

**Project Report (17MBAPR407)**  
**on**  
**A Study on Credit Evaluation of Loans and Advances**  
**at Bangalore City Co-operative Bank, Chamarajapete, Bangalore**

**BY**

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**1AY17MBA08**

*Submitted to*

**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI**



*In partial fulfillment of the requirements for the award of the degree of*  
**MASTER OF BUSINESS ADMINISTRATION**  
*Under the guidance of*

**INTERNAL GUIDE**

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**Acharya Institute of technology, Soldevanahalli,**  
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**March 2019**

ಸ್ಥಾಪನೆ : 1907



ದಿ ಬೆಂಗಳೂರು ಸಿಟಿ ಕೋ-ಆಪರೇಟಿವ್ ಬ್ಯಾಂಕ್ ಲಿಮಿಟೆಡ್

**THE BANGALORE CITY CO-OPERATIVE BANK LIMITED**

ADMN. Off : # 3, Pampa Mahakavi Road, Chamarajpet, Bangalore-560 018

☎ Off : 26678572, 26600512, 26609066, Tele Fax : 080- 26617980

President : 26606377, G. M. : 26617980. E-mail : bccb\_2005@yahoo.co.in Web : bccb.co.in

Ref: BCCB/AO/ 1001A /2018-2019

DATE: 16.02.2019


## CERTIFICATE

This is to Certify that **Ms. Chaitra.K**, Reg.No. 1AY17MBA08, student of 4<sup>th</sup> Sem, MBA, Acharya Institute of Technology, Bangalore-560 107. She has successfully completed her project work on the topic "CREDIT EVALUATION, LOANS AND ADVANCES AT THE BANGALORE CITY CO-OPERATIVE BANK LIMITED, BANGALORE" during the period from 03.01.2019 to 16.02.2019 in our organization, under the guidance of **Mr. Vallabha Raju.A.V**, Branch Manager (I/c) of our Bank.

She has showed her extensive interest during her Internship project work, which is worth appreciating.

The Bangalore City Co-operative Bank Limited wishes **Ms. Chaitra.K**, a bright future.

The Bangalore City Co-op. Bank Ltd.

  
B. GANGADHARA  
(B. GANGADHAR)  
GENERAL MANAGER (I/c)

### BRANCHES

HEAD OFFICE	☎ : 26672751 / 9342781401	PADMANABHANAGAR	☎ : 26890199 / 9342781409	K. R. PURAM	☎ : 25610409 / 9342781415
VIJAYANAGAR	☎ : 23302005 / 9342781402	KORAMANGALA	☎ : 25522721 / 9342781410	RAMANAGAR TOWN	☎ : 27271173 / 9342781416
JAYANAGARA	☎ : 22442389 / 9342781403	AVALAHALLI	☎ : 26420357 / 9342781411	T. DASARAHALLI	☎ : 28390222 / 9342781417
INDIRANAGAR	☎ : 25250194 / 9342781404	R.T. NAGARA	☎ : 23650122 / 9342781412	KEVEMPUNAGAR (Mysore)	☎ : 08212490163/9342781418
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# ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 04/04/2019

## CERTIFICATE

This is to certify that **Ms. Chaitra K** bearing USN **1AY17MBA08** is a bonafide student of Master of Business Administration course of the Institute 2017-19 batch, affiliated to Visvesvaraya Technological University, Belagavi. Project report on “**A Study on Credit Evaluation of Loans and Advances at Bangalore City Co-operative Bank, Bengaluru**” is prepared by her under the guidance of **Prof. Suhas Patel**, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

Signature of Internal Guide

Signature of HOD  
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**Dr. Devarajaiah R.M.**  
Dean-Academics  
ACHARYA INSTITUTE OF TECHNOLOGY  
Bengaluru-107.

## DECLARATION

I, **Chaitra K**, hereby declare that the Project report entitled “**Credit Evaluation of Loans and Advances**” with reference to “**Bangalore City Cooperative Bank Bangalore**” prepared by me under the guidance of **Mr.Suhas Patel**, Assistant Professor, Department of M.B.A, Acharya Institute of Technology, Bangalore and external assistance by **Mr.Vallabha Raju.A.V, Branch Manager, BCC Bank, Bangalore**. I also declare that this Project work is towards the partial fulfilment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone a summer project for a period of six weeks. I further declare that this Project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University / Institution.

**Place: Bangalore**

**Date: 05/04/2019**

  
**Signature of the student**

## ACKNOWLEDGEMENT

I wish to express my sincere thanks to our respected Principal, **Dr. Prakash M R**, beloved Dean-Academics, **Dr. Devarajaiah R M**, and deep sense of gratitude to **Dr. M M Bagali**, HOD, Acharya Institute of Technology, Bengaluru for their kind support and encouragement in completion of the project Report.

I would like to thank **Mr.Suhas Patel**, Asst. Professor, Department of MBA, Acharya Institute of Technology, Bengaluru and external guide **Mr.Vallabha Raju.A.V**, **Branch Manager**, BCC Bank Bangalore, who gave me golden opportunity to do this wonderful Project in the esteemed organization, which helped me to learn various concepts.

Finally, I express my sincere thanks to my parents, friends and all the Staff of MBA department of AIT for their valuable suggestions in completing this Project Report.

Place: Bangalore

Chaitra K

Date:

1AY17MBA08



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## **EXECUTIVE SUMMARY**

A key topic that plays an important role in understanding and assessing the overall capacity and performance of a given bank is to study credit rating techniques for loans and loans. As a result, this topic was selected as a summer project. This project was carried out at the Cooperative Bank of Bangalore City.

Managing Credit Management Loans and loans technology is a very broad subject and a very important concern in the banking sector and it is impossible to understand all the concepts at one time.

The purpose of this study is to understand the data of recent years. Data relating to the progress of the bank in various sectors of the priority and non-priority sectors and the amount of the proportional increase in the duration of the loan.

The next part of the report is devoted to knowledge about cooperative banks. Includes the history of the BCCB bank and the services provided by the bank.

He then briefly introduces the BCCB and provides the next part of the report which includes the history, management, objectives and financial situation of the bank.

The following sections provide information on loans and credit facilities provided by your bank. This section covers the different types of loans offered by the bank, the details of these loans, the procedures for recovering them, the actual locations of the banks and the recommendations in the borrowing area, as well as the co-ordinates of the co-operative banks. various suggestions and suggestions for improvement.

Researchers used financial statements, annual reports and financial documents as baseline data for conducting research activities. The annual report for the last four years has been taken into account for the research.

**CHAPTER-1**

**INTROUDUCTION**

**INDUSTRY AND COMPANY PROFILE**

## **1.1 INTRODUCTION TO BANKING INDUSTRY:**

### **INDIAN BANKING INDUSTRY SCENARIO**

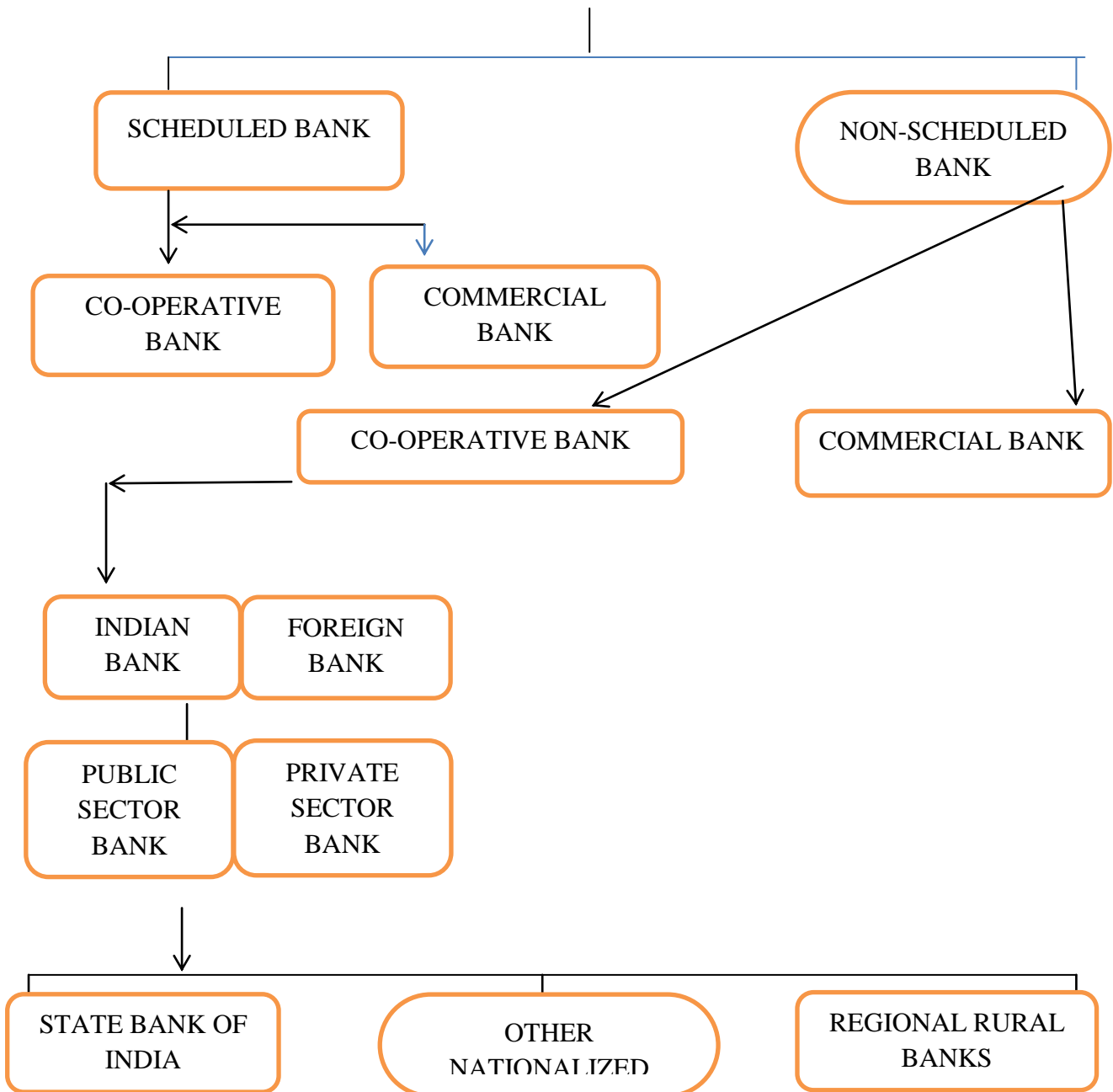
Banks in India started during the last decade of the 18th century with a modern meaning. Among the first banks are the Bank of Hindustan, founded in 1770 and closed from 1829 to 1832, and the Indian General Bank, founded in 1786 but which failed in 1791.

