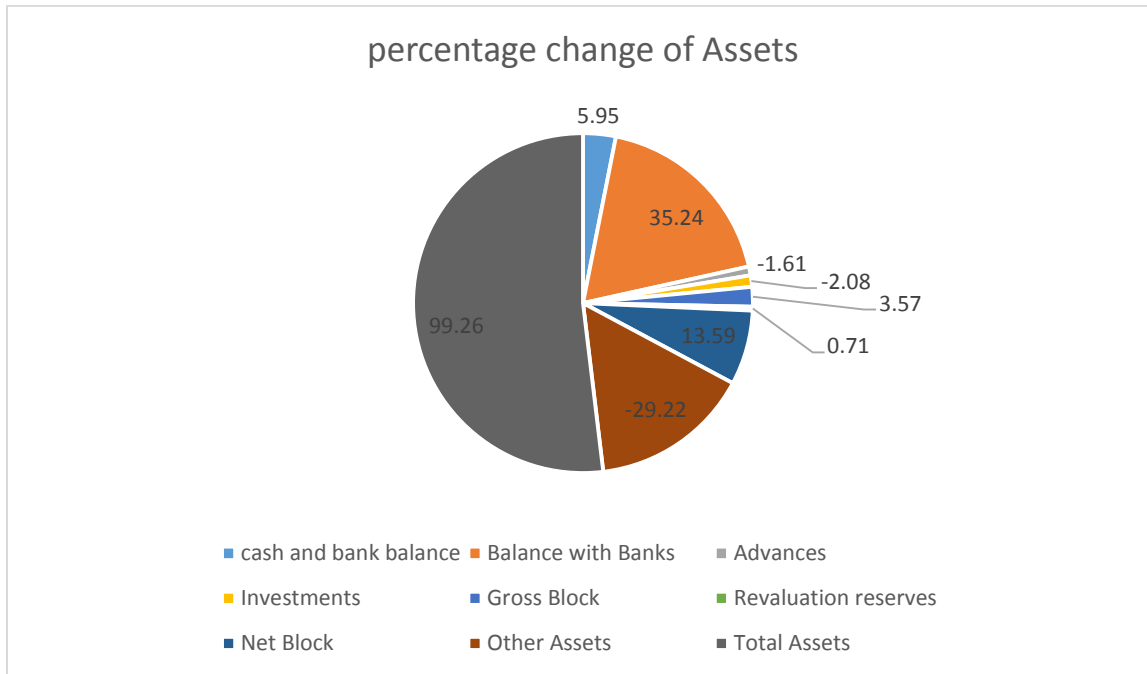
Graph: 4.2

Graph showing percentage change in capital and liabilities of PCARD from 2014-15 to 2015-16



Graph: 4.2

Graph showing percentage change in Assets of PCARD Bank from 2014-15 to 2015-16



Analysis and Interpretation

The net block of fixed assets has increased by 13.59% in the year 2015-16 compared to 2014-15. The funds for this increased long term assets are raised from the long term debt and issue of share capital.

The current liabilities are increased by 11.64% whereas the current assets are decreased by 5.95% and the liquid assets is increased by 35.24%. But the company is not maintaining minimum cash balance.

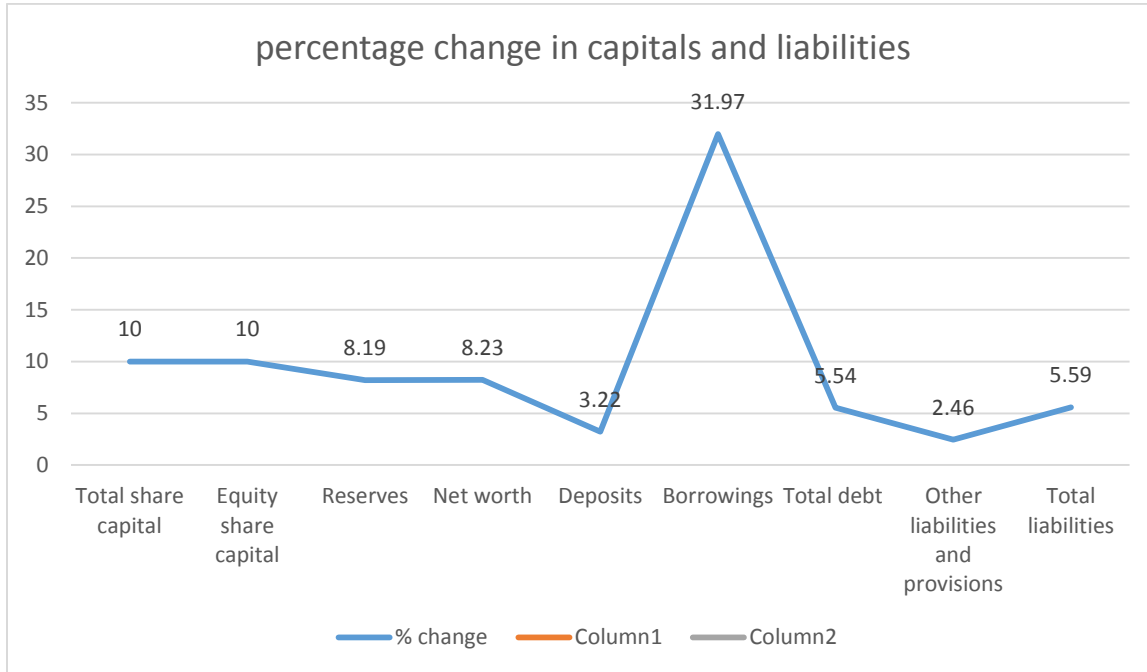
There is decrease in reserves by 1.39% which shows that there is decrease in profits during the year 2015-16

