**PROJECT REPORT (17MBAPR407)**

# A STUDY ON CREDIT RISK MANAGEMENT AT KARNATAKA STATE CO-OPERATIVE APEX BANK LIMITED, BENGALURU

By


**NAGABHUSHAN M SHET**
**1IA17MBA34**


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**

**Prof. Mahak Balani**
Assistant Professor
Dept. of MBA, AIT

**EXTERNAL GUIDE**

**Mr. Satheesha H.S.**
Faculty member
ACSTI of K.S.C
Apex Bank Ltd. Bengaluru



**Department Of MBA**
**Acharya Institute of Technology, Soladevanahalli,**
**Hesarghatta Main Road, Bengaluru**


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No. AX.BK/CGM (A&D)/PC/128 /2018-19 Date: 08.04.2019

# CERTIFICATE

This is to certify that **Mr. NAGABHUSHAN M SHET** bearing **REG NO: 11A17MBA34,** a student of **MBA** from Acharya Institute of Technology, **Bengaluru** has successfully completed the intrenship on the topic **"A Study on Credit Risk Management"** from 03.01.2019 to 16.02.2019 in **THE KARNATAKA STATE CO-OPERATIVE APEX BANK LTD., BANGALORE**.

Chief General Manager (A &D)
K.S.C. Apex Bank Ltd.

TO
The Principal,
Dept of Management Studies(MBA)
Acharya Institute of Technology
Soladevanahalli,
Bengaluru-560107.

**Date: 04/04/2019**

# CERTIFICATE

This is to certify that **Mr. Nagabhushan M Shet** bearing USN **1IA17MBA34** is a bonafide student of Master of Business Administration course of the Institute 2017-19 batch, affiliated to Visvesvaraya Technological University, Belgaum. Project report on **"A Study on Credit Risk Management at Karnataka State Co-operative Apex Bank Ltd, Bengaluru"** is prepared by him under the guidance of **Prof. Mahak Balani,** 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

Head of the Department
Department of MBA
Acharya Institute of Technology
Soldevanahlli, Bangalore-560 10.

Signature of Principal/Dean Academics

Dr. Devarajaiah R.M.
Dean-Academics
ACHARYA INSTITUTE OF TECHNOLOGY
Bengaluru-107.

# DECLARATION

I, **Nagabhushan M Shet**, hereby declare that the Project report entitled "A Study On Credit Risk Management" with reference to "Karnataka State Co-Operative Apex Bank Limited" prepared by me under the guidance of **Prof. Mahak Balani, faculty of M.B.A Department, Acharya Institute of Technology, Bangalore** and external assistance by **Mr. Satheesha H.S., Faculty Member, Agricultural Co-Operative Staff Training Institutes of K.S.C Apex Bank Ltd. 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:** 09|04|2019

**Signature of the student**

**ACKNOWLEDGEMENTS**

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 Internship Report.

I would like to thank **Prof. Mahak Balani** Asst. Professor, Department of MBA, Acharya Institute of Technology, Bengaluru and external guide **Mr. Satheesha H.S., Faculty Member, Agricultural Co-Operative Staff Training Institutes of K.S.C Apex Bank Ltd. 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 | Nagabhushan M Shet |
| Date: | USN:1IA17MBA34 |

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# EXECUTIVE SUMMARY

Internship is an opportunity for the students to get an idea about the practical scenario that needs to be faced in the corporate world. The perfect platform for exploring the knowledge and thereby to gain some kind of experience.

The research conducted focused on the risks that the bank needs to face while granting loan to customer and also the ways, strategies and methods used to minimize such risks. Credit nisk management is an analysing tool for the bank to focus on their non-performing assets.

The project also tries to analyse that lending has been the prior function of banking and exactly apprising a borrower's credit worthiness has been the only method of lending successfully, the method of analysis required varies in function of types of lending being considered," it actually helps in measurement of finance in complete detailed manner."

The major objective of this is to control the credit risk of the bank when they are issuing loans to required customers and also to giving some suggestions for proper utiliozation of loan amount and repayment of the same.

Ensuring lending group of workers observe credit unions lending licence and by means of-laws is the first step in managing risk. the second step is to make certain board permitted rules exist to restrict or control other regions of credit danger, which includes syndicated and brokered loans, and the awareness of lending to individuals and their connected events.

Financial information required for the analysis has been chosen from the financial statement like balance sheet and profit and loss account of the Bank. Data of four financial year starting from 2015-2018 has been collected.

# CHAPTER-1 INTRODUCTION

## 1.1 INTRODUCTION

An Internship is a circumstance, It is a place to get knowledge about the company in efficiently. Internship helps to know the in-depth information about the zone of learning and also to raise skills for the work field. This internship had taken a period of 6 weeks.

The intern is relied upon to give data on the organization in which he or she worked portrayals of the particular work finished, and particular games and additionally recreational angles relevant to the assigned-out assignments. The report likewise gives data on your relational abilities and ought to show basic speculation aptitudes. Since a noteworthy piece of your experience ought to be identified with either games or diversion, that ought to be exhibited in your report.

**Objectives Of The Internship:**

- Co-ordinate and apply the hypothesis and research abilities got from his/her coursework.
- Increase direct information and a more prominent comprehension of the association, including the regulatory capacities and the group strengths with influence its association and organization.
- Create methods and abilities normal to the administration framework (e.g., observing, planning and data collecting).
- Find out about one's own particular capacities and aptitudes. You will see with your own eyes the sorts of identities, behaviour, tactics, group relations, practices and other regulating methods of direct that do and don't work, are not worthy. Further, you will take in the language and operational phrasing that professionals use in their everyday correspondence.

**TOPIC CHOSEN FOR THE STUDY**

A Study on "Credit Risk Management at K.S.C Apex Bank Limited" Bangalore.

## 1.2 INDUSTRY PROFILE AND COMPANY PROFILE

### Introduction

Indian banking system has a life of more than 200 years. It started its journey in 1786. the drastic change in the sector took place only after the nationalization of banks in the year 1969. The policy of the government helped this industry to grow rapidly by taking into consideration the liberalisation, privatization and globalization. Liberalization policy and economic reforms in India explored many opportunities for the banks from mere lending and buying to other financial facilities. As a result of this banks begun to experience numerous positive changes and successive growth. By this banks made a remarkable step in the Indian banking scenario. However at present, in the presence of the foreign banks, Indian nationalised banks have a greater operation because of the dimensions of the banks and the penetration of their banking systems.

### Nature of the Industry:

Banks are engaged in lending of loan and depositing of money from the public. Along with these bank safeguards valuables, provides clearing of cheques and other negotiable instrument. It also offers insurance services. Along with its primary functions, banks provide some subsidiary functions to its customers. Subsidiary functions like acting as an agent of the customer, acting as attorney, trustee, correspondent and executor on behalf of their customers in order to speed up the process of their customer.

Banks can be differentiated by taking into account the services they provide. But now the differences have slowed down and banks have expanded and emerged with wide variety of services and products to their clients.

### Functions of Banking

Banks are known by the functions they perform, there are number of functions that the bank performs. They can be broadly classified into two categories. They are,

1. Primary/ basic or fundamental functions.
2. Secondary/ subsidiary or supplementary or ancillary functions.

**Primary Functions:**

- Borrowing of money from the general public in the form of deposits.
- Lending or advancing of money in the form of different types of loans. Loans may be secured loan or unsecured loan. Secured loans are those against the money lent collateral securities are taken and unsecured loans are those which are lent without any collateral securities and these type of unsecured loans carries high amount of risk.
- The drawing, making, accepting, discounting, shopping for, promoting and collecting and dealing in negotiable instruments like payments of trade, promissory note and cheque and other instruments like coupon drafts, debenture certificate, bill of lading, railway receipts, warrants and securities.
- Granting and issuing of travellers cheque to its customer.
- Acquiring, holding, issuing on commission, underwriting, dealing in stock, price range, stocks, debentures, bonds, securities of a wide variety.
- Providing secure deposit lockers.
- Gathering and transferring of cash and securities.
- Buying, selling and exchanging of foreign currency.
- Shopping and promoting of bonds scripts and other kinds of securities on behalf of customers.

**Subsidiary/ secondary functions:**

- Acts on behalf of the authorities or neighborhood authorities or any individual.
- Carrying on assurance and indemnity business.
- Manages to sell and get its realisation on any property or asset or any interest there on.
- Undertaking and executing of trusts.
- Providing pensions and allowances and making of payments toward pensions.
- Provides debit card, credit card, smart card and such other cards.
- Acts as attorney, correspondent and executor.

**Functions of Banks:**

Following are the some features of banks,

- Banks should deal with money:
  Bank is a financial institution which deals with money belonging to the general public and also the money owned by it. Bank makes the use of deposits from the public to gain maximum extent to gain profit.
- Accepting of deposits:
  Acceptance of money from the public is termed as deposits. It accepts deposits from the public under various schemes.
- Lending loan:
  Advancing of money from the bank to its customer is termed as loan. Bank has to allocate its available resources i.e., money, in order to gain profit and ensure returns to customer. Bank must lend money to the needy people and bank charges interest on the amount of advances made.
- Identity of the name:
  Bank should add the word BANK to its name to enable it as a bank.
- Bridge between savers and borrowers:
  Bank bridges the gap between the savers and borrowers. It pools money from the general public and lends it to the needy people.
- Profit motive through services:
  Banks main motto is to make profit and bank earns profit through various kinds of financial services.

## HISTORY AND GROWTH OF THE INDUSTRY

The banking system is an integral a part of the monetary zone of our country consequently, the function of banking in our economy ought to be seen in the context of its fundamental function inside the complete monetary region. The financial quarter plays a main function in mobilization and allocation of savings. monetary establishments, device and markets which constitutes the monetary zone act as a conduit for the switch of financial resources from net savers to the net borrowers, i.e. from individuals who spend much less than they earn extra than they spend.

**Origin Of Banking:**

The phrase financial institution has been in the beginning derived from the Italian word Banco' that means a bench. and the enterprise of replacing the cash were carried on thru the ones cash lenders, particularly in Greece, Italy and England. on every occasion these moneylenders were now not in a role to convert the foreign money of one country into the forex of every other, human beings sincerely broke up their benches. hence, the word 'Bankrupt. The word financial institution has also originated from German word 'bank', that means thereby a joint-inventory fund, accumulated from public for the reason of financing the needy peoples.

**Evolution Of Banking In India:**

Banking is known in India since ancient times. It originated in our country as early as 600 B.C. References are found in the early Vedic literature of deposits, pledges, loans and rates of interest. However, banking in those days consisted mainly of money lending activities. Commercial banking of modern lines was started in India only during the nineteenth century. Earlier in British India, mainly the employees at the East India Company established banks and they were called the Agency Houses. It is these 'Agency houses' which paved the way for the establishment of Joint Stock Bank to be established in India. The Bank of Hindustan was the first Joint Stock Bank to be established in India under European Management. But soon it failed.

Later 3 Presidency Banks have been started out with economic role of the government. Those Banks were the financial institution of Bengal, The bank of Bombay and the bank of Madras. The business financial institution turned into perhaps the first in simple terms Indian Joint stock bank to be installed in 1889. Later the Punjab country wide bank in 1894 and the human beings bank in 1901 were installed. The Swadeshi motion in 1905 gave a actual stimulus to the improvement of Indian financial institution. The financial institution of India turned into started in 1906, the Indian financial institution in 1907, the bank of Baroda in 1908 and the important financial institution of India in 1911. but, the banking arises of 1913 hit hand some of the banks. In 1922 the banking industry witnessed many financial institution screw ups. it is most effective in latest years, such financial institution disasters were prevented and stability restored. In 1935, the Reserve bank of India, which is performing as the significant financial institution of our united states, turned into installed.

