

SUMMER PROJECT REPORT

**“AN ANALYTICAL STUDY OF FINANCIAL STATEMENT OF
THE SADGURU SAHAKARI PATSANSTHA, NAGPUR”**

Submitted to:

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

Submitted by:

Ms. Nilima Ramteke

Company Guide:

Ms. Usha Nimbadkar

Faculty Guide:

Dr. Ashwini Purohit

**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited “A” Grade Institution**



Academic Year 2019-20



CERTIFICATE

This is to certify that the investigation described in this report titled “**An Analytical Study of Financial Statement of the Sadguru Sahakari Patsanstha, Nagpur**”, has been carried out by **Ms. Nilima Ramteke** during the summer internship project. The study was done in the organisation, **Sadguru Sahakari Patsanstha**, in partial fulfillment of the requirement for the degree of Master of Business Administration of **R. T. M. Nagpur University, Nagpur**.

This work is the own work of the candidate, complete in all respects and is of sufficiently high standard to warrant its submission to the said degree.

The assistance and resources used for this work are duly acknowledged.

Dr. Ashwini Purohit (Director)

CERTIFICATE

(Attach a PHOTOCOPY of a certificate issued by the company)

सदगुरु बिगर शेती सहकारी पतसंस्था मर्यादित हुडकेश्वर; नागपूर.
पंजीयन क्र. एन.जी.पी./अ.आर.एन./आर.एस.आर./सी.आर./१९५२/२००२
५, स्वस्तिक अपार्टमेंट, हुडकेश्वर रोड, नागपूर-४४००३४.
* अध्यक्ष : श्री. संजय भ. खडसे * व्यवस्थापिका : सौ. उषा. अ. निंबाळकर

—: उपाध्यक्ष :—
श्री. दामोदर स. बुरघाटे

—:संचालक:—
श्री. भगवान भा. मेंडे

—:संचालक:—
श्री. अरूण ल. आकरे

—:संचालक:—
श्री. मनोहर गु. वाडबुधे

—:संचालक:—
श्री. अमित रा. इगोले

—:संचालक:—
श्री. मनिष अ. सावरबांधे

—:संचालक:—
श्री. अनिकेत अ. जांभूळकर

—:संचालिका:—
सौ. मिना सं. खडसे

—:संचालिका:—
सौ. सुनंदा सु. ढोके

जावक क्रमांक 10

दिनांक: 23/09/2020

CERTIFICATE

This is to certify that Miss. Nilima Jaydeo Ramteke student of MBA (Financial Management) from G.S. College of Commerce & Economice Nagpur has completed the Summer Internship Project in our bank from 10/06/2020 to 15/07/2020.

During this period she had under taken study of subject i.e. " A study of Financial Management" in " The Sadguru Bigar Sheti Sahkari Patsanstha Maryadit Hudkeshwar Nagpur."

Her performance was found satisfactory and completed training successfully.

(Smt. व्यवस्थापिका) mbalkar
सदगुरु बिगर शेती सहकारी पत संस्था
The हुडकेश्वर पत संस्था नागपूर
Sahkari Patsanstha Maryadit
Hudkeshwar Nagpur

सदगुरु बिगर शेती सहकारी पत संस्था मर्यादित हुडकेश्वर जि. नागपूर

२३/०९/२०२०

ACKNOWLEDGEMENT

It is a matter of pride and privilege for me to have done a summer internship project in “**Sadguru Sahakari Patsanstha**” and I am sincerely thankful to them for providing this opportunity to me.

I am thankful to “**Ms. Usha Nimbadkar**” for guiding me through this project and continuously encouraging me. It would not have been possible to complete this project without his / her support.

I am also thankful to all the faculty members of Department of Management Sciences and Research, G S College of Commerce and Economics, Nagpur and particularly my mentor “**Dr. Ashwini Purohit**” for helping me during the project.

Finally, I am grateful to my family and friends for their unending support.

