

## **“A STUDY ON CREDIT AND RECOVER MANAGEMENT” IN HDFC**

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### **ABSTRACT**

*The topic of the project report at HDFC Bank, Tumkur, was credit risk management. The research focused on the hazards that a bank must face while doing business. Customers must be able to get loans, and banks must design strategies and methods to reduce the amount owed. A potential risk that arises as a consequence of lending The income statement, for example, is a financial statement that provides information about the company's finances. The balance sheet and profit and loss statement of HDFC Bank. There are four reasons why data is studied. The information was taken from the bank's annual reports from 2014 to 2017. The bank is found to be properly managing its credit risk, as shown by the amount of NPA that has been misplaced There are some non-performing assets, but not as many as there have been in the last four years. Such loans have never resulted in a loss for the bank. There is no indication that the bank effectively controls its credit risk. As a consequence of lending, the bank has experienced a large loss. The bank has a well-thought-out strategy and methodology in place.*

### **INTRODUCTION**

Financing means the control of a company's financial flows. He is interested with the application of money management, usage and administration skills. Financial control shows that part of control finance may be characterized as 'time cash provision.'

The focus was on developing strategies and controlling the company's financial resources. The identification of various resources is given for raising money for the business. The assets must be suitable and economical for the organization's requirements. The best use of this money is also the financial control securities.

### **THE MAIN OBJECTIVES OF THE FINANCIAL CONDITIONAL: -**

1. Have sufficient money
- 2 Optimal budget usages.
- 3 higher returns.
- 4 shareholder wealth maximization.

The financial supervisor is supposed to create economic predictions and plans in the present project. Within the boat, the financial supervisor should arrange the required money. An important feature of a financial supervisor is how this budget may be produced and executed. The price bandwidth resources are stocks, bonds, financial institutions, business banks, etc. Before making a final choice, managers and negatives from many sources should be considered. We have to compare the worth of acquiring financial resources and rewards. For this purpose, the capital budget technique is utilized. The objective of maximizing income may be accomplished by effectively using the pricing range and by not stopping working at all times. The area is led by a succession of mergers and consolidations to the present competitive industrial world. The CFO seeks to assist management in doing the assessment, etc. Therefore, various techniques for assessing stocks and other characteristics must be known to obtain accurate values.

Cash is an excellent liquidity source. Items need to be purchased without cooking, fees paid, other expenses covered, etc. To assess the requirement for liquid property, a financial supervisor must then produce liquid property in a manner which does not have a budget deficit.

## DESIGN STUDY

Heft's personal bank loans are the bank's biggest business. Every year, the private mortgage institution doubles. This is the bank's most lucrative institution. Personal loans contribute substantially to the financial institution's final complete review.

The credit branch is a business personal loan company's base. The primary purpose of the loan is to assess the applicant's credit level, pay the right amount on the basis of the assessment, and pay attention to the terms and conditions and limitations of the rules.

Since then, the phrase credit management has been more important since resistance and cultural persuasion have reinforced credit. Credit is provided to support income. The credit is suitable for those customers who, because of various reasons, cannot get loans from other sources. Accounts receivable financing relies on the amount sold by the credit value and the technique utilized to collect the accounts receivable. Accounts receivable are without question one of the most significant asset types for a business which ensures good credit management.

A number of variables, such as: The credit score management time may be assessed from:

Price conditions, credit policy factors, credit assessment, selection of credit grants.

Redemption control is the process for dealing with the Department's set of obligations aimed at enhancing the flow of currencies at minimal costs. Include the collection in the proper phrases at the appropriate moment and the right quantity.

This method starts with the knowledge of the number of tasks and the success of the assembling process. It doesn't simply finish with a string. In addition to accomplishment, problems and regions of risk must be verified and an efficient loan extension, sales and collection device should be developed.

### **Study objectives:**

The main goals are to examine:

- 1 Monitor credit scoring effectiveness processes.
- 2 To examine the technique of recovery in HDFC BANK LTD adopted.
3. Investigate and analyze the technique and assessment criteria of the payment of the mortgage.
- 4 Consider and evaluate the default rate contributing components and their interrelationships.
5. To suggest suitable credit control and recovery methods.

