

A PROJECT REPORT
On the Topic
“A STUDY ON DEBT RECOVERY OF GUARDIAN BANK PVT LTD”

By
Ms. RAKSHITHA SURESH
USN: 1CY18MBA43
MBA 4th Semester

Submitted to VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI
In partial fulfillment of the requirements for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION

Under the Guidance of

Internal Guide

Ms. Preksha Yadav
Assistant Professor
Department of Management Studies
CMR Institute of Technology
BENGALURU

External Guide

Mr. Vijay Kumar
Assistant Manager
Guardian bank Pvt Ltd.,
BENGALURU



DEPARTMENT OF MASTER OF BUSINESS ADMINISTRATION
CMR INSTITUTE OF TECHNOLOGY

#132, AECS Layout, ITPL Main Road, Kundalahalli,
BENGALURU-560037

June/July 2020

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BENGALURU-560037

APRIL 2020

CERTIFICATE



DATE: 21-FEB-2020

TO WHOM IT MAY CONCERN

This is to certify that **Ms. Rakshitha Suresh** Studying MBA (Reg no.1CY18MBA43) student of CMR Institute of Technology, Bangalore. Has successfully completed her project work in our company for six weeks.

She was sincere and had taken keen interest in completing her training, we wish her all the best for her success in future endeavours.

For Guardian Bank Pvt Ltd.

A handwritten signature in black ink, appearing to read "Vijay Kumar", is written over a horizontal line.

Mr Vijay Kumar
Assistant Manager

Guardian Bank Pvt Ltd,
Regd & Corporate Address:
1625, Amalodbava Nagar, Begur Main Road, Begur, Bengaluru, Karnataka 560068

CERTIFICATE BY THE INSTITUTION




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CERTIFICATE

This is to certify that **Ms. Rakshitha Suresh** bearing USN **1CY18MBA43** is a bonafide student of Master of Business Administration Programme of the Institute (2018-20 Batch), affiliated to Visvesvaraya Technological University, Belagavi. Project report on "A STUDY ON DEBT RECOVERY OF GUARDIAN BANK PVT LTD" is prepared by her under the guidance of **Mrs. Preksha Yadav**, Assistant Professor, in partial fulfilment of the requirements for the award of the degree of Master of Business Administration of Visvesvaraya Technological University, Belagavi in Karnataka.


Signature of Internal Guide


Signature of HoD
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Sanjay Jain
Signature of Principal
Principal
CMR Institute of Technology,
Bangalore - 560037

Evaluators

1) Name of external evaluator

Signature with Date

2) Name of internal evaluator

Affiliated to Visvesvaraya Technological University, Approved by AICTE New Delhi,
Accredited by NBA New Delhi, Recognised by Government of Karnataka

DECLARATION

I, Ms. RAKSHITHA SURESH hereby declare that the Project report entitled “DEBT RECOVERY OF GUARDIAN BANK PVT LTD” prepared by me under the guidance of Ms. PREKSHA YADAV faculty of MBA Department, CMR Institute of Technology and external assistance by Mr. VIJAY KUMAR ASSISTANT MANAGER GUARDIAN BANK PVT LTD. I also declare that this project work is towards the partial fulfillment 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 to any other University/Institution for the award of any degree/diploma.

Place: **BENGALURU**

Date:

Ms. RAKSHITHA SURESH

USN: 1CY18MBA43

ACKNOWLEDGEMENT

I have been fortunate enough to get good timely advice and support from a host of people to whom I shall remain grateful.

I take this opportunity to express my heartfelt thanks to **Dr. Sanjay Jain**, Principal, CMR Institute of Technology, Bangalore, for his support and cooperation to undertake and complete the project work.

I am extremely thankful to **Prof. Sandeep Kumar**, Head of the Department of Management Studies and Research, CMR Institute of Technology, Bangalore, for his advice and support throughout the completion of the project work.

It gives me immense pleasure to record my thanks to my Internal Guide, **Ms. Preksha Yadav Assistant professor**, CMR Institute of Technology, Bangalore, for her valuable guidance and untiring support and cooperation in completing the project work.

I acknowledge the insights provided by my External Guide, **Mr. Vijay Kumar Assistant Manager Guardian Bank Pvt Ltd** which helped me to a great extent in completion of the project work.

And finally, there is deepest of thanks for the patience and cooperation of the family and friends, without whom the endeavor would not have been possible.

Ms. RAKSHITHA SURESH

USN: 1CY18MBA43

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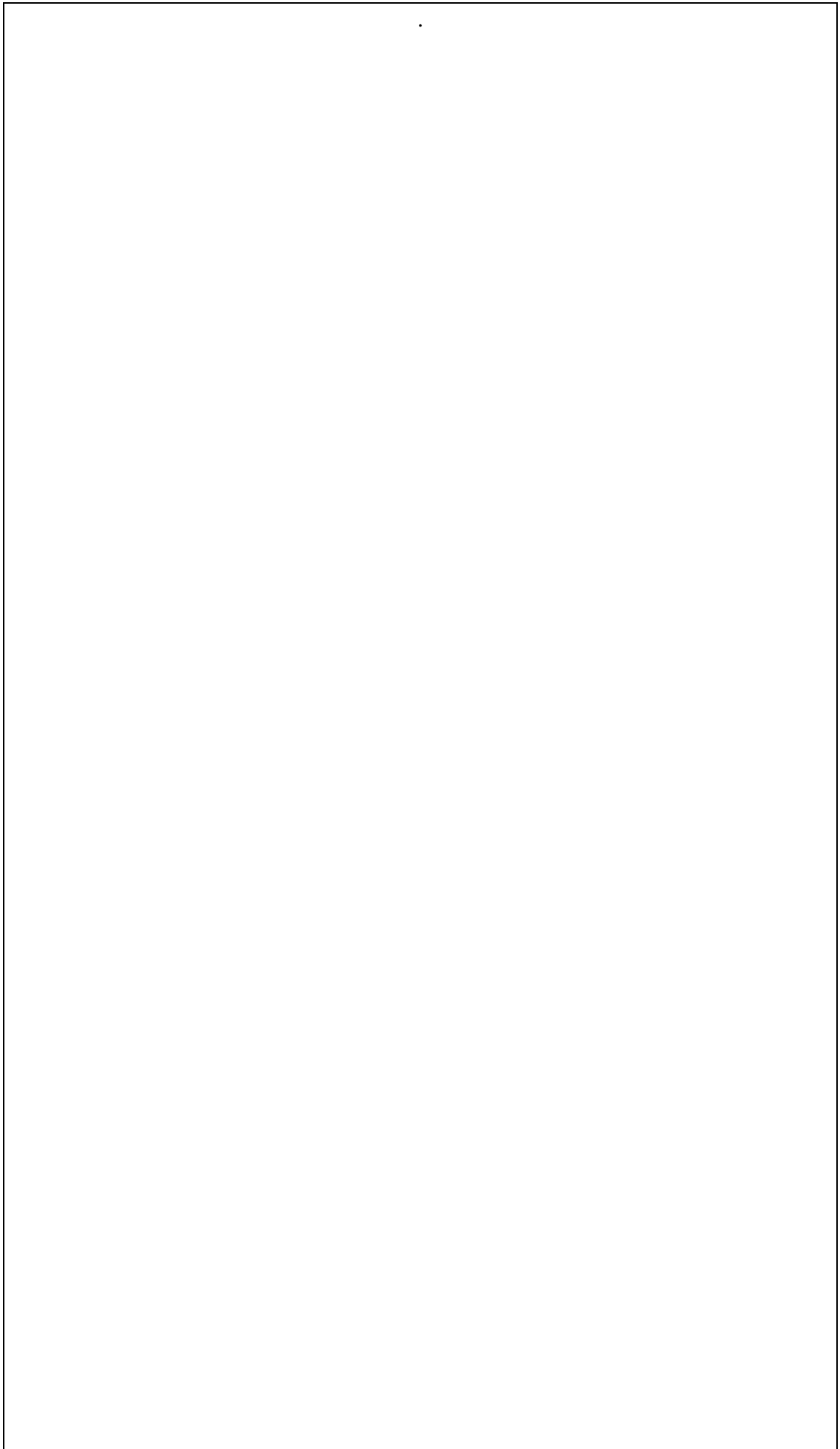
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EXECUTIVE SUMMARY

The project is undertaken in “GUARDIAN BANK PVT LTD, The financial group is located in Bangalore it changed into established within the three hundred and sixty five days The vision of the financial institution is “Your favored economic organization”. GBL is a non-public economic group. This financial institution is to offer superior economic services that are consistent with customer needs and the exceptional product mix brought by means of a powerful ICT system and contended capable

The research methodology applied in this mission is analytical. The number one objective of this file is to apprehend and analyses the debt recovery techniques in the guardian financial institution. The study is based totally on the statistics of five financial years (2014-2019).

Data accrued in this venture is based totally on secondary statistics. In this information and analysis part, income and loss, stability sheet became used to a gain critical assessment of the specific place of evaluation of the company’s overall performance. The percent was able to offer a clear view of the overall overall performance of the firm. The employer has a healthy liquidity position this means that that that it can depend upon its present day belongings to finance its modern-day liabilities.

Finally, the research document concludes with value based information analyzing overall performance. Overall the monetary group is found to be one of the pioneers some of the co-operative banks and has emerge as instrumental in the monetary development of its members. But of economic group is dealing with the hassle of developing level of NPA’s over the years which want to be taken care of.

CHAPTER 1

INTRODUCTION

1.1 INDUSTRIAL PROFILE

Introduction to Banking

The banking sector is considered to be the lifeline of the global economy and is also regarded as a prominent pillar of the financial system, which plays a significant role in the functioning of an economy and in a country's economic growth through its trade financing requirements; industry and agriculture are faced with a higher degree of responsibility and obligation. Thus, improvement of banking is integrally linked for the development of country. In modern economy, banks are to be viewed as development leaders and not as money dealers. Bank plays a major role in deploying deposits and disbursing credit to different sectors of the economy that can help to reflect the country's healthy economy

Depending upon the efficiency and effectiveness of the financial system the banking system of the economy is sound and solvent. Banking industry skillfully organizes saving in production sectors and to ensures that obligation of the depositors are able to meet by the bank.

Banking in India

In the modern sense, the banking sector emerged in the last decades of the eighteenth century and Bank of Hindustan was the first bank, founded in 1770 and liquidated in 1829–32. General bank of India was founded in 1786 but failed in 1791 because of some reasons.

The banking company of Asian nation (SBI) is understood as largest and oldest banks that continue to exist, that was originated within the year 1806 Gregorian calendar month as Bank of metropolis and it had been renamed as Bank of Bengal in 1809. The government of the presidency financed three banks, Bank of Bengal in particular, Bank of Metropolis in 1840 and Bank of Madras in 1843. These 3 banks were merged in 1921 to create the Asian nation's Imperial Bank, which became the Asian nation's banking corporation in 1955 upon India's independence. And before the depository of the Federal Reserve Bank, the financial institution under Reserve Bank of India act 1934 was established as a quasi-central bank and was successors in their function.

India's banking company was given management over eight state-related banks under India's banking company (subsidiary banks) Act, 1959 in 1960 that square measure now known as its associate banks. The Indian government nationalized fourteen large non-public banks in 1969, and is one of India's largest banks.

Half a dozen more non-public banks were nationalized in 1980. This square nationalized bank calculates the bulk of Indian economy lenders dominating the banking sector with their large scale and wide unfolding networks.

Indian banking is loosely categorized as schedule and non-normal banks. The standard square measure of banks included under the second schedule of Bharat Bank Act, 1934. The standard square banks calculate future categorized into: nationalized banks, Bharat's and its associates banking group, Regional Rural Bank (RRB), international banks, and alternative non-public sector Indian banks.

