

Project Report

“A Study of Various Vehicle Loan provide by HDFC Bank in Nagpur.”

Submitted to:

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

In partial fulfilment for the award of the degree of
Master of Business Administration

Submitted by:

Prachee Vishnu Kubade

Under the Guidance of:

Dr. Kamlesh Thote

**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited “A” Grade Institution**



Academic Year 2022-2023

**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited "A" Grade Institution**



Academic Year 2022-2023

CERTIFICATE

This is to certify that **Prachee Vishnu Kubade** has submitted the project report titled "**A Study of Various Vehicle Loan provide by HDFC Bank in Nagpur**", towards the partial fulfilment of **MASTER OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that she has ingeniously completed her project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.**

Dr. Kamlesh Thote

(Project Guide)

Dr. Sonali Gadekar

(Coordinator)

Place: Nagpur

Date:

**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited "A" Grade Institution**



Academic Year 2022-2023

DECLARATION

I here-by declare that the project with title **“A Study of various Vehicle Loan Provide by HDFC Bank in Nagpur”** has been completed by me in partial fulfilment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur** and this has not been submitted for any other examination and does not form the part of any other course under taken by me.

Ms.Prachee Vishnu Kubade

Place: Nagpur

Date:

**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited "A" Grade Institution**



Academic Year 2022-2023

ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to **Dr. Swati Kathaley**, Principal, G. S. College of Commerce & Economics, Nagpur.

I am extremely thankful to my Project Guide **Dr. Kamlesh Thote** for his guidance throughout the project. I tender my sincere regards to the Co-Ordinator,

Dr. Sonali Gadekar for giving me guidance, suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

Ms. Prachee Vishnu Kubade

Place: Nagpur

Date:

INDEX

Chapter No.	Chapter Name	Page No.
1	Introduction	6
2	Company Profile	19
3	Review of Literature	24
4	Objective of study	27
5	Scope of study	28
6	Need of Study	29
7	Limitation of study	30
8	Research Methodology	31
9	Analysis and Interpretation of Data	35
10	Finding	46
11	Conclusion	47
12	Suggestion	48
13	Bibliography	49
14	Questionnaire	50

Introduction

A vehicle loan (also known as an automobile loan, or auto loan) is a sum of money a consumer borrows in order to purchase a vehicle. Generally speaking, a loan is an amount of money that is lent to an individual, a business, or another entity. The party that lends the money is known as the lender, while the party borrowing the money is called the borrower. When taking out a loan a borrower agrees to pay back the full loan amount, as well as any interest (a percentage of the loan amount, usually calculated on an annual basis), by a certain date, typically by making monthly payments.

Vehicle loans follow most of the same rules and procedures that apply to other loans. In most cases when purchasing a vehicle, a borrower will specifically apply for a vehicle loan; however, a consumer can also use a personal loan (a loan obtained by an individual to use at his or her discretion) for the same purpose. All vehicle loans are for specific lengths of time, generally anywhere between 24 and 60 months, although some vehicle loans can be for longer periods. This type of loan is also known as financing. Vehicle loans generally include a variety of fees and taxes, which are added to the total loan amount.

Many consumers apply for vehicle loans at their local bank. When applying for a vehicle loan a borrower will usually begin by specifying how much money he or she wants to borrow. The borrower will then provide information about his or her financial situation, beginning with income (the amount of money he or she earns by working). Most lenders will require the borrower to provide some proof of employment, usually in the form of a pay stub (the portion of a paycheck that includes information about an employee's earnings, which an employee keeps for his or her records) or a copy of a tax return (the form submitted by individuals when paying taxes). The lender will also check the borrower's credit report. A credit report is a detailed record of an individual's past credit (in short, borrowing) activities, whether in the form of loans or other debts (money owed). If the prospective borrower has a bad credit history, he or she may be ineligible for a vehicle loan.

Often a bank or financial institution will preapproved certain customers for vehicle loans. In these situations, a consumer has a certain number of days (often 30, sometimes 45) to decide whether to seek full approval for a car loan. Because most borrowers secure a car loan before actually shopping for a car, when an application for a car loan is approved, a lender will generally give the borrower a maximum amount he or she will be able to borrow. The borrower is then free to use this money to purchase the car of his or her choosing; however, the borrower is not required to spend the full amount offered by the lender. For example, while a bank might approve a car loan of \$50,000 for a long-term customer, that customer has the right to spend only a fraction of that amount.

WHEN DID IT BEGIN

The car loan officially originated in 1919, when the General Motors Corporation (an automobile manufacturer founded in 1908 in Flint, Michigan) established the General Motors Acceptance Corporation, or GMAC. GMAC arose in response to the growing demand for automobiles among American consumers after World War I. In 1919 GMAC established offices in five North American cities; a year later it opened its first office in Great Britain. As the car loan business expanded, other automobile manufacturers began to develop their own financing divisions. One of the most prominent was the Ford Motor Credit Company, founded in 1923. Although car loans were available most American consumers during the first half of the twentieth century paid cash for their automobiles.

When a borrower takes out a loan on a car, he or she is agreeing to buy the car. Upon entering into the loan agreement the borrower gains the right to drive the car, while also taking possession of the car's title (a document showing proof of ownership of a piece of property). Technically speaking, however, the borrower does not yet own the car; the lender owns the car until the borrower has finished paying off the loan.

Each vehicle payment consists of two parts: the principal (the original amount of the loan) and the interest. Interest on vehicle loans depends primarily on three main factors: the credit rating of the vehicle buyer, whether the vehicle is new or used, and the price of the vehicle. As a rule interest rates on new vehicle tend to be lower than interest rates on used vehicle. Also, as the price of a vehicle goes up, the interest rate will usually go down. For example, if a consumer wants to purchase a used truck listed for \$2,500, the loan interest rate might be 6.49 percent; if that same consumer wants to purchase a new \$40,000 Lexus, the interest rate might only be 5.49 percent.

