

# **SUMMER INTERNSHIP PROJECT**

**“A Study of Various Loan Offered by Shikshak Sahakari Bank”.**

**Submitted to:**

**DMSR**

**G.S College Of Commerce and Economics, Nagpur,  
(An Autonomous Institution)**

**Affiliated To**

**Rashtrasant Tukadoji Maharaj Nagpur University**

**Submitted by:**

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**Company Guide:**

**Mr. Deepak Joshi**

**Faculty Guide:**

**Dr. Afsar Sheikh**

**Department of Management Sciences and Research,**

**G.S. College of Commerce & Economics, Nagpur**

**NAAC Accredited “A” Grade Institution**



**Academic Year 2021 -22**




## CERTIFICATE

This is to certify that the investigation described in this report titled “**A study on various loan offered by Shikshak Sahakari Bank.**” has been carried out by **Ms. Apeksha Kesharwani** during the summer internship project. The study was done in the organization, “**Shikshak Sahakari Bank pvt. Ltd.**” in partial fulfillment of the requirement for the degree of Master of Business Administration of G.s. college of commerce & Economic ( An Autonomous Institute) affiliated to R.T.M.N.U., Nagpur. This work is the own work of the candidate, complete in all respects and is of sufficiently high standard to warrant its submission to the said degree. The assistance and resources used for this work are duly acknowledged.

**Dr. Afsar Sheikh**  
**(Faculty Guide)**

**Dr. Sonali Gadekar**  
**(MBA Co-ordinator)**

# CERTIFICATE



**शिक्षक सहकारी बँक लि.**  
**SHIKSHAK SAHAKARI BANK LTD.**  
(शेअरहोल्ड बँक)  
मुख्य कार्यालय : गांधी सागर, महाल, नागपुर - ४४० ०१८  
दुरध्वनी क्र. २७२२७००१, २७२७४२३, २७७४८६६, फॅक्स नं. २७६६८७६  
E-mail : ssbho\_ngp@shikshakbank.com Web : www.shikshakbank.com

REF: NO/SSB/HO/ 4945 /2021-2022 January 04, 2022

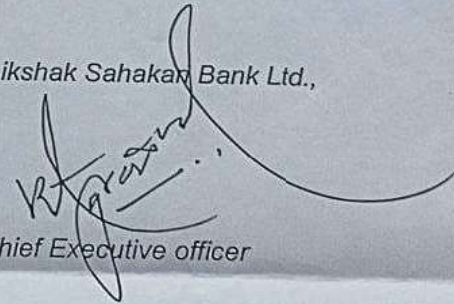
-: CERTIFICATE :-

This is to certify that Miss Apeksha Santosh Kesharwani, student of MBA of Department of Management Science & Research (DMSR) G.S. College of Commerce & Economics, Nagpur, has undergone training with us from 08/11/2021 to 24/12/2021.


During the said period, she has completed her Summer Internship Programme in Finance successfully.

Hence this certificate.

For Shikshak Sahakari Bank Ltd.,



Chief Executive officer



**BRANCHES :** | ITWARI - 2768640, 2733823 | KAMAL - 2643078, 2640397 | MEDICAL - 2748563, 2745019 | DHARAMPETH - 2548840, 2550523  
| SITABULDI - 2548812, 2541566 | KAMPTTEE - 07109-288291 | HINGNA - 07104-276148 | KHAMLA - 2221325, 2240885, | NANDANVAN - 2711407, 2714139  
| SADAR - 2540200, 2541857 | BHAGWAGHAR - 2723790, 2722651 | SAONER - 07113-232384, 233783 | UMRER - 07116-242785 | CHANDRAPUR - 07172-257021, 257023  
| BALLARPUR - 07172-241389 | WARORA - 07176-282600, 281164 | KATOL - 07112-222785 | MHALGINAGAR - 2743860 | RAMTEK - 07114-255639, 253639

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It is a matter of pride and privilege for me to have done a summer internship project in “**Shikshak Sahakari Bank** ”and I am sincerely thankful to them for providing this opportunity to me.

I am thankful to “**Mr. Deepak Joshi**” for guiding me through this project and continuously encouraging me. It would not have been possible to complete this project without his / her support.

I am also thankful to all the faculty members of Department of Management Sciences and Research, G S College of Commerce and Economics, Nagpur and particularly my mentor “**Dr. Afsar Sheikh** ”for helping me during the project.

I am thankful to the Principal of G.S College of commerce and Economics, Nagpur. “**Dr. N.Y. Khandait**” and to the Dean of the DMSR “**Mr. Anand Kale**”.

Finally, I am grateful to my family and friends for their unending support.