The term depository financial institution applies to any normal and untimed industrial bank operated under the 1949 Banking Regulation Act.

Indian Banking System

After independence banks play an important role within the development of socio-economic of the country. In India banking sector is claimed to be dominant because it holds for quite 0.5 the assets of the money sector. The implementation of monetary sector reforms in an exceedingly phased manner has brought forceful changes in Indian banks. This method of transformation ought to be viewed as an opportunity to

convert Indian banking into a sound, sturdy and spirited system capable of enjoying its role expeditiously and effectively of their own while not imposing any burden on government. Once the relief of the Indian economy,

1. underneath the recommendation of Narasimhan Committee the govt. has declared varied range of reform measures to create the banking sector economically property and competitively sturdy.

2. The current world crisis that hit each country raised varied issue relating to potency and economic condition of banking system prior to policy manufacturers; currently crisis has been virtually less. Government of India (GOI) and banking company of India (RBI) is attempting to draw some lessons. Run batted in is creating necessary changes in its policy to make sure worth stability within the economy. The most objective of these changes is to increase the potency of banking system as a complete conjointly as of individual establishments. So, it's necessary to live the potency of Indian banks in order that corrective steps are taken to enhance healthy industry.

1.2 COMPANY PROFILE



Introduction

India is in a state of transformation from a closed and protected economy to an open free market driven by both economic opportunities and many dangers that all this radical change creates. New areas and technologies that offer potential for growth, development and prosperity are the opportunities and dangers that lie in being marginalized and left behind because they are unable to adapt to this rapid change

Because of the dangers the poor in India have been found helpless and also most ill-equipped to benefit from the changes. The cause for this concern was a lot of social organization and right thinking individuals. A group of dedicated citizens agreed to establish a community owned Co-operative Bank that will work towards poverty eradication by linking established skills and people's enterprise committed and influential merchants, traders, and other professionals. So this gave was the birth of Guardian Souharda Sahakari (Co-operative) Bank Niyamita (Limited).

The Guardian Bank puts together and discusses the needs of families belonging to the poorer section of society such as small traders, technicians, artisans, masons, carpenters, plumbers, teachers, nurses, taxi drivers and many more. The Guardian Bank family comprises more than 4,600 of those members. The contributors are a few academics, scientists, businesspeople and the church.

GUARDIAN BANK - The Beginning

Founded on 10th August 1998 it's now quite 20 years since Guardian Bank was established in Bangalore, India have often been asked at various forums, to relate the story of how the bank was started. Looking back, it still amazes us from the core that

established the bank that such a lot has been accomplished. Faith that the serendipitous events that conspired to urge this difficult and sophisticated task done mean that the project was anointed by the divine. Faith that the majority of the people that dissuaded didn't roll in the hay out of malice, but from their own fear of failure. Conspired to urge this difficult and sophisticated task done, meant that the project was anointed by the divine. Faith that there was an answer for each problem that arose, and had just to seek out the solution or the one that had one Armed with faith and determination, they went about convincing others to share an equivalent faith, starting with family, friends and people closest; for such a task can't be accomplished single-handed.

Having achieved this difficult a part of the task, what followed was the straightforward part; like complying with the varied regulatory requirements of the financial institution for the banking license, finding the seed capital to ascertain the project through its infancy, arranging the authorized capital by convincing over 2700 individuals to take a position their hard-earned money during a dream, developing the business plan, marketing research, legal and finance requirements, operation manuals, forms etc...thousands of small pieces of the puzzle that comprise the Guardian Bank picture. Mr.CollinTimms, Chairman

1.2.1 COMPANY MESSAGE

Guardian bank's vision statement "Prosperity through integrity" states that they have done their best to live by these words since their inception. They have tried in their own small way to promote prosperity within their community by making credit available when needed and also fostering enterprises development wherever possible.

The first is that long-term prosperity can only be achieved by never compromising ones integrity on any account, which means there are no short cuts in this journey.

Second is that wealth creation is a science that can be taught and learned and it is not necessarily a talent that one is born with which means that anyone can be wealthy if on is prepared to learn and apply the rules of this science.

The third is that to define prosperity, as only wealth creation is foolish, one should also be prosperous in health, knowledge, goodwill, respect, honor, compassion and affection. They cannot fool themselves into thinking we are prosperous by simplifying the definition. Finally it is of utmost importance to achieve excellence in whatever it is that they do, no matter how simple it may be. Excellence in our work is our surest route to prosperity. At Guardian Bank they are striving hard to build an institution of excellence based on a foundation of integrity. It is with pleasure and pride that they now see a few ripples of prosperity that we may have helped create, but the task has just begun and much remains to be done.

ABOUTBANK

The Guardian Souharda Sahakari Bank Niyamita visualizes helping all members of the society focusing totally on families and individuals from the poor, lower and bourgeoisie. To satisfy the wants of family segments within the communities this bank was conceived and designed specially. In India family is assumed as an important role socially and economically and is known because the building block of the society. The concept of FAMILY BANKING is where a thorough and intimate relationship is developed between the bank and its customer as relatives. This is often possible by the bank offering specialized services to varied members of the family. Guardian Souharda Sahakari Bank Niyamita has four segments which are follows:

➤ YOUTH

Youth are the beneficiary of our society of the legacy of opportunities and problems that the present generation passes on to them. In order to help grow and achieve success is done by providing with best entrepreneurial and social environment possible. The youth are encouraged towards thrift and enterprise by Bank. The prohibitive cost of higher education has been a major limitation for the poor and to help them they provide innovative credit scheme.

➤ WOMEN

Women in our society are treated as an unfortunate paradox. They're revered on one hand and exploited on the opposite. Through women empowerment the progress of

any society is achieved within the past. Women are recognized as an economist of most of the families by the Guardian. The Guardian Bank organizes weekly or monthly collection of saving amount on door to door basis by promoting saving among housewives. Women are given immense timely credit and counseling facility for developing potential women enterprise which help them to be self-employed with cottage and residential industries like food process, tailoring, papads making, crafts and needlework etc.

➤ **HOUSEHOLDER**

Huge burden and responsibility of the whole family is carried by the House holder and for the better banking the entire family looks to him/her as a promoter and provider. To share the responsibility at every stage the guardian bank help them by providing financial assistance in self-employment to exploit their full potential, attractive saving schemes, to improve the quality life style they provide credit.



Company Hierarchy:

| DIRECTORS | BOARD OF MEMBER | ADVISORS |
|------------------------------|---------------------------------------|----------------------------------|
| Mr. Eric Jacob | Mr.CollinTimms(Chairman) | Mr.G.Dinespai (Internal auditor) |
| Mr. B.S. Kiran | Mr.AlbinPinto(Vice Chairman) | Mr.StanleyLazarus(Legal) |
| Mr.FrancisI. Aplhonso | Mrs.SharonJoseph(CEO) | Mr. L.R Lewis (Legal) |
| Dr.OlindaTimms | Mr.Prathap George(DFO) | Mr.M. L. SaileshK(Legal) |
| Mr.JitenKhatadia | Mrs.Nileema Jasmine (General Manager) | Mr.Jaganatha(Vehicle Valuer) |
| Dr.MayaJacob Phillip | | Mr.SudhirAlva (PropertyValuer) |
| Mr.JagdishDevadas | | Mr.CharlesPrabhakar& associate |

1.2.2 VISION

Their vision statements Prosperity through Integrity have always been the driving force and foundation of ethical behavior in their business. Their main financial strength and responsibility is to keep their customers financial assets safe. They lend money to individuals as well as business to as it is their vision and this helps to create jobs, drive economic opportunity and importantly helps the customers to be financially better.

1.2.3 MISSION

In the 20 years the bank has spent in service of the community, they have had the privilege of assisting thousands from our community on the road to financial health. They have worked to foster fiscal discipline and thrift in all those who come in contact with the bank. They have always seen their role as a bridge between the "haves" and the "have notes" of our community and have strived to be true to the trust and confidence of their depositors and fair and firm with their borrowers. They have also tried to direct community resources into projects that would have a lasting social impact. As a bank they are subject to strict supervision and compliance by the government. Which in itself helps us to safe guard public money and deliver strong financial performances each year?

1.2.4 QUALITY POLICY

Guardian bank is committed to achieve customer satisfactory by providing various loans and credit facility at lower interest rate and also high quality products and services in order to meet there clients requirements. By providing timely support and excellent services to our customer through continues team work and improving the existing one. They are also committed toward protecting and maintaining customer loyalty and welfare of their employees meeting their expectations.

1.2.5 COMPANY PRODUCTS AND SERVICES

❖ **Banking Products:**

1. Saving bank account
2. Current account
3. Safe deposit lockers
4. Staff security deposits
5. School fixed deposit
6. Guardian angel account
7. Term Deposit Accounts
8. Loan account

❖ **Banking Services:**

1. Locker facility available
2. SMS facility and automated statements
3. ATM facility available
4. Online transfer such as RTGS/NEFT
5. Core banking services at all branches including head office
6. Collection counters for opening and transacting savings accounts for institution.

❖ **ATM**

The license for opening new branch is given only if the bank is achieved certain criteria required by the RBI and with a grade 1 status. RBI issued license to open a branch in Begur -off Hosur Road in the year 2008.

A Branch in Geddalahalli –off Kothanur was opened in 2010. A Branch in Electronic City was opened in 2001. A Branch in TC playa – off K.R.Puram was opened in 2015.

DEPARTMENTAL STUDIES IN GUARDIANBANK:

Financial Performance

Guardian Bank has ended the fiscal year with a profit of Rs. 151.59 Lakhs. The profitability was achieved due to the clear guidance of the Board of Directors and therefore the diligence of the staff. Rs 379.11 are our share capital, Rs. 169217 Lakhs is our Reserve and Rs. 1687.61 Lakhs is the total capital fund as on 31st March 2018. The Capital to Risk Assets of the Bank is 23.75% as against a minimum of 8% that we've to take care of statutorily. There was a rise within the deposits during the year and that we ended the year with Rs. 10510.33 lakhs. The entire amount of advances was Rs. 5899.08 lakhs.

Inspection and Audit

Inspections and audits are essential to any bank, Guardian Bank being no exception. On a monthly basis the co-occurring Auditor presents to the Board a report on the audited books of accounts. At the tip of the year Statutory Audit is conducted and therefore the finalized accounts area unit placed before the overall Body and sent to the RBI. The RBI officers had inspected Guardian Bank associate degreeed have change an encouraging report. The run batted in officers additionally noted the positive money results, the management the Bank stayed its New People's Army and therefore the sincerity of our workers in doing employment well done.

Training and Development

Guardian Bank believes in investing the assortment of talents of its folks in its varied departments. Previous coaching imparted by eminent subject matter specialists at some purpose had to translate into icon – thus client hours were extended. But the bank has been prudent in causing workers from varied departments to off-site information transfer programs addressing specific banking topics like recovery, fraud detector, Associate in Nursing hiding, risk management, client service, know- your- customer modules, etc. In-house college currently works at impairing coaching that deals with sore problems like American state management, leadership, drawback finding, social skills, communication, quality, higher cognitive process, team work, etc. Our staff's square measure mentored to implement their learning and square measure provided the atmosphere during which to script their own growth. Talent is

known and deployed at the acceptable American state to confirm a wholesome expertise for the worker.

