Chapter-VI

Summary Findings and Conclusion
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Introduction

The research study should be organized on the assumption that not every one will want to read all of it consequently, a report should unfold like a newspaper article a summary of the most important information appearing first and the detailed story following. The research study should be with a brief summary of the findings of the study and of the conclusion and recommendation the researcher has made. The remainder of the report should provide detailed discussion of these points, of the research process, and of how the former have been derived from the latter. Although this section may be quite short in comparison to the body of the report it is perhaps the most difficult part to prepare. This is because the researcher must distill the essentials from a technical research effort and present them in a style, which catches the imagination of a reader. The findings section constitutes the major part of a report. It should present the essential details of the statistical analysis. Because of the technical nature of the material, its organization and presentation are critical and should depend upon the type of report. In any case description of chance accidental discoveries called (‘serendipity’) should be avoided.
SUMMARY

Financial statements are the primary information's provider about the business concern. With the help of the F.S one can easily understand the financial position, operational position and profitability position of the business concern.

A study on financial statement Analysis of Lakshmi Vilas Bank ltd during the year 2001-2006 with the objectives of measure the financial position analysis the liquidity position, profitability poison and make an effective suggestions are the major objectives of the study.

Both primary and secondary data were collected for this project work and collected data are arranged with the help of statistical tools such as Tables, Ratio, etc.

Financial statements are prepared primarily for decision making purpose of the business concern. It is the process of identifying the financial strength and weakness of the concern by properly establishing relationship between the profit & loss account and balance sheet.


Review of literature brings the idea about the Financial Statement Analysis of different companies by various researchers. Related
information and studies are varying useful to take decision and make suggestions of the current and future studies.

Indian banking industries growing with multidimensional approaches. Presently Indian banking industries are allowing 49% FDI for their business development and diversification activities. Banks are performing not only traditional function but also modern functions such as ATM, e-banking, any where banking, credit cards, etc. apart from this, banks are concentrate financial services activities also.

Lakshmi Vilas Bank Ltd was established in 1926. Now it has many branches all over India. 33 branches in metro Politan, 55 branches in urban places, 93 branches in S-U places and 43 branches in rural places.

Lakshmi Vilas Bank Ltd mobalised deposits of Rs. 409.99 crores through demand deposits, Rs. 437.73 crores through savings account and Rs. 2448.09 crores through term deposits. Totally it has collected Rs. 3295.81 crores.

Lakshmi Vilas Bank also provides advances to various industrial and priority sectors. 44.22% of advances given to manufacturing sector, 27.47% of advances given to trade and service sectors. Agricultural sector gained 9.24% of the advances Rs. 2038.70 crores has been given as advances during the year 2005-06.
Banking operational and financial performance has been increased from one year to another. Some of the statistics are given deposits increased by 19%, advance increased by 16%, profit unused by 14%, N.P increased by 20% etc.

Presently more than 1946 employees are working in The Lakshmi Vilas Bank Ltd in various branches all over the India.

Lakshmi Vilas Bank Ltd applying information technology in their business activities. It play a major role in Lakshmi Vilas Bank Ltd. Majority of the Bank’s branches are computerised and remaining are yet to be computerised.

Analysis and discussion part are the major part of any king of Research/Project work. In this project work, analysis and discussion part are dissalk into financial position, liquidity position and profitability position of the Lakshmi Vilas Bank Ltd.

Comparative Balance sheet of Lakshmi Vilas Bank Ltd shows that, there is an increasing trend of capital and liability and assets. The amt increased form Rs. 2, 31, 16, 756 in 2001-2002 to Rs. 3, 82, 13, 506 in 2005-06.
Income also has been increased form Rs. 28, 21,713 lakhs in 2001-02 to Rs. 37, 28,168 lakhs in 2005-06. The expenditure has been raised from Rs. 25, 58,152 lakhs in 2001-02 to Rs. 33, 17, 683 lakhs in 2005-06.

Cash flow for the year 2001-02 was recorded Rs. 3,11,191 lakhs but it has reduced to 16,615 lakhs in 2004-05 and again raised to Rs. 4, 71, 502 lakhs in 2005-06.

Statement of progress of the Lakshmi Vilas Bank Ltd. Clearly recorded on the operational and financial performance during the year 2001-2006. there is no charges in paid up capital but there is an increasing trends in Reserve Fund, Deposits, Advances, Investments, Net Profits, Book Value, market price and Dividend Per Share etc.

Liquidity position of the Lakshmi Vilas Bank Ltd consist of Current Ratio, Liquid Ratio, operating ratio, composition of Current Assets, composition of Fixed Asset etc.

Higher Current Ratio was recorded in the year 2001-2002 is 2.36 percent and lower Current ratio was 1.04 percent in 2005-06. Average
Current Ratio of the Lakshmi Vilas Bank Ltd, during the study period is 1.63 percent.

