

INTERNSHIP REPORT ON
MATHRUBHOOMI SOUHARDA SAHAKARI LTD

KAIKAMBA

Submitted by

AKRITI SHETTY

4AL21BA003

Submitted to



VISVESVARAYA TECHNOLOGICAL UNIVERSITY BELAGAVI

In partial fulfilment of the requirements for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Under the guidance of

INTERNAL GUIDE

DR CATHERINE NIRMALA

PROFESSOR



ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY MIJAR,
MOODBIDRI.



MATHRUBHOOMI SOUHARDA SAHAKARI SANGHA LTD

Reg.no : 526/2005-06

Reg office: 'Mathrudhama', Gurupura-Kaikamba, Kinnikambla, Mangalore-574151

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REF NO : MSSS/ADMIN/II/O.L/MD-374/2022-23

22-NOV-2022

INTERNSHIP COMPLETION CERTIFICATE

TO WHOM IT MAY CONCERN

Mathrubhoomi Souharda Sahakari Sangha Ltd certifies that Ms.Akriti Shetty, USN: 4AL21BA003 student of Alva's Institute of Engineering and Technology has successfully completed one month of internship program from October 20, 2022 to November 21, 2022 at our Kaikamba branch.

She worked under the direct supervision of the Branch Manager and got the opportunity to work on transactions. She is a fast learner, and she learned our operations system and organizational culture quickly. With her eagerness to learn, she developed various skills while working with us. Her team working skills and friendly nature made her a part of our organization even during the first week. She outdid the expected performance, and we are happy to have the opportunity for training such an enthusiastic candidate.

We wish her the best of luck for all her future endeavors.

With Best Regards by,

(MANAGING DIRECTOR)

(KRISHNA KOMPADVU)



ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

(A Unit of Alva's Education Foundation @ Moodbidri)

Affiliated to Visvesvaraya Technological University, Belagavi

Approved by AICTE, New Delhi & Recognised by Government of Karnataka


Accredited by NBA (CSE & ECE)

DATE: 30/01/2023

CERTIFICATE

This is to certify that **AKRITI SHETTY** bearing USN **4AL21BA003**, is a bonafide student of Master of Business Administration program of the Institute (2021-23) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on "**MATHRUBHOOMI SOUHARDA CO-OPERATIVE LTD., KAIKAMBA**" is prepared by her under the guidance of **Dr. Catherine Nirmala**, Professor, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.


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DECLARATION

I **Akriti Shetty** bearing USN 4AL21BA003 hereby declare that this Internship conducted at Mathrubhoomi Souharda Co-operative Ltd. Kaikamba, is a record of independent work carried out by me under the guidance of **Dr. Catherine Nirmala, Professor, MBA department, Alva's Institute of Engineering & Technology, Mijar.**

I also declare that this internship is towards the partial fulfilment of the university regulation for the award of the degree of **Master of Business Administration by Visvesvaraya Technological University, Belagavi.**

I have undergone this internship for a period of four weeks. I further declare that this internship is based on the original study undertaken by me and has not been submitted for the award of any degree from any other University/Institution.

Place: Mijar.

Date:01-03-2023



Signature of student

ACKNOWLEDGEMENT

I would like to take this opportunity to express my gratitude towards those who have rendered their valuable guidance and have positively influenced my knowledge during the course of organization study.

I would like to express my sincere gratitude to Mr. Krishna, Manager, MATHRUBHOOMI SOUHARDA SAHAKARI Ltd., as my external guide, for his support, guidance, cooperation and for providing all necessary information required to do the internship.

I would like to express my sincere gratitude to Dr. Peter Fernandes, Principal of AIET Mijar for his guidance and support in carrying out this organization study.

I thank Mrs. Priya Sequeira HOD of Department of MBA, AIET Mijar for giving us support and guidance for our organization Study.

I would like to express my deepest thanks to my internal guide Dr Catherine Nirmala Professor of the MBA department for her valuable supervision throughout the work. Finally, I would like to thank my Parents, and all my friends who have helped me in the completion of the report.

Akriti Shetty

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TABLE OF CONTENTS

SL.NO	CHAPTERS	PG NO
1	CHAPTER 1: INTRODUCTION TO CO-OPERATIVE BANK 1.1 INTRODUCTION 1.2 GROWTH OF CO-OPERATIVE BANK 1.3 ROLE OF CO-OPERATIVE BANKS 1.4 MARKET SIZE 1.5 INDIAN BANKING SYSTEMS.	 1 2 2-3 3 4
2.	CHAPTER 2: ORGANISATION PROFILE 2.1 BACKGROUND OF THE COMPANY 2.2 COMPANY PROFILE 2.3 NATURE OF THE BUSINESS 2.4 VISION, MISSION, AND QUALITY POLICY 2.5 WORKFLOW MODEL 2.6 PRODUCT/SERVICE DESCRIPTION 2.7 OWNERSHIP PATTERN 2.8 ACHIEVEMENTS/AWARDS 2.9 FUTURE PROSPECTS AND GROWTH	 5-6 6-7 8 8 9-11 12-13 13 14 14
3.	MCKINSEY'S 7S FRAMEWORK AND PORTER'S FIVE FORCE MODEL.	15-23
4.	SWOT ANALYSIS	24-27
5.	ANALYSIS OF THE FINANCIAL STATEMENTS	28-43
6.	LEARNING EXPERIENCE	44
7.	BIBLIOGRAPHY	45

TABLE OF GRAPHS AND CHART

SL.NO	CONTENTS	PG NO
1.	Cash to Deposit Ratio	33-34
2.	Investment Deposit Ratio	34-35
3.	Credit Deposit Ratio	36-37
4.	Interest Expended to Interest Earned Ratio	37-38
5.	Other Income to Total Income Ratio	38-39
6.	Average Cost of Funds Employed	40
7.	Debt Equity Ratio	41
8.	Proprietor's Ratio	42
9	Fixed Asset to Net worth Ratio	43

EXECUTIVE SUMMARY:

This is an attempt to know how the theories can be applied to practical situation. As an MBA student of Alva's institute of engineering and technology it is a part of study for everyone to undergo internship at some good organization. So, this purpose I got the opportunity of internship program in Mathrubhoomi Souharda Sahakari Ltd bank.

This report is divided into six chapters. The first chapter deals with the introduction about the internship, industry profile. The second chapter is about the organization profile,

- Nature of business,
- Vision mission, quality policy,
- Workflow model
- Product/service profile,
- Ownership pattern,
- Achievements/awards if any,

Third chapter is McKinsey's 7S frame work with special reference to organization under study. The fourth chapter deals with the SWOT analysis. The fifth chapter is Analysis of financial statement sixth chapter is learning

1.1 Introduction to co-operative bank

The word co-operation is derived from the Latin word “co-operi” where “Co” means together and “Operi” means to work which means working together with others for a common purpose.

A co-operative bank is a financial entity which belongs to its members, who are at the same time the owners and customers of the bank. Co-operative banks are often created by persons belonging to the same local or professional community or sharing a common interest. Co-operative banks generally provide their members with a wide range of banking and financial service (loans, deposits, banking accounts etc). A Co-Operative bank is differing from stockholder banks by their organization, their goals, their values and their governance.

The Co-Operative society is a voluntary association of persons who join together with the motive of the welfare of the members. They are driven by the need to protect their economic interests in the face of possible exploitation at the hands of middlemen obsessed with the desire to earn higher profits. Co-Operative banks form an integral part of the banking system in India. Co-Operative Credit is based on the principles of mutual help and thrift, and is motivated by service rather than profit and is managed on democratic lines.

Agriculture plays a crucial role in the development of the Indian economy. These banks operate mainly for the benefit of rural areas particularly the agricultural sector. They are the main source of institutional credit to the farmers. Co-Operative banks are chiefly responsible for breaking the monopoly of money lenders in providing credit to the agriculturist. They have an extensive branch network and reach out to people in remote areas. These institutions have played an important role in mobilizing rural savings and stimulating agricultural investment.

1.2 Growth of Co-Operative banking in India:

The beginning of co-operative banking in India dates back to 1904. The institutional source of credit for agricultural and related activities was then very insufficient. Lenders would offer credit at very high interest rates. Co-operative banks were to replace these unrecognized money market agencies and provide short- and long-term credit at a reasonable rate of interest. After the adoption of economic planning in 1951, cooperative banks were expected to play a crucial role in achieving agricultural and rural development. Before nationalization, commercial banks were the only substitute for money lenders and other informal sector lenders. But after nationalization and the creation of regional rural funds and NABARD, the participation has been decreased. Co-Operative banks in India have historically played a very important role in mobilizing the domestic savings for the country's economic development. They provided farmers and non-farm entrepreneurs with the necessary credit support. Co-Operative banks are encouraged to meet the requirements of consumer banking services. They have granted short and medium-term loans. They provide loans at a comparatively lower rate. They are trained on the principles of the cooperative society and have more services than for the profit ones.

1.3 Role of Co-Operative Banks:

Co-operative banks are much more important in India than anywhere else in the world. Cooperative bank's role in rural financing continues to be important day by day, and their business in the urban areas has increased phenomenally in recent years mainly due to the sharp increase in the number of primary cooperative banks. The distinctive character of the banks is providing service at lower cost without exploitation. This sector mainly focuses on the local population and micro banking among middle- and low-income strata of the society. These banks operate mainly for the benefit of rural areas, particularly the agricultural sector. The co-operative banks in rural areas mainly finance agricultural based like farming, cattle, milk, personal finance etc and in urban areas finance in activities like self-employment, industries, small scale units, home finance, consumer finance, personal

finance. The total deposits and lending of cooperative banks are much more than the old private sector banks and the new sector banks.

