



**SONOPANT DANDEKAR ARTS, V.S. APTE COMMERCE
AND M.H. MEHTA SCIENCE COLLEGE, PALGHAR**

Department of Accounting & Finance

PROJECT REPORT

**TYBAF (Accounting & Finance)
Foundation Course**

Academic Year 2022-2023

Prepared by
**Department of Accounting & Finance
Sonopant Dandekar Arts, V.S. Apte Commerce and
M.H. Mehta Science College, Palghar**

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Sonopant Dandekar Shikshan Mandali's
Sonopant Dandekar Arts,
V. S. Apte Commerce &
M. H. Mehta Science College, Palghar
Estb.: 14 August 1968
Dr. Kiran Save, Principal

Kharekuran Road, Palghar (W), Tal. & Dist. Palghar,
Maharashtra - 401 404, INDIA
Tel. : +91 - 2525 - 252163
Principal : +91 - 2525 - 252317
Email : sdscollege@yahoo.com
Web. : www.sdscollege.com

Ref No.:

Date : 28/03/2023

Notice

Department of Accounting & Finance

This is to inform you that all the **Third Year Bachelor of Commerce Accounting & Finance** students are required to submit the hard copy of your final project report as per below schedule. All submissions should be made to the **Accounting & Finance Department** during office hours from 09.30 am to 01.30 pm. on dated – 05/04/2023 Ensure your report is properly written.

Head of the Department
Department of Accounting &
Finance

Dr. Kiran J. Save
Principal

PRINCIPAL
Sonopant Dandekar Arts College,
V.S. Apte Commerce College &
M.H. Mehta Science College
PALGHAR (W.R.)
Dist. Palghar, Pin-401404

UNIVERSITY OF MUMBAI

No. UG/91 of 2018-19

CIRCULAR:-

Attention of the Principals of the affiliated Colleges and Directors of the recognized Institutions in Commerce & Management Faculty is invited to this office Circular No. UG/28 of 2015, dated 22nd July, 2015 relating to syllabus of Bachelor of Commerce (Accounting and Finance) degree programme.

Their attention is also invited to University Circular No. UG/106 of 2016-17 dated 25th October, 2016 for F.Y.B.Com. (Accounting & Finance) Sem. I & II and University Circular No. UG/166 of 2017-18 dated 8th August, 2017 for S.Y.B.Com. (Accounting & Finance) Sem. III & IV respectively.

They are hereby informed that the recommendations made by the Board of Studies in Accountancy at its meeting held on 28th February, 2018 have been accepted by the Academic Council at its meeting held on 5th May, 2018 **vide** item No. 4.42 and that in accordance therewith, the revised syllabus as per the (CBCS) for the T.Y.B.Com. in Accountancy (Accounting and Finance) (Sem. V & VI), has been brought into force with effect from the academic year 2018-19, accordingly. (The same is available on the University's website www.mu.ac.in).

MUMBAI - 400 032

27th July, 2018

To


(Dr. Dinesh Kamble)
I/c REGISTRAR

The Principals of the affiliated Colleges and Directors of the recognized Institutions in Commerce & Management Faculty. (Circular No. UG/334 of 2017-18 dated 9th January, 2018.)

A.C./4.42/05/05/2018

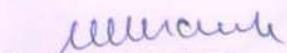
No. UG/ 91 -A of 2018

MUMBAI-400 032

27th July, 2018

Copy forwarded with Compliments for information to:-

- 1) The I/c Dean, Faculty of Commerce & Management,
- 2) The Director, Board of Examinations and Evaluation,
- 3) The Director, Board of Students Development,
- 4) The Professor-cum-Director, Institute of Distance and Open Learning (IDOL),
- 5) The Co-Ordinator, University Computerization Centre,


(Dr. Dinesh Kamble)
I/c REGISTRAR

University of Mumbai



**Revised Syllabus
and
Question Paper Pattern
of Courses of
B.Com. (Accounting and Finance)
Programme at
Third Year
*Semester V and VI***

**Under Choice Based Credit, Grading and
Semester System**

(To be implemented from Academic Year 2018-2019)
Board of Studies-in-Accountancy

B.Com. (Accounting and Finance) Programme

Under Choice Based Credit, Grading and Semester System

T.Y.B.Com. (Accounting and Finance)

(To be implemented from Academic Year 2018-2019)

| No. of Courses | Semester V | Credits | No. of Courses | Semester VI | Credits |
|----------------------|--|-----------|----------------------|---|-----------|
| 1 | Elective Courses (EC) | | 1 | Elective Courses (EC) | |
| 1,2,3 &4 | *Any four courses from the following list of the courses | 12 | 1,2,3 &4 | **Any four courses from the following list of the courses | 12 |
| 2 | Core Courses (CC) | | 2 | Core Courses (CC) | |
| 5 | Financial Accounting - V | 04 | 5 | Financial Accounting - VII | 04 |
| 6 | Financial Accounting - VI | 04 | 6 | Project Work-II | 04 |
| Total Credits | | 20 | Total Credits | | 20 |

✓ **Note:** Project work is considered as a special course involving application of knowledge in solving/analyzing/exploring a real life situation/ difficult problem. Project work would be of 04 credits each. A project work may be undertaken in any area of Elective Courses/ Study Area

| *List of Elective Courses for Semester V (Any Four) | | **List of Elective Courses for Semester VI (Any Four) | |
|---|---|--|--|
| 01 | Cost Accounting - III | 01 | Cost Accounting - IV |
| 02 | Financial Management - II | 02 | Financial Management - III |
| 03 | Taxation - IV (Indirect Taxes - II) | 03 | Taxation - V (Indirect Taxes- III) |
| 04 | International Finance | 04 | Security Analysis and Portfolio Management |
| 05 | Financial Analysis and Business Valuation | 05 | Management Control Systems |
| 06 | Management -II (Management Applications) | 06 | Economics Paper – III (Indian Economy) |
| Note: Course selected in Semester V will continue in Semester VI | | | |

B.Com. (Accounting and Finance) Programme
Under Choice Based Credit, Grading and Semester System
Course Structure

(To be implemented from Academic Year 2018-2019)

Semester V

| No. of Courses | Semester V | Credits |
|----------------------|--|-----------|
| 1 | <i>Elective Courses (EC)</i> | |
| 1,2,3 & 4 | *Any four courses from the following list of the courses | 12 |
| 2 | <i>Core Courses (CC)</i> | |
| 5 | Financial Accounting - V | 04 |
| 6 | Financial Accounting - VI | 04 |
| Total Credits | | 20 |

| <i>*List of Elective Courses for Semester V (Any Four)</i> | |
|---|--|
| 01 | Cost Accounting - III |
| 02 | Financial Management - II |
| 03 | Taxation - IV (Indirect Taxes - II) |
| 04 | International Finance |
| 05 | Financial Analysis and Business Valuation Management |
| 06 | Management -II (Management Applications)I |

B.Com. (Accounting and Finance) Programme
Under Choice Based Credit, Grading and Semester System
Course Structure

(To be implemented from Academic Year 2018-2019)

Semester VI

| No. of Courses | Semester VI | Credits |
|----------------------|---|-----------|
| 1 | <i>Elective Courses (EC)</i> | |
| 1,2,3 & 4 | **Any four courses from the following list of the courses | 12 |
| 2 | <i>Core Course (CC)</i> | |
| 5 | Financial Accounting - VII | 04 |
| 6 | Project Work -II | 04 |
| Total Credits | | 20 |

| **List of Elective Courses for Semester VI (Any Four) | |
|--|--|
| 01 | Cost Accounting - IV |
| 02 | Financial Management - III |
| 03 | Taxation - V (Indirect Taxes- III) |
| 04 | Management Control Systems |
| 05 | Security Analysis and Portfolio Management |
| 06 | Economics Paper – III (Indian Economy) |

**Revised Syllabus of Courses of B.Com. (Accounting and Finance)
Programme at Semester VI
with effect from the Academic Year 2018-2019**

1. Elective Courses (EC)

1. Cost Accounting - IV

Modules at a Glance

| Sr. No. | Modules | No. of Lectures |
|----------------|---|------------------------|
| 01 | Budgeting and Budgetary Control | 15 |
| 02 | Absorption Costing and Marginal Costing Cost Volume and Profit Analysis | 15 |
| 03 | Managerial Decision Making | 15 |
| 04 | Standard Costing and Variance Analysis | 15 |
| | Total | 60 |

University of Mumbai



B.Com. (Accounting and Finance) Programme

Guidelines for Project Work

at

Third Year Semester VI

**Under Choice Based Credit, Grading and
Semester System**

(To be implemented from Academic Year 2018-2019)

Board of Studies-in-Accountancy

Introduction

Inclusion of project work in the course curriculum of the B.Com. (Accounting & Finance) programme is one of the ambitious aspects in the programme structure. The main objective of inclusion of project work is to inculcate the element of research analyse and scientific temperament challenging the potential of learner as regards to his/ her eager to enquire and ability to interpret particular aspect of the study. It is expected that the guiding teacher should undertake the counselling sessions and make the awareness among the learners about the methodology of formulation, preparation and evaluation pattern of the project work.

- There are two modes of preparation of project work
 1. Project work based on research methodology in the study area
 2. Project work based on internship in the study area

Guidelines for preparation of Project Work

1. General guidelines for preparation of project work based on Research Methodology

- The project topic may be undertaken in any area of Elective Courses.
- Each of the learner has to undertake a Project individually under the supervision of a teacher-guide.
- The learner shall decide the topic and title which should be specific, clear and with definite scope in consultation with the teacher-guide concerned.
- University/college shall allot a guiding teacher for guidance to the students based on her / his specialization.
- The project report shall be prepared as per the broad guidelines given below:
 - Font type: Times New Roman
 - Font size: 12-For content, 14-for Title
 - Line Space : 1.5-for content and 1-for in table work
 - Paper Size: A4
 - Margin : in Left-1.5, Up-Down-Right-1
 - The Project Report shall be bounded.
 - The project report should be 80 to 100 pages

Format

1st page (Main Page)

Title of the problem of the Project

A Project Submitted to
University of Mumbai for partial completion of the degree of
Bachelor in Commerce (Accounting and Finance)
Under the Faculty of Commerce

By

Name of the Learner

Under the Guidance of

Name of the Guiding Teacher

Name and address of the College

Month and Year

2nd Page

This page to be repeated on 2nd page (i.e. inside after main page)

On separate page

Index

| Chapter No. 1 (sub point 1.1, 1.1.1, And so on) | Title of the Chapter | Page No. |
|---|----------------------|----------|
| Chapter No. 2 | Title of the Chapter | |
| Chapter No. 3 | Title of the Chapter | |
| Chapter No. 4 | Title of the Chapter | |
| Chapter No. 5 | Title of the Chapter | |

List of tables, if any, with page numbers.

List of Graphs, if any, with page numbers.

List of Appendix, if any, with page numbers.

Abbreviations used:

Structure to be followed to maintain the uniformity in formulation and presentation of Project Work

(Model Structure of the Project Work)

- **Chapter No. 1: Introduction**

In this chapter Selection and relevance of the problem, historical background of the problem, brief profile of the study area, definition/s of related aspects, characteristics, different concepts pertaining to the problem etc can be incorporated by the learner.

- **Chapter No. 2: Research Methodology**

This chapter will include Objectives, Hypothesis, Scope of the study, limitations of the study, significance of the study, Selection of the problem, Sample size, Data collection, Tabulation of data, Techniques and tools to be used, etc can be incorporated by the learner.

- **Chapter No. 3: Literature Review**

This chapter will provide information about studies done on the respective issue. This would specify how the study undertaken is relevant and contribute for value addition in information/ knowledge/ application of study area which ultimately helps the learner to undertake further study on same issue.

- **Chapter No. 4: Data Analysis, Interpretation and Presentation**

This chapter is the core part of the study. The analysis pertaining to collected data will be done by the learner. The application of selected tools or techniques will be used to arrive at findings. In this, table of information's, presentation of graphs etc. can be provided with interpretation by the learner.

- **Chapter No. 5: Conclusions and Suggestions**

In this chapter of project work, findings of work will be covered and suggestion will be enlisted to validate the objectives and hypotheses.

Note: If required more chapters of data analysis can be added.

- **Bibliography**
- **Appendix**

On separate page

Name and address of the college

Certificate

This is to certify that Ms/Mr _____ has worked and duly completed her/his Project Work for the degree of Bachelor in Commerce (Accounting & Finance) under the Faculty of Commerce in the subject of _____ and her/his project is entitled, “ _____ *Title of the Project* _____ ” under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is her/ his own work and facts reported by her/his personal findings and investigations.



Name and Signature of
Guiding Teacher

Date of submission:

On separate page

Declaration by learner

I the undersigned Miss / Mr. _____ *Name of the learner* _____ here by,
declare that the work embodied in this project work titled “ _____
_____ *Title of the Project* _____ ”,
forms my own contribution to the research work carried out under the guidance of
_____ *Name of the guiding teacher* _____ is a result of my own research work and has
not been previously submitted to any other University for any other Degree/ Diploma
to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly
indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and
presented in accordance with academic rules and ethical conduct.

Name and Signature of the learner

Certified by

Name and signature of the Guiding Teacher

On separate page

Acknowledgment

(Model structure of the acknowledgement)

To list who all have helped me is difficult because they are so numerous and the depth is so enormous.

I would like to acknowledge the following as being idealistic channels and fresh dimensions in the completion of this project.

I take this opportunity to thank the **University of Mumbai** for giving me chance to do this project.

I would like to thank my **Principal**, _____ for providing the necessary facilities required for completion of this project.

I take this opportunity to thank our **Coordinator** _____, for her moral support and guidance.

I would also like to express my sincere gratitude towards my project guide _____ whose guidance and care made the project successful.

I would like to thank my **College Library**, for having provided various reference books and magazines related to my project.

Lastly, I would like to thank each and every person who directly or indirectly helped me in the completion of the project especially **my Parents and Peers** who supported me throughout my project.

2. Guidelines for Internship based project work

- Minimum 20 days/ 100 hours of Internship with an Organisation/ NGO/ Charitable Organisation/ Private firm.
- The theme of the internship should be based on any study area of the elective courses
- Experience Certificate is Mandatory
- A project report has to be brief in content and must include the following aspects:
 - **Executive Summary:**
A bird's eye view of your entire presentation has to be precisely offered under this category.
 - **Introduction on the Company:**
A Concise representation of company/ organization defining its scope, products/ services and its SWOT analysis.
 - **Statement and Objectives:**
The mission and vision of the organization need to be stated enshrining its broad strategies.
 - **Your Role in the Organisation during the internship:**
The key aspects handled, the department under which you were deployed and brief summary report duly acknowledged by the reporting head.
 - **Challenges:**
The challenges confronted while churning out theoretical knowledge into practical world.
 - **Conclusion:**
A brief overview of your experience and suggestions to bridge the gap between theory and practice.
- The project report based on internship shall be prepared as per the broad guidelines given below:
 - Font type: Times New Roman
 - Font size: 12-For content, 14-for Title
 - Line Space : 1.5-for content and 1-for in table work
 - Paper Size: A4
 - Margin : in Left-1.5, Up-Down-Right-1
 - The Project Report shall be bounded.
 - The project report should be of minimum 50 pages

Evaluation pattern of the project work

| The Project Report shall be evaluated in two stages viz. | |
|--|-----------------|
| • Evaluation of Project Report (Bound Copy) | 60 Marks |
| ▪ Introduction and other areas covered | 20 Marks |
| ▪ Research Methodology, Presentation, Analysis and interpretation of data | 30 Marks |
| ▪ Conclusion & Recommendations | 10 Marks |
| • Conduct of Viva-voce | 40 Marks |
| ▪ In the course of Viva-voce, the questions may be asked such as importance / relevance of the study, objective of the study, methodology of the study/ mode of Enquiry (question responses) | 10 Marks |
| ▪ Ability to explain the analysis, findings, concluding observations, recommendation, limitations of the Study | 20 Marks |
| ▪ Overall Impression (including Communication Skill) | 10 Marks |

Note:

- *The guiding teacher along with the external evaluator appointed by the University/ College for the evaluation of project shall conduct the viva-voce examination as per the evaluation pattern*

Passing Standard

- Minimum of Grade E in the project component
- In case of failing in the project work, the same project can be revised for ATKT examination.
- Absence of student for viva voce: If any student fails to appear for the viva voce on the date and time fixed by the department such student shall appear for the viva voce on the date and time fixed by the Department, such student shall appear for the viva voce only along with students of the next batch.

T.Y.BAF Project Submission List (Sem VI Academic Year 2022-23)**Subject : Project Work, Sem - VI**

| Sr. No. | Roll No. | Name of the Student | Project Guide | Title of the Project | Submission Date |
|----------------|-----------------|----------------------------|----------------------|---|------------------------|
| 1 | 21102 | AKRE SHUBHADA TUSHAR | Dr. Sunil Khatri | FINANCIAL SCAMS | 05-04-23 |
| 2 | 21005 | BANGERA ANIKET SATISH | Dr. Sunil Khatri | "MERCHANT BANKING" | 05-04-23 |
| 3 | 21023 | BHOIR APURV VINAYAK | Dr. Sunil Khatri | "A STUDY ON GOLD LOAN FOR PUBLIC SECTOR" | 05-04-23 |
| 4 | 21039 | BHOIR KINJAL VINAYAK | Dr. Sunil Khatri | "LEASING AS A MAJOR FINANCING DEVICE FOR SMALL SCALE INDUSTRIES." | 05-04-23 |
| 5 | 21026 | BHOIR NIKHIL SHARAD | Dr. Sunil Khatri | "ANALYSIS OF NON-BANKING FINANCE COMPANY IN INDIA" | 05-04-23 |
| 6 | 21064 | BHOSALE LATIKA DEVENDRA | Dr. Sunil Khatri | "A STUDY ON FINANCIAL SERVICES IN INDIA" | 05-04-23 |
| 7 | 21058 | BHOYE NUTAN MANOJ | Dr. Sunil Khatri | "FOREIGN DIRECT INVESTMENT IN INDIA" | 05-04-23 |
| 8 | 21016 | BILLAWA AASHLESHA ANIL | Dr. Sunil Khatri | "COMPARATIVE STUDY OF MUTUAL FUNDS IN INDIA." | 05-04-23 |
| 9 | 21072 | BORANA MEENAKSHI PUNARAM | Dr. Sunil Khatri | Role of RBI in Indian Financial Market | 05-04-23 |
| 10 | 21100 | CHAVAHAN ASHWINI GAJANAN | Dr. Sunil Khatri | "COMPARATIVE STUDY BETWEEN PRIVATE AND PUBLIC SECTOR BANKS" | 05-04-23 |
| 11 | 21059 | CHURI SONAL NISHIKANT | Dr. Sunil Khatri | Analysis of Mutual Fund | 05-04-23 |
| 12 | 21022 | DALVI VAISHNAVI HANUMANT | Dr. Sunil Khatri | "STUDY IMPACT OF FOREIGN EXCHANGE ON IT COMPANIES" | 05-04-23 |
| 13 | 21055 | DANDEKAR RASHI AJAY | Dr. Sunil Khatri | "CURRENT SCENARIO OF FINANCING EDUCATION LOAN BETWEEN PUBLIC AND PRIVATE SECTOR BANKS". | 05-04-23 |
| 14 | 21056 | DAVANE NIYATI ARVIND | Dr. Sunil Khatri | "STUDY OF INVESTMENT BANKING" | 05-04-23 |
| 15 | 21036 | DHANU HARDIK ANAND | Dr. Sunil Khatri | "A STUDY OF FINANCIAL SYSTEM IN INDIA: THEIR RULES AND REGULATIONS" | 05-04-23 |
| 16 | 21037 | DHANU VINIT NILESH | Dr. Sunil Khatri | "WORKING CAPITAL MANAGEMENT" | 05-04-23 |
| 17 | 21083 | DUKALE RUCHITA SUBHASH | Dr. Sunil Khatri | "A STUDY ON CAPITAL BUDGETING" | 05-04-23 |
| 18 | 21045 | GAWAD SHRUTIKA RAJENDRA | Dr. Sunil Khatri | "A STUDY ON ONLINE PAYMENT APPLICATIONS IN INDIA" | 05-04-23 |
| 19 | 21069 | GHARAT DEEP UMESH | Dr. Sunil Khatri | STUDY ON FINANCIAL SERVICES OF BANK OF BARODA | 05-04-23 |
| 20 | 21034 | GHARAT RUCHIRA HEMANT | Dr. Sunil Khatri | "ROLES & FUNCTION OF RBI" | 05-04-23 |
| 21 | 21025 | GHARAT TANMAY JAYKANT | Dr. Sunil Khatri | HOME LOANS IN INDIA | 05-04-23 |
| 22 | 21013 | GIMBHAL PRANALI JAGAN | Dr. Sunil Khatri | A STUDY ON FINANCIAL PERFORMANCE OF CO-OPERATIVE BANK IN INDIA (T.D.C CO-OP BANK LTD.)" | 05-04-23 |
| 23 | 21073 | GIRI SHIKHA SANTOSH | Dr. Sunil Khatri | A Study of Capital Market in India | 05-04-23 |
| 24 | 21075 | GODAMBE FALAK FARHAN | Dr. Sunil Khatri | "A STUDY ON IMPACT OF GST IN TEXTILE INDUSTRIES" | 05-04-23 |
| 25 | 21108 | GOSWAMI PRANALI JAYESH | Dr. Sunil Khatri | "CONSUMER BEHAVIOUR TOWARDS INDIAN STOCK MARKET" | 05-04-23 |
| 26 | 21084 | GUPTA PRIYANSHU JAYNARAYAN | Dr. Sunil Khatri | "A STUDY OF RATIO ANALYSIS OF ORGANISATION" | 05-04-23 |