The largest and oldest existing bank is the State Bank of India. It started with Calcutta Bank and started to work. In 1809 he was renamed Bank of Bengal. It was one of three banks created by the presidential government. The other two were Bombay Bank in 1840 and Madras Bank in 1843. In 1921, three banks merged to form the Imperial Bank of India. In 1955, the Bank presidency played a role in India. Until the creation of the Reserve Bank of India in 1935 at the Reserve Bank of India

The Indian banking sector is generally classified as planned and unplanned. The planned bank includes the bank under the second. Potential banks are classified as follows. Nationalized banks; Regional Rural Banks; Foreign banks; And other Indian private banks. The term commercial bank refers to both a commercial bank governed by the Banking Regulation Act of 1949 and an unregistered commercial bank.

In general, India's banking supply, range and range of banking products are quite mature, although it is still difficult to reach Indian rural areas and the poor. The government has developed an initiative to expand its branch network through the State Bank of India and manage it through a National Bank for Agricultural and Rural Development (NABARD), with facilities such as microfinance.

## STRUCTURE OF BANKING INDUSTRY IN INDIA



**Definition of the bank:**

In accordance with the 1949 Banking Regulation Act, the Bank accepts loans or investments in public deposits, refunds or other withdrawals by check, draft, order or otherwise.

**Reserve Bank of India:**

The Reserve Bank of India is the central bank of India and the monetary authorities who manage the money supply and the currencies of the country. We operate banks for the Indian government and commercial banks.

**Scheduled banks:**

The bank proposed by the proposed bank name appears in the second schedule of the 1934 Reserve Bank of India (RBI) Act.

**Non-Scheduled Banks:**

Unplanned banks are not included in the second calendar of the 1934 RBI Act. Banks with a reserve capital of less than Rs 5 are considered unplanned banks.

**Public Sector Banks:**

Most banks that hold more than 51% of the central government were banks. Ownership and control are regulated by the central government.

**Nationalized banks:**

Nationalization is the act of making an industry or property belonging to the national government. Nationalization refers to private assets transferred to the public sector owned or operated by the state.

**Private Sector Banks:**

Majority-owned banks will be with individuals and corporations. They must meet the loan objectives of the priority sector of the RBI. The goal of these banks is to diversify ownership and control through sound corporate governance.

**Foreign Banks:**

They are registered or integrated in their country of origin, not in India. These banks support import and export revenues.

**Regional Rural Bank:**

They have been created for the rural development of the country since the 1970s and constitute a new type of lending institution that guarantees a balanced development of the nation. The main goal of the RRB is to ensure the distribution of the wealth of the wealthy by facilitating the provision of credit to the poor and improving their standard of living.

**Cooperative banks:**

The development of government-owned credit institutions began after the 1900s. This body is created by a group of people with a common interest in members to be appointed members of the organization's board of directors, which is registered with government or central government at the same time as the law.

**Development Bank:**

There have been developments in India and facilities have been created to support business development, financial support, technology provision, product marketing for small businesses and various types of corporate support arrangements. Indian.

**FUNCTIONS OF BANKS:**

1. Primary Functions:
  - a. Accepting deposits.
  - b. Providing loans and advances.
2. Secondary Functions:
  - a. Transfer of monetary funds
  - b. Collection of cheque
  - c. Portfolio management
  - d. Issue of draft, Letter of credit etc
  - e. Locker facility on rental basis
  - f. Underwriting of shares
  - g. Dealing in foreign shares

## **Cooperative banks:**

### **Definition:**

According to Devine, "a cooperative bank is a mutual society incorporated, organized and trained by the appropriate staff to encourage regular savings and allow micro-loans with easy interest and payment terms.

### **Cooperative Bank in India:**

Saving money in cooperation in India is the result of cooperation negotiations in reality. The cooperative credit society acts. In 1904, Sir Nicholson proposed a cooperative credit company on the proposal. Edward Maclagan's 1915 Council distinguished the weaknesses of the cooperative social order. What is the vitality of administrative help above all?

### **Characteristics of Co-operative Banks:**

1. They categorized how they found more for self-improvement of cooperation and common standards of cooperation. They work for people who participate in the "partial vote".
2. The Cooperative Bank will finalize its principal savings financing capability for the supply of in-store assemblies for purchases from credit and purchasing offices.
3. Cooperative banks have a foreign exchange market and a capital industry.
4. Cooperating banks may need to assist expeditionary legislation, which is constantly supported for delivery.
5. Co-operative banks mainly preserve the monetary benefits of their activities in the Agricola business sector.
6. Co-operative banks must also consent to the need to require liquidity requirements for mandatory liquidity ratios (SLRs) and mandatory plans other than cash reserves (CRRs).



## **1.2 COMPANY PROFILE:**

### **HISTORY OF THE BANGALORE CO-OPERATIVE BANK LTD:**

The twentieth century of Indian history has witnessed the movement of two people. One was a free struggle under the leadership of Mahatma Gandhi, and the British were free from any foreign domination. The other was a moment of collaboration against capitalism. This creates economic conditions for the poor and the poor.

The cooperative moments began with the introduction of cooperatives in 1904, when the Bank of Bangalore Ltd. cooperative bank. (Bangalore) created a credit company, in 1905, on the 6th, it became a municipal cooperative bank and became the first municipal cooperative banker that Mysore.

The Cooperative Bank of Bangalore City was created under the direction of Sir Headmaster Ramaswamaiah of the London Missions School, with the primary purpose of promoting members' savings habits and preventing members from controlling them. The bank has a capital of 2727 Rs - - of which 150 social members and a deposit of 2225 Rs - and has loaned 4036 Rs to its members. The bank made a profit of £ 156 and declared a dividend of 13.02% in one year. We are pleased to inform you that the bank was able to easily allocate its share capital to its members during the initial period. Since its foundation, banks have never been frustrated by the mobilization to share capital / deposits, issue loans and borrow and make profits. This bank is one of the three main banks in the city of Karnataka.

Initially, the bank started as a credit union in 1905 and became a cooperative bank in the city on April 6, 1907. It started with 150 members, mobilizing capital from its members, Start of the dividend payment

Today, the sum of the total activity, namely deposits and loans, amounts to 3269 crores of rupees and is currently designated as the main cooperative bank of the city of Karnataka. The bank commemorated the festival in 1932, the Golden Jubilee of 1957, the 1967 Jubilee Comedy, the Platinum Jubilee of 1977 and the centenary celebrations of March 31, 2007.

The Bank operates on sound principles of cooperation and has successfully completed more than 110 years of financial services. Since its creation, the bank has been paying dividends to its members and continues to generate profits after audit category "A".

In order to register the above image of the goddess Lakshmi as a trademark in accordance with the Trademark Law of 1959 taking into account the request made to the Government of India, the Government has approved and registered the image herein. as a trademark and received a letter of approval on March 15, 2008.



Head Office of 'Bangalore City Co-operative Bank Limited', Chamarajpet.

**1.3 OWNERSHIP / MANAGEMENT BOARD:**

<b>Sl.NO</b>	<b>NAMES</b>	<b>POSITION</b>
1.	SRI. AvalahalliChandrappa R	President
2.	Dr. Devaraj. T.M. M.B.B.S., D.H.A, F.A.G.E	Vice President
3.	SRI. Anjanappa	Director
4.	SRI. Krishnappa. K	Director
5.	SRI. Narayanappa. B.R B.A	Director
6.	SRI .Chikkannaiah K C B.Com	Director
7.	SRI. Radhakrishna. N B.A	Director
8.	SRI. Raghunath. C BAL.LLB	Director
9.	SRI. Suresh K P B.A	Director
10.	SRI. Basavaraju	Director
11.	SRI. Munikrishna. M M.A	Director
12.	SRI. Meenakumari K.P B.Com	Director
13.	SMT. Vijaya G S	Director
14.	SRI. Hanumadasaiah DME	Director
15.	SRI. U. P. Puranik M.com, L.L.B,R.B.P, CAIIB	Director
16.	SRI. Shivanna B.Com, LLB, CAIIB	Director
17.	SRI. N Manjunatha, Bsc, MA, HDC	General Manager

## **1.4 VISION, MISSION AND QUALITY POLICY**

### **Vision:**

- Receive deposits in order to promote savings habits in the minds of the public and members.
- Offer different types of loan facilities to members and associate members.
- Grow your business by opening branches, covering large areas and providing banking services to many people.
- Contribute to agriculture by providing short and medium term credit facilities to farmers.
- "With a deposit of 1,000 crores of rupees, a progressive portfolio will be created in the next eight years and the banking network will be extended to 25 branches"

### **Mission:**

- Respond to the growing desire of bank customers in a changing environment in general.
- Gives total customer satisfaction by providing quality service.
- Promote socio-economic development and make it a national and social goal.
- Respond to the economic needs and career aspirations of bank employees.
- Improve credit efficiency and reduce credit risk through careful and continuous monitoring.