The Co-Operative banking structure in India comprises two main components:

- Urban Co- operative
- Rural Co-Operative bank

While Urban co- operative banks have a single tier structure, rural co- operative have a complex structure. The Urban co- operative banks in India are supervised by NABARD. State register of co- operative credit societies also regulate certain functions of both urban and rural co-operative banks. These rural co-operative credit institutions focus on providing typically medium to long term loan for making investments. Rural co-operative credit institutions have two distinct structures.

- Short term co-operative credit structure
- Long term co-operative credit structure

Short term co-operative credit structure comprises of state co-operative banks, central co-operative banks and primary agricultural credit societies. Long term co-operative credit structure are those which provides loans for a long period of time.

1.4 Market Size:

The Indian banking system consists of 27 public sector banks, 26 private sector banks, 46 foreign banks, 56 regional rural banks, 1574 urban co-operative banks, in addition to co-operative credit institutions. Public sector banks control more than 70 percent of the banking system assets, thereby leaving a comparatively smaller share for its private peers. Banks are also encouraging their customers to manage their finances using mobile phones.

1.5 Indian Banking System:

1. Reserve banks of India:

RBI is the central banks of the country. It was established in the year 1935, under the RBI Act of 1934. It performs the functions of a central bank like issue of bank notes, bankers bank, controller of credit, monetary management, foreign exchange management.

2. Commercial banks:

It accepts deposits from public and lend for medium and short term. They also perform many agencies service and general utility service. Commercial Banks in India has following categories: a. Private sector banks b. Public sector banks c. Scheduled and non-scheduled banks

3. Development Banks:

It is a financial institution which provide all types of financial assistance like long term and medium- term loans extending technical and managerial consistency, underwriting of securities etc.

4. Regional Rural Bank:

RRB was setup with the important objective of developing the rural economy by providing credit and other facilities to agricultural trade, commerce, industry and other activities in the rural areas. The focus was on managerial and small farmers, agricultural laborers and small enterprise.

5. Co- operative banks:

These banks are working for promoting the economic interest of a group of people. These banks have 3 tier structure; primary level, district level and state level.

6. Foreign exchange banks:

These banks finance exports and imports of the country. It was setup on 1st Jan 1982, in order to setup the operations of international finance using IDBI.

2.1 Background Of The Company

As thought in 2002 in Gurupura Kaikamba, with the social concern of former Minister Shri B Nagaraja Shetty, it was decided to start Mathrubhoomi Cooperative in Sri Ganesh Shipping initially.

Hon'ble Lok Sabha member Mr. Nalin Kumar Kateel emphasized on the initiation of cooperatives. Mr. G. Rajesh Pai, the Managing Director of the Cooperative, Mr. Krishna Kompadu, who took the initiative to implement this as the inaugural President of the Cooperative. The present Chairman of the Cooperative is Mr. Bhaskar Devasya.

227 members started with a share capital of 3.35 lakhs. Since then, the co-operative has been continuously in profit since the year of inception, giving share of profits to the members. The cooperative is providing Gurpura Kaikamba area as part of social activities. The cooperative is mainly working with the objective of economic and social security of the rural community. Mathrubhumi Cooperative is working towards the welfare of the common people by promoting Self Help Groups.

With the cooperation of honourable parliamentarians, bank works on the task of starting the cooperative Janusadhi Kendras and delivering the ambitious plan of the central government to the common people.

All this achievement and this growth in a short period of time has been made possible by the continuous work of the cooperative staff. In addition, there is no doubt that the members of the cooperative who are supporting all the work activities out of respect for the cooperative, the constant guidance of the senior cooperatives is the main motivation.

The ancient Indian scripture Rigveda postulates that when the hearts of all individual's unit together with common mind and a common goal any work can be carried out with higher degree of efficiency. Essence of this spirit can be traced even in the meaning of Co-operation which stress the principal Sarve Janaha Sukhino Bhavanthu Mathrubhoomi Souharda Sahakari Ltd is an autonomous association of common persons united voluntarily to meet their common economic, Social and cultural needs and aspiration through a jointly owned and democratically controlled enterprise. Our focus is on for sustainable long-term

growth. Our motto is to be strong, sound and leading organization in the cooperative sector and to be the back bone for the rural financial sector of Karnataka. Mathrubhoomi was commenced its business in the year 2006. Its founders established it at Mangalore. The bank of network of 11 branches throughout the D.K district. It provides services such as deposits, withdrawals, loans, jaldhi cash, e-stamping and also it runs medical named as Bhartiya Jan oushadhiyo Jana.

2.2 Company Profile

Mathrubhoomi has been registered on 09-05-2014. The Mathrubhoomi Souharda Sahakari Ltd is a private sector bank. Its head office is situated in Gurupura Kaikamba, Mangalore. The bank of network of 11 branches throughout the D.K district. It provides services such as deposits, withdrawals, loans, jaldhi cash, e-stamping and also it runs medical named as Bharathiya Jan oushadhi yojana. the tag line is Sarve Janaha Sukhino Bhavanthu Mathrubhoomi Souharda Sahakari.

Firms profile

Type	: Private
Industry	: Cooperative
President	: Sri Bhaskar Devasya
Vice President	: Sri K.T.Suvarna Thokkotu
Managing Directors	: Krishna Kompadavu
Headquarter	: Gurupura Kaikamba, Kinnikambala, Mangalore.

BRANCHES

- KAIKAMBHA BRANCH
- NIDDODI BRANCH (EXTENSION KAIKAMBA)
- THOKKOTTU BRANCH
- SIDDAKATTE BRANCH
- KINNIGOLI BRANCH
- MOODABIDRE BRANCH
- KALLAMUNKOOR BRANCH
- UJIRE BRANCH
- SULLYA BRANCH
- BELLARE
- UPPUNDA
- BC ROAD

Board Members.

Sri. Nagaraj Shetty

Sridar Rao

P. Padmanaba Rao

Sri Bhaskara V Shetty, Moodperara

Sri Venkatesh Navada, Polali

Sri.Poovappakundar, Moodubidre

Smt.VidyaKamath, Puthige

Smt.Pavana.J. Shetty, Bajpe

2.3 Nature of the Business

The co-operative bank act as a financial intermediate -institutions in the business of transferring money from savers to borrowers.it provides banking and other financial services to their customers.it also accepts deposits and provides a loan facility. The banks safeguard the money and valuables and provide loans, credit and payment services such as checking accounts, money orders and cashiers' checks.

2.4 Vision And Mission, Quality Profile

VISION

With the punch line Sarve Janaha Sukhino Bhavanthu, bank points towards prosperity of common people and thereby ensuring happiness of the common people. With a multipurpose co-operative working environment towards creating a better, fairer relationship and to enhance the lives of our stakeholders, members, customers, partners and the community we serve.

MISSION

- To encourage savings, self-help and co-operation among members
- To build a better society by excelling in our service we do
- To provide a range of social and financial services to our members
- To offer services to the best satisfaction of the members and stakeholders.
- Transparency in all dealings with the members and stakeholders.

QUALITY

The bank serves to the satisfaction of the consumer by:

- Complying with statutory and regulatory requirements.
- Constant communication with all members and society.
- Adopting modern methods of work.
- Providing appropriate training to employees.

2.5 Workflow Model

MB bank follows their own style of procedure for loans and deposits to their customer. The procedure of the work flow model is as follows:

A. In case of loan:

1. Interview

Interview is the first step conducted by the branch manager for all the borrowers who are willing to avail loan. While conducting the interview manager collects all the necessary information about the borrower.

Background

The Background check on a borrower to be employed has become mandatory today to know the truthfulness behind the facts and information presented. The Bank manager collects all the background details of the borrower like Family details, educational background, and previous job details including name of the organization and previous employer certification, financial history regarding any loans or advances, social status or any criminal record or involvement in litigation.

Credit worthiness

Borrower's credit worthiness along with repaying capacity helps the manager to identify the eligibility of an individual or a firm to borrow money and to meet their debt obligation.

Titles or the property

Before sanctioning loan, the bank manager also goes through the titles of the property. Such as full and absolute ownership, marketability etc. and collects all the related documents like original sale deed, K1G EC, etc.

Assessing security value

There is a spot inspection by the manager in order to assess the security value and to verify the marketability, accessibility of the property.

2. Legal opinion

Conducting legal opinion is the second step followed by the manager once he is satisfied with the borrower's interview by collecting all the basic information. Under this the panel of legal advisors and engineers evaluate the documents of the property and other related aspects. This is done in order to see whether it has good marketable value and clear title without any restrictions.

3. On completion of the above process, the proposal for loan is forwarded to the administrative office for scrutiny with recommendation to sanction loan to the borrower.

a. After completion of the scrutiny at the administrative office all the related documents are to be placed before the board i.e., loan sanctioning authority which is presided by the chairman. If the board is satisfied with the documentation, then loan gets approval or else the proposal is postponed for need or documentation or gets rejected with specific reasons.

b. Once loan gets approval from the board then the proposal along with all documents is returned to the branch for releasing loan to the applicant.

c. The titles of the property are deposited with the bank at sub registrar office. On completion of this process, the bank manager releases the loan amount in three instalments with proportionate ratio of 40:40:20.