Table: 4.3 Comparative analysis of PCARD Bank for the year 2015-2016 to 2016-2017

Particulars	2015-16	2016-17	Increasing/decreasing	Percentage
Capital and liabilities				
Total share capital	542.99	597.29	54.3	10
Equity share capital	542.99	597.29	54.3	10
Reserves	25,615.55	27,715.10	2099.55	8.19
Net worth	26,158.54	28,312.39	2153.85	8.23
Deposits	479,791.56	495,275.24	15483.68	3.22
Borrowings	26,873.32	39,503.56	12630.24	31.97
Total debt	506,664.88	534,778.80	28113.92	5.54
Other liabilities and provisions	14,692.70	15,055.10	362.4	2.46
Total liabilities	547,516.12	578,146.29	30630.17	5.59
Assets				
Cash and balances with RBI	20,664.05	19,922.50	(741.55)	(3.58)
Balance with Banks, money at call	36,069.61	38,902.96	2833.35	7.85
Advances	324,714.82	342,008.76	17293.94	5.32
Investments	142,309.30	150,265.89	7956.59	5.59
Gross block	7,198.10	7,168.32	(29.78)	(0.41)
Revaluation reserves	5,444.66	5,373.15	(71.51)	(1.31)
Net block	1,753.44	1,795.17	41.73	2.37
Other assets	22,004.89	25,251.02	3246.13	14.75
Total assets	547,516.11	578,146.30	30630.19	5.59

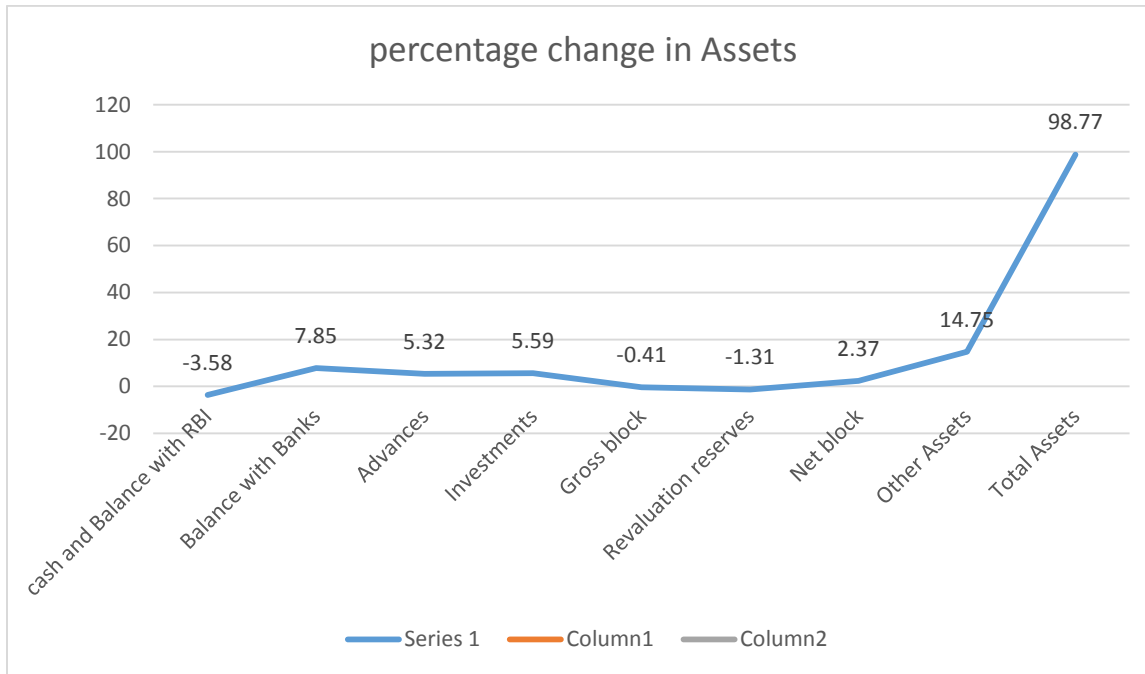
Graph: 4.3

Graph showing percentage change in capital and liabilities of PCARD Bank from 2015-16 to 2016-17



Graph: 4.3

Graph showing percentage change in Assets of PCARD Bank from 2015-16 to 2016-17



Analysis and Interpretation

The net block of fixed assets has increased by 2.37% in the year 2016-17 when compared to 2015-16. The funds for this increased in long term assets are raised from the long term debt and issue of share capital.

The current liabilities are increased by 2.46% whereas the liquid assets and other current assets is increased by 7.85 and 5.32% respectively. But the company is not maintaining minimum cash balance.

