# INTERNSHIP REPORT ON DISTRICT CO-OPERATIVE CENTRAL BANK

# CHINTAMANI.

**Submitted by**

**Mr. Manjunath R. G.**

**USN: - 4AL21BA044**

Submitted to

**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI**

**In partial fulfilment of the requirements for the award of the degree of**

**MASTER OF BUSINESS ADMINISTRATION**

**Under the guidance of**

**INTERNAL GUIDE**

**Dr. Catherine Nirmala**

**Professor**

**PG DEPARTMENT OF BUSINESS ADMINISTRATION**

**ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY**

**SHOBHAVANA CAMPUS, MIJAR, MOODBIDRI**

ಕೋಲಾರ ಮತ್ತು ಚಿಕ್ಕಬಳ್ಳಾಪುರ
ಜಿಲ್ಲಾ ಸಹಕಾರ ಕೇಂದ್ರ ಬ್ಯಾಂಕ್ ನಿಯಮಿತ, ಕೋಲಾರ.
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## TO WHOM SO EVER IT MAY CONCERN CERTIFICATE

This is to certify that **Mr. Manjunatha RG**, USN NO : 4AL21BA044 , who is studying in 2nd Semester MBA, Alvas's Institute of Engineering & Technology, Shobhavana Campus, Mijar, Moodbidri-574225 has under taking the internship in **DCC Bank Chintamani.**

He completed the Internship for a period of Four weeks successfully

We wish all the best in his future endeavours.

For Kolar & Chickballapur
DCC Bank Ltd.,
Chintamani Branch

Kolar and Chikballapura
DCC Bank Ltd.,
Chinthamani.

# DECLARATION

I, **MANJUNATH R. G**. hereby declare that this report entitled an organization study on "DDC BANK" is prepared by me under the guidance of Dr. CATHERINE N**,** Professor of MBA department, Alva's Institute of Technology, Moodabidri and external assistance by **MR. NAGARAJU** of DDC Bank.

I also declare that this Internship is toward the partial fulfillment of the university regulation for the award of Master of Business Administration by Visvesvaraya Technologies University, Belagavi.

I further declare that this Internship is based on the original study undertaken by me and has not submitted for the award of any other degree.

**Date:** **MANJUNATH R.G.**

**Place: Moodbidri** **4AL21BA044**

# ACKNOWLEDGEMENT

I would like to take this opportunity to express my gratitude toward those who have rendered their valuable guidance and have positively influenced my knowledge during organisation study.

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# TABLE OF CONTENTS

# Executive Summary

A district co-operative bank is a rural co-operative bank operating at the district level in various parts of India. It was established to providing banking to the rural hinterland for the agricultural sectors with the branches primarily established in rural areas.
Section5 (b) of banking regulation act 1949, “banking suggests that the exceptive for the aim of loaning or investment of deposits of cash from the general public due on demand or otherwise, and withdraw ready cheque, order or otherwise.
The primary objective of DCC Banks is to provide financial assistance to farmers and rural areas, especially those who are not covered by mainstream banks. They offer a wide range of financial services, including deposit accounts, loan facilities, money transfer, and other value-added services. The main source of funds for DCC Banks is deposits from their members, which they use to provide loans to their members at affordable interest rates.

DCC Banks are regulated by the Reserve Bank of India (RBI) and are required to follow various guidelines and regulations issued by the RBI. They also have to adhere to the Co-operative Societies Act and other relevant laws and regulations.

In recent years, DCC Banks in India have been facing various challenges such as rising non-performing assets, governance issues, and inadequate technology infrastructure. The government and RBI have been taking various measures to address these issues and strengthen the DCC Banks.

Overall, DCC Banks play a crucial role in providing financial services to rural areas and farmers in India. However, to ensure their continued success and sustainability, it is essential to address the challenges they face and implement measures to strengthen their governance, technology, and risk management frameworks.

## CHAPTER 1

## INTRODUCTION OF INDUSTRY:

### 1.1 INTRODUCTION:

A co-operative bank is a small-sized, financial entity, where its members are the owners and customers of the Bank. They are regulated by the Reserve Bank of India (RBI) and are registered under the State's Cooperative Societies Act. The Co-operative Banks have recently been in news after RBI's restrictions on one of the leading banks, where they were denied any kind of money withdrawal. This incident of the Punjab and Maharashtra Co-operative Bank (PMC) has raised questions over the reliability of such financial entities. Co-operative Banking has proved to be an asset in terms of acting as a financial intermediary to agricultural and allied activities, small scale industries, and self-employed workers. The Co-operative Banks in India are governed as per the Banking Regulations Act 1949 and Banking Laws (Co-operative Societies) Act, 1955. Banks have been opened with the motto of 'no-profit-no-loss' and thus, do not seek for profitable ventures and customers only. As the name suggests, the main objective of Co-operative Banks is mutual help. They work on the principle of 'one person, one vote'. Since these banks are owned by the members, a Board of Directors is chosen democratically and then they are responsible for controlling the Organization Farmers can avail agricultural loans on minimum interest rates from the Co-operative Banks Providing easy and accessible loans and credit benefits in the rural areas with scarce banking facilities The annual profit earned is spent on financial reserves and required resources and a part of it is distributed among the Co-operative members, as per the prescribed limitations These institutions play a critical role in last-mile credit delivery and in extending financial services across the length and breadth of the country through their geographic and demographic outreach. The concept of Co-operative banking is also extremely important for candidates preparing for the upcoming IAS Exam. Aspirants can visit the linked article for more details. The introduction of Co-operative Banks in India dates back to the early 20th century, which was a time of distress for the Indian society. A timeline as to how the co-operative banking emerged in India has been given below: The Cooperative Credit Societies Act, 1904, was the first step taken for the co-operative society, which got accelerated with the introduction of the Cooperative Societies Act of 1912 In post-independent India, Central Committee for Cooperative Training (1953) was set up by RBI for establishing co-operative training centre To solve the issue of the financial crisis in the rural areas, Rural Credit Survey Committee was set up 1954 This co-operative movement spread through the banking sector as well and by 1950s, Co-operative Banks had started extending their reach to the public in both rural and urban areas.

## ABOUT DCC BANK

DCC Bank stands for District Central Cooperative Bank. It is a type of cooperative bank in India that operates at the district level. DCC Banks play a crucial role in providing banking services to rural areas and promoting agriculture-based businesses. They also provide services such as accepting deposits, providing loans, and facilitating government schemes such as the distribution of subsidies. The main aim of DCC Banks is to provide financial inclusion and support economic development in rural areas. DCC Bank is a cooperative bank in India that provides financial services to its members, who are typically farmers and rural communities. It operates under the supervision of the Reserve Bank of India (RBI) and is governed by the Indian Cooperative Societies Act. The bank offers various products and services including savings accounts, fixed deposits, loans, and other banking services. The bank is focused on serving the needs of the rural population, promoting financial literacy and providing access to formal banking services to underserved communities. The main aim of DCCBs is to promote rural credit and support the growth of cooperative movement in India. These banks provide various financial services such as deposits, loans, and other banking services to its customers. DCCBs are regulated by the Reserve Bank of India (RBI) and the National Bank for Agriculture and Rural Development (NABARD) The banking model consists of a district central bank for each district in every state of India known with a name as a respective District Central Co-operative Bank. The members and their elected directors who represent a multitude of professional cooperative bodies like milk unions, urban cooperatives, rural cooperatives, agricultural and non-agricultural cooperatives, and various others in turn elect the bank's president. These banks are collectively represented by a State Apex Central Co-operative bank for each state and it acts as the ultimate bank and apex body for the DCCBs in each state. It has been widely observed all over the country that the local politicians who hold the sway over the cooperatives get elected as President of the DCC bank and a president post would mean nurturing for their future political ambitions.[citation needed] However, this trend, which has become a national phenomenon, carries its own advantages and disadvantage.

# CHAPTER 2

## 2.1 PROFILE OF THE DCC BANK:

The DCC banks were established on 24/12/1984. According to A.R.K No 492 it was Registered and administrative limit spread in all Taluks of Kolar district. DCC bank stared its operation successful from 14/01/1985. It has the objective of lending money and there by extending economic support of formers. DCC bank basically started as services co-operative society but later on it was converted as Vyavasaya Seva Sahara shanghai Niyamitha (VSSSN) which included 8 to 10 villages.Then it expanded as sericulture cum farmer services co-operative (SFSC's). After some daysaccording to the "Karnataka co-operative society act 1959" it was converted as a district co-operativebanks in district of Karnataka.

The Chintamani and Chikkabalapura DCC banks working as three tire structure in which Karnataka apex bank is considered as mother bank where maximum funds which are raised from this bank is for the purpose of lending. Apex bank raised funds from NABARD.

Finally, all these funds will be reaching to the farmers with help of primary agricultural co-operative society through DCC bank.

**ORIGIN OF DCC BANK:**

DCC Bank was established on 10-02-1955 under the credit cooperatives Act 1912. The main objective of this is to provide agricultural loans and advances for agricultural development and for its growth. It is giving special attention to small farmers and backward classes other than the developed classes and areas in its operational area.

**Credit cooperative Banks an overview:**

The credit co-operative society Act of 1912 governs the formation and working of credit co-operative's banks and societies in different states. The main objective of co-operative societies is to meet the long term and short-term credit needs of small and medium scale agricultural concerns. The credit co-operative societies and banks have to play a vital role in the agricultural development of the like; other banks also have to fulfil certain social obligations such as providing employment opportunities through assisting in financial aid to agricultural development and belonging to weaker section of society.

**Origin of District Central Co-operative Bank:**

District Central Co-operative bank was established in the year 10-02-1955 under the Credit Central Co-operative Act 1912 for agricultural development and for upgrading the agricultural growth in the nation giving special attention to small farmers and backward areas. District Central Co-operative bank has 22 Branch banks and 243 primary agricultural credit societies. These are offering various lending schemes for agricultural development and business expanding. These banks are specially meant for the agricultural credits. But unfortunately, the level of viability of all PAC'S is far from satisfactory. There are 5.21 lakhs agricultural families in the district out of which 4.24 lakhs families are enrolled as members and 36,233 members are borrowing members forming 15% of total members. Thus, there is good scope, for increasing membership as well as advances

**BACKGROUND:**

History of cooperative banking in India has the historical roots of the cooperative's moment in the world days back to days of misery and distress in Europe faced by common people who had little or no access to credit to fund their basic need in uncertain times. The idea spread when the continent was faced with economic security people were forced to poverty and deprecation. It was the idea of Schulz (1808-83) District Cooperative Central Bank, popularly known as DCC Bank and is a co-operative banking network established in India to serve cooperatives and rural areas. It was established to provide banking to rural hinterland for agriculture sector with the branches primarily established at rural and semi urban areas. The Banking model consists of a district central bank for each District in every state of India known with a name as a respective District Central Cooperative Bank. The members and their elected directors who represent a multitude of professional cooperative bodies like Milk Unions, Urban cooperatives, rural cooperatives, agricultural and non-agricultural cooperatives and various others, in turn would elect the bank's President. These banks are collectively represented by a State Apex Central Cooperative bank for each state and it acts as the ultimate bank and apex body for the DCCs under each state. It has been widely observed all over the country that thelocal politicians who hold the sway over the cooperatives get elected the president post of the DCC Bank and a president post would mean nurturing for their future political ambitions. However, this trend, which hasbecome a national phenomenon, carries its own advantages and disadvantages.

