

A

Project Report

On

Financial Statement Analysis

With Special Reference to

**Dr. Prabhakar Kore Credit Souhard Shakari
Nyt, Ankali.**

Submitted to

SMAT's

SHIVANAND COLLEGE, KAGWAD

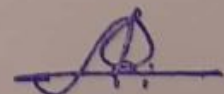
DEPARTMENT OF COMMERCE

SUBMITTED By

BCom III Students

Guided By

Dr. S. O. Halasagi




**Dr. S. O. Halasagi
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DECLARATION

We hereby declare that the project report entitled "**Financial Statement Analysis**" is our original work and we assure that the contents in the same has not been copied from any other project Report submitted to Department of Commerce , Shivanand College, Kagwad.

Place :- Kagwad

Date : - 10 Aug . 2018 .



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ACKNOWLEDGEMENT

The success of any endeavor is dependent on the encouragement and support of those around you and We wish to express my sincere thanks to our Honorable Principal Dr. G. G. Karalatti for their encouragement and valuable guidance.

First We take this opportunity to express my deep sense of gratitude to the Archeological Department for my project work **"Financial Statement Analysis"** for kindly considering my request to undertake this project study in their field. It was a memorable experience to be a part of such big Subject.

We would like to expose my willingness gratitude to for giving spirit and vision towards centre importance to achieve aim and objective of life.

We stand highly indebted for the valuable guidance and timely hints of my guide Dr. S. O. Halasagi, We would like to thank my colleagues and friends who indirectly helped me during this project work.



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Dr. Prabhakar Kore Credit Souhard Sahakari Nyt, Ankali.

TAL: CHIKODI.

BR : _____

DIST: BELGAUM. (KARNATAKA)

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Ref. No.

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Date : 31-01-2018

CERTIFICATE

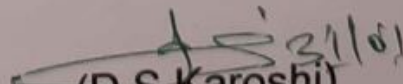
This is to certify that Kumar. Vinayak Subhash Naik , the Student of Shivanand College; Kagwad of B.B.A - 6th Semister has successfully completed his project on the Subject " FINANCIAL STATEMENT ANALYSIS " on our Esteemed Organisation from the period of 8th December 2017 to 15th January 2018.

During the project he was found good and hardwork and we wish him with good future.

Thanking You,



Your's faithfully,


(D.S. Karoshi)

General Manager

Dr. Prabhakar Kore Credit Souhard Sahakari Nyt; Ankali

TABLE OF CONTENTS

SR NO.	PARTICULARS	PAGE NO.
01	INTRODUCTION	1
02	ORGANISATIONAL STUDY	6
03	CONCEPTUAL FRAMEWORK	22
04	FINANCIAL STATEMENT OF DATA ANALYSIS	34
05	FINDINGS, SUGGESTIONS AND CONCLUSION	62
•	BIBLIOGRAPHY	66

❖ INTRODUCTION:

A banking company in India has been defined in the Banking Companies Act 1949 as "of which transacts the business of banking which means the accepting of the purpose of sending or investment of deposits of money from the public repayable of demand or otherwise and withdrawals by cheque, draft, order or otherwise".

Banking in India has its origin as early as the Vedic period. It is believed that the transition from money lending to banking must have occurred even before Manu, the great Hindu Jurist, who has devoted a section of his work to deposits and advances and laid down rules relating to the interest. During the Moguls period, the indigenous bankers played a very important role in lending money and financing foreign trade and commerce. During the days of East India Company, it was to turn of the agency houses to carry of the banking Business. The General Bank of India was the first joint stock to be established in the year 1786. The others which followed were the bank of Hindustan the Bengal Bank. The bank of Hindustan is reported to have continued till 1906, while the other two failed in the meantime. In the first half of the 19th century the east India Company established three banks; the Bank of Bengal in 1809, the Bank of Bombay in 1840 and the Bank of Madras in 1843. These three banks also known as presidency banks and were independent units and functioned well. These three banks were amalgamated in 1920 and the Imperial Bank of India was established on the 27th Jan 1921 with the passing of the SBI Act in 1955, the undertaking of the Imperial Bank of India was taken over by the newly constituted SBI. The Reserve bank which is the Central bank was created in 1935 by passing of RBI Act 1934. In the wake of Swadeshi movement, a number of banks with Indian management were established in the country namely Punjab National Bank Ltd. The Central Bank of India Ltd, India Bank Ltd, The Bank of Baroda Ltd, The Central Bank of India Ltd. on July 19th 1969, 14 Major Banks of the country were nationalized and on 15th April 1980 six more commercial private sector banks were also taken over by the government. The Indian Banking Industry, which is governed by Banking Regulation Act of India 1949, can be broadly classified into two major categories, Non scheduled and Scheduled Banks. Scheduled Banks comprise of Commercial Banks and the Co-Operative Credit Societies.