(Name and Signature of the Student)

Index (Table of Contents)

Sr. No.	Particulars	Page No.
1	Introduction	
2	Company profile	
3	Terminologies	
4	Objective of study	
5	Scope of study	
6	Need of study	
7	Contribution during SIP	
8	Limitations	
9	Research methodology	
10	Findings	
11	Conclusion	
12	Suggestion	
13	Bibliography	

(If a specific project was allotted to you then you need to prepare the following: 1. Title of the project allotted, 2. Objectives of the project, 3. Research methodology adopted – Sampling method and sample size, data collection tools used, etc. 3. Analysis and interpretation of the data collected)

B) FINDINGS AND SUGGESTIONS

C) CONCLUSION

Appendix

Bibliography

INTRODUCTION

FINANCIAL STATEMENT ANALYSIS

Financial Analysis consist major two aspect of Financial Report Analysis which consist

❖ Ratio Analysis

❖ Net Working Capital Analysis

RATIO ANALYSIS

Financial analysis is the process of identifying the financial strengths and weaknesses of the firm and establishing relationship between the items of the balance sheet and profit & loss account.

Financial ratio analysis is the calculation and comparison of ratios, which are derived from the information in a company's financial statements. The level and historical trends of these ratios can be used to make inferences about a company's financial condition, its operations and attractiveness as an investment. The information in the statements is used by

- Trade creditors, to identify the firm's ability to meet their claims i.e. liquidity position of the company.
- Investors, to know about the present and future profitability of the company and its financial structure.
- Management, in every aspect of the financial analysis. It is the responsibility of the management to maintain sound financial condition in the company.

The term "Ratio" refers to the numerical and quantitative relationship between two items or variables. This relationship can be exposed as

- Percentages
- Fractions
- Proportion of numbers

Ratio analysis is defined as the systematic use of the ratio to interpret the financial

statements. So that the strengths and weaknesses of a firm, as well as its historical performance and current financial condition can be determined. Ratio reflects a quantitative relationship helps to form a quantitative judgment.

STEPS IN RATIO ANALYSIS

- The first task of the financial analysis is to select the information relevant to the decision under consideration from the statements and calculates appropriate ratios.
- To compare the calculated ratios with the ratios of the same firm relating to the past or with the industry ratios. It facilitates in assessing success or failure of the firm.
- Third step is to interpretation, drawing of inferences and report writing conclusions are drawn after comparison in the shape of report or recommended courses of action.

BASIS OR STANDARDS OF COMPARISON

Ratios are relative figures reflecting the relation between variables. They enable analyst to draw conclusions regarding financial operations. They use of ratios as a tool of financial analysis involves the comparison with related facts. This is the basis of ratio analysis. The basis of ratio analysis is of four types.

- Past ratios, calculated from past financial statements of the firm.
- Competitor's ratio, of the some most progressive and successful competitor firm at the same point of time.
- Projected ratios, ratios of the future developed from the projected or proforma financial statements

NATURE OF RATIO ANALYSIS

Ratio analysis is a technique of analysis and interpretation of financial statements. It is the process of establishing and interpreting various ratios for helping in making certain decisions. It is only a means of understanding of financial strengths and weaknesses of a firm. There are a number of ratios which can be calculated from the information given in the financial statements, but the analyst has to select the appropriate data and calculate only a few appropriate ratios. The following are the four steps involved in

the ratio analysis.

- Selection of relevant data from the financial statements depending upon the objective of the analysis.
- Calculation of appropriate ratios from the above data.
- Comparison of the calculated ratios with the ratios of the same firm in the past, or the ratios developed from projected financial statements or the ratios of some other firms or the comparison with ratios of the industry to which the firm belongs.

COMPANY PROFILE

Sadguru Sahakari Patsanstha

TERMINOLOGY



OBJECTIVE

- To understand the liquidity, profitability and efficiency positions of the company during the study period.
- To evaluate and analyze various facts of the financial performance of the company.
- To make comparisons between the ratios during different periods.

SCOPE & NEED

The scope of the study is limited to collecting financial data published in the annual reports of the company every year. The analysis is done to suggest the possible solutions. The study is carried out for 2 years. The present study is confined to only Sadguru Sahakari Patsanstha.

CONTRIBUTION DURING SIP

Sr.	Task	Duration	Week
1	Corporate Profile: Sadguru Sahakari Patsanstha	1 th June - 7 th June	Week - 1
2	Introduction to Finance	8 st June - 15 rd June	Week - 2
3	Objective & Purpose of Financial Statement	16 th June - 23 th June	Week - 3
8	Study of role of accepting authority	24 th June - 1 th July	Week - 4
9	The process of Ration Analysis	2 th July - 8 th July	Week - 5
10	Final Process	8 July – 15 July	Week - 6

LIMITATION

The following are the limitation of the study

1. The study was limited to only 2 years Financial Data.

2. The study is purely based on secondary data which were taken primarily from Published annual reports of **Sadguru Sahakari Patsanstha**.

