

A PAPER ON FINANCIAL ANALYSIS THROUGH COMPARATIVE AND COMMON SIZE STATEMENTS IN KDCC BANK, MACHILIPATNAM

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ABSTRACT

An enterprise's operational performance and past financial positions are estimated through the judgmental process of financial statement analysis, with the main goal being to arrive at the most accurate estimations and forecasts for the circumstances of the future. It basically entails gathering and analysing data from financial statements to identify patterns and shed light on the banks strong and weak points. This information can be helpful when making decisions that involve comparing a bank performance over time to that of other banks and to that of other firms. Financial analysis can be undertaken by management of the bank, or by parties outside of the bank, viz., owners, trade creditors, lenders, investors, labour unions, analysts and others. The nature of the analysis will depend on the purpose of the analyst. Analysis of financial statements reveals important facts concerning managerial performance and the efficiency of the bank.

Key Words: Operational Performance, Financial Position, Estimation, Forecasts, Data Gathering, Data Analysis.

1. INTRODUCTION

The practice of looking over and assessing a company's financial statements in order to improve financial choices and generate additional revenue is known as financial statement analysis. The income statement, balance sheet, statement of cash flows, notes to accounts, and statement of change in equity comprise these statements. The method or procedure to evaluate an organization's risks, performance, financial health, and prospects for the future is financial statement analysis. Many different groups utilize it, including the government, the public, decision-makers inside the company, and investors in credit and equity. These stakeholders use a range of strategies to satisfy their wants and needs within the organisation, each with an own set of interests.

Definition:

"Analysis of financial statements is a process of evaluating the relationship between component parts of the financial statements to obtain a better understanding of a firm's position and performance.

-Metacal&Titard

Users

- **Company Management:** The company's financial controller reviews the financial accounts on frequently, concentrating on operating indicators typically are not visible to external businesses, such as profit per product, cost per channel of distribution, cost per delivery, etc.
- **Investors:** Financial statements analysis will be used to assess the organization's performance by present as well as potential investors. They take data into account in order to assess the organization's survival as a going concern, pay dividends, generate cash flows, and guarantee that the business grows at least periodically.
- **Creditors:** Understanding its ability to return the loan and its other cash management methods would be of interest to a creditor or someone similar who provided the organisation funds.
- **Regulatory Authorities:** The securities and Exchange Board Of India (SEBI) assesses the financial statements of publicly traded firms to see if the accounts follow to SEBI standards and regulations as well as accounting principles.

One method of analysing and understanding the financial statement is the common size statement. The other term for it is vertical analysis. Applying each line term as a percentage of the base amount for that specific accounting period, the above method analysis financial statements.

A comparative balance statements exhibits the assets, Liabilities, and shareholder Equity of an organization at several times in time side by side. A comparative balance sheet, for Example could include the balance sheet for the preceding three or five years at the end of each year.

Main Aspects to analyse comparative balance sheet

1. Working capital

Working capital refers to the excess of current assets over current liabilities. This helps a financial manager or a business owner to know about the liquidity position of the business.

2. Changes in long- term assets, Liabilities and capital

The next component that a financial manager or a business owner needs to analyse is the change in the fixed assets, long term liabilities and capital of a business. The analysis helps each of the stakeholders to understand the long- term financial position of a business.

Finance and its importance

The Process of putting received financial to productive use has become referred to as finance. Finance aids controlling economic activity and ensuring that it runs well. Finance contains financial planning, forecasting goals, forecasting of cash receipts, and its financial control. Finance is concerned with the task of providing funds needed by the enterprise on terms that are most favourable towards the attainment of organizational goals.

According to the modus operandi of Analysis:

Horizontal Analysis:

In this type of analysis, the financial statements of several years are compared with each other in order to understand the profitability of the business and its growth. It is also termed Dynamic analysis or Time series analysis.

Vertical Analysis:

Analysis of the financial statement of a single year is known as Vertical analysis or Static analysis or Cross-Sectional analysis. It involves the study of the relationship between various items of Statement of Profit and Loss, balance sheet, etc., in a single financial year.

Comparative financial statements:

Statements prepared in a form that reflects financial data for two or more periods are known as comparative statements. Financial data become more meaningful when compared with similar data for a previous period or a number of prior a number of prior periods. Annual data can be compared with similar data for prior year. Comparative statements can be prepared for both types of financial statement balance sheet as well as profit and loss account. The comparative balance sheet shows the effect of operations on the assets and liabilities that is change in the financial position during under consideration. The comparative profit and loss account will present a review of operating activities of the business.