## 2.2 NATURE OF DCC BANK:

Nature of Business to increase in the agricultural production of a country or state, while providing thelivelihood for the people who engage

## 2.3 VISSION.MISSION & OBJECTIVES:

### VISSION

Our Main Vision is to serve customer to the greater extent and adoption of all modern technologies for Better, Fast and Squired service will be priority of the bank in future. The environment of all the branches will match nationalized standards with easy operation for our esteemed customers.

### MISSION:

We will consistently exceed customer expectations by providing a value adding solutions through professional and highly qualified people, delivering excellent financial performance inall sectors where we operate.

### OBJECTIVES:

- Undertaken common banking activity.
- Lending money to farmer to providing support.
- Giving loans to regular costumer by keeping their deposits as security.
- Providing safe lockers and deposits to both members and others for rent.
- With permission of regulators of the bank DCC bank established branches and extending counterand other officer and undertaking activities with permission.
- Encouraging visas voluntary vahini clubs.
- Taking steps to provide self-help groups which are under the limits of bank.
- They creating funds in order to facilitate or help their staff members and their dependent.
- Taking measure to help co-operative education

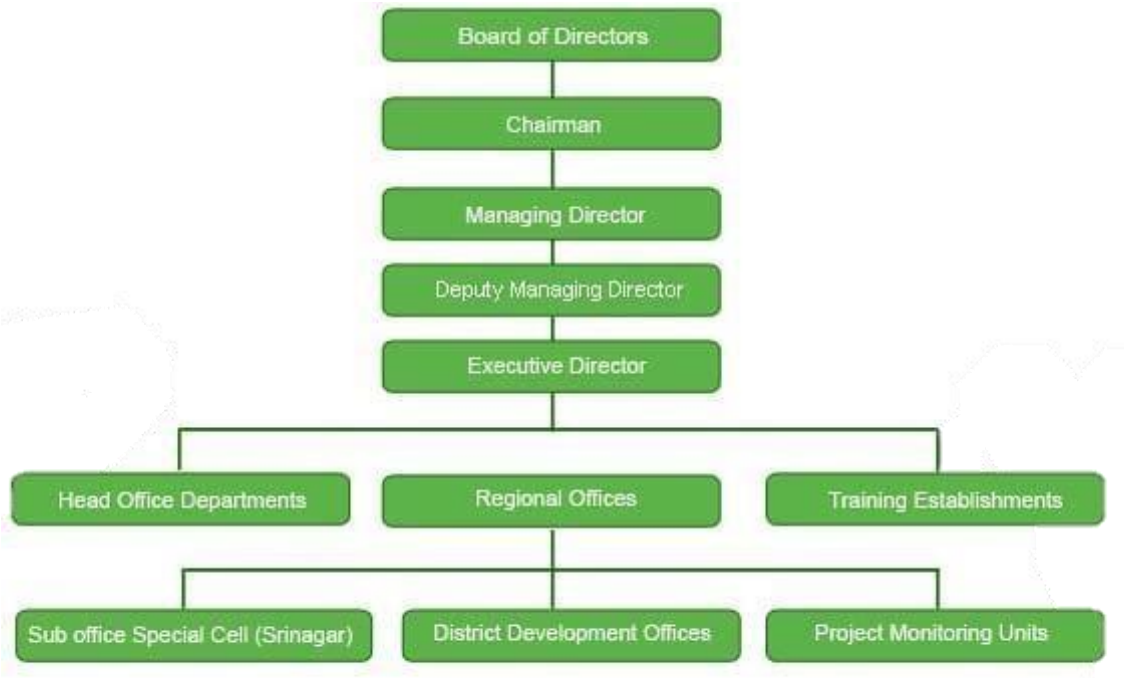
**ACHIVEMENTS:**

- Award From Nabard –Shg - 2003-2004
- Award From Nabard –Shg- Bank Linkage in Karnataka - 2009-2010
- Award From Nabard –Shg-Bank Linkage in Karnataka- 2010-2011
- Award From Nabard –Jlg-Best Performance Award- 2013-2014
- Award From Nabard –Shg- 2013-2014
- Award From Nabard –Jlg- 2013-2014
- Award From Nabard –Shg- Loan Disbursed 2014-2015
- Award From Nabard –Shg- Quantum Loan Outstanding- 2014-2015
- Award From Nabard –Shg-Best Performance Award- 2015-2016
- Award From Karnataka State Apex Bank – 2000-2001
- Award From Karnataka State Apex Bank – 2010-2011
- Award From Karnataka State Apex Bank – A Grade- 2011-2012
- Award From Karnataka State Apex Bank – 2013-2014
- Award From Karnataka State Apex Bank – A Grade- 2014-2015

**Major activities:**

- Preparing of Potential Linked Credit Plans for identification of exploitable potentials under agriculture and other activities available for development through bank credit
- Refinancing banks for extending loans for investment and production purpose in rural areas.
- Providing loans to State Government/Non-Government Organizations (NGOs)/Panchayati Raj Institutions (PRIs) for developing rural infrastructure.
- Supporting credit innovations of Non-Government Organizations (NGOs) andother non-formal agencies.
- On-site inspection of cooperative banks and Regional Rural Banks(RRBs) and iff-site surveillance over health of cooperatives and RRBs.

## 2.4 WORKFLOW MODEL:




**FACILITIES OR SERVICE PROVIDED TO CUSTOMER:**

- 5 Minutes Gold Loan Release
- Locker
- Loan On Deposits
- Above 181 Days 0.50% For Senior Citizen (All Types of Term Deposits)
- 0.50% For Women's (All Types of Deposits)
- RTGS / NEFT
- SMS / E-Mail Messages
- Ibt Transaction

**FLC:**

Financial Literacy Centres provide financial knowledge and the ability to use it for taking sound financial actionsand decisions so as to help masses to access banking products and its services. In our bank we have opened an FLC Centre with 2 staff for training the people bout new technologies and how to overcome frauds under the guidance of NABARD.

**ATM FACILITES:**

ATM facility is available for all the KCC account holders.

- ATM
- ABPS / ACH (Andhra Bridge Payment System) / (Automated Clearing House)
- P2F Clearing

## 2.5 PRODUCTS OR SERVICE PROFILE:

As a main authority in co-operative banking region the financial institution is rendering remarkable services for each agricultural and non-agricultural member there is annual round enchantment in the servicesof the DCC bank during its 8912 months of experience at present the Boom price in deposits and substantiallygreater than these recorded in the course of the last 2-3 decodes. The agricultural region is the major area towhich the financial institution offerings is being delivered to extent the pace of agricultural development thebank improves extraordinary kind of loans to want for mars.

- Account opening services
- Internet banking service
- Locker facility
- Dairy scheme of 2 animals
- Bore well with SIP set
- SHG linkage
- Education loan
- Home loan
- LIC policy
- Car loan
- Health insurance

- Bore nicely with SIP set
- Pipe line
- Drip irrigation
- S. H. G. linkage
- Rural road transport
- Kisan deposits card
- Housing loan
- Education loan

## SERVICES OFFERS:

### AGRICULTURAL LOAN:

The main activities of DCC banks are to providing loans farmer in order to increase the agricultural activates in particular area. They giving different types of loan to farmers only after making study on various aspect like land location of farmer of land and the ability of the farmer to re-pay the loanetc…

**Different Agricultural loan schemes are as follows:**

- **NON-AGRICULTURAL LOAN:**

These loans include different forms of schemes, they are

1. **LOANS ON GOLD ORANMENTS:**

Loans on gold ornament are provided in some branches of the like K.G., malur, gudibanda and Bangarpete. These types of loan introduced to give financial support to needed people at less rate of interest comparatively.

2. **HOUSING LOAN:**

Housing loans are giving to people to build their own house and full fill their dreams. The DCC bank opting housing loans at a low rate of interest.

3. **LOANS FOR SELF HELP GROUP:**

Loan for self-help group help to start their own business and also for expansion to improve infrastructure and also technology in their business the DCC bank providing loans at less rate of interest.

4. **YASHASWINI HEALTH INSURANCES SCEMES:**

The bank is rendering its services by registering member farmer of the society under of the. This schemes in order to make them obtained the complete services provided by the government of Karnataka. Though the bank was initially concentrating on farmer it is now extending its services by considering sericulture, dairy farmer, merchants, small scale industries and women to provide economic strength to them.

**MAJOR COMPETITORS:**

- Pragati Krishna gramina bank
- Kaveri Grameen bank
- PLD bank

**MAIN SOURCES OF FUNDS:**

1. Shapes, entrance fee, share price.
2. Deposits
3. DCC bank is obtaining funds from government of Karnataka, government of India according to the law of India.
4. Gifts, provident and donation.
5. Interest on the deposits.
6. Commission.
7. Yearly subscriptions.