➤ SCOPE OF THE STUDY

The study is conducted to assess the financial performance of the bank through the tools and techniques of Financial Statement Analysis.

- ❖ The study is comprised of Financial Statement Analysis like Balance Sheet, Income statement of the bank.
- ❖ The study is mainly based of the Balance Sheet and Income statement of the Dr.Prabhakar Kore Credit Souhard Sahakari Ltd. Ankali. This particular study helps to understand various systems that are practiced by the bank to manage its day to day affairs.
- ❖ Reference period :period of 5year 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 data related to the end financial year of 31st March
- ❖ The report of the study can be referred to secondary source of data for further studies.

➤ OBJECTIVES OF THE STUDY

- ❖ To make comparative study of financial statements.
- ❖ To draw the correct picture of the financial position of the cooperative society.
- ❖ To prepare budget and plan for the next financial period.
- ❖ To assess the present and future earning capacity of the business.
- ❖ To examine efficiency of the management.

➤ Title of the study:

A study of the Financial Statement Analysis at Dr.Prabhakar Kore Credit Souhard Sahakari Ltd Ankali

➤ STATEMENT OF THE PROBLEM

The project is entitled as “Financial Statement Analysis” of Dr. Prabhakar Kore Credit Souhard Sahakari Ltd. Ankali.

The primary use of financial statement is evaluating past performance and predicting the future cause and both of these are facilitated by comparison. The financial soundness in terms of liquidity, leverage and profitability are the major objectives of the growing organization. The analysis in this angle draws meaning full conclusions. So as to take right decision of, analytical techniques are required. Among such techniques comparative analysis is useful method to follow. The profitability of the business depends of the efficiency with which fixed assets are used and the level of operating expenses to sale. To measure the financial performance, the financial statements are required. The study is undertaken to process the financial data.

➤ METHODOLOGY

The present study is mainly based on secondary data, the required data and information was collected from the annual reports of Dr. Prabhakar Kore Credit Souhard Sahakari Ltd. and books wherever necessary. The necessary primary data is also collected through personal interview with the manager and the staff members of the Dr. Prabhakar Kore Credit Souhard Sahakari Ltd.

To make effective analysis of collected data (Data and Information of Financial Statement Analysis) Comparative statement are used and also interpreted by way of graphs and diagrams.