These financial statements are so designed as to provide time perspective to the various elements of financial positions contained therein. These statements given the data for all the periods stated so as to show:

- Absolute money values of each time separately for each of the period stated.
- Increase and decrease in absolute date in terms of money values.
- Increase and decrease in terms of percentages.
- Comparison expressed in the values.
- Percentage of totals.

Such comparative statements are necessary for the study of trends and directions of movement in the financial positions and operating results. these calls for a consistency in the practice of preparing these statements, otherwise comparability is distorted. Comparative statements enable horizontal analysis of statement figures.

Common size financial statements:

Common size statement is a form of analysis and interpretation of the financial statement. It is also known as vertical analysis. This method analyses financial statements by taking into consideration each of the line items as a percentage of the base amount for that particular accounting period.

Common size statements are not any kind of financial ratios but are a rather easy way to express financial statements, which makes it easier to analyse those statements.

Common size statements are always expressed in the form of percentages. Therefore, such statements are also called 100 per cent statements or component percentage statements as all the individual items are taken as a percentage of 100. If it is prepared of different firms in an industry it facilitates to judge relative soundness and helps in understanding their financial strategy.

The following article is used to explain how to use common size analysis in practice:

1. vertical common size income statements show how to express the income statements as a percentage of sales and use this data to analysis company's performance over time.
2. Horizontal common size income statements demonstrates how to express the financial statements in each year as a percentage of a given base year. This permits an investor to see if certain expenses, assets or liabilities are growing faster than others.

3. common size balance sheet can be used to compare companies even when they use different currencies.
4. By using common size statements to forecast earnings shows in company.
5. The calculation for common-size percentages = (Amount / Base amount) and multiply by 100 to get a percentage.

2. OBJECTIVES:

- To study the financial position by analysing with the help of comparative and common size statements in Krishna district Co-Operative Central Bank, Machilipatnam.
- To estimate the earning capacity of the Krishna district Co-Operative Central Bank, Machilipatnam.
- To assess changes in asset composition and their impact on overall financial stability.
- To evaluate the efficiency of asset utilization and resource allocation over time in Krishna District Co-Operative Central Bank 2018-2023.
- To understand the effect of strategic financial decisions on capital structure and liquidity.

3. METHODOLOGY

Secondary Data:

The information is collected through secondary sources during the project. That information was utilized for calculating performance evaluation and based on that, interpretations were made.

Sources of secondary data:

- Most of the calculations are made on the financial statements of the company provided statements.
- Referring standards texts and referred books, online websites, collected some of the information regarding theoretical aspects.
- Methods to assess the performance of the company method of observation of the work in finance department in followed.

Analysis of Data:

Comparative balance sheet for the period 2018 - 2019

Particulars	2018	2019	Increase/decrease in rupees	Increase/decrease in percentages
Assets:				
Fixed Assets	185601056.67	226093483.67	40492427	21.81
Current assets:				
Cash Balances	183820500.00	245704723.00	61884223	33.66
Balances with banks	1278076180.06	1240314469.31	-37761710.75	-2.95
Investments	8631670187.28	10057846731.28	1426176544	16.52
Advances	25678292642.09	32012084245.35	6333791603.26	24.66
Other Assets	1381947306.83	1777773254.62	395825947.79	28.64
Total Current Assets	37153806816.3	45333723423.6	8179916607.3	22.01
Total Assets	37339407872.93	45559816907.23	8220409034.3	22.01
Liabilities:				
Share Capital	1391827261.15	1701191585.59	309364324.44	22.22
Reserves and Surplus	1360913674.23	1483287449.69	122373775.46	8.99
Total Capital	2752740935.38	3184479035.28	431738099.9	15.68
Deposits	17321427748.88	19372521293.82	2051093544.94	11.84
Borrowings	15152426542.00	20254918504.00	5102491962	33.67
Other Liabilities and Provision	2112812646.67	2747898074.13	635085427.46	30.05
Total Liabilities	37339407872.93	45559816907.23	8220409034.3	22.01

Interpretation:

It is interpreted from the above table that in 2018-2019, the comparative balance sheet shows a 21.81% increase in fixed assets and a 22.01% rise in current assets, driven by higher cash balances, investments, and advances. Liabilities grew by 22.01% due to significant increase in borrowings, signalling reliance on debt for expansion. Overall, the balance sheet indicates robust growth and proactive financial management by the bank.