The bulk of a monthly vehicle payment goes toward the principal, so that the total amount of the loan decreases steadily with each payment. As a borrower pays off more of the principal of the loan, he or she moves closer to full ownership of the vehicle. The amount of money the borrower has paid toward full ownership is known as equity; in other words with each loan payment the borrower earns additional equity in the vehicle. At the same time, the value of the car steadily decreases over the course of the loan, meaning that the vehicle will never be worth the amount of the original loan. For example, say a borrower takes out a \$10,000 loan to pay for a vehicle. At the time of purchase the vehicle is worth about \$10,000 (minus fees and taxes). Four years later, when the borrower has paid off

the loan, the vehicle may be worth only \$2,000. If the borrower has neglected to take good care of the vehicle, it might be worth substantially less. This process by which the car loses its value over time is known as depreciation.

Traditionally vehicle loans were for short periods, generally about 24 months and no longer than 36 months. In the 1980s, however, standard vehicle loan periods began to get longer. There were two key reasons for this change. For one, in the early 1980s more and more consumers began to lease their vehicle (they paid a monthly fee in exchange for the right to drive a particular vehicle) rather than purchase vehicle outright. Vehicle leases were primarily attractive because they did not require a down payment, and they tended to require lower monthly payments than traditional vehicle loans. In order to compete with the vehicle leasing industry, a number of lenders began to offer vehicle loans for longer terms. As a result, loan periods of 48, 60, and 72 months became standard. In some cases borrowers were able to receive even longer periods over which to repay their loans. For example, when a borrower purchases a luxury vehicle (a vehicle, a truck, or another vehicle that is more expensive than average and generally includes additional features designed to increase car performance or comfort), he or she will sometimes have as long as 84 months to repay the loan. In the early twenty-first century a luxury vehicle was generally defined as a vehicle costing in excess of \$30,000. From the early 1990s to the middle of the following decade, the proportion of Americans who owned luxury vehicle rose from 10 to 30 percent. This overall rise in the price of motor vehicles was the second significant reason that standard car loans became longer in duration.

Vehicle Loan-

A motor vehicle installment sales contract assigned to the Borrower 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 titled and registered by the purchaser at the time the contract is originated, other than Vehicle Loans sold to an SPV in connection with a Permitted Securitization Transaction. Voting Stock. Stock or similar interests, of any class or classes (however designated), the holders of which are at the time entitled, as such holders, to vote for the election of a majority of the directors (or persons performing similar functions) of the corporation, association, trust or other business entity involved, whether or not the right so to vote exists by reason of the happening of a contingency.

With the income level rising in India, many families have a high disposable income these days. And with high disposable incomes comes an urge to upgrade your lifestyle than buying a vehicle? This is especially true since you have so many lenders eager and willing to extend a loan for your vehicle purchase, making the purchase of your dream vehicle so easy.

For most of the individual's vehicle are meant only for those who can afford it. One chief reason is that individuals do not have the finances required to afford it. However now there are several loan plans available in the financial market which is meant to provide adequate finance to the individuals who are looking forward to buy their dream vehicle. Personal vehicle loan are one such loan plan. With these loan you have the requisite finance to purchase vehicle of any market or model available in the market today.

In comparison, the only questions asked at PUS banks would be the amount of loan that you are seeking, the duration, and whether the vehicle is fresh or used. Questions such as whether the loan seeker has an account with the bank, his salary and period of employment would, of course, be common to all banks. In case of used vehicles, the difference between public and private finance would be in the, margin for the loan rather than the interest rate.

Under these loans you can obtain 70-80% of the total amount required to finance the vehicle. The amount can be paid back in easy installments over a period of 2.5 to 3 years. Almost 80m percent of the auto sales are financed by loan in India. The car loan rate today is higher than ever before. The vehicle loan rates are as high as 14-16 percent per annum and are set to increase further. However, a hard bargaining can cut the interest rates. Usually, the buyer is routed to the banks through the vehicle dealer (new and old), from where a purchase is imminent. The dealer even help in cutting down the interest rate for buyer's sake. Buyer are not aware that it is not the bank that is actually who contribute to lower the interest rate on behalf of them. Public sector finance and private finance offer car loans at varying rates (difference in a few basis points also count).

A Vehicle Loan is a loan that allows you to purchase two and four wheelers for personal use. Typically, the lender loans the money (making a direct payment to the dealer on the buyer's behalf) while the buyer must repay the loan in Equated Monthly Instalment (EMIs) over a specific tenure at a specific interest rate. The EMI comprises a portion of the principal amount and the interest component. Once you repay the loan in full, the lender transfers the vehicle registration in your name.

You can also apply for a Vehicle Loan to buy these vehicles to transport goods or company personnel. Common examples of commercial vehicles include buses, trucks, tractors, tippers, cabs, etc.

Your eligibility for a Vehicle Loan depends on your credit score and net (in hand) monthly income. Most lenders offer 75% to 100% of the vehicle's on-road price, based on its type and price. You can also get a loan to buy pre-owned vehicle and other previously used vehicles.

Related to Vehicle Loan

1. **Eligible Loan:** It means a loan offered for sale or substituted by SLM ECFC under a purchase Agreement which as of the statistical Cutoff Date , in the case of the initial Loans, or as of the related subsequent Cutoff Date, in the case of any Additional loan or Substituted Loan, is current or not more past due than permitted of principal or interest and which meets the following criteria as of the statistical Cutoff Date.
2. **Eligible Mortgage Loan:** Eligible Mortgage Loan means purchased mortgage loan which complies with the representations and warranties set forth on schedule 1 to this repurchase Agreement.
3. **Mortgage Loan:** An individual Mortgage loan that is the subject of this Agreement, each mortgage loan subject to this agreement being identified on the mortgage loan schedule, which mortgage loan includes without limitation the mortgage loan document, the monthly payments, principal prepayments, Liquidation proceeds, REO Disposition proceeds and all other rights, benefits, proceeds and obligations arising from or in connection with such Mortgage Loan.
4. **Wet-Ink Mortgage Loan:** Wet-Ink Mortgage Loan means a Mortgage Loan which seller is selling to buyer simultaneously with the origination thereof.
5. **Buydown Mortgage Loan:** Any Mortgage Loan as to which a specified amount of interest is paid out of related Buydown Fund in accordance with a related Buydown Agreement.
6. **Balloon Mortgage Loan:** A Mortgage Loan that provides for the payment of the unamortized principal balance of such Mortgage Loan in a single payment at the maturity of such Mortgage Loan that is the substantially greater than the preceding monthly payment.

