

**A STUDY ON FINANCIAL ANALYSIS AT BASAVESHWAR SAHAKAR BANK NIYAMIT,  
JAMKAHNDI**

**Ms. Daneshwari. Devaray. Maled,**

**Prof. Sriyank Levi,**

PG Research Scholar, Department of Management Studies, Global Academy of Technology,  
Bengaluru – 560098

Professor, Department of Management Studies, Global Academy of Technology, Bengaluru –  
560098

**ABSTRACT**

Finance is essential for every business enterprise to carry out its activities because finance is one of the basic needs of all kinds of modern economic activities. That is why finance is called the lifeblood of every business enterprise. The different financial institutions are Banks, Co-operatives, and Businesses etc. Nowadays the banking sector is tremendously developed by using modern technology. Co- operatives are the part of banking sectors and these works on the basis of banks only. Nowadays the co-operative banks are facing high competition from the nationalized banks in loans and advances. But the co-operatives bank that is “Basaveshwar Sahakar Bank Niyamit” has a clear mission and vision to make a good profit and they are issuing loans and advances too. For running a banking business initial capital is important. But after establishing to run and expanding the organizations the Working capital is very important, the banks getting working capital by accepting the deposits from public in different ways. Then the bank will issue the same deposit amount to the public in the form of loans and advances at a different interest rate. By this way the banks are making profit. Generally, the interest rate for deposit is less than the loans and advances.

Key words: Financial analysis, Ratio analysis, Trend analysis Regression model.

**I. INTRODUCTION**

Founded on December 15th, 1997. "Basaveshwar Sahakar Bank Niyamit, Jamkhandi, originally had 1242 shareholders and a share capital of Rs. 7.25 lakhs under the chairmanship of Dr. Sri Tatasahab Bangi. Basaveshwar Sahakar Bank Niyamit, Jamkhandi, has obtained a banking licence from the Reserve Bank of India after a continuous history of growth and development of its aims. The Bank is now led by Chairman Sri. Channappa S. Bangi, and he has been effective in keeping the organisation up to date with socioeconomic and banking trends.

As of March 31, 2021, our bank had a working capital of 18.66 crore, share capital of 65.94 lakhs, deposits of 15.75 crores, loans, and advances of 9.23 crores, and a net profit of 13.49 lakhs. Our bank received an "A" Rating on its audit. The bank offers members gold loans as well as loans for vehicle purchases, pay-deduction loans, advance on deposits, and home construction loans. Without any borrowing bank, the fund stands alone. That demonstrates the whole economic strength of our bank. Nowadays, our bank has effectively served for 25 years.

**OBJECTIVES OF THE STUDY:**

1. To determine the variation in income statement and balance sheet items using common Size statement.
2. To assess the bank's performance through a comparative analysis
3. To utilize ratios to assess the financial health, liquidity, and solvency of the bank.
4. To study bank data over time using trend analysis.

**II. REVIEW OF LITERATURE**

(Dr.P.R.Ramakrishnan & K.Prashanth Rao, 2018)A Comparative Study of Financial Performance of Urban Cooperative Banks in Belgaum District, Karnataka: Cooperative banks have had a significant impact on the strength of the Indian Financial System.

In Karnataka, Belgaum is a significant district. Belgaum is home to a couple of the top cooperative banks. Due to the district's closeness to Maharashtra, the cooperative movement has been particularly strong there. Several important metrics are used to assess the performance of Urban Cooperative Banks located in the Belgaum District. Data Envelopment Analysis is the most widely used statistical tool.

(KULKARNI & DR. SUJIT G. METRE, 2020) Comparative Study of Selected Urban Co-Operative Banks in Pune and Nagpur Based on Camel Model: They assist small, medium-sized, and increasingly some large enterprises in turning the meagre savings of the populace into successful companies. There were 1579, 1574, and 1562 urban cooperative banks in 2014–15, 2015–16, and 2016–17, respectively. This shows that several urban cooperative banks are closing annually, which is a bad omen. Due to financial irregularities, the RBI has also recently cancelled the licences of certain urban cooperative banks, and some banks are currently under strict inspection. As a result, it is vital to compare the financial results of urban cooperative banks.