Comparative Balance Sheet for the Period 2019 -2020

Particulars	2019	2020	Increase/decrease in rupees	Increase/decrease in percentages
Assets:				
Fixed Assets	226093483.67	229517057.67	3423574	1.51
Current assets:				
Cash Balances	245704723.00	212737416.00	-32967307	-13.41
Balances with banks	1240314469.31	1733164379.13	492849909.8	39.73
Investments	10057846731.28	10992149542.28	934302811	9.28
Advances	32012084245.35	35026490035.18	3014405790	9.41
Other Assets	1777773254.62	2675595992.90	897822738.3	50.50
Total Current Assets	45333723422.1	50640137365.5	5306413944	11.70
Total Assets	45559816907.2	50869654423.2	5309837516.1	11.65
Liabilities:				
Share Capital	1701191585.59	1927583138.64	226391583	13.30
Reserves and Surplus	1483287449.69	1609449052.02	126161602.3	8.50
Total Capital	3184479035.28	3537032190.66	352553155.4	11.07
Deposits	19372521293.82	21836024762.59	2463503468.77	12.71
Borrowings	20254918504.00	21741141787.00	1486223283	7.33
Other Liabilities and Provision	2747898074.13	3755455682.91	1007557609	36.66
Total Liabilities	45559816907.23	50869654423.2	5309837516	11.65

Interpretation:

Data interpreted from the above table indicate that in 2019-2020 there is a slight rise in fixed assets(1.51%)while cash balances decreased to (13.41%). Liabilities saw overall increase including share capital (13.30%) and deposits (12.71%).Significant increases were identified in balances with banks (39.73%) and other assets (50.50%). These shifts indicate strategic adjustments in financing and investment strategies by the bank during this period.

Comparative Balance Sheet for the Period 2020 - 2021

Particulars	2020	2021	Increase/Decrease in rupees	Increase/Decrease in percentages
Assets:				
Fixed Assets	229517057.67	250872332.77	227915275.1	99.30
Current Assets:				
Cash Balances	212737416.00	457823848.00	245086432	115.20
Balances with banks	1733164379.13	1709765915.64	-23398463.49	-1.35
Investments	10992149542.28	15416595407.28	4424445865	40.25
Advances	35026490035.18	44516271842.30	9489781807.12	27.09

Other Assets	2675595992.90	2310299529.77	-365296463.1	-13.65
Total Current Assets	50640137365.5	64410756543	13770619177.5	27.19
Total Assets	50869654423.16	64661628875.76	13791974452.6	27.11
Liabilities:				
Share Capital	1927583138.64	2271473888.78	343890750.14	17.84
Reserves and Surplus	1609449052.02	1849797096.87	240348044.85	14.93
Total capital	3537032190.66	4121270985.65	584238794.99	16.51
Deposits	21836024762.59	27077203548.74	5241178786.15	24.00
Borrowings	21741141787.00	29405647515.00	7664505728	35.25
Other Liabilities and Provisions	3755455682.91	4057506826.37	302051143.46	8.04
Total Liabilities	50869654423.16	64661628875.76	13791974452.6	27.11

Interpretation:

The comparative balance sheet for 2020-2021 shows robust financial growth with increase in cash balances to 115.20% followed by investments (40.25%) and advances to 27.09%. despite a decrease in bank balances (1.35%) overall assets grew significantly. On the other side liabilities and share capital rose by 17.84% followed by reserves and surplus (14.93%), deposits by 24% and borrowings by 35.25% which indicate strong equity and increased financing activities by the bank.

Comparative Balance Sheet for The Period 2021 – 2022

Particulars	2021	2022	Increase/decrease in rupees	Increase/decrease in percentages
Assets:				
Fixed Assets	250872332.77	755377656.46	504505323.69	201.10
Current Assets:				
Cash Balances	457823848.00	518298253.00	60474405	13.20
Balances with banks	1709765915.64	2119656765.55	409890849.91	23.97
Investments	15416595407.28	19972278916.77	4555683509.49	29.55
Advances	44516271842.30	57420713658.30	12904441816	28.98
Other Assets	2310299529.77	2509009545.47	198710015.7	8.60
Total Current Assets	64410756543	82539957139.1	18129200596.1	28.14
Total Assets	64661628875.76	83295334795.55	18633705919.8	28.81
Liabilities:				
Share Capital	2271473888.78	2749912327.14	478438438.36	21.06
Reserves and Surplus	1849797096.87	2633985493.7	784188396.84	42.39
Total Capital	4121270985.65	5383897820.84	1262626835.19	30.63
Deposits	27077203548.74	29942443980.72	2865240431.98	10.58
Borrowings	29405647515.00	43510811891.00	14105164376	47.96
Other Liabilities and Provisions	4057506826.37	4458181102.98	400674276.61	9.87
Total Liabilities	64661628875.76	83295334795.55	18633705919.8	28.81