| | | | | | |
|----|-------|----------------------------|------------------|---|----------|
| 27 | 21035 | HAMBIRE RITISHA BIPIN | Dr. Sunil Khatri | MERGER & ACQUISITION | 05-04-23 |
| 28 | 21009 | JADHAV MRUNALI RAJENDRA | Dr. Sunil Khatri | A STUDY ON FINANCIAL ANALYSIS OF TATA MOTORS INVESTMENT | 05-04-23 |
| 29 | 21017 | JADHAV RIYA SANTOSH | Dr. Sunil Khatri | A Comparative Study of Indirect Tax and Its Effects on Company | 05-04-23 |
| 30 | 21115 | JAIN PRACHI DILIP | Dr. Sunil Khatri | "RECENT TREANDS IN SERVICE SECTOR AND BANKING SECTOR IN INDIA" | 05-04-23 |
| 31 | 21041 | JAIN VIRAL TARACHAND | Dr. Sunil Khatri | People's Perspective Towards Life Insurance | 05-04-23 |
| 32 | 21062 | JOSHI POOJA KANTILAL | Dr. Sunil Khatri | "A STUDY ON VENTURE CAPITAL FINANCING IN INDIA" | 05-04-23 |
| 33 | 21067 | KALADIYA AWESH SALIM | Dr. Sunil Khatri | A STUDY ON PORTFOLIO MANAGEMENT OF INDIVIDUAL INVESTORS IN MUMBAI | 05-04-23 |
| 34 | 21090 | KARBHARI KRUTIK DAYANAND | Dr. Sunil Khatri | "COMPARISON BETWEEN INVESTMENT IN EQUITY AND MUTUAL FUND" | 05-04-23 |
| 35 | 21111 | KHATIK DARSHIT PYARCHAND | Dr. Sunil Khatri | "STUDY OF CYBER CRIME IN BANKING SECTOR" | 05-04-23 |
| 36 | 21088 | KINI AMOL PRAMOD | Dr. Sunil Khatri | A STUDY ON INVESTMENT OPPORTUNITIES IN STOCK MARKET EXCHANGE." | 05-04-23 |
| 37 | 21020 | KINI SHRADDHA SANTOSH | Dr. Sunil Khatri | A STUDY ON LOANS AND ADVANCES AT STATE BANK OF INDIA | 05-04-23 |
| 38 | 21098 | KOLEY MANISHA MRITYUNJOY | Dr. Sunil Khatri | "MOTIVES AND EVALUATION CRITERIA OF MERGER AND ACQUISITIONS" | 05-04-23 |
| 39 | 21087 | KURLE CHINMAY PRAMOD | Dr. Sunil Khatri | "A STUDY ON FINANCIAL INSTRUMENT" | 05-04-23 |
| 40 | 21110 | KUSHWAHA NESI RAJNISHKUMAR | Dr. Sunil Khatri | "IMPACT OF GST ON CONSTRUCTION INDUSTRY" | 05-04-23 |
| 41 | 21011 | MACHHI AACHAL JAGAN | Dr. Sunil Khatri | STUDY ON VARIOUS HOME LOAN WITH ICICI BANK | 05-04-23 |



**Head of the Department
Department of Accounting &
Finance**



**Principal
PRINCIPAL
Soropant Dandekar Arts College,
V.S. Apte Commerce College &
M.H. Mehta Science College
PALGHAR (W.R.)
Dist. Palghar, Pin-401404**

Jr. Sup. Signature with Date

Supplement No.

Candidate's Seat No.

Date : _____

Class : _____

Subject : _____

| Q.No. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | Total |
|-------|---|---|---|---|---|---|---|---|---|----|----|----|-------|
| Marks | | | | | | | | | | | | | |

Date 05/04/2023
A.Y. 22-23

TYBAP Project Submission
 (Sem. II) Sub. project work

| Sr.No | Roll No. | Name | Sign |
|-------|----------|----------------------------|-------------|
| 1 | 21055 | Rashi Ajay Dandekar | Randekar |
| 2 | 21098 | Maishamanika Koley | Koley |
| 3 | 21102 | Shubhadra Akre | Akre |
| 4 | 21035 | Ritisha Bipin Hambire | Hambire |
| 5 | 21073 | Shikha Guri | Guri |
| 6 | 21059 | Sonal Churi | Churi |
| 7 | 21115 | Prachi Dilip Jain | F.D. Jain |
| 8 | 21009 | Manali R. Jadhav | M.R. Jadhav |
| 9 | 21011 | Aachal Jagan Maulshi | Maulshi |
| 10 | 21036 | Harshik Anand Dhanu | Dhanu |
| 11 | 21056 | Niyati Arvind Davane | Davane |
| 12 | 21034 | Ruchira Hemant Ghorat | Ghorat |
| 13 | 21016 | Aashrika Anil Billava | ABillava |
| 14 | 21037 | Vinit Nilesh Dhanu | Dhanu |
| 15 | 21058 | Nutan Manoj Bhoje | Bhoje |
| 16 | 21020 | Shradha Santosh Kini | Kini |
| 17 | 21022 | Vaishnavi Hanuman Dalvi | Dalvi |
| 18 | 21045 | Shaulika Rajendra Gowad | SGowad |
| 19 | 21013 | Pranali Jagan Gimbhal | Gimbhal |
| 20 | 21039 | Kinjal Vinayak Bhoir | Bhoir |
| 21 | 21108 | Pranali Jayesh Goswami | Goswami |
| 22 | 21084 | Priyanshu Jaynarayan Gupta | Priyanshu |
| 23 | 21072 | Meenakshi Borona | Priyanshu |
| 24 | 21005 | Aniket S. Bangera | Bangera |
| 25 | 21062 | pooja k. Joshi | Joshi |

| <u>Sr. No.</u> | <u>Roll No</u> | <u>Name</u> | <u>Sign</u> |
|----------------|----------------|------------------------------|------------------------------|
| 26 | 21067 | Avesh S. Karadisa | Avesh |
| 27 | 21100 | Ashwini G. Chavhan | AGhuvan |
| 28 | 21110 | Nensi Rajnish Kumar Kushwaha | Nensi |
| 29 | 21017 | Riya S. Jadhav | R.S Jadhav |
| 30 | 21075 | Falak F. Godambe | Godambe |
| 31 | 21088 | Ruchita S. Dulkale | Rulkale |
| 32 | 21111 | Darshit P. Khatik | Darshit |
| 33 | 21069 | Deep U. Gharat | Gharat |
| 34 | 21088 | Amol Pramod Kini | Aini |
| 35 | 21087 | Chinmay Pramod Kurle | C. Kurle |
| 36 | 21023 | Apurv Vithalak Bhoir | ABR |
| 37 | 20126 | Nikhil Sharad Bhoir | Nikhil |
| 38 | 2090 | Kuntik Dnyanand Kulkarni | Kuntik |
| 39 | 21041 | Viral Tarachand Jain | Viral |
| 40 | 21064 | Latika Devendra Bhosale | Latika |
| 41 | 21025 | Tanmay Jaykant Ghare | Tanmay |
| | | | Dr. Sunil Walekar |
| | | | Shah |

PROJECT REPORT
ON
“CURRENT SCENARIO OF FINANCING EDUCATION LOAN BETWEEN
PUBLIC AND PRIVATE SECTOR BANK”

**SUBMITTED TO THE UNIVERSITY OF MUMBAI IN THE PARTIAL
FULFILLMENT OF THE DEGREE B.COM (ACCOUNTING & FINANCE).**

SUBMITTED BY:

RASHI AJAY DANDEKAR

T.Y.BAF

ACADEMIC YEAR: 2022-23

PROJECT GUIDE:

DR. SUNIL KHATRI.

M.COM (Advance Accountancy), Ph.D. (Commerce)

SUBMITTED TO:

UNIVERSITY OF MUMBAI



**SONOPANT DANDEKAR ARTS, V.S.APTE COMMERCE AND M.H.MEHTA COLLEGE, R.H.SAVE
INSTITUTE OF MANAGEMENT, PALGHAR DIST: PALGHAR PIN: 401404**

UNIVERSITY OF MUMBAI

DECLARATION

I, **RASHI AJAY DANDEKAR**, A STUDENT OF SONOPANT DANDEKAR ARTS, V.S.APTE COMMERCE AND M.H.MEHTA SCIENCE COLLEGE, PALGHAR DIST:- PALGHAR, PIN:- 401 404 STUDYING IN T.Y.BAF HEREBY DECLARE THAT I HAVE COMPLETED THIS PROJECT ON “**CURRENT SCENARIO OF FINANCING EDUCATION LOAN BETWEEN PUBLIC AND PRIVATE SECTOR BANKS**”. DURING THE ACADEMIC YEAR 2022-23. THE INFORMATION SUBMITTED IS TRUE AND ORIGINAL TO THE BEST OF MY KNOWLEDGE.

DATE: 11/04/2023

PLACE: PALGHAR



SIGNATURE OF STUDENT

CERTIFICATE

I, DR. SUNIL KHATRI, HEREBY CERTIFY THAT **RASHI AJAY DANDEKAR** OF SONOPANT DANDEKAR ARTS, V.S.APTE COMMERCE AND M.H.MEHTA SCIENCE COLLEGE, PALGHAR DIST:- PALGHAR, PIN:- 401 404 OF T.Y.BAF HAS COMPLETED **HER** PROJECT ON “**CURRENT SCENARIO OF FINANCING EDUCATION LOAN BETWEEN PUBLIC AND PRIVATE SECTOR BANK**”. DURING THE ACADEMIC YEAR 2022-23. THE INFORMATION SUBMITTED IS TRUE AND ORIGINAL TO THE BEST OF MY KNOWLEDGE.



DR. SUNIL KHATRI

SIGNATURE OF PROJECT
GUIDE



SIGNATURE OF THE
PRINCIPAL OF THE COLLEGE



SIGNATURE OF CO-ORDINATOR



SIGNATURE OF
EXTERNAL EXAMINER

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With the completion of my project entitled "**CURRENT SCENARIO OF FINANCING EDUCATION LOAN BETWEEN PUBLIC AND PRIVATE SECTOR BANK**".

- RASHI AJAY DANDEKAR

EXECUTIVE SUMMARY

This report gives us a brief description of education loans and their working process with respect to different sectors in which banks play a vital role as they are so-called the backbone of the process. This also covers the statistical representation part of the process as it shows various important aspects in a very transparent manner with the help of a chart, as this also highlights the deep surveyed terms too such as the comparison between the banks with their percentage of rate of interest, rules & regulations and most importantly are the protocols which they follow, numerous alternative ways to apply for education loans.

An education loan is a sum of money borrowed to finance post-secondary education or higher education-related expenses. Education loans are intended to cover the cost of tuition, books and supplies, and living expenses while the borrower is in the process of pursuing a degree.

Education loans were started to help financially deprived students gain higher education. The poor did not have money to manage their child's education expenses. They also could not arrange collateral to pledge against their loan. That is when the government came up with the initiative of providing unsecured education loans. But the recovery rate in lower amount unsecured loans has been very low. The low recovery rate stats forced banks to rethink their strategy. Since 2015 banks have been very careful about providing unsecured education loans.

The importance that education carries, the government started, kind of the first step in education loans in 1963. The poor did not have money to manage their child's education expenses. They also could not arrange collateral to pledge against their loan. That is when the government came up with the initiative of providing unsecured education loans.

Types of education loans domestic education loan, overseas education loan. Education loans based on courses such as undergraduate loans & postgraduate loans all are based on the collateral. Comparison between educational loans provided by public and private banks.

CHAPTER: 1

INTRODUCTION

1.1 INTRODUCTION

An education loan is a sum of money borrowed to finance post-secondary education or higher education-related expenses. Education loans are intended to cover the cost of tuition, books and supplies, and living expenses while the borrower is in the process of pursuing a degree.

Opting for education loan reduces the strain on family savings and eliminates the need to liquidate investments in fixed deposits, mutual fund or bonds. Besides, the interest on an education loan is eligible for a tax rebate under section 80 E of the Income Tax Act 1961. Education is central to the Human Resources Development and empowerment in any country. National and State level policies are framed to ensure that this basic need of the population is met through appropriate public and private sector initiatives. While government endeavour to provide primary education to all on a universal basis, higher education is progressively moving into the domain of private sector. With a gradual reduction in government subsidies higher education is getting more and more costly and hence the need for institutional funding in this area. An education loan is a loan taken to help pay for an education, usually at a college or trade school, but may also be used to pay for private schools or prep schools as well. Students prefer education loan for pursuing higher education. Also education loan is free from tax. The education loan is available in several different types. These are student loans, parent loans and private loans. Loans are also either guaranteed or unguaranteed. Student and parent loans are most likely to be guaranteed by the government, though many agencies work for the government in this respect. Unguaranteed or unsubsidized loans are usually from private lenders only, and usually can only be obtained if one has a good credit score or significant equity. The scope of education has widened both in India and abroad covering new courses in diversified areas. Development of human capital is a national priority and it should be the endeavour of all that no deserving student is denied opportunity to pursue higher education for want of financial support. Loans for education should be seen as an investment for economic development and prosperity. Knowledge and information would be the driving force for economic growth in the coming years. Based on recommendations made by a Study Group, IBA had prepared a Model Educational Loan Scheme in the year 2001 which was advised

to banks for implementation by Reserve Bank of India vide circular No.RPCD.PLNFS.BC.NO.83/06.12.05/2000-01 dated April 28, 2001 along with certain modifications suggested by the Government of India. In line with the announcement made by the Hon'ble Finance Minister in his Budget Speech for the year 2004-05, IBA had communicated certain changes in the security norms applicable to educational loans with limits above Rs.4 lakhs and up to Rs. 7.5 lakhs. India has large number of students who are aiming for higher education and are seeking financial assistance in the form of educational loans from banks. It has been found in the study that, educational loans are available to deserving / meritorious students at affordable interest rates for pursuing higher studies in India and abroad for various courses. Even though the number of education loan accounts has increased; the year-on-year growth rate had been showing a declining trend both in number of accounts as well as in the amount. Keywords: Educational Loans-interest rates-growth in loan accounts.

1. Introduction Knowledge and information is key driving force for economic growth of any country. Rapid rate of economic growth of the country demands technically and professionally trained human man power in huge numbers. Therefore, loans for education are seen as investments for economic development and prosperity of the country. Money borrowed to finance education or school related expenses is called Educational loan. The National loan scholarship scheme was started in 1963 to finance the meritorious students for pursuing higher education. The budgetary allocation for higher education was also decreasing with respect to the increase in enrolment over last two decades. Functioning of education sector depends on availability of various resources, of which to a large extent on financial resources. Finances for education are mobilized from different sources like government spending, fees, educational loans, and others. Among these, educational loan has been seen as an alternative way of financing for education. Educational Loan Scheme is a socially and economically relevant loan scheme from the Indian banking industry. Reserve Bank of India (RBI) has included education loans as part of the priority sector lending of banks. It aims to provide need-based finance to meritorious student for taking up higher education. In any commercial lending decision, credit worthiness of the borrower and the viability of the scheme are important. The student borrower has no credit history and as such he is assumed to be creditworthy as this is a futuristic loan. However, it is likely that the joint borrower for the loan has a credit history and any adverse features could have a bearing on the assessment of credit risk. If the joint borrower has a loan account with the bank and the loan is treated as non-performing asset, the bank runs the risk of having to consider the student loan also

as non-performing asset. To overcome this, the bank may, as a prudent measure insists on a joint borrower acceptable to the bank, in case of adverse credit history of the parent/guardian of the students. In 1963, The national loan scholarship scheme was in existence to help the students in financing their higher education. Afterward, in 1995, a more structured educational loan scheme was introduced by the State Bank of India. By 2001, many other banks started offering loan facilities to students. Education loan has been a savior to students for a long time and it still is serving the same purpose. You too like each one of us may have heard your dad's struggle story. Stories like studying under street lights because they did not have funds and worked during the daytime. Pity that we or the generation of the 2000s won't be able to tell a similar story to their kids, as we never were and never will be deprived of education because of lack of funds, as we have the option of taking education loans to complete our education. In the below article, we will study the History of education loans and education loan interest rates over the years.

1.2 HISTORY OF EDUCATION LOAN :

Education was, education is and it will always be the way for a country to progress. Education has always been given importance since the independence of India. Even before we got Independence many of our freedom fighters took the support of education to fight against the British. Given the importance that education carries, the government started, kind of the first step in education loans in 1963. Below we see a series of important events in the history of education loans.

- 1963- The National loan scholarship scheme, which was a kind of loan scheme was started by the government to help students in attaining higher education.
- 1991- The scheme was stopped in 1991 because of the low recovery rate.
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- 1991- The scheme was stopped in 1991 because of the low recovery rate.
- 1995- A more structured education loan was started by the SBI.
- 2001- In 2001 a model education loan scheme was introduced and has been in use since then with some modifications over the years.
- 2004-5- Changes in the security norms for education loans that are between 400000 and 7,50,000.

- 2009- In 2009, importance was given to girl education by providing a concession of 0.50% on interest rates of education loans for girls.
- 2009-10- New central loan scheme to provide subsidy on the interest in the moratorium period to economically weaker section(parental income less than 4,50,000 annually). These loans were provided to students to study in professional or technical fields in India.
- 2013-14- The scheme was introduced to provide subsidies toward education loan interest rates to study in India and abroad.
- 2015- Vidya Laxmi portal to apply for unsecured education loans of up to 7.5 lacs was started.