7. **Purchased Loan:** Purchased Loan means a loan repurchased as of the close of business on the last day of a collection period by a seller pursuant to section 6.2 of the sale Agreement or repurchased as of such time by the transferor pursuant to section 7.2 of the purchase and sale Agreement.

8. **Equipment Loan:** Equipment Loan means middle market Equipment Loan that consist of loan made to obligors in the United States of America primarily secured by new or used transportation equipment and managed by the Equipment Finance reporting category of the commercial Lending and Leasing division of GE Capital.

Features and Benefits of Vehicle Finance from Manufactures

Availing a vehicle loan from the manufacturer itself brings in a lot of benefits for the buyer. Following are the features and benefits.

- Streamlined Loan processing - Most vehicle manufacturers have streamlined process where the loan application and processing are done on a tight timeline. Their centralized system processes all loan application effectively and enables fast approval.
- Easy Documentation – The documentation for availing vehicle finance is quite simple and easy. The manufacturer checks repaying ability of the borrower and thus gathers evidence in the form of document to ascertain your steady income.
- Quantum of Loan – For in-house brands, the manufacturers offer funding up to 100% of the car value. Customer can also get customized car loan based on their need. Often, gadgets, insurance and accessories are included as part of the loan value extended.
- Tenure – The repayment period varies from lender. However, it generally ranges between 1 years to 7 years. The borrower can choose the comfortable term within the available tenure.
- Prepayment – The borrowers can also prepay the loan when they have enough fund to close the loan. The term varies from lender to lender. Some car finance companies allow you pre-close the loan only after completing a specific period. Some lenders do allow you prepay wherever you can. Change may be applicable for prepaying your auto loan and varies for different lenders.

Eligibility Criteria to Avail a Vehicle loan from Vehicle Finance Companies

Before applying for a vehicle loan with the manufactures, it is important you check the eligibility criteria in order avoid the rejection. When you meet all the criteria, you may approach the lender for application. Here is a complied list of eligibility criteria to avail a vehicle loan.

- You should be a salaried or self-employed individual having a good repaying ability.
- Most vehicle finance companies also provide loan to corporate companies, trusts and partnership firm for which they to fulfil criteria set by the lender.
- The applicant should fall under the age limit set by the lender, the general range is usually between 18 years to 65 years.
- All the document required for the loan should be furnished with clear proof.
- The income level varies for salaried or self-employed and companies based on the loan amount and the vehicle model.
- Should have a decent credit score.

Recent Trends

As with a number of other types of loans, vehicle loans have become increasingly available over the internet since the late 1990s. There are many advantages involved with shopping for vehicle loans online. For one, shopping for loans online allows consumers to compare interest rates from a wide range of lenders, in a relatively short amount of time, therefore giving them a better chance of securing the best deal. Also, because online vehicle loan companies require little cost overhead (the expenses involved with running a business, including renting an office, paying employees, buying office supplies, and so on), they can often offer consumers lower interest rates than those offered by traditional banks.

Types of Vehicle Loans in India

Today, you can take on a vehicle loan to buy various vehicle in India. Below are the most common types offered Vehicle Loan offered by Indian lender.

Car Loans:

You can get a car loan to purchase a brand-new car of your preferred brand. Lenders generally offer up to 90% financing of the car's on-road price, while you have to pay the remaining 10% as a down payment. The on-road price of a new car includes the ex-showroom price, Regional Transport Office (RTO) registration charges, insurance costs, road tax, etc. A Car Loan generally comes with a seven-year repayment tenure. You can repay the Car Loans in affordable EMIs over your chosen tenure.



HDFC Bank new car loan interest rates start from 9.25% and HDFC Bank used Car loans 13% this are fixed rate loan and are one of the best car loan in the India.

A car loan is a personal loan that allow the potential buyer to pay the vehicle off in monthly payments instead of having to pay full price all once. This means that a lending servicer or bank will pay off the car in full, while in return the borrower pays off the debt in monthly payment with an interest fee include as well.



Two-Wheeler Loan: -

A two-wheeler is an excellent wheeler that allow you to navigate traffic, especially in a densely populated city. It is compact, require less fuel and help you cover shorter distances comfortably. With two-wheeler loans, you can buy geared motorbikes and non-geared scooters. Most lender offer up to 100% financing two wheeler loans, with a maximum repayment tenure of five year. The maximum financing offered on such loans is up to Rs10 Lakh. Once again, you need to proof and credit score to be considered for this loan.



Commercial Vehicle Loan: -

A Commercial Vehicle Loan is an ideal solution for anyone who owns a transport business. We offer new and used commercial vehicles loan at attractive interest rates, with a flexible repayment tenure. Experience a hassle-free documentation process, quick processing and swift loan disbursal.

Commercial vehicle Loan let you take a loan on vehicle use for commercial purpose is especially for self-employed. Interest rate 10% p.a. to 15% p.a.

Organizational Structure of the Commercial bank

Business Head
(National Sales
Manager)

Zonal Sales
Manager

Regional Sales
Manager

Area sales
Manager

Sales Manager



COMPANY PROFILE



HDFC bank ltd is a major Indian financial service company based in Mumbai. The bank is a publicly held banking company engaged in providing a wide range of banking and financial services including commercial banking and treasury operation. The bank has present has an enviable network of 2201 branches and 7710 ATM spread in 996 cities across India. They also has one overseas wholesale banking branch in Bahrain a branch in Hong Kong and has two representative offices in UAE and Kenya. The bank has two subsidiary companies, namely HDFC bank securities Ltd and HDB financial service Ltd. The bank has the three primary business segments, namely banking, wholesale banking and treasury. The retail banking segment serves retail customer through branch network and other service with of specialist product group to such customer. The wholesale banking segment provides the loans, non-fund facilities transactions services to corporate, public-sector units, government bodies, financial institutions and medium-scale enterprise. The treasury segment includes net interest earing on investment portfolio of the bank. The Bank's ATM network can be accessed by all domestic and international visa/master vehicle, visa electron/maestro, plus/Cirrus and American Express credit/charge vehicle holder. The bank's share are listed on the Bombay Stock Exchange Limited and National Stock Exchange in India Ltd. The bank's American Depository Share (ADS) are listed on the New York Stock Exchange (NYSE) and the bank's Global Depository Receipts (GDRs) are listed on Luxembourg Stock exchange. HDFC Bank Ltd was incorporated on August 30,1994 by

Housing Development Financial Corporation Ltd.