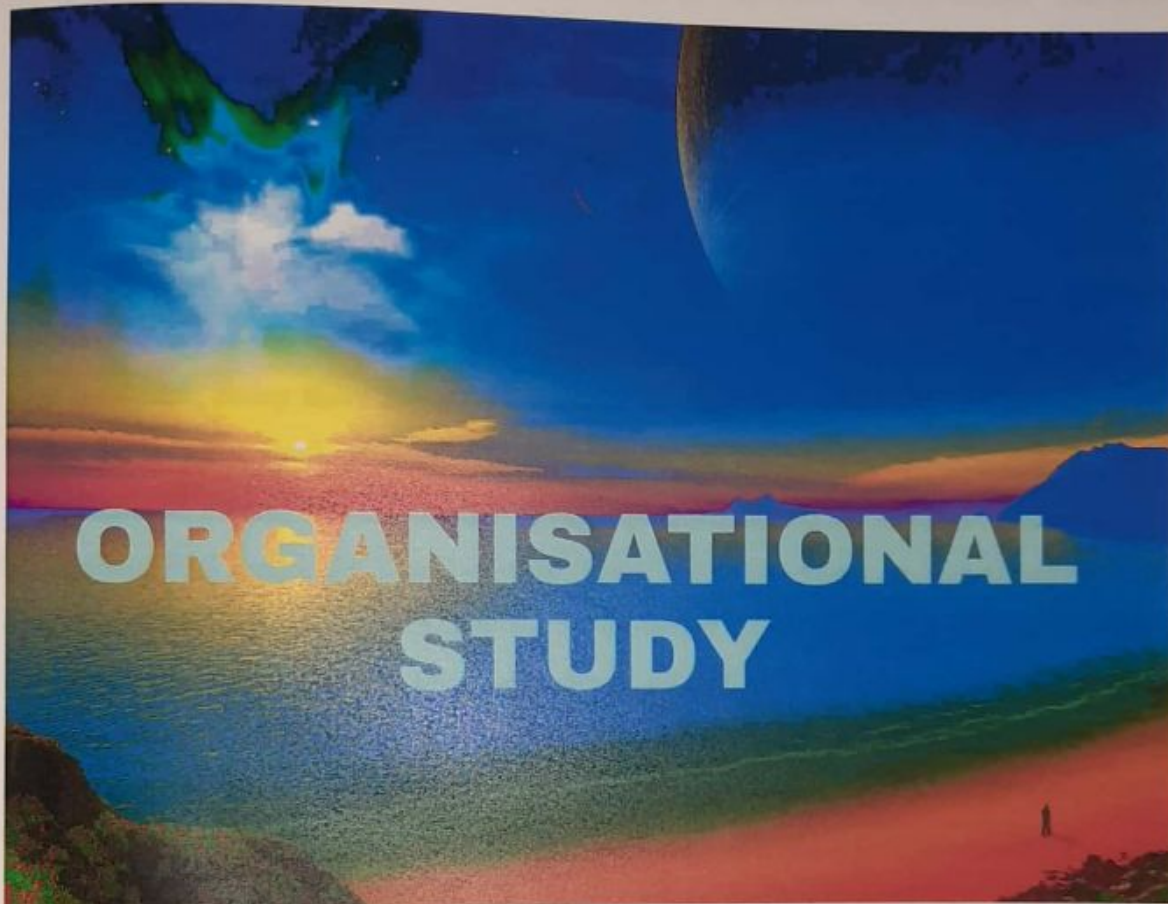
➤ LIMITATIONS OF THE STUDY

Despite of all possible efforts to make the study more comprehensive and scientific, the present is bound to have certain limitation. Some of them are

- ❖ It is not possible to use all the Financial Statement Analysis due to non-availability of information and time constraints.
- ❖ A few financial aspects of the bank could not be incorporated in the study.
- ❖ The present study relies heavily on annual reports of the Co-op. society.
- ❖ Time constraint is the main element in carrying the study.

CHAPTER -02

ORGANISATIONAL STUDY



Study of organisational structure and functions of an organisation is known as organisational study. It is a systematic study of the internal structure and functions of an organisation. It helps in understanding the various departments and their inter-relationships. It also helps in identifying the strengths and weaknesses of an organisation and in suggesting ways to improve its performance.

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- It helps in identifying the strengths and weaknesses of an organisation.
- It helps in suggesting ways to improve the performance of an organisation.

➤ THE INDIAN BANKING SYSTEM

Banking in our country is already witnessing the sea changes as the banking sector seeks new technology and its application. The best part is that the benefits are beginning to reach the masses. Earlier this domain was the preserve of very few organizations. Foreign banks with heavy investment in technology started giving some "Out of World" customer services. But, such services were available only to select few the very large amount holders. Then came the liberalization and with it a multitude of private banks, a large segment of the urban population now requires normal time and space for its banking needs.