**Banking System In India:**

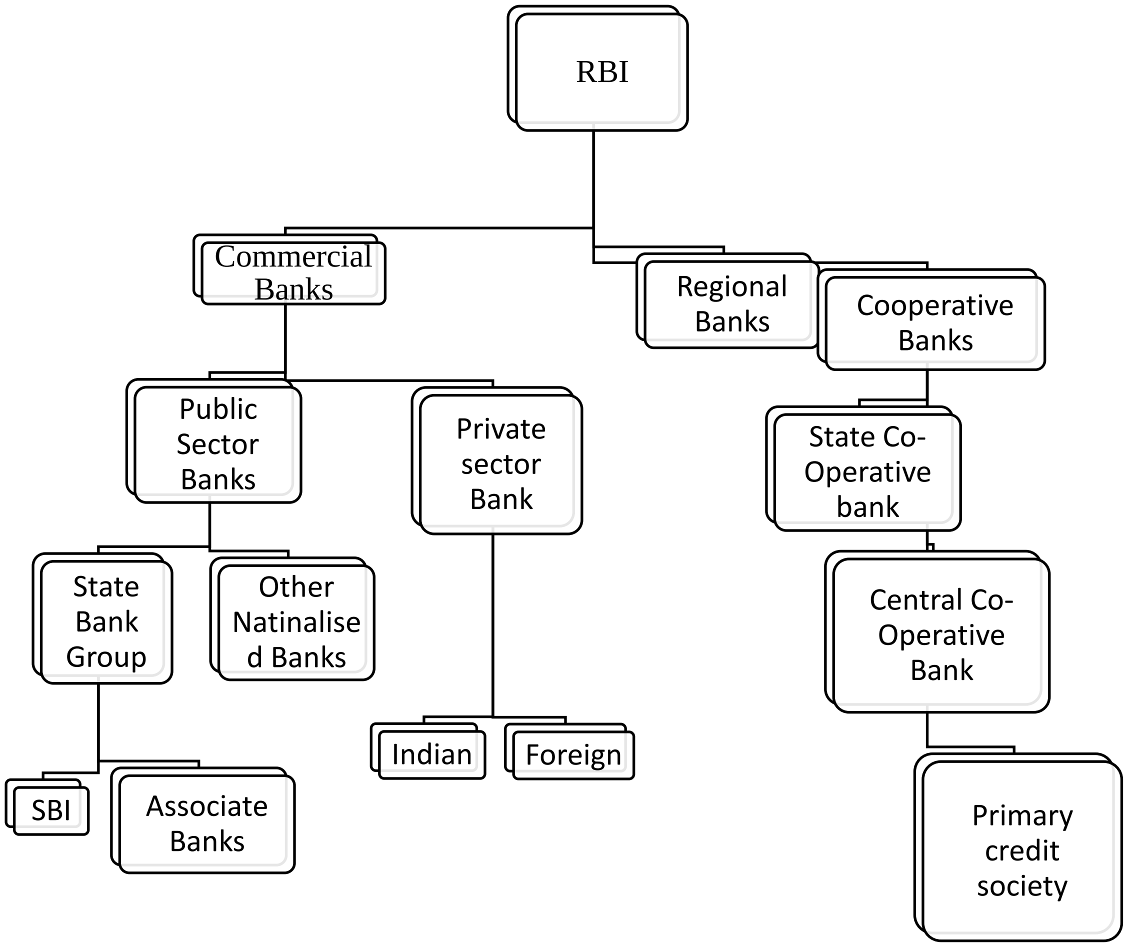
The Banking device performs an important position inside the economic development of the country, Indian Banking gadget is characterized by means of the present of extensive form of institutions. on the pinnacle of the banking systems there is the Reserve financial institution of India that is the critical financial institution of our united states of america. There are 28 Public quarter Banks in India. The Banking scene is dominated through Public region Banking. "nearly the public sector Banking controls 25% of banking resources of the united states of america.  greater apex establishments in the area of agriculture and exports respectively have additionally been installed. they're.

The NABARD (countrywide financial institution for Agriculture and Rural development) and EXIM bank (Export Import bank of India). within the sphere of business Finance, we've got specialized financial institutions consisting of IFCI, IBRD, ICICI, SFC and SDC. Agriculture finance is provided by way of Co-operative Banks and local Rural Banks.

**Structure of Indian Banking System:**

The banking system of India has been classified into nationalized banks, personal banks and specialised banking institution. The Central Bank of India that is Reserve Bank of India which is a centralised body for regulating, monitoring and controlling the operations of the whole banking system of the country. It is a wholly and completely owned by government sector. Estimation indicates that there is a total of 274 commercial banks operating of which 233 are owned by public region and fifty one are owned by private area. non-public sector banks consist of 24 overseas banks. The specialised banking institution includes co-operative and rural banks.

## STRUCTURE OF INDIAN BANKING SYSTEM



## HISTORY OF CO-OPERATIVE BANKING IN INDIA

### The Beginnings:

The Co-operative moves changed into started out in India in 1904 with the item of providing finance to agriculturists for effective purpose at low quotes of hobby and thereby relieving them from the clutches of the money lenders. A huge wide variety of agricultural credit Societies have been set up in the villages under the Co-operative Societies Act of 1904. The Co-operative Societies Act of 1912 contributed to the establishment of important Co-operative Banks and the nation Co-operative banks to provide refinance to number one credit societies which could not mobilize budget through their personal efforts. It gave stimulation to the co-operative credit score motion in India.

The Co-operative credit score motion made top progress in the course of and after the primary international struggle of 1914-1918. but for the duration of the top notch depression of 1929-1933 it received a serious setback with the outbreak of 2d world struggle between 1939-1945. The Co-operative credit score movement made substantial progress another time.

By using that time, the Co-operative credit institutions had increased their club had long past up and their deposits and advances also had multiplied considerably. considering then the progress were maintained way to the keen interest shown with the aid of the Reserve financial institution of India within the co-operative credit motion.

## DEFINITION AND MEANING OF CO-OPERATIVE BANKING

A CO-OPERATIVE financial institution is a co-operative organization involved in the banking
functions of acceptance of deposits and lending credits.

The Co-operative banks and Societies perform an critical role in meeting the necessities of peoples in the rural area Co-operative banks and district entities by themselves with distinct jurisdictions and independent board of directors. The Co-operative banks are organized on a Cooperative foundation and one ruled by using their members according to the Co-operative legal guidelines. they are beneath the control of respective kingdom authorities sure provisions of the banking regulation act also carried out to co-operative banks in India are federal in their shape.

**AIMS OF CO-OPERATIVE BANKS:**

- To promote financial savings among members and thereby increase the deliver of finances.
- To tap outside resources for the deliver of funds.
- To sell the powerful use of credit score and to reduce the danger in the granting of credit score.
- To reduce the value of control through the honorary services.

**MERITS OF CO-OPERATIVE BANKING:**

Co-operative banks play a totally significant role in rural banking. The significant role of co-operative banks is owing to the following reasons

- Co-operative banks have a rural touch
- They are familiar with the rural problems
- They have attitudinal identification with rural economy
- The cost of operation of co-operative banks is relativity low.

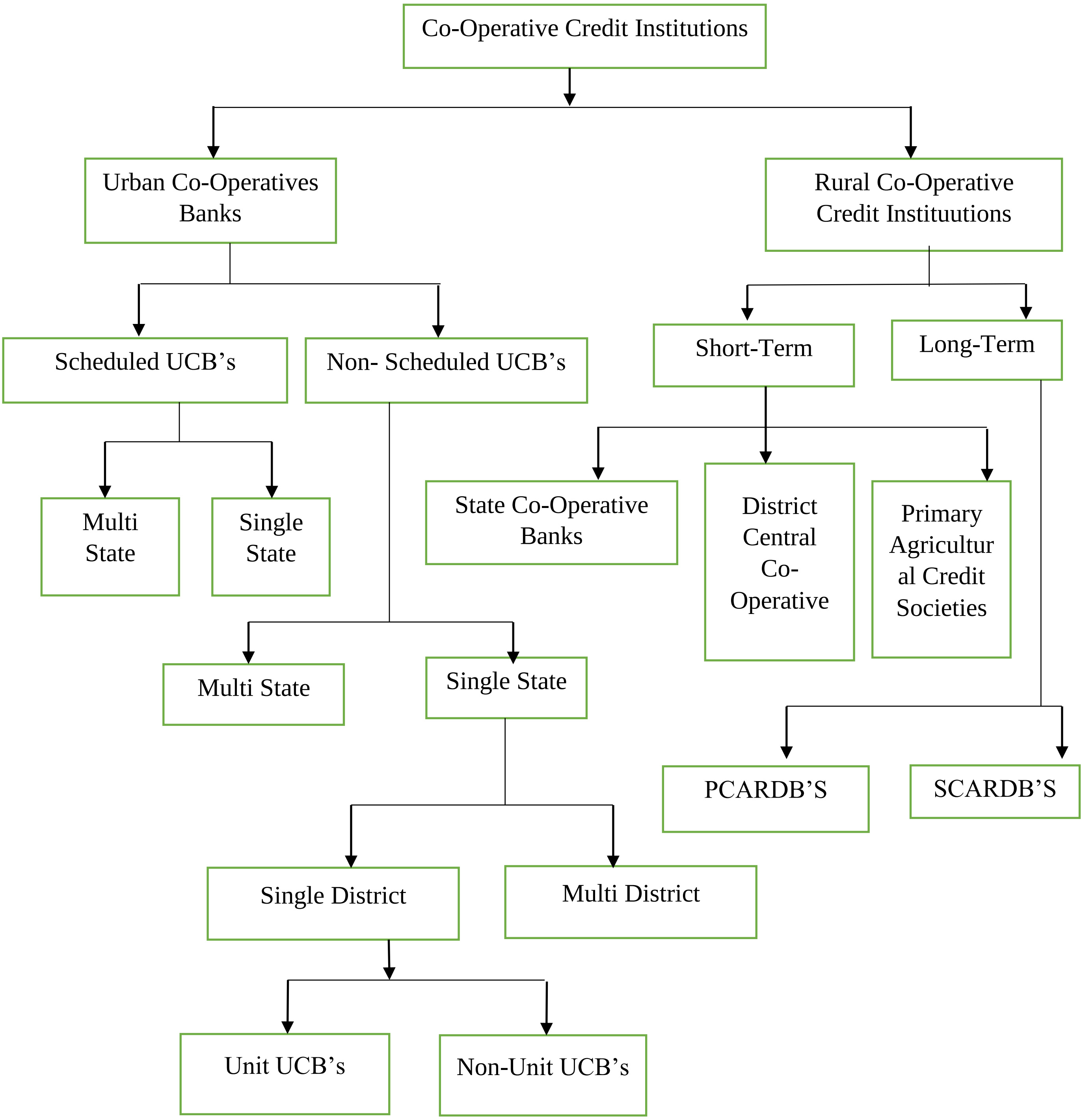
Co-operative Banking has thought the agriculturist to borrow at the right time in right amount and for right purposes. Co-operative banking is widely accepted as the only means of eradicating poverty and realizing the standard of living of rural masses.

**Principles:**

- Principle of serve but not profit.
- Principle of "one man one vote" in management.
- Principle of lending, saving and mutual help.
- Principal of thrift and savings.
- Principle of co-operative and mutual help.

**TYPES OF CO-OPERATIVE BANKS**

Structure Of Co-Operative Credit Institution In India:




SCARDB's: State Co-Operative Agriculture And Rural Development Banks.

PCARDB's: Primary Co-Operative Agriculture And Rural Development Banks.

## 1.3 COMPANY PROFILE:

**Begining, Growth & Evolution**

Being the Paternal Cooperative institution at the State level to meet the credit requirements of the cooperative sector and also to implement the age-old cooperative principles of "MAN's immortality lies in uplifting the down trodden ones", "All for one and one for all" and "Equal share to everybody and equal statused life to everyone". The Karnataka State Co-operative Apex Bank Ltd., which is popularly known as "APEX BANK" was established in the year 1915. The bank has completed 103 years of useful and eventful services in the Co-operative Movement of Karnataka. During the year of its inception the Bank had deposits of Rs 1.26 lakh, owned funds of Rs 0.54 lakh and working capital of Rs 1.80 lakh. The Bank has made enormous progress n the last 103 years and has achieved significant growth and is identified as one of he premier State Co-operative Bank in the country. The Apex Bank is a balancing centre for all the Co-operative Institutions in the State. It has maintained its federal democratic character throughout its history and has always upheld the development of Co-operative Movement on sound democratic lines.

The main vision and mission of the Bank is the development of farmers in particular and overall development of District Central Cooperative Banks and Primary agricultural Credit Cooperative Societies in the State, thus achieving the self reliance the farmers by way of economic prosperity.

The primary objective of the Bank is to provide Short Term and Medium-Term Agricultural loans to farmers through DCC Banks and PACS. Besides, the Bank is also extending working capital and term loans to Agri based Co-operatives and private sugar factories through consortium arrangements. Apex Bank being a scheduled bank carrying out all retail banking activities including mobilisation of deposits, and issue Loans to public through its network of 42 Branches in Bangalore City which are functioning under CBS with RTGS and NEFT facility.