### **Quality policy:**

- Use designated features for account holders, including savings bank accounts and current cardholders.
- Bank exchanges cut bank notes in accordance with RBI guidelines.
- The bank provides instructions for the payment of bills, rent, interest and premiums.
- Banks provide essential and important guidelines to the holders.

### **1.5 Product profile and service:**

- Basic banking services
- SMS notification function
- Renewal of vehicle insurance
- Health Insurance
- Electronic buffer paper
- Accident insurance
- Draft Application
- Withdrawal
- Cash receipts
- Sanctions and lending expenses
- Locker facilities
- check the reconciliation
- Payment order
- send an email
- Bank transfer
- Open, running, repetitive and fixed deposits
- RTGS and NEFT - Banks provide IDBI and IndusInd Bank with RTGS and NEFT facilities facilitating the transfer of funds.
- Solvency Certificate - A salary certificate is issued to the client so that they can declare that their financial situation meets certain conditions.

## 1.6 AREAS OF OPERATION:

Bangalore City Cooperative Bank has opened offices in several key areas of Bangalore and surrounding rural areas. This is done to serve a large number of customers and maintain good relationships with customers.

Our head office is located in Chamarajpet. There are 18 branches in and around Bangalore,

SL.NO	BRANCHES
1.	Head Office Branch, Chamarajpet
2.	Vijayanagar
3.	Jayanagar
4.	Indiranagar
5.	Shanthinagar
6.	Mahalakshmipura
7.	Sanjayanagar
8.	Padmanabhanagar
9.	Chamarajpet (west)
10.	Koramangala
11.	Avalahalli
12.	R. T. Nagar
13.	Janajyothinagar
14.	HRBR Layout Branch
15.	K.R.Puram Branch
16.	Ramanagar Branch
17.	T. Dasarahalli Branch

18.	Kuvempunagar Branch- Mysore
19.	Hosur Road – Electronic city Branch
20.	Yelahanka Branch
21.	Anjananagar Branch

### **1.7 INFRASTRUCTURE FACILITY:**

All the necessary infrastructure and information The ATM, the card reader, the biometric, the issuer of the receipt, the locker, the booklet entry system, the computer system, the check scanner are provided by the bank so you can create better customer service space and furniture I will do it All branches are available in water facilities, mobile charger installations.

### **1.8 COMPETITOR INFORMATION:**

Apex Cooperative Bank

Canara Bank

ICICI Bank

HDFC Bank

Bank axis

Bank of Karnataka etc.

### **1.9 SWOT Analysis:**

I inspect the internal and external environment of your organization, which is an important part of your strategic planning process. This analysis helps companies find information that helps them ensure that their resources and capabilities match the competitive environment in which they operate. These are elements for each element of the SWOT analysis applied to BCC Bank Ltd.



## **1. Strengths:**

- **Brand Name:** BCC Bank Limited has built a reputation in the marketplace by providing the market with superior products and services to the products and services of its competitors.
- **Extensive experience:** BCC Bank Limited has 100 years of experience and has since provided banking services.
- **Diversified Portfolio:** BCC Bank offers a full range of products that will help expand its network with existing partners and partners. Among the products offered by the bank are retail banking, merchant banking, seller establishment services, personal loans, personal and automobile loans, insurance, etc.
- **Active Marketing:** BCC Bank is known for the active marketing of its products. Recently, the bank sponsored the Kannada music show, broadcast only for the Kannada music channel, to market its products.
- **Loan approach:** Since banks have an aggressive approach to lending, most people who want financial support for this reason will choose this bank over another state-owned bank. This is a major asset of the bank as it becomes easier to use with lower interest rates depending on the type of loan.

## **2. Weaknesses:**

- Lack of professional management.
- Lack of modern technology.
- There are very few ATMs in the city.
- Branches outside the main branch are not developed.
- They lack innovative and costly marketing strategies.
- Appropriate technology has not been updated to facilitate the bank's business operations.

### **3. Opportunity:**

- Introduction of deposits and loans to attract customers.
- Development of investment technology.
- expansion of the banking system in that a large part of the population will be provided
- Affects opening an account in a bank by accessing an unsatisfied customer from another bank.
- Funding through the bank's support organization.

### **4. Threats:**

- Many nationalized and private banks are in fierce competition with local cooperative banks.
- Changes in government policy.
- Collaborative banks have fallen as commercial banks have improved their working methods.
- Reduce the competition of foreign banks.
- The shortage of employees is a major threat for the banking sector as it has qualified and inexperienced staff.
- Growth in capital markets and the emergence of mutual funds are threatening the increase in deposits with banks.

### **1.10 Future Growth and Prospects:**

Bangalore City Co-operative Bank Ltd. should provide the best performance in the field of partner organizations. Banks are leading the way with great vision and here are some of their future plans.

- Installation of branches throughout the state.
- Implement basic banking activities.
- To increase your deposit up to Rs. 600 crores, you must borrow and lend up to Rs. 300 crores.
- Acquisition of the title deed of each branch of Karnataka.

- Target net income is expected to reach Rs 20 crore.
- Improve customer service by adopting the latest technology and smooth banking.

**Financial Statements:**

**Rupees in lakhs**

<b>Particulars</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Deposits Amount	2,52,137	2,75,506	2,93,357
Investments	74,822	76,059	88,555
Share Capital	6,960	9,233	7,369
Reserves& funds	10,150	13,509	16,446
Net Profit	1,642	1,864	2,249
Loans &Advances	89,620	2,23,327	2,30,023
Bad& Doubtful Debts	449	287	86
NPA	93596	82,606	2,14,854

**CHAPTER-2**  
**CONCEPTUAL BACKGROUND AND LITERATURE**  
**REVIEW**

## **2.1 THEORETICAL BACKGROUND OF THE STUDY:**

### **CREDIT EVALUATION:**

Credit assessment and approval is the process that a business or individual must succeed in order to qualify for a loan over a long period of time or to pay for goods and services. It is also the business or lending institution that you use to assess your credit needs.

### **IMPORTANCE OF CREDIT EVALUATION**

This registration is very important because it shows the repayment scheme of the borrower. At the same time, the report provides access to past credit problems.

The credit report also provides a number of other information. The credit report is useful for identifying the current credit situation of potential borrowers and information on all current sources of borrowing and debt of borrowers around the world.

### **LOANS AND ADVANCES**

#### **LOANS**

Loans are one of the types of services that banks offer to their clients in order to meet the needs that benefit the bank by obtaining the appropriate interest rate.

Loans are only granted for a certain period. Generally, banks offer short-term loans. The total amount is also available as a lump sum or installment. The property is exchanged or granted for different types of property, plant and equipment. Goods, debts, financial products, real estate, automobiles, consumer sustainability, etc. Long-term loans are provided for long-term loan acquisitions.

#### **ADVANCES**

Loans are a single credit facility set by the bank. Banks grant customers advances for temporary purposes, such as buying commodity exchanges and collecting other low-performing commercial responsibilities. Loans are short-term funds that banks provide to their clients. The money is repaid in installments and the interest rate is also higher than the loan.

Generally, a banker prefers a loan in the form of a loan for two reasons:

Loans involve very little accounting work and repayment of loans is on a large scale.

Bankers can collect interest on the total amount of the loan penalty.

Loans are an important element of loans. The loan-to-loan ratio appears to be better than aggregate deposits.

### **Loans and Advances Key Differences**

Long-term loans are provided. Progress is given for a short time.

There are more legal procedures for lending than loans.

Loans can be mortgages or unsecured, but loans are still secured by assets.

A loan is a kind of debt, but a loan is a credit facility provided by a bank to a customer.

The loans are always borrowed.

The money a company pays to another organization for a specific purpose is called the loan method. The cash issued by the bank to meet short-term needs is called an advance.

### **Types of loans**

Loans are classified into two types: secured and unsecured.

#### **Secured**

This is the pledge of the borrower as collateral for the loan amount.

#### **Mortgage loans**

Mortgage is a billing method that can only be created in relation to real estate assets such as buildings and land. Mortgage means the transfer of interest on a specific property for classification purposes, either by guaranteeing repayment or by means of financing.

#### **Pledge of Loans**

A pledge is a relief of personal property as collateral for liabilities that can be repaid under certain conditions, and is basically an implicit bargaining power.

## **Unsecured**

This type of loan only provides loans to customers based on previous conversions and other customer details. The bank does not use the borrower's assets as collateral against loans and loans.

These can be viewed by clients of financial institutions in many cases and packages:

1. Credit card
2. Personal rental
3. Credit facilities and appearance
4. Commercial obligations

The interest rates of unsecured loans are higher than those of mortgages. Due to the limited options of unsecured credit institutions for borrowers, the bank will incur losses in the event of default by the borrower. In liquidation activities, mortgages typically have a major interest in unsecured loans when the court splits them into the borrower's assets. Therefore, in case of bankruptcy, the advanced interest rate premiums and the receivables can not be recovered. Therefore, only unsecured loans are risky.

## **Demand Loans**

This is one of the types of loans they lend to short-term loans and there is no permanent date for repayment

This is one of the types of loans they lend to short-term loans and there is no permanent date for repayment of the loan amount and also sets a very high interest rate based on the rate principal loan. This is a loan provided by the bank, which the client can use at the request of the banker. The total amount of the loan is given to the customer at one time and interest is charged. The borrower can repay the loan amount in one installment or in several installments authorized by the banker.

Demand loans are primarily intended to meet daily capital requirements, such as the acquisition of raw materials and other short-term debt. It can be insecure or insecure.



## **Term Loan**

The term loan is also called a medium and long term loan. Term loans are granted over a given period and repayable over a longer period. It is mainly used for the construction, renovation and enlargement of the building.

## **Susidized Loan**

The interest rate is one of the types of loans disclosed or hidden. In the context of tuition fees, interest is not charged until the student has completed his studies. After that, you have to repay by instalment.