### **REVIEW OF LITERATURE**

Since then the phrase credit management has become important since competition has increased and the persuasive ability to offer the credit score. Credit is provided to support income. Credit is appealing to consumers who for many reasons cannot get loans for various assets. Company investment in receivable accounts relies on how the whole group is sold on the basis of the loan value and how accounts receivable are obtained. Accounts receivable are one of the business's main asset classifications, helping the company manage its lending effectively.

The phrase credit control may be examined from many components, for example:

- 1 pricing requirements.
- 2 factors of credit coverage.
- 3 ratings for credit.
- 4 Provide credit check.

The terms of shipping vary significantly throughout the year. The usual maximum connection is established and the exchange cycle is funded in part by the provider, in part

by the consumer and in part by certain economic intermediaries. Payment is paid before to delivery when items are bought metallicity. Credit earnings are typically in an open account. The shipment and the invoice change are lower than the credit score.

Credit policy factors include credit criteria, credit point time, cash discount and chain delivery. The business is ready to learn how to provide a credit rating. When you leave a spectrum, you may opt to not give any customer with a credit score, no matter how good your credit score is. In the other scenario, you may choose to provide all customers a credit score, irrespective of your credit rating. There are many possibilities between these two extremes, of a more practical and regular kind.

The balance duration refers to the amount of time that consumers may pay for goods, which are usually between 15 and 60 days. Extending the credit term boosts revenue by attracting new clients from current consumers. This is associated by increased debtor investment and a higher rate of catastrophic debt loss.

All businesses usually give cash incentives to encourage consumers to pay. The discount %, stock offer and time are evaluated at some point when miles are accessible in the conditions of credit. The introduction of a coin discount may also indicate that the discount rate has extended and prolonged the time that boosts sales, lowers the combined group's length and increases discount costs.

Plan a number of the company's goals for prompt recovery of receivables. The tight chain programmed tends to decrease sales, lower the length of the common chain, reduce bad debts, and raise cost of collection and, in the event of a lax collection programmed, vice versa. Credit assessment is an essential component of credit monitoring that helps to set credit score limitations. There are two kinds of mistakes, for example:

Correctly, type I mistakes identify a client as a negative credit score risk. Second type errors are a wonderful credit opportunity for the terrible client. All mistakes are costly. Errors of the first kind lead to loss of revenue from the right credit customers. Type II mistakes lead to significant debt losses due to erratic clients selling credit points. A sufficient credit value may offset such mistakes.

Three basic methods for assessing a credit rating are

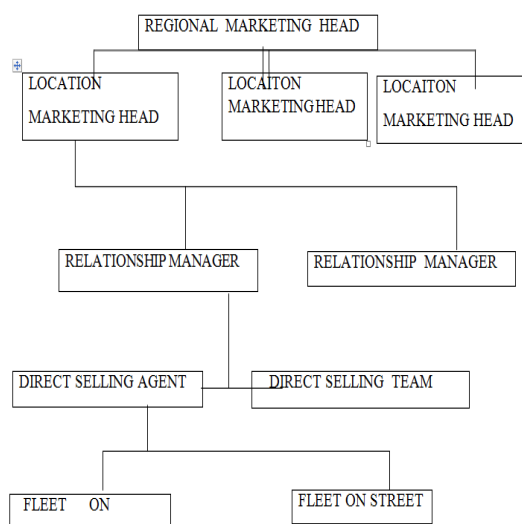
1. Traditional examination of the credit score.
2. 'Sequential credit assessment.
3. Analysis of discrimination. Conventional examination of the credit score involves the assessment of a prospective beneficiary with a "5 credit score."

4 This is the customer's desire to fulfill its obligation.

5 Customer's capacity to fulfill current currency flows' credit score commitments. Three financial reserves in the buyer's capital. If the customer has a difficulty meeting his credit value responsibilities in the currency flows, he must be aware of his capital. Four security guarantees must be given in the form of mortgaged property with the help of the buyer. Five V C are the economic preferences affecting the recipient.