Apex bank has succeeded in improving its financial position steadily and standing at high by strengthening its position in all the financial parameters during the year 2017-18.

## 1.4 VISION, MISSION AND QUALITY POLICY

**VISION & MISSION:**

The vision and mission of the bank is the development of farmers in particular and overall development of District Central Cooperative Banks and Primary Agricultural Credit Cooperative Societies in the State, thus achieving the self reliance of the farmers by way of economic prosperity.

**QUALITY POLICY:**

- To fill in as a state co-employable bank and as an adjusting focus in the province of Karnataka for enlisted co-usable social orders.
- To raise assets by method for stores, credits, awards gifts, membership, appropriations and so on for financing the individuals by method for advances, money credits, overdrafts and advances.
- To create, help and facilitate the individuals DCC banks and other co-usable social orders and secure monetary help for them.
- To mastermind/hold periodical co-usable meetings of the DCC banks and different individuals from the bank and to make a move for the development and improvement of the co-employable development.
- Financing of momentary advances to occasional farming tasks and showcasing of yields repayable inside one year.
- Advancing money credit advances to meet working capital for handling. Promoting and purchaser co-employable including co-usable sugar processing plants in Karnataka.

## 1.5 SERVICE PROVIDED BY THE BANK IN DETAIL:

- **Apex education:** Educational advance to deserving/exemplary understudies for seeking after advanced education and expert courses in India and abroad in reputed colleges.
- **Apex travel**: To meet travel and loading expenses of individuals for travels in India and abroad either trough personally arranged tours or through conducted tours. Annual grass salary/ gross income of the applicants should no be less than rs.1.50 lakhs.

- **Apex rent:** Loan based on the rental income of the property rented/leased out to central/state/semi governments/banks/financial institutions and multinational companies.
- **Apex BDA :** Loan for direct purchase of sites from Bangalore developments authority either on allotments basis or through auctions. Salaried individuals-with a minimum confirmed service of three years. Non-salaried persons must be IT Assessee for at least three years.
- **Apex bank:** Loan scheme to individuals to pay initial deposits as notified by Bangalore development authority in their offer letter. salaried individuals-confirmed in service. Non salaried persons must be IT assessee for at least 3 years.
- **Apex overdraft:** Loans to individuals pursing such activities like retail trade, small business and professionals. Loan against the security of national savings certificate/ life insurance corporations policy/ gold ornaments, etc.
- **Short term Loans:** Financing of transient advance for regular agrarian tasks and for promoting of harvests, these advances are repayable inside one year.
- **Medium term Loans:** These credit territories authorized for horticultural reason and non-agrarian reason.
- **Kissan Mastercard plans/advance:** Kissan charge card goes for giving auspicious and satisfactory credit backing to ranchers for their development incorporating venture credit needs in an adaptable and financially savvy way. all DCC banks in the state have actualized in the kissan credit conspire.
- **Credit facilities to self-help groups:** All the DCC banks have checked out the arrangement of self improvement gatherings in co-appointment with PACS. Self improvement gatherings assemble their investment funds and benefit offices from DCC banks and PACS.
- **Advancing medium term loans with economic development:** These advances are progressed for the rural frameworks, for example, lift water system, journal, poultry, estates; gobar gas and so on that comprises representation loaning.
- **Cash credit Loans:** Giving money credit advances to handling showcasing and customer co-employable just as sugar production lines in Karnataka and furthermore term advance to sugar manufacturing plants under consortium understanding.
- **Collection of Checks and Drafts**: The bank reaches out to the non-ranch segment and to the advancement of cabin ventures, little scale businesses and country

craftsman falters. It is a planned bank in all perspectives including settlement of assets, request drafts, mail exchanges, accumulations of checks and drafts.

- **Housing Loans:** Loans for purchase /construction of houses and flats are sanctioned up to Rs.30.00 Lakhs for residents of Bangalore. Repayment period is up to 15 years.
- **House / Site Mortgage Loans**: mortgage loan is available for the purpose of education/ marriage of children and also business purposes. Mortgage loans also extended to the commercial building repayable in 120 months. Loans also given for site purchase and site mortgage. The rate of interest varies from 10.5% to 14% P.a. based on nature of loan and loan amount.
- **Instalment Loans:** under this scheme bank finances employees of public sector undertakings and government employees up to a limits of Rs. 5.00 lakhs. The present rate of interest in 14% P.a. and payments should be made within 84 months.
- **Jewel Loan:** The bank also provide loan to the public on pledge of gold ornaments. The maximum limit Rs. 10.00 lakhs and the present rate of interest is 12% up to 5 lakhs, 12.5% P.a. for above 5 lakhs and repayment period is 2 years.
- **Apex personal:** Loan scheme for employees of corporate professionals can avail this loan.
- **Apex cash**: Loan against approved bonds like RBI, NABARD and other government bounds.

## 1.6 AREAS OF OPERATIONS:

Apex bank works in the local dimension as it were. The region of activity covers the whole Bangalore. It has 48 branches in Bangalore and head quarter is located in Chamarajapet.

**BRANCHES AT BANGALORE REGION**:

Main Branch - Chamarajapet.

**Table 1.6.1 Showing Area Wise Branches At Bangalore**

| | | | |
|---|---|---|---|
| Head Office Branch | Jayanagar Market complex | Padmanabhanagar | Chandra layout |
| Banashankari | Jayanagar 9$^{th}$ Block | Public Utility Building | Vivekanandha college |

| | | | |
|---|---|---|---|
| Basaveshwaranagar | J.P. Nagar | Rajajinagar | R.T Nagar |
| Girinagar | Shivajinagar | R.P.C. Layout | Sunkadkatte |
| Gokula | Koramangala | Vijaynagar | Krishnarajpuram |
| Gandhinagar | Lakkasandra | Vidhana Soudha | Yalahanka |
| Agra-H.S.R Layout | Magadi Road | M.S Building | T.Dasarahalli |
| Indiranagar | Ganganagar | Mahalakshmipuram | B.T.M Layout |
| Ashoka pillar | Kengeri Settelite Town | Legislators Home | Vyalikaval |
| Bommasandra | Rajarajeshwari Nagar | Mahadeva Pura | Banashankari 3rd stage |
| K R Puram | SirM Vishweshwarayya | Thanisandra | Vidyaranyapura |
| Gayatri Nagar | Banneragatta | Talgattapura | Uttara Halli |

## 1.7 INFRASTRUCTURE FACILITY:

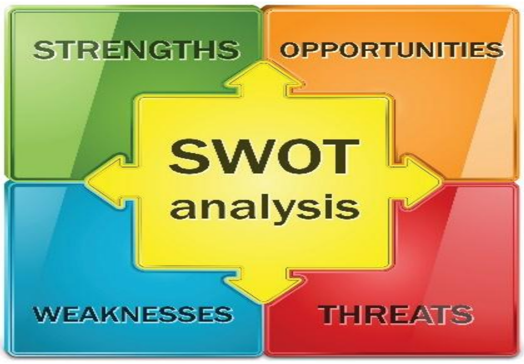
The institute is having its own infrastructure like Administrative Block, 3 Classrooms, Library, Conference hall and hostel block with 18 rooms which accommodates 45 persons with canteen facilities and providing boarding and lodging facilities to all the participants during training period.

## 1.8 COMPETITORS INFORMATION:

The Major Competitors Are as follows:

| | |
|---|---|
| Land Bank (agricultural based finance) | Commercial Banks. |
| Small Industrial Services Institutions. | Small Industries Development Bank of India. |
| Some local Co-operative Banks. | Corporate Banks. |

## 1.9 SWOT ANALYSIS OF KSCAB LTD:




**SWOT** is the acronym for strength, Weakness, opportunities and threats. Strength are the internal. Positive characteristics that the company processes. One look at this competitive advantage. Weakness are internal as well and are the negative aspects of the company and indicates competitive vulnerabilities. These should be distinguished from problem such that immediate collapse is not likely. Weakness should be overcome in order to achieve future growth and success. Opportunities are external and provide area of growth and improvement of the company. Threats are external to the company and action is required.

**STRENGHTS**

- The preliminary object of apex bank is to development of agriculture through supporting rural people or farmers.
- It Has the support of government in its functioning.
- The bank has the Experience in the field of banking for about 9 decades.
- Its Profits, advances, reserves of title bank are increasing.

**WEAKNESS**

- It operates only in the regional level only.
- Lack of advertising.
- Procedural difficulties regional operations.
- Too much policies bound.

**OPPORTUNITIES:**

- Introduction of internet and mobile banking.
- Advising more on the investment.
- Providing ATM's facility may take bank long way.

**THREATS**

- Fail to provide updated facility to their customers.
- The bank has Too many competitors.
- There are too many commercial banks, which provides funds at lower internet rates, which can be big threats for apex bank.
- Government policies can become treats for the apex bank.

## 1.10 FUTURE GROWTH AND PROSPECTS

- The bank has introduced Apex Gold Savings Bank A/c for extending group insurance coverage through branches to its customer.
- In order to extend the banking business, it is planned to open 11 new branches in the city and new branches in the for revenue division of the state in addition to the existing 37 branches working in the city.
- It is proposed to implement ATM system initially at head office branch, Vidhana Soudha branch, legislators home branch, M.S Building branch and Basaveshwaranagar branch.
- The bank is proposed to introduce NEFT facilities in the bank through RTGS system in order to speedy transfer of funds.

## 1.11 FINANCIAL STATEMENT

**PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1-04-2014 TO 31-03-2018**

| Particulars | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| **INCOME** | | | | |
| Interest and Discount | 9403158357 | 10097088325 | 10460246852 | 11640016352 |
| Commission and Brokerage | 14276469 | 6788301352 | 11899073 | 18948511 |
| Dividend and Miscellaneous Receipts | 69131954 | 81836327 | 85750106 | 100186146 |
| **Total Revenue** | **9486566779** | **10190952059** | **10557896031** | **11759151009** |
| **EXPENSES** | | | | |
| Interest on Deposits & Borrowings | 8062254091 | 8851000148 | 8823434778 | 9316809752 |
| Salaries, Allowances & Provident Fund | 306693871 | 336119769 | 477016096 | 431154238 |
| Directors Fee, Local Committee Members fee and Allowances | 4784038 | 5955390 | 7473332 | 21065103 |
| Rent, Taxes, Insurance & Electricity Charges | 48783388 | 54240294 | 63184496 | 68997428 |
| Legal Charges | 2019094 | 1594805 | 374945 | 429395 |
| Postage and Telephone | 3074571 | 3472714 | 4046208 | 4169685 |
| Audit fees | 1248177 | 2158857 | 1718875 | 7506000 |
| Repairs to Bank Properties | 12522403 | 4906867 | 5514157 | 5298851 |
| Printing, Stationery and Advertisement | 13790389 | 10236035 | 13160177 | 102046614 |
| Other Expenditure | 129422973 | 141311661 | 219536508 | 282544466 |
| Depreciation | 48111420 | 65367118 | 39063899 | 34826660 |
| **Provisions and Contingencies :** | | | | |
| a) Bonus/Exgratia | 5000000 | 5000000 | 5000000 | 5000000 |
| b) Staff Gratuity Fund | | | 12475428 | 20404843 |

| | | | | |
|---|---|---|---|---|
| | 9389873 | 10000000 | | |
| c) Pension scheme fund | - | - | - | 5000000 |
| c) Provision for Salary Arrears | 15000000 | 5000000 | - | - |
| d) Study Tour | 2000000 | 1000000 | 1000000 | 1000000 |
| e) Bad & Doubtful Debt Reserve | 57739000 | 66500000 | 75000000 | 150000000 |
| f) Provision for Other Assets | 88400000 | - | - | |
| g) Contingent Reserves for Standard Assets | 34600000 | 19000000 | 70000000 | 21550000 |
| h) Centenery Year Celebration Fund | 1277000 | 3407552 | - | - |
| i) Investment Fluctuation Reserve | - | - | 50000000 | 20000000 |
| j) Capital Reserve | - | - | 10000000 | 40000000 |
| k) Non Performing Assets | - | - | - | 342100000 |
| **Total Expenses** | **8846110289** | **9586271209** | **9877998899** | **10879903035** |
| **Profit Before Tax** | **640456490** | **604680850** | **679897132** | **879247974** |
| **Provision for Taxes:** | | | | |
| Provision for Income Tax | 262500000 | 277900000 | 315000000 | 525250000 |
| Provision for Deferred Tax | - | - | - | - |
| Income Tax of earlier years | 74956490 | 12280850 | 34897132 | 11497974 |
| **Net Profit for the year** | **303000000** | **314500000** | **330000000** | **342500000** |