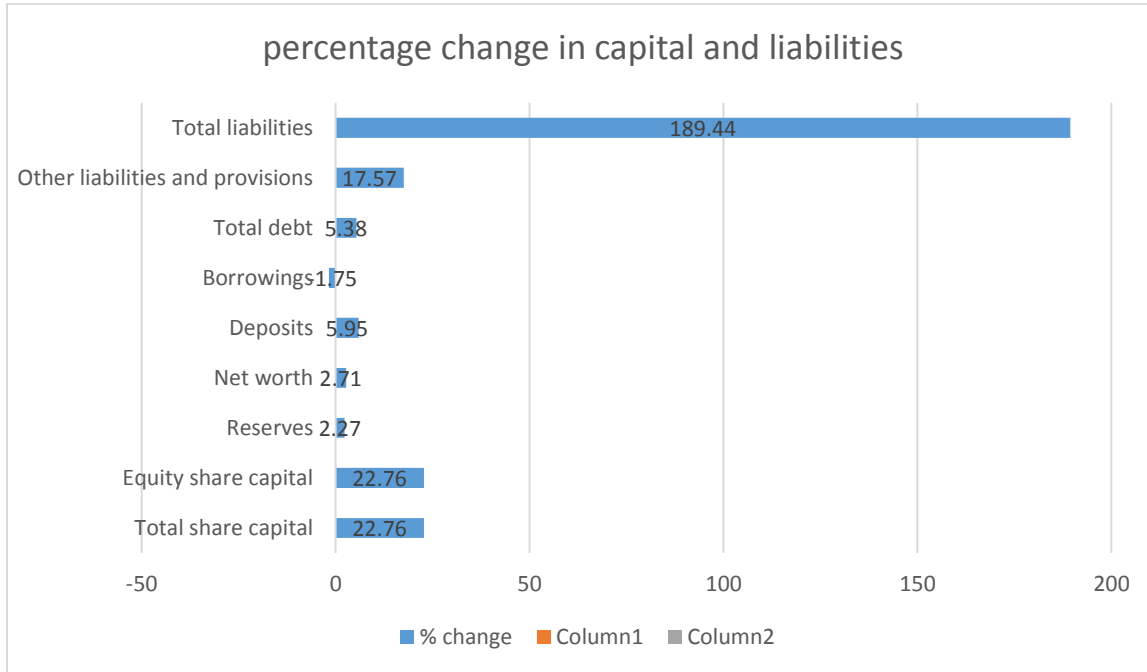
There is increase in reserves by 8.19% which shows that there is increase in profits during the year 2016-17.

Table: 4.4 Comparative analysis of PCARD Bank for the year 2016- 2017 to 2017-2018

Particulars	2016-17	2017-18	Increase/decrease	Percentage
Capital and liabilities				
Total share capital	597.29	733.24	135.95	22.76
Equity share capital	597.29	733.24	135.95	22.76
Reserves	27,715.10	28,346.86	631.76	2.27
Net worth	28,312.39	29,080.10	767.71	2.71
Deposits	495,275.24	524,771.86	29496.62	5.95
Borrowings	39,503.56	38,808.51	(695.05)	(1.75)
Total debt	534,778.80	563,580.37	28801.57	5.38
Other liabilities and provisions	15,055.10	17,700.90	2645.8	17.57
Total liabilities	578,146.29	610,361.37	32215.08	5.57
Assets				
Cash and balance with RBI	19,922.50	22,100.04	2177.54	10.93
Balance with banks, money at call	38,902.96	27,812.29	(11090.67)	(28.50)
Advances	342,008.76	381,702.99	39694.23	11.60
Investments	150,265.89	144,053.67	(6212.22)	(4.13)
Gross block	7,168.32	8,318.64	1150.32	16.04
Revaluation reserves	5,373.15	6,524.73	1151.58	21.43
Net block	1,795.17	1,793.91	(1.26)	(0.07)
Other assets	25,251.02	32,898.47	7647.45	30.28
Total assets	578,146.30	610,361.37	32215.07	5.57