**Apeksha kesharwani**

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## **INTRODUCTION :-**



There are two types of credit facilities long term and short term. Short term credit is required to meet the regular expenses of business such as paying the creditor and purchase of raw materials. While a long term credit is used to meet the capital expenditure such as for the purchase of assets, construction and maintenance of the building.

These are financed by banks, private placement. For raising equity by Initial Public offering or any other convertible securities there are various methods available to the company. Business owners may use such method of raising credit that would help them retain control of businessmen over the business.

A credit facility is a type of financing businesses use to finance ongoing capital needs. Credit facilities can be revolving, allowing businesses to draw from a line of credit on an as-need basis, or a conventional term loan.

Since credit facilities can be a potential financing solution for your business, it can be worth learning more about how they work and their requirements. Alternative financial products are included as well.

A credit facility is a funding solution businesses can use to finance various expenses during a predetermined term. Credit facilities can be revolving, which means the borrower can withdraw some or all of a predetermined amount until the end of the term. Credit facilities can function as conventional term loans as well.

A credit facility can be useful for addressing cyclical demands that seasonal businesses face. A tour guide company in Hawaii, for example, has its peak season during the summer. A revolving credit facility can help the company navigate cash flow crunches, such as meeting payroll, during slower months in the winter.

Credit facilities can operate as a revolving line of credit the business that gets the line of credit withdraws up to a certain limit when the situation demands it but this is not always the case. A credit facility can also function as a term loan, where the funds are disbursed in a single advance, and amounts repaid can't be reborrowed.

Credit facilities are often characterized by their versatility. Gaurav Sharma, a former banker and founder of BankersByDay, told The Balance in an email, “Most types of loans are approved for a specific purpose, but credit facilities can be used for a wide variety of business needs, which is the main differentiating factor and the reason why most businesses prefer to have at one such credit facility.”





Eligible expenses under a credit facility can include:-

- Repayment or refinancing of existing debt agreements
- Acquisitions of other businesses
- Share repurchases
- Expenses related to new facilities
- Working capital
- Covering influx of orders
- General corporate expenses

The flexibility of a revolving credit facility makes it ideal for navigating cash-flow crunches. “The advantage of credit facilities is that they can be used for miscellaneous business expenses,” Sharma said. “So if there is an unforeseen expense or a minor shortfall somewhere, they can come in handy.”

Let's say, for example, that a retailer is experiencing an unexpected revenue shortfall due to declining sales. However, the retailer has cash flow tied into opening a second location. A credit facility can give the retailer the financing it needs to navigate this cash-flow crunch.

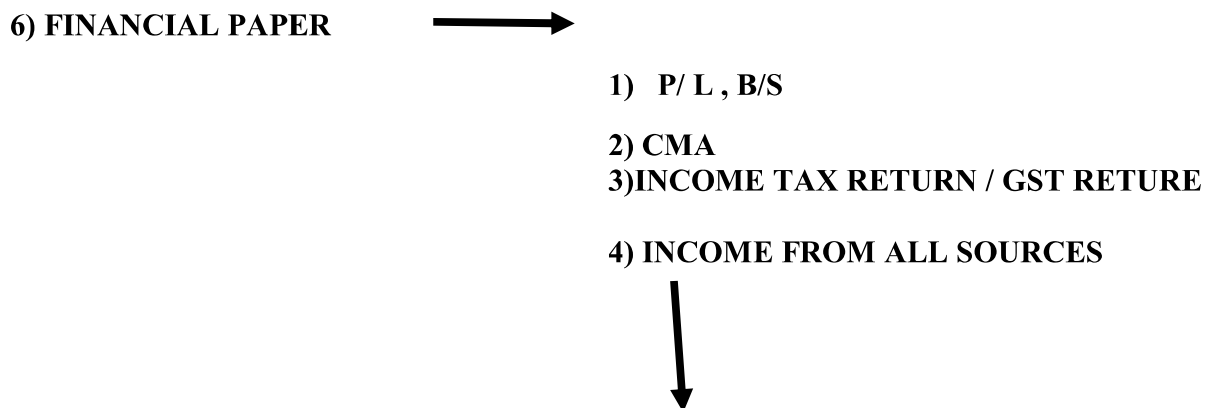
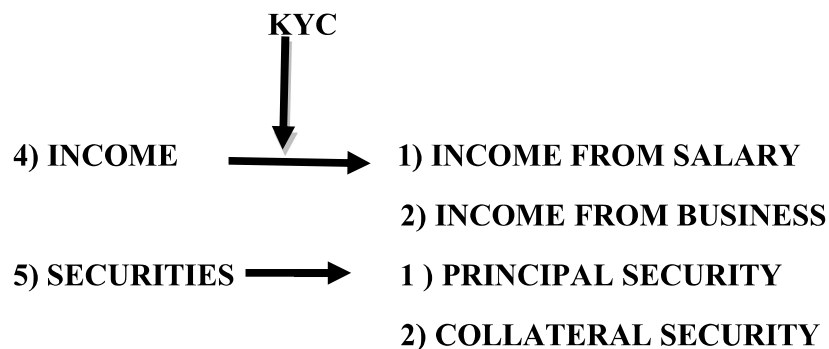
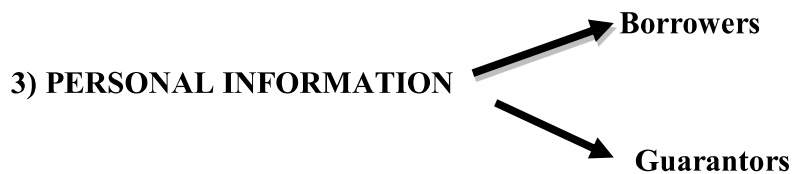
As with many other financial products, credit facility interest rates are typically set at a base rate plus a spread. For revolving credit facilities, interest applies only to the amount drawn and can be repaid as cash becomes available as long as the full amount borrowed is repaid by the end of the term .