**KARNATAKA STATE CO-OPERATIVE APEX BANK LIMITED. BANGLORE.**

**BALANCE SHEET AT 31 MARCH 2015,16,17&18**

**BALANCE SHEET**

| **PARTICULARS** | **2015** | **2016** | **2017** | **2018** |
|---|---|---|---|---|
| **I. CAPITAL AND LIABILITIES** | | | | |
| SHARE CAPITAL | 2390192700 | 2822232500 | 4189432500 | 4451152300 |
| RESERVE FUND, OTHER FUNDS AND RESERVES | 6402928345 | 6788301352 | 7123372520 | 7561262454 |
| PROFIT AND LOSS ACCOUNT | 303000000 | 314500000 | 330000000 | 342500000 |
| DEPOSITS AND OTHER ACCOUNTS | 71191540623 | 72014766397 | 73637948604 | 91514235113 |
| BORROWINGS | 64392870311 | 61396939084 | 74551045862 | 64312249690 |
| INTEREST PAYABLE | 57406300 | 95151807 | 342214072 | 886708073 |
| OTHER LIABILITIES | 1922945932 | 1962369529 | 1872126099 | 2303956216 |
| BRANCH ADJUSTMENT | 37546554 | 1283882 | - | - |
| OVERDUE INTEREST RESERVE (AS PER CONTRA) | 936938522 | 1405908485 | 1739627629 | 1811459344 |
| **TOTAL** | **147635369287** | **146801453035** | **163785767286** | **173183523190** |
| | | | | |
| **II. PROPERTY AND ASSETS** | | | | |
| CASH AND BANK BALANCES | 5833625833 | 5003084369 | 17173005881 | 11981436673 |
| MONEY AT CALL AND SHORT NOTICE | 22350000000 | 19150000000 | 2899000000 | 3350000000 |
| INVESTMENTS | 23615697313 | 24315467850 | 32434829268 | 34147005789 |
| ADVANCES | 93043572669 | 95068744695 | 107747261119 | 109173301171 |
| FIXED ASSETS | 1344943200 | 1333909693 | 1285513080 | 1024030369 |
| OTHER ASSETS | 510591750 | 524337943 | 484409241 | 11688479776 |
| BRANCH ADJUSTMENT | - | - | 22121068 | 7810068 |
| OVERDUE INTEREST RESERVE (AS PER CONTRA) | 936938522 | 1405908485 | 1739627629 | 1811459344 |
| **TOTAL** | **147635369287** | **146801453035** | **163785767286** | **173183523190** |

## RATIO ANALYSIS

### 1.11.1 Net Profit Ratio

Net Profit Ratio indicates the effectiveness of the management. It established the connection between the net income after tax and the sales.This ratio indicates the overall portion of the firms productivity.

It is calculated by following formula:

**Net Profit Ratio = Net Profit After tax/Rvenue*100**

**Table 1.11.1 Showing Net Profit Ratio (Amount in Lakhs)**

| Year | Net Profit | Revenue | Net Profit Ratio (%) |
|---|---|---|---|
| 2014-15 | 3030.00 | 94865.67 | 3.19 |
| 2015-16 | 3145.00 | 101909.52 | 3.09 |
| 2016-17 | 3300.00 | 105578.96 | 3.13 |
| 2017-18 | 3425.00 | 117591.51 | 2.91 |

**Analysis and Interpretation:**

KSCABL Net Profit ratio for the year 2014-15 is 3.19, in 2015-16 it decreases to 3.09, in 2016 it increases to 3.13 and in 2017 it also decreases to 2.91, From the table it is evident that net profit ratio of KSCABL is fluctuating. The fluctuation in net profit ratio of the KASCABL indicates that the company's profitability position is not Constant.

### 1.11.2 Fixed Assets Turnover Ratio

The assets turnover ratio evaluates how well a company is using its assets to yield income.

This ratio can computed as follows:

**Fixed Asset Turnover Ratio = Net Revenue/ Fixed Assets**

**Table 1.11.2 Showing Fixed Assets Turnover Ratio (Amount in Lakhs)**

| Year | Net Revenue | Fixed Assets | FixedAsset Turnover Ratio (%) |
|---|---|---|---|
| 2014-15 | 94865.67 | 13449.43 | 7.05 |
| 2015-16 | 101909.52 | 13339.09 | 7.63 |
| 2016-17 | 105578.96 | 12855.13 | 8.21 |
| 2017-18 | 117591.51 | 10240.30 | 11.48 |

**Analysis and Interpretation:**

KSCABL Fixed asset Turnover Ratio for the year 2014-15 is 7.05, 2015 is 7.63, 2016 is 08.21%, and in the year 2017-18 is 11.48. From the table it is evident that fixed asset turnover ratio of KSCABL is increasing. The increasing in fixed asset turnover ratio of KSCABL indicates that company used its asset efficiently and effectively and is most likely to have no management problems.

### 1.11.3 Proprietary Turnover Ratio

**Proprietary Turnover Ratio = Shareholders Fund / Total Assets**

**Table 1.11.3 Showing Proprietary Turnover Ratio (Amount in Lakhs)**

| Year | Shareholders Funds | Total Assets | Proprietary Ratio(%) |
|---|---|---|---|
| 2014-15 | 87931.21 | 1476353.69 | 0.06 |
| 2015-16 | 96105.33 | 146801.45 | 0.65 |
| 2016-17 | 113128.05 | 1637857.67 | 0.07 |
| 2017-18 | 120124.14 | 1731835.23 | 0.07 |

**Analysis and Interpretation:**

KSCABL Proprietary Turnover Ratio for the year 2014-15 is 0.06 and in the year 2017-18 is 0.07. From the above table it is evident that the proprietary turnover ratio of KSCABL is increasing. The increasing in proprietary turnover ratio of KSCABL indicates that in the company there is proper utilization of capital funds for the long term assets.

# CHAPTER 2

# CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

## 2.1 THEORATICAL BACKGROUND OF THE STUDY

**Introduction to Credit Risk Management**

Credit helps the individual to meet his necessities at a specific purpose of time and the cost of that need can be paid further. Advancement and globalization in the economy brought the significance of risk administration. it's imperative for a bank to comprehend and deal with its credit chance. Banks are putting bunches of endeavours to organizing of credit risk and money related demonstrating.

Risk management is not only a technique however it is a fundamental issue of the banking sports. every financial institution desires to establish green hazard adjusted go back on capital methodologies, and to come up with reducing edge portfolio credit score chance management structures. historically the primary threat of financial organization has been credit score risk bobbing up thru lending. As monetary organization entered in new markets and traded new products, different risks inclusive of market risk started out to finish for management's attention. in the previous few a long time economic institution have advanced tools and methodologies to control marketplace chance.

**Meaning of Credit**

'CREDO' defines the word credit originated from a Latin word. It is that the trust between the buyer and a seller. Ehen a buyer buys something without paying any amount and agrees 1o pay it later and the seller believes the buyer, there exists a mutual trust between the buyer and the seller which is defined by Latin word.

**Forms of credit**

1. Long-term loan
2. Cash credit
3. Purchase bills
4. Bank guarantee

**Meaning of Risk**

Risk is the events or occurrence which is unexpected in nature and which results in some losses which may be a financial loss or operational loss.

There are mainly 3 types of risks They are,

1. Market Risk:

It is the risk of deviation which is incompatible in nature of the market estimation of the exchanging portfolio, because of marketplace development, amid the duration required topromote the exchanges.

2. Operational Risk:

it is one area of risk that is faced with the aid of all institutions. more unpredictable the association greater exposed it'd be operational danger. This threat emerges because of deviation from arranged and usual working of the innovation framework strategies and human sadness of exclusion and fee. Aftereffect of deviation from normal working is contemplated within the earnings of the affiliation, both via the approach for added fees or with the aid of technique for loss of chance.

3. credit risk.

It is characterized because the capacity that a bank borrower will forget about to satisfy its commitment as per concurred terms.

**Credit Risk:** It refers to the risk arising out of the credit or amount of money lent by seller to buyer with a mutual understanding which falls later and results in the losses to seller.

**Factors affecting Credit Risk:**

Credit Risk of a bank's collection relies upon both internal and external components. Outer economy can be economy wide and in addition organization particular. Some outside elements are;

- Management aptitude

- Company policy
- Labour relation

Internal elements influencing the banks credit hazard are;

- Deficiencies credit strategies organisation
- Lack of risk pricing systems
- Absence of credit audit system
- Inadequacy characterized loaning limits for credit panels/advance officers.
- Excessive reliance on guarantee without discovering its quality.
- Ineffective arrangement of observing of records.

**MINIMIZING CREDIT RISK**

Following method ca be used by a lender

- Risk based pricing
- Covenants
- Contraction

  Creditors can reduce the risks of credit by lending less amount of money to be lent As Credit, total or cetin particular debtors. The period for which the credit can also be reduced, a reduction in the period of credit will impact in reduction of bad debt losses and thereby it result in minimum credit risk situation.
- Credit score coverage and credit derivatives

  lenders and bond holders can hedge their credit hazard via the acquisition of credit coverage or credit derivatives. these contracts switch the threat from the creditors to the seller of the insurance in exchange for a payment. the most commonly used credit derivative is credit default swap.
- Diversification

  Banks to little quantities of borrowers face a high level of unsystematic credit risk called fixation risk. Loan specialists can lessen this kind of risk by broadening the borrower to whom they loan cash.

- Deposit Insurance

  Numerous legislatures set up to ensure bank deposit of indebted banks. Such security demoralize purchasers from pulling back cash when the bank ends up plainly wiped out, to maintain a strategic distance from such circumstance and urge buyer to hold their reserve funds in the bank as opposed to holding that as cash in hand.

**CREDIT RISK MANAGEMENT**

Mostly all the banks practice risk managements. Banks were understanding the impact of credit risk management and it acts as a foot step to reduce the quantity of NPA. banks are using various methods and practices aiming to reduce the risk arising out of the credit sanctioned by them to the borrower which turns as a loss for the lend.

**ELEMENTS CREDIT RISK MANAGEMENT**

1. Building the perfect credit risk environment:

Comes up with an environment which makes the process of controlling the credit much smoother and effective. A periodical review of the credit related policy is made by the directors and necessary changes regarding is made.

2. Processing the credit through an efficient credit granting process:

Before granting of the credit, the documents related to the customer and the collateral properties are collected and analysed. Further by taking the advice of the legal advisor the extent of amount to be lent is decided.

3. Managing the credit administration. measurement supervision and its monitoring:

Proper administration and regular monitoring of the customer to understand and know the use of the amount lent to him. If any misuse of fund is identified then the customer can be held liable and the credit sanctioned gets cancelled.

4. Having a proper control towards the credit risk:

Minimise the risk involving in the credit is the main and foremost aim of the bank. The periodical review has to be made and the result of such review needs to be communicated to the higher authorities for making corrective actions.

5. Identifying the role of supervisors:

It is essential and very important to have a system to identify, measure and monitor the credit risk and formulate a proper strategy and policy relating to granting of credit. Supervisors needs to focus on the restricted banks' exposure and prudential norms.

**CREDIT RISK MANAGEMENT PROCESS:**

Following process explain the steps that are taken before lending any credit.

- Appraisal of credit

  Before lending credit to any customer, the information related the soundness and viability of that particular customer needs to be collected and it should be properly analysed. In any case the customer proved not to have any soundness in his incomes then the loan can be rejected at any time.

- Sanctioning of credit:

  A proper guideline for the sanction of credit needs to be maintained. Only after the customer is proven with adequate incomes, the further procedure takes place. Customer needs to follow the rules, regulations and guidelines related to the credit that he is availing. Need to know the terms and conditions of the particular bank and the type of the loan.

- Collecting the documents related to credit:

  Financial institution collects the information regarding the properties or the collateral securities against which the loan is raised. Analyses the real worth of such collateral securities and understands the legality of those assets or properties.

- Administration of credit:

  Financial Institutions must ensure that their credit portfolio is properly dealt with that is, advance understandings are appropriately masterminded, restoration notice are sent intentionally and records related to credit are much of the time revived. A foundation may relegate its credit association ability to un office or to doled out individuals in credit activities, dependent upon the size and multifaceted nature of its credit portfolio.