(Talla, Anand Bethapudi, & Reddeppa Reddy G, 2013) An Analytical Study on Financial Performance of Dharmavaram Urban Cooperative Bank, A, P India: The researcher wants to look into the Dharmavaram Urban Cooperative Bank's financial standing. The study makes use of an exploratory research methodology that depends on secondary data. According to the data analysis, there was a considerable increase in the following areas related to DUCB: mobilisation of deposits, membership, loans, and advances, working capital, reserves, owned funds, total income, total expenditure, and overdue.

(Singh, Dr.Sharma Narender Nath, & Bhulal Vipan Kumar, 2017) A comparative study of financial performance with special reference to co-operative banks: The financial performance and significance of cooperative banks in Himachal Pradesh are examined in this essay. The current investigation is supported by secondary information. The primary goals of the research are to assess the current financial standing and evaluate the performance of HPSCB and KCCB, the two cooperative banks in Himachal Pradesh. The two biggest cooperative sector banks in the state are HPSCB and KCCB. Cooperative banks' effectiveness and efficiency are the fundamental drivers of the nation's financial system.

(Uwaramutse, Towo, E. N, & Machimu, G. M, 2022) Influence of Co-Operative Characteristics on Financial Performance of Irish Potato Farmer Co-Operatives in Northern and Western Province Rwanda: The goal of this paper is to investigate how Irish Potato Farmer Co-operatives (IPFCs) in Rwanda's Northern and Western Provinces' financial performance is influenced by cooperative features. For the benefit of stakeholders including policymakers and non-governmental organisations, this publication generates facts.

(Sharma & Dr. Mayank Jindal, 2022) Financial Ratio Analysis Of Co-Operative Banks In Uttarakhand: In this study, the researcher examined 20 financial ratios from five cooperative banks located in the Indian state of Uttarakhand: Kurmanchal Urban Co-operative Bank, Dehradun District Co-operative Bank, Uttarakhand State Co-operative Bank, and Almora Urban Co-operative Bank. The financial condition, financial structure, average number of workers per branch, and business per employee of the cooperative banks in Uttarakhand may all be understood with the help of this study.

(HARALAYYA, 2021) Analysis of Non-Performing Asset on Urban Cooperative Bank in India: Resources are referred to as non-acting sources (NPA) if debtors fail to pay interest and principal for 90 days in a row. Whatever the case, starting in March 2018, the bank must return all credit or credit rating positions given to the borrower as non-performing and must identify all credit or credit rating positions given to the borrower without regard to the manner in which they were provided. The standard may be given to the specific people who spend on 90 days if any increase or credit Facilities are provided by the bank to the borrower to become non-performing. In true terms, a benefit that anticipates acting as a mystery assistance is a valuable resource.

(Keerthi & S. Eswari, 2020) A Study on Financial Performance Using Ratio Analysis of Kumbakonam Central Co-Operative Bank: This paper's primary goal is to examine the overall financial situation. By applying ratio analysis, the bank's position. It demonstrates if the company has been getting better or worse over time.

Utilising secondary data all the research, or the KCCB's yearly reports from the previous five years. Both intra- and inter-firm comparisons can be made using ratio analysis as a base. This report not only informs the reader on the firm's financial position, but it also assists in identifying problems and making recommendations to enhance the firm's performance.

(Dr.P.R.Ramakrishnan & K.Prashanth Rao, A Comparative Study of Financial Performance of Urban Cooperative Banks in Belgaum District, Karnataka, 2018): In Karnataka, Belgaum is a significant district. Belgaum is home to a couple of the top cooperative banks. Due to the district's closeness to Maharashtra, the cooperative movement has been particularly strong there.

Several important metrics are used to assess the performance of Urban Cooperative Banks located in the Belgaum District. Data Envelopment Analysis is the most used statistical technique.