## Process Of Loan

**1) SALE OF FORM**

**2) MEMBERSHIP => a) nominal member (1 year only)**

**=> b) Regular member**



**1) AGRICULTURAL LAND**

**2) SALARY**

**3) BUSINESS**

**4) REMMUNERATION**

**5) OTHER INCOME**

**7) REGISTRATION OF COMPANY**

**8) TITLE REPORT ( SEARCH REPORT )**

**9) VALUATION REPORT**

**10) INSPECTION**

## **BROAD REQUIREMENT FOR BANKS :-**

1) (SLP) Safety -----> Liquidity -----> Profitability

2) (DLR) Deposits -----> Loans -----> Recovery

3) 4Ps ----> Person

Purpose

Prospects

Profits

**PROCESS NOTE**

**SHIKSHAK SAHAKARI BANK LTD.,  
SCHEDULED BANK  
HEAD OFFICE, NAGPUR**

No. SSB/ HO/ Credit / xxx /2021-22PROCESS FEES :-XXXDATE :-XX\XX\XXXBRANCH :-XYZ

**PROCESS NOTE**

Name of Applicant :-

Membership :-

Residential Address:-

PAN No.:-

Aadhaar No.:-

Date of Birth :-

Contact No.:-

Marital status:-

Education Qualification :-

Present Activity :-

Employer's Name :-

Employer's Address:-

Employer's contact no.:-

Designation :-

Date of Joining:-

Income from salary :-

Net Worth:

CIBIL Score :-  
Present Banker :-  
Facility Applied :-  
Purpose of loan :-  
Applied Amount :-

- 2 Guarantors Personal Details :-
- Brief:-
- About Present Proposal :-
- Calculation of MPBF ( Maximum permissible bank finance):-  
Expenses as per Hamipatra :-  
Loan Amount Applied :-

PBF :-  
Date Of Inspection:-

- Calculation of repayment capacity of applicant :-
- Calculation of monthly EMI :-
- Observation :-
- Sanction by GM/ DGM / CEO/ CHAIRMAN

❖ Other condition:-

1. Process fees as per bank rules
2. FVR Report (First verification report )
3. KYC documents of applicant and guarantors be verified by branch official from original , Rubber seal for verification affixed on each document with signature of branch officials.

4. Necessary Bank Agreement be got executive.
5. Changes in the rate of interest shall be applicable from time to time.
6. PDC or specific Instruction for deduction of monthly EMI from bank account towards repayment be obtained from the applicant.
7. Necessary agreement be executed.
8. Necessary linking share be obtained as per rules .
9. Disbursement be made directly in favour of dealer by obtaining margin money.
10. Disbursement shall be made directly in favour of dealer/ distributor/seller  
Through pay order /D.D / RTGS/NEFT/ OR Any other mode of payment.

DGM \GM\CEO\COMMITTEE



## **The Various Types of Credit Facilities**

Most people tend to shy away from taking up credit facilities as they do not have much knowledge about it. If you are one of them, this article contains everything you need to know about the various types of commonly used credit facilities offered in Singapore. You will be able to make better informed decisions on credit-related matters should you choose to take up loans with the banks and major financial institutions.

Credit facilities are various types of loans made in a business or corporate finance context. They are specific types of credit facilities such as revolving credit, term loans, secured and unsecured loans and retail accounts. These will be reflected in your credit report – which provides a snapshot of your creditworthiness by detailing your credit history and repayment behaviour from various credit providers.

With this introduction of credit, you have the financial power and ability to act on major big ticket purchases and life opportunities that you may require.