1.3 THE TREND OF EDUCATION LOAN IN INDIA :

Education loans were started to help financially deprived students gain higher education. The poor did not have money to manage expenses for their child's education. They also could not arrange collateral to pledge against their loan. That is when the government came up with the initiative of providing unsecured education loans. But the recovery rate in lower amount unsecured loans has been very low. The low recovery rate stats forced banks to rethink their strategy. Since 2015 banks have been very careful about providing unsecured education loans.

From March 2015 to March 2019, the number of students who secured education loans fell from 3.34 lakh to 2.5 lakh. Though the amount increased significantly. The amount increased by 34% from 16,800 crores to 22,550 crores. This shows that the banks are the least interested to fund low amounts of loans, particularly unsecured as the recovery rate is very low. The lower amount of loans is mostly requested by people who are planning on going to average colleges. Averages don't always guarantee quality education and placement after that. So the students have very low chances of getting jobs. Hence the chances of loan repayment are very low in such cases. Keeping this in view, the banks have curbed providing lower amounts of loans, particularly unsecured lower amounts of loans.

The trend of education loans has been of providing education loans to students going to good universities if they don't have collateral to pledge. Good Universities charge high fees for which the student needs to arrange from banks. That is the reason we see a spike in the education loan amount while there is a decrease in students getting loans.

There is a great range of schemes provided by the government for students to help with their education loans. But these are implemented through public banks and we all have

heard about the effectiveness of public banks. There are problems with private banks too, like disbursement issues and wrong information on interest rates. These issues seemed minor but were impacting the education loan market heavily. Then We Make Scholars, an organization that is funded by the Ministry of IT, the Government of India stepped in to resolve these issues. We Make Scholars provide students with the best lenders to process their education loans. They guide students through the process of education loans and also provide negotiation support on behalf of the students. They have expertise in this domain as they are in it since 2015 and so can process even the most difficult cases.

1.4 TYPES OF EDUCATION LOANS

- **DOMESTIC EDUCATION LOAN :**

Students who would like to pursue education loan in India can apply for this loan type. The loan will get approved only if the applicant is admitted to an Indian educational institutional and meets all other lender criteria.

- **OVERSEAS EDUCATIONAL LOAN**

Such loans help students realise their dream of pursuing the course of their desire in a foreign institution. The loans cover the airfare, accommodation, and tuition fee for students who wish to study abroad only if they satisfy the eligibility criteria.

1.5 EDUCATION LOAN BASED ON COURSES

- **Undergraduate Loans :**

This type of education loan is provided for students to give financial aid to students so they can complete their undergraduate degrees. An undergraduate degree will usually be 3 to 4 year long course under various specialisations. Having an undergraduate degree helps individuals to land a decent job and start earning.

- **Postgraduate Loans :**

Many undergraduate would like to continue their education with a postgraduate course, usually a 2 year long course in India. An advanced degree is desired to get more profound knowledge in the area of interest.

BASED ON COLLATERAL

Loan against Property, Deposits and Securities.

You can pledge immovable assets, such as agricultural land, residential land, flat, house, and others, fixed deposit certificates, recurring deposits, gold deposits, bonds, debentures, and equity shares to get the necessary financing to pursue education.

Third-Party Guarantee :

A guarantee letter from an employee of the bank or a home bank can help the student get an education loan.

1.6 FEATURES AND BENEFITS OF EDUCATION LOAN

- The loan amount can go up to Rs.1 crore for international students and up to Rs.50 lakh for domestic students.
- 100% financing available for certain conditions.
- The financing covers other expenses, such as student exchange travel expenses and laptop.
- Preferential forex rates may be available for international disbursements.
- Parents should be joint borrowers for the education loan.
- Loan repayment tenure can go up to 15 years.
- Loan moratorium period of up to 6-months to 1 year from completing the course.
- Tax benefits up to 8 years on the loan interest payment.

1.7 REVISED MODEL EDUCATIONAL LOAN SCHEME FOR PURSUING HIGHER STUDIES IN INDIA AND ABROAD :

1. OBJECTIVES OF THE SCHEME:-

The Educational Loan Scheme outlined below aims at providing financial support from the banking system to deserving/ meritorious students for pursuing higher education in India and abroad. The main emphasis is that every meritorious student though poor is provided with an opportunity to pursue education with the financial support from the banking system with affordable terms and conditions. No deserving student is denied an opportunity to pursue higher education for want of financial support.

2. APPLICABILITY OF THE SCHEME

The scheme detailed below could be adopted by all Commercial Banks. The scheme provides broad guidelines to the banks for operationalising the educational loan scheme

and the implementing bank will have the discretion to make changes suiting to the convenience of the students/ parents to make it more customer friendly.

The scheme details are as under :

3. ELIGIBILITY CRITERIA:-

-Student eligibility:-

Should be an Indian National Secured admission to professional/ technical courses in India or Abroad through Entrance Test/ Merit Based Selection process.

Courses eligible :-

a. Studies in India: (Indicative list) Graduation courses

: BA, B.Com., B.Sc., etc.

Post Graduation courses

: Masters & Phd .

Professional courses

: Engineering, Medical, Agriculture, Veterinary, Law, Dental, Management ,Computer etc. Computer certificate courses of reputed institutes accredited to Dept. of Electronics or institutes affiliated to university Courses like ICWA, CA, CFA etc, Courses conducted by IIM, IIT, IISc, XLRI. NIFT etc.

Regular Degree/Diploma courses like Aeronautical, pilot training, shipping etc., approved by Directors General of Civil Aviation/Shipping, if the course is pursued in India. Courses offered in India by reputed foreign universities. Other courses leading to diploma/ degree etc. conducted by colleges/ universities approved by UGC/ Govt./ AICTE/ AIBMS/ ICMR etc Courses, which are not covered under the criteria mentioned above, individual banks may take a view to consider extending education loan under the scheme taking into account the future prospects/recognition by user institution.

b. Studies abroad :-Graduation

: For job oriented professional/ technical courses offered by reputed universities.

Post graduation

: MCA, MBA, MS, etc.

Courses conducted

by CIMA

- London, CPA in USA etc.

Expenses considered for loan :-

Fee payable to college/ school/ hostel. Examination/ Library/ Laboratory fee. Purchase of books/ equipment / instruments/ uniforms. Caution deposit, Building fund/refundable deposit supported by Institution bills/receipts, subject to the condition that the amount does not exceed 10% of the total tuition fees for the entire course. Travel expenses/ passage money for studies abroad. Purchase of computers - essential for completion of the course. Insurance premium for student borrower.

4. QUANTUM OF FINANCE:-

Need based finance subject to repaying capacity of the parents/ students with margin and the following ceilings. Studies in India - Maximum Rs.10.00 lacs. Studies abroad - Maximum Rs.20 lacs.

5. MARGIN :-

| | |
|------------------------------------|------|
| Up to Rs. 4 lakhs | NIL |
| Above Rs. 4 lakhs studies in India | 5 % |
| Studies Abroad | 15 % |

Scholarship/ assistantship to be included in margin. Margin may be brought-in on year-to-year basis as and when disbursements are made on a pro-rata basis.

6. SECURITY :-

| | |
|--|---|
| Up to Rs. 4 lakhs | Co- obligation of parents . No security |
| Above Rs. 4 lakhs and up to Rs. 7.5lakhs | Co-obligation of parents together with collateral security in the form of suitable third party guarantee. The bank may, at its discretion, in |

| | |
|--------------------|--|
| | exceptional cases, waive third party guarantee if satisfied with the net-worth / means of parent/s who would be executing the document as "joint borrower" |
| Above Rs.7.5 lakhs | Co-obligation of parents together with tangible collateral security of suitable value, along with the assignment of future income of the student for payment of instalments. |

The loan documents should be executed by both the student and the parent/ guardian as joint-borrower. The security can be in the form of land/ building/ Govt. securities/ Public Sector Bonds/Units of UTI, NSC, KVP, life policy, gold, shares/mutual fund units/debentures, bank deposit in the name of student/ parent/ guardian or any other third party with suitable margin.

Wherever the land/ building is already mortgaged, the unencumbered portion can be taken as security on second charge basis provided it covers the required loan amount. In case the loan is given for purchase of computer, the computer has to be hypothecated to the Bank.

7. RATE OF INTEREST :-

| | |
|-------------------|-----------|
| Up to Rs. 4 lakhs | BPLR |
| Above Rs. 4 lakhs | BPLR + 1% |

Simple interest to be charged during the Repayment holiday/ Moratorium period. Penal interest to be charged as applicable to individual banks.

8. APPRAISAL / SANCTION/ DISBURSEMENT :-

In the normal course, while appraising the loan the future income prospects of the student will be looked into. However, where required, the means of parent / guardian could also be taken into account to evaluate re-payment capability. The loan to be sanctioned as per delegation of powers preferably by the Branch nearest to the place of residence of parents. No application for educational loan received should be rejected without the concurrence of the next higher authority. The loan to be disbursed in stages as per the requirement/ demand

directly to the Institutions/ Vendors of books/ equipment / instruments to the extent possible.

1.8 REASONS FOR TAKING EDUCATION LOAN

For most, the steep fees for professional courses are becoming unaffordable as a result of which, more and more students are knocking on the doors of banks to pay for their education. Data prepared by the Indian Banks' Association (IBA) shows that the number of students applying for loans has more than doubled between 2005 and 2010.



The outstanding amount has also gone up from Rs 6,713.16 crore till 2005 to Rs 40,497.46 crore till 2011. The IBA data, compiled annually from the records of all the 28 nationalized banks in the country, shows that 1.48 lakh applications were received in 2004-05, while the numbers went up to Rs3.25 lakh in 2009-10. The total outstanding accounts in 2005 was 4,68,207 that rose to 19,28,350 in 2010. The corresponding outstanding loan amount went up from Rs 6,713.16 crore in 2005 to Rs35,628.33 crore in 2010. The reasons for the surge in applications, bankers say, are the rising fees, easy availability of loans and low interest rates. "The cost of professional education has gone up and loans are easily available to students. Banks have also become proactive in marketing their products; they have started combing campuses as they know they will find their borrowers there," said Prabhuta Vyas, vice-president of the social banking department of IBA. Since banks provide loans up to Rs 4 lakh without any collateral, "around 67% seeks loan of that amount", she said. According to students, smooth process, low interest rates, few paperwork and reputation of a bank are what they seek when they apply for loans. Shiv Shetty, a PG student in marketing communications at the University of Westminster, UK, took loan through a nationalized bank. However, non-computerization of the process had complicated his application to the university, he claimed.

1.9 Advantage & Disadvantage of Education loan Advantages

A dignified education can change the entire life of a person, leading him towards a successful life and financial independence. Education loan enables you to meet the financial demands of a reputed MBA program or any such professional course. The best part of these loans is that once you complete your objective and achieve financial freedom, you can pay back them easily. Hence, the commitment involved with such loans is very reasonable and appealing. Financial institutions have made an education loan an easygoing task for the applicants. One can apply for the loan by visiting the bank in person or through website of the bank. Majority of the banks provide online application forms and detailed relevant information for applicants' convenience.

Student loans are great alternatives as compared to conventional loans. They not only offer lucrative interest rates but also have easier terms and conditions. Majority of the nationalized banks generally do not ask for any security and charge no margins for a loan amount up to Rs. 4 Lacs. Another key benefit of these loans is the deferment of re-payments. The borrower is not required to repay the loans while studying as the re-payment process commences after completion of the said course and attaining a job within a stipulated span of time. Student loans also show considerable flexibility towards loaner in terms of repayment schedule. The best advantage of education loan is that it not only satisfies the financial need to proceed with higher education but helps in saving income tax also while repayment. Tax benefits on education loan end up reducing overall cost of the loan.

Disadvantage of Education loan

Education loans are definitely a boon for students aspiring for higher studies and aid them financially but in most cases, the choice is driven by the aggressive and forceful marketing strategies done by banks offering these loans. More than aiding a student, the stake of the financial institutions lies in, increasing the profitability of their business. They stand out as a prudent product for the banks to sell and achieve margins. Students get trapped in the web of unsuitable education loans due to lack of proper knowledge and understanding about

the loan procedures and banks' terms and

conditions. In many cases, bank disclosures for securities (viz. mortgages, guarantee) are not adequate or presented in a very complex manner for applicants to understand, given their limited understanding of credit market. Due to such complexity, applicants are not fully

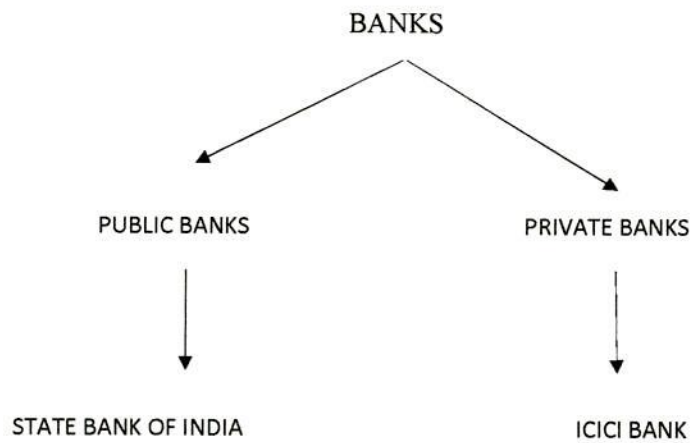
acquainted with the schemes and risks involved in availing the credit. Hence, when re-payment process starts, borrowers have to deal with unexpected problems which leave them helpless.

It's very important for borrowers to analyze the long run suitability of the loan before hand so that debt does not lead to an unmanageable situation. In case a candidate is not able to repay the loan as per schedule due to some unavoidable situations, he has to suffer

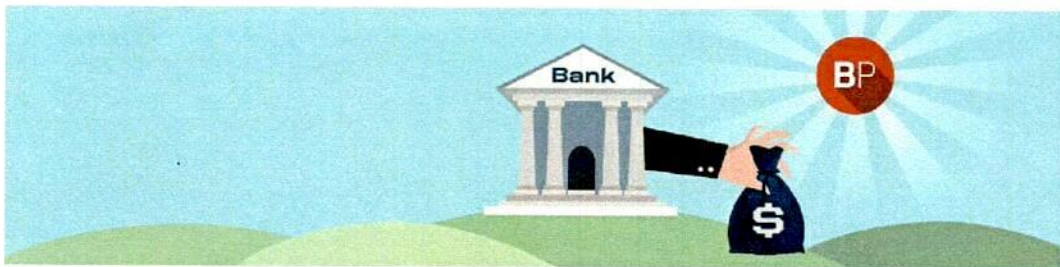
great hassles owing to the bank's mounting pressure for repayments. Majority of the banks are unable to provide proper assistance to the borrowers who are facing a tough time during repayments. Loaners are not ensured any rights and remedies by the banks if caught in unaffordable loans. Loans may go into default very soon after missed payment. Generally in the beginning banks, do not inform adequately about workout and cancellation procedures and later start putting late fee, and other charges for delayed payments, further increasing the overall cost of loan. Although most of the banks try to cooperate and show considerable flexibility in terms of payment schedule, they usually turn out to be inflexible in granting long-term repayment relief for borrowers. Undoubtedly, today, when higher education is costlier than ever, education loans are the most welcomed antidote by aspiring candidates. Certainly, these loans are the best answer to financial shortage for a successful career if chosen wisely; else, they become a burden and lead the borrower to a disastrous situation.

1.10 COMPARATIVE STUDY BETWEEN EDUCATION LOANS PROVIDED BY PUBLIC AND PRIVATE SECTOR BANKS

Bank Chosen For Comparison



Comparison of these two Public (SBI) banks and Private (ICICI) banks which provide Education Loans.



1.11 INTRODUCTION TO STATE BANK OF INDIA

❖ STATE BANK OF INDIA (SBI)

State Bank of India is an Indian multinational, Public Sector banking and financial services company. It is a government-owned corporation with its headquarters in Mumbai, Maharashtra. As of December 2013, it had assets of US\$388 billion and 17,000 branches, including 190 foreign offices, making it the largest banking and financial services company in India by assets. State Bank of India is one of the Big Four banks of India, along with Bank of Baroda, Punjab National Bank and Bank of India. The bank traces its ancestry to British India, through the Imperial Bank of India, to the founding, in 1806, of the Bank of Calcutta, making it the oldest commercial bank in the Indian Subcontinent. Bank of Madras merged into the other two "presidency banks" in British India, Bank of Calcutta and Bank of Bombay, to form the Imperial Bank of India, which in turn became the State Bank of India. Government of India owned the Imperial Bank of India in 1955, with Reserve Bank of India (India's Central Bank) taking a 60% stake, and renamed it the State Bank of India. In 2008, the government took over the stake held by the Reserve Bank of India. State Bank of India is a regional banking behemoth and has 20% market share in deposits and loans among Indian commercial banks.

The roots of the State Bank of India lie in the first decade of the 19th century, when the Bank of Calcutta, later renamed the Bank of Bengal, was established on 2 June 1806.

The bank of Bengal was one of three Presidency banks, the other two being the Bank of Bombay (incorporated on 15 April 1840) and the Bank of Madras (incorporated on 1 July 1843). All three Presidency banks were incorporated as joint stock companies and were the result of royal charters. These three banks received the exclusive right to issue paper currency till 1861 when, with the Paper Currency Act, the right was taken over by the Government of India. The Presidency banks amalgamated on 27 January 1921, and there organized banking entity took as its name Imperial Bank of India.



The Imperial Bank of India remained a joint stock company but without Government participation. Pursuant to the provisions of the State Bank of India Act of 1955, the Reserve Bank of India, which is India's central bank, acquired a controlling interest in the Imperial Bank of India. On 1 July 1955, the Imperial Bank of India became the State Bank of India. In 2008, the government of India acquired the Reserve Bank of India's stake in SBI so as to remove any conflict of interest because the RBI is the country's banking regulatory authority. In 1959, the government passed the State Bank of India (Subsidiary Banks) Act.

This made SBI subsidiaries of eight that had belonged to princely states prior to their nationalization and operational take-over between September 1959 and October 1960, which made eight state banks associates of SBI. This acquisition was in tune with the first Five Year Plan, which prioritized the development of rural India. The government integrated these banks into the State Bank of India system to expand its rural outreach. In 1963 SBI merged State Bank of Jaipur (est. 1943) and State Bank of Bikaner (est. 1944).

SBI has acquired local banks in rescues. The first was the Bank of Bihar (est. 1911), which SBI acquired in 1969, together with its 28 branches. The next year SBI acquired National Bank of Lahore (est. 1942), which had 24 branches. Five years later, in 1975, SBI acquired Krishnaram Baldeo Bank, which had been established in 1916 in Gwalior State, under the patronage of Maharaja Madho Rao Scindia. The bank had been the Dukan Pichadi, a small moneylender, owned by the Maharaja. The new bank's first manager was Jall N. Broacha, a Parsi. In 1985, SBI acquired the Bank of Cochin in Kerala, which had 120 branches.

SBI was the acquirer as its affiliate, the State Bank of Travancore, already had an extensive network in Kerala. There has been a proposal to merge all the associate banks into SBI to create a "mega bank" and streamline the group's operations. The first step towards unification occurred on 13 August 2008 when State Bank of Saurashtra merged with SBI, reducing the number of associate state banks from seven to six. Then on 19 June 2009 the SBI board approved the absorption of State Bank of Indore. SBI holds 98.3% in State Bank of Indore. (Individuals who held the shares prior to its takeover by the government hold the balance of 1.7%.)