## **Concessional Loan**

Also known as "reduced rate loans" means more generous sanctions than market rates with a grace period. This loan can only be granted in foreign developing countries ": India

## **Education Loans**

It is a loan to give students up to 10 lakhs to study in India and 15 lakhs to study abroad.

## **Consumer Durable Loan**

Individuals designated in the Personal Loan category can use as a long-term loan any loan that they can repay under the Bank's general terms and conditions: a refrigerator to buy, a television, a washing machine, a gold jeweller, and so on. Assets purchased from bank funds are assumptions about banks.

## **TYPES OF ADVANCES**

There are different advances with different characteristics.

### **1. Overdraft:**

This is the facility that the bank provides to the check account holder when the account balance is zero or when the account holder can withdraw money from the checking account account. He can only withdraw given limits. Compensation is deducted when the account holder adds money to the account.

## **2. Cash credit:**

Short-term credit given by the bank to the company. Banks only provide this type of funds after obtaining the necessary security to guarantee the loan. Once the payment is secure, the company can continue to withdraw from the router's bank at any given time while receiving the loan.

## **3. Bills Purchased:**

Tickets are often purchased from customers and all restrictions are approved. In the case of documentary programs, projects are accompanied by a document bearing a business name, such as a railway receipt or a rental declaration. Check the creditworthiness of your client before making a profit.

## **4. Bills Discounted:**

The facilities provided by the bank are late, but if the customer submits an invoice to the bank, it will charge part of the commission and give it. The fees charged are an advantage for the bank.

## **5. Letter Of Credit:**

This will only be issued to your bank's trusted customers. Paying a certain amount of money to an individual or to a bank of drawers is an activity provided by the banker, who pays the letter holder only in the presence of a letter of credit.

## **2.2 Literature Review:**

### **COW SOVIET UNION (2011)**

This article describes the credit risks of different banks assessed under the CAMEL model, capital adequacy, asset solidity management, profitability and liquidity, and credit risk management is the main risk to which Banks are exposed. Base-11 is designed to provide a complete view of risk management and control, which may result in significant changes in risk management capabilities, changes in risk-based measurement, capital allocation, and risk management. portfolio management techniques.

### **JYOTHI GUPTA AND SUMIN JAIN (2012)**

"Study on cooperating banks in India, focus on lending practices." The study period is four years and according to this study, 54% of loans are issued solely for home loan purposes. Housing loans are primarily for home improvement and redevelopment, and most people are satisfied with less flexible and less flexible repayment methods. Banking services are Internet banking, credit cards and debit cards (ATM).

### **DR.DGIRAJ JAIN AND MS.NASRREN SHEIKH (2012)**

A comparative study of the performance of selected lenders by the selected "cooperative banks" shows that most banks with insufficient financial problems due to loans do not provide detailed information when granting loans to clients. is not ready to receive a loan from. It has been observed that other banks' lending policies are not appropriate due to inadequate funding. The bank must provide customers with all information regarding the loan policy.

### **DR.K.SUDHAKARA RAO (2013)**

This article is a "comparative analysis of the loans and borrowings of selected cooperative banks of the city". The number of banks sampled from this sample was 10 and the search was conducted over 10 years. The Visakhapatnam research bank took the lead in issuing large loans as the loan would increase each year, but Bhimavasam Bank, Guantar Bank and Durga Bank have very low cash deposit ratios. Finally, they say the bank should approve the loan and implement the KYC rule by facilitating the loan sanctioning process.

### **CONSUMER PROTECTION (2014)**

This article shows that 40% of people receive one or two loans a year if they say that their financial situation is fulfilled. Two-thirds of payday borrowers receive more than seven loans a year. The client must be repeatedly borrowed and paid to continue to pay the debt from the payment period to the payment period, which is primarily based on the borrower's various payment criteria.

### **JUSTIN EWURADJOA HAGAN (2015)**

According to this article, the "Credit Risk Management Assessment of Co-operative Banks" revealed that more than 70% of ADB's total credit risk was from loans and loans to banks and customers. The bank was very impressed by the loans granted by the sector. Banks must take permanent, practical steps to mitigate credit risk. The purpose of credit risk is not to prohibit or prevent taking credit risk, but to ensure that credit risk can be measured and consciously recorded in sufficient knowledge, an objective clear and an understanding.

### **DR.A.B. HOUSE (2015)**

This article is titled "A Study on the Financing Performance of Loans and Loans of Godavari Co-operative Bank Limited" and cooperative banks are making more urgent requests in India to cooperating banks around the world. Co-operative banks have begun to help certain sectors such as farmers' banks, industrial ethnic groups and rural populations.

### **V. V. BHATTI (1970)**

Lead Banks has proposed a concession plan to help small and medium-sized farmers and entrepreneurs provide funds and advice. To effectively provide financing and advice, banks need to collect the necessary information, collect loans and interest, provide after-sales services, and monitor the work of supported companies. By creating and supporting a series of authorized resellers, this task can be accomplished more easily.

### **KARGI (2011)**

This article discusses the impact of credit risk on the profitability of banks in Nigeria. The financial ratios of the banks' performance measures for credit risk were collected using examples of annual accounts and 2005-2009 bank accounts and analyzed using explanatory, correlation and regression techniques. This discovery showed that credit risk management

had a significant impact on the profits of Nigerian banks. The level of borrowings and borrowings, bad debts and deposits has a critical impact on banks' earnings, exposing them to a high risk of inqualification and difficulty.

#### **KITHINJI (2010)**

This article analyzes the impact of credit risk management on the profitability of commercial banks in Kenya. Data on credit amount, loan amount and profits were collected between 2006 and 2008. The results show that most commercial bank profits are unaffected by the amount of credit and loans. As a result, other variables, such as credit and loans,

#### **FELIX AND CLADIN (2008)**

This article is based on the relationship between bank performance and credit risk management. ROE and ROA are inversely proportional to the ratio of non-performing loans to total lending by financial institutions, which can lead to lower profitability. The increase in the provision for doubtful accounts is considered a determining factor for potential credit risk. The study also pointed out that the credit risk of emerging economies is greater than that of developed countries.

#### **AL-HUI WEI (2011)**

This paper assesses the specific risk characteristics of banks and their impact on the performance of 45 commercial banks operating in seven Gulf Cooperation Councils (GCCs) from 1998 to 2008. The results of the fixed-effect regression analysis show that credit risk, liquidity risk and capital risk are major factors affecting the performance of banks when the return is measured by the return on assets, This represents the only danger.

#### **AHMED, TAKEDA AND SHAWN (1998)**

This article revealed that the provision for bad debts had a significant positive impact on bad debts. As a result, the increase in loan loss provisions means that credit risk increases and the quality of loans deteriorates, which will adversely affect the bank's results.

#### **BORSE (2005)**

Akara, the study of the goals and achievements of Maharashtra through the lead bank They found that the share of loans falling in total loans from agriculture and similar sectors was relatively higher for commercial banks only for commercial banks. In the case of small-scale

irrigation, farm mechanization had a larger distribution of credit than cooperative banks of commercial banks.

### **KAILASH (2005)**

A study of India's agricultural credibility revealed that formal and informal sources of credit are important in the Indian context. However, the importance of official credit agencies has increased in the long run in terms of credit transfer to the agricultural sector. This study points out that the share of cooperative credit institutions in total agricultural credit has declined as the share of commercial banks and regional budget offices has increased over the past decade.

### **RAJPUT AND VERMA (2005)**

A study on RRB credit financing in the agricultural sector of Hosangabad region in Madhya Pradesh. As a result, it was pointed out that RRB credits for crop loans and long-term loans per hectare were not sufficient.

However,

A study conducted in Nalanda district in Bihar found that loans borrowed by institutions and non-institutional institutions accounted for 75% and 25% of total loans. Commercial banks were the highest at 50.60%, followed by the RRB and cooperative banks. The largest loans are granted for the purchase of agricultural equipment, and this material is especially intended for large farms.

### **ATTERI (2007)**

Articles on institutional credit flows and regional differences in loan receivables in the Indian agricultural sector. They reduced the credit percentage of cooperatives among institutional credit institutions from 63% to 28% and commercial banks from 30% to 62%. The total institutional credit is 14.6% of the pension. He stressed that farmers are primarily responsible for the attitude of borrower farmers in receiving commercial bank loans compared to other institutions.

### **Goyal (2007)**

A study on the growth and performance of agricultural cooperatives' contributions in India. The institutional credit flow for agriculture and related activities increased by 15.7% between

1980 and 1981, rising from the annual growth rate between 2005 and 2006, In 2005, the share of agriculture in cooperative banks was about 65%, it fell to 22% in 2005-2006 and the commercial bank credit increased from 37% to 70% during the same period.

#### **GATTA (2007)**

A study of limited smallholder farmers in the Madhya Pradesh region in the Mandla district showed that the total funding of all institutions in Madhya Pradesh for agriculture in 1997-1998 and 1999-2000 was 2,385 rupees, 1,658 rupees and 1,747 euros for agriculture. For RRBs and commercial banks, over 80% of loans are long term and the remaining 20% are short term. However, most farmers belonging to small and marginal groups borrowed from cooperative banks.

#### **KARWASRA (2007)**

Articles on the wise regional distribution of agricultural credit in India. As a result, the total credit flows of commercial banks, cooperatives and regional offices in the regions increased by 31%, 18% and 12% respectively between 2001 and 2006. Over the years, reference expenditures have increased in parallel credit expenditure. Institutional and commercially sound banks accounted for a large share of total refinancing expenditures as demand for credit increased. The largest commercial banks accounted for the largest share of total refinancing payments during the year. Their share has increased, while that of cooperative banks has decreased.

**CHAPTER-3**  
**RESEARCH DESIGN**



### **3.1 STATEMENT OF THE PROBLEM:**

The survey examines the loans the bank has made to its clients through Bangalore City Co-operative Bank Limited's "Credit Evaluation Process for Loans and Loans". The most important problem faced by most banks and non-bank financial institutions was the rating of loans and loans.