In the year 1994, Housing Development Financial Corporation Ltd was amongst the first to receive an in principle approval from the Reserve Bank of India to set up a bank in the private sector, as part of the RBI's liberalization of the Indian banking industry. HDFC bank commenced operations as a schedule Commercial Bank in January 1995. In the year 1996, the Bank was appointed as the clearing bank by the NSCCL. In the year 1997, the Bank launched retail investment advisory services. In the year 1998, they launched their first retail lending product, loan against shares. In the year 1999, the Bank launches online, real-time Net Banking. Times Bank Ltd, owned by Bennett, Coleman & Co. Times Group amalgamated with the bank Ltd. This was the first merger of the private bank of India. The bank was the first Bank to launch an International Debit vehicle in association with VISA (visa electron). In year 2001, they started their credit vehicle business. Also, they become the first private sector bank to be authorized by the central board of direct taxes (CBDT) as well as RBI to accept direct taxes. During the year, the bank made a strategic tie-up with Bangalore-based business solution software developer, Tally Solution Pvt, Ltd for developing and offering product and services facilities online accounting and banking services to SMEs. During the year 2001-02 the bank was listed on New York Stock Exchange. Also, they made the alliance with LIC for providing online payment insurance premium to the customer. During the year 2002-03 the bank increased the number of the branches from 171 No's to 231 No's and the size of the bank ATM network expanded from 479 No's to 732 No's. They also expanded their presence in the merchant acquiring's business. During the year 2003-04 the bank expanded the distribution network with the number of the branches increases from 231 No's to 312 No's and the size of the bank ATM network expanded from 732 No's to 910 No's. In the September 2003, they entered the housing loan business through an arrangement with HDFC Ltd, where by they sell HDFC Home Loan Product. During the year 2004-05 the bank expanded the distribution network with the number of the branches increases from 312 No's to 467 No's and the size of the bank ATM network increased from 910 No's to 1147 No's. During the year 2005-06, the bank launched the 'no-frills account', a basic saving account offering to the customer.

Also, the distribution network was expanded with the number of branches increased from 467 No's (in 211 cities) and the number of the ATMs from 1147 No's to 1323 No's. During the year 2006-07, the distribution network was expanded with the number of the branches increases from 535 No's (in 228 cities) to 684 No's (in 316 cities) and the number of the ATM from 1323 No's to 1605 No's. They commenced direct lending to the self-help group. Also, they opened a dedicated branch for lending to SHGs, in Thudiyaiur village (Tamil Nadu). In September 28,2005, the bank increased their stake in HDFC Securities Ltd from 29.5% to 55%. Consequently, HDFC Securities Ltd become a subsidiary of the bank. During the year 2007-08, the bank added 77 No's new branches take the total to 761 No's branches. Also 337 No's new ATMs were added taking the size of the ATM network from 1605 No's to 1977 No's. HDB Financial Services Ltd Become a subsidiary company with the effect from August 31,2007. In June 2,2007, the bank opened 19 branches in a day in Delhi and the National Capital Region (NCR). During the year 2008-09, branches in 528 Indian Cities. The Bank's ATM increased from 1,977 to 3,295 during the year. As per the scheme of amalgamation, centurion Bank of Punjab Ltd was amalgamation with the bank with effect from May 23,2008. The appointed date for the merger was April 1,2008. In October 2008, the opened their first overseas commercial branch in Bahrain. The Branch Offers the bank's suite of banking services including treasury and trade finance product for corporate clients and wealth management product for Non-Resident Indians. During the year 2009-10, the bank expanded their distribution network from 1,412 branches in 528 cities to 1,725 branches in 779 cities. The bank's ATMs increased from 3295 No's to 4232 No's during the year. During the year 2010-11, the bank expanded their distribution network from 1,725 branches in 779 cities to 1,986 branches in 996 cities. The bank's ATMs increased from 4,232 No's to 5,471 No's.

Bank VISION & MISSION

OUR VISION: -

To be customer driven best managed enterprise that enjoys market leadership in providing housing related finance.

OUR MISSION:-

Our mission is to be “A world class Indian Bank” bench marking our self against international standards and best practices in term of product offerings, technology, service levels risk management and audit and compliance.

To provide a package of attractive financial services for housing purposes through a competent and motivated team of employees using the state of the art technology to maintain financial stability and growth of the organization whilst contributing to the national goal of providing decent housing to all.

The objective is to build sound costumer franchises across distinct business as to be a preferred provider of the banking services for target retail and wholesale customer segments, and to a achieve a healthy growth in profitability, consistent with the bank’s risk appetite. We are committed to do this while ensuring the highest level of the ethical standards, professional integrity, corporate governance and regulatory compliance.

Product of HDFC Bank:

- Accounts and Deposits
- Loans
- Investment
- Premium banking
- Private banking

Steps to gets vehicle loan

Step 1: Short list a vehicle.

Once you have identified the vehicle, you are ready to start the vehicle loan process.

Step 2: Check eligibility

To get started, it is recommended to opt for a vehicle loan of up to six times your yearly income. However, the eligibility criteria may differ based on city, income, occupation, etc.

Step 3: Figure out loan amount, tenures and EMI.

How much loan do you need? For how long? what can you afford to pay every month?

One easy way of finalizing these details is to use HDFC Bank Vehicle Loan EMI Calculator. You only need to enter your required loan amount and tenure, along with the interest rate offered by the bank, in the order to calculate your loan EMI. Our bank offers vehicle loan for tenures ranging from 12-84 months, with EMIs starting as low as Rs 1662 per lakh.