Team Building

Team building has become an important aspect of every organization where staff are motivated to work together thereby improving the productive of the staff and the organization. We at Guardian Bank also believe that team building is essential for the growth of the staff and the organization. Every event organized by the bank was looked upon as a team building exercise where the staff was entrusted with responsibilities that promoted team work. The picnic organized by the bank was the highlight of the team building exercise. The talents of different staff were noticed and appreciated carrying a healthy bond among the employees.

Branches

Each of 5 branches give personalized service to our members and customers. The branch managers and staff have been trained to give the best in terms of customer service. Each branch has contributed to the profitability of the bank in the last financial year. Branch managers train their staff as an ongoing exercise. All our branches except the main branch are located in areas where there are not many banks and hence they are able to serve the community to a great extent.

1.2.6 INFRASTRUCTURE FACILITIES

They have set up healthy infrastructure which is segregated into various departments like Manager, Cashier, Accountant, Supervisor, Staff, Recovery agents. The branch managers and staff have been trained to give the best in terms of customer service. Each branch has contributed to the profitability of the bank in the last financial year. Staffs are mentored to implement their learning and are provided the atmosphere in which to script their own growth.

1.2.7 COMPETITORS INFORMATION

Guardian has many competitors around them; some of them are listed below:

- Karnataka industrial co-operative bank
- Ayshwary bank
- Sree Charana Souharda bank
- Canara bank

1.2.8 SWOT ANALYSIS



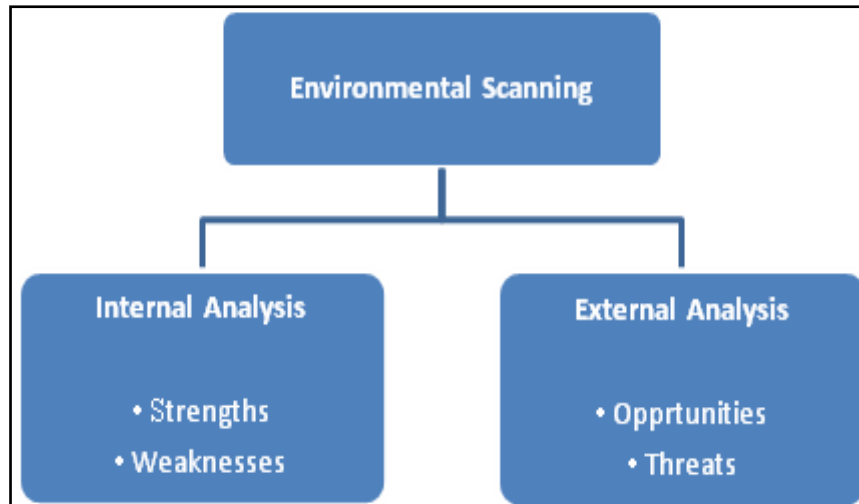
SWOT analysis is a method that defines every company or organization's strengths, limitations, opportunities and risks. Basically it is known as analytical framework that assesses what an organization can and cannot do, as its potentials and threats. A SWOT analysis is separated into internal strengths and weakness and external opportunities and threats based on the environmental information. Its main determination is to spot the tactics which will build a firm definite business model.

Advantages of SWOT Analysis

SWOT Analysis is instrument in strategy formulation and selection; it involves a great subjective element. When used as guide it is best and not as prescription. Strength depends upon the Success of the businesses, which helps to correct weakness and protection against internal weakness and external threats.

- a. Core competencies of the firm can be identified.

- b. Setting objectives for strategic planning.
- c. It helps in obtaining past, present and future data, which helps to plan for the future outcomes.
- d. Organization strength can be built.
- e. Weakness can be reversed.



Limitations of SWOT Analysis

SWOT Analysis is not always loose from its restrictions. It help Organization to view environments in an minor way due to this organization may oversee sure tactical network which may arise in future, classifying into strengths, weakness, opportunities and threats in an particular way as there is more degree of insecurity within the market.

- a. Increase price
- b. Raw materials/ Inputs
- c. Legislation of government
- d. .Economic environment
- e. Lack of professional and efficient labor

Organization SWOT analysis:

➤ **Strength**

- Guardian Bank provides quality services to the clients compared to other contemporary competitors.
- They have experienced bankers providing supportive guidelines to their customer.
- Large numbers of client are attracted by Corporate personnel which was formed by the management and by providing automated.
- Online banking was introduced to automate all its operations.
- The bank has achieved good will among its customer which helps to retain its loyalty and valuable clients.
- Providing you with the most tailored solutions

➤ **Weakness**

- The employees are assigned with less responsibility as Delegation of authority is centralized. Thus, it leads to decline in employee morale.
- New and advanced technology is not available for the officers and mover over most them have limited knowledge of it.
- The bank has poor marketing strategy due to low publicity which leads to low business scope and great weakness to its business.

➤ **Opportunities**

- By creation and introduction of innovative and modern products and services to increase its customers.
- By offering micro credit business for individuals and small business it can diversify its portfolio by taking new sectors.
- The structural and functional changes in the advent of private sector banks are mainly due to the adaptation of the advanced technologies & increased competition which is beneficiary to the end customers.

➤ **Threats**

- The existing customers of the bank are switching over multinational and fast growing local banks as they provide modern products and services capturing the huge market within short span of time.
- To increase the market share of the by expanding asset side to the existence of corporate.
- Slowdown in economy leads to big threat to the business and the banking sector is likely to face huge crisis in its business operations.

1.2.10 FINANCIAL STATEMENT

BALANCE SHEET As On 31st MARCH 2019

| PARTICULARS | SCH/NO | As at 31st march 2019 | As at 31st march 2018 |
|---------------------------------|---------------|---|---|
| Capital and liabilities | | | |
| Capital | 1 | 409836800 | 37911400 |
| Reserve fund and other Reserves | 2 | 178979578 | 169217560 |
| Deposits and other Accounts | 3 | 1026657532 | 1051032806 |
| Bills for collection | | 2205630 | 1871082 |
| Branch Adjustments | | 176567 | |
| Overdue interest reserve | | 13872062 | 9459462 |
| Interest payable | 4 | 13756244 | 14333733 |
| Other Liabilities | 5 | 33241648 | 23437730 |
| Profit and Loss A/C | 6 | 19087547 | 15158663 |
| TOTAL | | 1697813608 | 1322422436 |
| Property and Assets | | | |
| Cash | 7 | 95135206 | 68936149 |
| Balance with Other Bank | 8 | 121630874 | 94931442 |
| Investment | 9 | 700044800 | 424701700 |
| Investments Out of Principal | | | |
| Advances | 10 | 627862383 | 589907927 |
| Interest Receivable | 11 | 32558965 | 23547396 |
| Bills Receivable | | 2205630 | 1871082 |
| Branch Adjustments | | | 383697 |
| Fixed Assets | 12 | 108007346 | 107819276 |
| Other Assets | 13 | 10367403 | 10323767 |
| Non-Banking Assets Acquired in | | | |
| Satisfaction Of Claims | | | |
| TOTAL | | 1697813608 | 1322422436 |
| Contingent Liability | | 1347460 | 1280307 |

PROFIT AND LOSS ACCOUNT

Statement of profit and loss account for the year ended 31st march
2019

| PARTICULARS | SCH/NO | 31 st march 2019 | 31 st march 2018 |
|---|--------|-----------------------------|-----------------------------|
| INCOME | | | |
| Interest and Discount | 20 | 117480504 | 108122620 |
| Commission, Exchange and brokerage | 21 | 1940581 | 2103900 |
| Income from non-banking assets and profits from sale of or dealing with such assets | | | |
| Other Receipts | 22 | 20385484 | 19098677 |
| Total | | 139806569 | 129325197 |
| EXPENDITURE | | | |
| Interest on deposits, borrowing | 14 | 60741512 | 60828884 |
| Salaries, allowances, and provident fund | | 20990796 | 18846536 |
| fees and allowances | | 160500 | 166000 |
| Rent, taxes, insurances, lighting | 15 | 5267267 | 4905955 |
| Law Charges (professional fees) | | 784900 | 1171300 |
| postage, telegrams and telephone charges | 16 | 667156 | 837635 |
| Audit Fees | | 297000 | 120000 |
| Depreciation and repair charges | 17 | 3288552 | 3601782 |
| Printing and Stationery | 18 | 1108437 | 838221 |
| Other expenditure | 19 | 16279680 | 16050220 |
| Prior period expense | | 94740 | |
| Prior period income | | -3219 | |
| Profit before tax (PBT) | | 30129248 | 21958663 |
| Income Tax paid | | 11041700 | 6800000 |
| Profit after Tax(PAT) | | 19087547 | 15158663 |
| TOTAL | | 139806569 | 129325197 |

CHAPTER 2

CONCEPTUAL BACKGROUND AND LITERATURE REVIEW

2.1 THEORETICAL BACKGROUND OF THE STUDY

INTRODUCTION

Co-operative bank is probably a shell, which defends folks with tiny method from the debt trap of moneylenders by presenting varied financial assistances. Co-operative banks have interaction themselves inside the task of production, processing, marketing, distribution, services and banking in Asian us of a forming a community of great and corporation of co-operative establishments. A co-operative bank ought to also be a monetary entity that belongs to its contributors, United Nations company vicinity unit at steady time the house owners and accordingly the consumers of their bank. It's commonly created by way of people's happiness to an identical native or skilled community or sharing an ordinary interest. These banks typically have a sincere selection of banking and economic offerings (credits, deposits, bank accounts) to their individuals. In using their organization, their goals, their principles and their governance, cooperative banks dissent from investor banks. The Co-operative banking industry in Asian, United States of America is characterized through a comparatively complete network to the grass root level. This sector inside the principal specializes in the native population and micro- banking among center and low benefit teams of the society. These banks inside the most important operate for the advantage of rural areas, appreciably the rural sector.

- Such Banks becomes eligible for debts/loans on discount charge from the RBI and
- Bank automatically Acquire the membership of monetary institution

Definition:

Co-operative bank supply the loaning facility to little business each in urban and non-urban regions it is the tiny institution where the world unit are monitored and controlled by depository financial organization of Republic of India and comes

underneath Banking Regulation Act, 1949 furthermore because the banking laws act, 1965.

The 2007 Co-operative Banks Act defines a cooperative bank as a cooperative bank registered as a cooperative bank under the Act whose members are a unit of –

- Same Profession/ Occupation / World Health Organization square measure operating by common leader or operating among same trade district; or
- Having a mutual membership in associate association or organization, additionally alongside a business non-secular, social, co-operative, labor or academic group; or
- Reside among the well-defined community or atmosphere.

Origin of Co-operative Banking:

The past of Indian co-operative banking started in the year 1904 with the passing of Co-operative Societies Act. Its main objective is to boost thrift, self-help and co-operation among artisans, agriculturists and persons of limited means. The thinking of equality, equity and self-help gave thanks to the thoughts of self-responsibility and management which give rise to parturition to co-operative. Under the act 1904 co-operative bank forms an essential part of banking system in India and various co-operative credit societies were started. A new act was passed in 1912 with the aim of increasing demand of co-operative credit and was provided for formation of co-operative central banks by a union of main credit societies and personalities.

Indian Reserve Bank oversees cooperative banks registered under the Co-operative Societies Act and is regulated by the 1949 Banking Regulation Act and the 1965 Co-operative Societies Act on Banking Laws.

Meaning of Debt:

Debt refers to adding a quantity payable by a single individual to another that will be within the bond, note or other monetary instruments. Someone is one who earns cash by way of a debt borrowed by the individual.

Debtor: A debtor is a personal or an organization WHO owes cash. The recipient is cited as someone if the debt is within the kind of loan from the financial organization associate degree it's referred as an institution if it's within the kind of securities like bonds. Legally, somebody WHO files a voluntary petition to declare bankruptcy is additionally thought-about a human.