- Disbursement:

  Loan amount can be discharged to the customers after the offer given by the bank is duly signed and authorised by the customer and its one copy is returned to the banks or financial institution. Loan amount, collateral Securities, insurance any on such collateral securities everything should be in favour of the institution.

- Having a control over the individual credit and monitoring it by time to time: Continuous monitoring of the individuals loan whether the loan granted is utilised fully to its purpose or not. The decision of granting loan is c correct or wrong can be identified. If any loss arises out of such credit, how much credit loss can be expected is to be ascertained.

- Maintaining a credit portfolio:

  The basket of the credit created should be properly maintained in order to identify the loss making units in the portfolio. Such loss making units needs to be properly administered and measures to recover from such losses can be identified.

- Classifying the credit:

  Credit which is making high amount of profit and which is incurring losses needs to be identified and classified for further valuation. The loss making credits amounts of loan can be reduced in future course and the reasons for such loss are determined and certain corrective measures are implemented. Where the profit making units need to be pulled further with the intention of making further high profits.

- Facing the problem related to the recovery of credits:
  In case the credits lent cannot be recovered, loss arises in such situation Further the necessary changes relating to the credit term is introduced to improve the quality of the credit policies and strategies used to control the risk of the credit.

**INTRODUCING EFFECTIVE CREDIT POLICY**

Introduction of the proper and effective credit policy helps in reducing the loss caused by the credit.

1. Introduction of credit standards:

Establishing the standards for lending the credits to the individuals based on their financial worthiness. Deciding upon the ability of such customer to repay the loan as agreed upon.

2. Defining the terms of the credit:

Decision regarding the period to be provided to each customer for making the repayment of loan. It should be fixed by analysing the customers' credibility.

3. Fixing of collection procedures for the recovery of credit:

The expenses to be incurred for recovering the credits lent to the customer is essential. The higher the collection expenses the higher the amount to be invested in receivables and vice versa.

## 2.2 LITERATURE REVIEW

**Danjuman, Ibrahim, Kola, Ibrahim Abdullateef, Magaji, Badiya Yusuf, Kumshe & Hauwamodu (2016)** explained the credit risk management and customer satisfaction. It shows the positive relationship between credit risk management and customer satisfaction and there is no need for banks management to pay attention to other factors that contributes towards the customer satisfaction other than granting of credits. Bank needs to focus on its credit policy in order to make more profits.

**Hameeda Abu, Hussain, Al Ajmi & Jasim (2012)** examined the administration of risk practices followed by the ordinary banks and found that the risk levels confronted by banks are higher in case of traditional banks. Hence, nationwide, residual and settlement, operational, risks are seen to be higher if there must be an event to occur in traditional banks.

**Abmed, Sufi Fizan, Malik & Qaisarali (2015)** assessed the credit risk administration and advance execution of micro scale banks. The consequences of the examination are demonstrating that there is s a positive connection between the credit term and execution of advance. While, there is a positive connection between gathering approach and control of Credit risk however they are insignificantly affecting the advance.

**Parsley & Mark (1996)** found that credit and market risks alone cannot explain the earnings volatility they experience and against which they want to allocate capital. Measuring operational risk will provide banks a way to price a new and lucrative source of business. Hence bank needs to concentrate more on controlling its operational risk in order to increase its source of business.

**Meighs & Frank E (1995)** Analysed by utilizing conventional credit instruments with regards to interest rate swaps which offers the credit officers to sufficiently deal with another source of credit risk. End clients of financing interest rate swaps can fundamentally decrease their credit chance by taking insurance. It acts as new instrument to deal with the risk required in loaning credit to the clients.

**Gupta V K (1991)** Reviewed that asset and liability administration has extended to incorporate into financing interest rate risk, cash chance, liquidity risk and operational risk. Modelling utilizing all the risk elements empowers investors to get ready for any instabilities.

It is required for every banks to set their fixation towards the credit displaying which permits the broker to decrease and face any eventuality.

**Weber, Olaf, Fenchel, Mareus, Scholz & Roland W (2008)** examined the reconciliation of natural risks into credit risks administration methods and techniques of banks and finding the huge contrasts in incorporating environmental risks between banks that are signatories of UNEP proclamation by the banks on the earth and sustainable advancement in coordinating environmental risks and banks that had not consented to this arrangement so far could be found.

**Jobs, Norbert J. Zenios & Stavros A (2005)** found that spread risk and interest rate risk are Essential variables which won't broaden away in a substantial portfolio setting and particularly when top notch instruments are considered Bank should focus on limiting such risks keeping in mind the goal to accomplish long run development in the business level.

**Sensarma, Rudra & Jaydev M (2009)** found a novel method for taking a glimpse at banks financial related aspects that is from the risk management perspective. This review helps in creating outline scores of risk management capacities of banks. As risk management is appeared to be an imperative determinant of stock return of banks, bank ought to adjust all around prepared instrument to control credit risk and push the stock comes back to another level.

**Ljaz & Maha (2015)** found that examination in credit risk management has considerably moved from estimation of credit risk to the evaluating of credit risk which is more pivotal process for the bank. There is reliable increment in the zone of interest rate risk. In any case, different parts of the region are not yet mindful of its fullest potential.

**Waemustafa, Waeibroheem & Sukri&Sriani (2015)** discovered that perilous division financing administrative capital and Contract are critical to credit risk. For Conventional Bank arrangements made instruments causing of credit, obligation of the bank to the all out resources, measure, procuring the executives and liquidity are the fundamental elements affecting credit risk.

**Freeman, Mark C, Cox, Paul R, Wright & Brain (2006)** analysed various basic and common sense courses in which organizations can utilize credit subordinates to oversee risk are exposed and the pragmatic qualities and shortcoming of taking after such methodologies are underlined. What's more, this paper is of specific incentive to corporate fortune.

**Ghosh S K & Maji S G (2000)** analysed and included a risk management based process review into credit review function. It also emphasises interest towards the risk and finds that risk is not a threat but is instead an opportunity to outperform the competition. And also made an explanation of the evolution of the credit review function.

**Hussain A & Hassan AI Tamimi (2007)**examined the level of risk management techniques and tools used by banks when it considers the different kinds of risks faced by banks are compared by taking look int the questionnaire prepared for the two sets of bank. It can be concluded that commercial banks have to face more foreign exchange risk, operating risks and credit risks. It shows that significant relationship between the foreign and national banks.

**Sensarma R & Jayadev M (1998)** analysed down the credit risk estimation work over the past 20 years. It thought about the credit chance estimation of individual advances and portfolio advances. It additionally centered around the new methodology around the mortality hazard to quantify the return on advances and bonds. It examined the hazard return structures of arrangement of credit chance uncovered obligation instruments.

**Chahal H, Kaur Sahi G & Rani A (2008)** analyzed a calculated model to be utilized further in understanding credit hazard the board arrangement of business bank in an economy by assessing less created money related area. It found that the part of credit hazard the executives framework vary in business banks working in a less created economy from those in a created economy. This gives a suggestion to the earth where bank conveys its task.

**Khare A, Khare A & Singh S (2005)** analyzed the observational connection between the total credit security recuperation rates and default rates, Found a negative connection between the default rate and bond recovery rates, Once the default rate is taken into account, the supply of outstanding distressed debt remains variable whereas, such macro-economic variables as stock market return do not. Found that systematic macroeconomic risk factor is less periodic than expected and the relative supply and demand of defaulted bonds has a role in ascertaining the average recovery rates.

**Kenneth A Froot & Jeremy C Stein (1998)** analysed the capital allocation and capital structure decision faced by the financial institutions, It came up with features like a esteem boosting banks have a very much established worry with hazard the executives and another one is not all the risk that the bank faces can be supported in the capital market. This demonstrated how bank level hazard the executives thought plays as an imperative factor in the valuing of those dangers that can't be effectively supported in the capital market.

**Bodla B S Verma & Richa (2009)**analysed that for the Credit Risk Administration, a large portion of the banks are discovered playing out a few performances like studying bout industry, occasional credit calls, intermittent plant visits, creating MIS, credit scoring what's more, yearly audit of records. In any case, the banks in India are refusing the utilization of subsidiaries items as risk supporting device. It has drawn out that regardless of division and size of bank, Credit Risk Management system in India is on the privilege track and it i is completely in light of the RBI's rules issued in such manner,

**Lazarus Angbazo (1997)** inspected that the keeps money with increasingly hazardous advances and higher premium rate chance presentation would choose credit and store rate so as to accomplish higher net intrigue edges, Commercial bank reflects both default and financing cost chance The net premium edges of the money center is affected just by a default chance and not by loan fee chance. Money center is solid with their accentuation on transient resources and cockeyed sheet supporting and reeling sheet supporting instruments. Provincial managing an account firms are delicate just to loan cost hazard and not to default chance.

**Olaf Weber, Ronald W Scholz & Georg Michalik (2010)** found that correlation between companies environmental and financial performance exists. Banks pay sustainable attention to the role that criteria pertaining to environmental orientation and sustainability play a crucial role in the credit risk management It shows that sustainability criteria can be used to predict the debtors financial performance and improve the predictive validity in the process of credit rating. The sustainability of a firm demonstrates influences its credit worthiness.

**Nor Hayati Ahmad & Mohamed Ariff (2007)** analysed the key elements of credit risk of commercial banks in developing economy compared with developed economies. Banks that offer multi products can concentrate on regulatory capital in its banking system. In case of emerging economy, loan dominant banks have to concentrate more on management quality.

**Gupta P.K (1990)** analysed that even though there is a connection between collateral and credit risks, commercial banks offer loan on a secure basis, Theoretical examination found that borrowers who are having private information n about risk tend to pledge against lower amount of risk. whereas the conventional practice depicts that risks are observable and the highest risk borrowers tend to pledge are collateral.

**Samanta P & Dugal M (1997)** analyzed the determinants of bunks financing cost edges dependent on basic hypothetical model under numerous wellspring of vulnerability and hazard avoidance. It has contemplated how the cost, guideline, credit risks and loan fee chance conditions all together decides the ideal bank financing cost edge. There is a positive connection between banks piece of the pie to, working expense, to the level of credit chance and to the level of Interest rate hazard. An expansion in banks value negatively affects the spread when there is a little loan cost.

**Vicente Salas & Jesus Saurina (2002)** analysed the problem of Spanish Commercial banks taks into consideration both the macroeconomic and individual banks level variables. There exists a significant difference between commercial bank and savings bank whichit confirms the significance of credit risk. It has given more importance to the bank's supervisor policy, the
use of bank level variables, the advantage of bunk mergers and the role of ownership in determining the credit risk.

**Prakash S, Sonig, Rathore & Singh (2010)** examined the role of risk management and corporate governance as a matter of financial crisis. It examined that the banks failure in applying well developed risk management principles was a result of problem between principal and agent which is internal to the firm and it breaks the corporate governance system which is designed to overcome the problem between principal and agent.

**Olaf Weber (2012)** analysed the joining of ecological dangers in the credit the executives. The quantitative and subjective investigations made recommends that Canadian business banks, credit associations and fare advancement Canada ought to oversee ecological dangers in credit the board so as to maintain a strategic distance from the money related risk.

**Evan Gatev, Tilschuermann & Philip E Strahan (2007)** analysed the liquidity risk that the banks are facing which is ascribed to exchanges stores and their capability to start runs.

Rather than that exchange stores help banks to fence liquidity chance from credits that are definitely not utilized. Banks stock return unpredictability increments with the duties made that are lying unused yet just for the saves money with low dimension of exchange stores.

**A Sinan Cebenoyan & Philip E Strahan (2004)** examined that how dynamic administration of bank credit risk k exposes through the advance deals advertise which influences capital structure, loaning, benefits and risk. Banks that rebalance their advance portfolio exposure by both purchasing and offering credits banks that utilization the advance deals showcase for administration purposes as opposed to modify their property of advances in the bank. It recommends that banks that enhance their capacity to oversee acknowledge risk may work for more prominent use and may loan more cash to unsafe borrowers.

**Julpa Jagtaini, George Kaufman & Catharine Lemieux (2002)** analysed regardless of whether the government wellbeing is seen by market as it is stretched out past. Stores to other bank deposits and even the deposits of bank holding organizations. Its outcome give confirm that both bank and bank holding organizations securities are evaluated by the auxiliary shockingly chance for less promoted backers recommending that proposition obliging banks to issue obligation may enhance advertise and valuable in regulatory discipline.

