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Certificate

Certified that the project work titled "A Project Report on Credit Management of Rural Agriculture Co-operative Society Ltd., Jali Bhatkal" is an original record of filed work done by Ms. Swati Keshav Kharvi with Registration No. 18C011232 in a partial fulfillment of the award of degree of Master of Commerce of the Karnataka University, Dharwad during 2019-20. The project satisfies the academic requirements in respect of project work prescribed for the Degree of Master of Commerce and is a record her own independent work.

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

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CERTIFICATE

This is to certify that Miss. **Swati Keshav Kharvi**, Student of **M.COM 4th semester** with Register Number **18C011232** studing at **Anjuman Arts, Science and Commerce College and PG Centre, Bhatkal** has visited our bank for data collection in respect of **project work**. We believe that this project work her own efforts and we wish her good luck in her academic Endeavour.

Place : Jali(Bhatkal).

Signature of the Chief Executive

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Chapter 1

INTRODUCTION

The project study is based on analysis of credit management of Rural Agriculture Co-operative Society Ltd. Jali. Credit management is a process of ascertaining the risk associated with the extension of the credit facility. Before providing any loans and advances, the bank considers the credit worthiness of the customer and also checks the primary and collateral security available for the recovery of such funds.

Credit management is concerned primarily with managing debt and financing debts. It also concerned with safe guarding the investment. Generally, the credit facilities are extended against the security know as collateral. But even though the loans are backed by the collateral, banks are normally interested in the actual loan amount to be repaid along with the interest. The purpose of credit in banks is to earn interest and make profits.

Credit risk is a risk related to non-payment of the credit obtained by the customer of the bank. Thus, it is necessary to appraise the credibility of the customer in order to mitigate the credit risk. Proper evaluation of the customer is performed this measure the financial condition and ability of the customer to repay back the loan in future.

Management of credit is primarily a process of deciding how much credit should be given to customer or borrower. Various factors are taken into the account while appraising the credit worthiness of a person such as age, income, number of dependents, employment, repayment capacity, previous loans etc. There is no guarantee to ensure a loan does not run into problems, however if proper credit evaluation techniques and monitoring are implemented then, naturally the loan loss probability problems will be minimized, which should be the objective of every lending officer.

SUGGESTIONS:

- The Bank must take some necessary steps in order to increase the recovery level.
- They must have to provide all types of services and facilities which are provided by the other banks.
- The Bank should verify all the documents clearly before granting loans.
- More awareness about the various services of bank should be created among the customers and marketing efforts can be undertaken to attract more deposits and credit the existing customers as well as new customers.
- They should make efforts to improve customer relationship.
- The credit policies and procedures of the bank should incorporate the ideas of the clients and employees to become more competitive in banking industry and meet its vision.
- In other words, it is better for the bank to make its credit policies flexible and thereby putting a good administrative setup that improves credit lending and administration.

CONCLUSION:

The Society has been rendering the best services to the rural general public with rural spirit of co-operation. The Bank has four branches and all are running under the profit except one branch.

Banks are established for a special purpose, so Bank should provide good, valuable and timely services to the customers. Bank should apply CRM (Customer Relationship Management) in their policies in order to maintain a good relationship with customers. In addition, customers also follow some rules and procedure of the bank. So that whatever services provided by the Bank is value added to their cost. The bank should adopt the modern banking facilities so as to improve further.

Hence, we can conclude that, the bank is helping everyone by providing their best performance from last few years. It is a going concern with profitable, bright and successful future ahead. We can also say that, it will come with best services and facilities in future.