Creditor: A human could be a person or establishment extending entity permission to recipient on the cash lends to will be repaid within the future. a personal or an organization WHO accepts service from business doesn't demand payment straight off is additionally called human.

Definition of Debt: Debt refers to an obligation owed by one person to another. Bank debts are generally in the form of secured loan where the borrower must provide financial guarantees or collateral, before receiving loan proceeds because in case of bankruptcy, bank debt is repaid before other lender claims.

Processes and Procedure Of Debt Recover Management In India:

The basic role of the any agent is to collect receivables or post due debt of the bank .The policy, procedure and processes for debt recovery function are as follows:

Banks set their strategy and practice for unpaid debt recovery to conform to the lawful and governing framework. In particular, the banks will record details with the guidance of the RBI Directive, recovery agents engaged with the bank, as well as recovery of security and model strategy of collecting payment framed by the Indian Bank Association. Usually incorporating the bank's policy and procedure with the agreement entered into between the recoveries agents. If the recovery agents agree with the bank's recovery management, then they must follow the bank's approved policy, procedure, processes, etc.

Debt Recovery Processes

Typically there are the following methods, each with different procedures:

- **Difficult recovery:** if the lenders are not prepared to pay and certain individuals who oppose or refuse repossession attempts deliberately, and then in such situations the recovery agent with bank consultation needs to pursue a distinct recovery method against the obstinate debtors.
- **Assets recovery:** Flexible assets paid to the bank by way of hypothecation or promise are often managed by the financial institution or recovery agent and then auctioned or sold to reclaim duties if the persistent creditors eventually refuse to pay the payments.
- **Legal recovery:** the assets charged do not occur or the obligation is unsafe if the borrower has the right to be charged for repossession by the financial institution or recovery agent. And also court interruption is essential for the repossession manager to own pledged secure assets.

Kinds of loans/debt:

Depending upon the company's size, regulatory guidelines and industry the sorts of bank debts varies. In India kinds of loan are often classified into 2 categories:

Secured – A secured loan is supported by security. As an example, if you're taking a home equity credit or an automobile loan, a lien is made on your property and you can't sell it unless you repay the whole loan amount and claim the only ownership of your home or vehicle.

Unsecured - An unsecured loan could also be a personal loan which needs no collateral, security or assurance and should be taken for fulfilling all of your financial needs.

➤ **Default of Loan:**

Recovery and owing of loans are major issues facing in Indian banks and even the reasons for this vary for various institutions depending on the character of multiple loans. A shot was created to seek the causes of loan default because monetary establishments are faced with the issues of loans owed. To search for the default rationale, a survey was carried out with the recovery officers, interviews are performed with different banks that can be beneficial for banks to recover loans in the

future. And once entirely different banks have been assessed, the following may be listed as a number of reasons for defaulting industrial sector loans:

➤ **Inadequacy of Collateral Security/Equitable Mortgage against Loan:**

This generates a fee and teaches the recipient's minds to be prepared by pursuing secure property mortgage or entirely different assembled properties to pay the lenders' dues. But once the person is free from concern to lose his loaded down standard at intervals in the event of his defaulting at intervals the payment of duties to banks, he often takes liberty and tries to consider all the advantages and disadvantages, and even the various ways around. The 'each currently then once securities against loan fall harsh each currently on receiver may be a worthy reason as a result of it creates promoters stake in the receiver intervals and then creates disciplines in receiving banks to be further engaged in the payment of duties.

➤ **Unrealistic Terms and Schedule of Repayment:**

If the sanction authority thinks of private interests and radio controls then many things may happen. The better probability of the establishment's project being satisfactory occurs if the project's breakeven intent is seen at an unrealistically low level of activity or benefit may also be seen at an unduly high level or money inflow is shown in an unduly optimistic manner and then the Debts Service Coverage Magnitude Relationship (DSCR) worked out wrongly, fixing unrealistically high. Thus, in repaying disproportionate amounts of the installment to suggest an early volume of reimbursement, reflective is found in these inner forces and stresses reflective. At this point the beneficiary finds himself in an unenviable role of a "Yes Master" and nods his head whatever conditions are linked or whatever repayment plan is set by the monetary authorities, in all probability by covering up his style to avoid paying the long-term dues. If the payment / interest installment is due and the receiver handily avoids it includes clearing the above is the real downside.

➤ **Lack of Follow up Measures:**

While periodically and consistently taking follow-up calculation, it helps to keep the borrowing unit under the banks' constant watch. Many ills can be managed by a

follow-up measure by keeping the borrowing units on their alertness and directing them to rectify their mistakes in the first opportunities or by spreading a helping indicator over time. Typically the lack of these similar follow-up services is evident. As a result, the borrowing units neglect banks' payment of their dues and often move on wrong tracks to the detriment of their own financial health and that of the banks. When the returns are scrutinized routinely and consistently, annual balance sheet and site inspection contribute significantly to improving borrowing unit efficiency. Such inspections, of course, help deter lenders from deviating from the terms and conditions of the loan or diverting any funds for reasons other than those set out in the letter of sanction and keeping the units' financial health in good order.

Non-Performing Assets (NPA):

Non-performing assets may be a classification by financial organization for loans and advances on that the principal of overdue wherever no interest payment is created for an amount of your time. A loan becomes NPAs after they are outstanding for ninety days or a lot of. The bank has the right to view as non-performing all the advances / credits facilities given to the receiver while not having any connection to the obvious fact that there are required advances / credits with performing arts status.

a. Why such huge levels of NPAs exist in the Indian Banking System?

The problem of increasing NAPs occurs from the externals like the excellence of handling credit risk by the concerned banks. What it is desired? Because it helps in taking precautionary events in places like, fixing pre-sanctioning evaluation obligation and having an operative post-disbursement administration. And to recognize accounts which have possible to develop non-performing should be continuously monitored by the concerned Banks.

b. Why NPAs became a problem for banks in India?

Profitability supported the performance could be a bench mark for any business that conjointly includes industry. However, through NPAs options area unit directly wedged to bank gain which is de jure not permitted to book financial gain on such accounts and banks and area unit forced to build provision on such assets as per run

rules. In addition, excess liquidity is effectively generated within the system by the Federal Reserve Bank of Asian Country (RBI) through varied rate cuts and banks fail to use benefit to their advantage due to the concern to accelerate non-performing assets.

Normal Recovery Procedure:

If the debtors who are able to pay the dues with usual recovery process then this procedure will be implemented in that case and the procedure for such recovery can be specified based on the regulatory guidelines. However the recovery agents will follow the particular debt recovery protocol recommended by the principal and banks. The key rules for making telephone calls and visiting the debtor to collect duties are given below:

1. The bank authorizes the recovery agents from particular customers to collect past due debts.
2. The banks alert the borrower and obtain information from the recovery agent for past-due debt collection.
3. Customer Calls: This must be viewed as the first stage in recovery protocol and as follows:
 - As instructed by bank calls shall be made to the customer from the same number.
 - The agents shall reveal their identity and authority at first instance.
 - Between 7:00 a.m. and 7:00 p.m., the agent shall contact the debtor, unless, in the special circumstances of his / her business or occupation, the bank has requested a different time to contact him / her. But when there is no circumstance, the customer can be called beyond 21:00 hours.
 - The abusive and threatening call of the customer should be documented appropriately.
 - The queries of the customers are provided with required information and by giving assistance in making recovery and solving minor issues.

How much to call customer: if the customer is not present after a few calls received, the agents send a message to an adult family member and the message does not suggest that the customer is late or that the call came from a recovery agency.

Customer visit (debtor): This is the second stage of the collection process. Pursuant to the following procedure:

- The customer should only visit for debt collection after all the conditions have been satisfied.
- If the debtor's due amount is not paid within the days of grace and the duties against him / her are still outstanding;
- The debtor's collection agent arranges an appointment for the visit.
- According to the principal's or RBI code or otherwise agreed by the debtor, the agent should follow dress code, timings and place of visit.
- In the first place, agents should write a greeting as customary to banks as good morning / evening ... sir / madam. The identity card and authority given to the debt collection agent by the principal should be displayed and converted after all these initial formalities the conversation regarding debt collection should start.
- The general time visit for the customer is between 07:00 hours and 21:00 hours. Later visit or later than the deadline, only the following condition would apply:
 - If the consumer communicates the timing of the consent.
 - The nature of the customer's employment, such as working in shifts, e.g. call center, hotel or any person, is not available within the prescribed hour.
- The Agent would respect debtor privacy. The privacy policy which was discussed for calls would be applied during the visit.
- The principal's policy towards customer interaction during the visit should have due respect, courtesy and politeness, no assaults, verbal bullying or the use of physical abuse.
- **Laws of the Debts Recovery Tribunal:**
 - The Debts Recovery court has been legitimate underneath Section three of the Recovery of Debts because of Banks and money establishments Act, 1993. Its main objective is to receive claim applications from Banks and money

establishments against their defaulting borrowers. For this purpose the Debts Recovery court (Procedure) Rules 1993 was conjointly written.

- Originally, debt recovery tribunals performed well and helped money institutions and banks recover heavily in giant components of their non-performing assets or dangerous debts that were unremarkably named, but once it was giant and strong lenders, their progress was shocked and they were forced to stand up to the progress in debt recovery tribunals for a variety of reasons, primarily on the grounds of the claim
- In the exception of working men's dues against an association, state dues and alternate non-secured creditors all got confused before the debt recovery judge. There was jurisdictional conflict between the official liquidators named by the high courts and even debt recovery case recovery officers. Associate in nursing appointee of superior authority, official liquidator takes his possession on all the properties that truly belongs to secured creditors of debt recovery court. The recovery officers WHO ways in which away the whole amounts and paid off to the banks effort nothing for the opposite claimants, as well as the work men were high courts took offensive activities. Of these problems cause forceful amendments to the Recovery of Debts thanks to Banks Associate in nursing money establishments Act by suggests that of an amending notification within the year 2000.
- Some quantity of rationalization within the jurisdiction of debts recovery court was brought by the modification notification of 2000. Securitization and restoration of the Security Interest Act's monetary assets and social control, further referred to as the SRFAESI Act was named where the borrowers continued to groan below the load of non-playing assets that LED to the enactment of a lot of forceful act. This new Act authorized the lenders to require into their possession on the secured assets of their borrowers simply by giving the notices and while not the necessity to travel through the pains of a Court procedure. Heap of compliance from receiver seasoned defaulter coughed up the bank dues brought in a very lot of compliance as initio and also the more durable ones punched whole within the new Act too. The judgment forum clad to be the Debt Recovery court once bound provision hanging down by Supreme Court Associate in nursing permitting the borrowers a judgment forum before their properties might be seized

by the lenders. The debt recovery court is currently dealing with two entirely different activities, In particular, debt restructuring by banks and financial institutions functions as a result of the Securitization and Restitution of Financial Resources and Social Control of the Security Interest Act. Whereas the peach's most objective the Actions are the same, but with slightly different paths.

The Debts Recovery Tribunal has got to affect extraordinary complex commercial laws within the narrow ambit of the 2 laws. With lot of expertise over the years the Debts Recovery Tribunals have evolved into fine bodies. There is a plethora of judgments from the Supreme Court also because the various High Courts which have paved the way of the Debts Recovery Tribunals to chart their courses. Now the Indian Debts Recovery Tribunal has become model institutions for many other countries to follow.

2.2 LITERATURE REVIEW

Literature Review is an explanation of the literature which is appropriate to a specific topic or field. It helps to establish what theories exist and the relationship between them, an summary of what has been said, who the key authors, what degree of the main philosophies are and to develop hypotheses, what query are being asked and what methods and methodologies are suitable and beneficial. As such, it is not itself a main study but rather it reports on other findings.