For simple reasons, just three men or women are taught.

### **ORGANISATIONAL CHART OF MARKETING DEPARTMENT:**



Head of Regional Marketing (RMH) (heading entire region)

Relationship Manager (RM) Location Marketing Head (LMH) (heading whole location)  
(for maintaining relationships with DSA and DST)

Direct Sales Agency (external) / Direct Sales Team Fleet on Street (FOS) DSA/DST - Direct Sales Agent (external) (for sourcing the case, making cold calls, collecting relevant documents etc.) The Personal Finance Marketing Department is responsible for business sourcing. This department operates via the DSA/DST and RM networks. RMs is responsible for managing DSA and DST partnerships. Under RM, the sales department is split into two sections

### **DEPARTMENT OPERATIONS:**

Following the completion of the loan penalty system for the customer, the document is sent to the operations department which must endorse the whole procedure for payment.

At a birthday celebration the functioning of branch issues will be checked. All PDC papers (later checks) and any single important documents are located in Mumbai's main workplace, where all documents are stored in the 'NUCLEUS' personal security locker, proof that the chimney and the bank pay for the file storage.

In Nucleus, the PDC arrives to the banking institution simultaneously each month. Hdfc distributes its compensation branch to a nationalised bank, where it accepts and distributes all PDCs to interested banks, where they are paid in miles, by copying the faithful member's facts and checks, without compensation. The night to the process branch. The following morning, the process branch receives the difficult response and they know the reasons for checking the rebonds.

The caller then contacts consumers remotely and informs them of the rebound of checks and the reasons for them and informs them of criminal costs, depending on the buyer's reaction. All the facts are maintained in order.

### **RECOVERY IMPORTANCE**

One of the most critical areas in today's market scenario is to protect the bank from bankruptcy. Under these circumstances, Recovery plays a key role in banks' growth. Any delay in the implementation of the receivables would advertise the work capital, which in turn affects the company's entire financial management. No company can succeed if its overdue is not properly gathered, monitored and handled. Thus, management of recovery is essential to support the bank and its development.

### **RECOVERY IN HDFC BANK**

If all doors are closed to the client to collect the EMI, the recovery department will be responsible. The recovery department is very important in Heft bankLtd. The HDFC BANK recovery department follows bucket-wise rules starting with BUCKET 1. Checks of rebound customers will be sent to the recovery department where they pressurized the client and received the EMI, including customer penalty and check rebound fees.

For the recovery department termed "INFANT DELIQUENCY," where the recovery department predicts whether the client will be defaulted in future, the first six months of the customer are essential. In HDFC BANK, where they use the bucket method, the recovery department is extremely powerful. The system of buckets relies on "Days past dues." For every 30 days, depending on the EMI amount, the bucket system moves from one bucket to another.

## **FLOW PROCESS INSERT**

If the bank cannot collect one EMI from the customer for the last three months, it reserves the case as non-performance assets.

They declare the amount in the future calculated as a loss in order to avoid this type of bank loss. They care much about assembling the EMI with a reasonable ladle within 3 months without reducing the boom up to the limit of the predetermined ratio. The loss is computed using the system below:

Extraordinary receiver = EMI \* lost amount + EMI \* future heart amount. To limit the proportion of criminals, the fundamental measures were taken from the start of the assembly. The slip resistance is shown from the upper to the lower level on the floating chart.

The clipboard administrator puts a great deal of pressure to prevent a scenario which does not extend to the second set anymore. In the recovery industry, Bulldozer Supervisor performs a unique function and has paid extra costs and perks. Similarly, the portfolio supervisor in the second group is doing an excellent job of reducing the status now by not extending it to the third set. If the case falls into the third set, and the portfolio manager does not have at least one EMI, the case shall be reserved as another that is not the general performance asset, which constitutes a loss for the financial institution.

### **Legal aspects of recovery.**

When the file reaches the third group, they lawfully continue to get the money despite having applied all the pressure if they cannot get the amount.