# CHAPTER 3: RESEARCH DESIGN

## 3.1 STATEMENT OF THE PROBLEM

The profits of the bank are totally dependent on loans and advances which lead to both economic and industrial growth. When the borrower fails to make the payment for the amount borrowed by him, the credit risk for the bank increases, For many banks, loans and advances are the essential source of credit risk exists through the operations of the bank. Bank are progressively going up against credit chance in various budgetary instruments other than progresses, including affirmation, entomb bank trades, trade financials, remote exchange trades, cash related destinies, swaps, securities, equities, options and in the expansion of duty and ensures, and the settlement of transactions. Hence, there is a need to study the reasons for the credit risk and the process to manage or minimize the credit risk.

## 3.2 NEED FOR THE STUDY

There is a need to understand the risk involved in lending the credit to the borrower by the bank to make sure that the loan lent will not be set as default. And to find out the necessary measures that how the bank can minimize the risk involved in its lending. The various aspects the bank needs to analyse while lending the loan in order to reduce its loan and maintain the profitability.

## 3.3 OBJECTIVES OF THE STUDY

- To study various types of loans and advances given by the K.S.C Apex Bank Ltd.
- To study the credit risk of the K.S.C Apex Bank Ltd.
- To study various credit risk management strategies adopted by the K.S.C Apex Bank Ltd., Bangalore.

## 3.4 SCOPE OF THE STUDY

First and foremost, is to comprehend the significance of the role played by risk management department pretended by risk administration office as well as practices when the bank lends cash to its borrowers.

## 3.5 RESEARCH METHODOLOGY

Research methodology it is a technique to snap the research problem methodically. It includes assembling the data and uses arithmetical technique understanding and drawing decision about the investigation data.

### 3.5.1 Research Design

It is a structure which directs and guides the research to be conducted. It provides an outline for the purpose of collecting and careful examination of information. It helps in determining a solution to the problem and including new information.

**Analytical Research Design** is used in the project because the study and the inferences are drawn based on the analysis made for the secondary data collected using Analytical Techniques in drawing inference.

### 3.5.2 Data Collection

The information gathering i.e. the idea for the project has been gathered remembering the targets of the project and based on the needs, important data has been found.

**Secondary Data**

This is reviewing of relevant information, which is already collected and making inferences based on information collected.

**The secondary data used in the study are:**

l. Annual statement of the K.S.C. Apex Bank Ltd.

2.Financial records of the K.S.C. Apex Bank Ltd.

3. Journals, Text books.

4. Websites.

### 3.5.3 Sampling Design

Last four years Financial Statements are used for the study i.e. 2015 to 2018.

**Tools and Techniques**

1. Ratios.

**Significance Of The Study**

Indian population faced numerous problems till the development of banking system. But now-a-days banks are facing the problem of credit risk. The borrowers of loans and advances are failing to repay the amount of debt and causing in non-performing asset. The main aim behind this report is to know how the KSC Apex Bank Ltd is operating its business and how the risk involved in lending credit to the customers is managed and how these credit risks influences the profitability of the Bank.

## 3.6 LIMITATIONS OF THE STUDY

- Research is limited Only KSC Apex Bank Ltd Bangalore.
- Only a particular bank is considered.
- Time requirement is a restricting component.
- Some of the data is confidential in nature and couldn’t be revealed for the review.

## 3.7 CHAPTER SCHEME

**CHAPTER 1 - Introduction**

**CHAPTER 2 - Conceptual Background And Literature Review**

**CHAPTER 3 - Research Design**

**CHAPTER 4 - Analysis And Interpretation**

**CHAPTER 5 - Findings,Conclusions And Suggestion**

**Bibliography**

**Annexure**

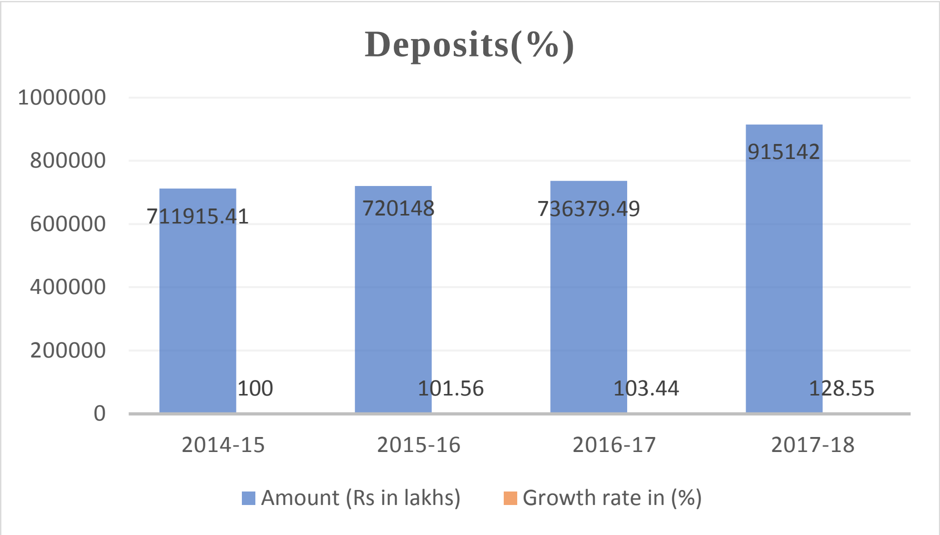
# CHAPTER-4

# DATA ANALYSIS AND INTERPRETATION

**Table 4.1 Showing The Total Deposits of K.S.C Apex Bank Ltd.,**

| Year | Amount (Rs in lakhs) | Growth rate in (%) |
|---|---|---|
| 2014-15 | 711915.41 | 100 |
| 2015-16 | 720148 | 101.56 |
| 2016-17 | 736379.49 | 103.44 |
| 2017-18 | 915142 | 128.55 |

**Graph 4.1.1 Showing The Total Deposits Growth With Percentage Of KSCAPBL.**



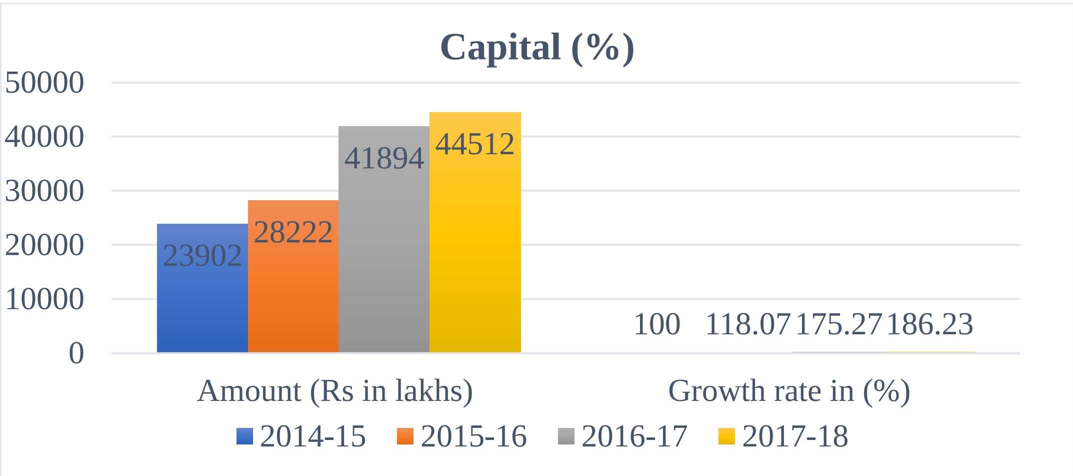

## Analysis and Interpretation

The deposits of K.S.C Apex Bank Ltd increased significantly from 2015 to 2018 can be understood by the above graph. For calculating the ratios of deposits 2015 is taken as the base year. In the base year the deposits of the K.S.C Apex Bank Ltd was Rs. 711915.41(in lakhs) which increased to Rs. 915142 (in lakhs). The increased deposits ratio depicts the trust of the people towards the Bank.

**Table 4.2 showing the Total Capital of K.S.C Apex Bank Ltd.,**

| Year | Amount (Rs in lakhs) | Growth rate in (%) |
|---|---|---|
| 2014-15 | 23902 | 100 |
| 2015-16 | 28222 | 118.07 |
| 2016-17 | 41894 | 175.27 |
| 2017-18 | 44512 | 186.23 |

**Graph 4.2.1 Showing The Total Capital Growth With Percentage Of KSCAPBL**



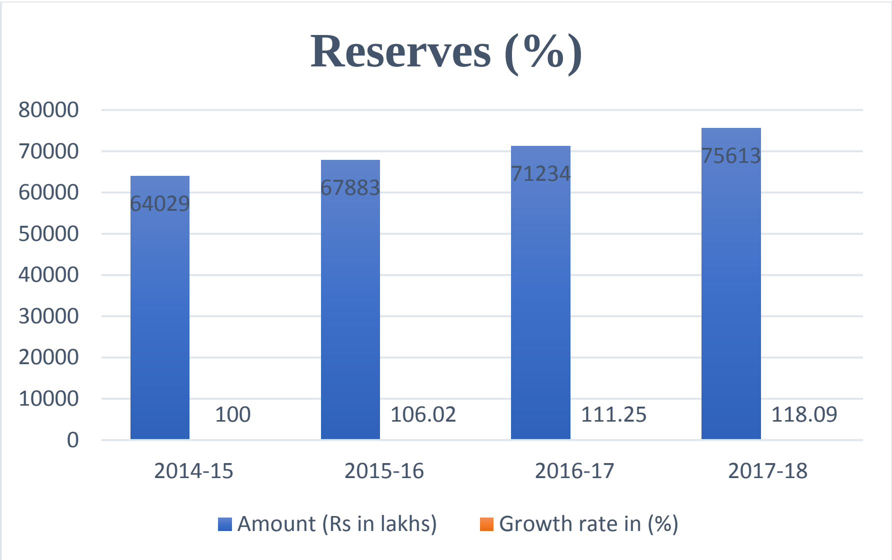

## Analysis and Interpretation

From the above table clear that when compared to base year 2014-15 there is increase in the growth rate of total deposit for the year, from 23902 to 44512. The increase in deposit is a good indication for the bank, which increase their sources of fund.

**Table 4.3 Showing The Growth Rate In Reserves Of K.S.C Apex Bank Ltd.**

| Year | Amount (Rs in lakhs) | Growth rate in (%) |
|---|---|---|
| 2014-15 | 64029 | 100 |
| 2015-16 | 67883 | 106.02 |
| 2016-17 | 71234 | 111.25 |
| 2017-18 | 75613 | 118.09 |

**Graph 4.3.1 Showing The Total Growth In Reserves With Percentage Of KSCAPBL**



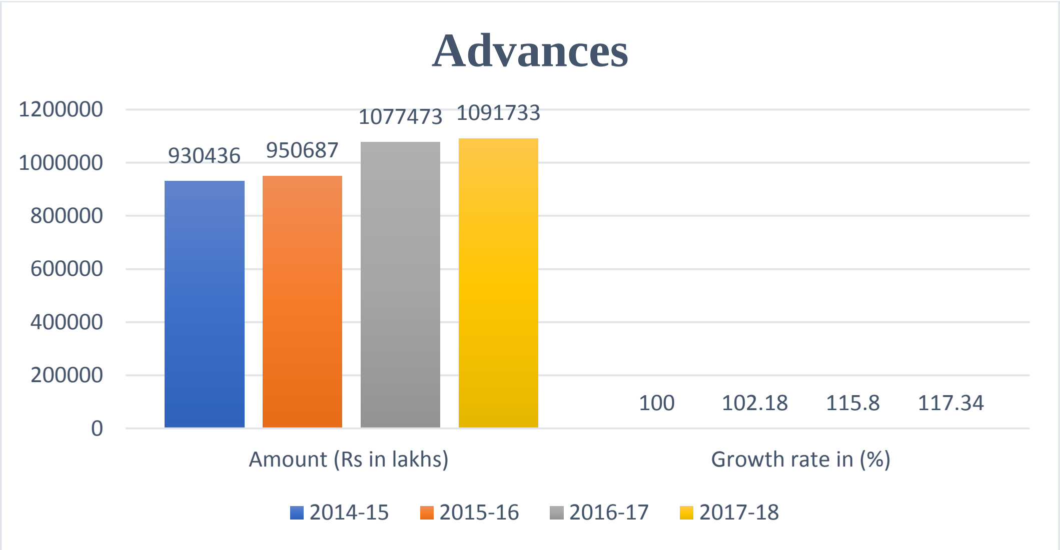

## Analysis and Interpretation

The above graph, states that reserve and other funds invested by the K.S.C Apex Bank Ltd increased gradually from 2015 to 2018. In this ratio, 2015 is considerd as a base year and further calculation is performed. The percentage increase in the reserves and other funds were 100 in the base year to 106.02,111.25, and 118.09 in 2016, 2017, and 2018 respectively.