Definition

1. **According to Cooper .M,**” literature review uses its database reports of prime or unique scholarship and does not report any new major scholarship itself. In literature the prime reports used are in verbal but in the huge main stream cases report written documents are used. Empirical, theoretical, critical, analytic and methodological in nature are the types of scholarship. Secondly it pursues to designate summaries, estimate, clarify and integrate the primary content of the reports’”.

2. **Garber (1997)** Debt recovery is the method of obtaining loans that have not been repaid and retrieving them by persuading lenders to make efforts to repay unpaid loans. Normally, this function of loan recovery is not a simple task as customers will leave thanks to prove to the lender (bank) inaccessible. For most situations, the financial system features a debt management program that is responsible for managing loans before being overdue and making efforts to reclaim the loans.

3. **Maphartia (2004)** Debt rescheduling signals a transition in a loan exists terms. A financial institution should consider rescheduling a debt when it has decided that the rescheduling is in the interests of the government, and that recovery of all or part of the debt is fairly assured. Like with mortgage payments the creditor will reassess the financial condition of the debtor and the ability to repay the loan if rescheduled before rescheduling a loan. The agency will also decide if the debtor will be allowed to make payment using pre-authorized debit. The terms and conditions of the rescheduling, including the acceleration clause, must be in writing and signed by the debtor in respect of the repayment agreement. The bank would prohibit informal working out deals with debtors. For each program region, each bank should set standard policies, procedures and conditions for rescheduling and other sorts of workouts. Its policies and procedures will ensure that profits and losses on rescheduled accounts are recognized in compliance with credit management requirements provisions.

4. **Umoh (2007)** Security repossession is for the purpose of recovering duties and not depriving the debtor of the land. The recovery process by repossessing protection would include repossession, valuation of guarantee, and realization of security by appropriate means. All of that will be done equally and transparently. Repossession shall be effected only after the notice as indicated above has been issued. Total due diligence must be followed when the property is being repossessed.

5. **Capon (2002)** Credit rating systems are also a credit recovery technique used by the banks. A credit score may also be a quantity that's supported a numerical analysis of a debtor's credit report, which is used to reflect the creditworthiness of that individual. Knowledge on credit reporting is predicated on credit report ratings. Unlike banks, lenders use credit ratings to gage the future danger faced by offering clients advances and moderating debt-related losses. Using credit scores, financial organizations regulate who is the most qualified for an advance, at what interest rate, and at what credit limits.

6. **Prosser (2003)** Bad and doubtful debts share many similar characteristics, the only real difference being their level of collectability, the general rule is that any debt greater than any debt greater than 6months must be carefully considered as a nasty debt, though a debt can become 'bad' at any time within its life cycle counting on the circumstances, it can classify doubtful when debt is aged 90 days or more. Additionally, bad debts are generally the result of objective evidence that is when there is proof or advice from an independent third party regarding the uncollectable debt, while doubtful debts are based on subjective, though not entirely arbitrary, estimation.

7. **Selvarajan B and Vadivalagan G (2013)** find the problem of precarious and unsafe debts to prevail across the Indian industry as a whole. At the dictates of politicians and bureaucrats, the vast portion of unhealthy debts in Indian banks is in a disposition to the priority field. When the banks efficiently track only unit area loans, then debt drawback is either limited or removed. In the case of undependable lenders, banks' very best management pressured policymakers and officials once unhealthy to throw smart cash away.

8. **AkankshaBaghel (2017)** India's banking industry is in the throes of a crisis. Bad debts are piling up at banks. According to the statistics provided by Federal Reserve System Bank of India (RBI), Gross Non- Performing Assets (NPA) is INR 6120 Billion and thus the share of variation is 89.3 in the economic year 2015-16 as against INR 3233 billion and 22.3 percentage variations in 2014-15 and there was a significant slowdown in The business of Scheduled Commercial Banks (SCBs) during 2015-16. The Gross Non-Performing Advances (GNPAs) ratio increased sharply to 7.6 percent from 5.1 percent between September 2015 and March 2016, largely reflecting a reclassification of restructured standard advances as non-performing due to Asset Quality Review (AQR).
9. India's Bad Debt problem is choking off new credit and dampening the economic growth. We have a credit market which doesn't function very well because creditors can't collect on their debt and credit ends up in the wrong places. Banks was not making money because borrowing costs are high. Bad debt clogs the system. India's robust growth slowed recently as a result of the government's unexpected move last year to ban 86 percent of the nation's currency in an attempt to uproot "black money," currency on which taxes haven't been paid. The move has produced widespread shortages of cash. Economic growth is predicted to face challenges as long as banks here are saddled with enormous bad debts. For the corporate bond market to develop in India, we need to have jurisprudence, we need to have recourse, we need to have laws, and we need to have transparency.
10. **G. ChandrasekharRao (2003)**The crucial problems facing the financial system have been examined in a large pile of poor and questionable debts that have saddled the banks with. As a result of the survival of many of their employees' poor bank management and unions, he found that the key reasons for bank units being poor leading to growing bad debts in fund diversification by promoters are the late legal framework and the inadequate recovery legislation. The explanations given for the Bad debts are the primary sector being targeted and pre-approved

loans authorized under sponsored programmers, absence of any securities, lack of successful follow-up, etc. It is found that most of the defaulters are willing defaulters and thus criminal charges against corporate defaulters need to be launched in order to recover this national wealth. The Government should ensure proper legal basis for effective contract recovery and enforcement.

11. **Rajeshwari Krishnan (2002)** focused on the issue of escalating poor and uncertain debts in the banks and the nation's financial organization is becoming increasingly uncontrollable and heightened concerns for the financial sector. She found that securitization can be used by offering marketable securities against them to discharge liquid and long-term debts such as loans receivables from monetary organizations or banks. She concludes that the SARFAESI ACT is definitely a big leap forward not only in the organizational field of the NPA but also in support of the Indian securitizing industry. The act will also need to be fine-tuned to encourage proper impartiality.

CHAPTER 3

RESEARCH DESIGN

3.1 BACK GROUND STUDY OF DEBTRECOVER

Banks have never been as important in their attempts to ensure prompt recovery and consequent reduction of NPAs as they are today. It could be fresh or old loan, recollecting through the recovery management is vital, it is central to NPA management. This process of managing the loan itself will begin at the initiating point. Two phased approaches are used to effectively manage recovery and NPA. First, arresting defaults and forming NPA, and second, managing loan delinquencies. The convictions of improvements in the monetary sector have been radical, creating how relevant they are in bank workers' minds and giving them a message they must do. The prudential standard pushed Bank into determining the quality of the assets.

3.2 STATEMENT OF THE PROBLEM

Most of the financial institutions utilize obligation in several means to influence the investment made in their assets which influences the return on equity. This influence, the debt equity amount and is taken into account significant in influencing the investment riskiness; the upper debt per equity, the more risky it's. For both financial institutions, individuals and corporations, this improved risk can cause reduced performance/results, because the cost of examining the obligation can develop beyond the capacity to repay due to internal difficulties either thanks to poor resource management or income loss. Ideally, Methods of debt recovery are seen as a valid and necessary operational practice in which lenders and investors are prepared to take reasonable steps and measures to obtain refunds from businesses or customers, or are legitimately expected to repay cash they pay or owe.

The problems faced by the banks are numerous and most of the problem are recovering of the debts been given by the banks to its customers, some of the customers who fail to repay the loan are marked as defaulters the process of collecting

the loans or debt from those customers is the biggest challenge for the banks. Banks take certain percentage interest for late payments of loans every day interest rate rise according to the guidelines of the banks.

Non repayment of loans may affect the credit rating of the customer where in the bank will not provide credit facilities for such customer in future. The recovery of outstanding loans generally advanced banks to individual borrowers or corporate entities was big issue, financial institutions and banks hesitating to advancing loan because the recovery of the loans were the biggest challenge they faced. Recovering loans from the purchasers within the period of time is that the major challenge to the bank as a financial intermediary. Unless the bank recovers the loan, it's to be in charge of the depositors.

3.3 OBJECTIVES OF THE STUDY

- Identify Amount of Non-Performing Assets (NPA).
- To know that each year the credit is being approved.
- To find out how debt can be recovered at Guardian Bank
- To know what the Guardian Bank faces in debt recovery.

3.4 RESEARCH METHODOLOGY

A research design is that the arrangement of conditions per sample for information collection and analysis in a way that aims at balancing relevance to the research purpose with economy in procedure.

Data for Collection

Data collection refers to the methods how the data will be collected for the purpose of the study in order to analyses the information and to interpret and present the same.

➤ Primary Data

Primary data is original research that's obtained through first- hand investigation. Primary data for the report was collected using well- structured questionnaires from Managers, assistant managers and cashier in guardian bank further information

collected various sources like newspaper, magazines, journals, website and annual reports published in annual report book in guardian bank.

➤ **Secondary Data**

Secondary source is the data which is already available and it includes the existing sources. Secondary data will be collected from the following:

- Annual reports
- Management journals
- Websites
- Text books, magazines
- Balance sheet.

3.5 Scope of the Study

Annual report is the important tool used to collect the secondary data from the customers for analysis. Data collected from various sources were analyzed and the statistical technique used for analyzing, tabulated and presented in form of statistical tables so as to allow interpretation based on which findings And conclusion were arrived at regarding job satisfaction at Guardian Souharda Sahakari Bank Niyamita.

3.6 Hypotheses

The data is tabulated using statistical techniques such as constructing descriptive table, percentage and use of diagrams (Pie charts, bar graph). Tabulated data are analyzed on the basis of objectives framed and accordingly inferences are drawn.

3.7 Limitations of the Study

No research is carried out without certain limitations due to internal and external circumstances which are beyond the control of the investigation that may have certain restrictions on the conclusion of the study and their application. This research has the following restrictions:

1. The research is focused mainly on secondary data, data from published annual reports, website and so on.
2. With a limited time of time it is not possible to conduct research study in a large scale.
3. This study covers five years financial statements only
4. The study concentrates only on a particular company
5. The study is not a representation of entire state.

3.8 CHAPTER SCHEME

Keeping in the view of the objective mentioned, the present study is comprised of 5 chapters along with tables and annexure.

CHAPTER 1

The first chapter covers introduction, Industry profile, company profile, vision, mission, Quality policy, Products and services, Infrastructure facilities, information of competitors, and financial statement.

CHAPTER 2

The second chapter gives a brief summary and of previous research work undertaken.

CHAPTER 3

The third chapter describes background of the research methodology undertaken for this study, statement of problem, need for the study, objectives, scope of the study, limitation and chapter scheme.

CHAPTER 4

In tune with the objective, the data analysis and interpretation were presented in a systematic manner with necessary tables and exhibits.

CHAPTER 5

This chapter provides brief summary of findings and suggestions which is drawn from the analysis and interpretation. The conclusion is obtained from the findings of the study.

CHAPTER 4

DATA ANALYSIS AND INTERPRETATIONS

Introduction

The chapter comprises of analysis, presentation and interpretation of the findings resulting from this study. The analysis and interpretation of data is carried based on the annual report of the bank, is qualitative interpretation.

Meaning

Data analysis and interpretation is the method of assigning, getting to the collected information and determining the conclusions, significance and implications of the findings. It is a crucial and exciting step within the process of research. In all research studies, analysis follows data collection.

Defining Objectives

Objectives are the basic tools behind all strategy and strategic practices. They act as the basis for decision making and performance management with a collection of clearly established business goals. Most of the decisions taken in the process depend on how specifically the study purpose was specified.

