

SUMMER PROJECT REPORT

“A STUDY OF DEPOSITS AND LOANS OF THE URBAN CO-OPERATIVE BANK LTD., BHANDARA”

Submitted to:
Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

Submitted by:
Ms. Pranita Kularkar

Company Guide:
Mr. Pravin Bawane

Faculty Guide:
Dr. Geeta Naidu

**Department of Management Sciences and Research, G.S. College of
Commerce & Economics, Nagpur NAAC Accredited “A” Grade
Institution**



Academic Year 2020-21



CERTIFICATE

This is to certify that the investigation described in this report titled “**A Study of Deposits And Loans of the Urban Co-operative Bank Ltd., Bhandara**”, has been carried out by **Ms. Pranita Kularkar** during the summer internship project. The study was done in the organisation, **Urban Co-operative Bank Ltd**, in partial fulfillment of the requirement for the degree of Master of Business Administration of **R. T. M. Nagpur University, Nagpur**.

This work is the own work of the candidate, complete in all respects and is of sufficiently high standard to warrant its submission to the said degree. The assistance and resources used for this work are duly acknowledged.

Dr. Ashwini Purohit

(Director)

SIP CERTIFICATE

मुख्यालय : गांधी चौक, भंडारा. ४४१९०४
मुख्यालय दूरध्वनी : (०७९८४) २५२३२७, २५३०६३, २५२९३६, फॅक्स : (०७९८४) २५३०६३
मु. का. अधि (निवास) दूरध्वनी : २५२९२७ अध्यक्ष (निवास) दूरध्वनी : २५२५९६
E-mail : urban_bank@yahoo.com
क्रमांक यु.बी./बी.एच./एच.ओ./... No 16401



दि भंडारा अर्बन
को - ऑपरेटिव्ह
बँक लि., भंडारा

दिनांक 4 SEP 2020

Certificate

This is to certify that Miss.Pranita Eknath Kularkar student of MBA (Financial Management) from G.S College,OF Commerce & Economic Nagpur has completed the Summer Internship Project in our bank from 27.07.2020 To 09.09.2020

During this period she had under taken study of subject i.e. "A study of Financial management" in "The Bhandara Urban Co-operative Bank Ltd. Bhandara."

Her performance was found satisfactory and completed training Successfully.



(Shri. P.B.Bawane)
ADM Manager

The Bhandara Urban Co-operative Bank Ltd.
Bhandara

ACKNOWLEDGEMENT

It is a matter of pride and privilege for me to have done a summer internship project in “**Urabn Co-opertaive Bank Ltd**” and I am sincerely thankful to them for providing this opportunity tome.

I am thankful to “**Mr.Pravin Bawane**” for guiding me through this project and continuously encouraging me. It would not have been possible to complete this project without his / her support.

I am also thankful to all the faculty members of Department of Management Sciences and Research, G S College of Commerce and Economics, Nagpur and particularly my mentor “**Dr. Ashwini Purohit**” for helping me during theproject.

Finally, I am grateful to my family and friends for their unending support.

(Name and Signature of the Student)

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दि मंडारा अर्बन को-ऑप. बँक लि.



सहकार वर्ष २०१७-२०१८

अंकेक्षण वर्ग 'अ'

INTRODUCTION

As a part of the internship program of MBA course requirement. I was assigned to do my internship in Bhandara Urban Co-Operative Bank Limited for a period of one month. Bhandara Urban Co-Operative Bank Ltd. is one of the Co-Operative bank, with years experience. Adaptation of Modern technology both in Terms of equipment and banking practices ensure efficient service to client. Bhandara Urban Co-Operative Bank Ltd. is providing its best services both client urban and villages Peoples.

This report “A Study of Deposits And Loans of Bhandara Urban Co-Operative Bank Ltd.”has been prepared to fulfil the partial requirement of MBA program as a mean of internship program. While preparing this report , I had a great opportunity to have an in depth knowing of banking activities of a Bhandara Urban Co-Operative Bank Ltd. As I worked as an intern there.

OBJECTIVE

- ❖ To identify the reason for change the profitability of the bank .
- ❖ To study financial position of the bank.
- ❖ To study the various loan of the bank.
- ❖ Analysis of financial statement of the bank .
- ❖ To fulfil the requirement of the internship.
- ❖ To know the progress of the firm.

BANK PROFILE

The Bhandara Urban Co-Operative bank was established on 21-1-1971.

The main branch was Shri.Bhasker Hardikar and some other directors help to grow the bank.