The three major areas for legal monitoring are:

1 Article 138 1 (Negotiable Instruments Act)2 Under Article 156

Section 39 3

Rule 138

If a check made by one person, with the assistance of the bank, is kept in the account to pay any amount to any other person outside this account to release, wholly or in part, any debt or legal liability, he returned either the amount pending for the credit of this account with the help of an unpaid bank using an agreement concluded with the financial institution. The fact is that this character has committed a crime and may be sentenced to jail for a time that can rise to 365 days or of a quality that can also double verification or with everything without prejudice to certain other provisions of this legislation. The court now has the power to maintain the check under Stage 138 NI for a year in jail. TO.

### **Checks register**

The postponed check stays the exchange notes until the day of their being written and takes effect from the date stated on your face. Check the delayed date withdrawn on the day of retention - Rule 138 Part 138 (a).

### **Service of electronic cleaning**

Six checks, including four checks that include EMI and one with a total mortgage amount, are included in the electronic payment service. Each check is signed according to RBI rules for a loan.

### **Default instructions**

This kind of training takes place when the borrower works inside the respective financial institution and receives the mortgage.

The Chief Ministerial Officer signs the summons issued for testimony in the majority of the cases.

1: This is the witness' quotation.

2: the defendant shall convene to sign with the judges:

The judges sign the accused personally. A copy of the cash may be given to the defendant by subpoena or order under Part 204 of the Law in accordance with clause I

### **Hearing place to say:**

- Every quotation and request for delay must hear the way it refers to.
- A note with the evidence of the judge or the mark of the judge:
- In the court chamber where they were given, all orders must receive a mark from them.

### **Paragraph 156**

It is claimed that this lawsuit against the customer as a matter of fraud or forgery in which the purchaser may have submitted fraudulent mortgage papers could be a lie for the financial institution.

Who helps stupid ate someone by deception or trust abuse comprises individuals. Then a lie is to pass on your property to any person or accept that any man or woman will retain any



assets that willfully eliminate the character who cheats or lets him do something he can't or does not do if he hadn't cheated or caused damage or damaging vital damage in the body, it is said that ideas, popularity and property "deceive" that character

### **A case in point**

1. A by putting an anti-fuel mark on an item that intentionally defies the right to think that such materials were produced by a star product and thus by a non-adm.

I Sarkar Dibas versus. State 1989 Cr. 30 Cal. LJ MOC 30 Cal. (ii) Kakumukkala Krishnamurthy vs. AP AIR 1956 Sec. 333 State.

### **INDUSTRY PROFILE**

Indian financial services may be mostly categorized as nationalized banks, private banks and specialized banks. The Reserve Bank of India serves as a central institution for monitoring the variations and shortcomings in the instrument. Since the banks were nationalized in 1969, banks in the general region or nationalized banks have acquired significance and achieved that apparent development. The ambition to emerge as target consumers has pushed banks in the public sector to proceed rapidly. The network's introduction of goods and services encouraged participants across the banking and economic market network to return to their existing portfolio. Conservative banking policies permitted the isolation of Indian banks from the Asian exchange crisis. Indian banking is evaluating better rates than banks in other Asian countries (such as Hong Kong, Singapore, the Philippines, etc.) that have a significant role issue with high unprofitable assets (NPAs) and commission hypotheses. Cooperative banks are intelligent: they approach and have efficient branch networks, which usually concentrate on specific retail areas.

Indian banks subsequently worked on the dynamics of competitiveness in the "new" Indian market and faced associated issues with the many and varied circumstances of globalization. Banks which employ IT responders are regarded as future-oriented and proactive players able to add various needs from a wide client base. Private Banks were quick to reposition their technology via the network. The Internet has become a new and challenging interface for advertising with conventional material principles as essential as any other media.

Indian banking has become a highly busy and efficient corporate organization. The large dosage of liberalization and financial changes that enabled banks to pursue new projects instead of earning revenues from conventional flows contributed significantly to this shift (i.e. loans and loans). In India, banking services are highly fragmented, with 30 banking entities contributing about 50% of deposits and 60% of advances. Due to their long-range penetration networks, nationalized Indian banks, which control the authorities, remain the

largest lenders of the economic system, guaranteeing them the excessive mobilization of deposits. Indian banks may be widely categorized as nationalized and personal banks and specialized banks.