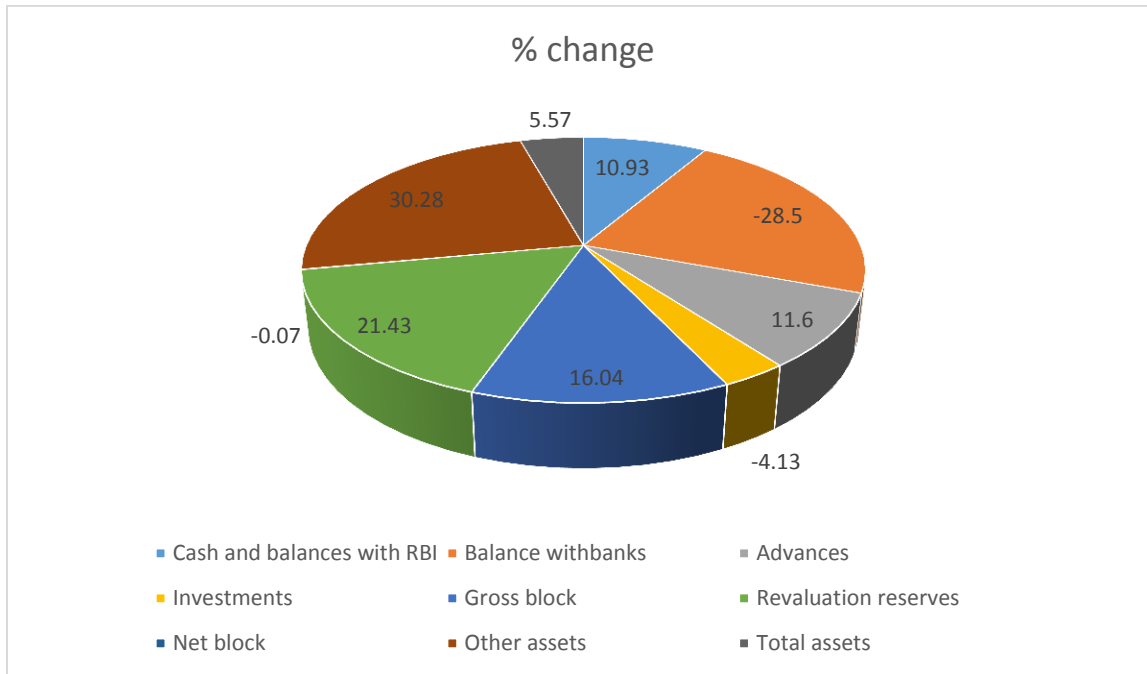
Graph: 4.4

Graph showing percentage change in capital and liabilities of PCARD bank from 2016-2017 to 2017-2018



Graph: 4.4

Graph showing percentage change in Assets of PCARD Bank from 2016-17 to 2017-18



Analysis and Interpretation

The net block of fixed assets has decreased by 0.07% in the year 2017-18 when compared to 2016-17. The funds for this is decreased in long term assets because decrease in the long term debt and share capital.

The current liabilities are increased by 17.57% whereas the liquid assets are decreased by 28.50% and other current assets is increased by 11.60% respectively. But the company is maintaining minimum cash balance.

There is increase in reserves by 2.27% which shows that there is increase in profits during the year 2017-18.

Table:4.5 Common size statement analysis of PCARD and DCC Bank 2013-14

Particulars	PCARD(Rs)	Percentage(%)	DCC(Rs)	Percentage(%)
Capital and liabilities				
Total share capital	461.26	0.09	250.32	1.94
Equity share capital	461.26	0.09	250.32	1.94
Reserves	23,660.60	4.86	848.07	6.58
Net worth	24,121.86	4.95	1,101.35	8.55
Deposits	420,722.82	86.49	10,325.16	80.22
Borrowings	27,230.64	5.59	860.16	6.68
Total debt	447,953.46	92.09	11,185.32	86.90
Other liabilities and provisions	14,348.29	2.94	583.86	4.53
Total liabilities	486,423.61	100	12,870.53	100
Assets				
Cash and balances with RBI	22,153.78	4.55	505.07	3.92
Balance with Banks, money at call	22,674.93	4.66	184.50	1.43
Advances	301,067.48	61.89	8,140.19	63.24
Investments	126,828.26	26.07	3,634.22	28.23
Gross block	6,641.56	1.36	238.64	1.85
Revaluation reserves	5,498.25	1.13	52.60	0.40
Net block	1,143.31	0.23	186.04	1.44
Other assets	12,555.85	2.58	220.51	1.71
Total assets	486,423.61	100	12,870.53	100

Analysis and Interpretation: The total share capital and equity capital of PCARD Bank is 0.09% and DCC is 1.94%. The deposits of PCARD are 86.49% and DCC 80.22. The investments of PCARD are 26.07 and DCC are 28.23%. The liquidity position of PCARD Bank is good when compared to DCC Bank as they have more of liquid assets than the current liabilities. The net worth value of DCC is more compared to PCARD Bank in 2013-14.

Table:4.6 Common size statement analysis of PCARD and DCC bank 2014-15

Particulars	PCARD (Rs)	Percentage(%)	DCC (Rs)	Percentage(%)
Capital and liabilities				
Total share capital	475.20	0.08	282.01	1.75
Equity share capital	475.20	0.08	282.01	1.75
Reserves	25,978.18	4.78	1,251.95	7.78
Net worth	26,453.38	4.87	1,537.16	9.55
Deposits	473,840.10	87.32	12,609.13	78.41
Borrowings	25,671.57	4.73	1,163.80	7.23
Total debt	499,511.67	92.05	13,772.93	85.64
Other liabilities and provisions	16,629.66	3.06	770.81	4.79
Total liabilities	5,42,594.71	100	16,080.90	100
Assets				
Cash and balances with RBI	21,971.95	4.04	633.68	3.94
Balance with Banks, money at call	26,669.14	4.91	85.49	0.53
Advances	330,035.51	60.82	10,465.06	65.07
Investments	145,346.18	26.78	4,470.56	27.80
Gross block	6,949.45	1.28	236.68	1.47
Revaluation reserves	5,405.85	0.99	51.41	0.31
Net block	1,543.60	0.28	185.27	1.15
Other assets	17,028.32	3.13	240.83	1.49
Total assets	542,594.70	100	16,080.89	100

Analysis and Interpretation: The total share capital and equity capital of PCARD Bank are 0.08% and DCC are 1.75%. The deposits of PCARD are 87.32% and DCC are 78.41% and borrowings of PCAR bank are 4.73% and DCC bank are 7.23%. The liquidity position of PCARD bank is more compared to DCC Bank as they have more liquid assets compared to C.L. The net worth value of DCC bank is more compared to PCARD Bank in 2014-15.