You may also need to make a down payment, which is a certain percentage of the vehicle value. HDFC Bank offers up to 100% hassle-free finances for your new vehicle which you can take advantage of.

Step 4: Apply and provide documents.

You can now apply for a loan online or visit the nearest branch to complete in minutes. Keep documents such as income, ID and address proof ready. Here's a listed of the document you would need. Once you provide complete documentation, HDFC Bank approves vehicle loan in a little as 10b seconds. For existing customer, HDFC Bank offers instant, paperless Vehicle Loan via Nat Banking.

Step 5: Book your Vehicle.

Once the loan is sanctioned, you can visit the dealer and pay the recommended finance value of vehicle's price. The bank will deposit the loan funds the directly into your account. You an complete your payment and booking. Once this is the done, you can take possession of the vehicle as soon as it is ready.

REVIEW OF LITERATURE: -

It is a mandatory to scan through the literature which had already gone through the proposed study subject. Various research work on landing practice of SBI and ICICI bank has been very helpful in the successful conduct of the study. However, all such study concentrates and certain issue and suggest piecemeal solution. Therefore, a comprehensive study in elusive the next and academics literature which help on study in details.

A literature review goes beyond the search of information and include the identification and articulation of relationship between the and your field of research. While form of the literature review may vary with different types of studies, the basic purpose remains constant:

- Provide a context for the research.
- Justify the research.
- Ensure the research has not been done before (or that is not the just a “replication study”).
- Show where the research fits into the existing body of knowledge.
- Illustrate the researcher to learn from previous theory on the subject.
- Highlight flaws in previous research.
- Outline graph in previous research.
- Show that the work is adding to understanding and knowledge of the of the field.
- Help refine, refocus or even change the topic.

Review of literature: -

Fagerlind and Saha (1989) commented that assumptions of the human capital theory result into suggestion that cost of education should be borne by the beneficiaries should share the not solely the state. The justifies the reason why the state and beneficiaries should share the cost of the higher education through cost share Mora and Vila (2003) supported that, the government has limited resources given a lots demands from other public sectors apart from education example health and defense sector .They counite to argue that, beneficiaries should bear these cost through proper repayment which can be achieved through the reduction of the default rate among loans beneficiaries by taking care of the characteristics associated with defaulting among student's loans beneficiaries.

According `to carnoy (2009) pre-collage characteristics associated with student loans beneficiaries are important factors on repayment hence affecting default rate.

However calendar (2003) supported that age, gender and attitude among the beneficiaries should be controlled for maximum repayment and for support of human capital theory ascertain concerning enhancement of equity within the country .he continued the argue that availability of fund through repayment will enhance attainment of higher education of people from low income group society hence reduce inequality within the country.in this regard Barr and Crawford (2005) states that, by availability of funds through repayments to supports higher education. Inequalities can be reduce through increased participations.

According to Eicher and chevallier (2002) a increased repayment by reduction of default rate through controlling the characteristics associated with default rate among loans beneficiaries result into efficiency in provision of student loans hence improvement in human capital investment, improvement of occupation and income, contribution to the productivity of the worker as well as reduction of the social inequalities .however human capital theory concept which advocate that improvement in human investment through education will result will result into improvement will improvement in occupation and income has been criticized by psacharopouls and patrinous (2002) who argue that sometimes improvement in education and income depends much on the other factor such as number as of years in services, which also true for the cases of Tanzania .Eicher chevallier (2002 b) supported that, improvement in human capital through education does not always contribute to the productivity of the workers

and the reduction the social inequalities this is because workers productivity can be affected by other factor apart from improve education, for example job satisfaction, reward structure, motivation as well as characteristics. They future argued that improvement in educational investment is assumed to decrees the social inequalities by rising income of people from different background; this is provide to be not always they cases because under certain circumstances rising income may lead to inequalities in distribution within society. Therefore, for economic development of the country, there is need to developed human capital, student's loan.

OBJECTIVE OF THE STUDY: -

- To understand the type of loan provided by HDFC bank to its customer.
- To study about vehicle loan disbursement by HDFC bank.
- To know about the short-term low cost vehicle loan.
- To study loan processing in HDFC bank.
- To study eligibility criteria for getting vehicle loan.

SCOPE OF STUDY

- The study is mainly related to all the vehicle loans provides by HDFC Bank only.
- The study is limited to only HDFCL Bank, this study is mainly related to induvial who are interested in vehicle loans from bank to fulfil their dreams.
- To study customer issue.
- Will be able to know customer needs.
- To study bank process for getting loan.

NEED OF THE STUDY: -

- TO promote their facilities or extra services provides by HDFC Bank.
- To reduce the documentation while oping A/c or while loan disbursement.
- To study is to help HDFC to know were it lack in loan performances and other facilities.
- Figure on the problem faced by costumer while transaction.

LIMITATION

Limitation of the study:

- The study is restricted only to HDFC bank.
- The study is limited to quantitative data.
- Mindset of people may vary depending upon their age, gender, income etc.
- Getting appointments from the concerns person was very difficult.

RESEARCH METHODOLOGY

Research methodology is collective term for the structure process of conducting research there are many different methodologies used in various type of research and the term is usually considered to include research designs, data gathering and data analysis.

Research methodologies can be quantitative (for example, measuring the number of times someone does someone under certain condition) or qualitative (for example, asking a people how they feel about the certain situation). Ideally, comprehensive research should try to incorporate both qualitative and quantitative methodologies, but this is not always possible, usually due to time and finical constrains.

Research methodologies are generally used in academic research to test. Hypotheses or theories. A good design should ensure the research is valid, i.e., it clearly tested the hypothesis and not extraneous variables, and that the research is reliable, i.e., it yields consistent results every time.

Part of the research methodology is concerned with how the research conducted. This is called study design and typically involves research conducting using questionnaires, interview, observation and experiment. The term research methodology, also referred to as research methods, usually encompasses the producers followed to analyze and interpret the data gathered. These often used a range of sophisticated statistical analyses of the data the identify correlation or statistical significance in the results.