A liquid of lakshmi vilas bank ltd during the study period is 1.19 percent and the lowest Current Ratio was recorder in the year 2005-06 is 0.86 percent.

Operating Ratio of lakshmi Vilas Bank Ltd during the study period 2001-2006, Ranking from 8.45 percent to 11.01 percent. The average Operating Ratio is 9.41 percent.

Current Assets consist of cash and balance with Reserve Bank of India balances with banks and money at call and short notice, majority of the Current Assets belongs to cash & balance with Reserve Bank of India.

Premises, lease other fixed assets are the major composition of fixed assets of the Lakshmi Vilas Bank Ltd during the study period 2001-2002 to 2005-06. Total Fixed Assets in the year 2005-06 is Rs.3,13,135 lakhs as against Rs.2,82,269 lakhs in the year 2001-2002.

Relationship between Current Asset and Fixed Asset of Lakshmi Vilas Bank Ltd during the year 2001-2002 was 10.65 percent but it was reduced to year-by-year and finally touched with 7.79 percent in the year 2004-05. The Average Current assets to Fixed Assets is 8.98 percent.

Profitability position consists of Net Profit Ratio, Fixed Assets to Income, Earning per Share, Debt Equity Ratio, Market Price per Share, and Dividend Per Share etc.
9.34 percent as Net Profit Ratio in 2001-2002 but it has reduced to 8.63 percent in 2002-03 and again reduced to 8.45 percent in 2004-05. In 2004-05 Net Profit Ratio is 9.62 percent and again increased to 11.01 in 2005-06. The Average Net Profit Ratio is 9.41 percent.

The Average Ratio of Fixed Assets to Income during the study period is 0.08 percent.

Highest Earning per Share was 35.67 lakhs in 2005-06 and lowest Earning per Share recorded was 22.90. The Average Earning per Share is 27.55 lakhs.

Normal Debt Equity Ratio of Lakshmi Vilas Bank ltd during the study period is 1.01 percent. Market Price Per Share has been rising from one year to another year regularly. The Average Market Price per Share is 58.68 percent.

Constant Dividend per Share has been recorded (5.00) during the year 2003-04 to 2005-06. The Average Dividend per Share is Rs.4.80 lakhs.
FINDINGS

- Lakshmi Vilas Bank Ltd achieved higher growth of deposits in the year 2005-06. Rs. 3295.81 crores mobilized from deposits. It shows their deposits mobilisation habits have been good. Rs. 2038.70 crores distributed as advances to various sectors. But Agriculture sectors advances recorded only 9.24 percent. It should be increased in future period.

- There is an increasing trends in the field of deposits advances, investment, Net Profit, Operating Profit etc. Each part is increased more than 14 percent to 20 percent from the previous year performance.

- Lakshmi Vilas Bank Ltd adopted computerizations process so it has only 1946 employes in all branches.

- Income & expenditure of the lakshmi Vilas Bank Ltd has been increased from one year to another year. It shows the positive result of the banking operations.

- Average Current Ratio of Lakshmi Vilas Bank Ltd during the study period is 1.63 percent. Significant Current Ratio is 2.1. It is more or less same, significant Liquid Ratio is 1.1 but Lakshmi Vilas Bank Ltd Average Liquid Ratio is 0.86 percent. It is also acceptable.

- Average Operating Ratio of Lakshmi Vilas Bank Ltd is 9.41 percent; the Bank may increase the Operating Profit to 15 to 20 percent in future period.
• Net Profit Ratio of Lakshmi Vilas Bank Ltd is 9.41 percent. It is also not significant ratio. The Bank can increase the Net Profit Ratio.

• Good Earning per Share recorder in the year 2001-2002 to 2005-06. There is a continues growth of Lakshmi Vilas Bank Ltd will increase.

• Market Price Per share also has been increased from one year to another year. There is a possibility of increasing Market Price per Share in future.

• Dividend per Share is not satisfactory level. Banks maintain only uniform Rate of Dividend per Share. It should increase in future period.

• Over all position of the Lakshmi Vilas Bank Ltd during the study period 2001-2002, 2005-2006 is satisfactory.
CONCLUSION

Financial statement analysis is only the tool, which helps to understand the financial and operational performance of the business concern, and this information are essential to take decision in business concern. But sometimes this analysis provides only information, which is not exact, or accurate. Business concern's profitable and financial performances are highly influenced by some factors such as internal and external. Financial Statement Analysis is one of the factors, which provides fast information. But in real business experience, we can give suggestions to improve the performance of business concern but not able to provide any concrete or solutions to the business concern; because the possibility of changes and other factors are highly responsible for judging the financial and operational efficiency and performance of the business concern; particularly in banking industries.