The Reserve Bank of India serves as a central institution to check device inconsistencies and shortcomings. In the Indian monetary sector, he is the most watchful. Nationalized banks (that is, authorities-owned banks) maintain influence over the landscape of Indian banking. Industry estimates suggest that 223 are in the public sector and 51 in the non-public sector of the 274 commercial banks functioning in India. The network of personal financial institutions comprises of 24 international banks which have begun their business here. Specialized financial organizations come under the shadow of nationalized banks. These cooperatives and rural banks concentrate on agriculture, development in rural regions, etc.

### **COMPOANY PROFILE**

In 1994, HDFC became one of the first firms to receive a prior permission from the Reserve Bank of India (RBI) to create a non-public financial institution as part of the Indian banking industry's liberalization of RBI. The bank was converted to "HDFC Bank Limited" in August 1994 with its registered office in Mumbai, India. HDFC Bank started functioning in January 1995 as a commercial bank.

#### **Summary of the company**

HDFC is India's finest housing fund agency and has a flawless song library both in India and on other marketplaces. The business has maintained a steady and proper growth in operations since it was founded in 1977 to stay the industry leader in real estate financing. More than one million housing units are covered in the exceptional mortgage portfolio. HDFC offers extensive retail loan information for outstanding market segments and has a large network of corporate sponsors for its home credit programmers. With its economic market appearance, a strong market appeal, a large shareholder base and a distinctive sponsoring franchise, HDFC has become the perfect place to advertise a bank in the Indian Ocean.

The authorized capital of the bank is Rs. 550 core by 30 December 2009. The capital paid out at the above date shall be Rs. 455, 23, 65, 640/- (45, 52, 36,564 shares of Rs. 10/- each). HDFC Group holds 23.87 percent and approximately 16 years of capital of the bank. The ADS deposit holds ninety-four percent of the capital (in line with the issue of the Bank's deposit of shares (ADS). Around 4,58583 owners own 27.46 percent of the capital of foreign institutional investors (FII).

Bombay Stock Exchange Limited and National India Stock Exchange Limited will be listed. The ADB American Deposit Shares (ADS) are listed on the New York Stock

Exchange (NYSE) under the image "HDB" and on the Luxembourg Stock Exchange under the ISIN No. US40415F2002 the global deposition receipts (RDA) are indexed. In July 2001, Mr. Jagdish Kapoor was appointed Chief Financial Officer. Mr. Kapoor was previously appointed Deputy Governor of the Reserve Bank of India.

### **Management**

Mr Aditya Puri, Managing Director, has been a professional banker for over 25 years and before joining HDFC Bank he moved to Malaysia's top operations in 1994. The Bank's Board of Directors is made up of outstanding individuals with significant expertise in public service coverage, administration, business and industrial banking. Also on the board are senior managers from HDFC.

Many businesses, functions and papers are referred to the Manager by the principal banking corporations with vast capacity in India and overseas. Given the professional expertise of the public awareness and control team, which hires and maintains the finest industry experience, the financial institution feels its employees are a powerful aggressive force.

### **BOARD OF DIRECTORS**

Mr. Jagdish Kapoor, Chairman

Mr. Keki Mistry

Mrs. Renu Kamad

Mr. Arvind Pande

Mr. Ashim Samanta

Mr. Chander Mohan Vasudev

Mr. Gautam Divan

Dr. Pandit Palande

Mr. Aditya Puri, Managing Director

Mr. Harish Engineer, Executive Director

Mr. Paresh Sukthankar, Executive Director

Mr. Vineet Jain (upto 27.12.2019)

### **REGISTERED OFFICE**

HDFC Bank House,

Senapati Bapat Marg,

Lower Parel,

Website: [www.hdfcbank.com](http://www.hdfcbank.com)

HDFC Bank provides wholesale and retail clients a broad variety of commercial and transactional banking services and treasury solutions. The bank has three main areas of operations

Network for Distribution

HDFC Bank was founded in Mumbai. The bank has a network of 1725 branches across 771 cities in India as of 31 December 2009. All branches are linked to the Internet in real time.