Interpretation:

The 2021-2022 balance sheet reveals substantial growth, with fixed assets increased by 201.10% and total assets by 28.81%. Liquidity improved with cash balances up 13.20% and bank balances up 23.97%. Share capital and reserves/surplus rose by 21.06% and 42.39%, respectively, while borrowings increased by 47.96%, indicating a stronger equity position and increased external financing.

Comparative Balance Sheet for The Period 2022 – 2023

Particulars	2022	2023	Increase/decrease in rupees	Increase/decrease in percentages
Assets:				
Fixed Assets	755377656.46	797738409.00	42360752.54	5.607
Current Assets:				
Cash Balances	518298253.00	383008558.00	-135289695	26.10
Balances with banks	2119656765.55	3304471068.24	1184814302.69	55.89
Investments	19972278916.77	20425200311.79	452921395.02	2.26
Advances	57420713658.30	68272928557.82	10852214899.52	18.89
Other Assets	2509009545.47	1461662498.00	1047347047.47	41.74
Total Current Assets	82539957139.1	93847270993.85	11307313854.75	13.69
Total assets	83295334795.55	94645009402.85	11349674607.3	13.62
Liabilities:				
Share Capital	2749912327.14	3516349641.14	766437314	27.87
Reserves and Surplus	2633985493.7	3041608685.18	407623191.48	15.47
Total Capital	5383897820.84	6557958326.32	1174060505.48	21.80
Deposits	29942443980.72	30543724021.29	601280040.57	2.008
Borrowings	43510811891.00	53336291896.00	9825480005	22.48
Other Liabilities and Provision	4458181102.98	4207035159.24	-251145942.8	5.633
Total Liabilities	83295334795.55	94645009402.85	11349674607.8	13.62

Interpretation:

The 2022-2023 balance sheet shows mixed financial health, with fixed assets rose to 5.60% and a 55.89% increase in bank balances, but a 26.10% drop in cash balances. Investments rose slightly by 2.26%, while advances increased by 18.89%. Share capital and reserves/surplus grew by 27.87% and 15.47%, respectively, and borrowings by 22.48%, reflecting increased external financing. However, a 41.74% drop in other assets and a 5.63% decrease in other liabilities highlight areas needing attention.

Common Size Balance Sheet for the Period 2018 - 2019

Particulars	2018	Percentages%	2019	Percentages%
Assets:				
Fixed Assets	185601056.67	0.46	226093483.67	0.49
Current Assets:				
Cash Balances	183820500.00	0.72	245704723.00	0.53
Balances with banks	1278076180.06	4.60	1240314469.31	2.72
Investments	8631670187.28	28.01	10057846731.28	22.07
Advances	25678292642.09	62.36	32012084245.35	70.26
Other Assets	1381947306.83	3.82	1777773254.62	3.90

Total Current Assets	37153806816.3	99.53	45333723423.6	99.50
Total Assets	37339407872.93	100	45559816907.23	100
Liabilities:				
Share Capital	1391827261.15	3.52	1701191585.59	3.73
Reserves and Surplus	1360913674.23	3.75	1483287449.69	3.25
Total Capital	2752740935.38	7.28	3184479035.28	6.98
Deposits	17321427748.88	52.37	19372521293.82	42.52
Borrowings	15152426542.00	34.77	20254918504.00	44.45
Other Liabilities and Provision	2112812646.67	5.56	2747898074.13	6.03
Total Liabilities	37339407872.93	100	45559816907.23	100

Interpretation:

The 2018-2019 common size balance sheet show notable shifts: fixed assets rose to 0.49%, cash balances dropped to 0.53%, and bank balances fell to 2.72%. Investments decreased to 22.07%, while advances increased to 70.26%. On the liabilities side, share capital grew to 3.73%, reserves/surplus decreased to 3.25%, and borrowings rose to 44.45%. Deposits fell significantly to 42.52%, indicating a shift in funding strategies.