The acquisition of State Bank of Indore added 470 branches to SBI's existing network of branches. Also, following the acquisition, SBI's total assets will inch very close to the 10 trillion mark (10 billion long scale). The total assets of SBI and the State Bank of Indore stood at 9,981,190 million as of March 2009. The process of merging of State Bank of

Indore was completed by April 2010, and the SBI Indore branches started functioning as SBI branches on 26 August 2010. On October 7, 2013, Arundhati Bhattacharya became the first woman to be appointed Chairperson of the bank.

- SBI Education Loan
 - No collateral or third-party guarantee required up to Rs. 7.5 lakh
 - Repayment up to 15 years post the course completion + 12 months
 - Zero processing fees for loans up to Rs. 20 lakh
 - Second loan can be availed for completing higher studies.

1.11.1 Features of SBI Education Loan

Purpose :

SBI Student Loan Scheme is offered to Indian nationals for Pursuing higher studies in India or at a foreign institution. SBI Scholar Loan Scheme is offered to students who have secured admissions in premier Indian institutions. A separate loan scheme is offered for pursuing vocational education and training in India.

Expenses of SBI Education Loan :

The following expenses are covered for both the student loan for vocational education.

- Tuition and course fee
- Examination, library and laboratory fees
- Caution deposits
- Cost of two, equipment and other instruments.

The following expenses are considered only for the student loan scheme and not for the vocational training loan.

- Cost of two wheeler up to Rs 50000
- Travel expenses and passage money for abroad studies.

- Caution deposit, building fund and other refundable deposit which amounts up to 10% of the tuition fees for the entire semester
- Any other expenses required to complete the coursework like study tours, thesis, project etc.

Amount of Education Loan

- SBI Student Loan Scheme
A maximum of Rs 10 lakhs is offered for studies in India. For studies abroad, a maximum of Rs 30n lakhs is offered as loan.
- SBI Scholar Loan Scheme

| Category of education institution | Maximum Loan Limit | |
|-----------------------------------|--------------------|-------------|
| Without Security | With Security | |
| List AA | Rs 30 lakhs | NA |
| List A | RS 20 lakhs | Rs 30 lakhs |
| List B | RS 20 lakhs | NA |
| List C | Rs 7.5 lakhs | Rs 30 lakhs |

- Loan Scheme for Vocational Education and Training for course of period up to 6 months, loans up to Rs 50000 are provided. A maximum of Rs 1 lakh is provided as loan for courses of duration above 6 months.

Interest Rates :

- SBI Student Loan Scheme

| Loan Amount | Rate of Interest |
|------------------|-----------------------|
| Up to Rs 4 lakhs | 3.50% above base rate |

| | |
|---|-----------------------|
| Above Rs 4 lakhs and up to Rs 7.5 lakhs | 3.75% above base rate |
| Above RS 7.5 lakhs | 1.7% above base rate |

- The base rate is fixed at 9.85%. Do make an enquiry with the bank about the prevailing base rates. A concession of 0.50% is provided for girl students and a 1%concession is offered for full tenure of loan, if the interest is serviced promptly during moratorium and course period.

- SBI Scholar Loan Scheme

| Types of Institution | Interest Rate per annum |
|----------------------|---|
| List AA | 25 bps above base rate (10.10% at present) |
| List A | 25 bps above base rate (10.10% at present) |
| List B | For unsecured loan up to Rs 20lakhs, 50 bps above base rate (10.35% at present) |
| List C | 175 bps above base rate (11.60% at present) |

For list B institution, the interest rate is 25 bps if the collateral security provided is equal to or greater than the loan amount or if the applicant's work experience is greater than two years. Do contact the bank for a comprehensive classification of the educational institutions as per the type AAA, A, B or C.

- SBI Loan for Vocational Education and Training

The rate of interest is fixed at 3.50% above the base rate of 9.85%.

Processing fee :

No processing fee is charged for SBI Educational Loan.

Repayment Tenure :

- SBI Student Loan

| Maximum Loan Amount | Repayment Period |
|---|------------------|
| Above Rs 4 lakhs to up to Rs 7.59 lakhs | Up to 10 years |
| Above Rs 7.5 lakhs | Up to 12 years |

- SBI Scholar Education Loan The maximum repayment tenure is 12 years. The repayment starts after 6 months of course completion.
- SBI Loan for Vocational Education and Training For courses of duration up to 1 year, the repayment period can extend up to 5 years.

SECURITY :

- SBI Student Education Loan

| Loan amount | Security |
|---------------------------------------|---|
| Up to Rs 4 lakhs | Parent or guardian as co-borrower |
| Above Rs 4 lakhs and to Rs 7.50 lakhs | Parent or guardian as co-borrower and collateral security in the form of a third part guarantee |
| Above Rs 7.5 lakhs | Parent or guardian as co-borrower and tangible collateral security |

- SBI Scholar Loan Scheme
- Tangible collateral security of full value is to be provided and parent or guardian should sign up as co-borrower only to avail extra loan amount for list A and list C institutions. Loans can be availed without security also under the scholar scheme.

- SBI Loan for Vocational Education and Training
- No collateral or third party guarantee is taken. But, parents or guardian will have to execute the loan documents as co-borrower.
- **Margin:**

For SBI Student Loan Scheme, there is no margin for loans up to Rs 4lakhs. For loans above Rs 4lakhs, the margin is 5% for students in India and 15% for studies abroad.

Eligible courses :

- **SBI Student Education Loan**

For studies in India, graduation and post-graduation technical courses (degree and diploma) conducted by colleges approved by UGC, AICTE, IMC and the government of India are covered. Also, teacher training, nursing and other diploma courses like pilot training, shipping etc. as approved by the concerned regulatory authority are covered under the loan. For studies abroad, job-oriented professional graduate and post-graduate courses like MCA, MBA, MS, courses conducted by CIMA-London, CPA-USA are approved for loan.

- **SBI Loan Scheme**

Regular full-time degree and diploma courses for which the student is granted an admission through merit based admission process or entrance test is covered under the loan. Also, full time executive management courses like PGPM are approved for loan.

- **SBI Vocational Education and Training Loan**

Vocational courses and skill development courses of duration 2 months to 3 years run by a government department or an organization supported by National Skill Development Corporation leading to a recognized Government organization are approved for the loan.

List of approved Educational Institutions

- For the SBI Student Scheme, educational institutions in India recognized by UGC/ AICTE/ IMC and government of India are approved for loan.
- SBI Scholar Loan scheme is provided for education in 93 premier Indian Institutions. Contact the bank for the list of institutions that fall under the elite category.

- Vocational, skill development courses offered by the government or an organization certified by the government is approved for loan under the SBI Vocational Education and training loan category.

Documentation required :

The following documents are to be submitted to complete the application process.

- Letter of admission
- Duly filled and signed loan application form
- 2 recent passport size photographs
- Statement of cost of study
- PAN Card, AADHAR card of student and parent/guardian
- Proof of identity and proof of residence
- IT returns or IT assessment order of previous two years of the co-borrower
- Statement of assets and liabilities of parents/guardian.

1.11.2 SBI EDUCATION LOAN

State Bank of India is an Indian multinational banking and financial service company. It is owned by the government and therefore follows government's push for education passionately. State Bank of India has many attractive scheme that cater to foreign bounds students , domestic students, and student who wish to take skill development classes. SBI offers education loan at an attractive **interest rate** with student -centric attitude when it comes to marking tenure of education loan.

1.11.3 SBI EDUCATION LOAN INTEREST RATES

Important information on State Bank of India Education Loan

1Y MCLR for SBI is 8.55%

The Reset Period for Education Loan is 1 year. The list for premier institutes can be found here.

The Rate of Interest on their diverse education loan schemes are as follows :

| Education Loan Scheme | Interest Rates |
|-------------------------|---------------------------|
| SBI Student Loan Scheme | Up to Rs 7.50 lakh |
| | 1Y MCLR + 2.00% Spread |
| | Above Rs 7.50 Lakh |
| | 1Y MCLR + 2.25% spread |
| | AA list institutes |

The Maximum Loan Amount is ₹ 10.00 Lakh if pursuing education in India. It is ₹ 20.00 Lakh if pursuing in a foreign land. Higher loan limit for domestic education can be considered on a case to case basis. If the student plans to move abroad to pursue higher education and want additional loan amount they can apply for Global Ed-Vantage Scheme.

How to Apply for State Bank of India Education Loan

Students who have successfully applied for an institution can apply for the education loan in the following ways:

- **Online Application**

You can apply for a State Bank of India Education Loan online to do this follow the steps laid below:

- Got to the Education Loan Platform of State Bank of India.
- Select the type of education loan you want to apply for.
- On the new page click on 'Apply Now Online' tab.
- Fill up the form with all the required information and submit it.
- Select the type of loan you want and then complete the necessities required for fast processing.
- Offline Application

There are two ways through which you can apply for an education loan offline

- Get a Callback

To get a call back from the bank follow the below laid steps:

- Got to the Education Loan Platform of State Bank of India.
- Select the type of education loan you want to apply for.
- On the new page click on 'Get a Callback' tab.
- Fill out the form and submit.
- Enter the OTP and click on confirm tab.

You will get a call back from SBI student care team specializing in education loans. You can discuss with the executive how you want to proceed with the education loan.

-
- Branch Visit

Alternatively students wishing to apply for an education loan can approach the nearest SBI Bank branch. To find a branch near you go to branch locator of SBI bank. There you can contact a bank official who will guide you through the process of applying for an education loan. Using the EMI Calculator for Education Loan through Paisabazaar.com

1 11.4 FREQUENTLY ASKED QUESTIONS ON STATE BANK OF INDIA

- **Does State Bank of India charge any processing fees on education loan?**

Only SBI Global Ed-Vantage Scheme charges ₹ 10,000 per application rest do not charge any processing fee or charge.

- **What is EMI and how is it calculated?**

EMI stands for Equated Monthly Installments. EMIs are calculated on the basis of both principal amount and interest accrued over the tenure, time period in which the loan has to be paid off. Shorter tenure means higher EMIs whereas longer tenure results in lower EMIs.

- **Who can apply for State Bank of India Education Loan?**

Any student can apply for an education loan as long as they have received their High School Certification, passed the 12Th Grade. Students who can want to go to trade school, develop vocational skills can also apply as well.

- **Where can I apply for a SBI education loan?**

Students can apply for the loan from any branches in metro or urban areas as well as those who have personal banking divisions.

- **Are there margins on loan amount sought from State bank of India Education Loans?**

Some education loans of State Bank of India have margins and they vary from 5 to 15 percent. Others don't have any margins and they pay the full amount.

- **Are there any tax benefits that come with educational loans?**

Yes there is one tax benefit that you can avail. According to section 80 E of Income Tax Act of India, 1961, you can claim the interest paid on the education loan as a deduction.

- **What is the Marginal Cost Based Lending Rate (MCLR) of State Bank of India?**

The MCLR rate of State Bank of India is 8.55% currently.

- **Will the loan affect my Credit Score?**

Yes, the credit score or CIBIL score is affected by education loan and it serves a great opportunity to build the score. You are required to be very diligent when it comes to your

education loan payments. Make sure you are never behind your payments on your education loan. Also if you do not pay the EMIs for three consecutive months the bank will label you NPA (Non-Performing Asset) which will ruin your credit score for the next 7 to 10 years!

1.12 INTRODUCTION TO ICICI BANK

ICICI BANK

ICICI BANK was incorporated in 1994, and, as of March 31, 2007, had a nation wide network of 950 Branches and 3300 ATM's in 350 Indian towns and cities. Our single-minded focus on product quality and service excellence has helped us garner the appreciation of both national and international organizations. ICICI Bank is India's largest bank with total assets of Rs.3,446.58 billion (US\$ 79 billion) at March 31, 2007 and profit after tax of Rs.31.10 billion for fiscal 2007. ICICI Bank is the most valuable bank in India in terms of market capitalization and is ranked third amongst all the companies listed on the Indian stock exchanges in terms of free float market capitalization. Its registered office is in Mumbai, India.

Promoter

ICICI BANK is India's most healthy bank and enjoys an impeccable track record in India as well as in international markets. Since its inception in 1977, the Corporation has maintained a consistent and healthy growth in its operations to remain a market leader in mortgages. Its outstanding loan portfolio covers well over a million dwelling units. ICICI BANK has developed significant expertise in retail mortgage loans to different market segments and also has a large corporate client base for its housing related credit facilities. With its experience in the financial markets, a strong market reputation, large shareholder base and unique consumer franchise, ICICI BANK was ideally positioned to promote a bank in the Indian environment.

Business Focus

ICICI Bank's mission is to be a World Class Indian Bank. The Bank's aim is to build sound business franchises across distinct businesses so as to be the preferred provider of banking services in the segments that the bank operates in and to achieve healthy growth in profitability.

consistent with the bank's risk appetite. The bank is committed to maintain the highest level of ethical standards, professional integrity and regulatory compliance. ICICI Bank's business philosophy is based on four core values: Operational Excellence, Student Focus, Product Leadership and People.

Capital Structure

ICICI Bank is India's second-largest bank with total assets of Rs. 3,446.58billion (US\$ 79 billion) at March 31, 2007 and profit after tax of Rs. 31.10billion for fiscal 2007. ICICI Bank is the most valuable bank in India in terms of market capitalization and is ranked third amongst all the companies listed on the Indian stock exchanges in terms of free float market capitalization. The ICICI Group holds 24.2% of the bank's equity while about 13.1% of the equity is held by the depository in respect of the bank's issue of American Depository Shares (ADS/ADR Issue). The Indian Private Equity Fund, Mauritius (IPEF) and Ind ocean Financial Holdings Ltd., Mauritius (IFHL) (both funds advised by J P Morgan Partners, formerly Chase Capital Partners) together hold about 5.5% of the bank's equity. Roughly 27.5% of the equity is held by FIIs, NRIs/OCBs while the balance is widely held by about 214,000 shareholders. The shares are listed on The Stock Exchange, Mumbai and the National Stock Exchange. The bank's American Depository Shares are listed on the New York Stock Exchange (NYSE) under the symbol "HDB"

Distribution Network

ICICI Bank is headquartered in Mumbai. The Bank at present has an enviable network of over 950 branches in spread over 350 cities across the country. All branches are linked on an online real-time basis. Students in 90 locations are also serviced through Phone Banking. The Bank also has a network of over 3300 networked ATMs across these cities. Moreover, ICICI Bank's ATM network can be accessed by all domestic and international Visa/MasterCard, Visa Electron/Maestro, Plus/Cirrus and American Express Credit/Charge cardholders.

Management

Mr. N. Vaghul, look over as the bank's Chairman Prior to this, Mr.Vaghul was a Deputy Governor of the Reserve Bank of India. The Managing Director, Mr. K.V. Kamath, has been a professional banker for over 25 years and before joining ICICI The Bank's Board of Directors is composed of eminent individuals with a lalth of experience in public policy, administration,

industry and commercial banking. Senior executives representing ICICI BANK are also on the Board.

Technology

ICICI Bank operates in a highly automated environment in terms of information technology and communication systems. All the bank's branches have connectivity which enables the bank to offer speedy funds transfer facilities to its students. Multi-branch access is also provided to retail students through the branch network and Automated Teller Machines (ATMs).

Business Profile

ICICI Bank caters to a wide range of banking services covering commercial and investment banking on the wholesale side and transactional / branch banking on the retail side. The bank has three key business areas:-

a) Wholesale Banking Services

The Bank's target market is primarily large, blue-chip manufacturing companies in the Indian corporate sector and to a lesser extent, emerging mid-sized corporate. For these corporate, the Bank provides a wide range of commercial and transactional banking services, including working capital finance, trade services, transactional services, cash management, etc. The bank is also a leading provider of structured solutions which combine cash management services with vendor and distributor finance for facilitating superior supply chain management for its corporate students. Based on its superior product delivery / service levels and strong student orientation, the Bank has made significant inroads into the banking consortia of a number of leading Indian corporates including multinationals, companies from the domestic business houses and prime Public Sector companies. It is recognized as a leading provider of cash management and transactional banking solutions to corporate students, mutual funds, stock exchange members and banks.

b) Retail Banking Services

The objective of the Retail Bank is to provide its target market students a full range of financial products and banking services, giving the student a one-stop window for all his/her banking requirements. The products are backed by world-class service and delivered to the students through the growing branch network, as well as through alternative delivery channels like ATMs, Phone Banking, Net Banking and Mobile Banking. ICICI Bank was the first bank in India to

launch an International Debit Card in association with VISA (VISA Electron) and issues the Mastercard Maestro debit card as well. The debit card allows the user to directly debit his account at the point of getting at a merchant establishment, in India and overseas. The Bank launched its credit card in association with VISA in November 2001. The Bank is also one of the leading players in the "merchant acquiring" business with over 25,000 Point-of-Sale (POS) terminals for debit / credit cards acceptance at merchant establishments.

c) Treasury Operations

Within this business, the bank has three main product areas – Foreign Exchange and Derivatives, Local Currency Money Market & Debt Securities, and Equities. To comply with statutory reserve requirements, the bank is required to hold 25% of its deposits in government securities. The Treasury business is responsible for managing the returns and market risk on this investment portfolio.

Rating

ICICI Bank has its deposit programmes rated by two rating agencies – Credit Analysis & Research Limited (CARE) and Fitch Ratings India Pvt. Ltd. The Bank's Fixed Deposit programme has been rated 'CARE AAA (FD)' [Triple A] by CARE, which represents instruments considered to be "of the best quality, carrying negligible investment risk". CARE has also rated the Bank's Certificate of Deposit (CD) programme "PR 1+" which represents "superior capacity for repayment of short term promissory obligations". Fitch Ratings India Pvt. Ltd.(100% subsidiary of Fitch Inc.) has assigned the "tAAA (ind)" rating to the Bank's deposit programme, with the outlook on the rating as "stable". This rating indicates "highest credit quality" where "protection factors are very high". ICICI Bank also has its long-term unsecured, subordinated (Tier-II) Bonds rated by CARE and Fitch Ratings India Pvt. Ltd. CARE has assigned the rating of "CARE AAA" for the Tier-II Bonds while Fitch Ratings India Pvt. Ltd. Has assigned the rating "AAA (ind)" with the outlook on the rating as "stable".

Awards and Achievements - Banking Services

ICICI Bank began operations in 1995 with a simple mission: to be a

"World-class Indian Bank"

ICICI realised that only a single-minded focus on product quality and service excellence would help get there. Today, ICICI are proud to say that I are III on our way towards that goal. It is

extremely gratifying that our efforts towards providing student convenience have been appreciated both nationally and internationally.

- ICICI Bank has won the Euromoney Award for the “**Best Bank in Asia**” and “**Best Bank in India**”
- Asia's Best Financial Borrower 2007 – Euromoney
- **Best Bank** in the New ICICI Bank category By Financial Express
- Excellence in Remittance Business Award, 2007 from Asian Banker

SERVICE PROVIDED BY THE BANK

1. DEPOSITS

- ✓ Saving Bank Account
- ✓ Current Account
- ✓ Fixed Deposits
- ✓ Recurring Deposits
- ✓ Collection of drafts, cheques and various other instruments

2. LOANS

- ✓ Consumer durable loans
- ✓ Personal loan to salary class
- ✓ Housing loan
- ✓ Two wheeler loan
- ✓ Revolving cash credit limit to businessman
- ✓ Cash credit fertilizer
- ✓ Education loan

1.12.1 ICICI BANK EDUCATION LOAN

ICICI Bank is one of the leading banks that provides education loan in India. ICICI Bank believes that it is their responsibility to provide financial aid to students, as the students' work should end at finalizing at the institute and course they want to take. Students who are taking

ICICI Bank loans can rest easy that the bank will guide them through the process of taking the loan whether it is for a course pursued domestically or internationally.