Data Analysis

Data processing is the stage in which the cleaned and aggregated data is imported into the software for analysis. These tools allow the data to be explored, trends to be identified in it, this is also the method by which meaning is created from information gathered in research through proper application of statistical methods.

Drawing conclusions and making predictions

Drawing conclusions and making predictions is the step where after sufficient analysis, conclusions and appropriate prediction can be made. These conclusions and predications may then be summarized in a report delivered to end-users.

➤ **Significance of Data Analysis**

- Data analysis helps in structuring the findings from different sources of knowledge collection.
- It is useful in breaking a macro problem into micro parts.
- Data analysis act sort of a filter when it involves acquiring meaningful insights out of giant data-set
- Data analysis provides a meaningful base to critical decision.
- It helps to make an entire dissertation proposal.
- It helps keep human bias faraway from research conclusion with the assistance of proper statistical treatment.

Data Interpretation:

It is the process of making sense out of a collection of data that has been processed. This collection could also be present in various forms like bar graphs, line charts and tabular forms and other similar forms and hence needs an interpretation of some kind. Here we'll study data interpretation with the assistance of the many important techniques and examples. We will see how we will add up out of the graphical data and other sorts of it. We shall learn to use it solve the most common questions that are present in this section of the quantitative aptitude.

Loan Recovery Policy of Guardian Bank

The bank's approach to debt recovery is focused on customer trust and appreciation. The bank does not follow strategies which are overly restrictive in recovering borrowers' dues. The approach is for courtesy, equal treatment and persuasion.

- The bank believes in pursuing fair practices in the recovery of borrowers' duties and in taking care of property, thereby fostering customer trust and a long-term relationship.

- The repayment schedule for any loan approved by the bank shall be set taking into account the repayment potential and the borrower's income pattern.
- The bank shall notify the customer in advance of the interest measurement techniques and the allocation of the Equated Monthly Installments (EMI) or other repayment strategies against interest and principal owed by the customer. The bank will expect buyers to adhere to the negotiated repayment plan and contact the bank for assistance and advice just in case of real difficulty meeting repayment obligations.
- The repayment schedule for any loan approved by the bank shall take account of the repayment capacity and the income history of the borrower
- The bank shall inform the customer of the interest calculation policy in advance and how the Equated Monthly Installments (EMI) or deposits will be deducted from interest and principal owed by the consumer by the other form of repayment. The bank would expect buyers to stick to the agreed repayment schedule and approach the bank in case of real trouble meeting repayment obligations for assistance and guidance.
- Bank security, the system Repossession is structured to reclaim duties in the event of default and is not intended for whimsical land deprivation.
- Legislation respects justice and accountability in the fields of repossession, evaluation and enforcement.
- The bank shall inform the customer of the interest calculation policy in advance and how the Equated Monthly Installments (EMI) or deposits will be deducted from interest and principal owed by the consumer by the other form of repayment. The bank would expect buyers to stick to the agreed repayment schedule and approach the bank in case of real trouble meeting repayment obligations for assistance and guidance.
- Fairness and transparency in repossession, evaluation and compliance are valued in the legislation.
- All the bank's procedures for controlling and recovering duties and repossessing assets would be incompatible with the statute.
- The 'Guardian Bank' recovery method as soon as the creditor is default; in fact, the bank follows two recovery methods.

A. General Recovery method.

B. Legal Recovery method.

A. GENERAL RECOVERY METHODS OF GUARDIANBANK

1. When the first payment is due from the customer, a call is initiated to make him aware of the date of payment of his dues to the bank.
2. In the event of the customer not responding to the telephonic calls, a written communication is issued to the customer informing him of the status of the account and calling him to effect payment towards the over dues in the account.
3. If there is no response, further letters may take a strong line insisting on immediate reply.
4. If these are ignored, the recovery team of the bank goes for field collection. This activity involves meeting the customer at his place of meeting or residence. Repeat visits will be made to persuade the customer to repay loan.
5. Finally, if the customer has disappeared or refuses to have any contact with the bank a final detailed notice will be issued to the borrower through the legal counsel better taking legal proceedings against him.

B. LEGAL RECOVERYMETHODS

1. When all efforts to recover loans in the normal course fail, the file is referred to legal department of arbitration.
2. The legal department will initiate all the steps to recover the amount, finally E.P (Execution Petition) will be filed.
3. The E.P FILES are handed by Sale Officer / ARCs who is appointed from co-operative department. As soon as the file is received, the sale officer will send the recovery force to identify the defaulter and his property. After identification, form no.6 will be issued attaching the property for sale and to pay the amount within10days.
4. If the party does not settle the amount with in10days, then Form no.8 & 9 sale date of the mortgaged property will be fixed giving one month time.

5. Before three days of option, the locality people where the mortgaged property exists and the others are invited to participate.
6. Then auction of that property will be conducted among the bidders and the auction will be confirmed to the highest bidder.

Debt Recovery in Guardian Bank is analyzed and interpreted with the following selected parameters:

Deposit Growth: If debt recovery is adequately planned then it will assist the bank to deliver the outstanding quantity due from customers, and it will improve the success of the bank's deposit and do business. And it could be said that in all of the bank's round change, if recovery is exactly profits

Advance Growth: If recovery is being accurately made then it will help producing fund and then the bank will have adequate fund and it could deliver advances and loans to its clients and produce its business. So it might be said that if recovery is correctly done then it'll help altogether round improvement of the bank.

Profitability Growth: Good recovery is an important ingredient for profitability of any financial institutions it leads to increased financial capacity to deliver credit. So it could be said that if recovery is properly done it will help in all round development of the bank by increasing profits

NPA Reduction: Abnormal delay in recovery of loans build up NPA's which affect the financial performance of the bank. Better recovery performance corresponds to lower NPA's.

LOANACCOUNT:**TABLE 4.1 Interest Rates for the Type of Loans**

| SL NO. | TYPE OF LOANS | RATE OF INTEREST | |
|--------|---|------------------|---|
| | | New Borrowers | Old Borrowers with no default in Previous loans |
| 01 | Unsecured Salary Loan | 19.75% | ----- |
| 02 | Vehicle Loan (New) | 14% | 7.5% |
| 03 | Vehicle Loan (Second hand) | 17.50% | 17.50% |
| 04 | Education Loan (Secured) | 13% | 7.5% |
| 05 | Education Loan (Unsecured) | 18% | ----- |
| 06 | Business Loan (Secured) | 14% | ----- |
| 07 | Small Business Loan (Unsecured) | 19.75% | ----- |
| 08 | Taxi Operators Loan | 16.50% | ----- |
| 09 | Housing Loan | 15.50% | 7.25% |
| 10 | Gold Loan | 12% | 7.50% |
| 11 | Secured Term Loan | 16.50% | 7.50% |
| 12 | Unsecured Term Loan | 19.75% | ----- |
| 13 | Over Draft Secured | 14% | ----- |
| 14 | Over Draft Unsecured (Max. Rs.100000/-) | 19.75% | ----- |
| 15 | Secured Salary Loan(Service more than 5years) | 15% | ----- |
| 16 | Secured Salary Loan(Service less than 5years) | 15.50% | ----- |

Deposit Account:**TABLE 4.2 Interest Rates for the Deposits**

| SL No. | PERIOD | INTEREST RATE PER ANNUM |
|---------------|--------------------------|--------------------------------|
| 1 | 15 days to 30 days | 4.5% |
| 2 | 31 days to 90 days | 5.25% |
| 3 | 91 Days to 180 Days | 5.5% |
| 4 | 181 Days to 365 Days | 6.5% |
| 5 | 1 Year 1 Day to 2 Years | 7.0 % |
| 6 | 2 Year 1 Day to 3 Years | 7.25% |
| 7 | 3 Years 1 Day to 5 Years | 6.5% |
| 8 | 5 Years and Above | 6.5% |

The Guardian Bank could even be a cooperative bank involving an independent suggestion of individuals willingly united to meet their common economic, social and cultural needs through a joint initiative owned and constitutionally measured. The cooperative arrangement is founded on the principles of mutual aid, democratic decision-making and open membership, in view of the incontrovertible fact that their ownership and control is directly in the hands of the members.

Guardian Bank was founded to fulfill the dream of a society that's prosperous through honesty, dedication and enterprise. The founders of Guardian Bank realized that these exemplary principles would require help, at the right time and fair cost, so on confirm progress.

Prosperity can also be achieved through the development of assets which, like a business, require capital inflows including the diligence required to service that capital. The vicious spiral of high-cost debt, rising inflation and declining sales destroys much of human industry and innovation. Guardian Bank helped to rescue

thousands of such people from money-lenders. Our vision is realized not only through dramatic economic transformation but also through thousands of individual successes that we have facilitated over the years. A Bank is that the community bridge between haves and have-nots. Individuals with financial resources need a bank while those without.

SECONDARY DATA ANALYSIS AND INTERPRETATION

TABLE 4.3 Proportion of Total Loans Issued by Guardian Bank from 2014-2019

| TYPES OF LOANS | AMOUNTS(Rs) | PROPORTION |
|----------------------------|--------------------|-------------------|
| Gold loan | 12614090 | 0.98% |
| Surety loan | 333112207.1 | 25.98% |
| Loan against fixed deposit | 10640024 | 0.82% |
| Business loan | 270871868.4 | 21.13% |
| Education loan | 14077924 | 1.09% |
| Vehicle loan | 31578581 | 2.46% |
| Unsecured term loan | 88522792.67 | 6.90% |
| Taxi operator loan | 23417782 | 1.83% |
| Micro loan | 32847600 | 2.56% |
| Secured salary loan | 464403609 | 36.22% |
| TOTAL | 1282086478 | 100.00% |

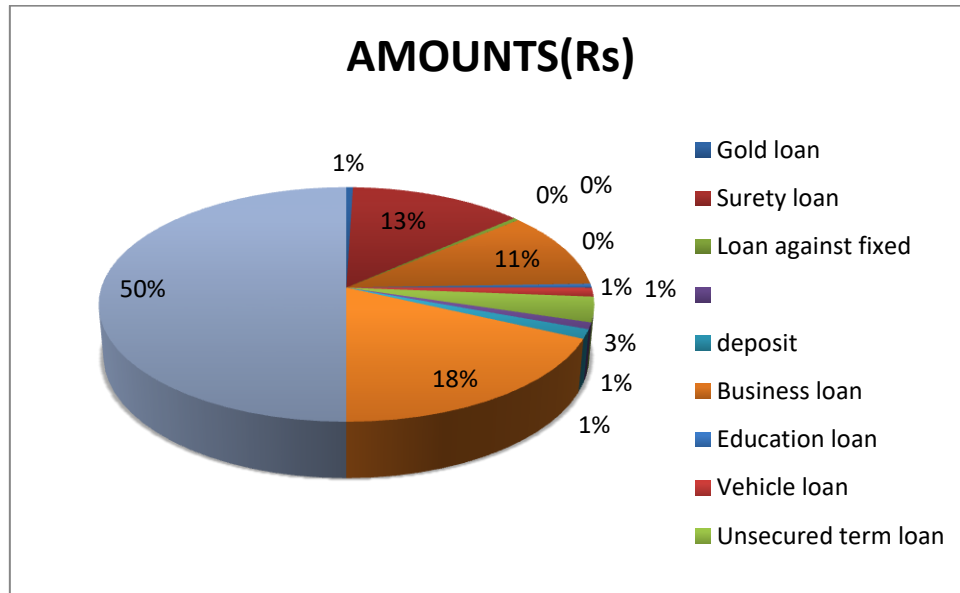
SOURCE: SECONDARY DATA

ANALYSIS:

From the above table it is clear that from the total loans issued by the Guardian Bank for the last five years majority of the loan that is 36.22% of total loan is issued as secured salary loan and another 25.98% of total loans is issued as surety loan and 21.13% of total loan is issued as business loan, 6.90% unsecured term loan, 1.83%

loan against taxi operator loan, 2.56% on micro loan, 2.46 on % vehicle loan, 0.98% gold loan, 0.82% fixed deposit loan and 1.09% education loan

CHART 4.1 Proportions of Total Loans Issued By Guardian Bank from the Year 2014 –2019



INTERPRETATION:

From the above chart it can be interpreted that surety loan, business loan and secured salary loan stands high on the total loan issued by the bank and gold loan, education loan, micro loan, stands at the least in the total loans being issued by the bank from 2014 –2019.

