**A Paper on Financial Analysis through Comparative and Common size statements in KDCC Bank, Machilipatnam**

*Sai Sushmitha. S, Roll No: 22481E0054, Department of Business and Management Studies, Seshadri Rao Gudlavalleru Engineering College*

**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, orby 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.

**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.

1. **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.

**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.
* Toestimate 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.
* Toevaluate 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.

**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.

Top of Form

Bottom of Form

**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.

**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.

**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.

**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.

**References:**

* **Mishra, R. K., & Rao, K. N. (2016). A Comparative Analysis of Financial Performance of Selected Indian Banks Using Ratio Analysis.** International Journal of Engineering, Management & Sciences, 1(6), 237-243.
* **Sapovadia,V. K. (2007). Ratio Analysis: Financial Benchmarks for the Club (Cooperative Banks).** SSRN Electronic Journal.
* **Chander, S., & Mittal, R. K. (2015). Financial Performance Analysis of Regional Rural Banks - A Case Study of Karnataka Vikas Grameen Bank.** Journal of Commerce and Accounting Research, 4(4), 14-22.
* **Gupta, N., & Sharma, P. (2017). Comparative Analysis of Financial Performance of Urban Cooperative Banks in India: A Case Study of Jaipur Central Cooperative Bank Ltd.** International Journal of Research in Finance and Marketing, 7(1), 15-22.
* Adapting to Change: Change Management Strategies and Challenges in Modern Pharmacy Organizations - International Journal of Chemical and Biochemical Sciences **(Scopus Indexed)** (IJCBS), 25(13) (2024), (ISSN 2226-9614) pp. 340-347.
* An Empirical Study on Consumers Buying Patterns and Perceptual Factors with Respect to Private Label Brands (PLB’s). Journal of Management & Entrepreneurship ISSN: 2229-5348 UGC Care Group 1 Journal. Vol. 16, No.4 (II), October - December 2022. pp. 151-163.
* The Impact of Pandemic on Brand Promotion Management in India - A Review. Journal for Basic Sciences. ISSN NO: 1006-8341 Volume 23, Issue 5, 2023. pp. 159-167.
* Role of Artificial Intelligence in Digital Marketing- A Review. Neuro Quant ology | August 2022 | Volume 20 | Issue 8 | Page 4188-4194 | doi: 10.14704/nq.2022.20.8.NQ44452.
* A Study on Determinants of Consumer’s Purchase Intention towards PLB’s of FMCG/ Grocery Retail. Neuro Quant ology | August 2022 | Volume 20 | Issue 10 | Page 1591-1595 | doi: 10.14704/nq.2022.20.10.NQs55142.
* G.Kamal, A Study on Financial Performance using Ratios of KCP Sugars and I C Limited, Andhra Pradesh”. The International Journal of Analytical and Experimental Model Analysis. Volume XIII, Issue VIII, August/2021, pp 1356-1363, ISSN: 0886-9367.
* G.Kamal, A Study on Funds Flow Statement in and Organization using Data Analysis” Journal of Education: Rabindrabharati University, Vol.: XXIII, No. : 7, 2020– 2021, pp 187-192, ISSN: 0972-7175.
* G. Kamal and Kumar, T. Hemanth and Susmitha, K., Linkage of Indian Equity Market with Developed Economies Equity Markets (September 14, 2022). Available at SSRN: <https://ssrn.com/abstract=4218617> or <http://dx.doi.org/10.2139/ssrn.4218617>.

**Text Books:**

* Fridson, M. S., & Alvarez, F. (2011). Financial Statement Analysis: A Practitioner's Guide. Wiley.
* Gibson, C. H. (2012). Financial Reporting and Analysis: Using Financial Accounting Information. South-Western Cengage Learning.
* Penman, S. (2012). Financial Statement Analysis and Security Valuation. McGraw-Hill Education.
* Kieso, D. E., Weygandt, J. J., & Warfield, T. D. (2019). *Intermediate Accounting*. Wiley.

**Websites:**

* **The Kaira District Central Co-operative Bank Ltd. (KDCC Bank) Official Website**  
  [KDCC Bank](https://www.kdccbank.com)
* **KDCC Bank Net Banking Portal**  
  [KDCC Bank Net Banking](https://www.netbanking.kdccbank.in)