The Bhandara Urban Co-Operative bank is a leading co-operative sector bank in the Vidarbha region having a network of 25 branches across 5 districts in the region. All the branches of the Bank have been covered in the network of Core Banking Solution (CBS).

Bank is providing the following advanced services to its customers:

Core Banking Facility.

“RuPay” ATM with Connectivity to National Financial Switch

RTGS

NEFT

The Bank has its own Data Center at Head Office Bhandara, Maharashtra.

The Bank is having Network Architecture with its branches connected to Data Center through

BNSL & Reliance links.

BRANCHES

BRANCHES	DATE OF ESTABLISHMENT
1. Main Branch Bhandara	21-01-1971
2. Tumsar	14-02-1974
3. Lakhani	28-02-1974
4. Pawani	12-04-1975
5. Sakoli	04-02-1985
6. Mohadi	23-02-1985
7. Town Branch Bhandara	25-08-1990
8. Dewari	17-08-1990
9. Warathi	28-08-1994
10. Arjuni-mor	29-09-1994
11. Gondiya	29-09-1994

THE BHANDARA URBAN CO-OPARETIVE BANK LTD. BHANDARA

Financial co-operative position

R.B.I. LIC

AMOUNT IN LACS

SR. NO.	PARTICULAR	31-03-2017	31-03-2018	31-03-2019
1.	Branches	25	25	25
2.	Members	51995	52285	52348
3.	Paid up share capital	1541.48	1587.55	1625.76
4.	Own fund	6943.64	7030.86	7110.70
5.	Deposits	48951.62	49691.42	50887.81
6.	Advances	27149.69	28578.19	27827.18
7.	Overdues	2862.52	2602.97	3095.28
8.	Percentage of overdues	10.54	9.11	11.12
9.	Investment	24996.42	23501.69	24769.18
10.	Net NPA %	2.90	.76	3.30
11.	Working Capital	57413.71	57831.86	58334.57
12.	Profit	312.21	150.68	105.99
13.	Audit classification on	" A "	" A "	
14.	Employees	312	305	295

RESEARCH METHODOLOGY

The data will be collected using both by primary data collection method as well as secondary sources

- Primary data :-

- The methodology adopted during the preparation of this project report is both through the branch manger are staff of the bank.
- The discussion mainly is mainly carried out with the branch manager of the concerned bank.

- Secondary data :-

- Annual reports
- Bank record/books

DATA COLLECTION

Deposit and Loan

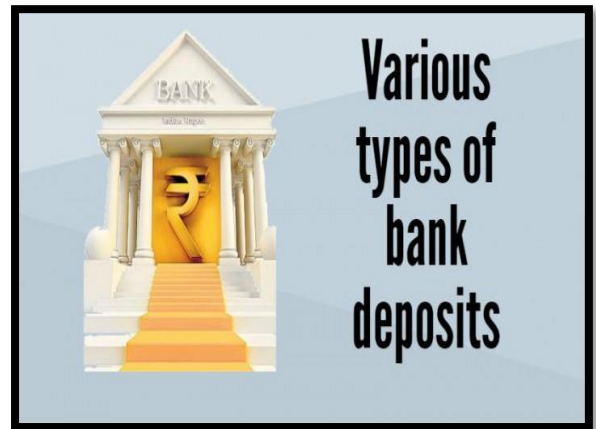
Deposit :-

Money creation through demand deposit by using interest rate to create their own profit, bank are also creating money to increasing the supply money in the economy. Bank deposit are a common occurrence in which customer deposit fund into their account. The bank must provide cash to the customer whenever fund are withdrawn. Bank deposit it consist of money placed into banking institution for safekeeping.

There are several different type of deposits including saving deposit, current deposit, recurring deposit, fixed deposit, daily deposit .



TYPES OF DEPOSIT



- Saving deposit**
- Current deposit**
- Recurring deposit**
- Fixed deposit**
- Daily deposit**

➤ SAVING DEPOSIT :-

A saving account is the basic type of bank account allows you to deposit money, keep it safe and withdrawal funds, all while earning interest. A Saving account is an account provide by bank for individual to save money and earn interest. The main objective of saving account is to promotes savings. The money can withdrawn by cheque or withdrawal voucher. Saving deposit rate of interest is a 3.75%. Minimum balance in account is a 200 and cheque book issue that time 1000 minimum balance are required.