Table:4.7 Common size statement analysis of PCARD and DCC Bank 2015-16

Particulars	PCARD(Rs)	Percentage(%)	DCC(Rs)	Percentage(%)
Capital and liabilities				
Total share capital	542.99	0.09	284.44	1.49
Equity share capital	542.99	0.09	284.44	1.49
Reserves	25,615.55	4.67	1,455.98	7.63
Net worth	26,158.54	4.77	1,741.95	9.13
Deposits	479,791.56	87.63	14,925.99	78.27
Borrowings	26,873.32	4.90	1,147.90	6.01
Total debt	506,664.88	92.53	16,073.89	84.29
Other liabilities and provisions	14,692.70	2.68	1,252.47	6.56
Total liabilities	547,516.12	100	19,068.31	100
Assets				
Cash and balances with RBI	20,664.05	3.77	703.37	3.68
Balance with Banks, money at call	36,069.61	6.58	188.20	0.98
Advances	324,714.82	59.30	12,921.39	67.76
Investments	142,309.30	25.99	4,333.33	22.72
Gross block	7,198.10	1.31	248.02	1.30
Revaluation reserves	5,444.66	0.99	50.22	0.26
Net block	1,753.44	0.32	197.80	1.03
Other assets	22,004.89	4.01	724.22	3.79
Total assets	547,516.11	100	19,068.89	100

Analysis and Interpretation: The total share capital and equity capital of PCARD Bank are 0.09% and DCC are 1.49%. The deposits of PCARD Bank are 87.63% and DCC are 78.27% and borrowings of PCARD Bank are 4.90% and DCC Bank are 6.01. The cash and balance with RBI of PCARD Bank are 3.77%. The liquidity position of PCARD Bank is more compared to DCC Bank as they have more liquid assets than C.L and the net worth of DCC bank is more compared to PCARD bank in 2015-16.

Table:4.8 Common size statement analysis of PCARD and DCC Bank 2016-17

Particulars	PCARD(Rs)	Percentage(%)	DCC(Rs)	Percentage(%)
Capital and liabilities				
Total share capital	597.29	0.10	285.36	1.19
Equity share capital	597.29	0.10	285.36	1.19
Reserves	27,715.10	4.79	1,661.43	6.98
Net worth	28,312.39	4.89	1,948.37	8.18
Deposits	495,275.24	85.66	19,289.21	81.08
Borrowings	39,503.56	6.83	1,275.81	5.36
Total debt	534,778.80	92.49	20,565.02	86.44
Other liabilities and provisions	15,055.10	2.60	1,276.48	5.36
Total liabilities	578,146.29	100	23,789.87	100
Assets				
Cash and balances with RBI	19,922.50	3.44	858.30	3.60
Balance with Banks, money at call	38,902.96	6.72	334.16	1.40
Advances	342,008.76	59.15	15,817.63	66.48
Investments	150,265.89	25.99	5,817.94	24.45
Gross block	7,168.32	1.23	488.57	2.05
Revaluation reserves	5,373.15	0.92	256.50	1.07
Net block	1,795.17	0.31	232.07	0.97
Other assets	25,251.02	4.36	729.77	3.06
Total assets	578,146.30	100	23,789.87	100

Analysis and Interpretation: The total share capital and equity capital of PCARD Bank are 0.10% and DCC bank are 1.19% and reserves of PCARD are 4.79% and DCC bank are 6.98%. The advances of PCARD bank are 59.15% and DCC bank are 66.48%. The investments of PCARD are 25.99% and DCC bank are 24.25%. The liquidity assets of PCARD bank is more compared to DCC Bank as they have more liquid assets than C.L and net worth of DCC bank is more compared to PCARD Bank in the year 2016-2017.

Table:4.9 Common size statement analysis of PCARD and DCC Bank 2017-18

Particulars	PCARD (Rs)	Percentage (%)	DCC(Rs)	Percentage(Rs)
Capital and liabilities				
Total share capital	733.24	0.12	308.08	1.02
Equity share capital	733.24	0.12	308.08	1.02
Reserves	28,346.86	4.64	2,247.90	7.50
Net worth	29,080.10	4.76	2,557.39	8.53
Deposits	524,771.86	85.97	24,006.86	80.09
Borrowings	38,808.51	6.35	1,926.71	6.42
Total debt	563,580.37	92.33	25,933.57	86.52
Other liabilities and provisions	17,700.90	2.90	1,480.69	4.94
Total liabilities	610,361.37	100	29,971.65	100
Assets				
Cash and balances with RBI	22,100.04	3.62	1,136.39	3.79
Balance with Banks, money at call	27,812.29	4.55	1,235.59	4.12
Advances	381,702.99	62.53	20,336.69	67.85
Investments	144,053.67	23.60	6,218.96	20.74
Gross block	8,318.64	1.36	494.02	1.64
Revaluation reserves	6,524.73	1.06	250.44	0.83
Net block	1,793.91	0.29	243.58	0.81
Other assets	32,898.47	5.38	800.44	2.67
Total assets	610,361.37	100	29,971.65	100