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- All college expenses including and not limited to tuition, examination, study tours, etc.
- Insurance premium for the students who avail the student loan
- Student loan also covers travel expenses or passage money for studies overseas

1.12.2 ICICI BANK EDUCATION LOAN INTEREST RATES

ICICI Bank Charges a fixed interest rate on its student loans

| INTEREST RATE | COURSE/ LOCATION |
|----------------------|------------------------------------|
| 11.5% | PG / UG Domestic/ International |

Please note that the interest rate starts at 11.5%, it also depends on the course taken and the institute rolled into by the student.

1.12.3 Features and Benefits of ICICI Bank Education Loan

ICICI Bank being one of the premier banks of India has come up with attractive schemes and benefits that ensures the student is not burdened with troublesome details or fine prints. The salient features of ICICI Bank Education Loan are:

1. Collateral Free Loan.
2. Flexible repayment options.
3. Tax benefit under section 80 E of Income Tax Act of India, 1961.
4. Zero processing fees.
5. Quick and hassle free process.
6. Preferential forex rates for international disbursements.

*Terms and Conditions Apply

ICICI Bank Education Loan

ICICI Bank charges the students the same base interest rate of 11.5 % whether they plan to study in India or go overseas. The details for Domestic and International students are shared below:

Domestic Students

The students who plan on pursuing higher education in India are:

| Details | Post Graduate | Under Graduate |
|----------------|----------------------|-----------------------|
| Interest Rate | Starts at 11.5 % | |

| | | |
|--------------------------------|---|---|
| Loan Tenure Without Collateral | Up to 8 years post course period with additional 6 months | Up to 5 years post course period with additional 6 months |
| Loan Tenure with Collateral | Up to 10 years post course period with additional 6 months | Up to 7 years post course period with additional 6 months |
| Maximum Loan Amount | 50 Lakh | |
| Collateral Requirement | As per the institute. Collateral-free loans for select institutes: Up to ₹ 20 lakh for UG and up to ₹ 40 lakh for PG courses. | |
| Moratorium Period | As per the course and institute. | |
| Margin | 15% margin (Margin/ FD/ Scholarship) only for loans above ₹ 20Lakh. | |

International Students

The various details for students who plan on studying abroad are:

| Details | Post Graduate | Under Graduate |
|--------------------------------|---|---|
| Interest Rate | Starts at 11.5 % | |
| Loan Tenure Without Collateral | Up to 8 years post course period with additional 6 months | Up to 5 years post course period with additional 6 months |
| Loan Tenure with Collateral | Up to 10 years post course period with additional 6 months | Up to 7 years post course period with additional 6 months |
| Maximum Loan Amount | ₹ 1 Crore | |
| Collateral Requirement | As per the institute. Collateral-free loans for select institutes: Up to ₹ 20 lakh for UG and up to ₹ 40 lakh for PG courses. | |
| Moratorium Period | As per the course and institute. | |

| | |
|--------|---|
| Margin | 15% margin (Margin/ FD/ Scholarship) only for loans above ₹ 20Lakh. |
|--------|---|

ICICI Bank understands that tuition fees are just part of the expenses incurred by the students.

The bank also gives funds for the following non tuition related expenses:

- Examination, library, and laboratory fees.
- Hostel fees, travel expenses, and passage money for overseas studies
- Insurance premium for student borrower.
- Caution deposit, building fund or refundable deposit supported by institution bills and receipts.
- Books, equipment, uniforms, instruments, etc.
- Reasonably priced computer if deemed necessary to complete the course.
- Any expenses that are required to complete the course like study tour, project work, or thesis.

Eligibility Criteria for ICICI Bank Education Loan

ICICI Bank reserves the final right to decide whether someone is eligible for an education loan. However, there are some basic eligibility criteria that a student should meet, should he apply for an education loan. The criteria are:

- The prospective student should be an Indian National.
- The prospective student should have secured admission or invite from university, in an approved university or college.
- The prospective student should have cleared 12th standard, (10+2).

Eligible Courses

ICICI Bank Education Loan is only provided for these specific courses.

Domestic

Domestic courses that are approved for student loan by ICICI Bank are :Courses that lead to Graduate, Post Graduate degree/diploma conducted by recognized colleges or universities recognized by the University Grants Commission, All India Council for Technical Education,

Government, All India Board of Management Studies, Indian Council of Medical Research, etc.

International

ICICI Bank does provide education loans for students headed abroad, the only criterion they have set is that the course that the student enrolls in should be job oriented.

Documents Required for ICICI Bank Education Loan.

The following documents are required by the bank in order to be considered for a loan.

- Know your Student (KYC) documents of both the student and co-borrower
- Mark sheets of 10th, 12th standard, graduation and entrance exams.
- Admission Letter
- Fee structure
- Income Proof of co-borrower
- Residential, commercial property plots (Non-agricultural).
- Fixed deposits.

Income proof required only for specific courses.

Only asked for when ICICI Bank seeks security/collateral from the borrowers.

For Know Your Student (KYC) checks. The following documents are sought against the varied categories:

| | |
|-----------------|---|
| Identity Proof | Passport, PAN Card, Aadhaar Card, Voter's ID Card, Driving Licence, Photo Credit Card, Central and State Govt. issued Photo ID Proof, Defence ID Card, etc. |
| Residence Proof | Aadhaar Card, Ration Card, Passport, Bank Account Statement, Voter's ID Card, Letter from any recognized public authority, Telephone Bill, Electricity Bill, Water Bill etc. (not more than 3 months old), etc. |
| Income Proof | Salary Slips (not more than 3 months old), Bank Statements (not more than 3 months old), ITR, Form-16, etc. |

How to Apply for ICICI Bank Education Loan

Students who seek to apply for education loan to study domestically or internationally can apply for the loan through any of the two ways provided below.

- **Online**

To apply for ICICI Bank Education Loan online head over to the ICICI Bank Education Loan application portal .Fill out the form and submit it. A representative from ICICI Bank Education Loans will get in touch with you as soon as possible. The Representative will only call you between 10:00 am and 7:00 pm, Monday to Saturday.

- **Offline**

Students seeking ICICI Bank Education Loan can also visit the nearest ICICI Bank branch to apply for the education loan. To locate the nearest ICICI Bank branch you can visit this link, mention your location, and then click on search icon. The search results will show you all the nearest ICICI Bank branches. Calculate EMI of Education Loan through Paisabazaar.com Borrowers who have applied for a student loan can also check on the amount of Equated Monthly Installments (EMI) they are required to pay easily through Paisabazaar's simple and easy to use tool. Follow the steps laid out below to use Paisabazaar's student loan EMI Calculator.

- 1.Go to paisa bazaar's student loan EMI calculator.
- 2.In **Loan Amount** enter the amount you borrowed from the bank.
3. In **Rate of Interest** enter the interest that the bank is charging you.
- 4.In **Loan Tenure** enter the time period under which you have to pay off the loan.

On the right side of the screen, you will see the EMI that you are liable to pay with the given combination of loan principal, tenure, and rate of interest. The EMI can vary if you change the contributing factors of the education loan EMI calculator.

The EMI calculator makes it really easy to compare various education loans as you can check in real time the varied EMIs that are associated with various banks. ICICI Bank Education

1.12.4 Loan Frequently Asked Questions

Applying for a student loan can be hectic and confusing especially for first time applicants. Here are some frequently asked questions that will help answer some of the questions you might have with education loans.

1 – Can I apply for subsidy on ICICI Bank education loan?

Yes, you can apply for subsidy on your education loan

if the student's parents have a total income of less than ₹ 4.5 lakh from all sources. For more detail you can visit government of India's page on [Central Sector Interest Subsidy Scheme, 2009](#).

2 – Does ICICI Bank charge processing fee for the education loan?

ICICI Bank does not usually charge a processing fee, but depending on the college and course applied for the bank may charge a processing fee.

3 – Can I get a loan exemption on the student loan?

Yes you can get exemption under section 80 E of Income Tax Act of India, 1961. You can claim the interest paid on the education loan as a deduction.

4 – How much can I borrow from the bank?

ICICI Bank offers loans up to ₹ 50 lakh of for domestic courses and up to ₹ 1 crore for international courses.

5– Do I have to start paying the EMIs right after college?

No ICICI Bank gives you 6 additional months to secure a job and land on your feet before you have to start paying the EMIs.

CHAPTER : 2

RESEARCH METHODOLOGY

2.1 Meaning of Research methodology

Research methodology is way to systematically solve the research problem. It may be understood as a science of studying. How research is done scientifically. In it we study the various step that are generally adopted by researcher in studying his research problem along with the logic behind them. One should also remember that various steps involved in research process are not manually exclusive, nor they are separate and distinct. The methodology adopted for the present study consists of following phases :-

Research design phase :-

This phase mainly involve stating the conceptual structure within which research would be conducted. The main steps involved in this phase are as:

Sampling Plan:

The sample was selected for the study by Convenient method. This type of sampling where each & every item in the population has an equal chance of inclusion in the sample.

Sample unit:

Under the study the students are considered the sample unit in Palghar cities.

Sample size

The sample for research consisted of 100 students in Palghar Cities. The sample was spread all over the cities of Bathinda. The sample size was restricted to 100 because of financial & time constraint.

2.1.1 Data Collection and Analysis :

a) Data collection:

Primary data:

Primary data are those, which are collected a fresh and for the first time and thus happen to be original in character. It is the backbone of any study. Primary data was obtained from personal interview of respondents with the help of widely used and well-known method of survey, through a well-structured questionnaire.

Secondary data:

Secondary data are those which have already been collected by someone else and which have already been passed through the statistical process. In this case one is not confronted with the problems that are usually associated with the collection of original data. Secondary data either be published data or unpublished data. Secondary data was collect from the internet only.

Research instrument:

Research instrument is that with the help of which we collect the data from respondents. The questionnaire of this research consists of multiple choices, close ended and questions.

b) Tools of Presentation and analysis:

Tools of Presentation:

The tool of presentation is tables and figures for present the data.

Tools of Analysis:

The tools of analysis which is used for analysis the data is percentage.

Preparation of Questionnaire :-

The questionnaire was prepared by the researcher himself. The preparation of questionnaire was done by keeping the objective of study in mind. The researcher took some help from experts during the framing of questionnaires. The preparation of questionnaire took about 4-5 days. The questionnaire used for study was of closed type since it is free from bias nature of respondents.

Analysis phase:-

After the data has been collected the researcher tabulated the data from the tables the researcher analyzed the data. During the analysis of data help of various types of charts & graphs was taken. The analysis phase took about seven days. For further results weighted

average method was used whenever required. Finally on the basis of analysis various results and conclusions were drawn.

2.2 LIMITATIONS OF THE STUDY

- The paucity of time and resources was the major constraints.
- The sample size was limited to 30.
- The sample was taken from the population residing in Palghar only, so the results are not applicable to whole of India.
- Non co-operation of some respondents has also affected the research results.
- Being an opinion survey a lot of subjectivity is involved in the study.
- The possibility of respondents being biased cannot be ruled out.
- The limited knowledge of the respondents regarding the topic may hamper the true conclusion of the study.
- Difficulties were faced while collecting the primary data.
- Collecting secondary data was time consuming.

2.3 Objectives of the study

- To study about the Education loan.
- To know the process of education loan scheme.
- To identify the benefits, Advantages and Disadvantages if education loan scheme.
- To study the comparison of current scenario of education loan between Public and Private sector bank.
- To study the student satisfaction towards education loan providers.
- To study the best one service provide by the comparing the SBI and ICICI bank through conducted survey questionnaire.
- To find out the customer response and extent of the education loan provided.

CHATER NO : 3

REVIEW OF LITERATURE

1. **Sandeep M. Khanwalker (2019)** : Education is one of the primary area which the Govt. of India identified as a Priority sector segment for Banks to Finance. Accordingly, Education loan scheme was formulated and propagated and Public sector, private sector Banks and other Financial Institutions made concentrated financing in this category in the last decade. However, it has been observed that in the recent past there is a surge in Non-performing loans of this segment (education loan) granted by the Banks. The education loan promoted by Govt. of India and readiness of Banks/FIs to provide education loan facility came to ready rescue of the students & their parents. In fact education loan has been considered as one of the best ways to undertake higher education. The education institutes were happy as their (high) fee structure was easily accepted by the system, similarly the students and their parents were also happy as the higher fees was not an immediate bur-den to them.

2. **Dr.A.Ranjithkumar, International Journal of Research in Engineering, IT and Social Sciences ,ISSN 2250-0588, Impact Factor: 6.565, Volume 09 Issue 02, February 2019 :**

Education is one of the main factors of national development. Access of formal education will contribute towards development of human capital necessary to take the economy to new heights. India has made a considerable progress in education sector with all the efforts of the government of India and various Indian states. Constitution of India directives that "The state shall promote with special care the educational and economic interests of the weaker sections of the people and in particular, of the Scheduled castes and Scheduled Tribes and shall protect them from social injustice and all forms of exploitation". Based on this article of Indian Constitution, union and state governments have been initiated to promote education for all kinds of people. Most of poor and middle class families do not have sufficient income for running their family and they are not preparing for higher education. In this circumstance, government feels that through financial support these classes of families come forward in good position.

3. **Rajesh Tiwari and Bimal Anjum** : Wrote a research paper on the role of education loan in Indian higher education. This paper explores the role of educational loans for development of human capital in India. Secondary data have been collected (2005 to 2012) and analyzed in this study. Authors found that getting education loan is increasing from 2005 to 2012 those who are pursuing higher education. This paper also said that poor banking access (50% people do not have bank accounts) to a large section of people restricts the access of educational loan to meritorious and deserving students. The banking regulators and other stakeholders need to come up with a framework to provide access of educational loans through the public private partnerships and involvement of self help groups, to unbanked people. An article on 'Student's perception regarding student financing' written by Aarti Dewan, Rekha Goel, Ruchi Malhotra. The major objectives of this study are to study the student's perception towards education loan with respects to their loan features and to

compare the student's perception towards education loan with respect to their gender. This study fixed two hypotheses are namely 1. There is no significant difference between the student's perception towards education loan with respects to their loan feature, and 2. There is no significant difference between male and female students perception towards education loan. The present study is carried out in the Palwal and Faridabad District of Haryana. The aim of the study is to examine the student's perception towards education loan and compare male and female students with respect to various loan features like Value Addition, Mortgage, Effectiveness, Eligibility Criteria, Procedure or Convenience, Disbursement and Rate of Interest regarding education loan. Primary and secondary data have been used and analyzed in this study and 53 respondents have covered in this survey from both male and female students in Faridabad, Haryana. The target group is undergraduates and graduates students. Data have been collected through personal survey. Descriptive statistical tool have been used for data analysis with the help of SPSS. The study found that Respondents from the both districts said that they always prefer bank whenever they require loan for education purpose, Respondent shows that rate of interest highly attracted themselves, They prefer first of all, low interest rate, There should be flexibility in mortgage, Eligibility criteria should be based on need as well as merit, Disbursement of loan should be start after completion of loan or after joining a job, and Value addition services are also accepted by students. The study concludes by saying that the procedure of getting loan should be easy to students, the rate of interest should be low, and to encourage higher studies disbursement should be flexible.

Tiina Koskelainen, Panu Kalmi, Eusebio Scornavacca, Tero Vartiainen, Financial literacy in the digital age—A research agenda, Journal of Consumer Affairs, 10.1111/joca.12510, 57, 1, (507-528), (2023). Digital innovations are transforming financial services and resulting changes in consumer behaviour and personal money management. The diffusion of pervasive digital technologies offers individuals quick and easy access to various digital services bringing opportunities and challenges into their personal money management. The study explored how digitalization affects individuals' financial literacy and capability. As a result, we identified three main themes in the intersection of finance and digitalization: Fintech, Financial behaviour in digital environments, and Behavioural interventions. We propose directions for measuring digital financial literacy, updates to the financial literacy curriculum, and developments of digital learning tools. Further, we highlight collaboration between the public and private sectors to create a fairer and more inclusive economic landscape. Our study contributes to existing research by proposing a framework for digital financial literacy and financial capability and a research agenda for future studies.

4. Sharon A. DeVaney, Jae Min Lee, A Review of Best Papers in Personal Finance: 2008–2020, Family and Consumer Sciences Research Journal: Since 2009, the Family & Consumer Sciences Research Journal (FCSRJ) has annually selected the Best Papers published in each of the subdisciplines of FCSRJ. The authors are honoured at the June annual American Association of Family and Consumer Sciences (AAFCS) conference. This paper focuses on the 13 Best Papers in Personal Finance for the time period of 2008 to 2020 and also includes five additional papers in Personal Finance in which the author was designated as an Emerging

Scholar for that specific year. The results demonstrated the importance of the history of home management, food insecurity, college student financial behaviour, college student loans, housing, and retirement and saving decisions.

5. **Travis P. Mountain, Xiang Cao, Namhoon Kim, Michael S. Gutter, Millennials' Future Homeownership and the Role of Student Loan Debt, Family and Consumer Sciences Research Journal** : The financial burden of student loans on individuals in the Millennial generation is a serious issue. We investigated the effect of this financial burden on current homeownership and the expectations and timing for future homeownership. The data came from the 2016 UF/VT Millennial Housing and Student Debt Survey of 1,327 young adults aged 19 to 35. We used a logistic regression model to determine differences in current homeownership and a two-stage Cragg model to examine the expectation and timing of future homeownership. We found that while student loans negatively affected Millennials' current ownership rates, the Millennials still wanted to be homeowners. Moreover, the homeownership timeline for Millennials with student loan debt will be delayed by several years relative to their Counter parts without student loan debt.

6. **Chung (2003)** states that the allocation of student loans in Hong Kong has been mainly based on considerations of equity, efficiency and adequacy. The students from less well-off families receive greater financial assistance. The loan entitlement varies according to a formula, which takes each applicant's family financial situation into consideration. The goal of the system is to ensure that no qualified student is deprived of higher education because of lack of funds which fulfils the social objectives. Second, the maximum amount of loan is adjusted so as to correspond to the general living needs of a student through regular surveys of student expenses and the compilation of a Student Price Index. The allocation of financial assistance has also been used to encourage development in areas of study required by society. At different stages, various grants and loans in Hong Kong have been targeted at students in teacher training, information technology, financial services and creative media. Moreover, the development of the government student loans scheme has not reduced the government's financial commitment to higher education. There are Empirical studies on student loan in different countries provide with details of the objectives, design and implementation of alternative programmes or schemes. For instance,

7. **Johnstone (2002) presents** an excellent review of student loan programmes in select Central America, European and African countries, such as, U.S.A, Sweden, Germany, Netherlands, U.K, South Africa and Kenya. Most recently, the experience of student loan schemes in Asian countries is elaborated in Shen and Li (2003) for China, Kim and Lee (2003) for republic of Korea, Ziderman (2003) for Thailand, Chung (2003) for Hongkong and Kitaevetal (2003) for Philippines. The most important and common objectives of student loan are equity and access for the poor and cost sharing has an implicit budgetary objective in regard to public funding replacement in higher education. That is, reduction in public expenditure on higher education and reallocation of education expenditure from higher to lower levels of education. Notwithstanding the importance for budgetary objectives, however, the studies do not offer a supporting or confronting empirical evidence on achieving the budgetary objectives.

8. **Ziderman (2003)** states that the Thai loans scheme, which began operating in 1996, is aimed at disadvantaged students, enrolled in upper secondary general and vocational schooling as well as tertiary education, in both the public and the private sector. While the scheme, is aimed at the needy student, targeting is not effective. The family income ceiling set for loan eligibility is three times the income officially designated as defining poverty. Loan budget allocation to educational institutions is only very loosely tied to the social profile of the student population at a given institution. The Thai loans scheme receives a considerably higher level of government subsidy than the loans schemes in the other case study countries.

