

Final Project Report

“A Study of Education Loan with Reference of Bank of Baroda”

Submitted to:

DMSR

G.S. College of Commerce and Economics, Nagpur

(An Autonomous Institution)

Affiliated to:

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

In partial fulfilment for the award of the degree of

Master of Business Administration

Submitted by:

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Under the Guidance of:

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NAAC Accredited “A” Grade Institution



Academic Year 2022-23

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



Academic Year 2022-23

CERTIFICATE

This is to certify that **Ms. Tejaswini N Gaydhane** has submitted the project report titled, "**A study of education loan with reference of Bank of Baroda**", towards the partial fulfillment 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 he has ingeniously completed his 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
(Co-ordinator)

Place: Nagpur

Date:

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



Academic Year 2022-23

DECLARATION

I here-by declare that the project with title “**A study of education loan with reference of Bank of Baroda**” has been completed by me in partial fulfillment 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. Tejaswini N Gaydhane

Place: Nagpur

Date:

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Academic Year 2022-23

ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to **Dr. S.S. 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 Coordinator, **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. Tejaswini N Gaydhane

Place: Nagpur

Date:

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CHAPTER 1

INTRODUCTION

INTRODUCTION

1.1. Introduction of Loan: -

A loan is when you receive money from a friend, bank or financial institution in exchange for future repayment of the principal, plus interest. The principal is the amount you borrowed, and the interest is the amount charged for receiving the loan. Since lenders are taking a risk that you may not repay the loan, they have to offset that risk by charging a fee- known as interest. Loans typically are secured or unsecured. A secured loan involves pledging an asset (such as a car, boat or house) as collateral for the loan. If the borrower defaults, or doesn't pay back the loan, the lender takes possession of the asset. An unsecured loan option is preferred, but not as common. If the borrower doesn't pay back the unsecured loan, the lender doesn't have the right to take anything in return.

1.1.1. Type of Loan

- 1. Personal loans** - You can get these loans at almost any bank. The good news is that you can usually spend the money however you like. You might go on vacation, buy a jet ski or get a new television. Personal loans are often unsecured and fairly easy to get if you have average credit history. The downside is that they are usually for small amounts, typically not going over \$5,000, and the interest rates are higher than secured loans.
- 2. Cash advances** - If you are in a pinch and need money quickly, cash advances from your creditcard company or other payday loan institutions are an option. These loans are easy to get, but can have extremely high interest rates. They usually are only for small amounts: typically, \$1,000 or less. These loans should really only be considered when there are no other alternative ways to get money.

- 3. Student loans** - These are great ways to help finance a college education. The most common loans are Stafford loans and Perkins loans. The interest rates are very reasonable, and you usually don't have to pay the loans back while you are a full-time college student. The downside is that these loans can add up to well over \$100,000 in the course of four, six or eight years, leaving new graduates with huge debts as they embark on their new careers.

- 4. Mortgage loans** - This is most likely the biggest loan you will ever get! If you are looking to purchase your first home or some form of real estate, this is likely the best option. These loans are secured by the house or property you are buying. That means if you don't make your payments in a timely manner, the bank or lender can take your house or property back! Mortgages help people get into homes that would otherwise take years to save for. They are often structured in 10-, 15- or 30-year terms, and the interest you pay is tax-deductible and fairly low compared to other loans.

- 5. Home-equity loans and lines of credit** - Homeowners can borrow against equity they have in their house with these types of loans. The equity or loan amount would be the difference between the appraised value of your home and the amount you still owe on your mortgage.

1.2. 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 "grace period."

Education loans are issued for the purpose of attending an accredited college or a university and pursuing an academic degree. Education loans can be obtained from the government or through private-sector lending sources. Federal loans often offer lower interest rates, and some also offer subsidized interest. Private-sector loans generally follow more of a traditional lending process for application, with rates that are typically higher than federal government loans.

1.2.1. Type of Education loan

Although there are a variety of education loans, they can be broken down generally into two basic types: federal loans sponsored by the federal government and private loans.

1. Federal Student Loans

Most borrowers first seek federal government financing if they need to borrow funds for education expenses. The first step in seeking education loans through the federal government is to complete a free application for federal student aid (FAFSA).

Depending on the applicant's status, particularly in regard to their parental dependency, different information may be required to complete the application. A credit check is not generally required as part of the application process.

The amount of principal on the loan or loans is primarily based on the cost of attendance at the school the student is planning on attending.

Once a FAFSA form is completed, the schools listed on the FAFSA application work to identify the financial aid package that the student is eligible for. Various types of federal student loans exist, including direct subsidized, direct unsubsidized, and direct consolidation loans. If offered and accepted, funds will be issued by the federal government to the specified university to cover the student's academic costs. If there are remaining funds available, they will be

disbursed to the student. A student may use these funds to cover other expenses that they incur while pursuing a degree. If a student qualifies for subsidized loans, the borrower's interest will be covered while they are in school. If a student qualifies for unsubsidized loans, the interest on their loans will be deferred as long as they are enrolled in classes and remain in good academic standing.

2. Private Student Loans

In some cases, the student loan package that a student is issued through the federal government may suggest that the borrower applies for additional funds through private lenders. Private student loans also include state-affiliated lending nonprofits and institutional loans provided by the schools. These types of loans will generally follow a more standard application process (like what is typical of any private-sector loan). Applications for private student loans typically require a credit check.

Borrowers can apply directly to individual private-sector lenders for funds. Similar to federal funds, the approved amount will be influenced by the school a borrower is attending. If approved, funds for educational expenses will first be disbursed to the school to cover any pending bills; the remaining amount is then sent directly to the borrower.