(Alice & Dr. Patrick Mulyungi, 2018) Effect of Cash Management on The Financial Performance of Cooperative Banks in Rwanda: A Case of Zigma CSS: In this paper, the impact of cash management on Rwanda's cooperative banks' financial performance is examined. The research design was descriptive. Utilising surveys and document analysis, data was gathered from both primary and secondary sources. Frequency tables were used to show the data, and analysis was performed on them. The study concludes that as cash is the bank's largest asset, cash management is a crucial instrument in financial management. Cooperative banks need to adopt rules for efficient cash management.

### III. RESEARCH METHODOLOGY

The study paper is based on descriptive research. Using secondary data from publications like books and journals websites of Basaveshwar Cooperative Bank such as balance sheets with schedules and profit and loss accounts. Data was collected from 2018-19 through 2021-2022.

Tools for data collection

1. Common size statement analysis
2. Comparative statement analysis
3. Ratio analysis
4. Trend analysis

#### Testable hypothesis

Ha1: There is a significant impact of profit on growth of reserves durin study withregard to Basaveshwar Sahakar Bank Niyamit

Ha2: There is a significant impact of deposit mobilization on profits during study withregard to Basaveshwar Sahakar Bank Niyamit

Ha3: There is a significant impact on total income on assets of Basaveshwar SahakarBank Niyamit during study.

Ha4: There is a significant impact of total expenditure to profits with reference to Basaveshwar Sahakar Bank Niyamit

**IV. DATA ANALYSIS AND FINDINGS**

**FINANCIAL ANALYSIS**

**RATIO ANALYSIS**

No. of years	Current assets	Current liabilities	Total	Current assets	Current liabilities	Total
2018	17875793	1461864	12.23	17875793	1461863.5	12.23
2019	17149849	2747759	6.24	17149849	2747758.5	6.24
2020	14453009	2175923	6.64	14453009	2175923	6.64
2021	20199813	2268562	8.9	20199813	2268562	8.9
2022	28909083	2175307	13.29	28909083	2175307	13.29

**Source: Companies balance sheet**

**Interpretation**

The current ratios that are considered acceptable change annually. It is deemed acceptable to have a current ratio of 1:12.23 in 2018, 1:6.24 in 2019, 1:6.64 in 2020, 1:8.90 in 2021, and 13:29 in 2022. The bank has more ability to meet its obligations the higher the current ratio is. However, the current ratio for 2022 has grown in comparison to 2018, 2019, 2020, and 2021, which is bad news for the bank. In order to avoid future risks that might hurt the bank, the bank should attempt to raise its current ratio in the years to come. Quick ratio should generally be 1:1. If the quick ratio is high, the bank may hold too much cash on hand or encounter difficulties collecting its outstanding debts. If the bank's quick ratio is less than 1:1, it may mean that it relies too much on its inventory or other assets to cover its short-term liabilities. This is a negative sign for the banks. Due to the fact that the ratio is 12.23 in 2018 but reduced to 6.24 in 2019, grew by 6.64 in 2020, 8.90 in 2021, and dramatically increased to 13.29 in 2022. The figure which showing in the table is in lakhs.

**TREND ANALYSIS**

Year	Reserves	Trend percentage	Year	Deposits	Trend percentage
2018	10384705	100.00%	2018	151379773	100
2019	11148170	107.35%	2019	141358813	93.38
2020	12517692	112.28%	2020	155755280	110.18
2021	13461209	107.54%	2021	157506510	101.12
2022	15440071	114.70%	2022	171242680	108.72

**Source: Companies balance sheet**

**Interpretation:**

Here, we choose 2018 as our base year for computation, which will make it easier to analyze the bank's financial situation. It will discuss the bank's efforts to enhance its performance. The preceding table allows us to examine the reserve trend and what it means. The reserve trend percentage is 114.70% in 2022, and the reserves are growing yearly. The bank is prospering in this manner. The bank's reserve fell in 2021; however it was made up the next year by accelerating the trend, or by 114.70%. Here, we may observe the yearly improvement in bank deposits. As a base year for assessing the deposit trend, I also use 2018 as a reference. The trend analysis table above demonstrates that deposits rose from 2018 to 2022, which is encouraging for the banking sector. It decreased in 2019 and 2021; however it was made up for by raising the deposit the next year. The figure which showing in the table is in lakhs.