Customers get services via telephone banking at over 500 locations. The Bank's planned expansion takes into consideration the goal to be present in all key commercial and commercial areas with corporate customers, and the need to create a strong retail customer base for all mortgage deposits and properties. As a financial institution for several major stock exchanges, the bank has branches in locations with a strong foundation and active participation in NSE and BSE.

The bank has a 3,898 ATM network in India. All credit card holders Visa / Master Card, Visa Electron / Maestro, Plus / Cirrus and American Express may use the HDFC Bank's ATM network locally and internationally.

### **Services of Wholesale Banking**

The target markets of the bank vary from big and thin producers in the Indian enterprise to small and medium-sized enterprises and farming agencies. The bank provides a broad array of banking and commercial offers for these customers, including working capital finance, alternative services, transaction offers, cash control, etc. The bank is also a pioneer in existing solutions, combining coin management services with sellers' financing to enable enhanced control of its business customers' supply chain processes. On the basis of excellent cargo/ carrier certifications and a strong buyer orientation, the bank has achieved tremendous success in the banking unions of many large Indian firms, including multinationals, local home affiliates and quarterly key groups. It is an essential firm for controlling cash and banking transaction replies for business clients, investment funds, alternative stock participants and banks.

### **Banking Retail Services**

The aim of the retail bank is to provide its target consumers a whole spectrum of financial products and banking services, providing the customer with a single window for all their bank requirements. These goods are suitable with the usage of an international telecoms business and are provided to clients through the network of the developing branches and alternative shipping channels such as ATM, bank telephone, NetBanking and mobile banking services.

The HDFC Bank Program is suitable for individuals with high Internet value, HDFC Bank Plus apps and investment consulting, taking into consideration clients' requirements, who are looking for great financial solutions, information and advice in many countries. Methods of investment Moreover, the bank offers a broad variety of mortgage products, including auto loans, loans against marketable assets, personal loans and repatriation loans.

## ORGANISATION PROFILE

Under this category, small entrepreneurs like retail store brokers, etc. are part of this group, which involves high risk and high reward.

Tenure of the loan:

- The minimum duration for loans is 12 months.
- The maximum duration for loans is 36 months
- Borrower's age criteria:
- Age is at least 25 years
- The maximum age is 60 when the loan matures

The age requirements should be met by either the primary applicant or a joint applicant.

Equated Monthly Installments (EMI) dates:

Segment				RETAIL SENP
Agree dated	1 <sup>st</sup> -7 <sup>th</sup>	8 <sup>th</sup> -15 <sup>th</sup>	16 <sup>th</sup> -23 <sup>rd</sup>	24 <sup>th</sup> -31 <sup>st</sup>
EMI dates	1 <sup>st</sup> -5 <sup>th</sup> of next month	10 <sup>th</sup> of next month	15 <sup>th</sup> of next month	1 <sup>st</sup> of next month

## Turnaround time

The phrase loan payment is known as the approximation of time. Time is four business days for independent experts

Depending on the credit value return, the condition may be reported two times a day via email at some point on the day through to the end of the month. In addition to communication, preconditions must be fulfilled prior to payout.

## Salaried persons:

This category is as follows: - restricted groups, MNC (Multinational Corporation). For a minimum of 5 years, there are two private lifestyle businesses with more than 50 workers. Three software companies authorised or indexed to HDFC BANK on an exchange that quote the nominal value in proportion to the ratio or greater than Rs.10/-. (HDFC banking = HDFC banking)

Loan amounts:

Minimum loan amount: Rs 50,000

Maximum loan amount: Rs 10,000,000

Loan Period:

The minimum tenure of the mortgage is three hundred sixty-five days.

The maximum term of the mortgage is 36 months.

Age criteria of the borrower:

The minimum age is 25 years.

The maximum age is 60 years for when the mortgage expires.

The applicant or co-applicant must meet the age criteria.