Analysis and Interpretation: The total share capital and equity capital of PCARD bank are 0.12% and DCC bank are 1.02%. The deposits of PCARD bank are 85.97% and DCC bank are 80.09%. The net worth of DCC bank is more compared to PCARD bank. The liquidity assets of PCARD Bank are more compared to DCC bank they have more liquid assets than C.L.

CHAPTER-5

FINDINGS, CONCLUSION AND SUGGESTION

5.1 FINDINGS

- The net block of fixed assets is increased in 2014-15 by 35% compared to 2013-14. The funds raised by issuing share capital to the members and current liabilities, liquid assets and current assets increased by 15.89%, 17.61% and 9.62% but the bank is not maintaining the minimum balance in the year 2013-14 to 2014-15.
- In the year 2015-16 the current assets are decreased by 5.95% compared to 2015-15. There is a decrease in reserves by 1.39% which shows that there is decline in the profits during the year 2015-16.
- In the year 2016-17 the current liabilities, liquid assets and other current assets increased by 2.46%, 7.85% and 5.32% but the bank is not maintaining the minimum cash balance. The reserves are increased by 8.19% it helps in increase in the profits during the year 2016-17.
- In 2017-18 the bank is maintaining the minimum cash balance and the net block of fixed assets has decreased by 0.07% in the year 2017-18 compared to 2016-17 this is due to decrease in the long term assets and share capital.
- The liquidity position of PCARD Bank is good compared to DCC Bank because the PCARD Bank have more of liquid assets than current liabilities. The other assets of PCARD Bank are 2.58% and DCC bank are 1.71%.
- The net worth value of DCC Bank more compared to PCARD Bank in the year 2014-15 and liquidity position of PCARD Bank is good because they have more liquid assets compared to current liabilities.
- In the year 2017 -18 the PCARD Bank liquidity position is good because they have more liquid assets compared to the current liabilities and the net worth of DCC Bank is good.

5.2 SUGGESTIONS

- In the year 2014-15 the bank has increased net block assets it is good for company but the bank is not maintaining the minimum cash balance. So, they should increase the minimum cash balance to meet day to day expenses.
- In the year 2015-16 the banks current assets and reserves are decreased, due to this the profits of the bank have decreased. So, the bank should increase in the current assets and reserves to increase the profits.
- In the year 2016-17 the liquid assets and current assets has increased and the bank is increased the reserves due to this the profits increases, the bank should maintain same for future to balance the profits.
- In the year 2017-18 the bank is maintained minimum cash balances it is good for the company to meet day to day expenses but the net block of fixed assets is decreased it affect the financial performance of the bank, so to increase the financial performance of the bank the bank should increase in the fixed assets.
- The liquidity position of PCARD Bank is good from 2013-14 to 2017-18 compared to DCC Bank. So, the DCC Bank should increase the liquid assets than current liabilities to maintain good liquidity position.
- The DCC Bank net worth value is more compared to PCARD Bank from 2013-14 to 2017-18. So, the DCC Bank should increase the net worth value by increasing the financial performance and profits.

5.3 Conclusion

The study has helped me a lot in obtaining and gaining knowledge about comparative analysis of DCC and PCARD Bank. The study helps to know the difference between these two banks like in interest rates, issue of loans, deposits, etc. The goal of the study is to analyze the performance of the banks during the period of 2013-14 to 2017-18 and compare them with each other to find out difference in banks and how those different effect customers. Comparative financial statement analysis helps to found the differences in bank operations based on the formation of banks. The study helps to find out the bank interest rates, which all services will provide to their customers, types of loans will provide to their customers, etc. In this study I came to know the DCC Bank provides loans to customers with high interest compared to PCARD Bank. The PCARD Bank provides loans at less interest and this bank provides subsidy to the customers. **EX:** If a customer takes loan of 10,00,000 he need not to pay 2,00,000 that two lakhs is called as subsidy hence this facility is given only for farmers. The PCARD Bank primary aim is developing Rural area by providing various loans to the customers. The Bank also provides high rate of interest for customer's deposits. Hence the DCC Bank comes under short term institution the bank provides short term loans to the customers and the interest rates for the loan is high and also it does not provide any subsidy facilities to the customers. The PCARD Bank provides sericulture loans, loans for poultry, loans for irrigation, etc.