Some of the commonly used credit facilities in Singapore today are as below;

## **1. Credit Card**

With a good credit history and steady income, you may qualify for credit cards at the bank. The card issuer will usually assess your repayment ability before deciding whether to accept your application and what credit limit to be set. Also, your credit card can be used to purchase items in most places. Different credit cards have different interest rates for different types of activities, like purchases, cash advances or balance transfers, so do remember to read the fine print.

## **2. Personal Loan**

Personal loans are mostly unsecured in nature. They do not require a collateral such as a car or house in order for a loan to be extended to you. Their unsecured nature makes personal loans attractive to those who require finances to meet short term personal and business needs.

## **3. Bridging Loan**

If you do need assistance on the initial cash down payment of your property purchase, a Bridging Loan can be extended to you while you are still in the process of selling your HDB flat or private property.

You can borrow up to 15% of the purchase price or fair market value (whichever is lower) at 6.5% p.a. (1% above prime rate\*) and the maximum tenor of the Bridging Loan is six months.

During the tenor of the loan, you can choose to service the interest only and repay the principal amount once you receive the cash proceeds from the sale of your existing property.

#### **4. Motor Vehicle Loan**

The bank supplies a definite sum of money, intended for the purchase of a suitable vehicle, to an individual who qualifies against a list of requirements that establish the said individual's financial history and repaying capacity. Car loans in Singapore can be deemed as secured loans that involve the purchased vehicle as the collateral. The process of acquiring a car loan in Singapore is easy enough, and it majorly depends on your compliance with the minimum age requirement, nationality, gross family income, clean credit history and employment stability that equates to a dependable source of income.

#### **5. Bank Overdraft**

Overdrafts are an extension of credit from a bank when an account reaches zero. An overdraft allows the individual to continue withdrawing money even if the account has no funds in it. You can arrange a bank overdraft on the account your salary is paid into. This means your account can be overdrawn. The interest rate is much higher than the prime interest rate. You do not have to repay the overdraft within a fixed time, but the bank will review it at least once a year, and choose to withdraw it at any point of time.

#### **6. Restructured Loan**

Restructured loans are overdue loans where a bank has negotiated for a change in repayment terms with the borrower and payments are still being made in accordance with the repayment terms.

#### **7. HDB Loan**

HDB loans are offered by HDB or the banks and they provide tenures of up to 25 years if you pay a minimum 20% down payment (at least 5% in cash), and use your CPF to pay off 15% or more for the balance down payment depending on the loan amount that you want. You will have the option to extend your loan tenure to 30 years if you are going for a 60% loan or less (capped at age 70). These loans are well suited for individuals who can afford to place a large down payment and take a smaller home loan.

## **8. Renovation Loan**

Purchasing a house is one of the most important financial decisions you will ever take in your life. Everyone deserves to live in a home of their choice, complete with the furnishings and appliances they would want. Renovation loans help home owners renovate their new homes, be it to make repairs to the roof, plumbing, walls, paint, and fixtures.

## **9. Education Loan**

If you are planning to study locally or overseas, there are various flexible study loans offered by banks and financial institutions to finance your studies. With an education loan, you can finance your tuition fees, focus on studying and do better in the classroom.

## **10. Medical Loan**

Medical loans are available to help ease the financial stress away and offer you peace of mind. They will ensure your family member gets the medical care they require, while the loan takes care of the ensuing medical bill. The loans are structured according to your financial situation and repayment ability regardless of the medical emergency.

## **COMPANY PROFILE:-**



Shikshak Sahakari Bank Ltd. was established in the year 1979 with the aim to help teachers to meet their financial needs. The thought of establishing a bank had cropped up in the minds of its founders in the year 1976. However, it saw its realisation in January 1979. The Bank was started with a share capital of Rs. 3.50 lacs only. The founders of the Bank were teachers by profession. It can be said that Shikshak Bank is a bank founded by teachers for teachers.

However, later the Bank did not keep itself limited to teachers but opened its membership to all. It also started financing for commercial purposes from the year 1987. The Bank achieved the deposit target of Rs. 100.00 crores in the year 1996-97.

Consequently, it was awarded the Scheduled Status on May 22, 1999. Shikshak Bank

is the first bank to get this status within twenty years of its inception, which is obviously a very short time-period. However, the bank's accomplishments don't end here.

In the year 1999-2000, the Bank secured 20th rank amongst other banks with regard to deposits and was placed first in Vidarbha. In the year 2000-2001, it rose to the 19th position amongst the banks with regard to deposits while maintaining its top position among the banks of Vidarbha.

The Bank presently has 19 branches functioning in Nagpur and Chandrapur districts. It has action plans to open more branches in the near future. The area of operation of the Bank includes Nagpur, Chandrapur, Wardha, Yavatmal, Bhandara and Gadchiroli districts.