Common Size Balance Sheet for the Period 2019 – 2020

Particulars	2019	Percentages%	2020	Percentages%
Assets:				
Fixed Assets	226093483.67	0.49	229517057.67	0.45
Current Assets:				
Cash Balances	245704723.00	0.53	212737416.00	0.41
Balances with banks	1240314469.31	2.72	1733164379.13	3.40
Investments	10057846731.28	22.07	10992149542.28	21.60
Advances	32012084245.35	70.26	35026490035.18	68.85
Other Assets	1777773254.62	3.90	2675595992.90	5.25
Total Current Assets	45333723422.1	99.50	50640137365.5	99.54
Total Assets	45559816907.2	100	50869654423.2	100
Liabilities:				
Share Capital	1701191585.59	3.73	1927583138.64	3.78
Reserves and Surplus	1483287449.69	3.25	1609449052.02	3.16
Total Capital	3184479035.28	6.98	3537032190.66	6.95
Deposits	19372521293.82	42.52	21836024762.59	42.92
Borrowings	20254918504.00	44.45	21741141787.00	42.73
Other Liabilities and Provision	2747898074.13	6.03	3755455682.91	7.38
Total Liabilities	45559816907.23	100	50869654423.2	100

Interpretation:

The 2019-2020 common size balance sheet shows shifts in financial structure. Fixed assets decreased to 0.45%, and cash balances dropped to 0.41%, while bank balances rose to 3.40%. Investments slightly decreased to 21.60%, and advances fell to 68.85%. On the liabilities side, share capital and reserves/surplus increased, deposits rose to 42.92%, borrowings decreased to 42.73%, and other liabilities grew to 7.38%.

Common Size Balance Sheet for the Period 2020 – 2021

Particulars	2020	Percentages%	2021	Percentages%
Assets:				
Fixed Assets	229517057.67	0.45	250872332.77	0.38
Current Assets:				
Cash Balances	212737416.00	0.41	457823848.00	0.70
Balances with banks	1733164379.13	3.40	1709765915.64	2.64
Investments	10992149542.28	21.60	15416595407.28	23.84
Advances	35026490035.18	68.85	44516271842.30	68.84
Other Assets	2675595992.90	5.25	2310299529.77	3.57
Total Current Assets	50640137365.5	99.54	64410756543	99.61
Total Assets	50869654423.16	100	64661628875.76	100
Liabilities:				
Share Capital	1927583138.64	3.78	2271473888.78	3.51
Reserves and Surplus	1609449052.02	3.16	1849797096.87	2.86
Total Capital	3537032190.66	6.95	4121270985.65	6.37
Deposits	21836024762.59	42.92	27077203548.74	41.87
Borrowings	21741141787.00	42.73	29405647515.00	45.47
Other Liabilities and Provision	3755455682.91	7.38	4057506826.37	6.27
Total Liabilities	50869654423.16	100	64661628875.76	100

Interpretation:

The 2020-2021 common size balance sheet shows increased liquidity with cash balances rising to 0.70% and investments growing to 23.84%. Fixed assets decreased to 0.38%, and bank balances fell to 2.64%. On the liabilities side, share capital and reserves/surplus dropped to 3.51% and 2.86%, while borrowings increased to 45.47%. Deposits slightly decreased to 41.87%. These shifts indicate a focus on liquidity and investments, with a higher reliance on borrowed funds.

Common Size Balance Sheet for the Period 2021 – 2022

Particulars	2021	Percentages%	2022	Percentages%
Assets:				
Fixed Assets	250872332.77	0.38	755377656.46	0.90
Current Assets:				
Cash Balances	457823848.00	0.70	518298253.00	0.62
Balances	1709765915.64	2.64	2119656765.55	2.54
Investments	15416595407.28	23.84	19972278916.77	23.97
Advances	44516271842.30	68.84	57420713658.30	68.93
Other Assets	2310299529.77	3.57	2509009545.47	3.01
Total Current Assets	64410756543	99.61	82539957139.1	99.09
Total Assets	64661628875.76	100	83295334795.55	100
Liabilities:				
Share Capital	2271473888.78	3.51	2749912327.14	3.30
Reserves and Surplus	1849797096.87	2.86	2633985493.7	3.16
Total Capital	4121270985.65	6.37	5383897820.84	6.46

Deposits	27077203548.74	41.87	29942443980.72	35.94
Borrowings	29405647515.00	45.47	43510811891.00	52.23
Other Liabilities and Provision	4057506826.37	6.27	4458181102.98	5.35
Total Liabilities	64661628875.76	100	83295334795.55	100

Interpretation:

The 2021-2022 common size balance sheet shows fixed assets rising to 0.90% of total assets, while cash and bank balances slightly decreased. Investments grew marginally to 23.97%, and advances remained stable. On the liabilities side, share capital fell to 3.30%, but reserves/surplus increased to 3.16%, slightly boosting total capital. Deposits dropped significantly to 35.94%, while borrowings increased to 52.23%, indicating higher reliance on borrowed funds.

