

EXECUTIVE SUMMARY

The project is done at Vijaya Bank, Nallur, Davanagere as a part of MBA program, with the objective to study about “Effectiveness of Loans and Advances”.

This report gives information about loans and advances given to the customer. In the present competitive world securing huge funds for any activity is a complicated matter, so it is necessary to study about loans and advances. For obtaining loans, one should consider many aspects like rate of interest, duration, security, rules and regulations of hypothecation. Different types of banks possess different type of banks possess different types of loans. Nowadays this has become more and more complicated because of lack of awareness about the above matters. So attempt is made to create awareness and do an analysis of the Effectiveness of Loans and Advances.

The main objectives of this study is, To understand the procedure followed by the Vijaya bank while issuing loans and advances. To assess the level of NPA at vijaya bank. To study the requirements of short term and long term loans.

From this study it is found that banks NPA is more and increasing every year. The main customer to vijaya bank is individuals. Vijaya banks advances considerably increased during the last five years.