Automated Teller Machines or popularly known as ATM's are the three alphabets that have changed the concept of banking like nothing before. Instead of tellers handling your own cash, today there are efficient machines that don't talk but just dispense cash. Under the Reserve Bank of India Act 1934, Banks are classified as Scheduled banks and Nonscheduled banks. The Scheduled Banks are those, which are entered in the Second Schedule of RBI Act, 1934. Such banks are those, which have paid up capital and reserves of an aggregate value of not less than Rs. 5 Lakhs and which satisfy RBI that their affairs are carried out in the interest of their depositors. All commercial Bank Indian and foreign, Regional Rural Banks and state co-operative banks are scheduled banks. Non scheduled banks are those, which have not been included in the second scheduled of RBI Act, 1934. The organized banking system in India can be broadly classified in to three categories: (a) Commercial Banks (b) Regional Rural Banks and (c) Co-operative Banks. The Reserve Bank of Indian is the supreme monetary and banking authority in the country and has the responsibility to control the banking system in the country. It keeps the reserves of all commercial banks and hence is known as the "RESERVE BANK" Banks play important role in economic development of a country, like:

- ❖ Banks mobilize the small saving of the people and make them available for productive purposes.
- ❖ Promotes the habit of savings among the people offering attractive rates of interests on their deposits.
- ❖ Provides safety and security to the surplus money of the depositors and as well provides a convenient and economical method of payments.

➤ KINDS OF BANKS

The Banks may be classified into the following forms.

- ❖ Commercial Banks
- ❖ Central Banks
- ❖ Exchange Banks
- ❖ Indigenous Banks
- ❖ Regional Rural Banks
- ❖ Scheduled Co-operative Banks

➤ CO-OPERATIVE BANKING

Indian is a country where agriculture is still a predominant activity. Our farmers by and large are poor and usually used to depend on money lenders, indigenous bankers financiers etc. Till 1951-1952 the money lenders were providing 70% of the requirements of farmers and thus, constituted the most important source of rural finance. However, the share of money lenders in rural credit was reduced to 49%. This was due to high rate of interest, dishonesty and fraudulent practices followed by the money lenders. The co-operative movement was started in India in 1904 with the objective of providing finance to agriculturist for productive purpose at low rates of interest and thereby relieving to agriculturist from the clutches of the money lenders. The Co-operative Society Act of 1912 contributed to the establishment of central co-operative banks and the state co-operative banks to provide refinance to primary credit societies which could not mobilize funds by their own efforts.

The co-operative credit movement made good progress during and after the 1st world war of 1914-18, but during the great depression of 1929-1933, it received a serious setback. With the outbreak of Second World War of 1939-45, the co-operative credit movement made considerable progress once again. Since then, the progress has been maintained.

A co-operative bank promotes economic activity and provides banking facilities and services to the rural people. The significant role of co-operative banks in the agricultural economy imparts a lesson to commercial banks and dispels from their minds the age old inertia and the gloom of conservatism by shifting emphasis from credit worthiness of the purpose and from tangible security to the character of the business. Co-operative means "A form of organization where in persons voluntarily associate together as human beings

government. So to sum up, the Co-operative movement has made remarkable progress in terms of number, membership share capital and working capital. The progress of Co-operative movement has been remarkable in the fields of agricultural credits, marketing and supply of farm inputs and processing, The Indian Co-operative banking system is a 3-tier system. It consists of three sectors.

1. Primary Credit Societies

It is an association of ten or more persons residing in a particular locality. The fund of primary credit consists of entrance fees, share capital, reserve fund, fixed deposit from members and nonmembers and loss from central Co-operative banks. The primary credit societies extend short and long term loans to the members. Generally loans are given for a period of months, one year and two years.

2. Central Co-operative Banks

The primary credit societies failed to mobilize enough deposits from their members for meeting the requirements. They were in need for refinance from some agency. So, the Co-operative societies Act of 1912, provided for the establishment of The Central Co-operative Bank to provide finance to primary credit societies.