### **3.2 NEED FOR THE STUDY**

- Understand the nature of an organization
- Determine the level of funding
- Know the impact of government on organizational growth
- You can analyze your financial statements to understand the benefits of your organization.
- I want to know how a bank evaluates credit.
- Know how banks will sanction loans and loans.

### **3.3 SCOPE OF THE STUDY**

Understand the meaning of credit risk management. Describe the credit risk associated with the customer loan. To better understand the credit risk management activities of Bangalore City Co-operative Bank Limited, you need to understand the importance of credit risk management.

### **3.4 OBJECTIVES OF THE STUDY**

- Evaluate the loans the bank has provided to clients.
- Assess the credit risk associated with the transactions.
- Suggest a bank credit management strategy to make the whole process more profitable.

### **3.5 RESEARCH METHODOLOGY**

- The Bangalore City Cooperative Bank is the study area selected for this study. Primary data is collected through well-organized questionnaires. Samples of respondents from Bangalore City Co-operative Bank were selected by random sampling.

### **3.6 LIMITATION OF THE STUDY**

1. The time allocated for research studies is limited (eg 6 weeks).
2. This study is purely secondary

### **3.7 CHAPTER SCHEME**

#### **Chapter 1: Introduction, Industry and company profile**

Indian banking industry scenario, structure of banking industry in India, Definition of Banking, Types of Banks, Functions of Banks, co-operative Banks, characteristics of co-operative banks, major players in banking sector, company profile, history of BCC bank, Ownership pattern, vision, mission and quality policy, product and service profile of the bank, areas of operation, Infrastructure facility, competitors, SWOT analysis, future growth and prospectus and financial statement.

#### **Chapter 2: Conceptual Background and Literature Review**

Theoretical background of the study credit evaluation of loans and advances, key differences between loans and advances, types of loans, types of advances, recovery procedure, data regarding loan recovery by under different schemes, five why technique, suggestion to the credit recovery problem, literature review.

#### **Chapter 3: Research Design**

Statement of the problem, Need for the study, Objectives, Scope of the study, Research methodology, Limitations, Chapter scheme.

#### **Chapter 4: Analysis and Interpretation**

meaning of analysis and interpretation, for what reason do we analyze data and interpret data, Graphs.

#### **Chapter 5: Findings, Suggestions and Conclusion**

Bibliography, Annexure and Balance sheets.

**CHAPTER-4**  
**ANALYSIS AND INTERPRETATION**

### **Meaning of the analysis**

The analysis of the statements indicates that the total number of people in the financial situation corresponds to an inappropriate alignment of the area or reclassified data.

### **Meaning of interpretation**

Interpretation refers to a component, and definite conclusions can affect the accumulation capacity, efficiency, profitability and liquidity. Comparisons are essential for meaningful interpretation.

### **Why we analyze the data**

The motivation for seeking information is to obtain useful and valuable data. Whether the information is subjective or quantitative, the test can:

- Describe and organize information.
- Recognize the links between factors.
- Factor analysis
- Distinction between factors
- Offer of result

### **Why should we interpret the data?**

Translation requires reasonable and prudent judgment. Frequently, similar information can be translated in different ways. It is helpful to include the time needed to hear how another person or special person decodes similar data in this way.

## 4.1 Vehicle loan

**Table: 1 Calculation of the growth rate of Vehicle Loan**

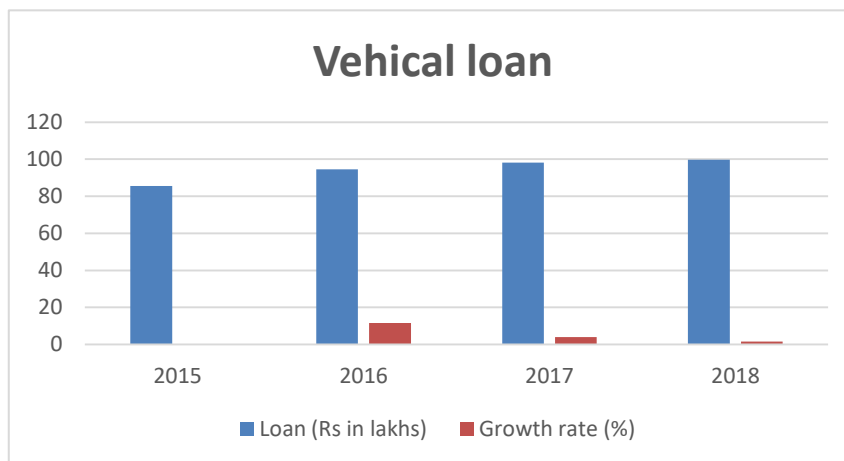
Years	Loan (Rs in lakhs)	Growth rate (%)
2015	75.64	Nil
2016	84.56	11.58
2017	88.25	2.90
2018	89.75	1.52
		$\sum x/n=17$

$$\text{Mean} = \frac{\sum x/n}{4} = 4.25$$

### Analysis

The above table is showing a vehicle loan of BCCB bank is give the loan most of vehicle loan are giving the year is 2018 finally bank is issue of lone increasing every year from the 2015 to 2018.

**Graph: 1 showing growth rate of vehicle loan**



### Interpretation

The above graph indicates that more vehicle loans given in the year 2018 that is 89.75 lakhs with a growth rate of 1.57% and it is seams that the growth of the loan is increasing every year from the 2015 to 2018

## 4.2 Housing loan

**Table: 2 Calculation of the growth rate of Housing loan**

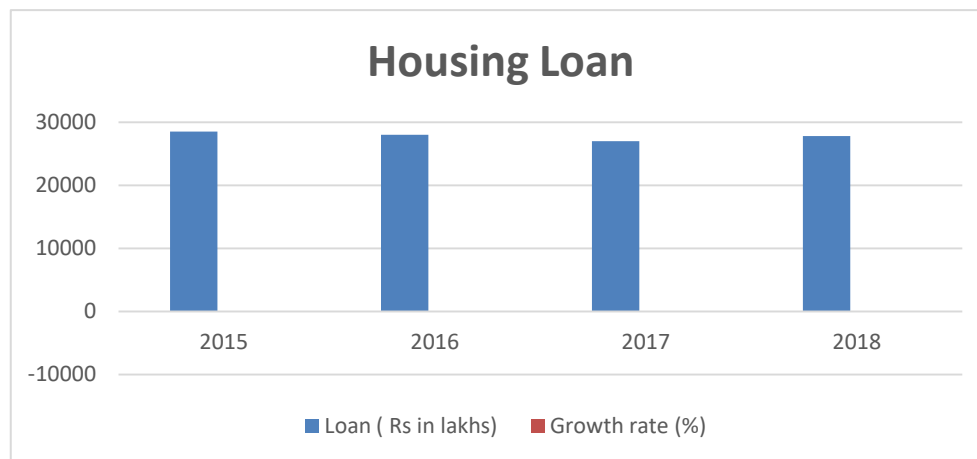
Years	Loan (Rs in lakhs)	Growth rate (%)
2015	38532.33	Nil
2016	37985.33	-1.91
2017	37000.25	-3.50
2018	37800.35	1.94
		$\sum x/n = -2.47$

Mean  $\sum x/n = -2.47/4 = -0.63$

### Analysis

The above table is showing a housing loan in the bccb in this bank providing a housing loan every year in the year 2016 and 2017 the bank will provided very low level of lone provided after the next year the bank is increasing the housing loan.2018

**Graph: 2 Showing growth rate of Housing loan**



### Interpretation

The above graph indicates that more housing loan provided in the year 2016 that is 37985.33 lakhs with a graph rate of -1.91 it has suddenly depressed year by year from 2015 to 2016 it shows that bank provided low loans to purchas house and finally this year means 2018 increased that amount is 37800.35 lakhs with a graph rate of 1.94.

### 4.3 Agriculture loan

**Table:3 Calculation of the growth rate of Agriculture loan**

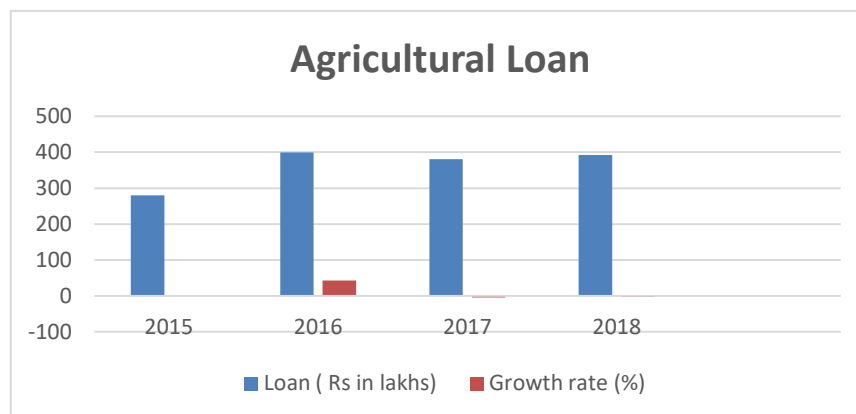
Years	Loan (Rs in lakhs)	Growth rate (%)
2015	380.22	Nil
2016	499.52	42.57
2017	480.52	-4.75
2018	492.10	-3.04
		$\sum x/n=34.78$

Mean =  $\sum x/n=34.78/4=8.7$

#### Analysis

The above table showing Agriculture loan is provided more in the year 2016 also increased year by year from 2015 to 2016 shows that bank has provided more number of loan on the Agriculture and also has been declined in the year 2017.