**Dr. Sarvapalli Radhakrishna**

## **Shikshak Sahakari Bank Products and services :-**

Shikshak Sahakari Bank Limited is a bank in India. It has its headquarter in Nagpur. Shikshak Sahakari Bank Limited was founded on 01-01-1979. It has 10 branches and it provides all the financial services to its customers like.

### **❖ Fixed Deposit:-**

A fixed deposit, also known as an FD, is an investment instrument offered by banks, as well as non-banking financial companies (NBFC) to their customers to help them save money. With an FD account, you can invest a sizeable amount of money at a predetermined rate of interest for a fixed period. At the end of the tenure, you receive the lump sum, along with an interest, which is a good money-saving plan. Banks offer different rates of interest for a fixed deposit account.

### **❖ Saving Deposit:-**

A savings deposit is a safe way to save money for unexpected expenses, as you can always add money to the deposit and it can be easily withdrawn. One-off and regular payments can both be made to the saving deposits.

### **❖ Recurring Deposit:-**

Recurring Deposits (RD) provides customers with the flexibility to invest an amount of their choice each month and save money with ease. Recurring deposit accounts are offered by most of the banks and NBFCs in India with tenures ranging from 6 months to 10 years.

### ❖ **Loans:-**

A loan is a form of debt incurred by an individual or other entity. The lender usually a corporation, financial institution, or government advances a sum of money to the borrower. In return, the borrower agrees to a certain set of terms including any finance charges, interest, repayment date, and other conditions.

### ❖ **Personal Loan:-**

Personal Loan is an unsecured credit provided by financial institutions based on criteria like employment history, repayment capacity, income level, profession and credit history. Personal Loan, which is also known as a consumer loan is a multi-purpose loan, which you can use to meet any of your immediate needs.

### ❖ **Net Banking :-**

Netbanking, also known as internet banking, is a digital method to conduct banking transactions by the means of the internet. It is an electronic system, which any individual with a bank account can activate and use for their financial proceedings.

### ❖ **Mobile Banking :-**

Mobile Banking is defined as any financial transaction you conduct with the help of your internet-enabled smartphone or tablet. It is one of the most convenient modes of banking in the digital era as it gives you instant access to your bank accounts on the go. Mobile Banking allows you to avail of banking services from any location, at any time. It is a very cost-effective and time-saving innovation, which allows all kinds of bank account holders – be it business owners, shoppers, investors, etc., to receive and make payments within a few taps on their mobile screen.



### ❖ Lockers:-

Bank lockers, also known as safe deposit lockers, are a popular means of storing valuables. Banks charge a fee for this service, which is based on the size of the locker.

### ❖ RTGS:-

RTGS stands for Real Time Gross Settlement. It is a money transfer system that allows the transfer of funds from one bank account to another in real-time and on a gross settlement basis. The term, 'real-time' implies that transactions through RTGS are processed right when they are initiated by the sender, and 'gross settlement' means that the instructions regarding the transfer of funds occur on a one-to-one basis.

### ❖ NEFT :-

Real-time Gross Settlement, more commonly known as RTGS, is a common fund transfer method that allows customers to transfer money from one bank account to another electronically. The fund transfer method is maintained by the Reserve Bank of India (RBI) and is applicable for transfers within the country only.

### ❖ E- Wallet :-

E-wallet stands for electronic wallet. It is a type of electronic card which is used for transactions made online through a computer or a smartphone. The utility of e-wallet is same as a credit or debit card. An e-wallet needs to be linked with the individual's bank account to make payments. The main objective of e-Wallet is to make paperless money transaction easier.

### ❖ **Atal Pension Yojana:-**

The Atal Pension Yojana (APY) was launched on 09.05.2015 to create a universal social security system for all Indians, especially the poor, the under-privileged and the workers in the unorganised sector. APY is administered by Pension Fund Regulatory and Development Authority (PFRDA). APY is open to all bank account holders in the age group of 18 to 40 years and the contributions differ, based on pension amount chosen.

### ❖ **Pradhan Mantri Jandhan Yojana :-**

Pradhan Mantri Jan Dhan Yojana (PMJDY, transl. Prime Minister's People's Wealth Scheme) is a financial inclusion program of the Government of India open to Indian citizens (minors of age 10 and older can also open an account with a guardian to manage it), that aims to expand affordable access to financial services such as bank accounts, remittances, credit, insurance and pensions. This financial inclusion campaign was launched by the Prime Minister of India Narendra Modi on 28 August 2014.

