A Project Report On

"Credit Management Process- A Study with Reference to BARDC Bank Ltd. Bhatkal"

Submitted To

KARNATAK UNIVERSITY, DHARWAD

In partial fulfillment for the award of the Degree of

Master of Commerce

Submitted By :

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Under the Guidance of

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Anjuman Arts, Science & Commerce College and PG Centre,

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ಅಂಜುಮನ್ ಕಲಾ, ವಿಜ್ಞಾನ, ವಾಣಿಜ್ಯ ಮಹಾವಿದ್ಯಾಲಯ ಹಾಗೂ ಸ್ನಾತಕೋತ್ತರ ಕೇಂದ್ರ

ANJUMAN ARTS, SCIENCE, COMMERCE COLLEGE & P.G. CENTRE

(AFFILIATED TO THE KARNATAK UNIVERSITY, DHARWAD)

Accredited "B" Grade by NAAC

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ಪೋಸ್ಟ್ ಬಾಕ್ಸ್ ನಂ. ೦೨
ಅಂಜುಮನಾಬಾದ್, ಭಟ್ಕಳ - ೫೮೧ ೩೨೦
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CERTIFICATE

This is to certify that the Project Work titled **"Credit Management Process-A Study with Reference to BARDC Bank Ltd. Bhatkal"** is an original record done by **Miss. Shalini Masatappa Naik** with Registration No. **P02JK21C0002,** in partial fulfillment of the award of Degree of **Master of Commerce** under **Karnatak University, Dharwad** during **2022-23**. The project satisfies the academic requirements in respect of project work prescribed for the Degree of Master of Commerce and is a record of her own independent work.

This project is based on the studies carried out by her and has not submitted to any other University or Institution for the award of any degree or diploma.

Project Guide

(Prof. Ganesh Naik)

Principal

Prof. M.K. Shaikh

ನೊ.ನಂ.ಡಿ.ಆರ್.ಕೆ.ಆರ್. 178/72-73

ಸ್ಥಾಪನೆ : 04-10-1972

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CERTIFICATE

This is to Certify that **Miss. Shalini Mastappa Naik,** being **Reg.No P02JK21C0002** a student Of M.Com Fourth semester in Anjuman Arts, Science and Commerce College and P.G Centre, Bhatkal has successfully completed the project on **"Credit Management Process"** with references to **"Bhatkal Agriculture And Rural Development Co-Op Bank Ltd. Bhatkal"** in our organization during 2022-23 in partial fulfillment of the requirement of the award of M.Com.

Place : Bhatkal
Date : 31/10/2023

GENERAL MANAGER
B.A.R.D.C. BANK LTD.
H.O. BHATKAL (U.K.)

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Introduction

Credit management is the process of granting credit, setting the terms on which it is granted, recovering this credit. When init is due and ensuring compliance with company credit policy, among other credit related functions. The goal within a bank or company in controlling credit, is to improve revenues and profit by facilitating sales and reducing financial risks. A structured credit policy ensures that the credit team uses a standardized method for managing customers credit risk. This leads to consistent credit decisions and eliminating compliance issues because there is an audit trail.

Banks are financial institutions that are established for lending, borrowing, issuing, exchanging,taking deposits, safeguarding or handling money under the laws and guidelines of a respective country. Among their activities, credit provision is the main product which banks provide to potential business entrepreneurs as a main source of generating income.

While providing credit as a main source of generating income, banks take into account many considerations as a factor of credit management which helps them to minimize the risk of default that results in financial distress and bankruptcy. This is due to the reason that while banks provide credit they are exposed to risk of default (risk of interest and principal payment) which need to be managed effectively to acquire the required level of loan growth and performance.

Credit management in our banking sector today has been different dimensions from what it used to be. The banking industry has adopted a lot of strategies in checking credit management in order to stay in bus8iness. It is a systematic and objective collection of and analysis of data about the faults in credit policy, collection procedure. The credit management regulates the credit in a proper way for the growth and expansion of the organization.

Suggestions :

- More awareness about the various products of the bank should be created among the customers and marketing efforts can be undertaken to attract more deposits and credit from existing customers as well as new customers.
- Banks should strive to supply their documentation to a large extent and guide the borrowers in providing information.
- The society must not act on the vested political pressure on grant of credit as observed during the interaction with the offers of the society.
- Modern financial analysis techniques and standard risk grading framework can be adopted to scientifically decide on credit appraisal.
- There are various loan aspects to suit the requirements of customers and their terms are duly according to the rules framed by the regulatory authorities.

Conclusion :

Despite the phenomenal outreach and volume of operation, the health of a very large proportion of rural credit cooperatives has deteriorated scientifically. The contribution of co-operative societies in the banking sector increased to a greater extent. The bhatkal Agricultural and Rural Development bank has created its own identity in the co-operative sector in bhatkal. It increased performance year by year given the way to gain a self identity in its surrounding areas.

It has been 50 years since the establishment of BARDC bank bhatkal, since its establishment it aimed to serve the poor people of society.

The top management of the bank is always developing that hope with unexpected challenges to deliver products and services more efficiently.