DOCUMENTS:-1.Aadhar card

2. Pan card
3. 2 photos
4. Guarantor

CURRENT DEPOSIT :-

A current account generally opened by businessmen. The main objective of current account enable to the businessmen to conduct their business transaction are smoothly. Generally bank not pay interest on current account. The business can make direct payment to their creditor with the help of cheque. Open the current account that time 5000/- minimum balance are required.

OPENING CURRENT ACCOUNT DOCUMENTS :-

1. Aadhar Card
2. PAN Card
3. Rubber Stamp
4. Shop Lenience
5. Firm TAN Card
6. Electric Bill

FIXED DEPOSIT :-

A fixed deposit means one time money invest in a long time. A high interest rate is paid on fixed deposit. The rate of interest may vary as per amount , period and as per bank rules. Withdrawal are not allowed but in case, of emergency bank, allowed to close the fixed amount before to the maturity date (Pre-mature Account). In such case, the bank deduct 1%. And from the interest paid as an that date. The depositor is given a fixed deposit receipt. Which depositor as to produce at that time of maturity. The deposit can be renew for a future period. The depositor can get loan facility from the bank.

RECURRING DEPOSIT :-

A Recurring Deposit it is similer to making fixed deposit of a certain ammount in monthly installment. A recurring deposit is a special kind of term deposit offered by bank in india which help people with regular incomes to deposit a fixed amount very month into their recurring deposit and earn interest at the rate applicable to fixed deposit.

DAILY DEPOSIT:-

Money can be deposited into an account on a daily basis. The amount may be as small as rupees 10. It can be called a recurring deposit scheme, as the money is deposited almost daily. The unique characteristic of this scheme is that a bank agent collects the money daily, from the account holder's doorstep. The scheme was introduced to help daily wage earners, small traders, farmers to inculcate a saving habit and also as a means to fund their bigger capital requirements, such as a wedding, home buying, vehicle purchase etc.

INTEREST RATE OF DEPOSIT

(FROM 01-09-2017)

SR.NO.	DURATION OF DEPOSIT	CHANGE OF INTREST RATE FROM 01-09-2017
1.	7 DAYS TO 14 DAYS	4.15%
2.	15 DAYS TO 180 DAYS	4.25%
3.	181 DAYS TO 364 DAYS	6.75%
4.	1 YEAR TO 3 YEAR	6.20%
5.	3 YEAR ABOVE	6.00%

NOTE:- Senior citizen will have a extra interest rate of 0.50%.

LOAN:-



A bank loan is a sum money you borrower from bank . The bank will issue the loan based on your credit rating and current ability to repay the loan. The loan can be secured- attached to collateral like a car – or unsecured. The monthly payments will go to the bank and interest rate is usually determined by your credit score. A bank loan might be the best solution when you need to borrow money to make large purchase or to unexpected expenses.

Limitations-

❖ Limited work area

❖ Inefficiency of management

❖ Difficulty in returning the loans

❖ Insufficient use of deposits

❑ GOLD LOAN :-

loan are a short term loan and gold loan comes under

Gold the secured loan that are provide against collateral in specific to various type of gold asset like jwellary or gold coins. You need to deposit your gold with the bank and can avail the loan amount. gold loans service are the with in situation for the both parties and demand of gold increasing rapidly.

Benefits Of Gold Loan :-

- No certificate of income
- Few documents
- Low rate of intrest
- Easy process
- Quick processer



Documents required :-

1. Saving account
2. The customer should have documents that are required and gold (not less than 22 karet)

❖ HOUSING LOAN :-

Housing loan is secured loan offered against value of his or her loan a good method determining the amount of home equity available for a loan would be to take the difference be homeowner may borrower against the equity they have build up in their house using a loan twin the homes market value and the amount still owing on the mortgage.

Documents :-

- Latest copy Of city survey record
- Latest tax paid receipt
- Copy of pan card
- Address proof (Copy of electricity / telephone bill / election card
- Income proof
- Personal guarantee of at least two person having income / asset expectable to the bank .

❖ HYPOTHICATION LOAN:-

Mortgage of movable goods is called hypothecation. Hypothecation is a term used where in the borrower can pledge this movable asset as loan while retaining the interest and the ownership of the asset. Hypothecation is charge moveable property like goods , raw material , stock, purchase, working capital loan. Hypothecation loan rate of interest is % . Hypothecation loan limit is 1 year.

Documents :-

- Guarantor
- Photo
- Aadhar card
- Pan card
- Last 3 year balance sheet (ITR)
- License (purpose wise)

The student shall have secured admission in India or abroad through an entrance test or through merit based selection process.

Student 60% marks are eligible .