**Five Year Data Analysis**

**Table 4.10 shows Five Years Annual Report**

Particulars	2018	2019	2020	2021	2022
Members	2936	2941	2946	2952	2946
Share capital	6765350.00	6556700.00	6558900.00	6593750.00	6789350.00
Reserve fund	10384705.29	11148170.09	12517691.97	13461208.55	15440071.45
Deposits	151379772.77	141358812.55	155755279.88	157506510.12	171242680.03
Loans	112194087.00	95025919.30	95176517.05	92389286.75	100554160.00
Fixed Asset	211968.76	2914911.76	4586988.44	4568657.00	4180187.67
Net profit	676090.80	1142805.38	673314.58	1349355.90	1636309.42

**Source: Companies balance sheet**

**Interpretation**

In the common size balance sheet, the research above shows that the overall liabilities in 2022 will be higher than they were in the preceding four years, which were 2018, 2019, 2020, and 2021. Similar to that, the assets have grown. In terms of assets and liabilities, it can be said that the bank's performance for the current year is quite high compared to the prior four. Each year, the banks make more money. The bank should make efficient use of the resources at hand. The growth of the bank's fixed assets, current assets, investments, loans, share capital, cash on hand, and profit is evident. Thus, it is encouraging for the bank and its stockholders. And in the comparative balance sheet the share capital also increased by 34.90%. The drastic change in current asset was 56.91%. However, the investment and bank fees have increased, respectively, by 6.8% and 31.54%. We can see that the banks profit has increased by 22.06%. The overall banks activities and its position are good compared to the previous year.

Absolute and value share capital have increased. i.e., 0.53%. The bank's absolute profit has climbed by 100.40% when compared to the base year of 2020, and its financial condition is improving year after year. These monetary changes are visible on the bank's comparative balance sheet. The figure which showing in the table is in lakhs.

**REGRESSION ANALYSIS**

SUMMARY OUTPUT				
Regression Statistics				
Multiple R	0.788564	0.545424	0.556354	0.854706
R Square	0.621834	0.297487	0.30953	0.730522
Adjusted R Square	0.495779	0.063316	0.079374	0.640696
Standard Error	1412577	408698.2	12551547	253126.3
Observations	5	5	5	5

**Interpretation:**

Based on the above data, the R value is 0.6218, or 62.18%. This value is between profit and reserve, and it shows the variation between both variables, and the multiple R is 0.788, t static value of intercept value 4.3960, significant F value is >0.05, so H0 is accepted and H1 is rejected, indicating that there is no significant impact of reserve on bank profit. The R value is 0.2974, or 29.74%, as seen in the table above. The multiple R is 0.545, the t static value of the intercept is -0.7522, the significant F value is >0.05, and the value between deposit and profit shows the variation between the two variables.

As a result, H<sub>0</sub> is accepted and H<sub>1</sub> is rejected, indicating that there is no discernible effect of deposits on bank profit. The R value, as seen in the table above, is 0.3095, or 30.95%. The multiple R is 0.556, the intercept's t static value is 0.5973, the significant F value is greater than 0.05, and the value between total income and assets demonstrates the variance between the two variables. As a result, H<sub>0</sub> is approved whereas H<sub>1</sub> is refused, showing that overall income has no discernible impact on bank assets. As can be seen in the table above, the R value is 0.7305, or 73.05%. The value between total spending and profits illustrates the variance between the two variables. The multiple R is 0.854, the intercept's t static value is -2.3312, the significant F value is larger than 0.05. The fact that H<sub>0</sub> is accepted but H<sub>1</sub> is rejected demonstrates that overall spending has no appreciable effect on bank profitability.

## V. FINDINGS

- The evaluation of a balance sheet of average size described above reveals an increase in total liabilities for 2017. The assets have increased in a comparable way. It was discovered that during the current fiscal year, the bank performed quite well in terms of assets and liabilities.
- In comparison to the base year of 2018, the bank's fixed assets trend indicates a steady increase. The trend seemed to have fallen down in 2018, but it was soon picked back up the year after. This pattern reflects the bank's stable position as being on the safer side of the market with greater assets.
- The current ratio in the last 5 years is not meeting the standards 2:1; hence the company is not able to pay short-term and long-term obligations.
- The firm's quick ratio is more than 1:1, suggesting that the company is able to satisfy current commitments using liquid assets.