### ❖ **Pradhan Mantri Suraksha Bima Yojana:-**

The Scheme is available to people in the age group 18 to 70 years with a bank account who give their consent to join / enable auto-debit on or before 31st May for the coverage period 1st June to 31st May on an annual renewal basis. Aadhar would be the primary KYC for the bank account. The risk coverage under the scheme is Rs.2 lakh for accidental death and full disability and Rs. 1 lakh for partial disability. The premium of Rs. 12 per annum is to be deducted from the account holder's bank account through 'auto-debit' facility in one installment. The scheme is being offered by Public Sector General Insurance Companies or any other General Insurance Company who are willing to offer the product on similar terms with necessary approvals and tie up with banks for this purpose

❖ **Pradhan Mantri Jeevan Jyoti Bima Yojana :-**

The PMJJBY is available to people in the age group of 18 to 50 years having a bank account who give their consent to join / enable auto-debit. Aadhar would be the primary KYC for the bank account. The life cover of Rs. 2 lakhs shall be for the one year period stretching from 1st June to 31st May and will be renewable. Risk coverage under this scheme is for Rs. 2 Lakh in case of death of the insured, due to any reason. The premium is Rs. 330 per annum which is to be auto-debited in one installment from the subscriber's bank account as per the option given by him on or before 31st May of each annual coverage period under the scheme. The scheme is being offered by Life Insurance Corporation and all other life insurers who are willing to offer the product on similar terms with necessary approvals and tie up with banks for this purpose.

### **Commitment:-**

The Bank has advanced loans extensively to various industries at MIDC, Hingna, Nagpur, Butibori, Kalmeshwar, Chandrapur, etc. and also for commercial purposes. Besides, it has also given advances to traders, transporters, etc. 70 % of the Bank's advances have been made for business and industrial purposes. The Bank has also made 60 % of its advances in the priority sector.

The Bank has always been contributing for various social causes including relief for victims of natural calamities. Apart from this, the Bank regularly makes donations from its Member Welfare Fund for the benefit of its members.

### **Growth :-**

- Established in the year 1979 for helping teachers to meet their financial needs.
- Bank started with a Share Capital of Rs. 3.50 lacs only.
- Initially started for teachers, Bank later opened its membership for all.
- Started financing for commercial purposes also from the year 1987.
- Achieved the deposit target of Rs. 100.00 crores in the year 1996-97.

- Awarded with the Scheduled Status on May 22, 1999, and thus, became the first fastest bank to become scheduled.
- In the year 1999-2000, Bank was ranked 20th with respect to deposits among cooperative banks in India and 1st among cooperative banks in Vidarbha.
- In the year 2000-2001, it rose to 19th position.
- Bank presently has 19 branches functioning in Nagpur and Chandrapur.
- Plans to open more branches in future in its other areas of operation viz. Wardha, Yavatmal, Bhandara and Gadchiroli districts.
- Bank has always been contributing for various social causes including relief for victims of natural calamities. Apart from this, the Bank regularly makes donations from its Member Welfare Fund for the benefit of its members.
- Deposits showed increase with introduction of new, attractive schemes, launch of a special drive called 'Sahakar Vishwas Parva', formation of marketing teams, etc.
- Nearly 50-60 crores of deposits were mobilised in six months following the run.
- Share Capital increased by 2-3 crores due to efforts like launch of campaign called "Sahakar Sthairyata Abhiyaan".
- New, attractive loan schemes like Sobati, SSB Suvidha, SSB Aadhaar, SSB Sathi, SSB Sarthi, SSB Sahyog, etc. have been launched for boosting our credit portfolio.

## **Mission :-**

Mahatma Gandhi has said that strength does not come from physical capacity, it comes from an indomitable will. Shikshak Bank has proved this time and again and, thus, set an example for others. It has survived all odds and is now on the path of well-being and will soon be prosperous, thanks to the hard work, indomitable spirit and perseverance of its Management and Staff. It is said that God helps them who help themselves. Same has happened with Shikshak Bank.

The Management and the staff of the Bank are working hard together and with their customers' faith with them, the Bank is sure to reach new heights.

## **VISION:-**

Main Vision is to become first in customer satisfaction.

The adoption of all modern technologies for Better, Fast and Squired service will be priority of the bank in future. The environment of all the branches will match an international standard with easy operation for our valuable customer

We will consistently exceed customer expectation by providing value-adding solutions through professional and highly motivated people, delivering excellent financial performance in all markets where we operate.

Main focus is to cover the areas which are not covered by adequate banking facilities.

## TERMINOLOGIES



### ❖ EMI :-

EMI stands for Equated Monthly Installment. EMI in simple terms is a type of monthly installment. It's an amount a person needs to pay every month if he purchases any product on EMI.