## 2.6 OWNERSHIP:

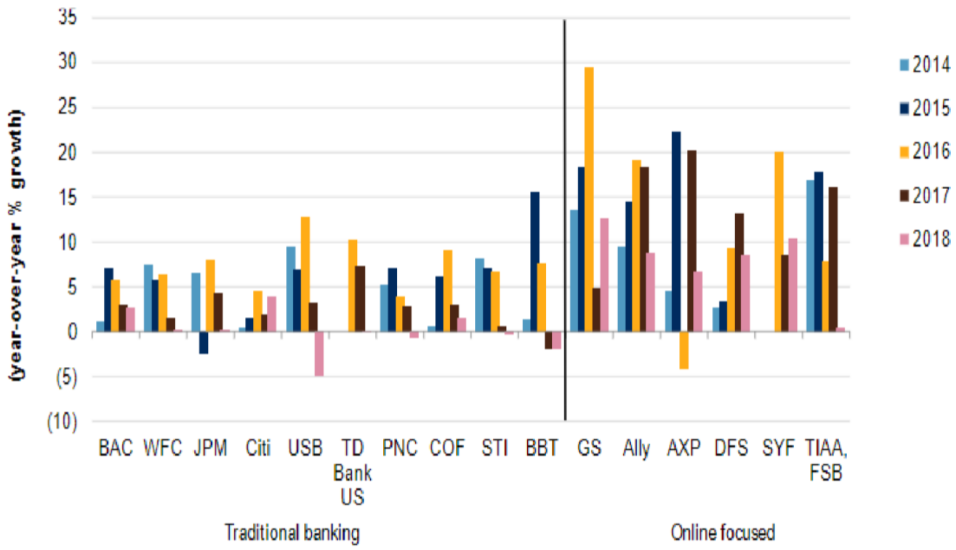
**BOARD OF DIRECTORS:**

| | |
|---|---|
| **M Govinda Gowda** | **President** |
| **H V Nagaraj** | **Vice President** |
| **M C Nilakante Gowda** | **Director** |
| **K V Shankarappa** | **Director** |
| **J V Hanuman Gouda** | **Director** |
| **M Ventra Reddy** | **Director** |
| **N Somashekar** | **Director** |
| **K V Dayanandh** | **Director** |
| **Shankra Narayana Gowda** | **Director** |
| **M Krishna Gowda** | **Director** |
| **P Shiva Reddy** | **Director** |
| **H Narasimha Reddy** | **Director** |
| **P V Nagaraj** | **Director** |
| **J B Sriram Reddy** | **Director** |

## 2.7 <u>FUTURE GROWTH & PROSPECTS:</u>

Chart 1 | Download Chart Data

**Online Deposit Growth Has Outstripped Traditional Deposit Growth**




Source: Regulatory filings, FDIC Quarterly banking profile. 2018 data are for nine months. Deposit data represent only U.S. domestic deposits.

**BRANCHES:**

Kolar and chikkaballapura district central co-operative bank have 12 branches they are:

1. Bangarpet
2. Gadepalli
3. Chikkaballapur
4. Chintamani
5. Gowribidnur
6. Gudibanda
7. K.G.F
8. Kolar
9. Mulbagal
10. Malur
11. Srinivaspur
12. Sidlaghatta

**AREA OF OPERATION:**

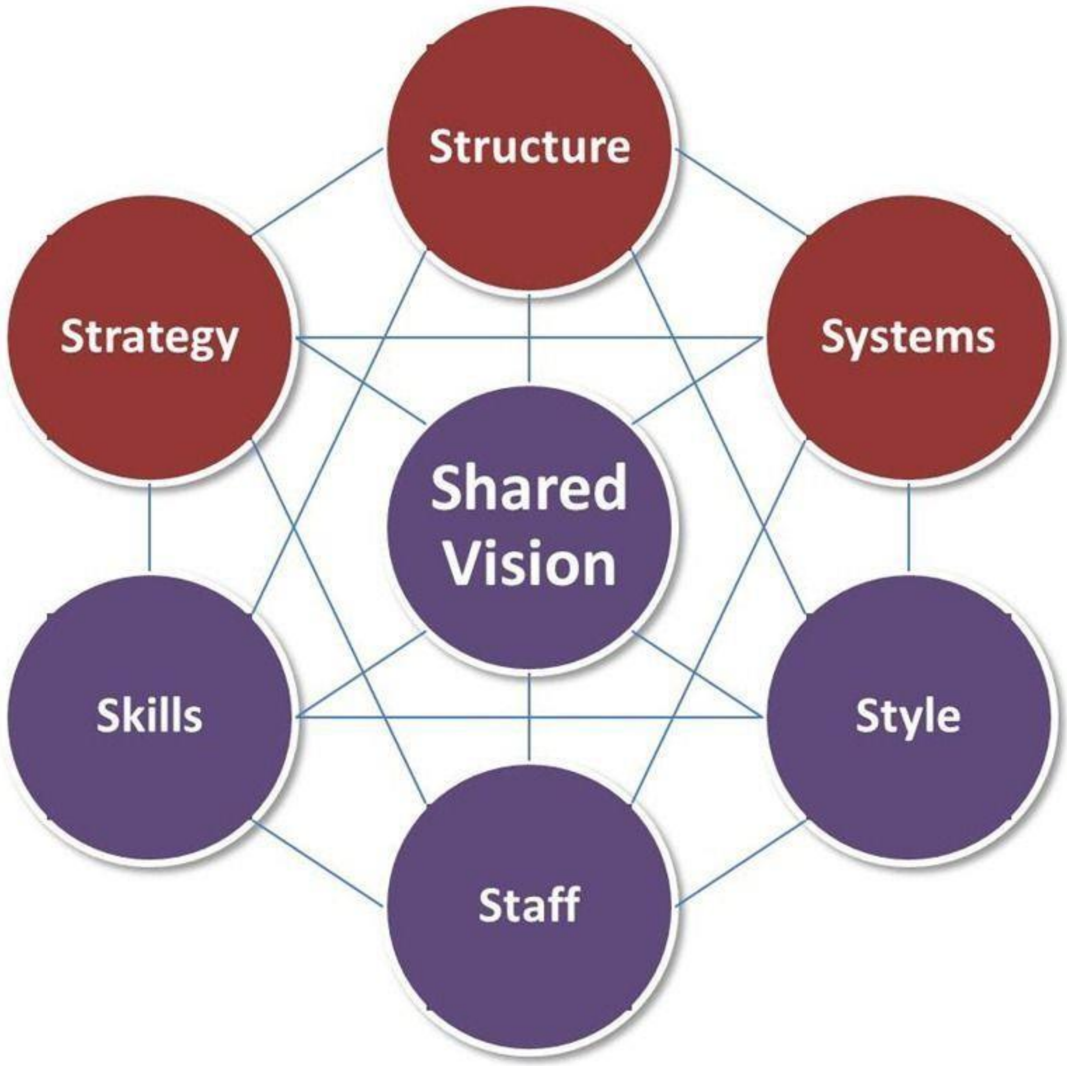
The below mentioned areas to be covered by the bank:

- Jangamakote
- K. Gchikkaballa
- Jurubahalli
- Hosapete
- Chokkandahalli
- Eddalatippenahalli
- Devaganhalli
- Ghattamarnahalli
- Venkatapura
- Baluvanhalli
- Mittanhalli
- Ankatatti
- Sugaturu
- Byerasandra
- kalyapure
- Sundwall
- tataparti
- gambirnhalli
- hereballa
- valapanahalli
- mallenahalli
- pakiranahosahalli
- ollahalli

## CHAPTER 3

# McKinsey’s 7S framework and Porter’s Five Force Model

## 3.1 McKinsey’s 7S Framework




Company Profile with Reference to Mckinsey 7-S Framework:

The 7-S framework was developed by the consultant at the Mckinsey to a very well-known management consultancy firm in United States towards the end at the 70s to diagnose the causes of organizational problems and toformulate programs for improvement.

**Strategy:**

DCC Bank's strategy should be clear and well-defined. It should align with the organization's vision and mission, and be communicated effectively to all stakeholders.

Here are some common strategies that banks may pursue:

- Market expansion strategy: This involves expanding the bank's market reach by opening new branches, introducing new products, and targeting new customer segments.
- Product differentiation strategy: This involves developing unique products or services to differentiate the bank from its competitors.
- Cost leadership strategy: This involves becoming the low-cost provider in the market by implementing cost-cutting measures and streamlining operations.
- Customer-centric strategy: This involves placing the customer at the center of the bank's operations and focusing on customer satisfaction and loyalty.
- Digital transformation strategy: This involves leveraging technology to enhance customer experience, improve operational efficiency, and create new revenue streams.
- Merger and acquisition strategy: This involves acquiring or merging with other banks or financial institutions to achieve economies of scale, expand market reach, or acquire new capabilities

**Skill:**

The specific skill requirements for employees in DCC Bank will depend on the roles and responsibilities of the position. However, there are some general skills that may be required for employees in a bank:

- Financial literacy: Employees in DCC Bank should have a strong understanding of finance and accounting principles, as well as knowledge of banking regulations and policies.
- Customer service: Bank employees should have excellent interpersonal skills, be able to communicate effectively with customers, and be able to provide high-quality customer service.
- Analytical skills: Bank employees should be able to analyze financial data and make informed decisions based on their analysis.
- Technology skills: With the increasing use of technology in banking, employees in DCC Bank should be proficient in using technology and be able to adapt to new technologies as they emerge.
- Sales skills: Bank employees in customer-facing roles should have good sales skills

and be able to identify opportunities to offer additional products and services to customers.

- Attention to detail: Employees in DCC Bank should be meticulous and detail-oriented in their work, especially when it comes to financial transactions and record-keeping.
- Teamwork: Employees in DCC Bank should be able to work effectively in a team environment, collaborating with colleagues to achieve common goals.

**System:**

DCC Bank's systems should be aligned with its strategy and structure. These may include information systems, communication systems, and performance

DCC Bank likely uses a range of technology systems to support its operations, including:

- Core banking system: This is the primary system used by banks to manage customer accounts, process transactions, and maintain financial records.
- Payment systems: These systems facilitate electronic payments, such as credit card transactions, online banking, and mobile payments.
- Customer relationship management (CRM) system: This system is used to manage customer data, track interactions with customers, and analyze customer behavior to improve customer service and engagement.
- Risk management system: This system is used to monitor and manage risks associated with banking operations, such as credit risk, market risk, and operational risk.
- Compliance system: This system is used to ensure that the bank is compliant with relevant laws and regulations, such as anti-money laundering laws and data protection regulations.
- Business intelligence system: This system is used to analyze data and generate insights that can be used to inform strategic decision-making.
- Human resources management system: This system is used to manage employee data, track performance, and manage payroll and benefits.

**Style:**

DCC Bank's leadership style should align with its strategy and culture. The bank should have a clear leadership development program and a code of conduct for all employees.\

- Autocratic: This management style involves a top-down approach where decisions are made by a single individual or a small group of leaders. The communication tends to be one-way, with little input from employees.
- Participative: This management style involves a more collaborative approach, where leaders involve employees in decision-making and encourage their input.
- Transformational: This management style focuses on inspiring and motivating employees to achieve a shared vision. Leaders who use this style often provide a clear direction and empower employees to take ownership of their work.
- Laissez-faire: This management style involves delegating decision-making to employees and providing minimal guidance or direction.
- Democratic: This management style emphasizes collaboration and teamwork, with leaders encouraging open communication and soliciting input from employees before making decisions.