**Table 4.4 Showing the Growth Rate In Advances of K.S.C Apex Bank Ltd.**

| Year | Amount (Rs in lakhs) | Growth rate in (%) |
|---|---|---|
| 2014-15 | 930436 | 100 |
| 2015-16 | 950687 | 102.18 |
| 2016-17 | 1077473 | 115.80 |
| 2017-18 | 1091733 | 117.34 |

**Graph 4.4.1 Showing The Growth Rate Of Total Advances In Financial Years 2015,2016,2017&18**




**Analysis and Interpretation:**

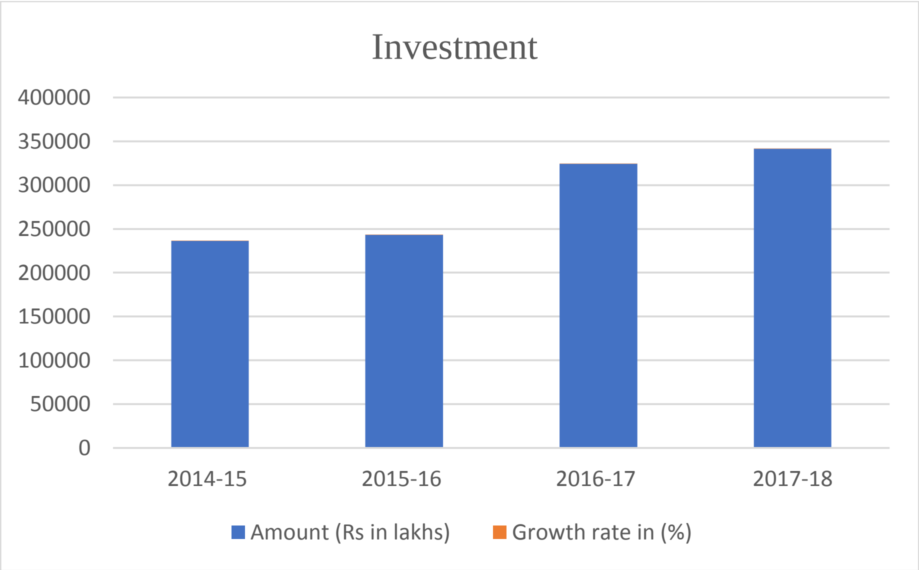
From the above table it is clear that when compared to base year 2014-15 there is increase in growth rate of total advance 930436 to 1091733 in the year 2017-18.

The increase growth rate in advance is due to increase in lending rate which shows that the bank is having more proper application of funds in the form of advances which increases the profitability position if recovery rate is proper.

**Table 4.5 showing the Growth Rate In Investment of K.S.C Apex Bank Ltd.**

| Year | Amount (Rs in lakhs) | Growth rate in (%) |
|---|---|---|
| 2014-15 | 236157 | 100 |
| 2015-16 | 243155 | 102.96 |
| 2016-17 | 324348 | 137.34 |
| 2017-18 | 341470 | 144.59 |

**Graph 4.5.1 Showing the Growth Rate Of Investment in financial years 2015, 2016, 2017 & 2018**




**Analysis and Interpretation:**

From the above table it is clear that when compared to base year 2014-15 there is increase in growth rate of total investment 236157 to 341470 in the year 2017-18.

The increased growth rate in investment shows that the bank is having proper portfolio of the funds collected and its investment in different fields.

**4.6 Credit to Deposit Ratio:** Total money lent by the bank that is loan to the total money received by the bank in the form of deposits. Here, total loans lent by the K.S.C Apex bank ltd. with that of total money received in the form of deposits is taken into account.

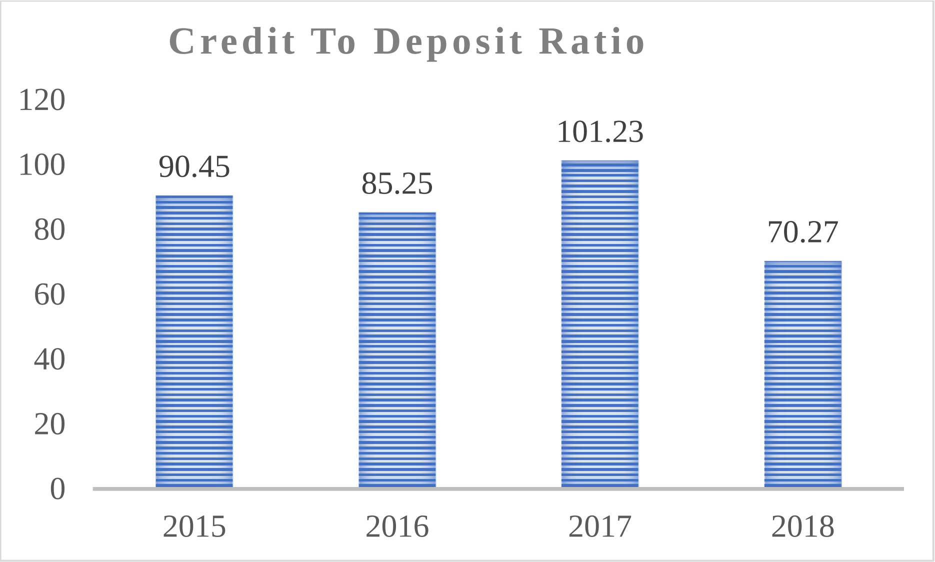
$$\text{Credit Deposit Ratio} = \frac{\text{Loan}}{\text{Deposits}} * 100$$

**Table 4.6 Showing The Credit To Deposit Ratio Of The Bank From 2015-2018**

**(Rs in Lakhs)**

| Year | Total loan | Deposits | Credit to Deposit Ratio |
|---|---|---|---|
| 2015 | 643929 | 711915.41 | 90.45 |
| 2016 | 613969 | 720148 | 85.25 |
| 2017 | 745510 | 736379.49 | 101.23 |
| 2018 | 643122 | 915142 | 70.27 |

**Graph 4.6.1 Showing The Credit To Deposit Ratio Of The Bank From 2015-2018**




**Analysis and Interpretation:**

The above graph shows that in the base year credit to deposit ratio was 90.45 which decreased to 85.25 in 2016 and which increased to 101.23 in 2017 and again it decreased to 70.27 in 2018. It concludes that K.S.C Apex bank ltd. credit to deposit ratio decreased from the year 2015 to 2018.

### 4.7 Debt to Equity Ratio

This ratio is a one of the financial ratio, which indicates the relative proportion of shareholder's fund and the debt used to finance a company's assets. This ratio can be calculated by using the following formula:

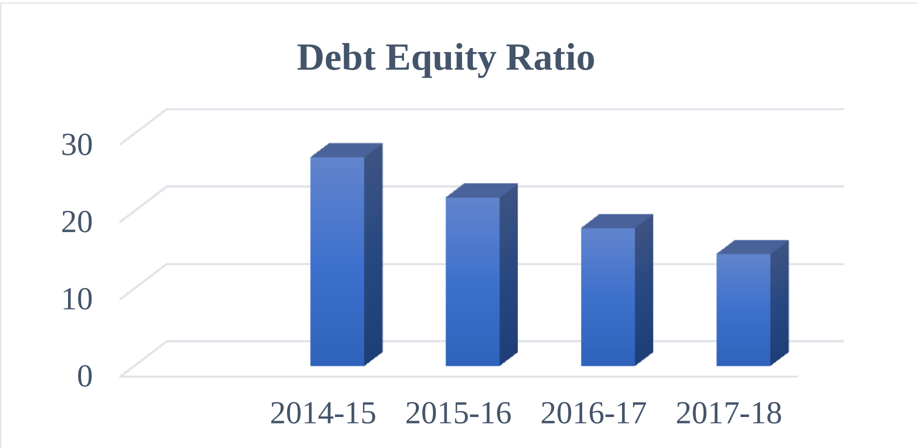
Debt Equity Ratio (D/E)= Total Long term debts / Shareholders Fund

**Table 4.7 Showing The Debt To Equity Ratio Of The Bank From 2015-2018**

**(Amount in Lakhs)**

| Year | Total Long term debts | Shareholder's Fund | Ratio |
|---|---|---|---|
| 2014-15 | 643928.70 | 23901.93 | 26.94 |
| 2015-16 | 613969.39 | 28222.33 | 21.75 |
| 2016-17 | 745510.46 | 41894.32 | 17.80 |
| 2017-18 | 643122.50 | 44511.52 | 14.45 |

**Graph 4.7.1 Showing the Debt to Equity Ratio of the Bank From 2015-2018**




**Analysis and Interpretation:**

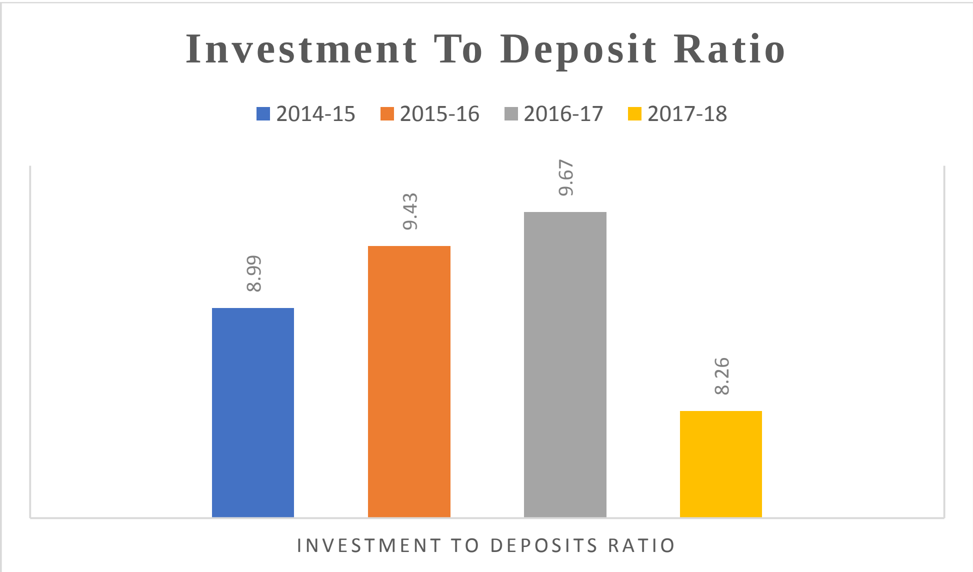
KSCABL Debt Equity Ratio for the year 2014-15 is 26.94, 2015-16 is 21.75, 2016-17 is 17.80& in the year 2017-18 is 14.45.From the above graph it is evident that debt equity turnover ratio of KSCABL is decreasing. The decreasing in debt equity ratio of KSCABL means lower the debt ratio less the company has to worry in meeting its fixed obligations and also less dependent on shareholders and outsiders.