1.3. Criteria for Education Loan:-

Here is a comprehensive guide to education loan, its eligibility criteria and documents required for education loan. We have also listed a few helpful tips that applicants should keep in mind.

1.3.1. Eligibility Criteria

Any student who wishes to pursue higher education can seek financial aid after fulfilling the eligibility criteria. The criteria are not limited to individual eligibility; the lender must consider the type of course and institutions as well.

1.3.2. Eligible Courses

Lenders usually offer education loans for higher degrees, such as:

- Bachelor's degree (B.Com, B.Sc., B.A, B.Sc.IT, B.M.S, LL. B., B.E, MBBS etc.)
- Master's degree (M.Com, M.Sc., M.A, M.Sc.IT, LL. M., MBA, etc.)
- Doctor of Philosophy (PhD) and Doctoral degree
- Diploma courses
- Certificate course

Some lenders will extend an education loan if you wish to pursue professional or certificate courses such as:

- Industrial Training Institute (ITI) courses
- Government-backed vocational courses
- Courses by National Skill Development Corporation, State Skill Corporations or State Skill Missions

- Job-oriented diplomas
- Courses held by recognized bodies in aeronautics, pilot training or shipping in India or abroad.

1.3.3. Eligible Institutions

Apart from the courses, the institution you are applying to also plays a major role as well. Reputed academies or universities are favourable when it comes to lenders approving education loans. Since the students will be paying the loan, the lender must be assured that the students study in a good college and get a good job to pay off the loan. “Most of the banks are having its own list of premium colleges/Institutes. Collateral free Loans are available in selected premium institutes. The students pursuing study in these premium colleges/ Institutes will hav

extra benefit in ROI. You are more likely to get approval on your education loan if you are applying to study at:

- Universities and colleges recognised by University Grants Commission (UGC) Delhi, All India Council for Technical Education (AICTE), Institute for Mediation & Conflict Resolution (IMCR), etc. and reputed polytechnic colleges.
- Reputed foreign universities.

CHAPTER 2



COMPANY PROFILE

COMPANY PROFILE

1.1 INTRODUCTION OF BANK OF BARODA



Type	Nationalized
Founded	20 July 1908
Founder	Sayajirao Gaekwad
Headquarters	Vadodara, Gujarat, India
Number of locations	9680 branches
Bob ATMs	13153

Education is one area where everybody is willing to spend a lot of money to live a prosperous life in the future. Being one of the major education loan providers, Bank of Baroda understands the needs of the students and offers extremely competitive education loans at better interest rates.

Every year, a large number of students secure admissions in top universities and colleges in India and abroad with Bank of Baroda education loans.

1.2 History of Bank of Baroda

Bank of Baroda is one of the leading commercial public sector banks in India.

The Bank's solutions include personal banking which includes deposit gen-next services retail loans credit cards debit cards services and lockers; business banking which includes deposits loans and advances services and lockers; corporate banking which includes wholesale banking deposits loans and advances and services and international business which includes non-resident Indian (NRI) services foreign

currency credits ECB offshore banking export finance import finance correspondent banking trade finance and international treasury.

The Bank offers services such as domestic operations and For-ex operations. They also offer rural banking services which include deposits priority sector advances remittance collection services pension and lockers. They also offer fee-based services such as cash management and remittance services. The Bank is having their head office located at Baroda and their corporate office is located at Mumbai. Bank of Baroda is one of India's largest banks and as on December 2020 the bank has a strong domestic presence spanning 8246 domestic branches and 11553 ATMs & Cash Recyclers supported by self-service channels.

The bank has a significant international presence with a network of 99 overseas branches/offices subsidiaries spanning 21 countries. The bank has wholly owned subsidiaries including BOB Financial Solutions Limited (erstwhile BOB Cards Ltd.) and BOB Capital Markets. Bank of Baroda also has a joint venture for life insurance business with India First Life Insurance. The bank owns 98.57% in The Nainital Bank. The bank has also sponsored three Regional Rural Banks namely Baroda Uttar Pradesh Garmin Bank Baroda Rajasthan Garmin Bank and Baroda Gujarat Garmin Bank.

Bank of Baroda was incorporated on July 20 1908 as a private bank with the name The Bank of Baroda Ltd. The Bank was established with a paid-up capital of Rs 1 million and was founded by Maharaja Sayajirao III of Baroda. In the year 1910 the Bank opened their first branch in the city of Ahmedabad. In the year 1919 they opened their first branch in Mumbai City. In the year 1953 the Bank opened first international branch at Mombasa Kenya.

During the period 1953-1969 the Bank opened three branches in Fiji five branches in Kenya three branches in Uganda and one each in London and Guyana. In the year 1958 The Hind Bank merged with the Bank and in the year 1962 The New Citizen Bank Ltd amalgamated with the Bank. In the year 1964 The Umargaon Peoples' Bank & Tamandu

Central Bank amalgamated with the Bank. In July 1969 the Bank was nationalized and the name was changed from 'The Bank of Baroda Ltd' to 'Bank of Baroda'. During the period 1969 to 1974 they established three branches in Mauritius two branches in UK and one branch in Fiji.

They entered in the oil rich Gulf countries in the year 1974 with two branches were opened in UAE one at Dubai and another at Abu Dhabi. In the year 1976 the Bank sponsored the first of their 19 Regional Rural Banks thereby seeking to complement their operations in rural heartland. In the year 1977 they launched the 'Gram Vikas Kendra' (GVK) an innovative model for integrated rural development. In the year 1984 the Bank launched their Credit Card Operations. In the year 1988 The Traders Bank Ltd amalgamated with the Bank. In the year 1991 the Bank established their housing finance subsidiary BOB Housing. They also established subsidiaries for businesses of credit cards (BOBCARDS) asset management (BOBAMC) and capital market activities (BOB Caps).