**Staff:**

DCC Bank, employs a wide range of staff to support its operations. Here are some of the key staff roles that may be found in DCC Bank:

- Executives: These are senior leaders who are responsible for setting the bank's overall strategy and direction.
- Managers: These are mid-level leaders who oversee specific functions or departments within the bank, such as operations, marketing, or finance.
- Relationship managers: These are employees who are responsible for building and maintaining relationships with customers, ensuring that their banking needs are met and identifying opportunities to offer additional products and services.
- Customer service representatives: These employees interact directly with customers to handle inquiries, resolve issues, and provide information about the bank's products and services.
- Operations staff: These employees are responsible for the day-to-day operations of the bank, including processing transactions, managing customer accounts, and maintaining financial records.

- IT staff: These employees are responsible for developing and maintaining the bank's technology systems, ensuring that they are secure and functioning properly.
- Compliance staff: These employees are responsible for ensuring that the bank is compliant with relevant laws and regulations, such as anti-money laundering laws and data protection regulations.
- Risk management staff: These employees are responsible for identifying and managing risks associated with the bank's operations, such as credit risk, market risk, and operational risk.

**Shared Values:**

Here are some potential shared values that DCC Bank may prioritize:

- Customer focus: DCC Bank may place a strong emphasis on putting the needs and interests of its customers first, striving to provide high-quality service and support to build lasting relationships.
- Integrity: DCC Bank may prioritize honesty, transparency, and ethical behavior, seeking to earn the trust and respect of customers, employees, and other stakeholders
- Teamwork: DCC Bank may foster a collaborative work environment where employees work together to achieve shared goals and support one another in achieving their individual objectives.
- Innovation: DCC Bank may encourage creativity and innovation, seeking to develop new and better ways to meet the needs of its customers and stay ahead of competitors.
- Accountability: DCC Bank may hold its employees accountable for their actions and decisions, taking responsibility for their work and striving to continuously improve their performance.
- Community involvement: DCC Bank may prioritize giving back to the communities it serves through charitable donations, volunteer work, and other forms of community engagement.

**Structure:**

The structure of DCC Bank may vary depending on its size, business model, and organizational strategy. However, here is a possible organizational structure of DCC Bank:

**Board of Director**

**Chairman and Managing Director**

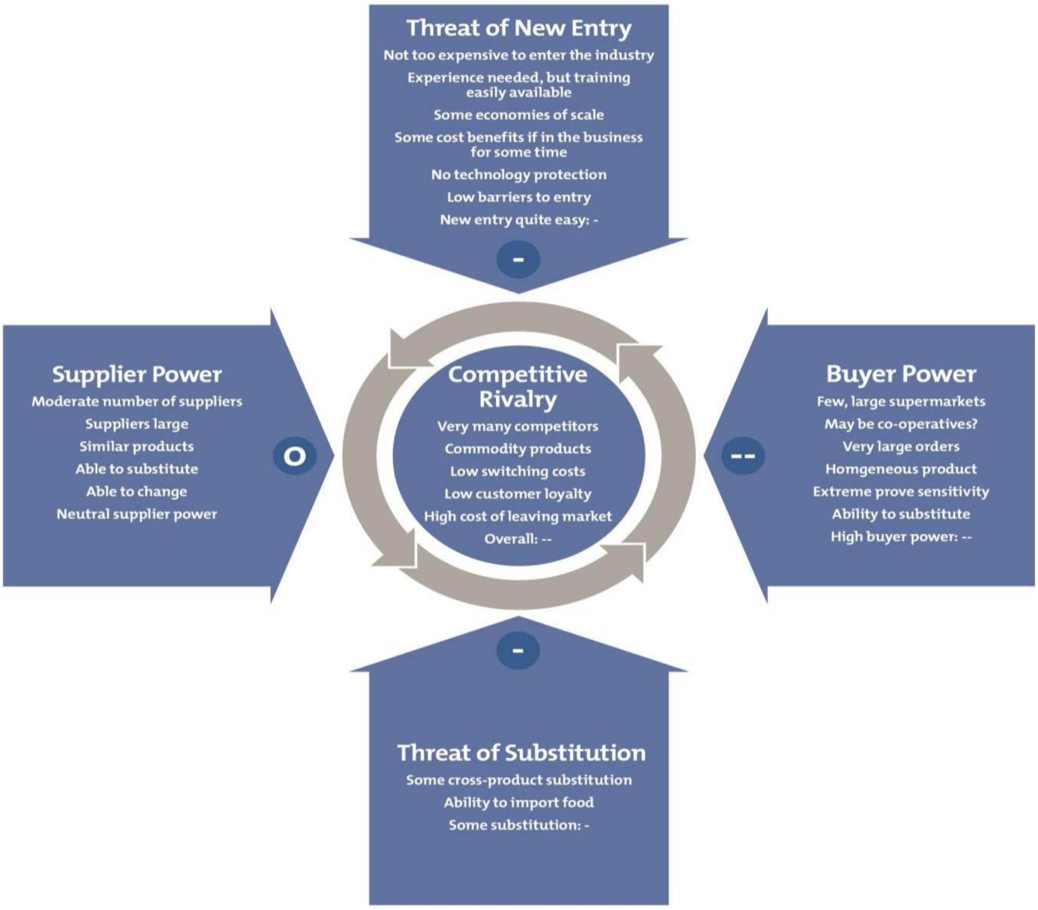
**Executive Director**

**General Manager**

**Regional Officer**

**Branches**

## 3.2 PORTERS FIVE FORCES MODEL:




Porter's Five Forces model is a strategic analysis tool that helps organizations to understand the competitive forces in their industry. Here's how Porter's Five Forces may apply to DCC Bank:

**Rivalry among Existing Firms:**

The competitive rivalry in the banking industry, including DCC Bank, can be considered high due to the following reasons:

- Large Number of Competitors: There are many players in the banking industry, ranging from small community banks to large multinational banks. This high level of competition puts pressure on banks like DCC Bank to continually innovate and improve their services in order to attract and retain customers.

- Similar Products and Services: Banks typically offer similar products and services, such as deposit accounts, loans, and credit cards. This means that banks must differentiate themselves through other factors such as customer service, convenience, and pricing.
- Price Competition: Banks compete on pricing, which can lead to a race to the bottom as each bank tries to undercut the others. This can lead to lower profit margins for all banks and can be particularly challenging for smaller banks with fewer resources.
- Technological Advancements: The banking industry is becoming increasingly technology-driven, and banks that are slow to adapt may fall behind their competitors. This puts pressure on banks to continually invest in and develop their technology platforms to remain competitive.
- Mergers and Acquisitions: Mergers and acquisitions in the banking industry can lead to larger, more powerful competitors that may be more difficult for smaller banks like DCC Bank to compete with.

**Bargaining Power of Buyers:**

The bargaining power of buyers in the banking industry, including DCC Bank, can be considered moderate to high due to the following reasons:

- Availability of Alternatives: Buyers of banking services have access to a wide range of alternatives, including other banks, credit unions, and non-bank financial institutions. This gives buyers the ability to choose between different options and puts pressure on banks to offer competitive products and services.
- Low Switching Costs: Switching between banks is relatively easy for customers, as most banks offer similar products and services. This gives buyers more bargaining power, as they can easily switch to another bank if they are not satisfied with their current bank.
- Price Sensitivity: Many buyers of banking services are price sensitive, meaning they are willing to switch to a different bank if they can get a better deal. This puts pressure on banks to offer competitive prices in order to retain their customers.

- Consumer Protection Laws: Consumer protection laws provide buyers with certain rights and protections, such as the ability to dispute charges and the right to receive clear and accurate information about fees and interest rates. This gives buyers more bargaining power, as they can hold banks accountable if they feel they have been treated unfairly.

**Bargaining Power of Suppliers:**

In the context of the banking industry, suppliers typically refer to vendors who provide products and services to banks such as technology providers, security firms, and office equipment suppliers. The bargaining power of suppliers for DCC Bank can be considered low to moderate due to the following reasons:

- Large Number of Suppliers: The banking industry typically has a large number of suppliers for various products and services, which reduces the bargaining power of any single supplier.
- Standardized Products: Many of the products and services that suppliers provide to banks are standardized and readily available in the market. This limits the bargaining power of individual suppliers as banks can easily switch to alternative suppliers if needed.
- Importance of Relationships: While the bargaining power of suppliers may be low, the importance of maintaining positive relationships with suppliers is high. Suppliers can provide valuable support and expertise to banks, and good relationships can lead to better pricing and service.
- High Switching Costs: Switching suppliers can be costly and time-consuming, especially for complex technology systems or security solutions. This can limit a bank's ability to switch suppliers and give suppliers some leverage in negotiations.

**Threats of New Entrants:**

The threat of new entrants in the banking industry, including DCC Bank, can be considered low to moderate due to the following reasons:

- High Barriers to Entry: The banking industry has high barriers to entry, such as regulatory requirements, capital requirements, and economies of scale. These barriers make it difficult for new entrants to establish themselves in the market and compete with established players like DCC Bank.
- Brand Recognition: Established banks like DCC Bank have a strong brand recognition, which can be difficult for new entrants to achieve. Customers may be hesitant to trust a new bank, especially with their financial assets, and may prefer to stick with a well-known brand.
- Customer Switching Costs: Customers often face switching costs when changing banks, such as fees for closing an account, opening a new account, or transferring funds. This can make it difficult for new entrants to attract and retain customers, as they may be hesitant to incur these costs.
- Technological Advancements: The banking industry is becoming increasingly technology-driven, and established banks like DCC Bank have the advantage of having already invested in and developed their technological infrastructure. New entrants may struggle to compete with these established banks' technology platforms.