A. First installment

Only after completing the work of the foundation level the borrower can approach the bank manager to release the first installment amount i.e., 40% of the loan amount. Manager listens to the borrower and makes spot visit to the place in order to check the accuracy of the foundation level work whether it's complete or incomplete. Suppose if the stated work is complete and manager is satisfied with it then the first installment will be released, on the other hand if the mentioned work is not complete then the borrower is fail to get the first installment amount.

B. Second installment

After finishing up the first installment it is very essential for the borrower to submit work progress report through his contractor or engineer to the respective bank manager as a proof without fail. One of the essential duty or responsibility of the manager is to verify the authenticity of the work progress report which is submitted by the borrower. If a branch manager is satisfied with the work progress report after his detailed verification, then the second installment will be released or get postponed for few more days with valid reasons.

C. Third installment

After utilizing the funds released to second installments the third installments will be released i.e., 20% of the loan amount but the same procedure is to be adopted like first and second installments. There will be an 18 months holiday period for the completion of work. Once the work gets completes applicant needs to submit work completion or occupancy certificate along with house tax receipts to the branch manager.

In Case of Deposits

The first step in this process is customer approaching the bank. When the customers will have surplus money, they will be looking to invest that money where they can get good returns out of it. Bank is one such place which accepts deposits from their customers and pays interest out of them. So, the customers will approach the bank where they can make deposits and gain high of interest on their deposits. In introduction stage, the customer/ party opening an account should be introduced by other person who is an existing account holder of a Bank. Later on, the party is asked to produce documents like Aadhar card, or any license for address, age & income proof. Once the account is opened (i.e., either saving, fixed, current and recurring account) he/ she will provide with cheque book and O.D if it's a current account. In case of current account, the party can deposit any amount of money at any time and in fixed deposits, the money will be kept for fixed period of time and a customer will not be able to withdraw the money before the maturity period. The amount to be deposited will go into the hands of cashier or cash supervisor. The cashier later on transfers the amount for the customer account and finally customer can withdraw cash from his account.

2.6 Services Description

- Jewel Loan
- Vehicle Loan
- Daily Repayment Loans
- Mortgage Loans
- Security Loan
- Surety Loan
- SHG Loans

Financial services

- **Saving account**

Savings deposits are intended for saving for the future. This is meant for middle- and low-income groups who can deposit only a small sum. 3% to 4% rate of interest is given on savings for per annum. The minimum amount to open the account is 250.

- **Current account**

It includes deposits, withdrawals and contra transactions. It is also known as Demand Deposit Account. Current account can be opened in co-operative bank and commercial bank. In current account, amount can be deposited and withdrawn at any time without giving any notice.

- **Recurring deposit account**

These are forms of saving deposits. A recurring deposit may be opened by a member in his/her name. Here a fixed sum of amount is deposited by the depositor every month for an agreed period and at the end of specified period of time he gets the entire sum of money along with interest. The minimum amount to open the account is RS 100.

- **Fixed account**

In fixed deposit account, a fixed sum of money has to be deposited by the customer in the account for the fixed period of time at the fixed rate of interest.

The fixed rate of interest given by the bank are as follows:

NO OF DAYS	GENERAL	SENIOR CITIZEN
45 days to 9 days	4.00%	4.5%
91 days to 180 days	4.50%	5%
181 days to 1 year	5.50%	6%
1 year to 2 years	6.50%	7%
2 years to 5 years	6.25%	6.75%

- **Bhagya Lakshmi cash deposit**

In Bhagya Lakshmi deposits where amount is kept fixed for 6 years and after 6 years the amount is charged with 8.5 interest rates.

Other services

- E stamp facility
- Western union
- Pan card
- Insurance
- Sakala

2.7 Ownership Pattern

President : Sri Bhaskar Devasya

Vice President : Sri K.T.Suvarna Thokkotu

Managing Directors : Krishna Kompadavu

2.8 Achievements and Awards

- Best cooperative bank in the state -2018
- District central co-operative bank award.

2.9 Future growth and prospects

Today's global economy is so advanced that each and every organization has to face stiff competition to meet its future challenges and basic requirements. Facing tough competition at present is one of the key points for the organization's successful growth and prospectus. Mathrubhoomi souharda sahakari ltd bank being a co-operative one can achieve its future growth and prospectus by introducing or adopting advanced technology i.e., core banking system, e-banking facilities, ATM'S and by increasing staff pay scale. Bank also identified many villages for extending banking services through business correspondence. One of the essential needs of the MB bank is to overcome the existing technology for the purpose of gaining growth and prospectus in the future.

Due to high and vast competition today, many of the co-operatives have adopted latest introduced technology which helps them to carry forward their routine activities smoothly and effectively. So that they can achieve a particular place and can increase their business activities in the coming years.

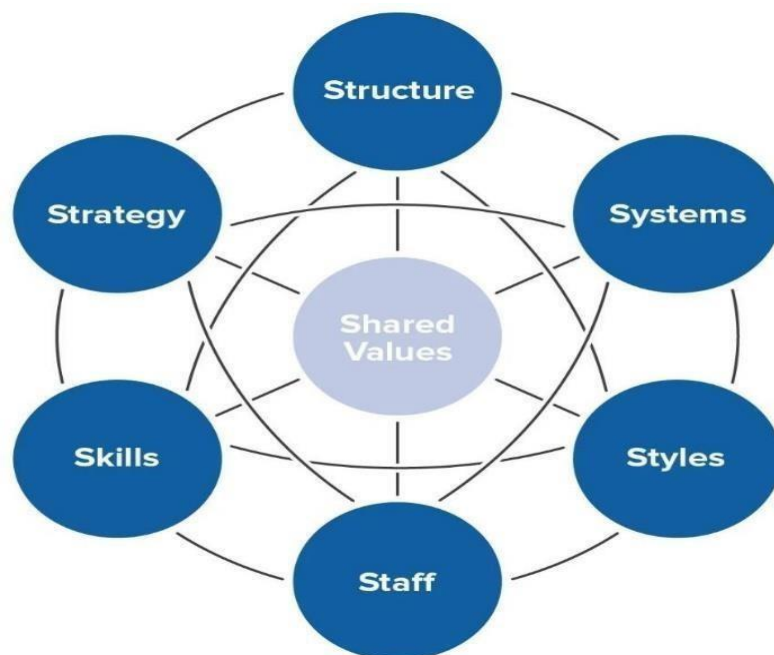
3.1 INTRODUCTION TO MCKENSY'S 7S FRAMEWORK:

The McKinsey 7s model is a valuable resource and framework for evaluating the success of managers and businesses. The McKinsey 7s model offers seven important factors for a corporation that must be addressed and coordinated for successful change management processes as well as regular performance enhancements.

THE 3 HARD ELEMENTS:

The McKinsey 7s model's hard parts are strategy, structure, and systems. The hard parts of the model are simpler to spot, have a more concrete form, and are directly

controlled and influenced by the organization's management and leadership.