In December 1996 the Bank entered the capital market with an Initial Public Offering. In the year 1997 they opened a branch in Durban. In the year 1999 the Bank commenced operations as a depository. Also, Bareilly Corporation Bank amalgamated with the Bank during the year. In the year 2000 the Bank appointed Arthur Andersen India Pvt Ltd as risk management consultant for setting up Comprehensive Risk Management Architecture for the Bank.

In the year 2001 they established a separate Risk Management Department and specialized integrated treasury branch. In the year 2002 The Benares State Bank Ltd merged with the Bank. They launched Debit Card project in affiliation with VISA. In the year 2004 The South Gujarat Local Area Bank amalgamated with the Bank. In June 1 2004 the Bank signed a MoU with National Insurance Company Ltd for selling their non-life insurance products under corporate agency arrangement. During the year 2004-05 the Bank expanded their interconnected ATM network to cross 501 spreads over 180

centers in the country. The bank also introduced 8AM to 8 PM banking at 101 branches and 24-Hour banking at 5 branches in the country.

They launched the IT Enabled Business Transformation Program and signed the contract with Hewlett Packard. They launched Multicity cheque facility.

In the year 2006 the Bank established an Offshore Banking Unit (OBU) in Singapore. They commissioned 464 new ATMs across the country taking the tally to 634 Nos. In the year 2007 the Bank identified Legal & General the UK-based life insurance company as a partner for their life-insurance venture with initial capital of about Rs 200 crore. In April 2007 the Bank opened Gen-Next the youth-oriented branch.

In May 2007 they signed an agreement with Dun & Bradstreet (D&B) regarding assign ratings to the bank's small-scale industry (SSI) customers. In October 6 2007 the Bank made a tie up with Pioneer Global Asset Management SpA Italy for launching joint venture for asset management business (Baroda Pioneer Asset Management Company).

The joint venture would first offer products of Indian origin and later bring international investment opportunities to the Indian market. They launched sale of Gold Coins during the year. During the year 2008-09 the Bank opened eight new Urban Retail Loan Factories (URLFs) at Powai Mumbai Agra Bareilly Bhopal Nagpur Ernakulam Jodhpur and Noida.

They launched new loan products namely Loan for Earnest Money Deposit Baroda Additional Assured Advance to NRIs Baroda Bichat Mitra Baroda Car Loan to HNIs/ Corporates Baroda Advance Against Gold ornaments/Jewellery /Gold Coins and Special Home Loans package. During the year the Bank signed a MoU with number of car manufacturing companies viz. Maruti Suzuki India Ltd Tata Motors Ltd Hyundai Motors India Ltd and Mahindra & Mahindra Ltd for boosting up Auto Loan portfolio.

They made a tie up with Kotak Mahindra Old Mutual Life Insurance Ltd for providing Life Insurance Cover to Education Loan borrowers and Home Loan borrowers sanctioned under a special package.

During the year the Bank opened four new branches/offices viz. Branch at Guangzhou (China) Electronic Banking Unit at Musaffah (UAE) and branches of the Subsidiaries at Kawempe (Uganda) and Nakuru (Kenya).

In July 2008 they received the license from the China Banking Regulatory Commission (CBRC) for their full-fledged branch in Guangzhou City in the Guangdong Province. Also, the online home loan application facility was made available with tracking of status of the application from July 20 2008. During the year 2009-10 the Bank opened 6 new Retail Loan Factories (RLFs) at Chandigarh Gamdevi (MMSR) Patna Coimbatore Ranchi and Allahabad.

1.3 Key highlights of bank of Baroda education loan

Loan Amount - Up To 60 Lakhs

Interest Rate - Base Rate 10%

Processing Fees - Nil

Repayment - Up To 15 Years

1.4 EMI calculate for education loan

EMI for an education loan is calculated with the help of the mathematical formula:

EMI amount = $[P \times R \times (1+R)^N] / [(1+R)^N - 1]$ where

P is the principal amount

R is the rate of Interest

N is the number of years

1.5 Student Education Loan Repayment System

Almost all banks grant an education loan repayment period of 12 years to 15 years excluding the moratorium period, although students can also clear the loan before the stipulated period of time. It is called the 'prepayment' of a loan for which some banks charge a processing fee as well.

1.6 Advantages of Bank of Baroda Education Loan

Following are some of the advantages of applying for an educational loan with Bank of Baroda.

1. Low interest rate
2. Less paperwork
3. No processing fees
4. Faster Disbursal
5. No payment charges
6. No pre-closure charges
7. 0.50% of concession for girl students

8. Overdraft facility up to Rs 50,000.
9. Free Baroda easy credit card

10. Waiver in processing charges on retail loans
11. 5% discount on locker rentals.
12. Complimentary zero balanced account for spouse.
13. Sweep facility available
14. Discount on depository services.
15. Free alerts.
16. For girl children and persons with disability, a few public banks offer a 0.5% - 1% interest subsidy for educational loans in India.
17. A tax benefit on this loan is a good way to invest the amount somewhere else.

1.7 Disadvantages of Bank of Baroda

1. The procedure is often too elaborate.
2. Processing time & loan approvals also take a significant amount of time as Banks are regulated entities.
3. Some Universities abroad insist that students show proof of funds/loans secured before they are offered admission. On the other hand, BOB will not approve a loan before a student receives an admit from a university.

CHAPTER 3



OBJECTIVES

AND

HYPOTHESIS

OBJECTIVES OF STUDY

1. To critically investigate the impact of education loan among the various economic classes in India.
2. To study the Educational Loan Scheme, aims at providing financial support from the banking system to meritorious students for pursuing higher education in India.
3. To determine the level of satisfaction about the education loan schemes and procedure among the students who have taken loan.
4. To study the terms & conditions imposed by banks for educational loans in India.