**Threat of Substitution:**

The threat of substitutes in the banking industry, including DCC Bank, can be considered low to moderate due to the following reasons:

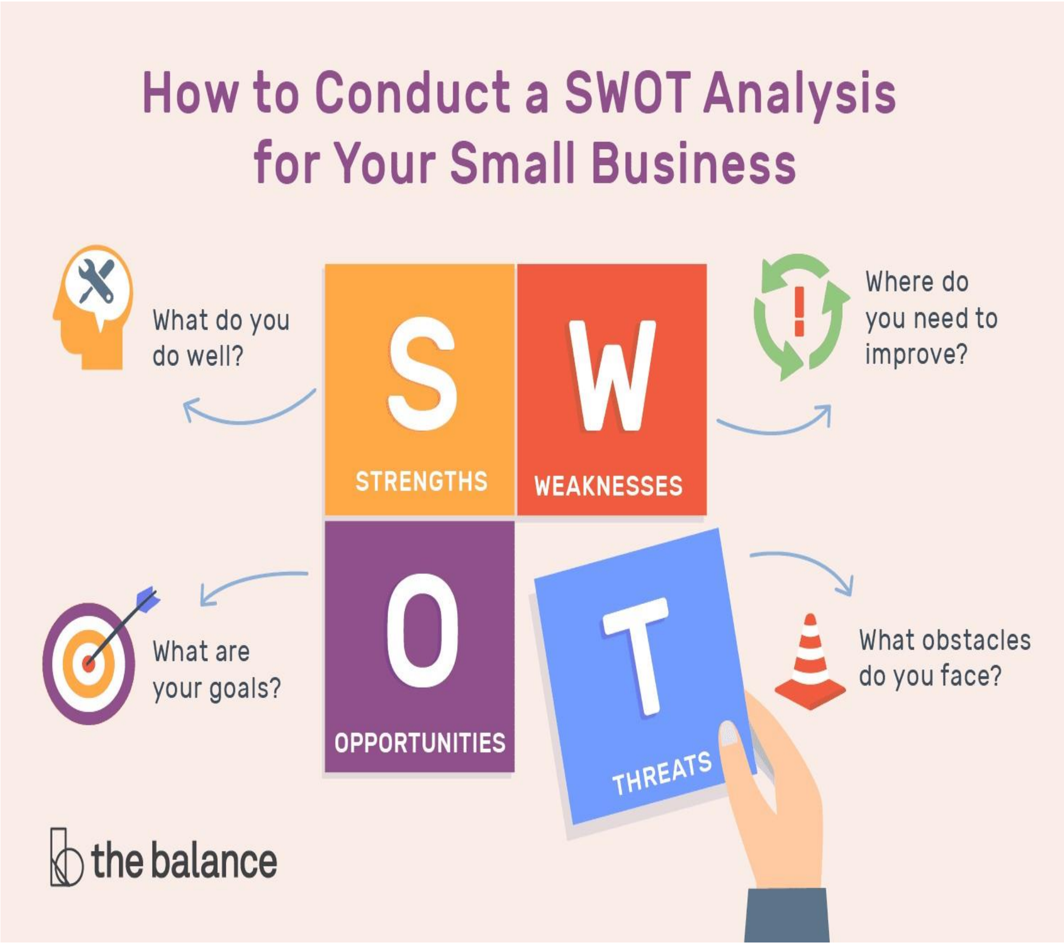
- Limited Substitutes: The products and services offered by banks, such as deposit accounts, loans, and credit cards, have limited substitutes. While there are alternative financial products such as investment options, insurance products, and digital wallets, they do not offer the same range of services and protections that banks provide.
- High Switching Costs: Customers often face high switching costs when moving their financial assets from one bank to another. This can include fees for closing an account, opening a new account, or transferring funds. These costs can make it difficult for customers to switch to alternative financial products.
- Trust and Security: Banks are highly regulated and provide a level of trust and

security that may be difficult for alternative financial products to match. Customers may be hesitant to trust their financial assets to an alternative financial product that may not have the same level of regulatory oversight and protection.

- Brand Recognition: Established banks like DCC Bank have a strong brand recognition, which can be difficult for alternative financial products to achieve. Customers may be hesitant to trust a new or unfamiliar financial product, especially with their financial assets, and may prefer to stick with a well-known brand.

## CHAPTER 4

## 4.1 SWOT ANAALYSIS OF DCC BANK




The following are the strengths, weakness, opportunities and threats of the district central operative bank:

**Strengths:**

- The bank mainly focuses on the development of their members
- Trust is the main factor for effective functioning of a co-operative bank. The bank offers loans to their members at reasonable interest rates.
- Required liquidity relation to the total assets
- Excellent growth in the financial indicators
- Optimum utilization of funds
- Providing loans under the sachems of hours to the under privileged people
- Providing technical guidelines to the borrowers so that they repay loans well in

time

- It provides secure locker facilities.

**Weakness:**

- The financial institution does now not have ATM facilities
- The DCC bank now not furnishes loans to the farmer's mortgage to assist students for higher education.
- The DCC bank not offers extra choice to the industrial sectors
- Lack of training and education of member which is necessary for customer satisfaction
- Implementation of new technology such as ATMs and computers
- The members generally lack domain certification that is financial degrees, etc. the bank operates in alimited area.
- The expansion of organization may affect, because of high interest rates.
- Poor non-interest income ration.

**Opportunities:**

- The DCC bank doesn't have on line or network facilities.
- Increasing opposition amongst bank.
- Changes in bank rural and regulations may impair the banks daily operations cooperative banking sectors crisis may jeopardize the banks growth.
- All the depositories withdraw their money from bank because any wrong rumors against bank.
- Lack of advertisement facilities
- Due to increase in other competitive co-operative banks.
- There is a poor profitability.

**Threats:**

- The DCC bank doesn’t have on line or network facilities.
- Increasing opposition amongst bank.
- Changes in bank rural and regulations may impair the banks daily operations cooperative banking sectors crisis may jeopardize the banks growth.
- All the depositories withdraw their money from bank because any wrong rumors against bank.
- Lack of advertisement facilities
- Due to increase in other competitive co-operative banks.
- There is a poor profitability.

# CHAPTER 5

## FINANCIAL STAEMENT:

### 5.1 Introduction to Financial Statement Analysis:

The way in which data is collected and organized so that one can extract helpful information by company. Analysis of data is a method of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, suggesting conclusions, and supporting decision making. Financial statement analysis consists of creditors, management, investors, and regulatory authorities. There are two type of financial analysis one is horizontal and vertical analysis and another one ratio analysis, horizontal analysis is as called as trend analysis

5.2 Key Points to be considered for Financial Performance Analysis:

1. Recognize economic nature.
2. Know your customers.
3. Know about your company's financial statements.
4. Analyze risk.
5. Create financial statements.

**BALNCE SHEET OF DCC BANK:**

**Balance Sheet As at 31st March 2022**

| PARTICULARS | Schedule No | As on 31.03.2022 | As on 31.03.2021 |
|---|---|---|---|
| **CAPITAL LIABALITIES** | | | |
| Capital | 1 | 1,24,76,27,251 | 1,13,32,91,484 |
| Reserves and surplus | 2 | 81,85,29,976 | 75,94,67,603 |
| Deposits | 3 | 14,17,23,00,799 | 12,84,76,56,794 |
| Barrowings | 4 | 6,41,80,91,301 | 5,82,65,77,855 |
| Other liabilities And Provisions | 5 | 76,38,36,227 | 72,66,60,287 |

| | | | |
|---|---|---|---|
| Branch adjustment | | 2,41,54,765 | 4,14,74,011 |
| Profit | | – | – |
| **Total** | | **23,44,45,40,319** | **21,33,51,28,034** |
| **ASSETS** | | | |
| Cash and Balances with Reserve Bank of India | 6 | 19,99,79,177 | 21,30,25,933 |
| Balance with other Banks and Money at call and short notice | 7 | 56,67,52,458 | 62,06,46,795 |
| Investments | 8 | 5,12,92,17,676 | 4,51,57,17,676 |
| Advances | 9 | 15,58,84,64,439 | 13,89,38,47,259 |
| Fixed Assets | 10 | 33,82,85,857 | 33,88,84,691 |
| Other Assets | 11 | 1,62,18,40,712 | 1,75,30,05,580 |
| **Total** | | **23,44,45,40,319** | **21,33,51,28,034** |
| Contingent liabilities | 12 | – | – |

**Statement of profit and loss for the year ended 31st March 2022**

| **PARTICULARS** | **Schedule No** | **Year ended 31.03.2022** | **Year ended 31.03.2021** |
|---|---|---|---|
| **INCOME** | | | |
| Interest earned | 13 | 1,62,59,32,049 | 1,43,03,96,615 |
| Other income | 14 | 14,28,44,301 | 9,68,83547 |
| **Total Income** | | **1,76,87,76,350** | **1,52,72,80,163** |
| **Expenditure** | | | |
| Interest expended | 15 | 1,05,26,38,390 | 1,01,92,95,794 |
| Operating Expenses | 16 | 50,75,85,967 | 36,72,04,847 |

| | | | |
|---|---|---|---|
| **Total Expenses** | | **1,56,02,24,358** | **1,38,65,00,641** |
| **Profit/Loss** | | | |
| **Net Profit for the year Before Provisions, Taxes and appropriations** | | **20,85,51,992** | **14,07,79,521** |
| **Significant accounting policies & other Explanatory Information** | 18 | | |

**RATIO ANALYSIS:**

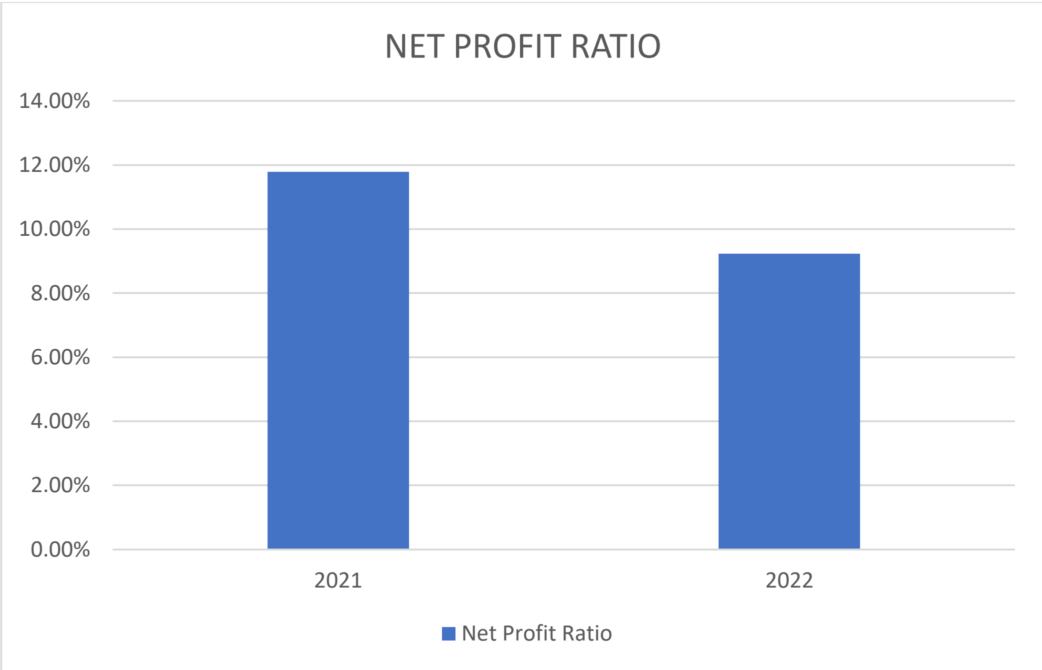
Ratio Analysis is the process of analysing and interpreting numerical relationship based on financial statement. It is the technique of analysis the financial statement with the help of accounting ratio derived from the balance sheet and profit and loss account.