**Graph: 3 Showing growth rate of Agriculture loan**



#### Interpretation

The above graph indicates that more Agriculture loan is provided more in the year 2016 that is 499.52 lakhs with a growth rate of 42.57% it also increased year by year from 2015 to 2016 shows that bank has provided more number of loan on the Agriculture and also has been declined in the year 2017 that is 480.52 lakhs with the negative growth value -4.75 and it is expected that in coming future years the loan given to agriculture will start increasing year by year

#### 4.4 Small Enterprises Loan

**Table: 4 Calculation of the growth rate Small Enterprises Loan**

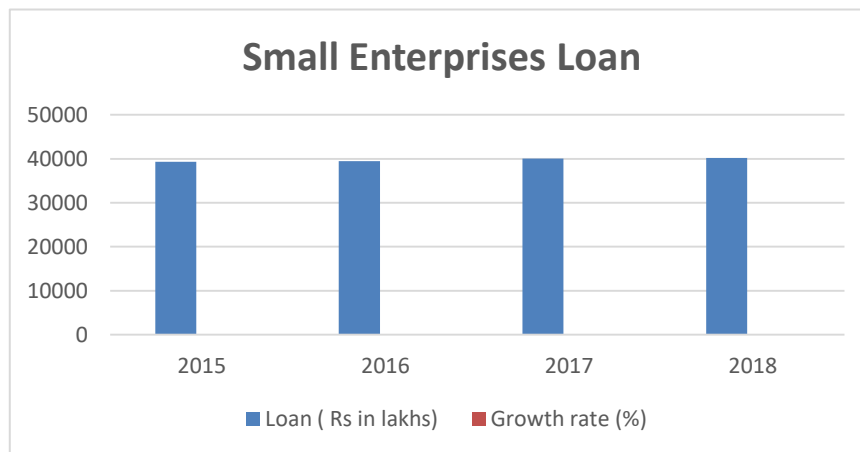
Years	Loan(Rs in lakhs)	Growth rate(%)
2015	49295.80	Nil
2016	49495.30	0.50
2017	40050.32	1.40
2018	40200.52	3.75
		$\sum x/n=5.65$

Mean =  $\sum x/n=5.65/4=1.41$

#### Analysis

The above table showing the that more Small Enterprises Loan is giving in year 2016 it has also increased year by year from 2015 to 2018 it shows that bank has provided many loans on the Small Enterprises.

**Graph: 4 Showing growth rate of Small Enterprises Loan**



#### Interpretation

The graph indicates that more Small Enterprises Loan is giving in year 2016 that is 49494.3 lakhs with a growth rate of 5.172% it has also increased year by year from 2015 to 2018 it shows that bank has provided many loans on the Small Enterprises.



## 4.5 Business loan

**Table: 5 Calculation of the growth rate of Business loan**

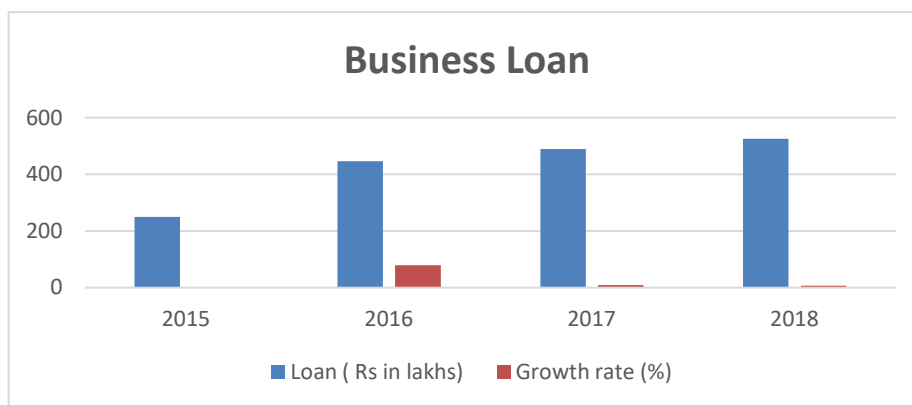
Years	Loan (Rs in lakhs)	Growth rate (%)
2015	349.87	Nil
2016	347.12	68.94
2017	389.21	7.41
2018	425.21	8.50
		$\sum x/n=95.85$

$$\text{Mean} = \sum x/n = 95.85/4 = 23.96$$

### Analysis

The above table showing the that more business loan is given in the year 2018 that is more compare to the other year the lowest of the period is in the year 2015 it shows that bank has provided many loans on the different types of loan.

**Graph: 5 Showing growth rate of Business loan**



### Interpretation

The above graph indicates that more business loan is given in the year 2018 that is more compare to the other years that is 425.21 lakhs with a growth rate of 6.59% the lowest of the period is in the year 2015 that is 349.87 lakhs with the growth rate of 21.32% it shows that bank has provided many loans on the different types of loan.

## 4.6 Education Loan

**Table: 6 Calculation of the growth rate of Education Loan**

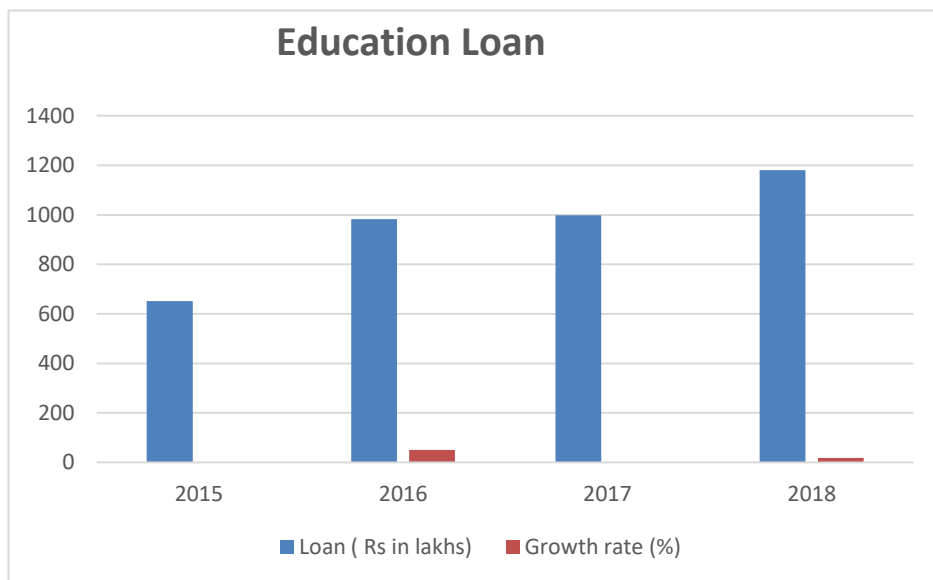
Years	Loan (Rs in lakhs)	Growth rate (%)
2015	752.25	Nil
2016	882.20	40.58
2017	898.20	1.62
2018	1080.90	16.30
		$\sum x/n=70.5$

Mean  $=\sum x/n=70.5/4=17.62$

### Analysis

The table showing the that more Education Loan is giving in year 2018 it has also increased year by year from 2015 to 2018 it shows that bank provided many loans on the Education Loan.

**Graph: 6 Showing growth rate of Education Loan**



### Interpretation

The above graph indicates that more Education Loan is giving in year 2018 that is 3393.25 lakhs with a growth rate of 4.27% it has also increased year by year from 2015 to 2018 it shows that bank has provided many loans on the Education Loan.

## 4.7 Jewel loan

**Table: 7 Calculation of the growth rate of Jewel loan**

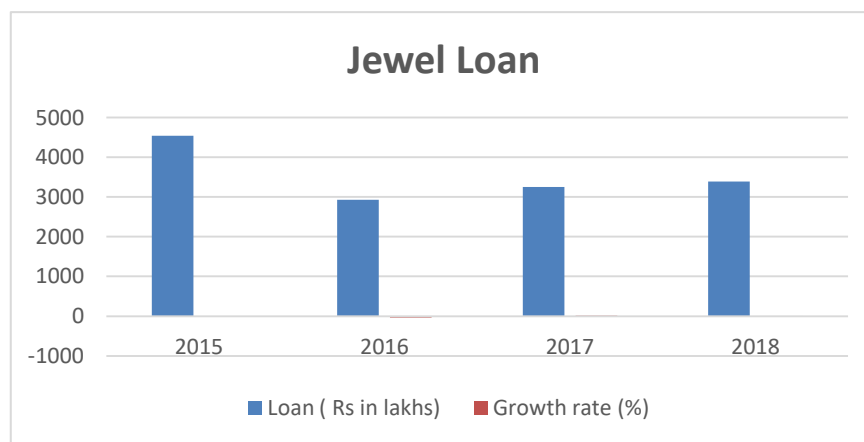
Years	Loan (Rs in lakhs)	Growth rate (%)
2015	3545.25	Nil
2016	1932.25	-35.48 I
2017	2254.25	10.98
2018	2393.25	4.27
		$\sum x/n = -20.23$

Mean =  $\sum x/n = -20.23/4 = -5.05$

### Analysis

The above table showing the that more Jewel loan is given in the year 2015 it has shown previous years may be more so this year shows negative value but it also indicates that in 2017 and 2018 it has started increasing and it may go on.

**Graph: 7 Showing growth rate of Jewel loan**



### Interpretation

The graphs indicates that more Jewel loan is given in the year 2015 that is 3545.25 lakhs with a growth rate of negative that is -13.01% it has shown previous years may be more so this year shows very negative value but it also indicates that in 2017 and 2018 it has started increasing and it may go on.