HYPOTHESIS OF STUDY

1. Null hypothesis H₀ : Students don't face problems while having education loan.
2. Alternate hypothesis H₁ : Students face problems while having education loan.

Chapter 4



Review Literature

REVIEW OF LITERATURE

- 1. V.K. Sudhakar (1998):** Bank of Baroda had submitted dissertation on the subject of “Policies and Perspectives of NPA Reduction in Public Sector Banks” to The Indian Banks Association, Mumbai, 1997-98. This study attempted to examine the issue relating to policies and practices prevailing in the area of NPA reduction. This study also indicated that though the top management of Public Sector Banks (PSBs) were enlightened and concerned about the dimensions of NPAs in their bank, the same is not shared by the staff at operational level. NPA reduction as organizational goals not translated into action in true spirit. The methods and system followed by most PSBs can at best be categories as conventional and crude.
- 2. Kishor Bhoir (2000):** A study conducted on “Deals with the various aspects of NPA in public sector bank”. Study highlighted the main reason which turns the performing advances to non performing ones. The author recommends remedial measures taken by the public sector banks and compromise settlement as one of the solutions to the problem faced by the Public sector banks. The author analyzed internal and external Industrial sickness. According to the researchers NPA has a multiple effect on the total working of Indian banking system and the banks loose further opportunity of investment. The study also emphasized different categories of borrowers.
- 3. Naidu and Nair (2003):** analyzed the technical efficiency of commercial banks in pre reform as well as post reform period. They concluded that technical efficiency level among bank groups has declined in the past reform period indicating the enhanced competition among banks.

4. **Gopalakrishnan, T.V. (2004):** projected annual growth rate of NPAs as percentage of gross advances of 5 per cent. The NPA as percentage of gross advances would be 9.9 percent in March 2012 as against 12.4 per cent in March 2001. It was recognized that in this period the gross advances would certainly be increasing in absolute terms considerably (almost double) making the need for reduction in NPAs even more significance.
5. **Rajesh Chakrabharti and Gaurav Chawla (2004):** Authors suggested increasingly popular methodology of Data Envelopment Analysis to evaluate the relative efficiency of Indian Banks in comparison with Foreign Banks. The result of the study suggests on a value basis, the foreign banks, as a group, have been considerably more efficient than all other bank groups, followed by the Indian Private Banks. From the quantitative performance aspect private banks supersedes the other bank group. The study emitted their views on regulatory mechanism is a cause for poor performance aspects like poor quality of goods is a cause of NPA and emphasizing the level of profitability and in performance.
6. **Sanjay Choudhari and Arabinda Tripathy (2004):** in their study made an attempt to use Data Envelopment Analysis (DEA) to evaluate the relative performance of public sector banks in India. The authors made an attempt to evaluate the banks on five indicators namely, Profitability, Financial Management, Growth, productivity, and Liquidity. The analysis showed that most of the banks form efficient frontier in profitability and financial indicators compared to productivity, growth and liquidity indicators. The authors emphasized on lacuna that banks are not giving importance to other measures such as productivity, growth and liquidity as compared to profitability and financial management.
7. **. Uday S Bose (2005):** The growing NPA and its implications on the banking system need no emphasis. While there have been several schemes in the past to facilitate the recovery from NPAs, the success of such efforts in terms of NPA reduction has been far from satisfactory. SARFAESI Act greatly helps bank in their effort to reduce recovers money from NPAs. Attempts to provide a glimpse

of the Act against this backdrop. The author has cited certain limitation on the Act and also put certain light of the Supreme Court landmark Judgement in ordinance 2004.

- 8. Abhinna Mohan Nanda (2006):** Fraudster availed finance by creating mortgages on fictitious title deed to the property or properties and also mortgage fake title deeds to the nonexistent property since no registration of mortgage is done in banks favour in the office of Sub registrar. The author suggested in his articles a harmonious blend of equitable and registered mortgage with a very nominal additional cost with all attendant benefits of both. Bank's charge under the suggested method will be reflected in the Encumbrance Certificate serving as due notice to the public at large and other banks/ financial institution which will help in preventing fraud and supplementary recitals to be recorded at the branch of the bank.
- 9. Dr.Sukhdev Singh (2006):** The author conducted the study on the performance of banks against benchmark and ratio analyses. He suggested the alternative measures for improvement in the banking industry. The study evaluated the performance by implementing statistical tools ratio analysis. The analysis of the NPA observed the decline in post liberalization period. The study insisted that the ideal level benchmark is less than 1 percent, the segments curtail the growth rate of NPAs and followed certain policy like counterparts who had not only arrested the NPA but reduced them.
- 10. S.Khasnobis (2006):** A large part of the banking sector growth, has been on the back of financing consumptions, as reflected in the growth of retail banking. Growth driver would involve financing the emerging Small and Medium Enterprise sector of the economy. The evaluation of the NPA has been blended by the author by the asset companies which specialize in certain segment of the financial sector.