Objective, representative research can be difficult to conduct because can normally only be conducted on a small sample (e.g., you cannot test a drug on every person in world, so a sample needs to be used in research). This means that research need to have a very detailed understanding of the types and limitations of research methodologies which they are using.

As normal marketing research methodology used which colleting the data for the study. The data collection in two parts, they are

COLLECTION OF DATA

Data were collected through both primary and secondary data sources. Primary data was collected through questionnaires. The research was done in the form of direct personal interviews and through telephone interviews.

PRIMARY DATA COLLECTION

A primary data collection afresh and for the first time, and thus happen to the original in charter. The primary data with the help of questionnaire were collected from various investors? Primary data are first -hand information and are collected from various sources like:

- Informal interviews
- Through structure questionaries
- Observation

SECONDARY DATA COLLECTION

The secondary source consists of readily available data and is already compiled statistical statement and reports. Secondary data are collected from:

- Business magazines
- Internet
- Annual reports
- Journals
- Web sides

SAMPLING

SAMPLING PROCEDURE

The sample was selected from the visitors / customer of HDFC bank Nagpur, irrespective of them being investor or not whether they avail the services or not. It was also collected through formal and informal talks and through filling up the questionnaires prepared. The data has been analyzed by using mathematical / statical tool.

SAMPLING DESING:-

Data with the help of bar graph, pie chart, line graph, etc.

QUESTIONNAIRES DESING: -

Proper vehicle has been taken to ensure that the information needed match the objective, which in turn match the data collected through the questionnaire. The basic vehicle rules of questionnaire design like using simple and clear words, the logical and sequential arrangement of the question has been taken vehicle of.

HYPOTHESES: -

Null Hypothesis: -

Ho “HDFC Bank is not provide vehicle loan at low interest rate”.

Alternative Hypotheses: -

HI “HDFC Bank provide vehicle loan at low interest rate”.

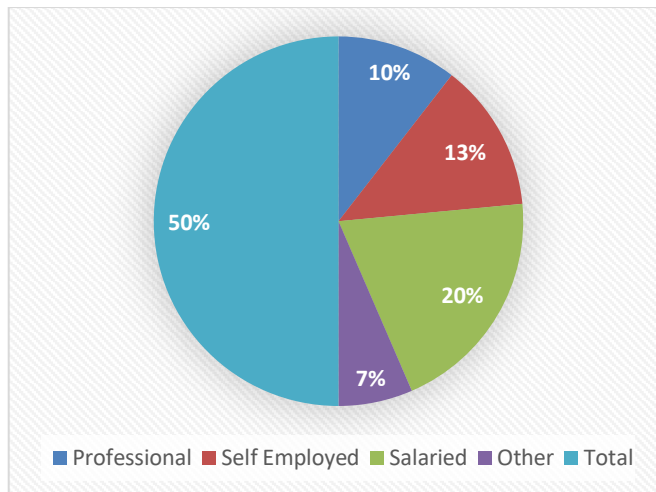
Data Analysis & Interpretation

In data analysis we will show you some data based on research done by me. After showing the data we will present it on pie chart, the following data is collected on a random basis, afterwards analysis is done.

1. What is your occupation?

Factor	No of Respondents
Professional	19
Self Employed	15
Salaried	29
Other	9

No of Respondents: -

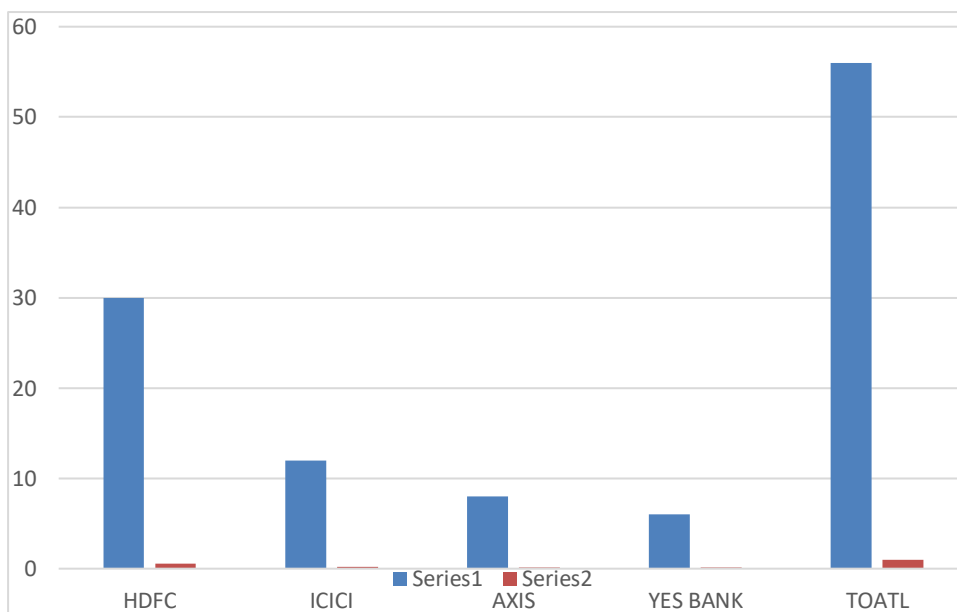


Interpretation:

Out of 72 people, the 26% customer is itself-employed people, 21% customer is professional people, 40% customer is salaried i.e. include (government sector as well as private sector), & 13% customer is other people.