**Equated Monthly Installments (EMI) dates:**

Segment			SALARIED
Agree dated	1 <sup>st</sup> -10 <sup>th</sup>	11 <sup>th</sup> -20 <sup>th</sup>	24 <sup>th</sup> -31 <sup>st</sup>
EMI dates	1 <sup>st</sup> -5 <sup>th</sup> of next month	10 <sup>th</sup> of next month	15 <sup>th</sup> of next month

## **DATA ANALYSIS AND INTERPRETATION**

The information or data of credit and recovery management reference to hdfc bank limited.

Finding for last years of description for recovery mode .

### **NON PERFORMANCE ASSETS**

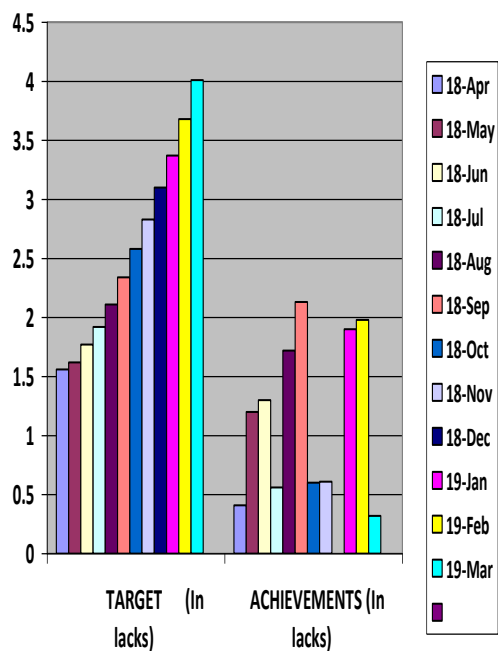
Table shows the data of the non performance assets of the HDFC BANK.

MONTHS	TARGET (In Cr.)	ACHIEVEMENTS (In Cr.)
April 18	1.56	0.41
May 18	1.62	1.2
June 18	1.77	1.3
July 18	1.92	0.56
Aug 18	2.11	1.72
Sep 18	2.34	2.13
Oct 18	2.58	0.60
Nov18	2.83	0.61
Dec 18	3.10	0.00
Jan 19	3.37	1.9
Feb 19	3.68	1.98
Mar 19	4.01	0.32
	30.89	12.73

**NON**

**PERFORMANCE**

**ASSETS-IN**



**CR.**

**TARGETS :** This is the amount given to book as loss for the recovery department in every month of non performance of asset.

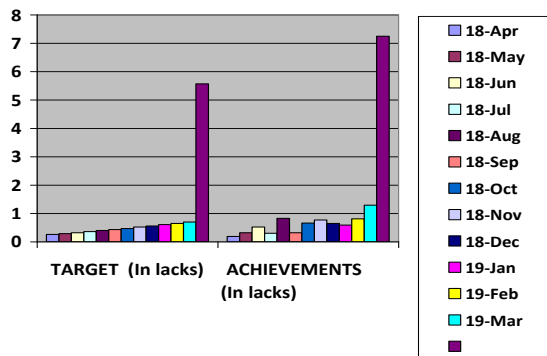
**ACHIEVEMENTS :** This is the amount booked as loss to recovery department achieved in every month.

### PENAL CHARGES COLLECTED

Finding for last years of description for recovery mode .

MONTHS	TARGET (In Cr.)	ACHIEVEMENTS (In Cr.)
Apl 18	0.26	0.19
May 18	0.29	0.32
June 18	0.32	0.52
July 18	0.36	0.30
Aug 18	0.40	0.83
Sep 18	0.43	0.32
Oct 18	0.47	0.66
Nov 18	0.52	0.77
Dec 18	0.56	0.65
Jan 19	0.61	0.59
Feb 19	0.65	0.81
Mar 19	0.70	1.29
	5.57	7.25

### PENAL AMOUNT



TARGETS: This is the target penal amount given for recovery department to collect.

ACHIEVEMENTS: This is the penal amount collected by recovery department every



Months	Target (Cr.)	Achievements (Cr.)
April 2019	0.71	0.67
May2019	0.74	0.53
June2019	0.77	0.80
July 2019	0.80	0.74
August 2019	0.82	1.21
September 2019	0.87	1.22
October 2019	0.90	0.93
November 2019	0.91	0.75
December 2019	0.93	0.95

month.