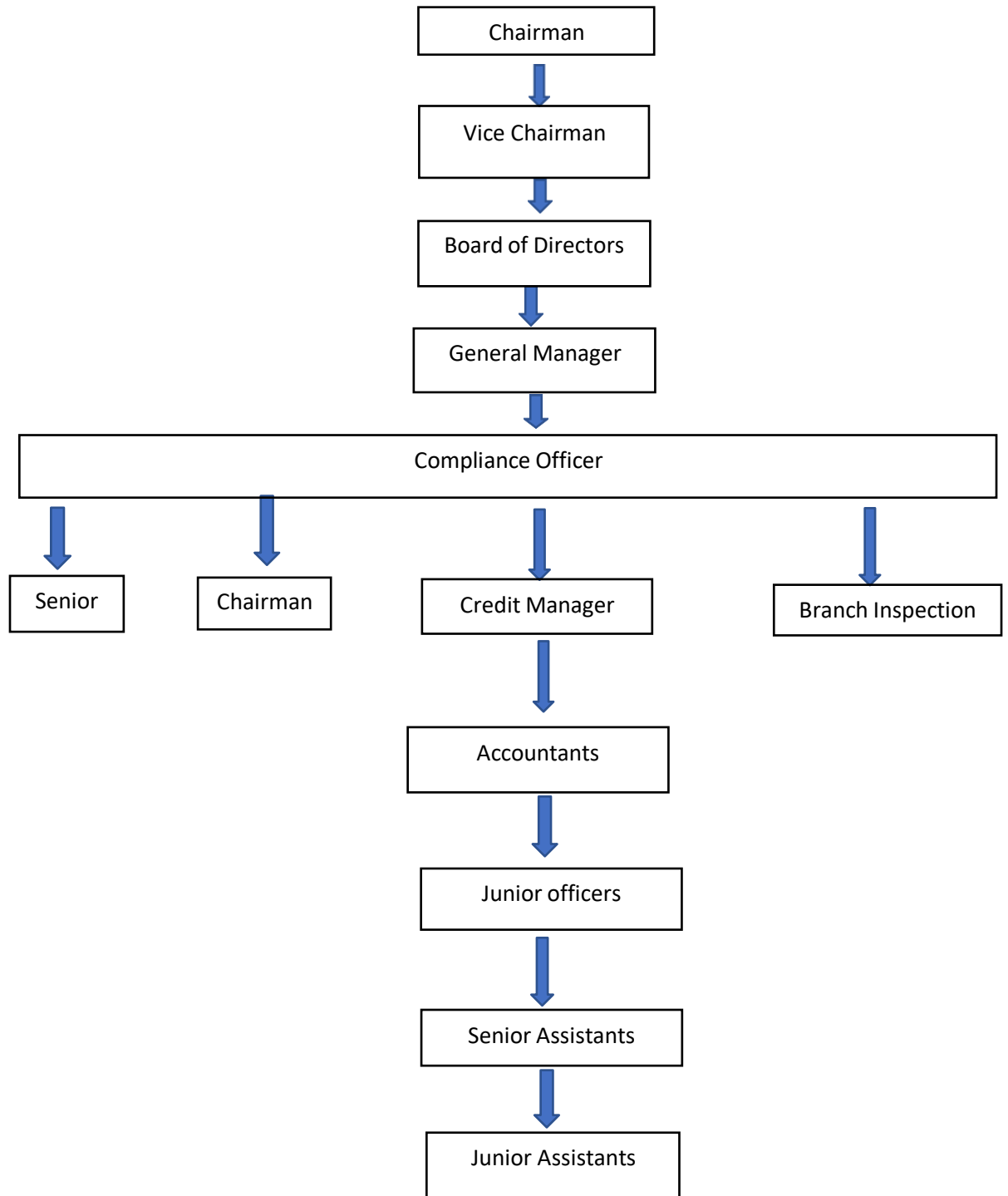
1.STRATEGY

The strategies of the organization are developed on the basis of an analysis of external and internal environment. Consequently, the values, preference, attitude towards risk have been carefully examined while formulating strategies. Mathrubhoomi Souharda Sahakari Ltd the main object is to maintain the current customers and secure the potential customers. The strategies adopted by The Mathrubhoomi Souharda Sahakari Ltd are:

- **Co-operative awareness:** Mathrubhoomi Souharda Sahakari Ltd creates awareness that facilities through media channels like newspaper, personal contacts. Scheme offered in the field of vehicle loans, to encourage self-employment, special schemes for backward classes.
- **Technology upgradation:** By upgrading the technology, the service quality is improved and it helped to satisfy the customers' needs in a better way.
- **Growth and Expansion:** This has helped the society to respond according to the environmental situations, and to gain competitive advantages will have helped to increase the membership of the society.

2.STRUCTURE:

Organization structure refers to the way, in which the roles and responsibility of management and employees are organized in a business. The Basis for specialization and coordination influenced primarily by strategy and by organization size and diversity. The major role of banks in a financial system is the mobilization of deposits and disbursement of credit to various sectors of the economy. The existing, elaborate banking structure of India has evolved over several decades. Every group or type of bank has its functions to perform. They have their target market and sectors to work in. The structure is the backbone of the society's management. It enables each executive and employees to understand their position in the organization. The organization structure of MB Bank is shown below;



3.SYSTEM:

These are formal and informal procedures that govern every day activities, covering everything from management system to the contacting system with the customers. Systems are the area of the firm that determines how business is done and it should be the main focus for managers during organizational change. However, cooperative banking differs from modern microfinance. Particularly, members' control over financial resources is the distinguishing feature between the cooperative model and modern microfinance. The not-for-profit orientation of modern microfinance has gradually been replaced by full-cost recovery and self-sustainable microfinance approaches. The microfinance model has been gradually absorbed by market-oriented or for-profit institutions in most underdeveloped economies. The current dominant model of microfinance, whether it is provided by not-for-profit or for-profit institutions, places the control over financial resources and their allocation in the hands of a small number of microfinance providers that benefit from the highly profitable sector.

THE 3 SOFT ELEMENTS:

The soft parts of the McKinsey 7s model include shared values, employees, skills, and strategy. These elements are less visible and are more influenced by organisational culture. As a result, management has no direct impact or control over them. These characteristics are more harder to identify, yet they are just as important for a company's success and improved performance.

4.SHARED VALUES:

Shared Values are the common beliefs, mindset and assumptions that shape how the organization behave. All members of the society share common ideas around which the business is built. These values and common goals keep the members and employees working towards destination as a team. It includes welfare and development of the weaker sections of the society.

Co-operatives is based on the values of self-help, self-responsibility, democracy, equality. in the tradition of the founders, members believe in the ethical values of honesty, openness and social responsibility.

The MB Bank goes for following values like

- Customer satisfaction
- Quick and better services
- Loyal to the customer
- Honesty in work.

5.SKILLS:

A skill is the ability, knowledge, understanding and judgement to accomplish a task. Co- operative skills could be described as the understanding of how to work efficiently with other people on an equal basis towards commonly held aims and objectives. This society is blend with management skills and employee's skills, which includes:

- Communication Skills:

This skill is important in order to deal with the customers effectively.

- Decision-making skills:

It requires to take decisions under or in difficult situations.

- Conflicts management:

Understanding the situation, and take necessary actions to overcome the problems.

- Team working:

Recognizing individuals roles, behaviours and skills techniques to encourage team the around common goals.

6. STAFF:

There are number of staff workers in Mathrubhoomi. Every employee is trained periodically as the techniques of work changes, which provides work efficiency to the employees. Also improve the quality of service.

- **Recruitment and promotion** of staff, their pay, are governed by respective staff rules.
- **Training and capacity building of staff:** It attempts to improve their performance on the current job. It provides work efficiency and work effectiveness. It also helps to achieve skills and knowledge about the job.
- **Staff discussions:** Society conducts meetings with the staff once in a while, to discuss about their experience and review and issues related to job activities.
- **Performance Appraisal:** It helps the employees to know their performance in the society, by comparing the actual performance with the standards set by the society

The benefits drawn by the staff in Mathrubhoomi Co-operative Bank Ltd.

- Employee Insurance.
- Employee provident fund.
- Staff loan at low interest.

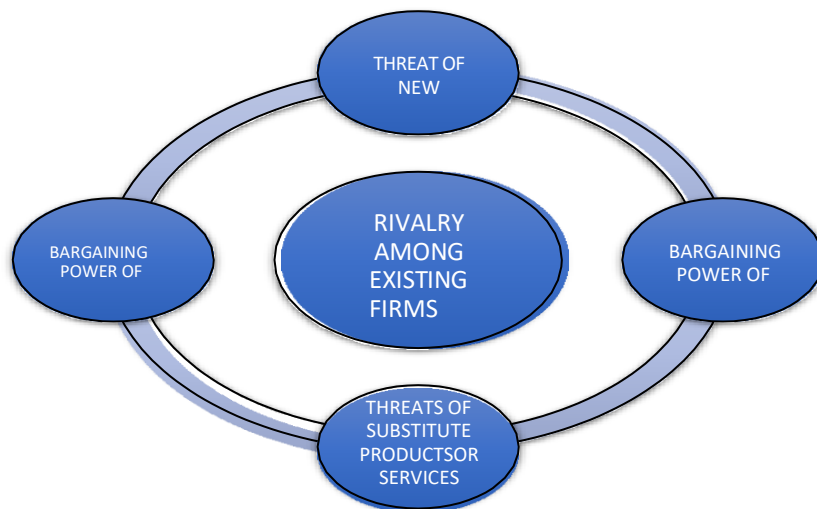
7. STYLE:

Leadership style of bank manager is democratic. Democratic leadership, also known as participative leadership, is a type of leadership style in which members of the group take participative role in the decision-making process. Everyone is given the opportunity to participate, ideas are exchanged freely, and discussion is encouraged. Researchers have found out that democratic leadership style is one of the most effective and leads to higher productivity, better contributions from group members and increased group morale.

PORTER'S FIVE FORCES MODEL:

Porter's Five Forces is a model that identifies and analyzes five competitive forces that shape every industry and helps determine an industry's weaknesses and strengths. Five Forces analysis is frequently used to identify an industry's structure to determine corporate strategy.

Porter's five force model of Mathrubhoomi Souharda Sahakari Ltd are:



1. RIVALRY AMONG EXISTING COMPETITORS:

Banking industry is highly competitive one. Most of the people who need banking services already accounts in not one, but multiple banks. Banks try to lure existing or new customers by giving better facilities in terms of more interest rate when depositing, less interest rate while taking loans, better customer services and experiences. The Rivalry among existing firms shows the number of competitors that give tough competition to the Mathrubhoomi bank. High rivalry shows the Mathrubhoomi can face strong pressure from the rival firms, which can limit each other's growth potential.

Existing competitors:

- Mangalore co-operative Town bank limited.
- Mangalore Catholic co-operative limited.
- SCDCC bank.

2. THREAT OF NEW ENTRANTS

As per latest list of RBI, there are 155 banks operating in Indian soil. Of these some are private sector, local area banks, small finance banks, public sector banks, financial institutions, regional rural banks, foreign banks having presence in India and the latest category of Payment Bank. The major bottleneck for new banks is the trust the customers have in their existing banks, as they deal with the earned money and people are generally apprehensive in experimenting with a new bank. The banking industry has also recently evolved from money lending or depositing facility to manage the mutual funds, fixed deposits etc.

3. BARGAINING POWER OF SUPPLIERS:

Capital is the primary resource of any bank and there are four major suppliers in the industry.

- Customer deposits
- Mortgages and loans
- Mortgage based securities
- Loans from other financial institutions.