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ANNEXURE

Financial statements of DCC Bank

Profit and loss Account (Amount in crores)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
INCOMES					
Interest /Discount on advances/Bills	1,940.27	1,647.95	1,354.11	1,098.28	867.87
Income from Investments	420.79	393.52	307.78	282.52	245.31
Interest on Balance sheet with RBI and other inter Bank funds	18.03	5.78	3.77	5.11	14.24
Others	33.90	28.90	32.81	36.51	0.84
Total Interest Earned	2,412.99	2,076.15	1,698.46	1,422.42	1,128.26
Other Income	310.28	249.45	220.46	165.72	138.66
Total Income	2,723.26	2,325.60	1,918.92	1,588.14	1,266.92
EXPENDITURE					
Interest Expended	1,417.56	1,279.06	1,078.96	914.20	759.87
Payments to and provisions for employees	381.23	308.03	245.09	196.03	157.08
Depreciation	53.36	39.03	30.28	23.36	17.97
Operating expenses (excludes employee cost and depreciation)	346.14	281.27	215.56	177.10	144.03
Total Operating Expenses	780.73	628.33	490.93	396.49	319.09
Provision towards income tax	167.83	115.72	99.22	48.49	1.84
Provision towards deferred Tax	-27.00	-8.68	-32.63	-9.80	Nil
Other provisions and contingencies	138.80	111.49	87.91	47.57	34.76
Total provisions and contingencies	279.63	218.53	154.50	86.26	36.60
Total expenditure	2,477.92	2,125.92	1,724.40	1,396.95	1,115.56
Net profit/loss for the year	245.34	199.68	194.52	191.18	151.36
Net profit/loss after EI and prior	245.34	199.68	194.52	191.18	151.36

year items					
Profit /loss Brought forward	274.07	136.51	-4.23	-144.53	-249.47
Total profit/loss available for Appropriation	519.41	336.91	190.30	46.65	-98.10
APPROPRIATIONS					
Transfer To/From statutory Reserve	61.34	49.92	48.63	47.80	37.84
Transfer To/ From special Reserve	18.62	12.10	6.49	3.05	2.07
Transfer To/From capital Reserve	3.24	1.80	0.68	0.03	0.22
Transfer To/From Investment Reserve	-2.91	0.71	0.36	Nil	0.17
Transfer To/From Revenue and other Reserves	-6.07	-2.41	-2.37	Nil	Nil
Equity share dividend	18.49	Nil	Nil	Nil	Nil
Balance carried over to Balance sheet	426.71	274.07	136.51	-4.23	-138.41
Total Appropriations	519.41	336.19	190.30	46.65	-98.10
OTHER INFORMATION					
EARNING PER SHARE					
Basic EPS (RS)	8.02	7.01	6.86	7.21	6.05
Diluted EPS (RS)	7.85	6.87	6.77	7.03	5.99
DIVIDEND PERCENTAGE					
Equity dividend rate (%)	8.00	5.00	Nil	Nil	Nil

Balance Sheet for the year ended from 2013-14 to 2017-18

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Capital and Liabilities					
Total share capital	308.08	285.36	284.44	282.01	250.32
Equity share capital	308.08	285.36	284.44	282.01	250.32
Share application money	1.41	1.58	1.53	3.20	2.96
Reserves	2,247.90	1,661.43	1,455.98	1,251.95	848.07
Net worth	2,557.39	1,948.37	1,741.95	1,537.16	1,101.35
Deposits	24,006.86	19,289.21	14,925.99	12,609.13	10,325.16
Borrowings	1,926.71	1,275.81	1,147.90	1,163.80	860.16
Total debt	25,933.57	20,565.02	16,073.89	13,772.93	11,185.32
Other liabilities and provisions	1,480.69	1,276.48	1,252.47	770.81	583.86
Total liabilities	29,971.65	23,789.87	19,068.31	16,080.90	12,870.53
Assets					
Cash and Balances with RBI	1,136.39	858.30	703.37	633.68	505.07
Balance with Banks, Money at call	1,235.59	334.16	188.20	85.49	184.50
Advances	20,336.69	15,817.63	12,921.39	10,465.06	8,140.19
Investments	6,218.96	5,817.94	4,333.33	4,470.56	3,634.22
Gross Block	494.02	488.57	248.02	236.68	238.64
Revaluation Reserves	250.44	256.5	50.22	51.41	52.6
Net Block	243.58	232.07	197.80	185.27	186.04
Other Assets	800.44	729.77	724.22	240.83	220.51
Total Assets	29,971.65	23,789.87	19,068.89	16,080.89	12,870.53
Contingent Liabilities	7,357.66	3,064.27	2,464.72	2,832.28	2,951.49
Book Value (Rs)	82.96	68.22	61.19	54.39	43.88