2 Have you taken any loan for commercial vehicle? If yes from which bank?

Factor	No of Respondents
HDFC	30
ICICI	12
AXIS	8
YES BANNK	6

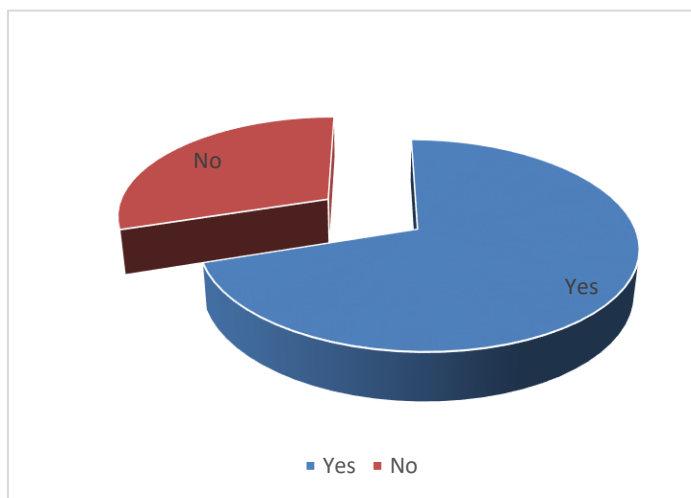


Interpretation:

Out of 72 people 56 have taken loan of which ,54% customer have taken it from HDFC, 21% customer is taken from ICICI, 14 % customer from Axis, & 11% from YES Bank. Out of 56 people,54% customer was taken loan from HDFC Bank because they all are agreed from the service & facility which bank provide to them, & remaining customer was not taken loan from HDFC bank because they are not happy with the service & facility of bank.

3. Are you satisfied with bank policy?

Particulars	No of Respondents
Yes	21
No	9

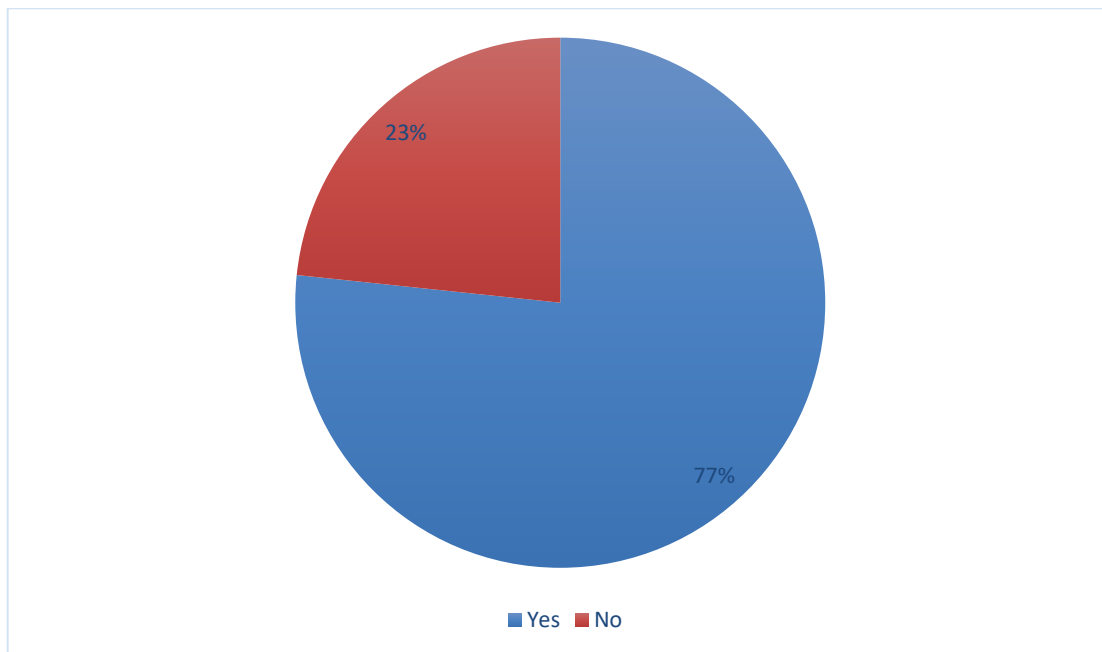


Interpretation: -

Out of 30 people who has taken HDFC 70% of people are happy with bank services and rest 30% are not.

4. What do you think about process of getting loan approval? Is if easy or not?

Particulars	No. of Respondents
Yes	23
No	7



Interpretation: -

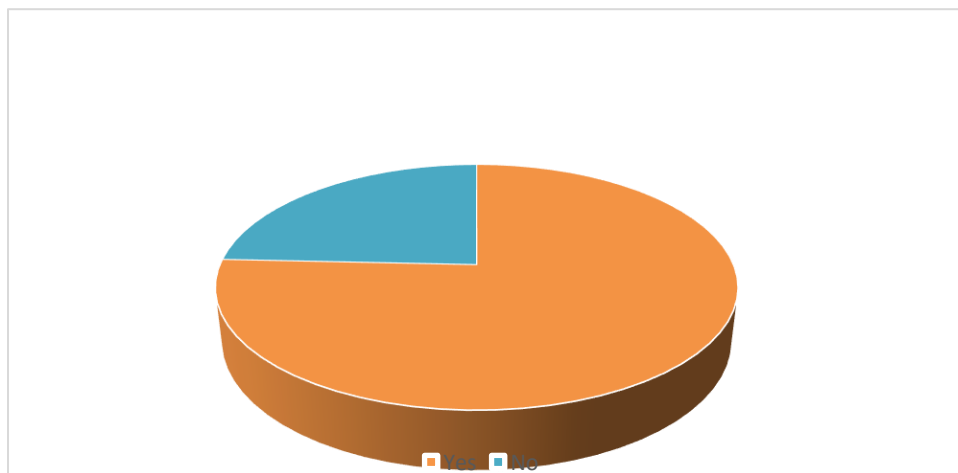
Out of 30 people who have taken loan from HDFC 77% of people think that the people approval of loan is easy.

5. people want to take loan purchase vehicle?