3. State Co-operative Banks

Every state has state co-operative bank at the top of the co-operative banking structure. If it is known as Apex bank as it control and co-ordinates the working of all co-operative credit institutions in the state. The fund of the state co-operative bank consists of share capital, reserve fund, deposits from members and general public and loans from RBI, state government and commercial banks. However, loans and advances from the RBI constitute a major part of their funds.

• Dr. PRABHAKAR KORE CREDIT SOUHARD SAHAKARI LTD ANKALI PROFILE

Name of the Society	Dr.Prabhakar Kore Credit Souhard Sahakari Ltd Ankali
Address of the Society	Rajiv Gandhi Road ,A/P: Ankali Tal: Chikodi Dist: Belagavi Pin-591213
Phone No	08338-254251,254245
Head Office	ANKALI
Number of Branches	30 in Karnataka
Registration No	RSR/Sou/Coop/208/Reg/111/06-07 dtd 30/03/2007
Year of Establishment	29 th September 1988
Founder	Dr. Prabhakar Kore
Chairman (President)	Shri.Mahantesh Lingouda Patil
Vice-Chairman	Sou. Shobha Annasaheb Jakate
General Manager	Shri. Devendra S Karoshi
Board of Directors	15
Assistant Manager	Miss. Preeti Basagouda Patil

HEAD -OFFICE : ANKALI:



Board of Directors

SL No.	Name	Designation
1	Shri Mahantesh Lingouda Patil	Chairman
2	Sou Shobha Annasaheb Jakate	Vice-Chairman
3	Shri Mallikarjun Ganapatro Kore	Director
4	Shri Sidagouda Tatoba Magdum	Director
5	Shri Annasaheb Shrikant Sankeshwari	Director
6	Shri Pintu Sadashiv HireKurabar	Director
7	Shri Mahadev Balakrishna Pol	Director
8	Sou Shailaja Suresh Patil	Director
9	Shri Limbaji Ramappa Nagarale	Director
10	Shri Kadappa Shivappa Sangote	Director
11	Shri Jyotigouda Manohar Patil	Director
12	Shri Basangouda Malagouda Asangi	Director
13	Shri Sukumar Balasaheb Chougale	Director
14	Shri Ganapati Jyoti kamate	Director
15	Shri Sachin Vivekanand Kuthole	Director
16	Sou Jayashree Prasad Medar	Director
17	Sou Parvati Nagappa Dharnaik	Director

Administration Board

Sl.No	Name	Designation
1	Shri Devendra Sidram Karoshi	General Manager
2	Sou S.P. Magdum	Office Superintendent
3	Shri R.M.Khot	Chief Accountant
4	Shri M.A. Nidagunde	Audit Officer
5	Shri A.S.Kamate	Deputy General Manager (Loan & Reco.)
6	Shri G.A. Kanade	Sale's Officer
7	Shri P.D. Patil	Asst. Share Section
8	Shri M.B. Awate	Accountant & Printing, Stationery
9	Shri B.D. Patil	Asst. Accountant
10	Shri Santosh S Bhiste	Asst. Accountant
11	Shri Amaresh L Pandare,	Asst. Loan Section
12	Shri Yogesh S Joshi	Account Section

CONCLUSION

- ❖ The analysis of financial statement is a process of evaluating the relationship between compound parts of financial statement to obtain a better understanding of the society position and performance.
- ❖ The first task of the financial analyst is to select the information of relevant to the decision under consideration from the total information contained in the financial statements. The second step is to arrange the information in a way to highlight significant relationships. The final step is interpretation and drawing of inferences and conclusions.
- ❖ On the basis of the study, it is concluded that the overall performance of the society is good for the years 2013-2017 showing tremendous increase.
- ❖ The society should open its society branches all over the district so that make people to have advantages of society branches as well as increase its deposits with total income and total profits.
- ❖ Finally, I want to conclude that I have gained a lot of knowledge after doing this Project. The project has helped me to improve my skill and in better understanding of the Financial Statement Analysis.
- ❖ Periodical evaluation of the status of operational and financial health through appropriate financial and statistical devices would go long way in ensuring competitive edge of society in the Modern Era.

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