## TYPES OF RATIOS:

### A). NET PROFIT RATIO

NPR = Net profit / total income

| Year | Net Profit | Total Income | Net Profit Ratio |
|---|---|---|---|
| 2021 | 20,85,51,992 | 1,76,87,76,350 | 11.79% |
| 2022 | 14,07,79,251 | 1,52,72,80,163 | 9.23% |




The given table presents the financial performance of a company for the years 2021 and 2022.

In 2021, the company generated a total income of 176.87 crore rupees and achieved a net profit of 20.85 crore rupees, resulting in a net profit ratio of 11.79%. This means that for every rupee of total income generated, the company earned a profit of approximately 12 paise.

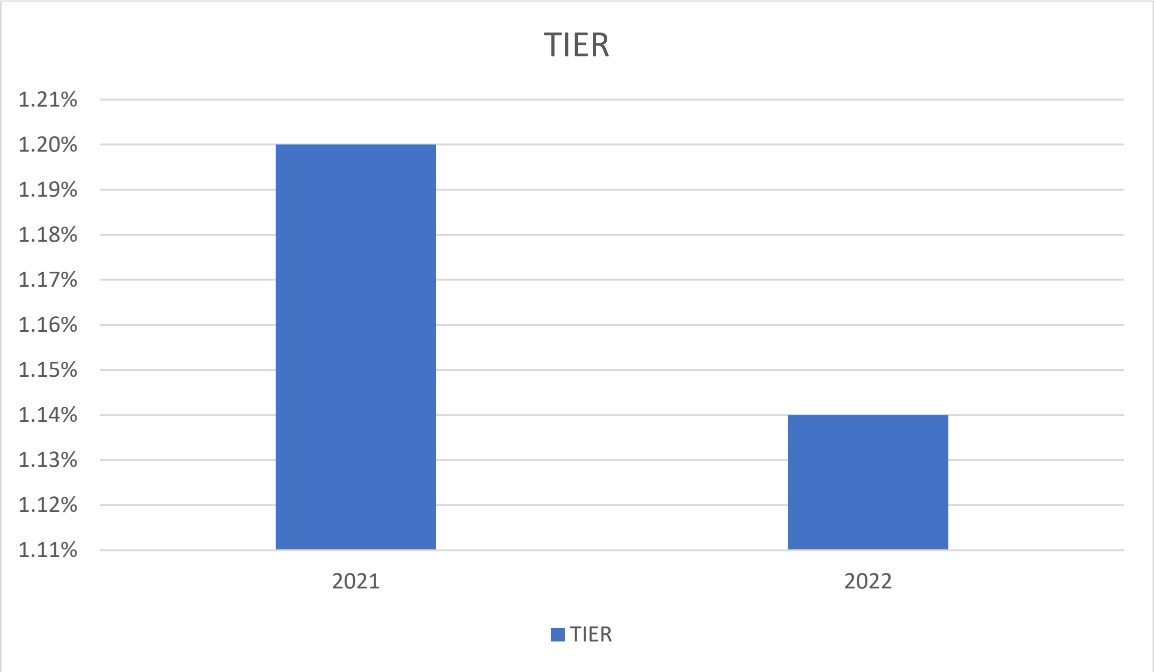
However, in 2022, the company's financial performance declined as it generated a total income of 152.72 crore rupees and achieved a net profit of 14.07 crore rupees, resulting in a lower net profit ratio of 9.23%. This indicates that the company was less efficient in generating profits in 2022 compared to the previous year.

Overall, the company's net profit and net profit ratio declined in 2022, indicating a need for improved financial management and strategies to increase revenue and profitability in the future.

**B).TIMES INTREST EARNED RATIO**

**TIER =EBIT / Interest expended**

| Year | EBIT | Interest expended | TIER |
|---|---|---|---|
| 2021 | 1,26,11,90,382 | 1,05,26,38,390 | 1.20% |
| 2022 | 1,16,00,75,315 | 1,01,92,95,794 | 1.14% |

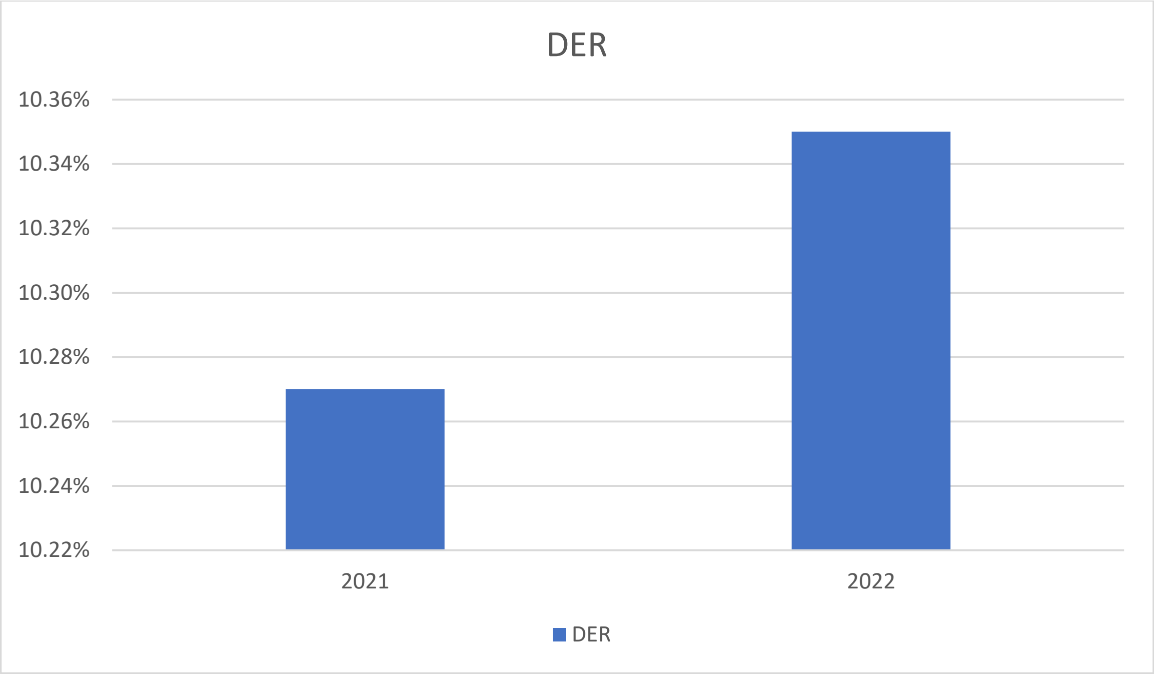



The table presents the financial performance of a company in terms of EBIT, interest expended, and TIER for the years 2021 and 2022. The company's EBIT decreased in 2022 compared to 2021, indicating lower profitability. However, the interest expended also decreased in 2022, which resulted in a slightly higher TIER of 1.14% compared to 1.20% in 2021. This suggests that the company was able to cover its interest expenses with its earnings, but its overall profitability declined in 2022. The company may need to focus on increasing its EBIT to improve its financial performance in the future.

**C). DEBT EUITY RATIO**

**DER = Total debt / shareholders fund**

| Year | Total debt | Shareholders fund | DER |
|---|---|---|---|
| 2021 | 19,44,23,68,947 | 1,89,27,59,087 | 10.27% |
| 2022 | 21,37,83,83,092 | 20, 16, 57,227 | 10.35% |

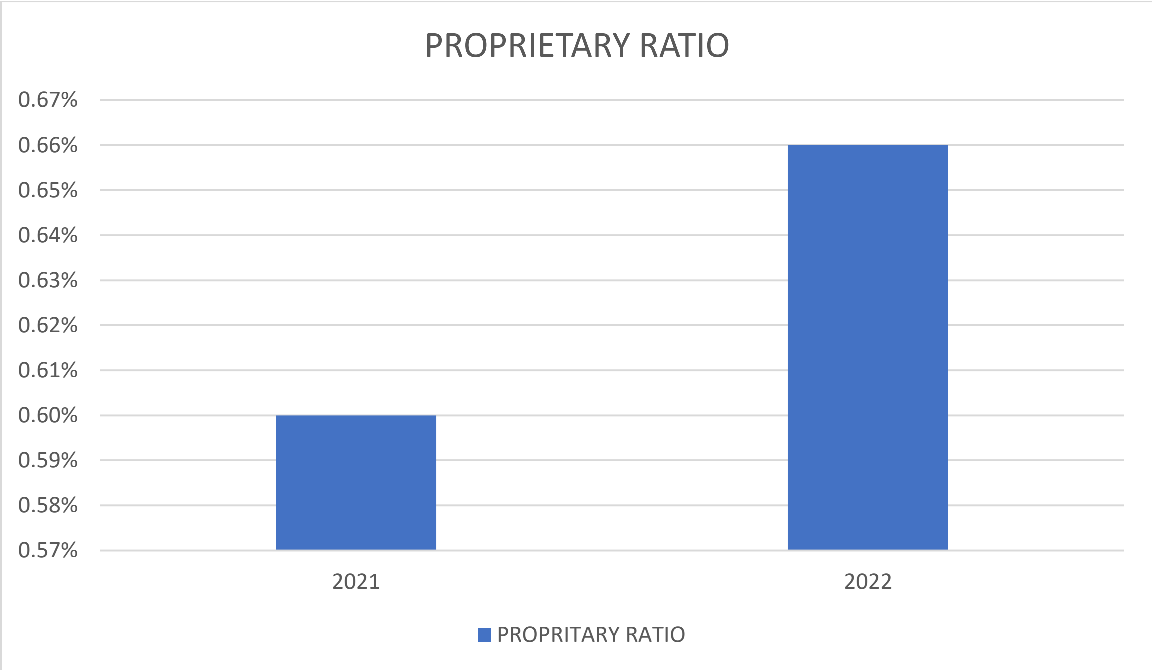



The given table shows the Total Debt, Shareholders Fund, and DER (Debt-to-Equity Ratio) of a company for 2021 and 2022. In 2021, the company had a DER of 10.27%, which increased slightly to 10.35% in 2022. This indicates that the company relied more on debt financing in 2022 compared to the previous year. Moreover, the total debt increased significantly in 2022, while the shareholders fund remained almost the same. This may suggest that the company borrowed more funds to finance its operations or expansion plans, and may need to focus on balancing its debt and equity structure to mitigate financial risk in the future.