**Table 4.8 Showing The Investment To Deposit Ratio Of The Bank From 2015-2018**

**(Amount in lakhs)**

| Year | Reserves and Other Funds | Deposits | Investment to Deposits ratio |
|---|---|---|---|
| 2014-15 | 64029.00 | 711915.41 | 8.99 |
| 2015-16 | 67883.00 | 720148.00 | 9.43 |
| 2016-17 | 71234.00 | 736379.49 | 9.67 |
| 2017-18 | 75613.00 | 915142.00 | 8.26 |

**Graph 4.8.1 Showing the Investment to Deposit Ratio of the bank from 2015-2018**




**Analysis and Interpretation:**

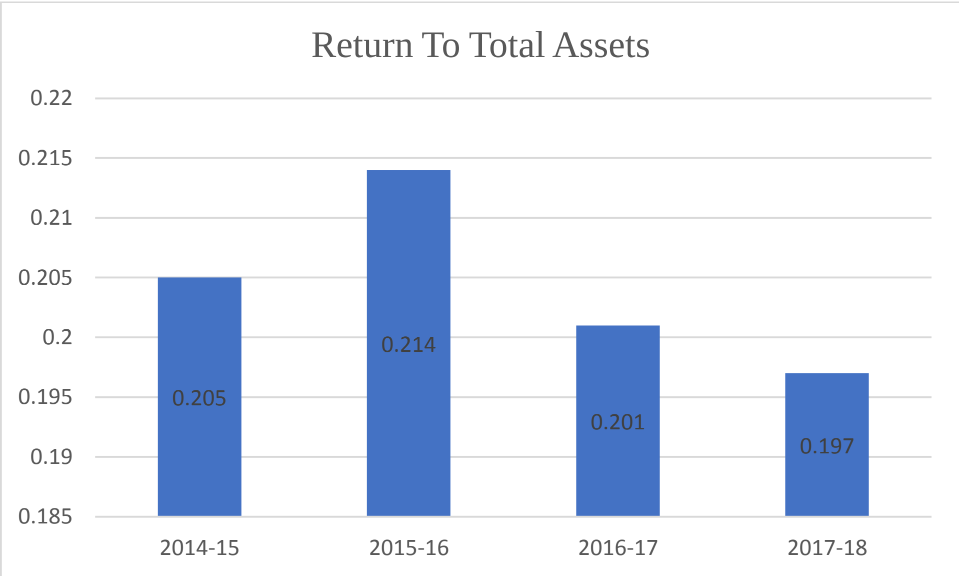
Above graph depicts that investment made by the KSCABL against the deposits made with the KSCABL. Investment to deposit ratio was lower in the base year as compared to the rest of the year. From 2015-16 this ratio was higher and then it increased to 9.43, in 2015-16 it also increased to 9.67, and further it decreased in the year 2017-18. It concludes that investment to deposit ratio flactuates from the year 2014-15 to 2017-18.

**Table 4.9 Showing The Return On Assets Ratio Of The Bank From 2015-2018**

**(Amount in lakhs)**

| Year | Return | Total Assets | Return To Total Assets |
|---|---|---|---|
| 2014-15 | 3030.00 | 1476353.70 | 0.205 |
| 2015-16 | 3145.00 | 1468014.53 | 0.214 |
| 2016-17 | 3300.00 | 1637857.67 | 0.201 |
| 2017-18 | 3425.00 | 1731835.23 | 0.197 |

**Graph 4.9.1 Showing The Return On Assets Ratio Of The Bank From 2015-2018**




**Analysis and Interpretation:** Return on assets of the KSCABL can be depicted by seeing the above graph. It can be understood that return on assets in the year 2015-16 is the highest compared to the rest. In the base year 2014-15 return on asset was less i.e 0.205 compared to 2014-15 i.e 0.214. later on it is decreased in the year 20116-17 and 2017-18. It indicates that the company is not effectively using its assets to generate its earnings.

# CHAPTER-5

# FINDINGS, SUGGESTIONS AND CONCLUSIONS

## 5.1 FINDINGS:

1. It is observed that the total deposit position is increased from year to year continuously. It was 100% in the year 2014-15, further it increased to 101.56% in 2015-16 and10 3.44% in the year 2016-17. Then 128.55% in the year 2017-18.
2. It is observed that the total capital growth rate was 100% in the year 2014-15. there is continuous increase in the capital growth year by year i.e. 118.07% in the year 2015-16 and 175.27% in 2016-17. Then 186.23% in the year 2017-18.
3. In the last 3 years the credit to deposit ratio has continuously fluctuating but in the 2017-18 it is suddenly decreased to 31.27%.
4. It is observed that the total reserve growth rate was 100% in the year 2014-15 and it is increased to 106.02% in 2015-16 and 111.25% in 2016-17. Then 118.09% in 2017-18 the increase in index of reserve shows that there is increase in profit every year and their profitability of company is satisfactory.
5. In the investment to deposit ratio the data shows that gradually increasing from the year 2014-17 later on in the year 2017-18 it is suddenly decreased to 1.41%.
6. It is observed that the total advances growth rate was 100% in the year 2014-15 and it is increased to 102.18% in 2015-16 and 115.80% in 2016-17 and then 117.34% in the year 2017-18 the increase growth rate in advance is due to increase in lending rate which shows that the bank is having proper application of funds in the form of advances which increases to profitability position if recovery rate is proper.
7. The KSC Apex bank has to more concentrate on the net banking and mobile banking.
8. The overall performance of the bank is satisfactory. It has successfully improved its financial position. It is working in order to strengthen its financial viability.

## SUGGESTIONS:

- Bank should adopt modern banking technology for better customer service and developments of the bank.
- Bank may attract more customers through advertisement preferably through social media.
- Bank may adopt customer grevience redressal and credit rating machanisam for better performances.
- Bank may open more number of branches in bangalore metropolitan city so as to cover entire area of operation of BBMP.
- The quality of the man power of the bank may be improved through training for which bank may adopt suitable effective training policy like corporate sector.
- The performance and reports must be regularly reviewed in order to detect the errors.
- Bank should have a system for carrying remedial action on determining credits and managing credit problems.
- Credit rates of the company or the customers must be updated periodically.
- The bank should implement a credit rating model in order to control and manage the credit risk of the borrower.
- The should give More awareness through advertisement regarding various loans schemes introduced by the banks.

## CONCLUSION:

Credit risk management starts with the process of lending the loans and comes to an end by repaying the debt amount along with intrest. For managing the risk, banks needs to concentrate on credit scoring and credit rating aspects which improves process of credit lending and also helps in identifying the credit worthiness of the bank. From the study it is found that customer of the bank are happy and satisfied with the customer service provided by the bank.

The growth and development of the bank are all parameter showing above average growth rate which indicated the financial helth of the bank.

The Karnataka state co-operative bank being a state level co-operative bank played a significant role in sustainable development of short term credit co-operative movement in state i.e. development of DCC banks at distric level and PACS at village level.

The inference drawn is based on the analysis of primary and secondary data provided by the bank and interactions with the concerned officers of the bank however due to lack of time and busy schedule of bank officials with year end work deep collection and analysis of data was not possible.

Finally I would like to extend my sincere gratitude and thanks to Karnataka state co-operative apex bank which provides an opportunity to conduct a study as part fulfilment of my academic career.

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**WEBSITES**

**www.creditriskmanagement.co.in**

**www.elsevier.com**

**www.rbi.com**

**www.rcbl.com**

**www.kscapexbankltd.com**

## ANNEXURE

### PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1-04-2014 TO 31-03-2018

| Particulars | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| **INCOME** | | | | |
| Interest and Discount | 9403158357 | 10097088325 | 10460246852 | 11640016352 |
| Commission and Brokerage | 14276469 | 6788301352 | 11899073 | 18948511 |
| Dividend and Miscellaneous Receipts | 69131954 | 81836327 | 85750106 | 100186146 |
| **Total Revenue** | **9486566779** | **10190952059** | **10557896031** | **11759151009** |
| **EXPENSES** | | | | |
| Interest on Deposits & Borrowings | 8062254091 | 8851000148 | 8823434778 | 9316809752 |
| Salaries, Allowances & Provident Fund | 306693871 | 336119769 | 477016096 | 431154238 |
| Directors Fee, Local Committee Members fee and Allowances | 4784038 | 5955390 | 7473332 | 21065103 |
| Rent, Taxes, Insurance & Electricity Charges | 48783388 | 54240294 | 63184496 | 68997428 |
| Legal Charges | 2019094 | 1594805 | 374945 | 429395 |
| Postage and Telephone | 3074571 | 3472714 | 4046208 | 4169685 |
| Audit fees | 1248177 | 2158857 | 1718875 | 7506000 |
| Repairs to Bank Properties | 12522403 | 4906867 | 5514157 | 5298851 |
| Printing, Stationery and Advertisement | 13790389 | 10236035 | 13160177 | 102046614 |
| Other Expenditure | 129422973 | 141311661 | 219536508 | 282544466 |
| Depreciation | 48111420 | 65367118 | 39063899 | 34826660 |
| **Provisions and Contingencies :** | | | | |
| a) Bonus/Exgratia | 5000000 | 5000000 | 5000000 | 5000000 |
| b) Staff Gratuity Fund | | | 12475428 | 20404843 |

| | | | | |
|---|---|---|---|---|
| | 9389873 | 10000000 | | |
| c) Pension scheme fund | - | - | - | 5000000 |
| c) Provision for Salary Arrears | 15000000 | 5000000 | - | - |
| e) Bad & Doubtful Debt Reserve | 57739000 | 66500000 | 75000000 | 150000000 |
| f) Provision for Other Assets | 88400000 | - | - | |
| g) Contingent Reserves for Standard Assets | 34600000 | 19000000 | 70000000 | 21550000 |
| h) Centenery Year Celebration Fund | 1277000 | 3407552 | - | - |
| i) Investment Fluctuation Reserve | - | - | 50000000 | 20000000 |
| j) Capital Reserve | - | - | 10000000 | 40000000 |
| k) Non Performing Assets | - | - | - | 342100000 |
| **Total Expenses** | **8846110289** | **9586271209** | **9877998899** | **10879903035** |
| **Profit Before Tax** | **640456490** | **604680850** | **679897132** | **879247974** |
| **Provision for Taxes:** | | | | |
| Provision for Income Tax | 262500000 | 277900000 | 315000000 | 525250000 |
| Provision for Deferred Tax | - | - | - | - |
| Income Tax of earlier years | 74956490 | 12280850 | 34897132 | 11497974 |
| **Net Profit for the year** | **303000000** | **314500000** | **330000000** | **342500000** |

**KARNATAKA STATE CO-OPERATIVE APEX BANK LIMITED. BANGLORE.**

**BALANCESHEET AT 31 MARCH 2015,16,17&18**

**BALANCE SHEET**

| PARTICULARS | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| **I. CAPITAL AND LIABILITIES** | | | | |
| SHARE CAPITAL | 2390192700 | 2822232500 | 4189432500 | 4451152300 |
| RESERVE FUND, OTHER FUNDS AND RESERVES | 6402928345 | 6788301352 | 7123372520 | 7561262454 |
| PROFIT AND LOSS ACCOUNT | 303000000 | 314500000 | 330000000 | 342500000 |
| DEPOSITS AND OTHER ACCOUNTS | 71191540623 | 72014766397 | 73637948604 | 91514235113 |
| BORROWINGS | 64392870311 | 61396939084 | 74551045862 | 64312249690 |
| INTEREST PAYABLE | 57406300 | 95151807 | 342214072 | 886708073 |
| OTHER LIABILITIES | 1922945932 | 1962369529 | 1872126099 | 2303956216 |
| BRANCH ADJUSTMENT | 37546554 | 1283882 | - | - |
| OVERDUE INTEREST RESERVE (AS PER CONTRA) | 936938522 | 1405908485 | 1739627629 | 1811459344 |
| **TOTAL** | **147635369287** | **146801453035** | **163785767286** | **173183523190** |
| | | | | |
| **II. PROPERTY AND ASSETS** | | | | |
| CASH AND BANK BALANCES | 5833625833 | 5003084369 | 17173005881 | 11981436673 |
| MONEY AT CALL AND SHORT NOTICE | 22350000000 | 19150000000 | 2899000000 | 3350000000 |
| INVESTMENTS | 23615697313 | 24315467850 | 32434829268 | 34147005789 |
| ADVANCES | 93043572669 | 95068744695 | 107747261119 | 109173301171 |
| FIXED ASSETS | 1344943200 | 1333909693 | 1285513080 | 1024030369 |
| OTHER ASSETS | 510591750 | 524337943 | 484409241 | 11688479776 |
| BRANCH ADJUSTMENT | - | - | 22121068 | 7810068 |
| OVERDUE INTEREST RESERVE (AS PER CONTRA) | 936938522 | 1405908485 | 1739627629 | 1811459344 |
| **TOTAL** | **147635369287** | **146801453035** | **163785767286** | **173183523190** |

ACHARYA

# ACHARYA INSTITUTE OF TECHNOLOGY

## DEPARTMENT OF MBA

## PROJECT (17MBAPR407) -WEEKLY REPORT

**NAME OF THE STUDENT : Nagabhushan M Shet**

**INTERNAL GUIDE : Prof. Mahak Balani**

**USN : 1IA17MBA34**

**COMPANY NAME : K.S.C Apex Bank Ltd. Bangalore**

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

A.C.S.T.I BANGALORE-70

Company Seal

College Seal

HOD Signature

5/4.