Loan limit Is 10 year.

Document :-

- passport photo
- Income certificate
- Birth certificate
- Bonfide certificate
- College Tuition fees receipt
- Exam fees receipt
- Mark sheets from 10th

❖ PERSONAL LOAN :-

personal loan are a popular form of borrowing for home remodelling , vacation travel, wedding and emergency situation. Personal loan especially unsecured ones, usually require an application and verification of your financial standing. You get the money faster. In most cases approval is much quicker then with conventional loan. A personal loan is usually unsecured.

❖ SMALL BUSINESS LOAN :-



When you first decide to open your business you'll have to find a way to get it off the ground. Most new businesses pay initial cost with start up funds from two main sources : small business loan and personal saving. A small business line of credit allow a firm to borrow money up to a pre-specified amount. Business loan generally come in two variation : secured business loan and unsecured loan. A secured business loan is when the loan is backed by any of assets of the borrower. On the other hand, an unsecured businessloan is taken without any collateral. An unsecured business loan is sanctioned depending on the repayment capacity of the borrower.

❖ VEHICLE LOAN :-



VEHICLE LOAN ARE AS FOLLOW:-

Car loan :-

Buying a car can definitely instill a great sense of joy and happiness in you. A car will remain as your best asset and it is going to be one of the biggest investments that you make. A car loan helps you to pave the path between your dream of owning the car and actually buying your car. Since credit reports are crucial for judging your eligibility toward any loan, it is good to have a high credit score when you apply for a car loan. The loan application will get approved easily

and you might get a lower rate of interest associated with the loan.

Car loans are secured loans. If you fail to pay your installments, the lender will take back your car and recover the outstanding debts.

❖ TWO WHEELER LOAN :-



A two wheeler is pretty essential in today's world. May it be going for a long ride or busy road in city-bikes and scooters help you to commute conveniently. A two wheeler loan is easy to apply for this amount you borrow under this loan type help you purchase a two-wheeler. But if you do not pay installments on time and clear your debt, the insure will take your two-wheeler to recover the loan amount.

HYPOTHESIS

1. **There is a positive relationship between current asset and current liability.**
2. **Source of fund are proper.**
3. **The liquidity position of firm is good.**
4. **The firm is having equitable for loan and deposit**

Over all fund employed is optimum

SCOPE OF THE REPORT

In order to maintain the speed of development now bank must complete in the market place both with local institution as well as ones. The presentation of the organizational structure and policy of The Bhandara Urban Co-Operative Bank Limited and investigation the strategies applied by them provide the scope of this report is limited to the overall description of the bank their services, their operation. The scope of the study is limited to organizational Setup function and performance.

1. Recent performance of Bhandara Urban Co-Operative Bank Limited in terms of deposit, investment.
2. To analyze the banks current financial flows performed by Bhandara Urban Co-Operative Bank.
3. To obtain practical experience about banking activities by involving such type of program

VISION AND MISSION OF THE BANK

“The will to achieve profit.....and win”

A spirit of the bank . The quest for excellence. A thirst for growth. And the will to successes .

These form the cornerstones of Urban Bank's philosophy.

This philosophy has helped it to achieve overwhelming success, seeking new horizons & searching for new avenues of growth is an integral part of corporate outlook. Through intensive R&D for technological breakthroughs and process improvement, it is poised to meet challenges of the future.

URBAN BANK VISION:-

- To achieve holistic in term of cost, quality and customer satisfaction in a systematic and planned manner .
- To promote and developed of domestic financial market .
- Managing deposit insurance scheme.
- Regulation and supervision of bank and non-bank financial institutes.

URBAN BANK MISSION :-

- To achieve total integration in operations with total satisfaction of customer slandered with used of latest technology and to be perceived as the “preferred” choice of our customers.
- To build a team of motivated and dedicated work force with high work ethos.
- To strive to emerge as an ideal corporate citizen.
- To give the beneficial services to the customer.
- To give the satisfaction to the customer.
- To fulfill the need of the villages people.

SUGSESSION

- Settlements of procedures should be more strict and faster

- Innovative technology should be adopted

- Proper training should be given to the staff

CONCLUSION

- ❑ From the above analysis an Urban Co-operative Bank Ltd. Bhandara is the most hardworking Bank that is dedicated in serving there valued customers with Excellence.

- ❑ As a intern in Urban Co-operative Bank Ltd. Bhandara I had learnt a lot about their Banks activities and operations and also analyse financial situation of the Bank and also How communicated and deals with the customers..

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