**D). PROPRIETARY RATIO**

**PR = Shareholders fund / Total assets**

| Year | Shareholders fund | Total assets | PROPRITARY RATIO |
|---|---|---|---|
| 2021 | 1,40,22,42,289 | 23,44,45,40,319 | 0.60% |
| 2022 | 1544082815 | 2,34,45,40,319 | 0.66% |

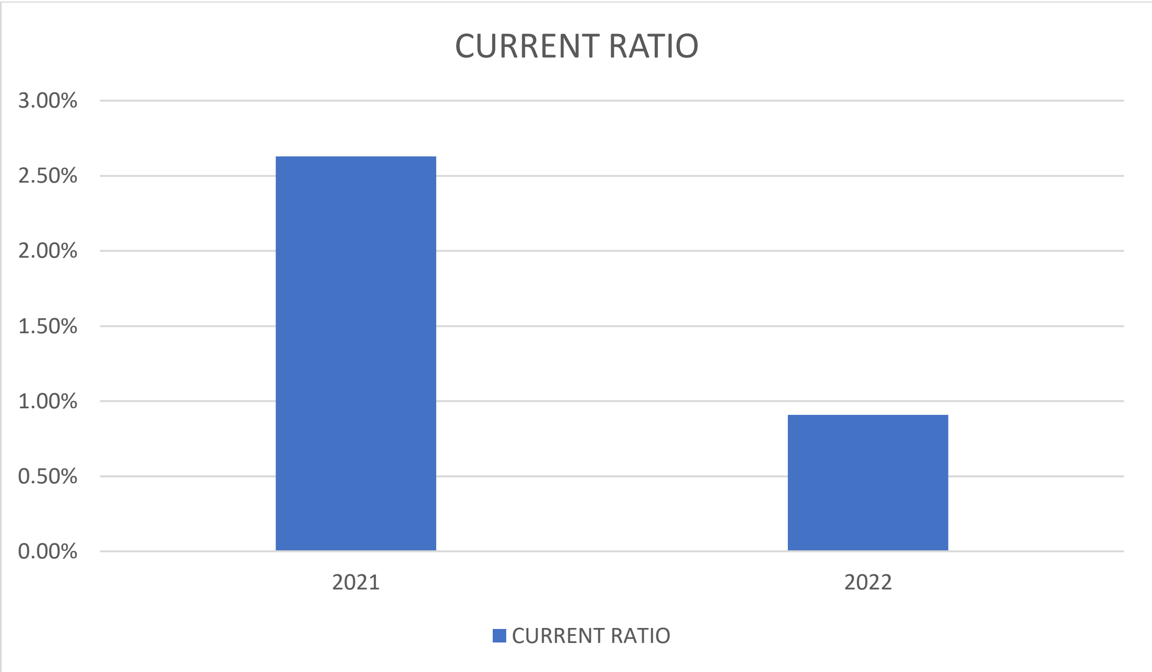



The table provides the Shareholders Fund, Total Assets, and Proprietary Ratio of a company for the years 2021 and 2022. The Shareholders Fund increased slightly from 2021 to 2022, while the Total Assets remained the same. This led to a slight increase in the Proprietary Ratio from 0.60% in 2021 to 0.66% in 2022. This suggests that the company has a low level of equity financing, as the shareholders' funds are a small proportion of the total assets. The company may need to consider strategies to increase its equity funding to improve its financial stability and reduce its dependence on debt financing.

**E). CURRENT RATIO**

**CR = Current asset / Current liabilities**

| Year | Current asset | Current liabilities | CURRENT RATIO |
|---|---|---|---|
| 2021 | 19,24,32,37,663 | 7,31,27,05,745 | 2.63% |
| 2022 | 7,27,47,94,550 | 8,00,04,57,504 | 0.91% |

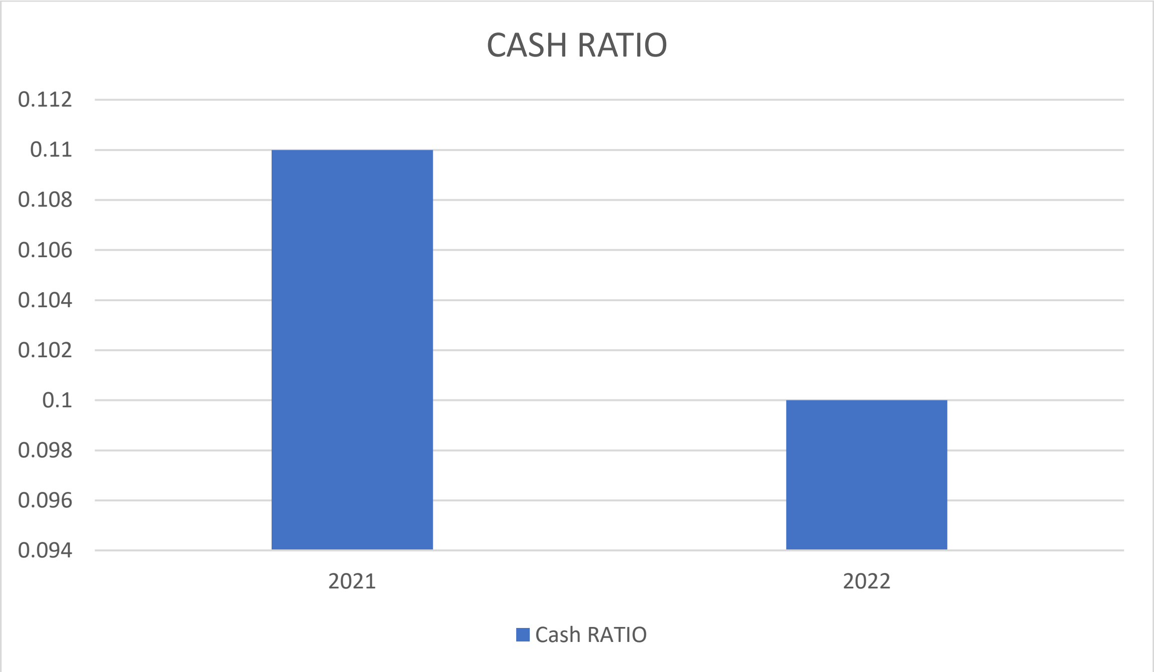



The table presents the Current Assets, Current Liabilities, and Current Ratio of a company for 2021 and 2022. The Current Ratio in 2021 was 2.63%, indicating that the company had sufficient current assets to cover its current liabilities. However, in 2022, the Current Ratio decreased significantly to 0.91%, suggesting that the company's ability to meet its short-term obligations declined. This could be due to a decrease in current assets or an increase in current liabilities. The company may need to focus on improving its liquidity position by increasing its current assets or reducing sits current liabilities to maintain its ability to meet its short-term obligations.

**F) CASH RATIO**

Cash Ratio = Cash & Cash Equivalents / Current Liabilities

| Year | Cash & Cash Equivalents | Current liabilities | Cash RATIO |
|---|---|---|---|
| 2021 | 833672728 | 7,31,27,05,745 | 0.11 |
| 2022 | 766731635 | 8,00,04,57,504 | 0.10 |

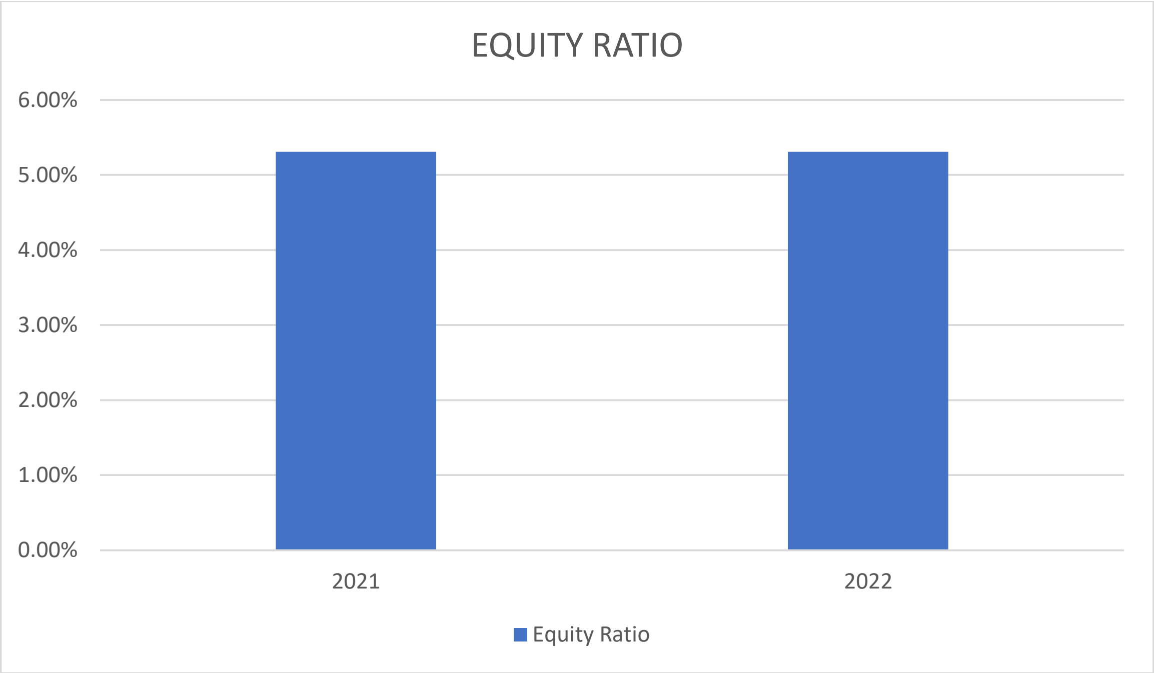



The cash ratio for both years is quite low, at 0.11% and 0.10% respectively, which suggests that the company may have difficulty in meeting its short-term liabilities with its available cash and cash equivalents alone. This could be an indication that the company is relying heavily on other sources of financing, such as loans or lines of credit, to meet its short-term obligations.