- 11. Dr Milind (2007):** The objective of the paper is to measure the productive efficiency of banks in developing country. The measurement of efficiency in this paper is done using Data Envelopment Analysis. The study shows the mean efficiency score of Indian banks compares well with the world mean efficiency score and the efficiency of private sector commercial banks as a group is, paradoxically lower than that of public sector banks and foreign banks in India and brings an insight to the existing policy of reducing non-performing assets.
- 12. Henry James (2007):** deals with the problems on rising volume of overdue of the loan of the banking system both credit cooperative credit societies and of commercial banks, but also other regulating agencies like RBI and other policy makers at national level. It also gave a solution that high overdue payment leads to the bank in inconvenient position at the time of availing refinance facilities from the external sources. The author in his research has preferred drought prone areas since the trend recovery of loan has been worsening. The demand for the recovery was higher than actual recovery.
- 13. Jain Vibha (2007):** examined that the problem of NPA is a serious concern for the banking Industry of India. The research has been conducted to understand the movement of NPA during 1997-2003. The root cause of the problem is inadequate credit appraisal mechanism. Early recognition may reduce the problem of bad loan up to certain extent, alertness of the bank is invariably related with the profitability.
- 14. Sankar Thappa (2007):** has deal with the Securitization process at the time of lending and borrowing money from the banks and financial institution. Globalization has resulted into rapid transformation of the financial system all over the world. As a result capital market, money market and debt market are getting widened and deepened. The study has involved the process of securitization and five stages involved in securitization of the assets. The author has also revealed the future for securitization in India.

15. G.C. Goel (2008): The Indian banks need to manage their advances portfolio in such a manner that risk factor should be minimized at the early stage of their bearing capacity. The author has resorted to Alternate Dispute Resolution (ADR) which can entail a fair deal to all concerned without unlawful means and pro-court bias. The articles has made an effort to bring awareness to banks and customers for settlement of NPA dues promptly and also settle various other banking disputes in the best interest of both the parties.

CHAPTER 5

Research Methodology

RESEARCH METHODOLOGY

Generally, research is considered as an endeavour to arrive at the answer to intellectual and practical problem through the application of scientific methods to the knowledge universe. It is movement from known to unknown. Research is essentially a logical and an organized enquiry seeking facts through objective verifiable methods in order to discover the relation among them and to refer from the board principles or laws. It is really a method of critical thinking.

➤ **The data collection can be grouped under two types: -**

- **Primary data**
- **Secondary data**

4.1.PRIMARY DATA:

Primary data are those which are collected for the first time.They are original in character. They are collected by the researcher for the first time for her own use.

4.1.1. The source of primary data includes:

1] DIRECT PERSONAL INVESTIGATION:-

This implies the situation where the researcher goes into the field of study in person forthe collection of required data. Also, the investigation of this nature is normally confined to a single locality and the information gathered is capital in nature.

2] SAMPLE SIZE AND TECHNIQUE'S

i. Sample size:

The sample size is 100 students/ peoples /customers who opened by the educationloan of bank of Baroda.

ii. Sampling technique:

Primary sampling method, prepare of data collection.

4.2. SECONDARY DATA:

Secondary data are those which have already been collectedby others. When it is not possible to collect data in primary form, the researcher may take the help of secondary data. They are thus which have already been collected for serving the objectives other then what the researcher might have in his mind.

4.2.1. The sources of secondary data include: -

- Books
- Websites
- Journals

1] BOOKS:

Book is a collection of paper or other material with text, pictures, or both written on them, bound together along one edge, usually with covers. In library and information science, a book is calling a monograph to distinguish it from serial periodicals such as magazines journals or newspapers.

2] WEBSITE:

A website may be the work of an individual, a business or other organization and is typically dedicated to some particular topic or purpose. Any website can contents hyperlink to any other website, so the distinction between individual sites, as perceived by the user, may sometimes to blur.

3] JOURNALS:

A journal may publication issued at stated intervals, such as magazines or the record of the transactions of a society, are often called journals. In academic use, a journal refers to a serious, scholarly publication, most often peer-reviewed. The purpose of a journal is to provide a place for the introduction a scrutiny of new research and often a forum for the critique of existing research.

The Balance sheet shows the financial status of a business. The registered companies are to follow part 1 of schedule VI of act 1956 for recording Assetsand Liabilities in the Balance Sheet.

4.3. METHODOLOGY OF ANALYSIS:

Data which has been collected through various sources has to proceed and analyzed the accepted relevant scientific method are used for analyzed processing is done by different graphs, which clearly show the finding and half us to understand thing is more better way different table and comparative chart also used for analyzed and the most important ways was case study and illustration.

1. ANALYSIS: The data collected has to process and analysis is done in accordance with the acceptable relevant scientific method processing of the data covers editing loading classification.

EDITING: Editing is a routine task it is process of examining collected data especially in survey to detect and eliminate error editing ensures completeness accuracy and uniformity.

2. CODING: It is process of assign numerical or other symbol to symbol to answer so that response can be part in a limited number of categories.