9. **Erik Cantona and Andreas Blom (2004)** 10 - Financial aid to students in tertiary education can contribute to human capital accumulation through two channels: increased enrolment and improved student performance. The author analyses the quantitative importance of both channels in the context of a student loan program implemented at private universities in Mexico. With regard to the first channel, enrollment, results from the Mexican household survey indicates that financial support has a strong positive effect on university enrolment. Given completion of upper secondary education, the probability of entering higher education rises 24 percent. Two data sources are used to investigate the second channel, student performance. Administrative data provided by SOFES are analyzed using a regression-discontinuity design, and survey data.

CHAPTER : 4

DATA ANALYSIS AND INTERPRETATION

4.1 DATA AND COLLECTION

As per the information from the respondent survey method has been taken.

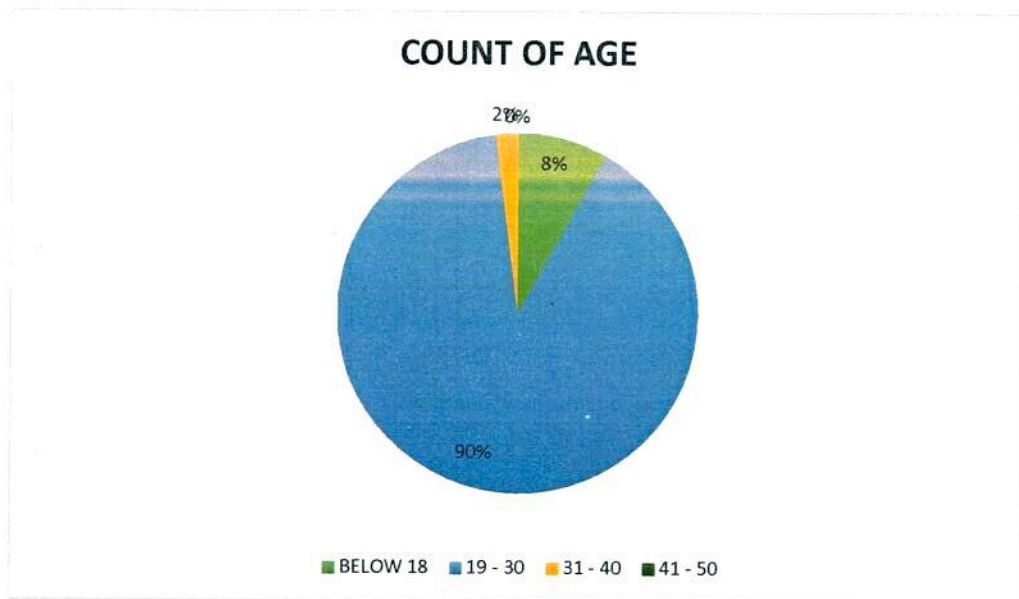
A neat and clean questionnaire was prepared to collect the various information from respondent regarding Education Loan.

4.2 DATA INTERPRETATION

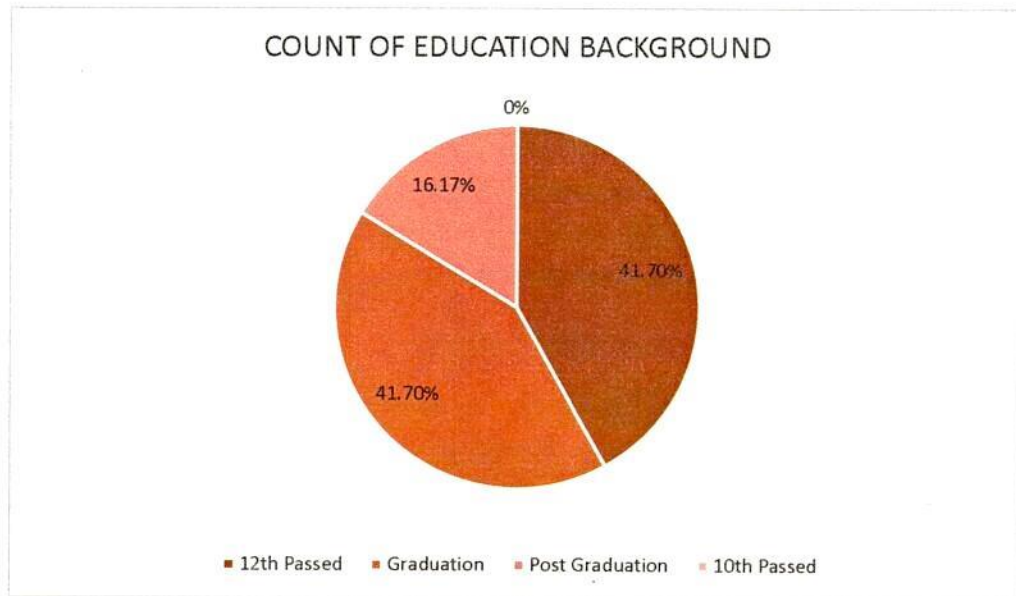
Data interpretation is the process of reviewing data and arriving at relevant conclusions using various analytical methods.

1. RESPONDER'S AGE .

| AGE | NO. OF RESPONSE |
|----------|-----------------|
| Below 18 | 2 |
| 19-30 | 26 |
| 31-40 | 2 |
| 41-50 | 0 |
| TOTAL | 30 |



2. EDUCATION BACKGROUND.

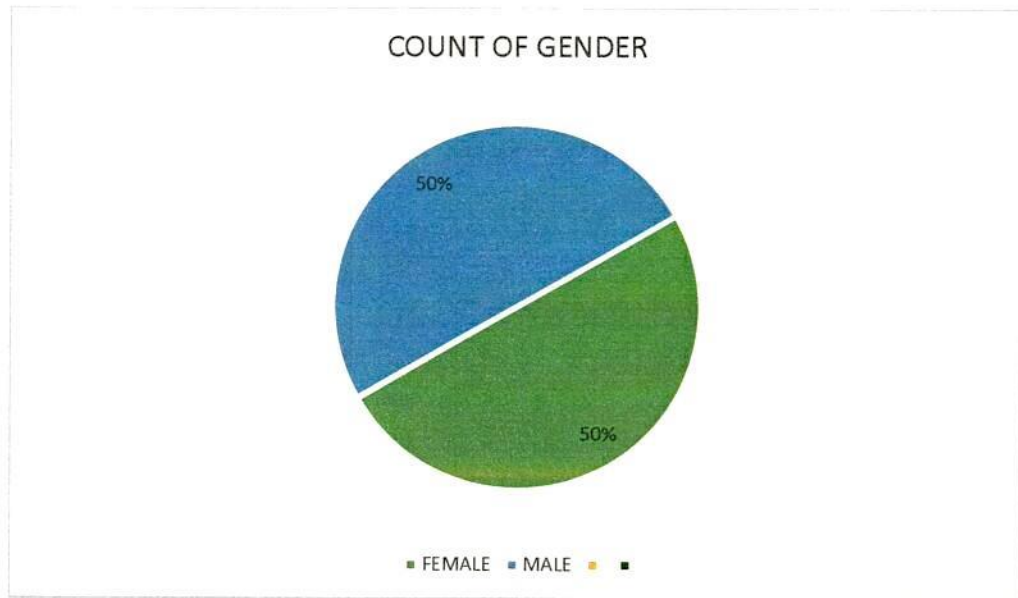


| | |
|-------------------------|--------|
| 12 th Passed | 41.70% |
| Graduation | 41.70% |
| Post Graduation | 16.17% |
| 10 th Passed | 0% |

Interpretation

- Total number of 12th passed and graduation responses are equal percentage of 41.70%.
- Post Graduation response are 16.17%
- And 10th passed response are 0%.

3. GENDER OF RESPONDER'S



INTERPRETATION

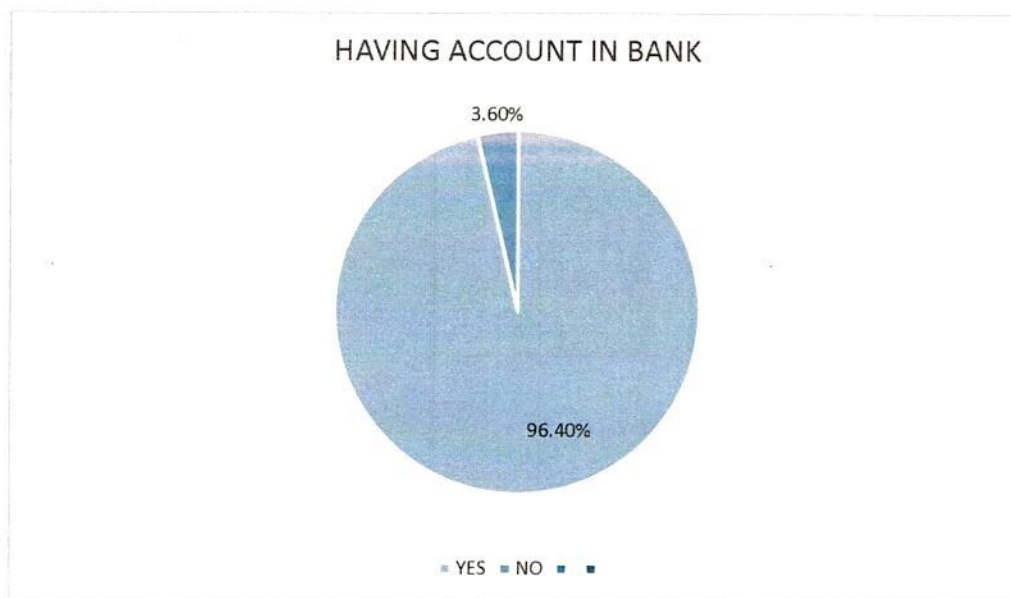
| GENDER | NO. OF RESPONSES |
|--------|------------------|
| FEMALE | 15 |
| MALE | 15 |
| TOTAL | 30 |

As per the survey, total number of respondent are 30.

Which there are equal number males and females.

4. DO YOU HAVE ANY BANK ACCOUNT ?

| HAVING BANK ACCOUNT | NO. OF RESPONDENT |
|---------------------|-------------------|
| YES | 27 |
| NO | 3 |
| TOTAL | 30 |

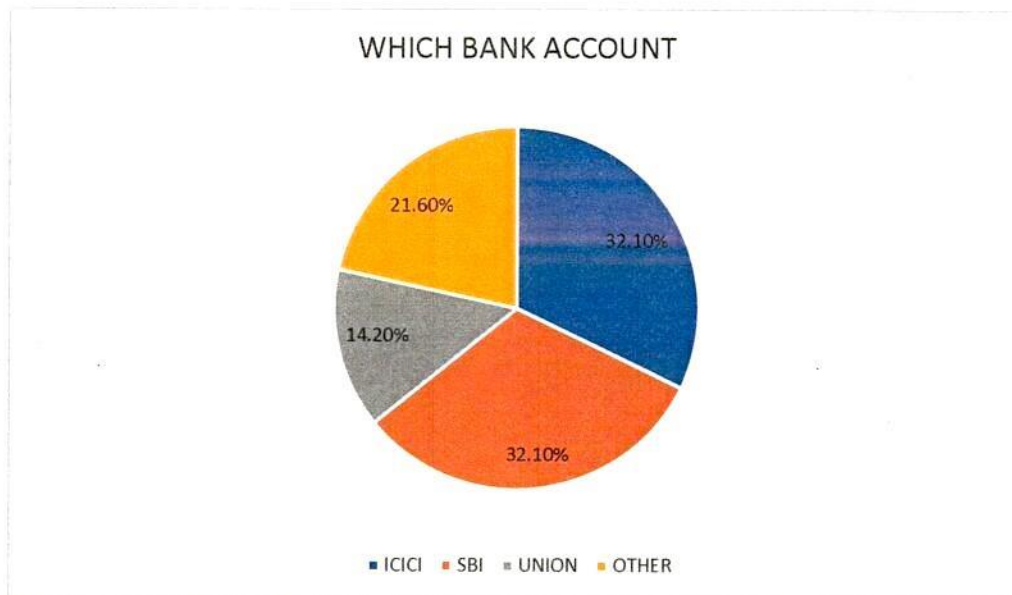


INTERPRETATION

As per the survey conducted most of the people having Bank A/C, 96.4% of the people having Bank A/C and the rest of the 3.6% people don't have any A/C.

5. IN WHICH BANK DO YOU HAVE YOUR BANK ACCOUNT ?

| | |
|-------------|-------|
| ICICI BANK | 32.1% |
| SBI BANK | 32.1% |
| UNION BANK | 14.2% |
| OTHER BANKS | 21.6% |

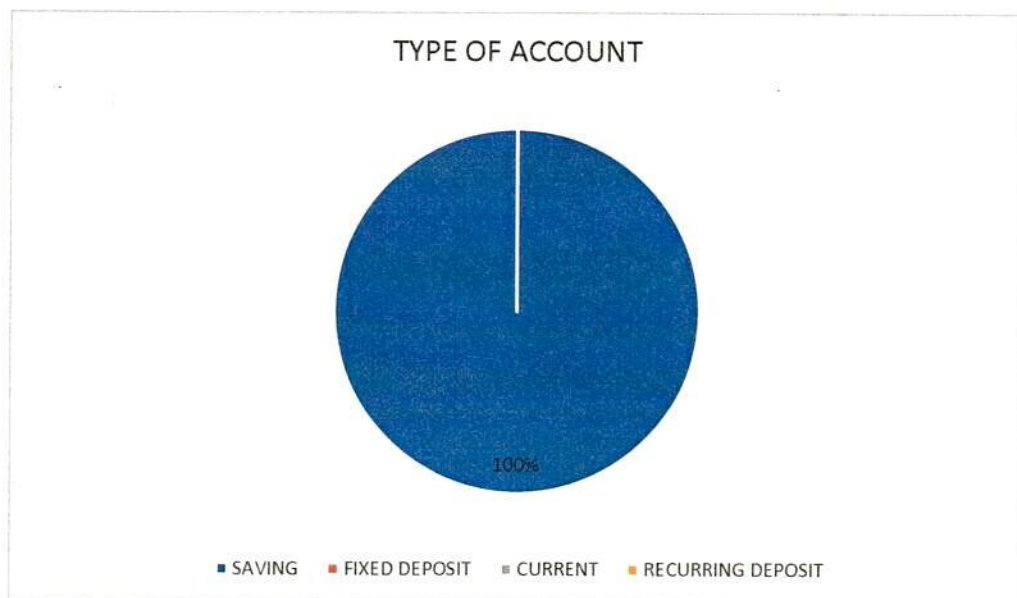


INTERPRETATION

As per the questionnaire survey conducted ICICI Bank and SBI Bank have the equal number of percentage which is 32.10%, and other 14.20% people have bank a/c in Union Bank and rest of the 21.60% have A/C in other bank.

6. WHICH TYPE OF ACCOUNT DO YOU HAVE ?

| TYPE OF BANK A/C | NO. OF RESPONDENT |
|-------------------|-------------------|
| SAVING A/C | 30 |
| FIXED DEPOSIT | 0 |
| CURRENT A/C | 0 |
| RECURRING DEPOSIT | 0 |
| TOTAL | 30 |



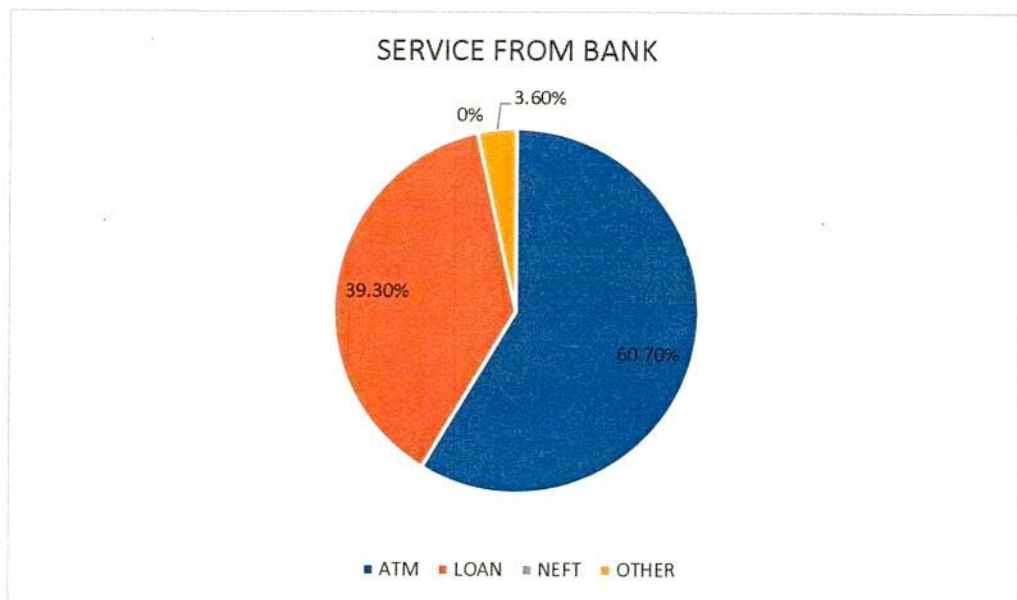
INTERPRETATION

Our Indian Population have the habit of saving so most of the people have saving A/C.

100% of the survey population have Saving Account.

7. WHICH SERVICE HAVE YOU USED FROM BANK ?

| SEVICE USED | NO. OF RESPONDENT |
|-------------|-------------------|
| ATM | 25 |
| LOAN | 2 |
| NEFT | 0 |
| OTHER | 3 |
| TOTAL | 30 |



INTERPRETATION

Most of the population use the ATM service from the bank. Because one can easily withdraw money by using debit card.

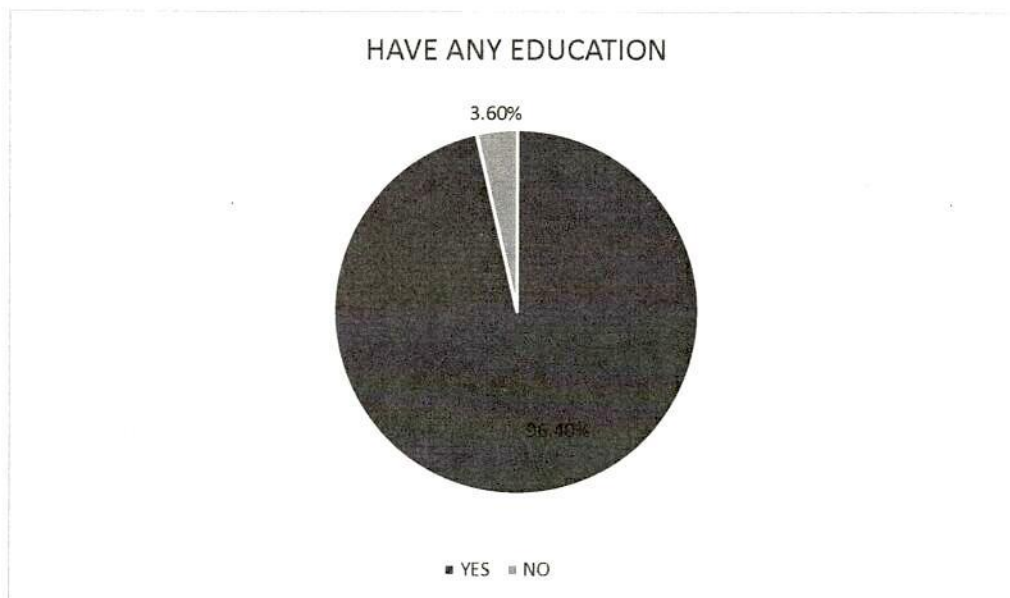
People don't have enough money to take loan facility by the bank , as per the survey 39.30% people avail loan facility.