As stated above, EMI means Equated Monthly Installment. To repay the money taken as a loan from the Bank or any Financial Institutions, the bank gives you the facility to repay the loan amount in equal installments. For this, an amount is fixed for you by the bank and a period is also set for completing that amount. You have to submit the entire loan of the bank in the same period with interest amount.



### ❖ CIBIL :-

The Credit Information Bureau (India) Limited (CIBIL) is the most popular of the four credit information companies licensed by Reserve Bank of India. There are three other companies also licensed by the RBI to function as credit information companies. They are Experian, Equifax and Highmark. However, the most popular credit score in India is the CIBIL score. Let's find out what is CIBIL score.

CIBIL Score is a 3-digit numeric summary of your credit history, rating and report, and

ranges from 300 to 900. The closer your score is to 900, the better your credit rating is.

### CIBIL SCORE:-

300 To 500 ----- Poor

500 To 650 ----- Average

650 To 750 ----- Good

750 To 900 -----Excellent



### ❖ LAP:-

A loan against property (LAP) is a secured loan that is sanctioned against the asset pledged as collateral. This asset can either be an owned land, a house, or any other commercial premises. The asset remains as collateral with the lender until the entire loan against property amount is repaid.



### ❖ EDUCATION LOAN:-

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. Payments are often deferred while students are in college and, depending on the lender, sometimes they are deferred for an additional six-month period after earning a degree. This period is sometimes referred to as a "graceperiod."



**❖ VEHICLE LOAN :-**

Vehicle Loan means a motor vehicle installment sales contract assigned to the Company that is secured by title to, security interests in, or liens on a motor vehicle under applicable provisions of the motor vehicle or other similar law of the jurisdiction in which the motor vehicle is title and registered by the purchaser at the time the contract is originated or purchased.



**❖ CC LIMIT:-**

Cash Credit Facility enables the business entity to withdraw the amount from their account without maintaining a credit balance. There will be a pre-determined limit up to which the entity will be allowed to withdraw the amount. The borrower is allowed to withdraw any number of times within the established limit.



### ❖ **OVERDRAFT:-**

An overdraft occurs when there isn't enough money in an account to cover a transaction or withdrawal, but the bank allows the transaction anyway. Essentially, it's an extension of credit from the financial institution that is granted when an account reaches zero. The overdraft allows the account holder to continue withdrawing money even when the account has no funds in it or has insufficient funds to cover the amount of the withdrawal.



### ❖ **GOLD LOAN:-**

A gold loan is a secured loan wherein the borrower keeps their gold, ranging from 18K to 24K, with a bank or a financial institution as security and avails capital against it. On comparative terms, a gold loan can be understood as a similar concept to a “mortgage loan” in which the owner keeps their house or property as mortgage with the bank and takes a loan against it to fulfill their need for capital.

### **OBJECTIVE OF STUDY :-**

The aim of this study was to investigate the impact of customer borrowers, credit policies, the central administration of the loans and the environmental conditions of the local economy on the facilities.

The Borrower will use Loan proceeds only to refinance the Existing Credit Agreement and for the working capital needs and general corporate purposes (including Acquisitions and capital expenditures) of the Companies. The proceeds loaned hereunder will not be used directly or indirectly for the purpose of purchasing or carrying, or for the purpose of extending credit to others for the purpose of purchasing or carrying, any Margin Stock, or to repay any Debt which was created for such purposes.

Borrower will use (or will loan such proceeds to its Companies to so use) all proceeds of Borrowings for one or more of the following:

- To repay the Debt existing under the Existing Credit Agreements.
- To know the criteria for granting banks loan to the industrial sector.
- To find out the type of business availing the loan most.
- To find out that which group (minority or majority) get the loan easily.
- To know the legal structure of the firm in getting the loan.

- Analysis of the relationship of the size of the company , financial system , business experience with the change of getting loan.
- To access the association in between the government approval of the firm and sanctioning the loan.
- To finance capital expenditures.
- For general business purposes.
- Studying the importance of loan or their demand.
- To make study of loan sector/segment.
- To identify the popular scheme of loan.
- To know about the level of customer preferences towards loan.

## **SCOPE OF THE STUDY**

### **a) Customer Attraction-**

many organizations use credit as a way of attracting new customers by giving them attractive terms for repayment of purchases. In that case the credit decision is actually a marketing decision.

### **b) Liquidity decision-**

Credit policy directly affects the liquidity of an organization since it means the goods advanced on credit represent a financing gap which the organization has to fill. If an organization has a lot of its working capital tied in accounts receivable is likely to face liquidity challenges hence the credit decision is a financing decision.

### **c) Competitive strategy-**

The credit decision is also used by organizations to compete in the market place with organizations positioning themselves in the market by formulating attractive credit policies.