4. BARGAINING POWER OF BUYERS:

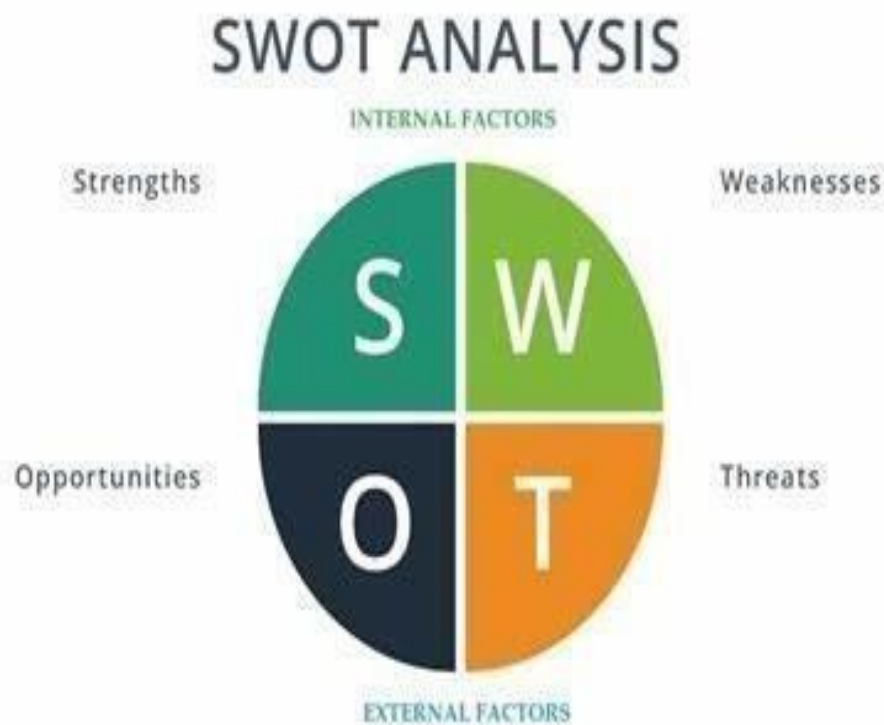
The end customer can be individual or firm. They don't directly pose as a threat to the whole banking industry, but a low switching cost between banks can be a major concern to the banking players. Different banks will try to persuade customers to shift business with their banks and in this scenario, the cost of switching can become one major factor of their decision. Buyers prefer those banks which will provide them with low rate of interest for the loans and switch the banks accordingly.

5. THREAT OF SUBSTITUTES:

There is major competition between public and private sector banks. Usually, private banks provide better facility and customer experience, the public sector banks help in enforcing the trust with which they keep money in their banks, by providing more stability. The industry does not suffer any real threat of substitutes as far as deposits or withdrawals; however, insurances, mutual funds, and fixed income securities are some of the banking services that are also offered by non-banking companies.

SWOT ANALYSIS

A SWOT (strengths, weaknesses, opportunities and threats) analysis is a planning process that helps your company overcome challenges and determine what new leads to pursue. The primary objective of a SWOT analysis is to help organizations develop a full awareness of all the factors involved in making a business decision.



Strengths

1. It is easy to monitor the minor requirements of the customers due to its limited area.
2. The bank has the advantage of getting priority by the different co-operative societies for transactions and loans.
3. Due to the co-operative in nature people have the faith in bank.
4. Staff is the main strength of the organization.
5. Growing reputation locally.
6. The bank provides short term and medium- term loans at an affordable rate of interest to its members.
7. The employees in the bank are provided with various facilities which creates employee satisfaction, they are provided with job securities and attractive salary which makes the employees loyal and work effectively to achieve the objective of the society.
8. The bank provides various services to the bank which enhances goodwill, which creates loyal customers to the bank.
9. Satisfactory counter service.
10. Better understanding between management and staff.
11. The other area of strength is its recovery of NPA's, decreased bad and doubtful debt and increase in recovery
12. Higher rate of interest on deposits compared to public/private sector banks.
13. Growth of the organization yield benefit to the shareholders.
14. Shareholders are the ambassadors of the organization.

Weakness

1. Less resource as compared to other nationalized and public banks.
2. Absence of advanced technology like ATM's, internet banking, and mobile banking.
3. Most of the branches are not online however they are computerized.
4. Fewer advertisements in the digital media.
5. Lack of training facilities to the staff.
6. Lack of time management in respect to the addressing the needs of the customers.
7. Lack of professionalism.
8. Interference by the management in the day- to-day working.
9. Most of the branches are located in interior places.

Opportunities

1. Being the co-operative bank it has the opportunity to finance the government projects.
2. Branch expansion in the remote areas.
3. Maintaining good customer relation and providing better services.
4. Huge business potentials.
5. Professionalized training to the staff to improve the quality of the work.
6. Modernizing the entire system of the organization.

Threats

1. Main threat to the co-operative bank is increasing steps/ roots of the public banks.
2. Increased market share of the public sector banks.
3. More significant brands and image in the acceptance of products and services of public and nationalized banks. With PSU banks like SBI going all out to compete with the private banks and government giving them a freehand to do so: it can prove to be serious threat for the bank like the Mathrubhoomi souharda sahakari bank.
4. Uncertainties in interest rates and other economic factors.
5. Strong competitors .
6. Large numbers of MNC banks are mushrooming in the Indian market due to the friendly policies adopted by the government. This can increase the level of competition and prove potential threat for market share of the bank.

BALANCE SHEET OF MATHRUBHOOMI SOUHARDA SAHAKARI LTD

Balance sheet of 5 years:

Particulars	March 2022	March 2021	March 2020	March 2019	March 2018
LIABILITIES					
Share Capital	15207500.00	13210900	12736900.00	10350400.00	8160250
Funds	15312776.44	15327776.44	14435729.35	11729281.89	9680213.65
Deposits	590279185.75	515755467	430176157.36	355847173.24	285851905.69
Provisions	17202219.48	14733821.35	10528696.44	9111254.02	7139070.78
Other Liabilities	448294.00	473407.00	466057.00	520614.00	554622
Suspense liabilities					1222088.92

Net profit			3133431.24	3539825.23	3133431.24
GRAND	638449975.67	559501371.79	31574158.28	391098548.38	315741582.28
TOTAL					
ASSETS					
Suspense	1417428.08	335885.08	43829.08	54272.08	
Liabilities					
Cash in hand	6980711.00	3198690.92	8862357.07	8640482.61	5158867.37
Bank Accounts	20887081.12	28068515.35	5262624.10	11751836.55	16777133.03
Investments	23125713.00	72652050.59	46327522.12	17085326.90	23490437
Loans (Asset)	488032045.45	410101865.45	381853637.45	328253824.45	249177327.45
Fixed Asset	71065621.10	18184601.03	15099184.13	15897579.62	16308658.81
Other Assets	9506517.75	8466632.09	8420142.87	6074253.68	1624177.29
Non-Banking	1158396.32	780094.02	508696.39	540446.87	587173.59
Deposits					
Branch	5382318.67	3841699.67	2939824.44	2263182.19	1623977.44
Divisions					

Suspense	7773140.24	902341.24	773140.24	754504.02	883835.62
Assets					
Stock In Hand	176977.53	289944.98	249270.14	147954.16	109994.68
Net Loss	10413941.31	13163991.37			
Grand Total	638919891.57	559986311.79	470340228.03	391463663.13	315741582.28

This balance sheet includes all the assets, liabilities capital debt etc of the company, the 5year balance sheet of the company provides an easy to compare of which year the company was doing well.

PROFIT AND LOSS

<u>Particulars</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses					
Administration Expense	17097536.77	17353682.53	15238009.18	14000022.21	12553381.01
Non-banking expenses	151174	9633.50	98380.60	72972	108585.50
Indirect Expense	3630273.40	2165650.78	2256057.40	2060180.93	1968901.82
Interest expense	45441827	41447789.17	31884326.79	25307348.61	19670837.87
Net profit	2735025.96		926280.69	3539825.23	3133431.24
Grand Total	69055837.13	61063655.97	50403054.66	44980348.98	37435137.44
Incomes					
Interest income	64547353	43686289	46964747	40717261	34115611

Indirect incomes	3351173.95	3209199.70	3129283.07	3810859.72	2828914.88
Nonbanking incomes	1064260.18	343374.15	306944.59	317912.26	402796.56
Administration expenses	93050	87590	2080	108216	87815
Indirect income & expenses				26100	
Net loss		13737207.12			
Grand total	69055837.13	61063655.97	50403054.66	44980348.98	37435137.44