Particular	No. Of Respondents
Yes	53
No	17

No of Respondents:

No of Respondents

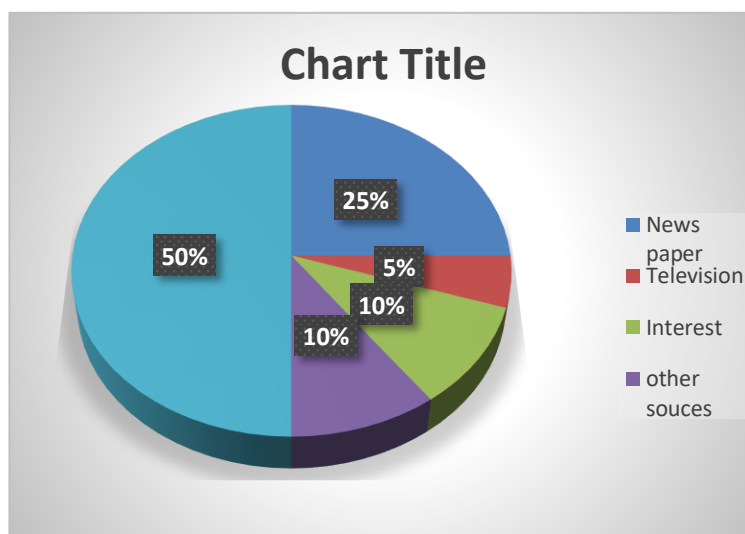


Interpretation: -

Out of 70 people 76% are interested to take to the purchase vehicle.

6. How do you come to know about the different loan scheme of this bank?

Response	No of Respondents	% Age
News paper	25	50%
Television	05	10%
Internet	10	20%
Other sources	10	20%
Total	50	100%

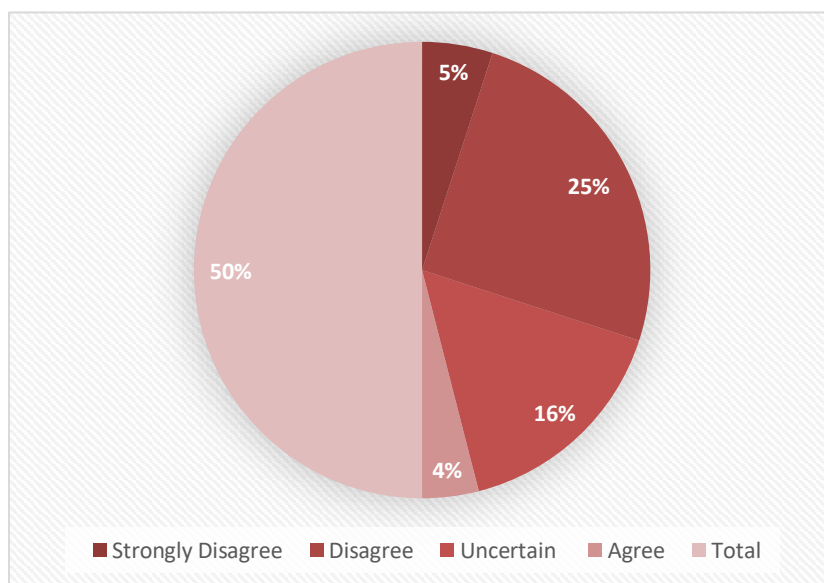


Interpretation: -

In this pie chart is very much clear that 50% respondent come to know from newspaper, 10% come to know from television, 20% respondent come to know from interest, 20% respondent come to know from other sources.

7. The behaviors of employees in the bank instills confidences in you?

Scale	Frequency	Percentage	Cumulative percentage
Strongly disagree	5	10	10
Disagree	25	50	60
Uncertain	16	32	92
Agree	4	8	100
Total	50	100	



INTERPRETATION

HDFC bank has modern-looking and hi-tech equipment. Here analysis show that most of the respondents disagreed with this statement. Among the total respondents 50% disagreed, 32% were neutral and 8% agreed. After analysis I found that majority of the respondents think that HDFC Bank do not have modern looking equipment or no hi-tech equipment.

Finding

- Out of 72 people 56 have taken loan of which ,54% customer have taken it from HDFC.
- In HDFC bank 77% of people are getting the loan approval.
- Only 76% of people are ready to take loan for purchasing the vehicle.
- 30% of people are not happy with the bank service.

Conclusion:-

1. In my study I came to know that many peoples are interested to take a vehicle loan from HDFC Bank Ltd to buy vehicle.
2. People are confused before taking vehicle loan because of its high interest and EMI's.
3. Even through the interest rates are high peoples are willing to take a loan from HDFC Bank due to certain reason.
4. The loan sanction process is low when compared to other banks, because of which people choose HDFC.
5. The disbursement process is very effective as it is on time when compared to other banks.
6. Financial advisers are the most preferred channel for the investment in home loan. They can change investor mind from one investment option to others. Only those people invest directly who know well about Vehicle loan and its operations and those have time.

Recommendations & Suggestions:

In this era of Globalization, it is very difficult to the banks to keep the high rate of interest for facing the competitor-

- To reduce the interest.
- To launched the new attractive schemes.
- To choose the new methodology for recovering balances.
- To select the sectors in which the large number of funds are invested for long time period such as home loan.
- To provide more secure policy for the customer.
- To take customers feedback properly because customer is the ultimate earning source for bank.

Bibliography & Appendices

- ✓ News Paper:

- ✓ >Times of India

- ✓ Time of Business

- ✓ Financial Express

- ✓ Websites:

- ✓ www.hdfcbank.com

- ✓ www.economictimes.com

- ✓ [www.Loansnews info](http://www.Loansnews.info)

Questionnaire:

Please fill the given as per your thinking and experiences with this. I will be thankful to you for this.

1. What is your occupation?

- Professional
- Self-employed
- Salaried
- others

2. Which income group do you belong?

- Below 2 lacs
- 2-5 lacs
- 5-10 lacs
- 10 lacs above

3. Have you ever taken Vehicle Loan?

- YES ()
- NO ()

4. From which do you have taken Vehicle loan?

- HDFC Bank
- ICICI Bank
- Axis
- Yes Bank

5. If you take Vehicle loan from any bank, so do you have any kind of account?

- YES ()
- NO ()

4. Which type of account do you have?

- Bank AC
- Loan A/C

7. Other While Vehicle loan which is the best facility attract you the most?

- Interest rates
- Service provider
- Payback period
- Schemes
- Less paper work

8. How much loan amount you took?

- Less than 3 lacs
- 1lacs
- 3-5 lacs
- 8 lacs above

9. Do you think HDFC Bank try to create new possibility through maintaining good relationship with the customer?

- YES ()
- NO ()

10. What are the external factors that influence about purchasing vehicle?

- Print Media
- Brand Image
- Electronic media.
- Trade shows / Exhibition.