TABLE 4.4 Percentage of Interest Received On Loan by from 2014-2019

| YEAR | INTEREST RECEIVED (Rs.) | PERCENTAGE |
|---------|-------------------------|------------|
| 2014-15 | 104274651 | 18.79% |
| 2015-16 | 112605727 | 20.29% |
| 2016-17 | 112516516 | 20.27% |
| 2017-18 | 108122619 | 19.48% |
| 2018-19 | 117480504 | 21.17% |

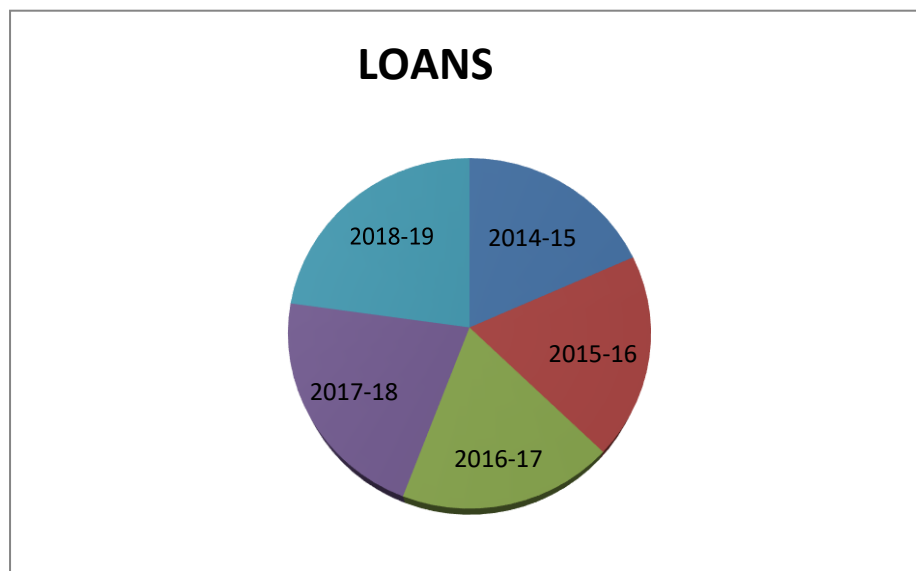
SOURCE: SECONDARY DATA

ANALYSIS:

From the above table it is found that interest received on the loans in the year 2014-15 was 18.79% and started to come a little high in the following years by 20.29% in 2015-16 and 20.27% in 2016-17 and in 2017-18,

19.48% we got positive value due to increase in the amount compare to 2015-16 and increased 21.17% in 2018-19 respectively.

CHART 4.2 Graph- Percentage of Interest Received On Loans by Guardian Bank from 2014-19



INTERPRETATION:

From the above table it is analyzed that that interest received on the loans is increased from year to year. This shows that the level of borrowers increased for the bank which in turn leads to increase on the interest received on the borrowings every year.

Table-4.5 Loan Position of the Bank from 2014-19

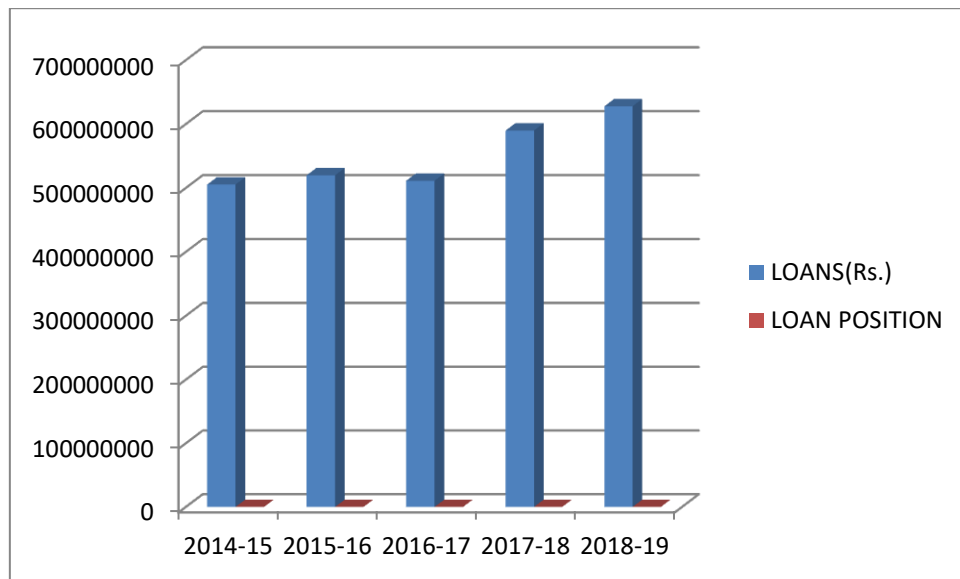
| YEAR | LOANS(Rs.) | LOAN POSITION |
|-------------|-------------------|----------------------|
| 2014-15 | 505302042 | 18.35% |
| 2015-16 | 519842080 | 18.87% |
| 2016-17 | 511297506 | 18.56% |
| 2017-18 | 589907925 | 21.42% |
| 2018-19 | 627862383 | 22.79% |

SOURCE: SECONDARY DATA

ANALYSIS:

From the above data collected it is found that the loan position of the Guardian bank has been increasing to 18.35% in 2014-15 and 18.87% in 2015-16 in 2016-17 it decreased to 18.56% and in 2017-18 and again increased to 21.42% in 2018-19 later on it increased to 22.79% respectively.

CHART-4.3 Loan Position of the Bank from 2014-19



INTERPRETATION:

From the above analysis it is clear that the borrowers of the loans has been increasing every year this may be due to the presentation of the bank in terms of recovery and other facilities of the bank where in it attracts the customer to approach the bank for loan and advances.

Table- 4.6 Profit Position of the Bank from 2014-19

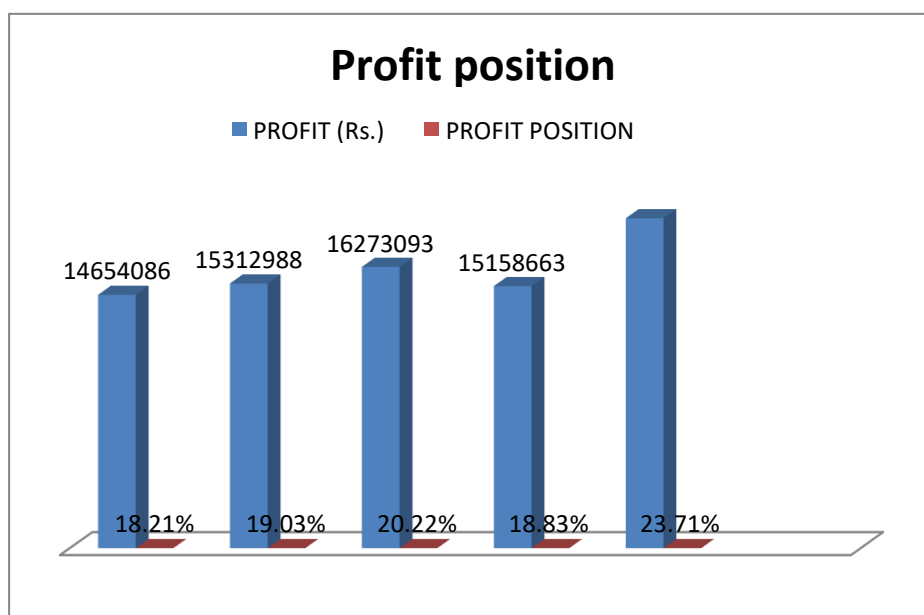
| YEAR | PROFIT (Rs.) | PROFITPOSITION |
|---------|--------------|----------------|
| 2014-15 | 14654086 | 18.21% |
| 2015-16 | 15312988 | 19.03% |
| 2016-17 | 16273093 | 20.22% |
| 2017-18 | 15158663 | 18.83% |
| 2018-19 | 19087547 | 23.71% |

SOURCE: SECONDARY DATA

ANALYSIS:

Net profit of the Guardian bank has shown a good growth in the year 2014-15 by gaining the profit of 1.46 cr and it increased to 1.53cr in the year 2015-16 later on it earned a profit of 1.62cr, 1.51cr, and 1.90 in 2016- 17, 2017-18 and 2018-19 respectively where there is increase of profit by 18.21% 19.03% 20.22 % 18.83% in the year 2015, 2016, 2017 and 2018. In the year 2019 profit has increased by 23.71% compared to that of 2013.

CHART4.4 Profit Position of the Bank from 2014-19



INTERPRETATION:

From the above analysis it is found that the Guardian Bank is earning reasonable profits every year and this is the symbol of efficient and effective banking operations followed by the bank. Sometime the profit reduces which will be due bad and doubtful loans and NPA's.

Table-4.7 Growth of Deposits by Guardian Bank from 2014-19

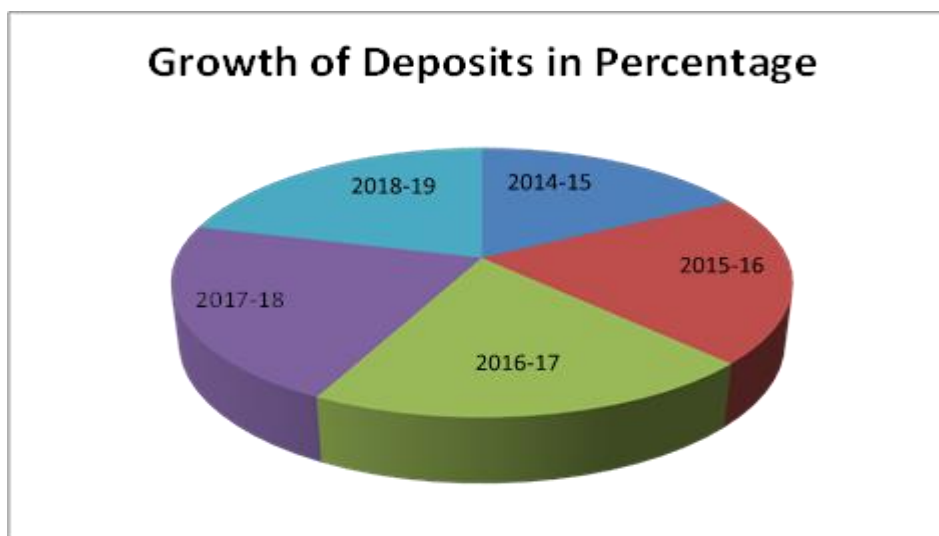
| YEAR | TOTAL PROFITS(₹) | GROWTH OF DEPOSITS IN PERCENTAGES % |
|-------------|-------------------------|--|
| 2014-15 | 840794410 | 17.22% |
| 2015-16 | 988746224 | 20.25% |
| 2016-17 | 975052444 | 19.97% |
| 2017-18 | 1051032806 | 21.53% |
| 2018-19 | 1026657532 | 21.03% |

SOURCE: SECONDARY DATA

ANALYSIS:

From the above data collected it is found that the growth of deposit of the Guardian bank has been 17.22% in 2014-15 and increased to 20.25% in 2015-16 and decreased to 19.97% in 2016-17 and again increased to 21.53% in 2017-18 later on it is decreased to 21.03% in 2018-19 respectively.