**d) Effect on the balance sheet–**

–Credit management affects the quality of the accounts receivable as relates to their collectability and since they are presented as part of the working capital the credit decision affects the value of the accounts receivable depending on how sound the credit policy are.

**e) Exposure to credit risk–**

This refers to the risk that accounts receivable will not be collected as expected or that the clients with contractual obligations with the company will not be able to settle their accounts as they become due.

### **NEED OF STUDY**

- ❖ For knowing the ways through which we approaches towards customers.
- ❖ For finding the customer approaches towards loan.
- ❖ To get the effective client base.
- ❖ To have a particular follow up of the client.
- ❖ To put the hard work with effective skills.
- ❖ To make relationship between the client.
- ❖ To approaches minimum 30 to 40 shops every day.
- ❖ To increase the sale of the firm.
- ❖ For studying various aspects of loan segments.

## **CONTRIBUTION DURING SIP**

### **Week Wise Information**

1 <sup>st</sup> Week	<b>Introduction</b> <ul style="list-style-type: none"><li>➤ Induction</li><li>➤ Received Intern ID</li><li>➤ Got Attendance ID for Attendance portal</li><li>➤ Received official mail ID for work</li></ul>
2 <sup>nd</sup> week	<b>Product knowledge</b> <ul style="list-style-type: none"><li>➤ Documentation knowledge</li><li>➤ Received format for the Borrower's information</li><li>➤ Learned about Present Proposal</li><li>➤ Learned About MPBF( Maximum Permissible Bank Finance )</li></ul>



3 <sup>rd</sup> Week	<ul style="list-style-type: none"> <li>➤ Disbursement process</li> <li>➤ Got introduced the personal loan process</li> <li>➤ Learned how to calculate the repayment capacity of the client</li> </ul>
4 <sup>th</sup> week	<ul style="list-style-type: none"> <li>➤ Document understanding</li> <li>➤ Calculation of monthly EMI</li> </ul>
5 <sup>th</sup> week	<ul style="list-style-type: none"> <li>➤ Learned about Vehicle loan</li> <li>➤ Calculation of the monthly installment</li> <li>➤ Learned about the PSL ( Personal Security Loan )</li> </ul>
6 <sup>th</sup> week	<ul style="list-style-type: none"> <li>➤ Assisted my SO ( supervising officer ) in the loan approval process .</li> <li>➤</li> </ul>

## ❖ LI MITATIONS

- ❖ Using credit also has some disadvantages. Credit almost always costs money.
- ❖ If the item is worth the extra expense of interest paid, the rate of interest and possible fees.
- ❖ It can become a habit and encourages overspending.
- ❖ Information is collected in short period of time.
- ❖ Overuse of credit leads to a poor credit record. A poor credit record means you will find it more difficult and more expensive to get future credit.
- ❖ Comparison shopping may be discouraged.
- ❖ If you have credit available, you may be more likely to buy now rather than shopping around to find the best buy.
- ❖ Reduces future buying power. Future income is tied up in credit payments.

❖ Most of the content collected were difficult to understand because it was new for me to work in the field.

❖ Extra fees add to the total cost. Credit card companies are collecting higher late and over-the-limit fees which add to the total cost of credit.

❖ Pay attention to due dates and total amount charged to avoid these added costs.

## **FINDINGS**

- Internship at Shikshak Sahakari Bank was my first experience. I learnt a lot of new things.
- Initially I knew about a variety of Loans. Then I deeply learnt about their Products & Services, etc.
- Here, I studied marketing strategy and the hard work to be done by the people and the working new strategy and the place of the work and the work is not more important than the work. The work is to be done by the study of the work of the competition and then the our decision is an important and it to be one step to be ahead and the work better work policy. I found the market strategy and what people think about the world and how the market to be run and what to do to survive in the market and to get the effective return.
- All most all the bankers favour the big corporation while giving the loan.
- The bank emphasizes the majority group while sanctioning the loan.
- The bankers are giving more importance on the financial system, size of the firm and less importance on the business experience while giving the loan.
- A majority i.e 85% of the bankers are in favour in the fact that the firm should utilize a system which provides monthly, quarterly and yearly-end of financial statements and taxation information from the year.

## **CONCLUSION**

- ❖ After working on this project its my immense pleasure to say that it has been most beneficial to me as it gave a lot of knowledge about the Finance (Loan) Sector Segment.
  
- ❖ The summer internship program with Shikshak Sahakari Bank was a good learningexperience and a first step in the Corporate world.
  
- ❖ Get to learn and understand the Management Culture and Working Environment of the Company.
  
- ❖ This study is helping out to know or examine the various services under loansector/segment.
  
- ❖ In this both primary as well as secondary data has been collected through data analysis.
  
- ❖ Every possible caution and care has been taken to collect data, their were also somelimiting factor.

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