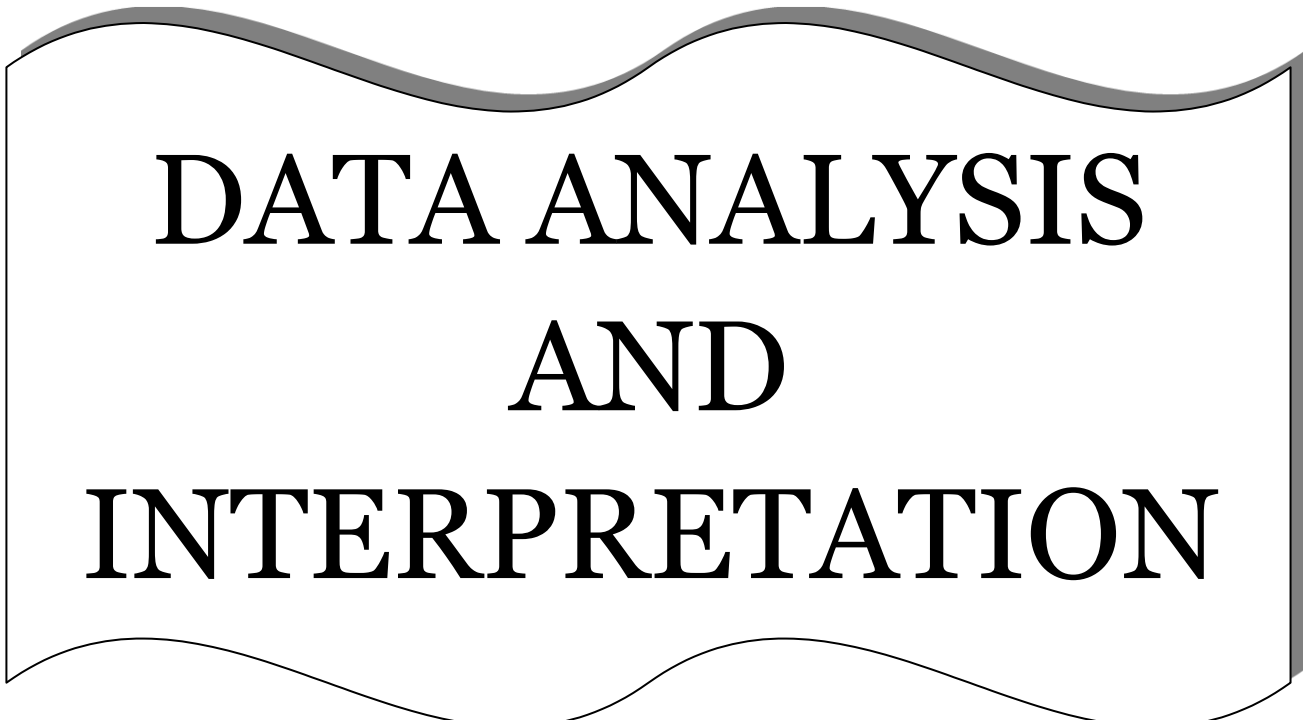
3. CLASSIFICATION: The large volume of data collected for a search study has to be reduced in homogenous groups for getting a meaningful relationship. This is known as classification of data. It condenses data in such way that similarities and dissimilarities can easily be apprehended, so as to facilitate comparison. Classification of data collected can be categorized as by geographical grouping chronological grouping qualitative and quantitative groupings.

4. TABULATION: It is a process of summarizing row data and displaying the same in concept form for further analysis. The tabulation can be simplified in rows and columns; it conserves space and minimizes exploratory and descriptive statements. Tabulation facilitates the process of comparison.

It assists in various statistical computations. It simplifies complex data, and gives identify to data and reveals pattern.

5. GRAPHIC PRESENTATION: Graphic presentation of statistical data gives a pictorial effect. It enables one to present data in simple, clear and effective manner. It shows what is happening and what is likely to take place just as quickly as the eye is capable of working. A graph is a visual form of presentation. It provides an attractive and impressive view. It also provides easy comparison of two or more phenomena.

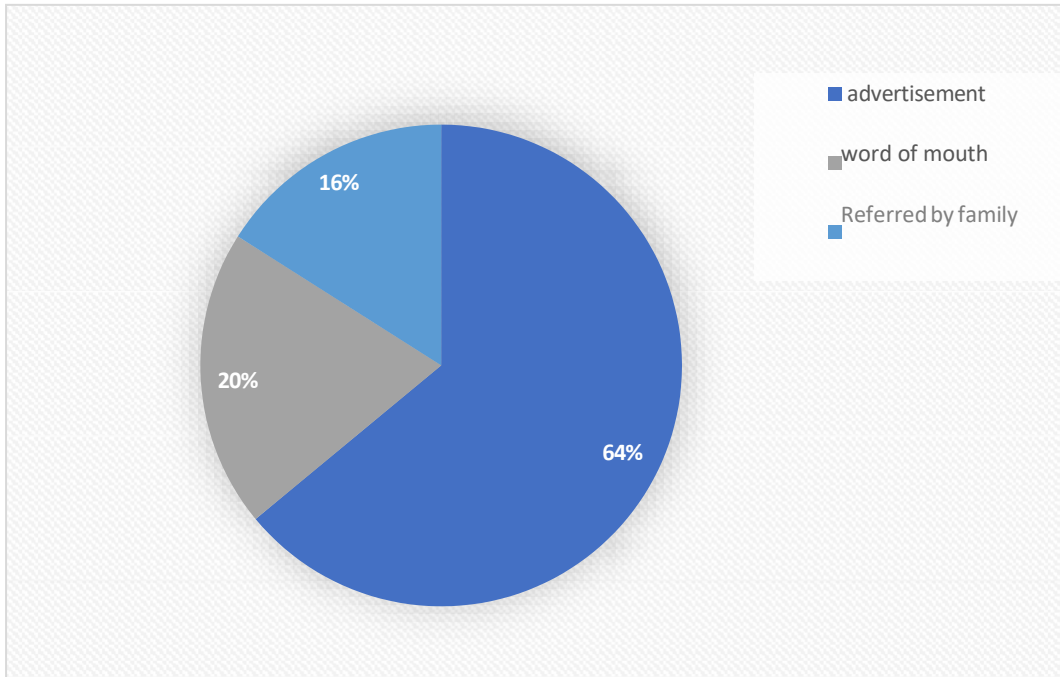
CHAPTER 6

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DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS AND INTERPRETATION