RESEARCH METHODOLOGY

METHODOLOGY

The main aim of the study is to know the financial performance of the Sadguru Sahakari Patsanstha, Nagpur.

Research

Any efforts which are directed to study of strategy needed to identify the problems and selection of best solutions for better results are known as research.

Research Design

In view of the objects of the study listed above an exploratory research design has been adopted. Exploratory research is one which is largely interprets and already available information and it lays particular emphasis on analysis and interpretation of the existing and available information.

- A. To know the financial status of the company.
- B. To know the credit worthiness of the company.
- C. To offer suggestions based on research finding.

DATA ANALYSIS AND INTERPRETATION

1. LIQUIDITYRATIO'S

A. *CURRENT RATIO*

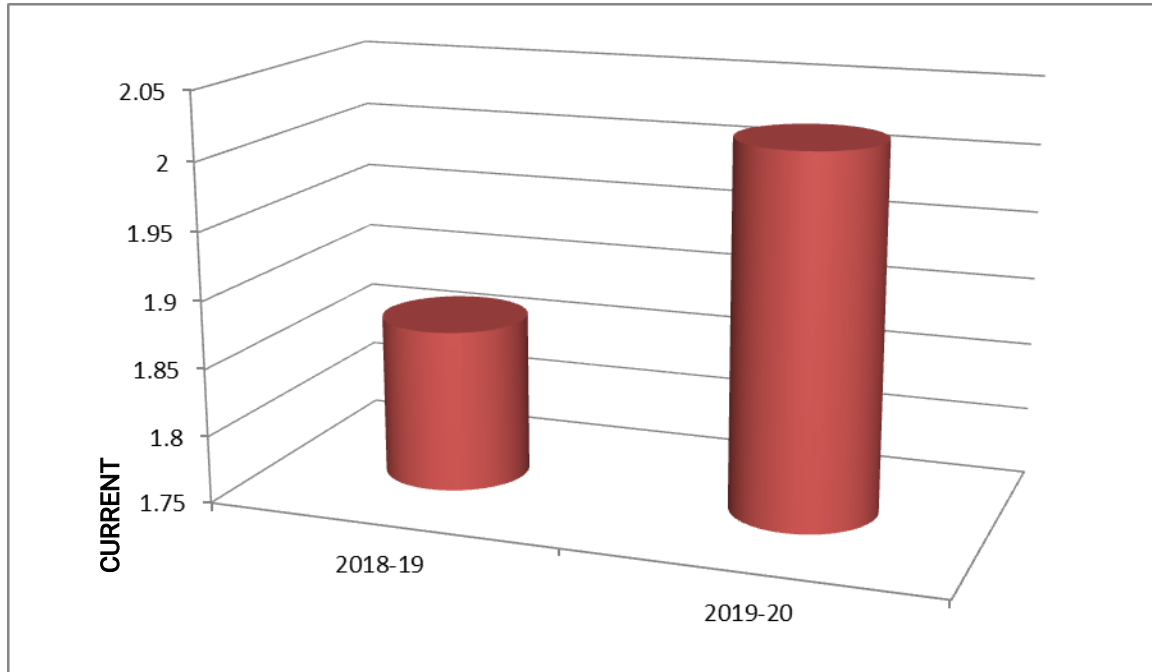
The current ratio is the between all current assets and all current liabilities; another way of expressing liquidity. It is a measure of the firm's short-term solvency. It indicates the availability of current assets in rupees for every one rupee of current liability. A ratio of greater than one means that the firm has more current assets than current claims against them.

$$\text{CURRENTRATIO} = \frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITIES}}$$

Table: 1.1

YEAR	CURRENT RATIO
2018-19	1.87
2019-20	2.02

CHART: 1.1: CURRENT RATIO



INTERPRETATION:

During the year 2018-19 the current ratio is 1.87 and increased to 2.02 in 2019-20. The ratio above was standard except in the year 2019. So the ratio was satisfactory.