G) EQUITY RATIO

Equity Ratio = Shareholders' Equity / Total Assets

| Year | Shareholders' Equity | Total Assets | Equity Ratio |
|---|---|---|---|
| 2021 | 1,13,32,91,484 | **21,33,51,28,035** | 5.31% |
| 2022 | 1,24,76,27,251 | **23,44,45,40,319** | 5.31% |

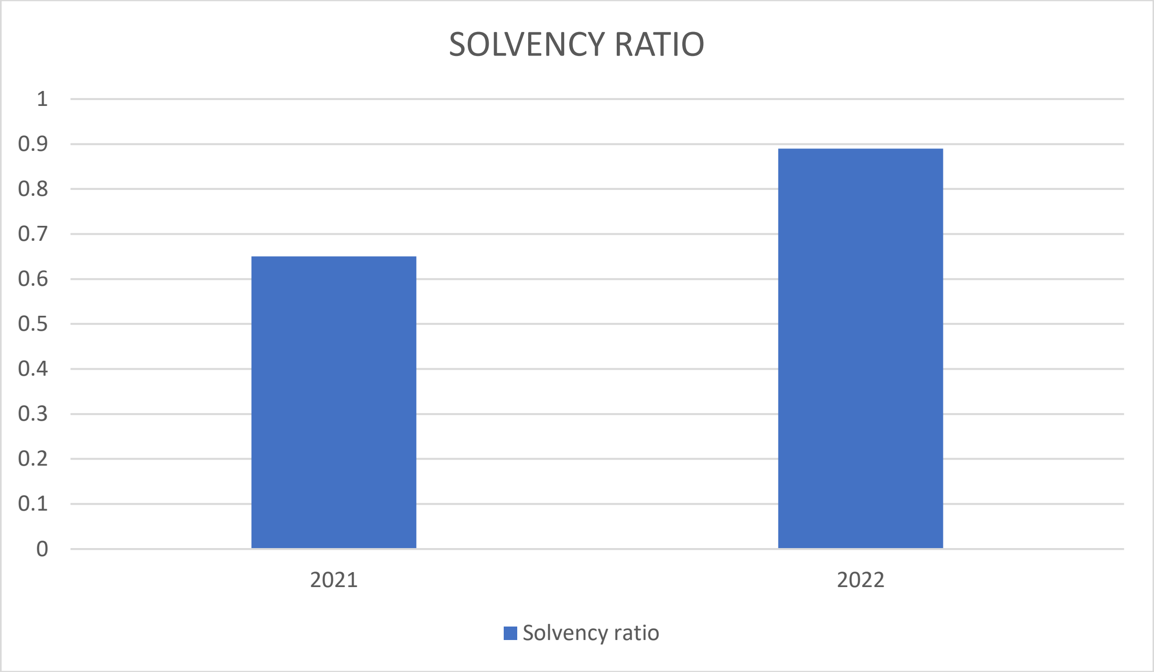



The equity ratio for both years is 5.31%, which means that shareholders' equity represents 5.31% of the company's total assets. This indicates that the company relies heavily on debt financing to fund its operations and expansion, as a large portion of its assets are financed through debt.

H) SOLVENCY RATIO

Solvency Ratio = Net Income / Total Liabilities

| Year | Net Income | Total Liabilities | Solvency ratio |
|---|---|---|---|
| 2021 | **14,07,79,521** | **21,33,51,28,035** | 0.65 |
| 2022 | **20,85,51,992** | **23,44,45,40,319** | 0.89 |

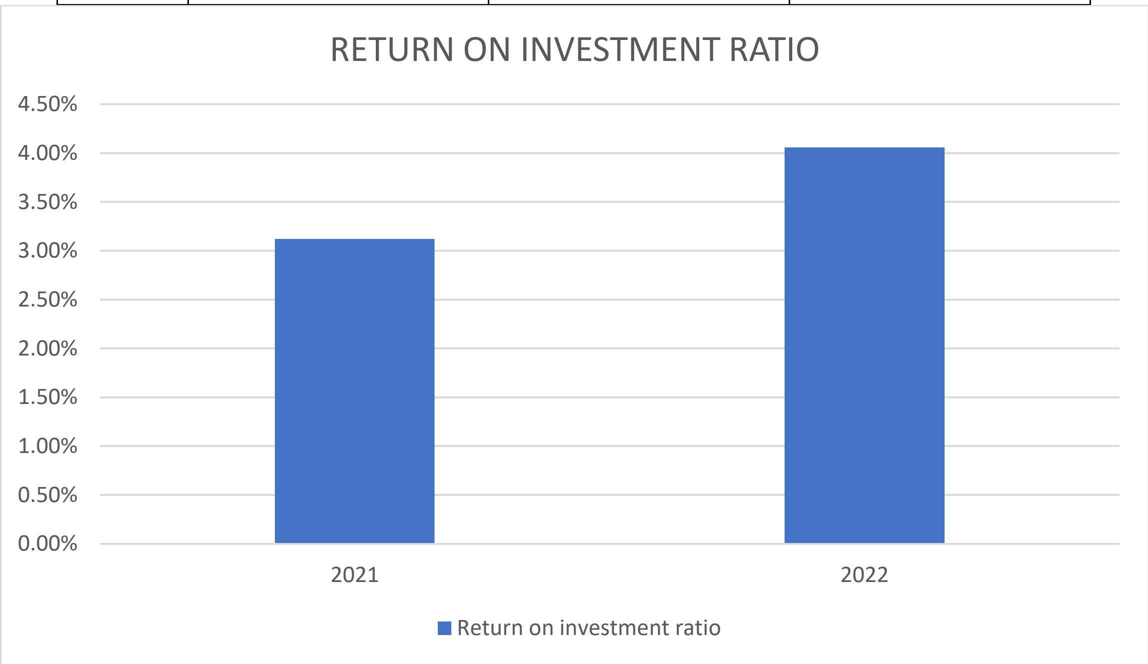



The solvency ratios for both years are less than 1, which indicates that the company may have difficulty meeting its long-term debts and other obligations. However, the solvency ratio has improved from 2021 to 2022, suggesting that the company's ability to meet its long-term obligations has improved over time.

I) RETURN ON INVESTMENT

ROI = (Net Profit / Investment) x 100%

| Year | Net Profit | Investment | Return on investment ratio |
|---|---|---|---|
| 2021 | **14,07,79,521** | 4,51,57,17,676 | 3.12% |
| 2022 | **20,85,51,992** | 5,12,92,17,676 | 4.06% |

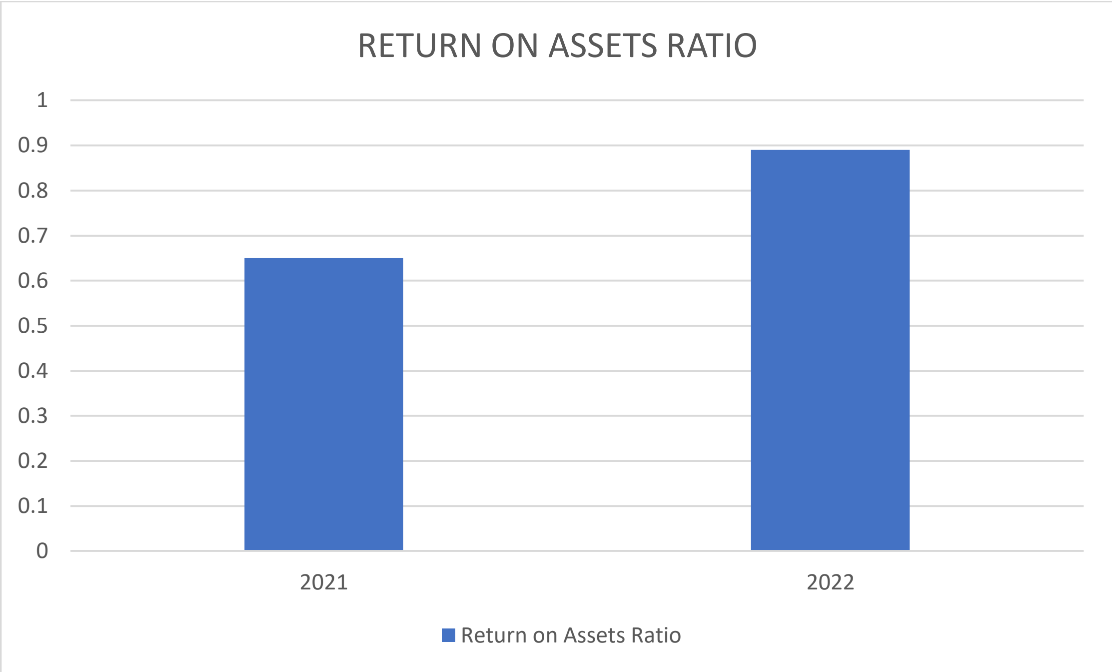



The return on investment ratio for 2021 was 3.12%, and it increased to 4.06% in 2022. This indicates that the company is generating a higher return on its investment, which is a positive sign. However, the ratio is still relatively low, and it is important to compare it with industry averages and the company's own historical performance to gain a better understanding of its profitability.

J) RETURN ON ASSETS RATIO

ROA = Net Income / Total Assets

| Year | Net Income | Total Assets | Return on Assets Ratio |
|---|---|---|---|
| 2021 | **14,07,79,521** | **21,33,51,28,035** | 0.65 |
| 2022 | **20,85,51,992** | **23,44,45,40,319** | 0.89 |




the return on assets ratio for the year 2021 was 0.65, or 6.5%. This means that the company earned 6.5 cents of net income for every dollar of total assets in 2021. In 2022, the return on assets ratio improved to 0.89, or 8.9%. This indicates that the company became more efficient in generating profit from its assets. It earned 8.9 cents of net income for every dollar of total assets in 2022.

# CHAPTER 6

## Learning Experience

This internship has been a very useful experience for me. I can safely say that my understanding of the job environment has increased greatly. The two main things that I learned after my experience in this firm are the importance of time management and being self-motivated. Having carried out the organizational study in DCC bank helped me in understanding and learning many things like gain knowledge and how the organization function.

Organization study gave a very good opportunity to understand about organizational structure, formation and its working. All the staff will be of great benefit with regard to future aspects. The internship was a good exposure for me to the number the working condition of the organization. Another important aspect noticed in the company was regarding the discipline followed in the premises. The whole process helps an MBA student build his skill to the next level because understanding the Enterprises function is the basic necessity for an employee when he join’s any organization in his carrier.

Financial analysis of the bank helped me to understand the financial ratios and analysing the financial statements provided by the bank.

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