7.1.1. How you came to know about the education loan of this bank?

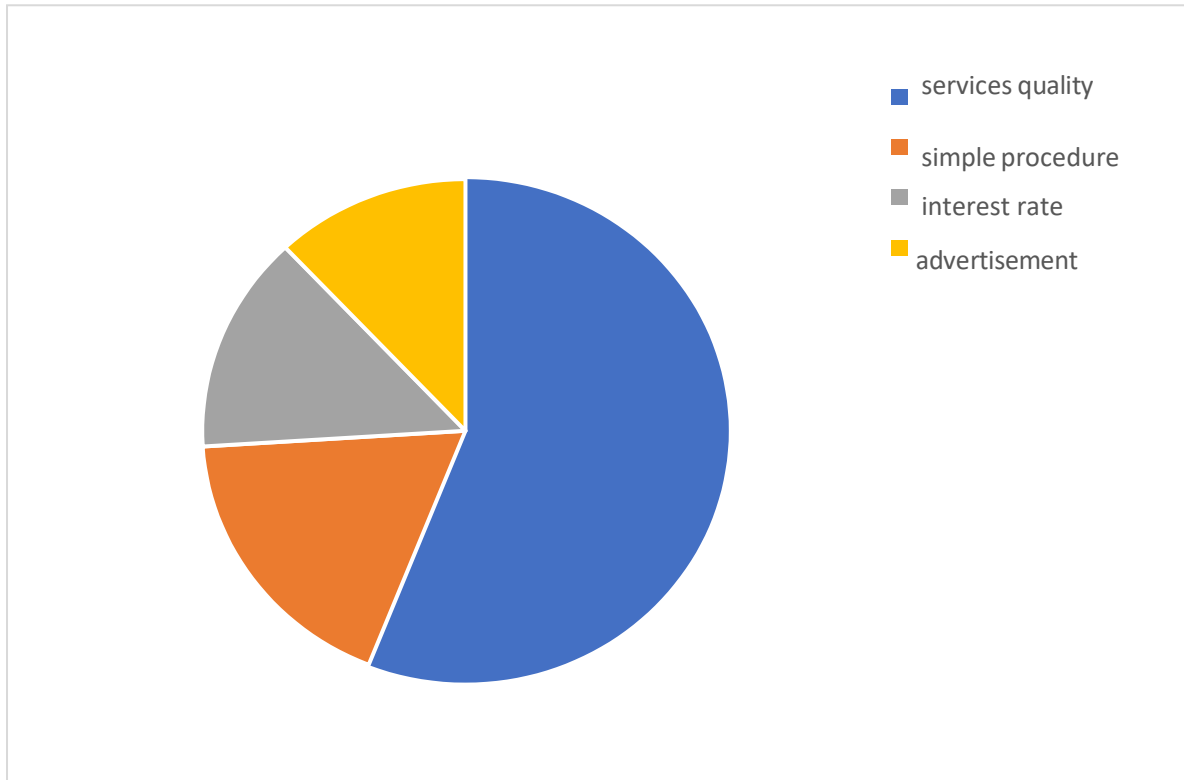


Advertisement	64%
Word to mouth	20%
Referred by your family/ friend	16%

Interpretation

Form the above pia diagram 64% of the respondents came to know about the education loan through advertisement ,20% came to know through word mouth & 16% came to know friend /family.

7.1.2. What made you select this bank?

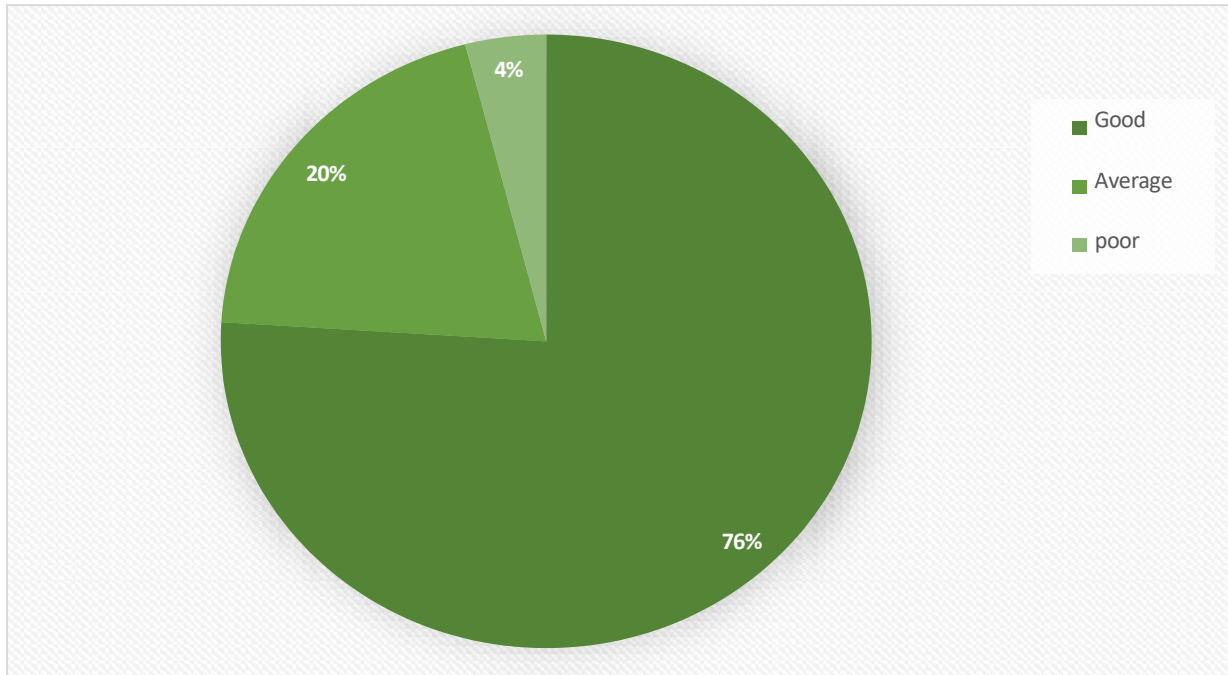


Services quality	56%
Simple procedure	18%
Interest rate	14%
Advertisement	12%

Interpretation

From the above pie diagram, it is clear that 56% of respondents selected this bank because of its services quality, 18% selected this bank because of the simple procedure, 14% selected due to low interest rate and 12% through advertisement.