Common Size Balance Sheet for the Period 2022– 2023

Particulars	2022	Percentages%	2023	Percentages%
Assets:				
Fixed Assets	755377656.46	0.90	797738409	0.84
Current Assets:				
Cash Balances	518298253.00	0.62	383008558	0.40
Balances	2119656765.55	2.54	3304471068.24	0.34
Investments	19972278916.77	23.97	20425200311.79	21.58
Advances	57420713658.30	68.93	68272928557.82	72.13
Other Assets	2509009545.47	3.01	1461662498	1.54
Total Current Assets	82539957139.1	99.09	93847270993.8	99.15
Total Assets	83295334795.55	100	94645009402.85	100
Liabilities:				
Share Capital	2749912327.14	3.30	3516349641.14	3.71
Reserves and Surplus	2633985493.7	3.16	3041608685.18	3.21
Total Capital	5383897820.84	6.46	6557958326.32	6.92
Deposits	29942443980.72	35.94	30543724021.29	32.27
Borrowings	43510811891.00	52.23	53336291896	56.35
Other Liabilities and Provision	4458181102.98	5.35	4207035159.24	4.44
Total Liabilities	83295334795.55	100	94645009402.85	100

Interpretation:

In 2022-2023, the balance sheet reflects reduced fixed assets, lower cash and bank balances, and decrease in investments while advances increased, deposits declined and borrowings rose significantly, highlighting a shift towards debt financing. Total capital increased slightly, driven by growth in share capital and reserves/surplus.

4. FINDINGS

- In 2018-2019 strong growth is due to 21.81% increase in fixed assets and 22.01% rise in current assets, driven by higher cash, investments, and advances.
- In 2019-2020 moderate growth is due to slight rise in fixed assets (1.51%) amid decreased cash balances (-13.41%) and increased bank balances (39.73%), with strategic shifts in financing.
- In 2020-2021 robust expansion is due to notable increases in cash (115.20%) and investments (40.25%), despite minor dips in bank balances (1.35%), reflecting active financing strategies.
- In 2021-2022, significant growth in fixed assets (201.10%), improved liquidity (13.20% increase in cash), and increased borrowings (47.96%) demonstrated a strengthened financial position.
- In 2022-2023, mixed performance was observed with varied asset changes, higher bank balances (55.89%), and increased borrowings (22.48%), highlighting evolving financial strategies.

- Common Size 2018-2019 shows a 0.49% increase in fixed assets and a 0.53% reduction in cash, along with higher borrowings and decreased deposits, indicating strategic funding adjustments.
- Common Size 2019-2020 shows a decrease in fixed assets by 0.45% and cash by 0.41%, along with an increase in bank balances by 3.40% and increased reserves, indicating financial restructuring.
- Common Size 2020-2021 shows a 0.70% increase in cash, 23.84% increase in investments, higher borrowings, and decreased deposits, focusing on liquidity management.
- Common Size 2021-2022 shows a 0.90% growth in fixed assets, stable investments at 23.97%, decreased deposits, and increased borrowings, indicating strategic financing.
- Common Size 2022-2023 shows reduced assets, lower cash and bank balances, and higher borrowings, highlighting a shift towards debt financing and financial adjustments.

5. SUGGESTIONS

- ✓ Capitalize on growth trends by leveraging the strong asset growth in 2018-2019 and 2020-2021 to facilitate further market expansion.
- ✓ Optimize cash flow by improving cash management strategies amidst varying balances from 2019-2020 to 2022-2023.
- ✓ Expand investment portfolios by building on increased investments in 2018-2019 and 2020-2021 to diversify and enhance returns.
- ✓ Strengthen financial resilience by utilizing the asset and liquidity gains from 2021-2022 to fortify the financial position.
- ✓ Adapt to market dynamics by responding agilely to mixed performance and asset changes in 2022-2023.

6. CONCLUSION

The bank experienced dynamic financial performance from 2018 to 2023, marked by periods of strong growth driven by increased assets and strategic shifts in financing. While robust expansion in 2020-2021 strengthened liquidity and investments, 2022-2023 showed mixed results with evolving financial statements. Moving forward, optimizing cash flow, expanding investments, and adapting to market changes will be crucial for sustaining growth and resilience.

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