TABLE 5: Statement showing default on line of location.

LOCATION	NUMBER OF DAYS DEFAULT				ROW TOTAL
	30 DAYS	60 DAYS	90 DAYS	ABOVE 90DAYS	
NEW HYDERABAD	41	6	4	7	58
SECUNDERABAD	30	3	5	5	43
RANGA REDDY DISTRICT	29	3	3	4	39
COLUMN TOTAL	100	12	12	16	140

\*\*figures in parenthesis denote row wise percentage

	Observed frequency (oi)	Expected frequency (ei)	(oi-ei) <sup>2</sup>	(oi-ei) <sup>2</sup> /ei
NEW HYDERABAD	41	34	49	1.44
SECUNDERABAD	30	33	9	0.27
RANGA REDDY DISTRICT	29	33	16	0.48
	----- 100 -----	----- 100 -----		----- chisquare =2.19 -----

NULL HYPOTHESIS: H0:

Categories in 30 days are equally distributed

$$P1=P2$$

ALTERNATIVE HYPOTHESIS: H1:

Categories in 30 days are not equally distributed

$$P1 \neq P2$$

Chi square value is 2.19

Critical value at 95% confidence level is 5.99.

Chi square value is less than critical value so null hypothesis is accepted.

Therefore location of the loanees not influence on the defaulters (in 30 days category).

## **FINDINGS**

- If a credit institution is a businessman, the future reputation should be assessed. Reserves, environment, resilience, talent etc. You should evaluate forecast mortgage penalties depending on performance overall. It is necessary to evaluate the future whether or not the company continues in the future. The products will shape or no longer have to be analysed. Future assessment is extremely important compared to the previous client for the whole new buyer. The safety of the process, the power basis, the evidence beyond the economic issue, property etc., must be addressed in the case of the worker. • A government staff is also an essential stage: the larest candidates may be chosen by utilising the influence of the project at the workplace or by a billing staff member in the branch who wishes to take letters to ensure that payments to delays are taken once from your salary. This section is very helpful to increase loan sales if the relevant task officers complete correct checks and rigorous checks. Well relations with the authorities via the Al-Shifa branch will help enhance the community focus of government employees in the relevant branches, and the suitable force in the recovery branch will be resolved if people are replaced.
- • To safeguard the loan and encourage recovery, particularly when there is the potential of transferring to the mortgage, for example: if personal mortgage property or a guarantee of the presidential employee is attached, these defaults may be minimised.

## **SUGGESTIONS**

- An investigation should be made on the political connection between the loan and its prior political profession before paying the amount of the mortgage in an effort to ease the problems of the collection of the amount.
- Proper document verification and an assessment of business activities and properties before such loans may be imposed is important to prevent overvaluation by workers. In this regard, a technician with complete restaurant, legal and creative expertise is chosen to conduct a thorough examination.

- The head of the recovery department and the head of the revenue department should decide random cases and move to sites for examination in each month of the first week, where the picture can be exactly located • Stumping on fraud for people whose aim is simply to obtain sources for loan programmes. The degree of fraud can be confirmed in the meanwhile.
- Excessive involvement and particular attention is paid to the quantity of mortgages consumed by the customer by non-independent experts. It should be paid even if the amounts of the mortgage are consumed.
- Recovery control should be a proactive system and should not be restricted to the virtual introductory hobby, which must create a feasible shock control device for each punishment from the outset.

### **CONCLUSSION**

- The consumer should meet often, and the client should better meet if he receives a cash or in-kind award. In addition to market penetration, this enables more publicity for the financial institution.
- Contact with the borrower must be maintained after exchange. This does not offer the most effective construction report, but also provides virtually fundamental proof that a borrower can fulfil the payment requirement. At the same time, this is also supported by the most important recipient.
- Significant cooperation between the income department, the credit department and the redemption branch must be achieved because they must look at the loan profile and penalise the sum with suitable stringent checks if the sum is large.

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