B. QUICKRATIO

Quick ratio establishes a relationship between quick, or liquid, assets and current liabilities. An asset is liquid if it can be converted into cash immediately or reasonably soon without a loss of value.

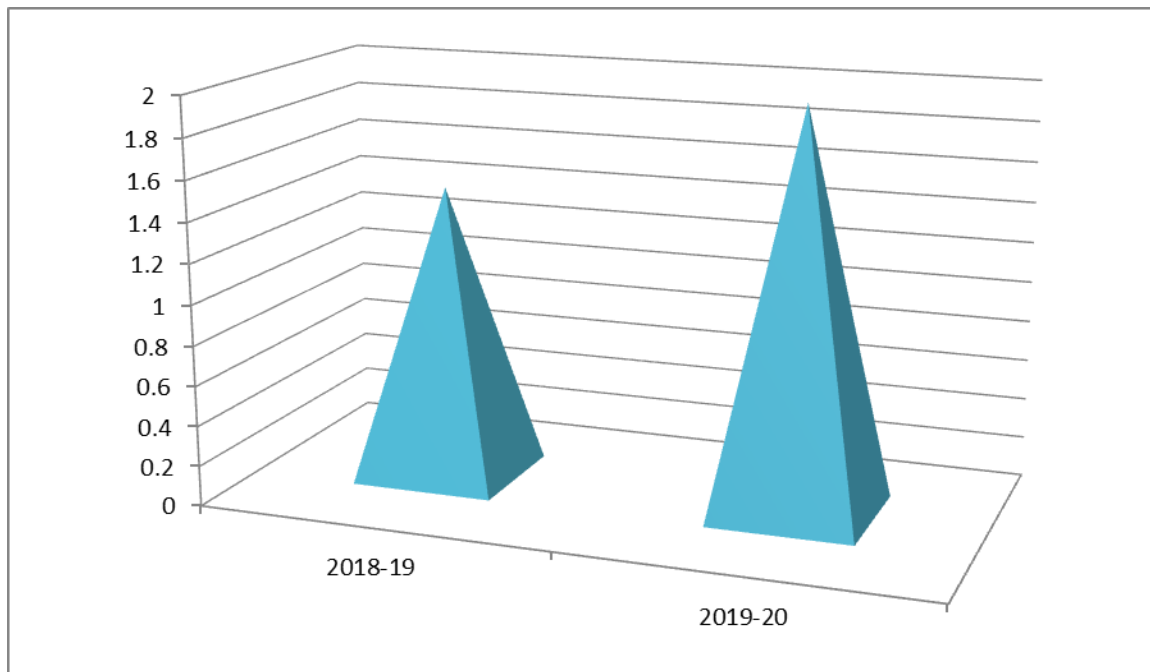
$$\text{QUICKRATIO} = \frac{\text{QUICK ASSETS}}{\text{CURRENT LIABILITIES}}$$

TABLE: 1.2

YEAR	QUICK RATIO
2018-19	1.46
2019-20	1.98

QUICK

CHART 1. 2: QUICK RATIO



INTERPRETATION:

The standard form of a quick ratio is 1:1. Quick ratio is in the year 2018-19 to 1.46 and it has increased to 1.98 in the year 2019-20. However, the ratio is more than the standard norms, so it is satisfactory.

CONCLUSIONS

From the above analysis of the company's financial statements it's concluded that the company's financial position is good because the company's leverage, activity and profitability positions are good and the company have to increase its liquidity position for better performance in future.

SUGGESTION

- ▶ The company has to increase the profit maximization and has to decrease the operating expenses.
- ▶ By considering the profit maximization in the company the earning per share, investment and working capital also increases. Hence, the outsiders are also interested to invest.
- ▶ The company should maintain sufficient cash and bank balances; they should invest the idle cash in marketable securities or short term investments in shares, debentures, bonds and .

BIBLIOGRAPHY

REFERRED BOOKS

- FINANCIAL MANAGEMENT - R. P. RUSTOGI
- FINANCIAL MANAGEMENT - I. M. PANDEY
- MANAGEMENT ACCOUNTANCY - PILLAI & BAGAVATI
- MANAGEMENT ACCOUNTING – SHARMA & GUPTA

INTERNET SITE

- www.ercap.org
- www.wikipedia.com