NEFT is newly service used by the bank to transfer money.

3.60% of the population used some other service given y the bank.

8. DO YOU HAVE ANY EDUCATION ?

| HAVING EDUCATION | NO. OF RESPONDENT |
|------------------|-------------------|
| YES | 28 |
| NO | 02 |
| TOTAL | 30 |



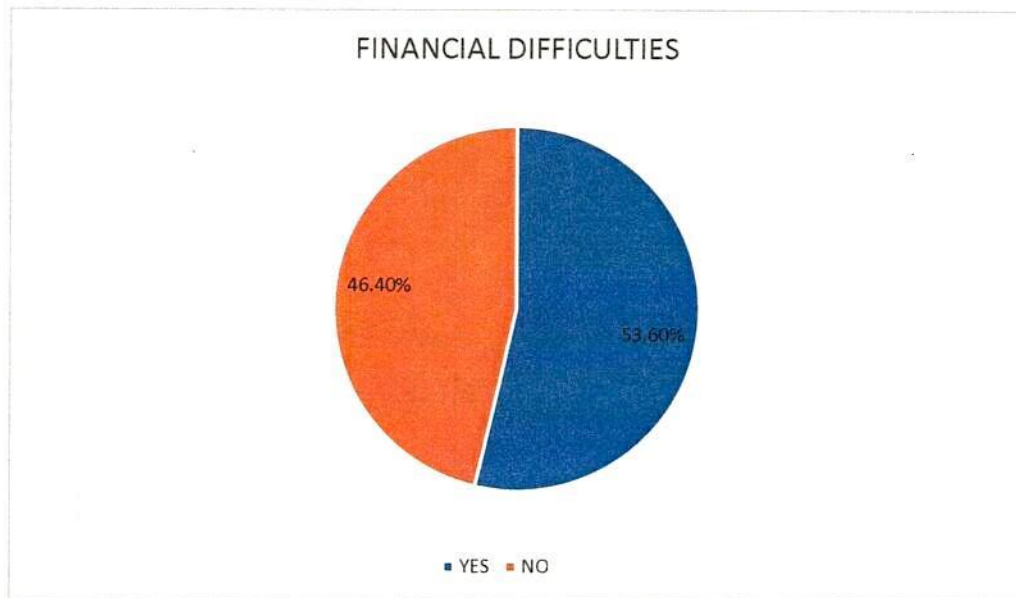
INTERPRETATION

As per the survey nearly 19- 30 age people have responded of having different type of education.

While the rest of 3.60% people which comes under the age of 41-50 who lies under NO section.

9. ARE YOU FINDING IT DIFFICULT TO FURTHER YOUR EDUCATION DUE TO FINANCIAL ISSUES ?

| FINANCE ISSUES | NO. OF RESPOONDENT |
|----------------|--------------------|
| YES | 25 |
| NO | 5 |
| TOTAL | 30 |

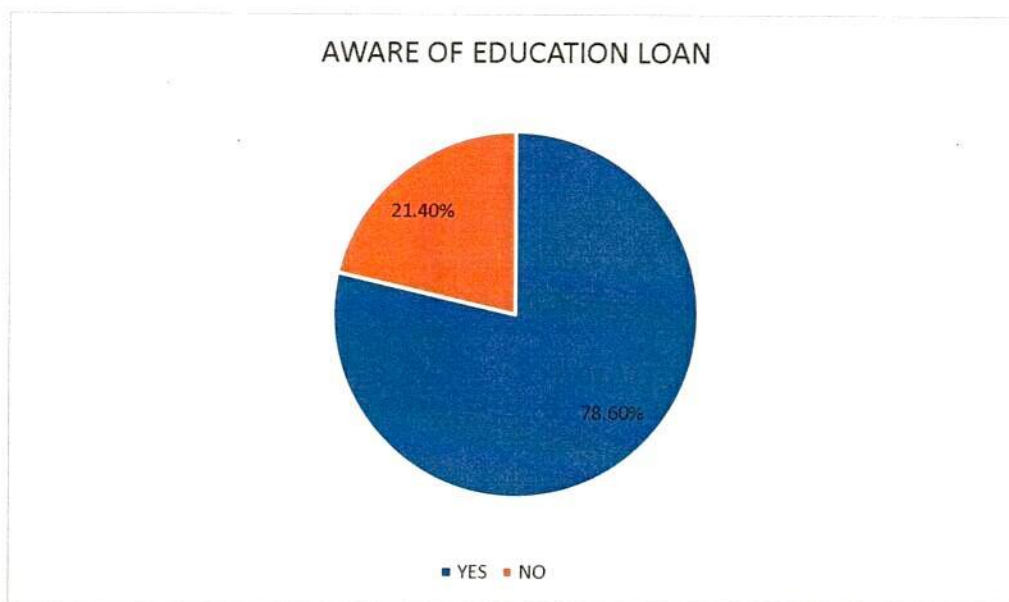


INTERPRETATION

In India most of the people find difficulties for further education due to financial issues and some of the people don't. As per the survey taken 53.60% people find the difficulties regarding financial issues.

10. ARE AWARE OF EDUCATION LOAN PROVIDE IN YOUR CITY ?

| AWARE OF EDUCATION LOAN | NO. OF RESPONDENT |
|-------------------------|-------------------|
| YES | 26 |
| NO | 04 |
| TOTAL | 30 |

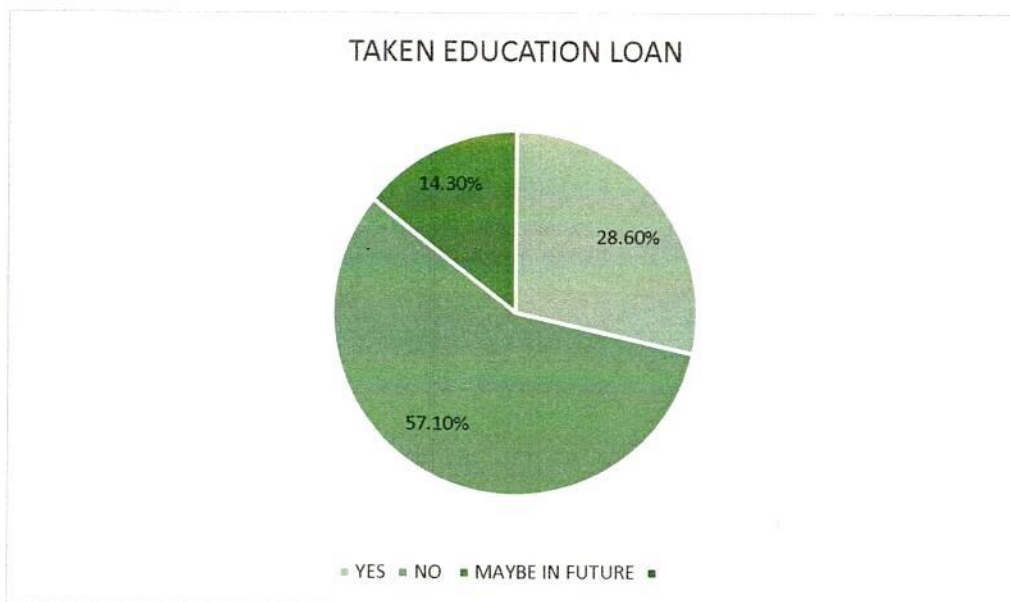


INTERPRETATION

According to the survey conducted 78.60% population are aware of education loan provide in their own city. Rest of 21.40% people are not aware of it.

11. HAVE YOU TAKEN EDUCATION LOAN ?

| TAKEN EDUCATION LOAN | NO. OF RESPONDENT |
|----------------------|-------------------|
| YES | 07 |
| NO | 14 |
| MAY BE | 09 |

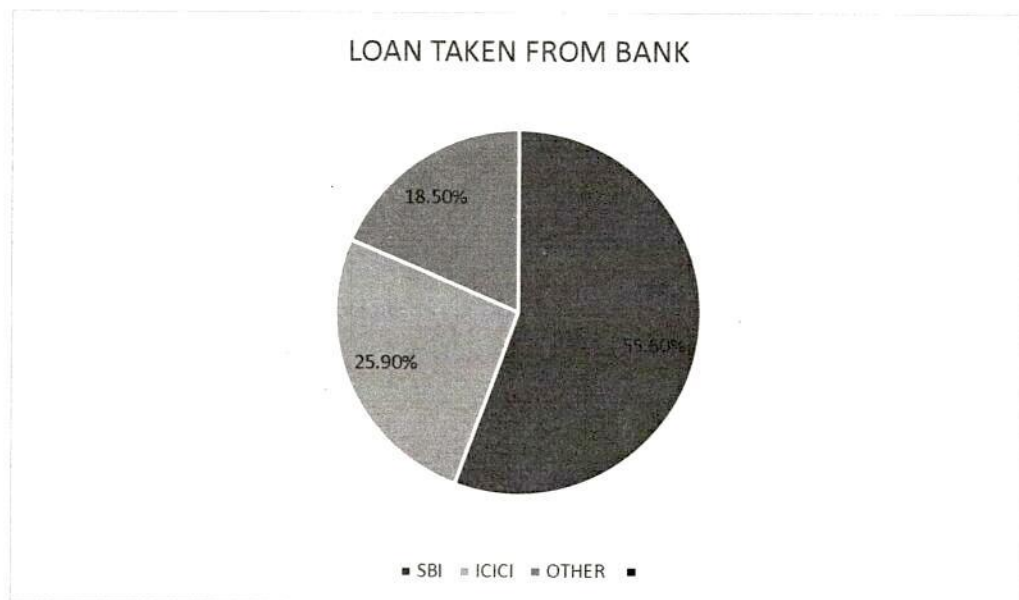


INTERPRETATION

Many people have taken the loan for their further studies they are about 28.60% and 57.1% people have not taken education loan and the rest of the 14.3% people are going to take education loan maybe in future.

12. IF YOU WANT TO TAKE LOAN, FROM WHICH BANK WILL YOU TAKE IT ?

| BANK NAMES | NO. OF RESPOONDENT |
|------------|--------------------|
| SBI | 06 |
| ICICI | 10 |
| OTHER | 14 |
| TOTAL | 30 |



INTERPRETATION

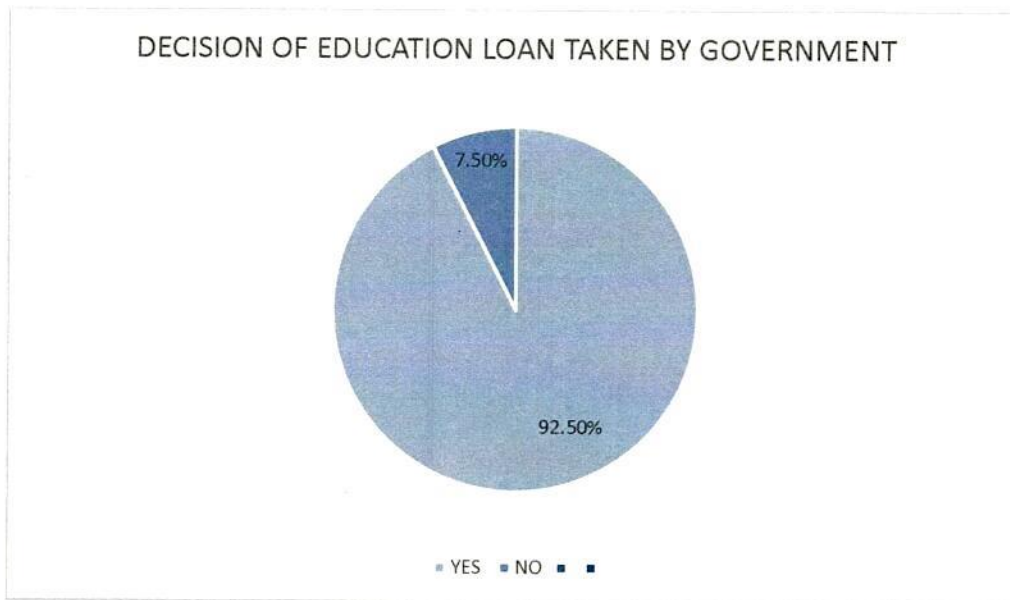
By doing the survey of questionnaire regarding Education Loan comparing the two SBI and ICICI banks.

SBI Bank have the largest percentage as compare to ICICI Bank.

And reset of the people have their own sufficient bank.

13. DO YOU THINK THAT EDUCATION LOAN IS GOOD DECISION TAKEN BY THE GOVERNMENT ?

| DECISION OF GOVERNMENT | NO. OF RESPONDENT |
|------------------------|-------------------|
| YES | 26 |
| NO | 04 |
| TOTTAL | 30 |

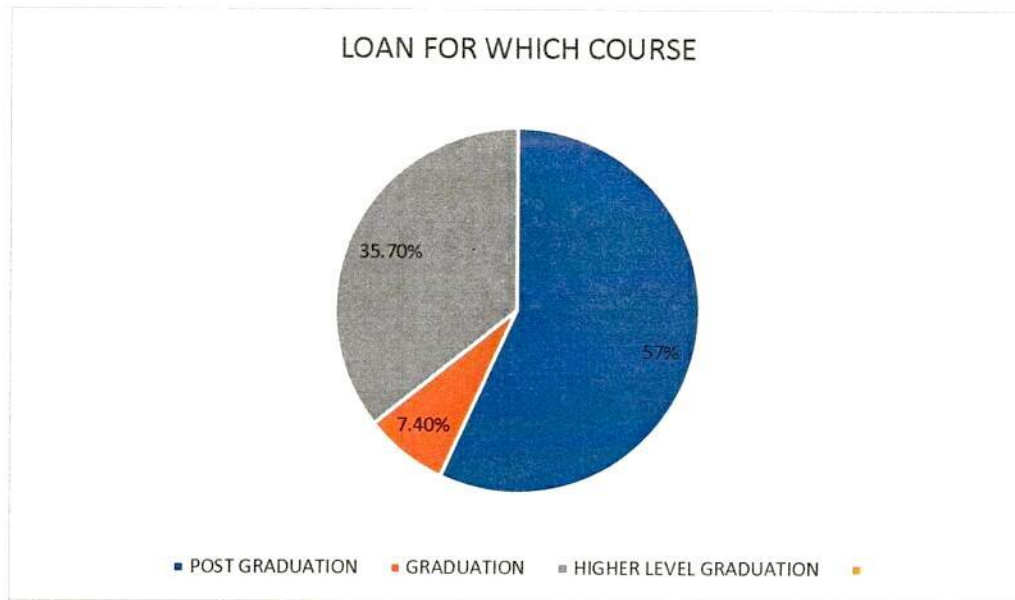


INTERPRETATION

As per the survey conducted regarding education loan many people think that adapting the decision of Education Loan by the Government for those students who faces financial crisis about their further / future studies think that is the good decision taken by the government.

14. IF YOU WANT TO TAKE LOAN THEN FOR WHICH COURSE DO YOU WANT TO TAKE EDUCATION LOAN ?

| COURSE NAME | NO. OF RESPONDNT |
|-------------------|------------------|
| POST GRADUATION | 19 |
| GRADUATION | 02 |
| HIGHER EDUCAATION | 09 |
| TOTAL | 30 |

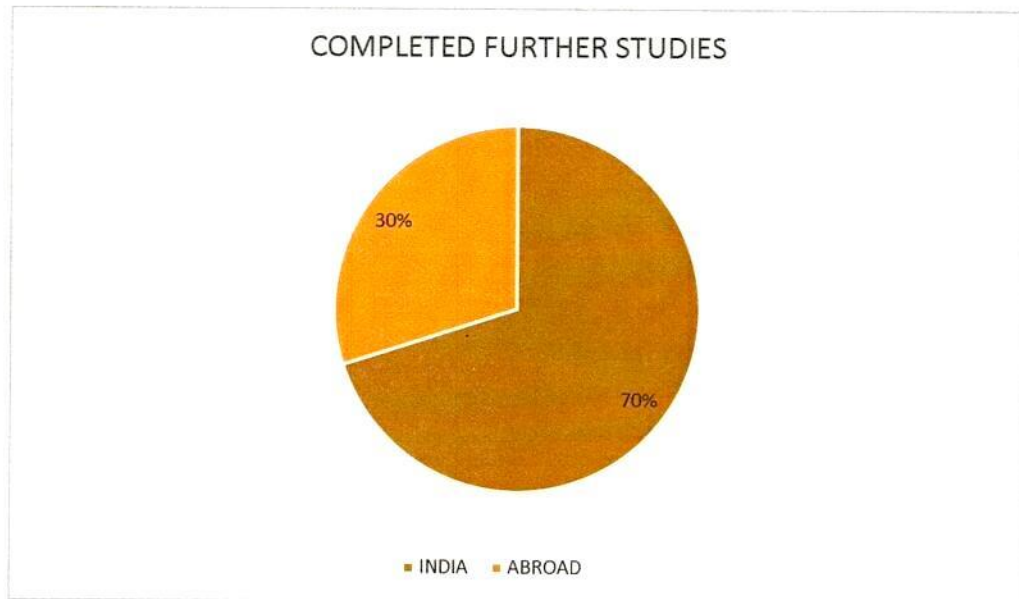


INTERPRETATION

As per survey conducted Post Graduation and Higher Level Graduation are job oriented so many of the population will take loan for this course.

15. WHERE HAVE YOU COMPLETED YOUR FURTHER STUDIES ?

| STUDIES | NO.OF RESPONDENT |
|---------|------------------|
| INDIA | 27 |
| ABROAD | 03 |
| TOTAL | 30 |

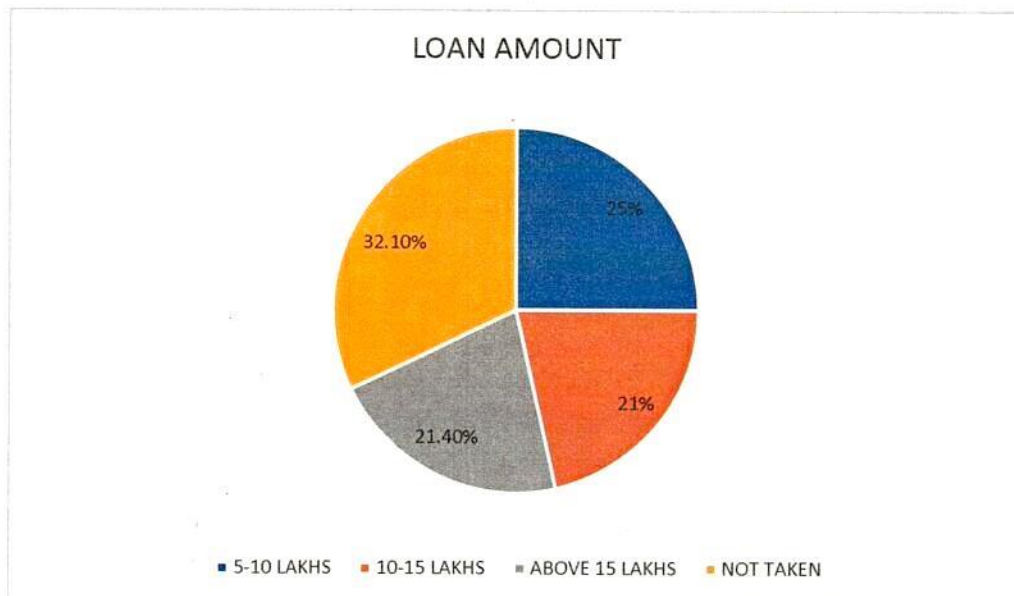


INTERPRETATION

Most of the population has completed their studies in India. Only 30% of people have gone abroad for completion of further study.