RATIO ANALYSIS OF MATHRUBHOOMI SOUHARDHA SAHAKARI SANGHA LTD

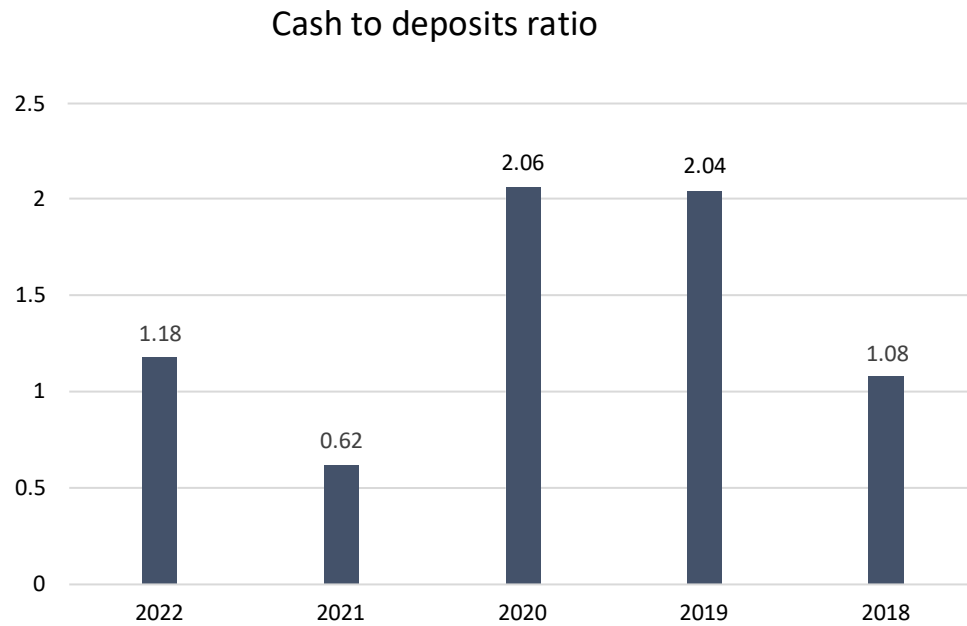
Ratio analysis is a quantitative analysis of information contained in a company's financial statements. Ratio analysis is used to evaluate various aspects of a company's operating and financial performance such as its efficiency, liquidity, profitability and solvency.

1. CASH TO DEPOSITS RATIO

This is an important ratio that enables us to understand the relationship between the two most important items of the bank. This ratio gives the clear picture of the total cash that is available with the central bank in comparison with the total deposits that are received. The bank does not keep all the money it receives as advances and a part of it retained in liquid form to meet short term requirement of the banks.

FORMULA: CASH TO DEPOSITS RATIO= CASH / DEPOSITS *100

Ratio	2022	2021	2020	2019	2018
Cash to deposits ratio (%)	1.18	0.62	2.06	2.04	1.80



ANALYSIS

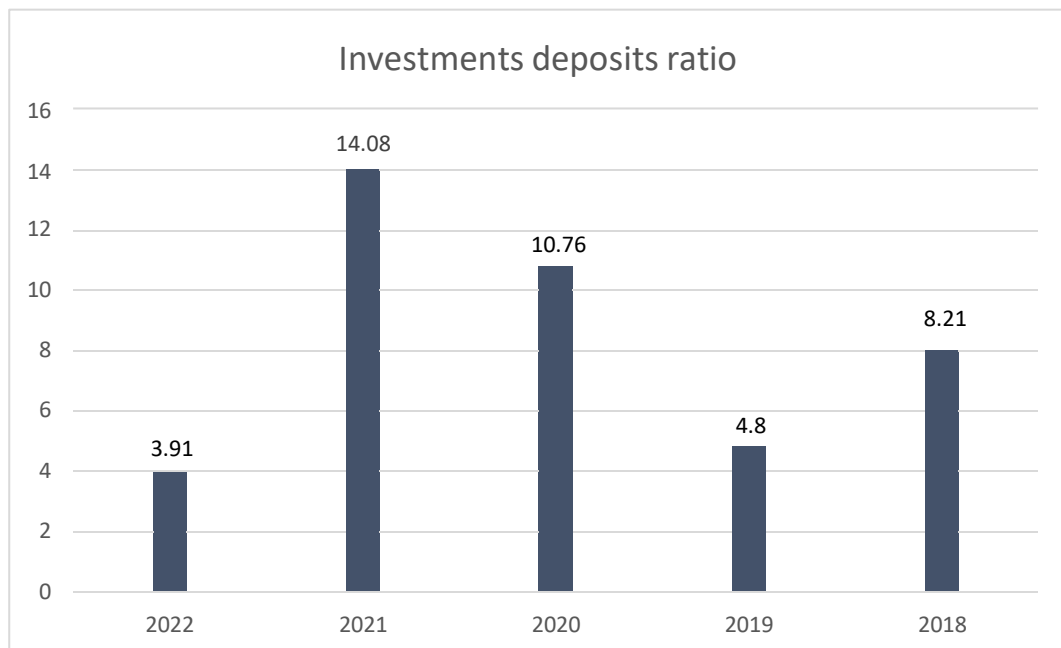
The above table & graph shows the cash to deposits ratio of the firm, when comparing the five years of ratio 2020 is having the highest ratio of 2.06. The cash to deposits ratio has been fluctuating in the bank for all the five years (2022-2018). The cash to deposits ratio has come down in 2021 due to covid impact on the bank.

2. INVESTMENTS DEPOSITS RATIO

This ratio gives an explanation about the total investment made in comparison to the total deposits received. It is very important that the bank puts its funds to the optimum use to make the maximum profit. The bank invests the money it gets in the form of deposits in various sectors to earn returns.

FORMULA: $\text{INVESTMENTS} / \text{TOTAL DEPOSITS} * 100$

Ratio	2022	2021	2020	2019	2018
Investments deposits ratio (%)	3.91	14.08	10.76	4.80	8.21



ANALYSIS

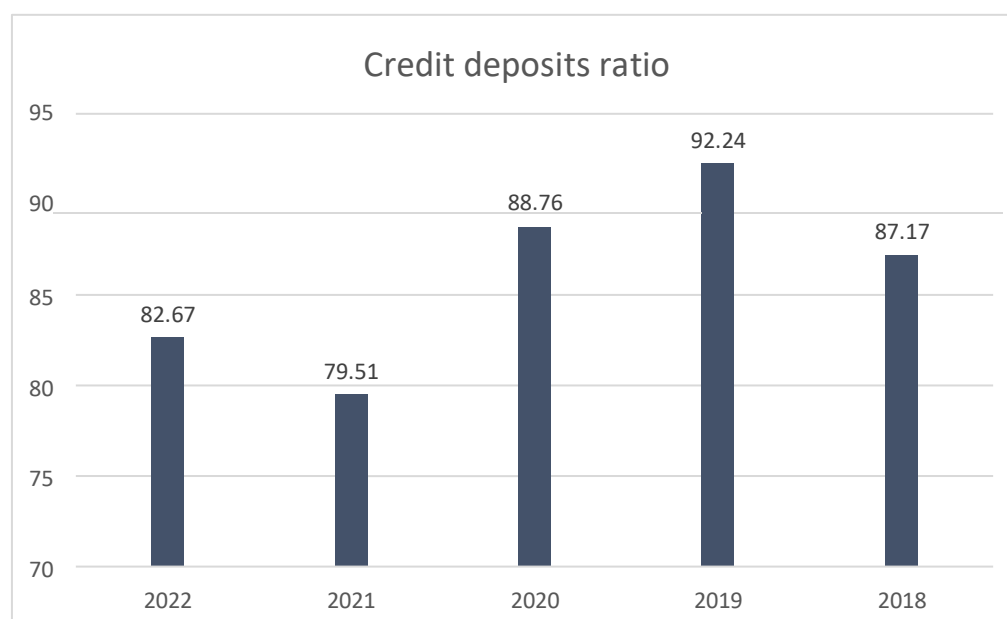
The above table and graph in the investment deposits ratio of the firm shows in the year 2022, the investment deposit ratio was 3.91%, which suggests that a relatively small portion of deposits were invested by the financial institution. In 2021, the ratio was 14.08%, indicating a significant increase in invested funds compared to the previous year. The ratio was 10.76% in 2020, 4.80% in 2019, and 8.21% in 2018.

3.CREDIT DEPOSITS RATIO

Advances and deposits are the two main streams of any bank. The ratio enables us to understand between two important items of the bank. The ratio gives the clear picture of the total advances given to the outsiders against the total deposits received from the customers. It is very important that the bank cannot give away all the money it gets as deposits, as advances to someone else and on the other hand it can't just keep the money idle.

$$\text{CREDIT DEPOSITS RATIO} = \text{TOTAL ADVANCES} / \text{TOTAL DEPOISTS} * 100$$

Ratio	2022	2021	2020	2019	2018
Credit deposits ratio(%)	82.67	79.51	88.76	92.24	87.17