## VI. CONCLUSION

The bank's overall performance is improving, as evidenced by a considerable rise in profits over the previous year. The several financial analysis approaches employed indicate a very good financial position. As seen by the growing trend in earnings, the bank has made considerable operational improvements.

The balance sheet of the bank reveals that it is financially sound. Comparative balance statements, trend analyses, and ratio studies all show that the bank is operating profitably and expanding year after year. Additionally, management is correctly handling the issue. The bank's directors are accomplished professionals with a wide range of educations and experience.

They assist banks in formulating and carrying out various policies. Even the bank employees are extremely skilled and experienced. Additionally, they function well and effectively. This city has a huge cooperative bank. The bank's future seems optimistic. The bank has a high financial status and overall performance.

## REFERENCES

- Alice, M., & Dr. Patrick Mulyungi. (2018). Effect of Cash Management on The Financial Performance of Cooperative Banks in Rwanda: A Case of Zigma CSS. *Invention Journal of Research Technology in Engineering & Management (IJRTEM)*, 2(5), 88-98.
- Dr.P.R.Ramakrishnan, & K.Prashanth Rao. (2018). A Comparative Study of Financial Performance of Urban Cooperative Banks in Belgaum District, Karnataka. *Shanlax International Journal*, 6(2), 11-22.
- Dr.P.R.Ramakrishnan, & K.Prashanth Rao. (2018). A Comparative Study of Financial Performance of Urban Cooperative Banks in Belgaum District, Karnataka. *Shanlax International Journal of Management*, 6(2), 11-22.
- HARALAYYA, B. (2021). Analysis Of Non-Performing Asset on Urban Cooperative Bank in India. *ICONIC RESEARCH AND ENGINEERING JOURNALS*, 5(1), 111-121.



Keerthi, K., & S. Eswari. (2020). A STUDY ON FINANCIAL PERFORMANCE USING RATIO ANALYSIS OF KUMBAKONAM CENTRAL CO-OPERATIVE BANK. *ICTACT JOURNAL ON MANAGEMENT STUDIES*, 6(3), 1273-1275.

Kenye, M. R., & Dr. J. Suresh Kumar. (2022). A Descriptive Study on Financial Performance of Nagaland State Co-operative Bank Ltd. *International Journal of Trend in Scientific Research and Development (IJTSRD)*, 6(3), 1366-1373.

KULKARNI, A. A., & DR. SUJIT G. METRE. (2020). COMPARATIVE STUDY OF SELECTED URBAN CO-OPERATIVE BANKS IN PUNE AND NAGPUR BASED ON CAMEL MODEL. *International Journal of Mechanical and Production Engineering Research and Development (IJMPERD)*, 10(3), 10111-10124.

Sharma, D. V., & Dr. Mayank Jindal. (2022). FINANCIAL RATIO ANALYSIS OF CO-OPERATIVE BANKS IN UTTARAKHAND. *Journal of Kavikulaguru Kalidas Sanskrit University, Ramtek*, 9(2), 969-980.

Singh, D. T., Dr.Sharma Narendra Nath, & Bhulal Vipran Kumar. (2017). A comparative study of financial performance with special reference of co-operative bank. *Aslan Journal Management*, 8(3), 711-717.

Talla, N. G., Anand Bethapudi, & Reddeppa Reddy G. (2013). AN ANALYTICAL STUDY ON FINANCIAL PERFORMANCE OF DHARMAVARAM URBAN COOPERATIVE BANK, A.P, INDIA. *NATIONAL MONTHLY REFEREED JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT*, 2(8), 1-13. Uwaramutse, C., Towo, E. N, & Machimu, G. M. (2022). INFLUENCE OF CO-OPERATIVE CHARACTERISTICS ON FINANCIAL PERFORMANCE OF IRISH POTATO FARMER CO-OPERATIVES IN NORTHERN AND WESTERN PROVINCE RWANDA. *African Journal of Applied Research*, 8(2), 220-239.