#### 4.8 Special Salary Advance

**Table: 8 Calculation of the growth rate of Special Salary Advance**

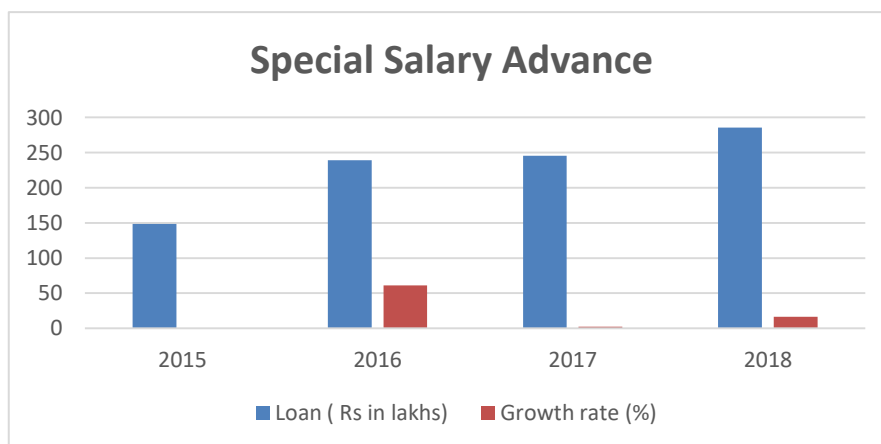
Years	Loan (Rs in lakhs)	Growth rate (%)
2015	128.66	Nil
2016	139.25	60.93
2017	145.36	2.55
2018	185.36	16.30
		$\sum x/n=79.78$

Mean =  $\sum x/n=79.78/4=19.94$

#### Analysis

The above table showing the that in Special Salary Advance more is given in the year 2018 and the lowest in the year 2015 it shows bank has provided many Advance on the special salary and also it has been increased year to year.

**Graph: 8 Showing growth rate of Special Salary Advance**



#### Interpretation

The graph indicates that in Special Salary Advance more is given in the year 2018 that is 185.36 lakhs with a growth rate of 16.30% and the lowest in the year 2015 that of 128.66 lakhs it shows bank has provided many Advance on the special salary and also it has been increased year to year.

## 4.9 House Building Advance

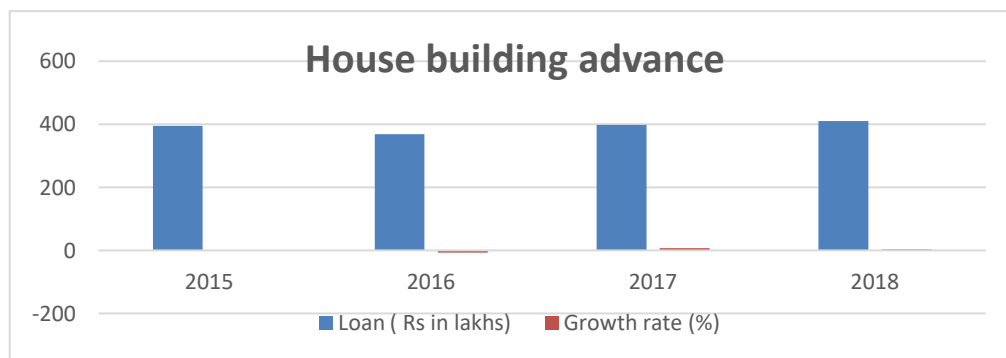
**Table: 9 Calculation of the growth rate of Housing Building Advance**

Years	Loan (Rs in lakhs)	Growth rate (%)
2015	295.25	Nil
2016	269.25	-6.5
2017	198.25	7.85
2018	310.75	3.13
		$\sum x/n=4.48$

$$\text{Mean} = \sum x/n = 4.48/4 = 1.12$$

### Analysis

The above table showing the that in house building Advance more is given in the year 2018 .in the previous year 2016 is getting negative value it has shown the loan provided will be increasing to year by year.



**Graph: 9 Showing growth rate of House Building Advance**

### Interpretation

The above graph indicates that in house building Advance more is given in the year 2018 that is 310.75 lakhs with the growth rate of 3.13%. in the previous year 2016 is getting negative value that is 269.25 lakhs with the growth rate of -6.5% it has shown the loan provided will be increasing to year by year.

#### 4.10 Staff Vehicle Advance

**Table: 10 Calculation of the growth rate of Staff Vehicle Advance**

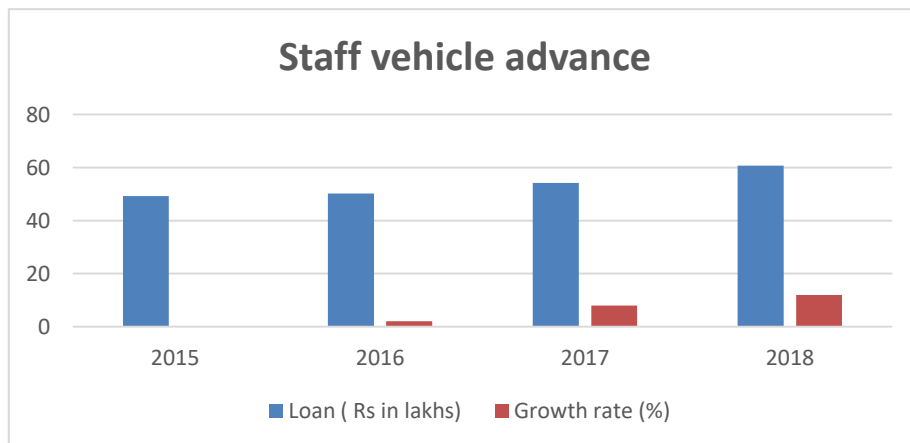
Years	Loan (Rs in lakhs)	Growth rate (%)
2015	38.25	Nil
2016	40.25	2.03
2017	44.25	7.96
2018	50.75	11.98
		$\sum x/n=21.97$

Mean =  $\sum x/n=21.97/4=5.49$

#### Analysis

The above table showing the that more Staff Vehicle Advance is giving in year 2018 it has also increased year by year from 2015 to 2018 it shows that bank has provided many loans on the Staff Vehicle Advance.

**Graph: 10 Showing growth rate of Staff vehicle advance**



#### Interpretation

The above graph indicates that more Staff Vehicle Advance is giving in year 2018 that is 50.75 lakhs with a growth rate of 11.98% it has also increased year by year from 2015 to 2018 it shows that bank has provided many loans on the Staff Vehicle Advance.

#### 4.11 Festival Advance

**Table: 11 Calculation of the growth rate of Festival Advance**

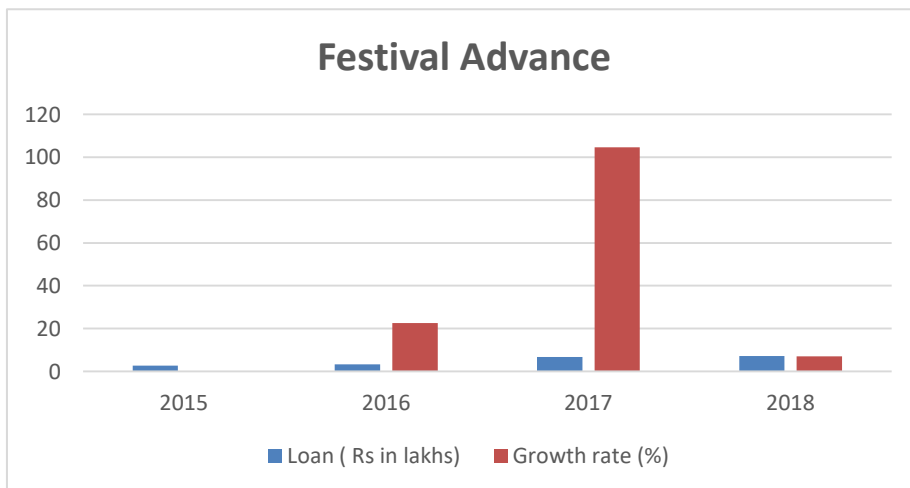
Years	Loan (Rs in lakhs)	Growth rate (%)
2015	1.65	Nil
2016	2.25	22.54
2017	5.65	104.6
2018	6.12	7.08
		$\sum x/n=134.22$

Mean =  $\sum x/n=134.22/4=33.55$

#### Analysis

The above table showing the that more Festival Advance is giving in year 2018 it has also increased year by year from 2015 to 2018 it shows that bank has provided many loans on the Festival Advance .

**Graph: 11 Showing growth rate of Festival Advance**



#### Interpretation

The above graph indicates that more Festival Advance is giving in year 2018 that is 6.123 lakhs with a growth rate of 7.08% it has also increased year by year from 2015 to 2018 it shows that bank has provided many loans on the Festival Advance .

#### 4.12 Loans and Advances from 2014-2015 to 2017-2018 (Rs in lakhs)

**Table: 12**

<b>LOANS &amp;ADVANCES</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>
Vehicle loan	75.64	84.56	88.25	89.75
Jewel loan	3545.25	1932.25	2254.25	2393.25
Retail trade loan	3562.32	3832.23	4125.22	4357.78
Housing loan	11952.86	18523.33	17985.34	27800.35
Construction loan	3136.75	4753.58	4952.25	4997.90
Agriculture loan	180.22	299.52	280.52	292.10
Micro credit loan	2045.65	2254.52	2325.25	3001.10
Business loan	149.87	347.12	389.21	425.91
Small Enterprises loan	29295.8	29495.3	30050.32	40200.52
Transport loan	225.25	442.25	501.25	598.09
Education loan	552.25	982.2	898.2	1280.2
Special Salary advance	148.66	139.25	245.36	385.36
Housing building advances	295.25	269.25	298.25	310.75
Staff Vehicle Advance	39.25	40.25	44.25	50.75
Festival Advance	1.652	3.25	5.652	6.123
<b>TOTAL</b>	<b>55206.672</b>	<b>63398.86</b>	<b>64443.572</b>	<b>83188.833</b>