CHART 4.5 Growth of Deposits by Guardian Bank from 2014-19



INTERPRETATION:

From the above chart it is clear that deposits of the bank is increasing every year this may be due to the Performance of the bank and other services which attracts the consumers in depositing in the bank. Another reason for this would be the rate of interests which attracts the customers to deposit in the Guardian bank

Table- 4.8 Non Performing Assets of Guardian Bank from 2014-19

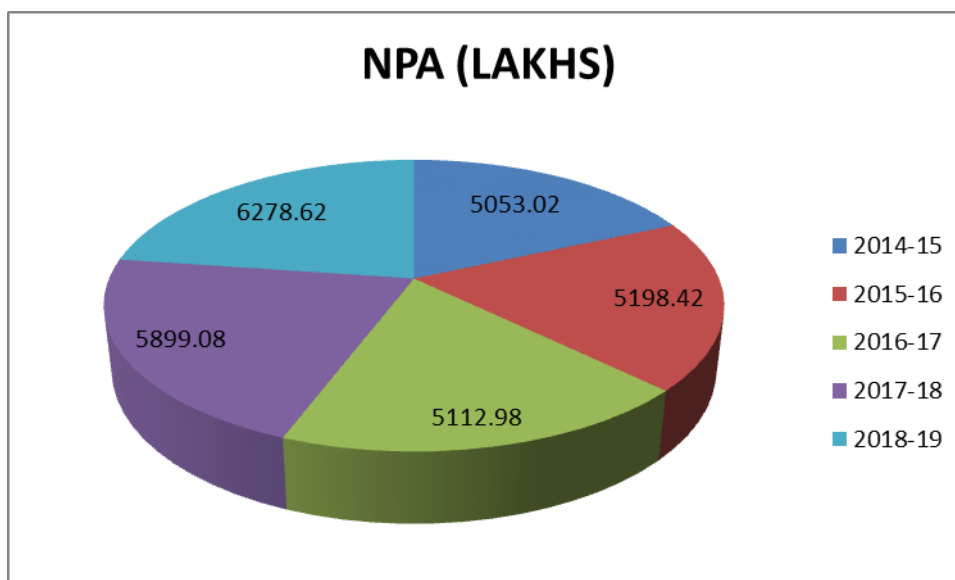
| YEAR | NPA (LAKHS) | PERCENTAGE |
|--------------|--------------------|-------------------|
| 2014-15 | 5053.02 | 18.35% |
| 2015-16 | 5198.42 | 18.87% |
| 2016-17 | 5112.98 | 18.56% |
| 2017-18 | 5899.08 | 21.42% |
| 2018-19 | 6278.62 | 22.80% |
| TOTAL | 27542.12 | 100% |

SOURCE: SECONDARY DATA

ANALYSIS:

The above table gives an idea of NPA of guardian bank for comparative year of 5 that is from 2014-2019. This table also shows the decrease and increase of amount in the following year. In the year 2014-15 the NPA amount is represented by Rs.5053.02 lakhs, followed by NPA amount Rs.5198.42 lakhs in 2015-16, in 2016-17 the NPA amount is of Rs.5112.98 lakhs, in 2017-18 the amount increased to Rs.5899.08 and in 2018-19 the NPA amount is Rs.6278.62 lakhs. Hence the table shows that there is in NPA amount in the following subsequent year.

CHART 4.6 Non Performing Assets of Guardian Bank from 2014-19



INTERPRETATION:

The table above indicates that the bank's outperforming assets were increased last year. This can increase owing to the borrower's lack of proper debt management. The bank will keep careful track of borrower collecting the debt.

Table 4.9 NPA and Recovery Performance of the Guardian Bank 2014-19

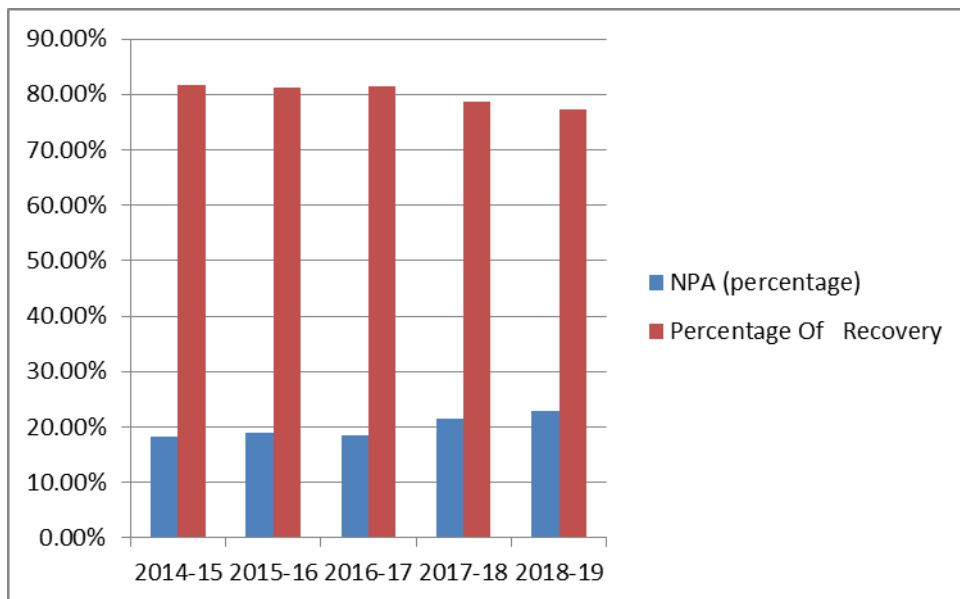
| Year | NPA (percentage) | Percentage Of Recovery |
|-------------|-------------------------|-------------------------------|
| 2014-15 | 18.35% | 81.65% |
| 2015-16 | 18.87% | 81.13% |
| 2016-17 | 18.56% | 81.44% |
| 2017-18 | 21.42% | 78.58% |
| 2018-19 | 22.80% | 77.2% |

SOURCE: SECONDARY DATA

ANALYSIS:

From the above table it is analyzed that in the year 2014-15 NPAs in bank was 18.35% corresponding to Recovery Performance at 81.65% in the year 2015-16 NPAs increased to 0.52% where Recover Performance increased to 81.13% and during 2016-17 NPAs slightly reduced to 0.31% and Recovery Performance at 81.44% and during 2017-18 NPAs increased to 2.86% and Recovery Performance at 78.58% and during 2018-19 NPAs increased to 1.38% and Recovery Performance at 77.2%.

CHART 4.7- NPA and Recovery Performance of Guardian Bank from 2014-2019



Interpretation:

As it is said higher the recoveries lower the NPAs. Thus recovery and level of NPAs are inversely related. From the above analyzed data it is clear that NPAs is instable year to year, the reason for this is the impact of fluctuation in the income level of the borrower due to this the recovery performance was a little bit low because of which NPAs are slightly increased.

CHAPTER 5

FINDINGS, CONCLUSION AND SUGGESTIONS

5.1 FINDINGS OF THE STUDY:

- ❖ It is observed that majority of the loans are issued for business loans at the fixed rate of interest.
- ❖ The maximum numbers of customers are salaried employees who earn the income regularly.
- ❖ It is found that the levels of bad loans are below 5%.
- ❖ Guardian bank prefers filing suits against the defaulters of the loans.
- ❖ The bank's debt management strategy (Recovery Strategy) is focused on honesty and consumer satisfaction. The Bank does not follow strategies that are overly restrictive in borrowers' recovery or duties. The emphasis is on courtesy, equal treatment and conviction.
- ❖ All the procedures followed by the bank to track and recover duties and repossess protection are considered to be in compliance with the law.
- ❖ It is observed that the bank's amount of non-performing assets decreases year by year except in 2015-16 and 2017-18 as opposed to previous years. Since of the effect of the consumers' income level, there was fluctuation in the borrower's income level as a result of this the NPAs was marginally increased in the years 2015-16 and 2017-18.
- ❖ As per the information given by the bank officials, the main reason for loans becoming due /accounts becoming non-performing asset in the bank are will f default and diversion of fund.
- ❖ It is examined that though the position of deposit, loan and profit of the bank is in increasing trend during the year 2015-16 to 2016- 17,it requires recovering the nonperforming assets through effective measures. So there will be further growth in the performance of the bank.

- ❖ It is found that the level of profits is increasing from 2013- 2016 and had a sudden decrease of 7% compared to the previous year 2015-2016 this is due to the level of recovery performance of the bank.
- ❖ It is found that the deposits of the bank are increasing every year comparatively which shows the efficient work or progress of the bank which attracts the customers towards the bank.
- ❖ It is found that before the enactment of the Securitization Act the banker had limited options for recovery which consisted of having an intensive follow-up and interaction with the borrower and initiating legal action through courts.
- ❖ It is recognized that the Securitization Act empowers banks to adjust or take over the management / possession of the defaulting borrowers' secured properties, and to sell or lease the properties without court interference.

5.2 SUGGESTIONS

- ❖ Banks are recommended that the proper paperwork and inspection be carried out before the loan is approved.
- ❖ It is suggested to bank empower staff to make decisions related to sanctioning of loans.
- ❖ The borrowers are constantly reminded about their over dues and notices to clear them are regularly sent
- ❖ In order to keep track of their loan payment, regular communications with customers must be maintained
- ❖ Stringent steps must be taken when the loan is given or approved. The checks that include work and pay slips verification, securities verification, and thus the like.
- ❖ While sanctioning loans to customers past credit history is to be considered, along with current income and assets.
- ❖ The guidelines issued both by the RBI and concerned statutory board of the bank regarding the issue of loans as well as recovery methods should be strictly considered and implemented.
- ❖ List of defaulters is displayed in the notice board of the branch without disclosing the account number; amount of loan, overdue etc., the idea is simply to draw attention of the defaulters to contact the branch manager.
- ❖ Identify critical branches for intensive recovery, set recovery targets and draw up program of time-bound action. Track execution of time-bound plan of action.
- ❖ In order to increase the recovery, rebates should be given on interest amount to its old customers so that they can recover the amount. As it brings loyalty towards bank.
- ❖ Effective policies should be framed regarding the process of recovery of loans/debts during the time of changes in economic conditions of the country like recession, inflation etc.

5.3 CONCLUSION

It has been said that a bank “never” makes a nasty loan; loan goes bad after it has been made. If the customer fails to make repayment on or before the maturity it's considered as sticky account. Any customer who becomes defaulter may bring problems to the banker who grants the loan from depositor's money which money possesses to be returned to the depositors with regular interest. The loans and advances are recovered which is known as inevitable. Recovery management program should develop a collection strategy to meet the Bank's objectives. Bank will recoup its overdue sum without dropping its customers. The Guardian Souharda Sahakari Bank Niyamita, which had started 20 decades ago, has a prominent position in India and is one of the country's very best cooperative banks, as well as being awarded by the Karnataka Souharda Federal Cooperative Ltd it's providing excellent services to its depositors, shareholders, borrowers through its computerized branches and motivated staff. It's highly appreciative that the bank has reached this position within the quantity. Overall the bank is found to be one of the pioneers among the co-operative banks and has become instrumental within the economic development of its members. But of bank is facing the matter of accelerating level of NPA's over the years which should be taken care of.

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