16. WHAT WAS THE LOAN AMOUNT TAKEN BY YOU ?

| LOAN TAKEN | NO. OF RESPONDENT |
|---------------|-------------------|
| 5- 10 lakhs | 04 |
| 10 – 15 lakhs | 02 |
| 15 & Above | 02 |
| NOT TAKEN | 22 |
| TOTAL | 30 |

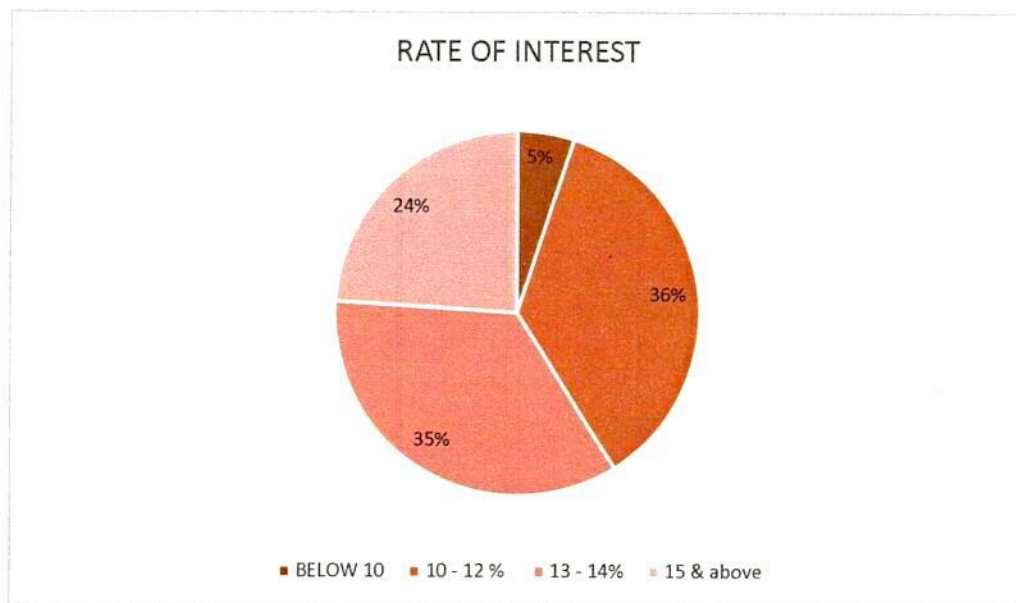


INTERPRETATION

Today's fee of the college for higher studies have been increases. So the loan amount taken by the 21.40% of the population above 15 lakhs. And 25% people have taken loan up to 5 – 10 lakhs. Rest of the people haven't taken yet any loan.

17. WHAT WAS THE RATE OF INTEREST CHARGE BY YOUR BANK ?

| RATE OF INTEREST | NO. OF RESPONDENT |
|------------------|-------------------|
| BELOW 10 | 05 |
| 10- 12 | 14 |
| 13 – 14 | 09 |
| 15 & ABOVE | 02 |
| TOTAL | 30 |

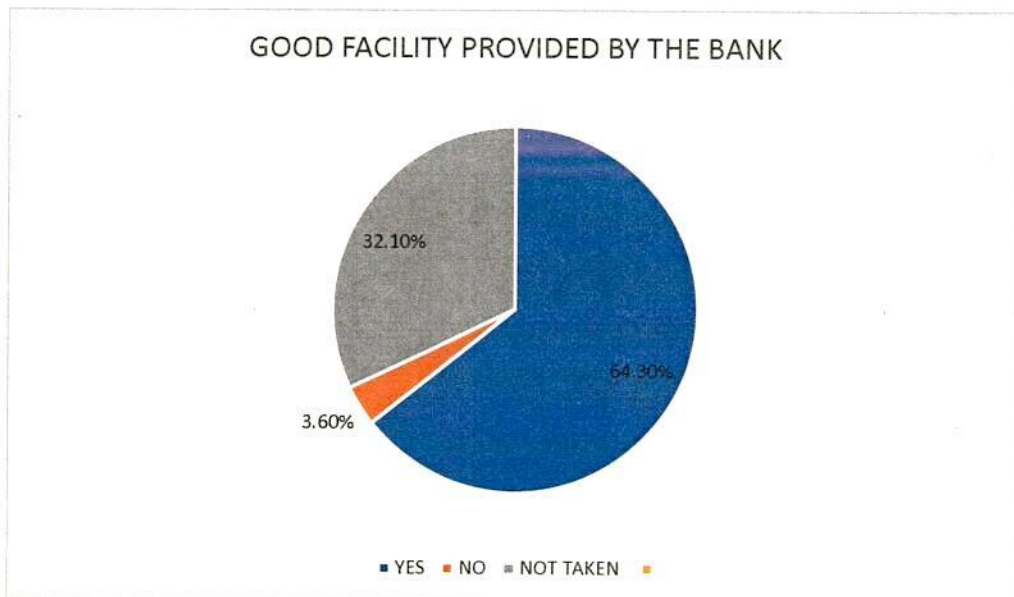


INTERPRETATION

Most of the bank charge Interest between 13% to 13.75%. Most of the co-operative bank Charge 13- 14% on Education Loan.

18. IF YOU HAVE TAKEN EDUCATION LOAN, DO YOU FEEL GOOD ABOUT THE FACILITY OF THE BANK?

| GOOD FACILITY | NO. OF RESPONDENT |
|---------------|-------------------|
| YES | 22 |
| NO | 03 |
| NOT TAKEN | 05 |
| TOTAL | 30 |

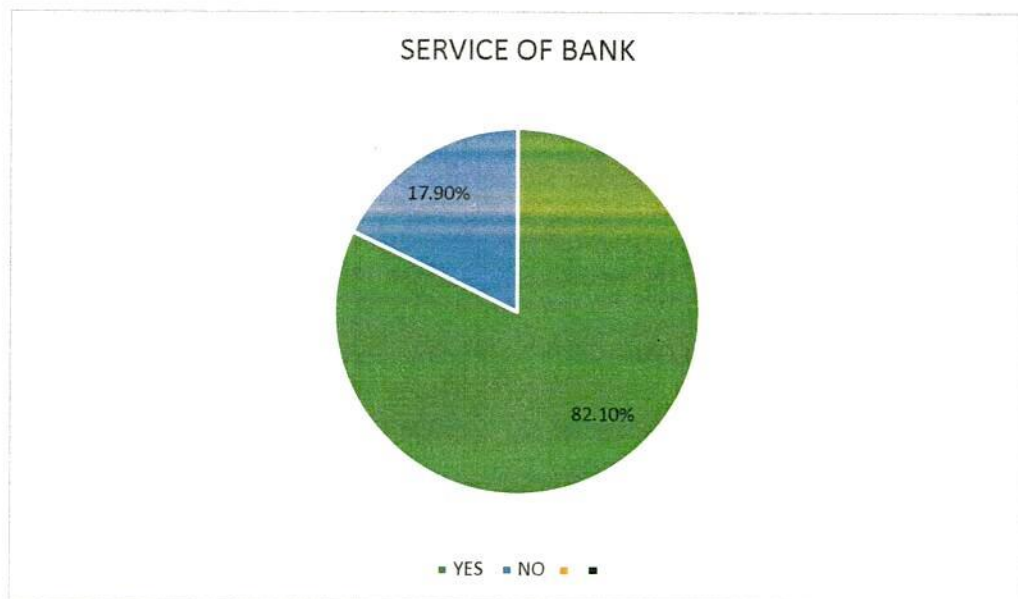


INTERPRETATION

Most of the people like the facility of Bank regarding the process of loan. On very low amount of people have no satisfied with the facility provided by the Bank.

19. ARE YOU SATISFY WITH SERVICE OF YOUR BANK ?

| SEVICE OF BANK | NO. OF RESPONDENT |
|----------------|-------------------|
| YES | 25 |
| NO | 05 |
| TOTAL | 30 |

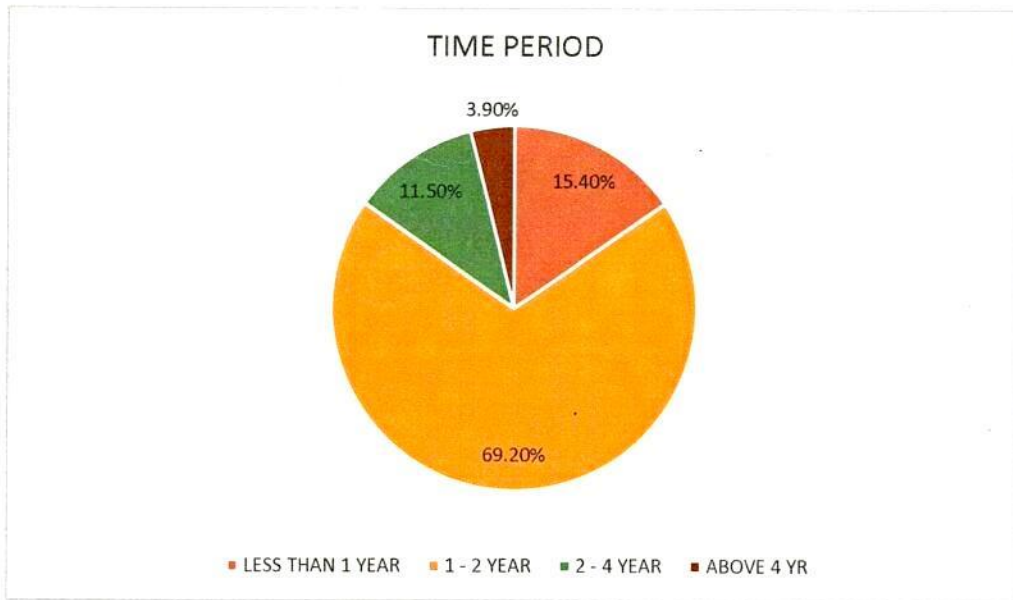


INTERPRETATION

Above conducted survey , Nearly 82.10% people are satisfied with the service provided by their bank. Only less number of people are well not satisfied with the service provided by their bank.

20. WHAT WAS THE TIME PERIOD GIVEN BY YOUR BANK FOR RETURNING THE LOAN ?

| TIME PERIOD | NO. OF RESPONDENT |
|------------------|-------------------|
| LESS THAN 1 YEAR | 07 |
| 1 – 2 YEAR | 16 |
| 2 – 4 YEAR | 05 |
| 4 & ABOVE | 02 |
| TOTAL | 30 |

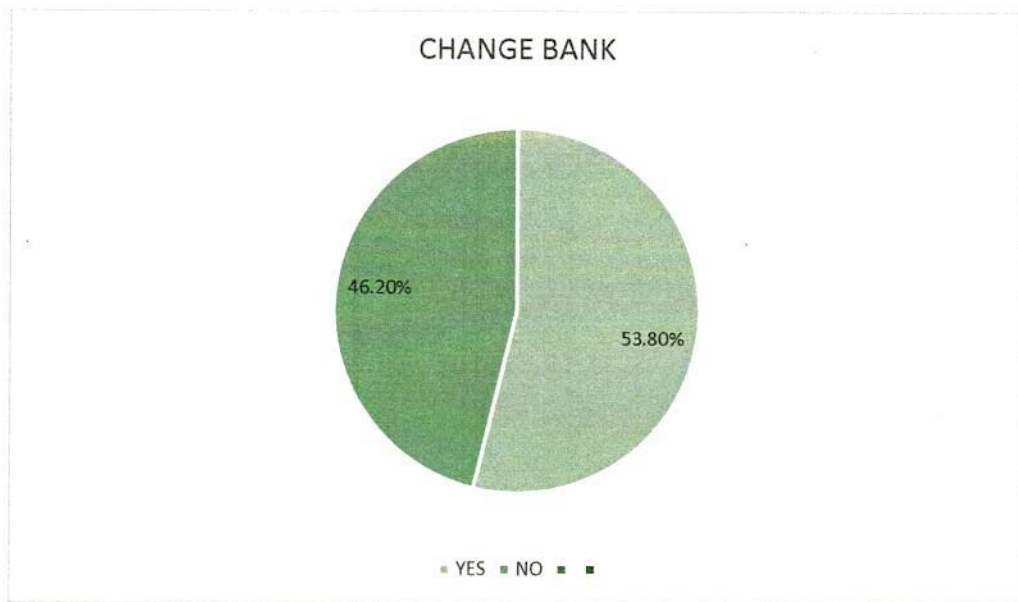


INTERPRETATION

As per survey, the time period of returning the loan most of the population comes under 1 -2 year. And other people time period 15.40% less than 1 year, 11.50% lie under 2 – 4 year and reset 3.90% people time period given by their bank is above 4 year.

21. IN FUTURE IF YOU WANT TO GET ANOTHER EDUCATION LOAN, DO YOU WANT TO CHANGE YOUR PREVIOUS BANK ?

| CHANGE BANK | NO.OF RESPONDENT |
|-------------|------------------|
| YES | 17 |
| NO | 13 |
| TOTAL | 30 |



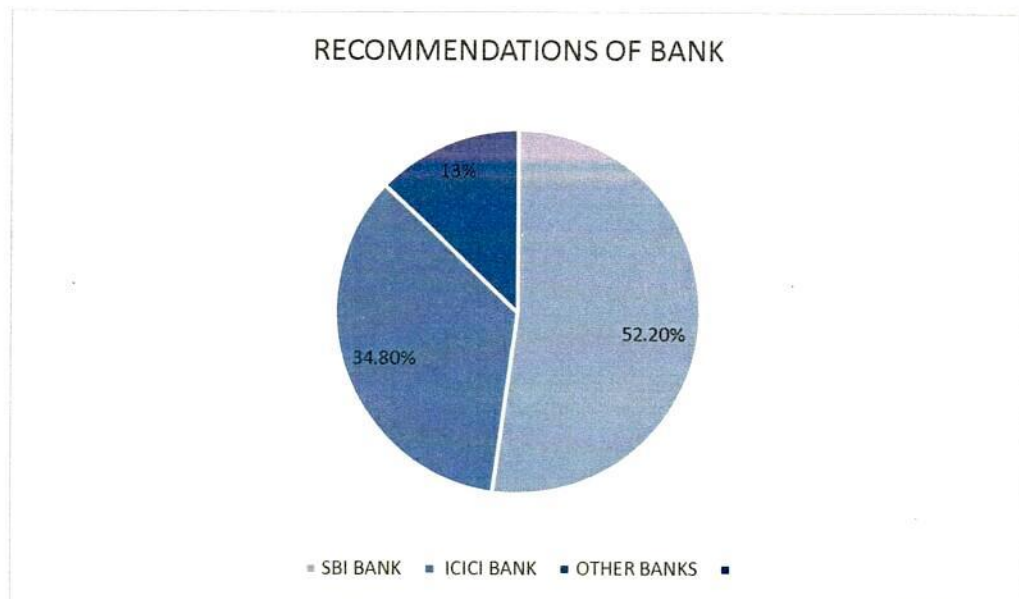
INTERPRETATION

As we can see the survey conducted through questionnaire most of 53.8% people have the reference of changing the previous bank for taking another Education Loan.

And the rest 46.2% people are under the favor of not changing their banks

22. IF YES , WHICH BANK DO YOU RECOMMEND ?

| RECOMMEND BANK | NO.OF RESPONDENT |
|----------------|------------------|
| SBI | 17 |
| ICICI | 07 |
| OTHER | 06 |
| TOTAL | 30 |



INTERPRETATION

As per above information 52.20% people recommended Public (SBI)Bank as compare to Private (ICICI) Bank only 34.80% people recommended.

And rest of 13% people recommended other banks a per their preference.

CHAPTER : 5

5.1 CONCLUSION

It is concluded from the above survey that most of the people prefers SBI Bank for education loan as compare to ICICI bank due to following reasons:

According to above analysis it is very much clear that all 65% person have financed their educations from somewhere whereas 35% students have not financed while getting their education by cash payment. According to above analysis it is very much clear that all 35% person have financed their educations from SBI Bank whereas 30% students have financed their education from ICICI Bank remaining student getting their education by cash payment. It is clear from the above data that SBI Bank mostly provide education loan at the rate of 8% - 10%, as compare to ICICI bank that gives education loan at 0% at any eve or festivals seasons etc. the rate of interest of ICICI bank are changed time to time according to festivals or other eves. According to the above analysis it is stated that SBI bank provides loans to the students mostly on 20% of down payments, sometimes they take 40%down payment whose salary is less or not having proper proofs for loan whereas ICICI bank mostly takes 20% down payment for providing education loan very rare chance when ask for 30 - 40% down payment.

It is clear from the above data that maximum times each and every take 1% files charges for providing the loan. Some times that take 2% or 3% file charges in case of heavy paper works. It is clear from the above table that, most of the bank provides education loans for maximum 4 years while SBI bank provides education loan up to 5 years. Recently, Most of the bank i.e. SBI as well as ICICI provides stable rate of interest for education loans. In very rare, if stock market position varies too much then the positions of rate of interest vary little bit.

Any student agreed with that their bank provides them stable rate of interest. No doubt about this. It is very clear from the above data that, 85% students of SBI bank and 72% students of ICICI bank are satisfied with their current services regarding education loan whereas 15% students of SBI bank and 28% students of ICICI bank are not satisfied with that. It is very clear from the above data that, 85% students of SBI bank and 72% students of ICICI bank are satisfied with their current services regarding education loan because 31% says low interest

rate, 32% says less EMI, remaining says fast processing and better dealing in case of SBI bank. In ICICI Bank, 33% says Low Interest Rate, 30% says Less EMI remaining says better dealing and fast processing. 15% students of SBI bank and 28% students of ICICI bank are not satisfied with that due to that they feels high interest rate, poor services, taking lots of Extra Charges, Taking too much time in processing. It is very clear from the above data that, 85% students of SBI bank and 72% students of ICICI bank are satisfied with their current services regarding education loan whereas 15% students of SBI bank and 28% students of ICICI bank are not satisfied with that. In response to that question, 48% recommends SBI banks for loan services, 17% prefers ICICI bank.

5.2 SUGGESTIONS

- Proper lack of awareness must be brought among the people through the marketing strategy.
- Need to train & develop the personnel with more comprehensive knowledge & skill to counter every query of the customers.
- There must be proper departmentation held so that there is no mix up to be taken place over the personnel working in the bank & with the clients too.
- Proper acquisition of resources must be made possible from both sides bank & towards customer too.

CHAPTER : 6

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2. <http://www.nios.ac.in/Secbuscour/15>
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4. <http://www.statebankofindia.com>
5. <http://www.icicibank.com>

6.1 ANNEXURES

1. Respondent Age .
 - Below 18
 - 19 – 30
 - 31 – 40
 - 41 -50
2. Education Background.
 - 10th Passed
 - 12th Passed
 - Graduation
 - Post Graduation

10. Are you aware of Education Loan provide in your City ?

- Yes
- No

11. Have you taken Education loan ?

- Yes
- No
- Maybe in Future

12. If you want to take a loan, from which bank will you take it ?

- SBI
- ICICI
- OTHER

13. Do you think that providing Education Loan is a Good Decision taken by the Government ?

- Yes
- No

14. If you want to take loan then for which course you want take Education Loan ?

- Post Graduation
- Higher Graduation
- Graduation

15. Where have you completed your further studies ?

- India
- Abroad

16. What was the Loan Amount taken by you ?

- 5- 10 lakhs
- 10 – 15 lakhs
- 15 & Above
- Not taken