ANALYSIS

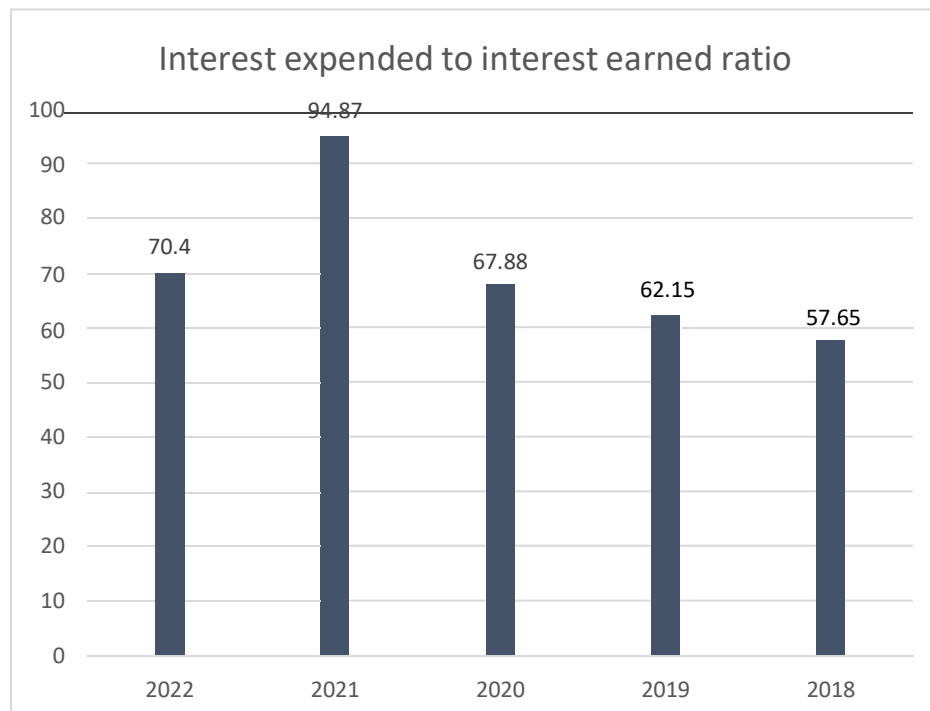
The ratios you have listed are credit deposit ratios, which represent the proportion of deposits that a financial institution lends out in the form of loans or credit. The higher the ratio, the greater the proportion of deposits that are being used to extend credit. In 2022, the credit deposit ratio was 82.67%, which suggests that a relatively large portion of deposits were used for lending purposes. In 2021, the ratio was 79.51%, indicating a slight decrease in the use of deposits for lending compared to the previous year. The ratio was 88.76% in 2020, 92.24% in 2019, and 87.17% in 2018.

4.INTEREST EXPENDED TO INTEREST EARNED RATIO

Interest expended to interest earned ratio is one of the other important financial ratios. This ratio studies the relationship between the amount of interest that is expended on the deposits with the amount of the interest that is earned on advances and other investments. Interest income is the main source of income for any bank. This ratio enables us to understand the balance between these two important financial items of the bank.

**FORMULA: INTEREST EXPENDED TO INTEREST EARNED
RATIO=INTERST EXPENDED /INTERST EARNED *100**

Ratio	2022	2021	2020	2019	2018
Interest expended to interest earned ratio(%)	70.4	94.87	67.88	62.15	57.65



Analysis: The interest expended to interest earned ratio has constantly been fluctuating for all the five years. This can be attributed to more amount of deposits. It should be understood that the ratio would differ according to its leading and borrowing rate which is according to the market which depends on the effect of the crises.

5. OTHER INCOME TO TOTAL INCOME RATIO

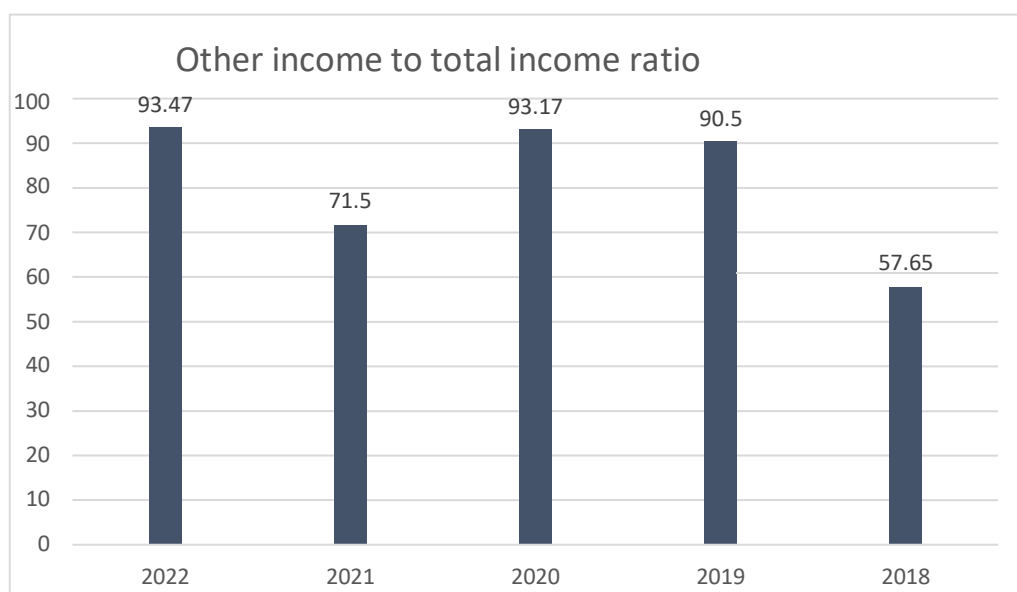
The total income of the bank constitutes of:

- a. interest income
- b. other income

This ratio makes the comparison of the other income to the total income. The other income of the bank means the income which is earned in the form of the interest.

FORMULA: OTHER INCOME TO TOTAL INCOME RATIO = $\frac{\text{OTHER INCOME}}{\text{TOTAL INCOME}} \times 100$

Ratio	2022	2021	2020	2019	2018
Other income to total income ratio(%)	93.47	71.5	93.17	90.5	91.1



ANALYSIS:

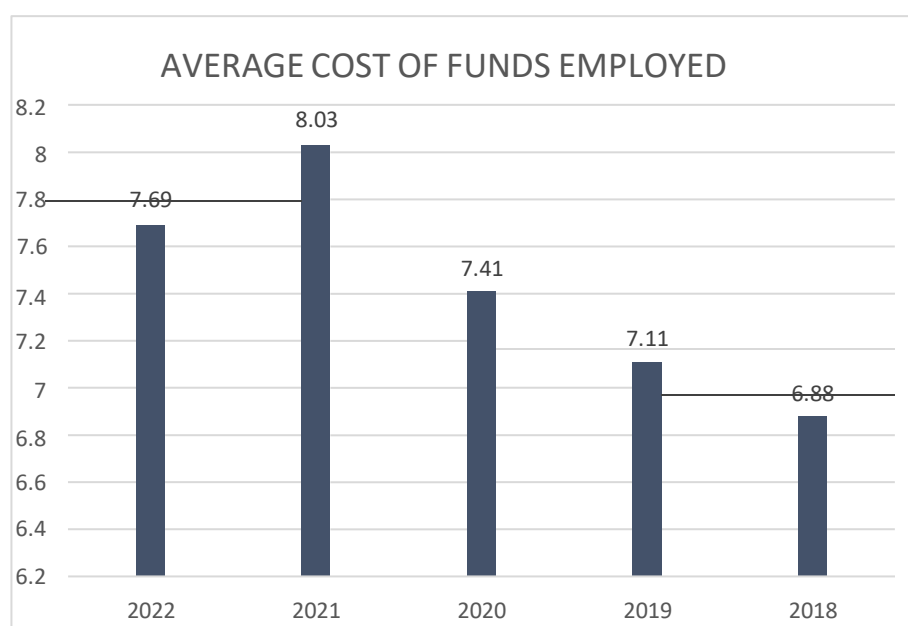
In 2022, the other income to total income ratio was 93.47%, which suggests that a large portion of the financial institution's total income was derived from non-interest sources. In 2021, the ratio was 71.5%, indicating a significant decrease in the proportion of other income compared to the previous year. The ratio was 93.17% in 2020, 90.5% in 2019, and 91.1% in 2018. It is important to note that the sources of a financial institution's income can change over time and may be influenced by a variety of factors, such as market conditions, the competitive environment, and changes in the regulatory environment.

6.AVERAGE COST OF FUNDS EMPLOYED.

This ratio finds out the cost incurred in the form of interest payments for the deposits in hand.

FORMULA: AVERAGE COST OF FUNDS EMPLOYED = $\frac{\text{TOTAL INTEREST PAID}}{\text{TOTAL DEPOSITS RECEIVED}} \times 100$

Ratio	2022	2021	2020	2019	2018
Average cost of funds employed. (%)	7.69	8.03	7.41	7.11	6.88



ANALYSIS:

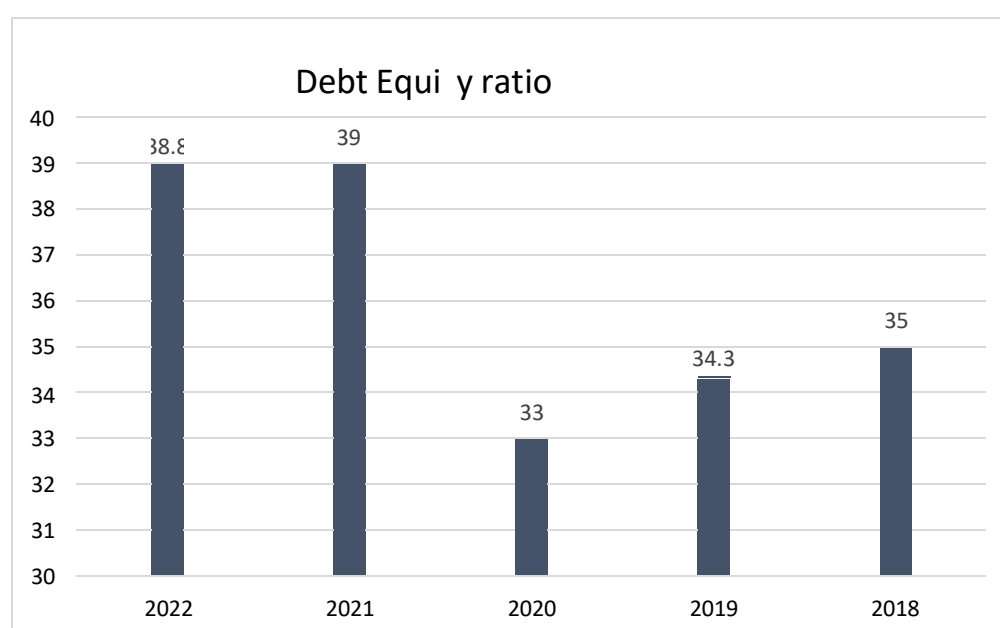
Average cost of funds employed ratio has been increasing from 2018 to 2021 and in the year 2022 it came down to 7.69. The reduction in the ratio can be understood by the fact that since bank in 2018 has received a lot of deposits, it had reduced the rates, having captured the market.