FINANCIAL STATEMENT OF PCARD BANK

PROFIT AND LOSS ACCOUNT (Amount in crores)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
INCOMES					
Interest / discount/advances/bills	29096.44	29585.67	31377.25	32066.12	28457.33
Income from investment	10412.10	10771.29	11407.79	10923.75	10251.08
Interest on balance with RBI and other interbank funds	646.99	768.20	879.50	759.79	730.82
Others	1096.56	322.49	357.60	0.38	108.39
Total interest earned	41252.09	41387.64	44022.14	43750.04	39547.61
Other income	6949.85	7554.40	4875.23	4550.25	3932.76
Total income	48194.94	48942.04	48897.36	48300.29	43480.37
EXPENDITURE					
Interest expended	29088.76	31515.87	34258.77	34086.37	30603.17
Payments to and provisions to employees	5444.11	4915.09	4445.88	4274.26	3672.38
Depreciation	445.05	327.54	169.96	427.06	228.47
Operating expenses(excludes employee cost and depreciation)	3668.78	3269.65	2876.09	2562.33	2180.16
Total operating expenses	9557.94	8512.28	7491.93	7263.55	6081.01
Provision towards income tax	2338.62	520	-327.95	795	625
Other provisions and contingencies	11431.86	7271.97	10332.43	3452.74	3733
Total provisions and contingencies	13770.48	7791.97	9959.48	4274.74	4358.00
Total expenditures	52417.18				
Net profit/ loss for the year	-4222.24	1121.92	-2812.82	2702.62	2438.19
Net profit/loss after EI and prior year items	-4222.24	1121.92	-2812.82	2702.62	2438.19

Profit / loss brought forward	-2748.90	Nil	Nil	Nil	Nil
Total profit/loss available for appropriation	-6971.14	1121.92	-2812.82	2702.62	2438.19
APPROPRIATION					
Statutory reserves	Nil	281	Nil	680	650
Special reserves	Nil	Nil	Nil	500	Nil
Capital reserves	Nil	777	Nil	122.40	87.50
Investment reserves	Nil	Nil	Nil	360.80	Nil
Revenue and other reserves	Nil	Nil	Nil	387.70	1107.08
Dividend and dividend tax for the previous year	63.92	Nil	Nil	Nil	Nil
Equity share dividend	Nil	Nil	Nil	540.97	507.38
Tax on dividend	Nil	Nil	Nil	110.76	86.23
Balance carried to balance sheet	-7035.06	63.92	-2812.82	Nil	Nil
Total Appropriation	-6971.14	1121.92	-2812.82	2702.62	2438.19
OTHER INFORMATION					
EARNING PER SHARE					
Basic EPS	-70.47	20.63	-53.61	58.59	54.48
Diluted EPS	-70.47	20.63	-53.61	58.59	54.48
Dividend percentage					
Equity dividend rate (%)	Nil	10	Nil	105	110

Balance Sheet as on 2013- 2014 to 2017- 2018 (amount in crores)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Capital and Liabilities					
Total share capital	733.24	597.29	542.99	475.20	461.26
Equity share capital	733.24	597.29	542.99	475.20	461.26
Reserves	28,346.86	27,715.10	25,615.55	25,978.18	23,660.60
Net worth	29,080.10	28,312.39	26,158.54	26,453.38	24,121.86
Deposits	524,771.86	495,275.24	479,791.56	473,840.10	420,722.82
Borrowings	38,808.51	39,503.56	26,873.32	25,671.57	27,230.64
Total debt	563,580.37	534,778.80	506,664.88	499,511.67	447,953.46
Other liabilities and provisions	17,700.90	15,055.10	14,692.70	16,629.66	14,348.29
Total liabilities	610,361.37	578,146.29	547,516.12	542,594.71	486,423.61
Assets					
Cash and balances with RBI	22,100.04	19,922.50	20,664.05	21,971.95	22,153.78
Balance with banks, money at call	27,812.29	38,902.96	36,069.61	26,669.14	22,674.93
Advances	381,702.99	342,008.76	324,714.82	330,035.51	301,067.48
Investments	144,053.67	150,265.89	142,309.30	145,346.18	126,828.26
Gross block	8,318.64	7,168.32	7,198.10	6,949.45	6,641.56
Revaluation reserves	6,524.73	5,373.15	5,444.66	5,405.85	5,498.25
Net block	1,793.91	1,795.17	1,753.44	1,543.60	1,143.31
Other assets	32,898.47	25,251.02	22,004.89	17,028.32	12,555.85
Total assets	610,361.37	578,146.30	547,516.11	542,594.70	486,423.61
Contingent liabilities	320,510.97	459,646.73	314,508.56	297,258.69	239,320.37
Book value (Rs)	396.59	474.01	481.75	556.68	522.96



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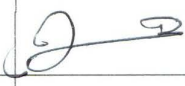











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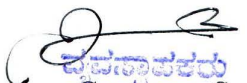
NAME OF THE STUDENT: VIDHYA.R

INTERNAL GUIDE: PROF. MALIKA • B • K

USN: 11A17MBA61

**COMPANY NAME: Primary Co-operative Agriculture and Rural
Development Bank**

WEEK	WORK UNDERTAKEN	EXTERNAL GUIDE SIGNATURE	INTERNAL GUIDE SIGNATURE
3 rd Jan 2019 – 9 th Jan 2019	Industry Profile and Company Profile		
10 th Jan 2019 – 17 th Jan 2019	Preparation of Research instrument for data collection		
18 th Jan 2019 – 25 th Jan 2019	Data collection		
26 th Jan 2019 – 2 nd Feb 2019	Analysis and finalization of report		
3 rd Feb 2019 – 9 th Feb 2019	Findings and Suggestions		
10 th Feb 2019 – 16 th Feb 2019	Conclusion and Final Report		


Company Seal
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