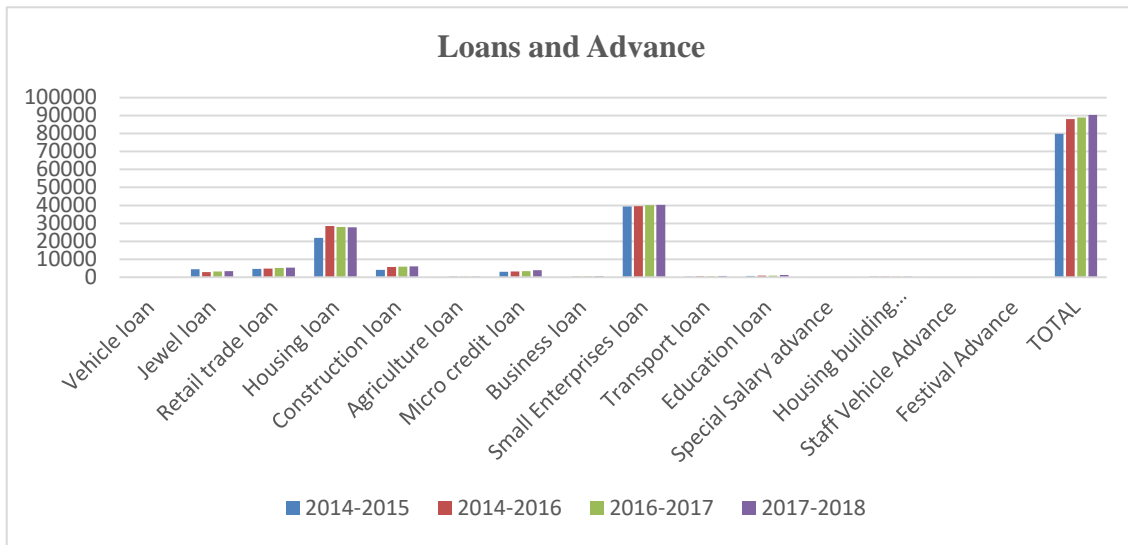
This table above is showing the details loans and advances provided by Bangalore City Co-operative Bank Limited in that bank has issued more for small enterprises loans and Housing building advances are issued more compare to other advances during the year of 2014-2015 to 2017-2018.

#### **Analysis**

As per this table we can finalize that more customers are interested to get loans from BCC bank and also bank interested in issuing loans more of Small enterprises compare to other loans, and also bank are interested in issuing Housing building advances compare to other advances. The loans given to borrower are increasing every year by year it is showing that the bank will increase the earning every year.



**Graph: 12 The graph showing the amount of Loans and Advances sanctioned during the year 2014-2015 to 2017-2018 (Rs in lakhs)**



### Interpretation

The above graph indicates the various loans and advances issued for the 4 year from 2014-2015 to 2017-2018 so, it shows that the Bangalore City Co-operative Bank is gives more loans and advances in the year 2018 that is 83188.833 lakhs and the lowest in the year 2014that is 55206.672 lakhs.

## **CHAPTER-5**

### **FINDINGS, CONCLUSION AND SUGGESTIONS**

## **5.2 FINDINGS**

- The Bangalore City Co-operative Bank Limited is best placed to meet the needs of customers and their needs.
- Dividends and advance payments increase each year.
- The Bangalore City Co-operative Bank Limited will increase each year by providing loans and loans.
- Interest rates that provide deposits and loans to various customers in the income group.
- The Bank has established a Balance Sheet Management Committee for asset and liability management purposes and adheres strictly to RBI's guidelines for ATMs.

## **5.3 SUGGESTIONS**

1. The bank must grant loans to avoid any repayment and know the solvency of the customer before making a loan.
2. You must inform your bank of the obligation to return the money you have borrowed. The borrower must be informed of the different loan and loan collection protocols at the time of the loan.
3. Evaluation techniques used in the *ALTMAN-Z SCORE* analysis is a better way to determine the creditworthiness of the borrower. The bank must inform the bank of this fact to reduce the risk.
4. The Bangalore Bank will conduct detailed research on the borrower and the various risks before approving the loan.
5. Loans should be provided at low rates and in sufficient quantities for all kinds of people to do so and save money in the bank.
6. A bank that maintains sufficient cash balances to maintain a better liquidity position.
7. The bank must provide the bank with more ATMs and other banking services.

8. The bank must increase the number of branches in other regions and increase the facilities available to customers for future growth.

9. The bank should focus on providing additional services to existing customers other than banking services.

#### **5.4 CONCLUSION**

This project is being conducted by Bangalore City Co-operative Bank Limited with regard to credit assessment techniques for loans and loans to analyze the risks associated with loans and loans. Loans and loans play an important role in the financial performance of the bank's long-term growth. Banks should focus on reducing the risks associated with loans and loans. The lower the level of risk, the higher the profits of the bank. The higher the risk, the lower the profits of the bank.

There is a wide range of loan and loan components in India, particularly in the small business lending and housing construction sectors. Banks must adopt a dynamic and innovative credit system. The study concluded that various types of lending and borrowing functions are superior in all areas. The study concluded that loans and loans granted by banks for housing construction and SME loans are increasing every year.

Banks must adopt essentially quantitative methods such as the ALTMAN-Z SCORE test to manage the credit risk associated with loans and loans. First, identify the risks and assess the risks of good decisions. The bank can then decide to lend the loan or lend it to the company or individual. You must then adjust the appropriate interest rate based on the borrower's rating. Banks focus on measuring credit risk. Connect with various bank borrowers. For this purpose, the primary valuation variable of the bank is used as the predictor variable. It's difficult to say decisively. An approach is best suited for predicting defects, and each approach has its advantages and disadvantages.

In conclusion, the management of loans and loans must be carried out appropriately to provide services to customers and recover in time to maintain a good reputation with customers.

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## 5.6 ANNEXURE

### BANGALORE CITY CO-OPERATIVE BANK BALANCE SHEET AS ON 2016, 2017 AND 2018

Sl.No	PARTICULARS	2016	2017	2018
A)	<b>Liabilities</b>			
	<b>Share capital</b>	62,33,72,922	82,33,79,922	87,68,98,214
	<b>Reserves &amp; other funds</b>	2,25,09,59,361	3,25,09,59,361	2,54,45,62,338
	<b>Profit &amp; loss a/c</b>	3,77,16,497	18,64,75,179	24,48,94,753
	<b>Deposits</b>	15,55,06,82,764	27,55,06,82,764	29,33,57,56,771
	<b>Interest payable on Deposits</b>	4,64,44,114	2,44,44,114	2,82,36,785
	<b>Suspense account</b>	2,32,96,860	2,32,96,890	1,82,58,375
	<b>Other Liabilities</b>	55,15,40,141	45,15,40,141	96,30,98,463
	<b>Branch account</b>	7,04,96,35,295	5,89,31,00,662	7,80,38,20,678
	<b>Total =A</b>	<b>26,13,36,47,954</b>	<b>38,20,66,50,436</b>	<b>50,48,34,12,551</b>

**BANGALORE CITY CO-OPERATIVE BANK BALANCE SHEET AS ON 2016, 2017  
AND 2018**

Sl.No	PARTICULARS	2016	2017	2018
<b>B)</b>	<b>Assets</b>			
<b>1)</b>	<b>Fixed Assets</b>			4,03,46,608
	<b>Furniture &amp; Fittings</b>	4,23,44,234	4,23,44,234	6,20,07,843
	<b>Vehicle cost</b>	3,80,890	3,80,890	9,87,370
	<b>Computer cost</b>	35,79,129	35,79,129	35,79,129
	<b>Building cost</b>	6,21,94,525	6,21,94,525	41,98,961
	<b>Generator cost</b>	13,24,333	13,24,333	10,75,40,785
	<b>Sub Total</b>	<b>10,98,23,111</b>	<b>10,98,23,111</b>	<b>21,86,60,696</b>
<b>2)</b>	<b>Current Assets</b>			7,27,62,988
	<b>Cash on hand</b>	8,02,99,715	8,02,99,715	79,69,56,406
	<b>Cash at bank</b>	68,23,25,217	68,23,25,217	12,00,23,85,130
	<b>Loans &amp; Advances</b>	12,34,27,86,1123	12,34,27,86,123	7,80,29,35,204
	<b>Branch account</b>	5,76,95,81,319	6,89,11,28,198	21,67,50,39,728
	<b>Sub Total</b>	18,54,49,92,374	19,97,65,39,253	1,11,62,55,621
	<b>Investment</b>	6,60,59,57,743	6,60,79,57,743	7,85,55,90,243
	<b>Other Assets</b>	71,01,08,747	71,01,08,747	0
	<b>Total=B</b>	<b>26,27,15,01088</b>	<b>27,40,58,72,035</b>	<b>30,75,44,26,380</b>



**ACHARYA INSTITUTE OF TECHNOLOGY**  
**DEPARTMENT OF MBA**

**PROJECT (17MBAPR407) -WEEKLY REPORT**

**NAME OF THE STUDENT: CHAITRA K**

**INTERNAL GUIDE: Mr. SUHAS**

**USN: 1AY17MBA08**

**COMPANY NAME: Bangalore City Co-operative Bank**

WEEK	WORK UNDERTAKEN	EXTERNAL GUIDE SIGNATURE	INTERNAL GUIDE SIGNATURE
3 <sup>rd</sup> Jan 2019 – 9 <sup>th</sup> Jan 2019	Industry Profile and Company Profile		
10 <sup>th</sup> Jan 2019 – 17 <sup>th</sup> Jan 2019	Preparation of Research instrument for data collection		
18 <sup>th</sup> Jan 2019 – 25 <sup>th</sup> Jan 2019	Data collection		
26 <sup>th</sup> Jan 2019 – 2 <sup>nd</sup> Feb 2019	Analysis and finalization of report		
3 <sup>rd</sup> Feb 2019 – 9 <sup>th</sup> Feb 2019	Findings and Suggestions		
10 <sup>th</sup> Feb 2019 – 16 <sup>th</sup> Feb 2019	Conclusion and Final Report		

The Bangalore City Co-op. Bank Ltd.

Company Seal



College Seal

HOD Signature

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Department of MBA  
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