7.DEBT EQUITY RATIO

Debt equity ratio also known as external internal equity is calculates to measure the relative claims of outsiders and the owners against the firm's assets. This ratio indicates the relationship between the external equities or the outsiders' funds and the internal equities or the shareholder's fund.

FORMULA: $\text{DEBT} / \text{SHAREHOLDERS FUND}$

Ratio	2022	2021	2020	2019	2018
Debt equity ratio	38.8	39	33	34.3	35.0



Analysis

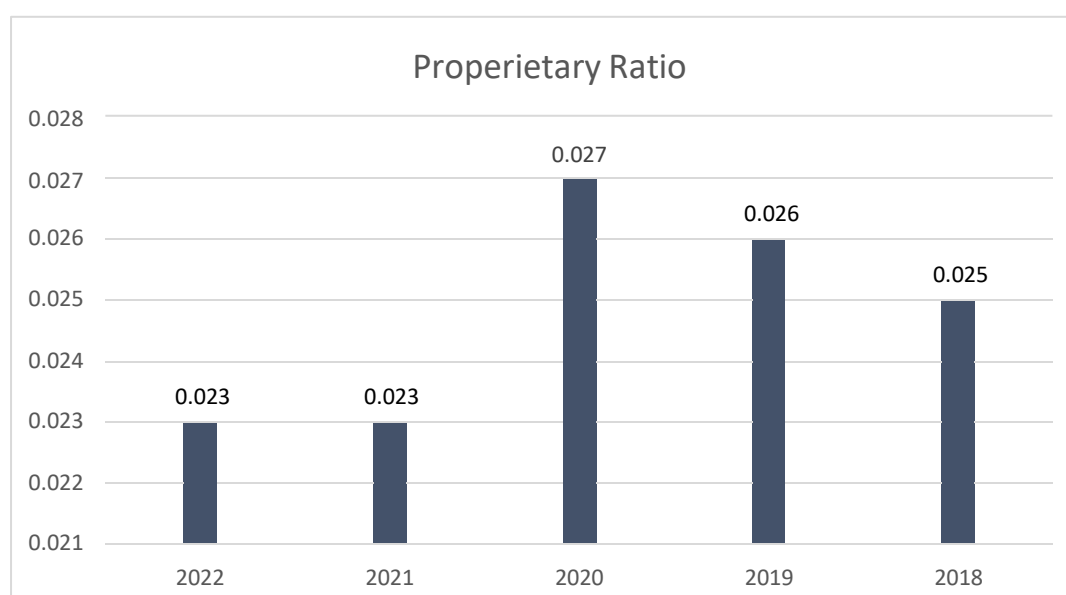
In 2022, the debt-to-equity ratio was 38.8, which suggests that the financial institution had a relatively high proportion of debt relative to equity. In 2021, the ratio was 39, indicating that the proportion of debt to equity was similar to the previous year. The ratio was 33 in 2020, 34.3 in 2019, and 35.0 in 2018. A high debt-to-equity ratio may indicate that a financial institution is heavily reliant on debt financing and may be more vulnerable to financial stress, while a low ratio may indicate a more conservative approach to financing.

8. PROPRIETARY RATIO:

The proprietary ratio is the proportion of shareholders' equity to total assets. If the ratio is high, this indicates that a company has a sufficient amount of equity to support the functions of the business. A low ratio indicates that a business may be making use of too much debt or trade payables, rather than equity, to support operations.

FORMULA: PROPRIETARY RATIO = SHAREHOLDERS FUND / TOTAL ASSETS.

Ratio	2022	2021	2020	2019	2018
Proprietary Ratio(%)	0.023	0.023	0.027	0.026	0.025



ANALYSIS

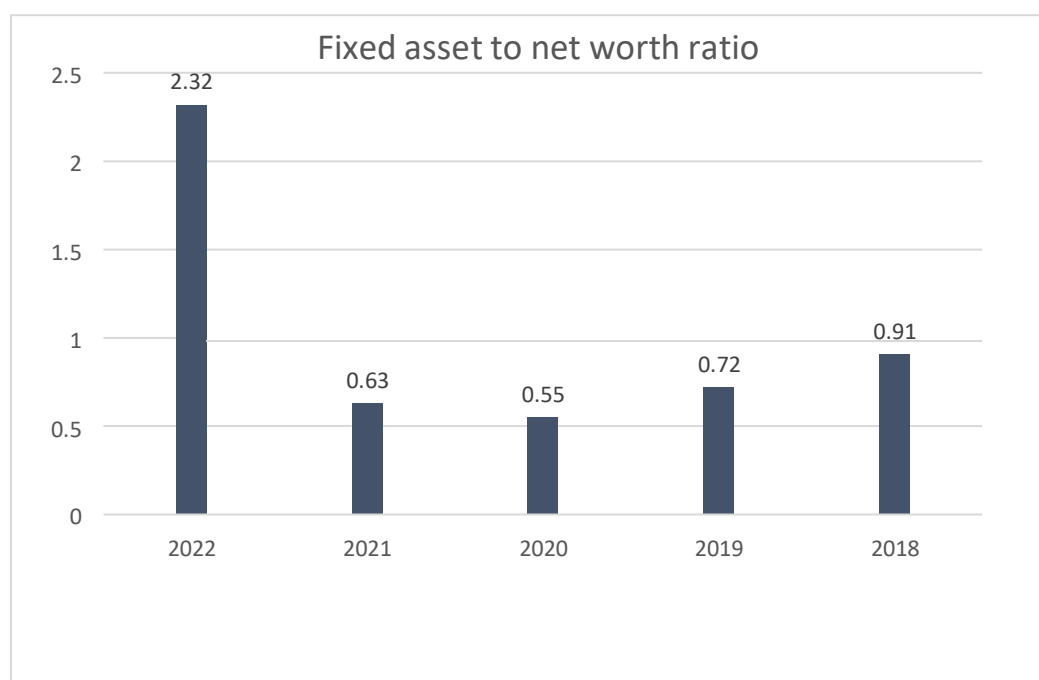
The above table and graph show the proprietary ratio of the company, when comparing the five years of ratio 2020 is having the highest ratio of 0.027 which shows a high proprietary ratio indicates that a business is in a strong position and

provides relief to creditors, while low proprietary ratio shows the dependence of the company on debt facing in order to run its business.

9. FIXED ASSET TO NET WORTH RATIO OR FIXED ASSETS TO PROPRIETOR'S FUND

The ratio establishes the relationship between fixed assets and shareholders' funds i.e. share capital plus reserves, surpluses and retained earnings.

Ratio	2022	2021	2020	2019	2018
Fixed asset to net worth ratio or fixed assets to proprietor's fund.	2.32	0.63	0.55	0.72	0.91



ANALYSIS:

In 2022, the fixed asset to net worth ratio was 2.32, which suggests that a relatively high proportion of the financial institution's net worth was tied up in fixed assets. In 2021, the ratio was 0.63, indicating a significant decrease in the proportion of net worth tied up in fixed assets compared to the previous year. The ratio was 0.55 in 2020, 0.72 in 2019, and 0.91 in 2018. It is important to note that the fixed asset to net worth ratio can vary greatly between financial institutions and can also change over time due to a variety of factors, such as investment in new facilities or equipment, changes in market conditions, and changes in the regulatory environment. A high ratio

may indicate a significant investment in fixed assets, while a low ratio may indicate a more conservative approach to investment.

6.1 LEARNING EXPERIENCE

My Learning experience at Mathrubhoomi Souharda Sahakari Ltd Kaikama Bank Ltd. for 4 weeks has given me the greater opportunity to learn and understand the organization. The environment of organization is totally different from what we experience in our college and class rooms. My interaction with the manager, who was the external guide, was very helpful to me to get all the information about the society.

The internship at Mathrubhoomi Souharda Sahakari Ltd Kaikamba Bank Ltd. helped me to understand the work, culture, work nature, and product services. I also got some tips regarding how to manage people, team work, how to be with workers. This internship study helped me to understand various products of the cooperative bank and various documentation aspects of loans and advances, deposits and other various applications.

This internship work has also helped in a better understanding of the theoretical concepts, and their practical applications. An internship offers the chance to learn by doing in a setting where you are supervised by a work -place professional. And have the opportunity to achieve one's own learning goals, without the responsibilities of being a permanent employee. An internship also offers the opportunity to work with someone who can become a mentor for not only in internship but through the career.

The experience I had in Mathrubhoomi Souharda Sahakari was great. First time to work in an organization and study about it was very effective in terms of practical exposure to how the customer relationship is build. The staff was very coordinated, helpful and supportive. Finally, I would like to thank each and everyone.

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