7.1.3. Do you like the marketing strategy of bank?

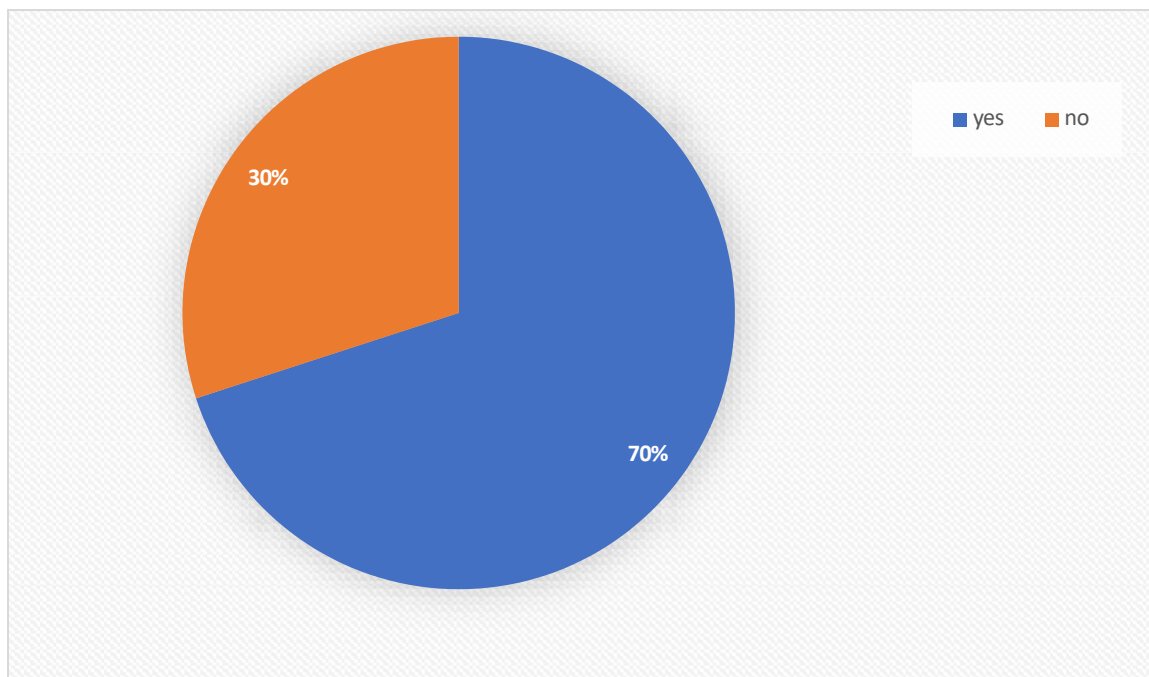


Good	76%
Average	20%
poor	4%

Interpretation

From the above pie diagram, it is clear that 76% of good because of its marketing strategy, 20% selected this bank because of the average marketing strategy, 4% selected due to poor marketing strategy.

7.1.4. Do you know about the education loan offered by the bank?

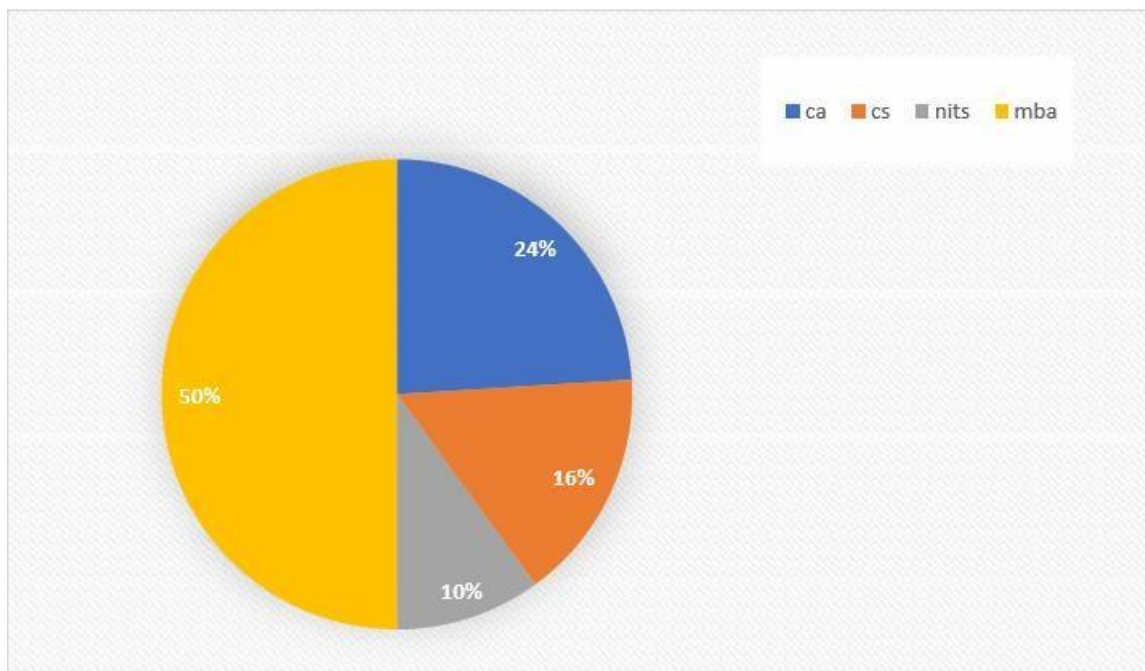


Yes	70%
no	30%

Interpretation

Form the above pia diagram it is clear than 70% of respondent know about the education loanwhereas 30%of them are not aware about it.

7.1.5. For which course you have taken education loan?

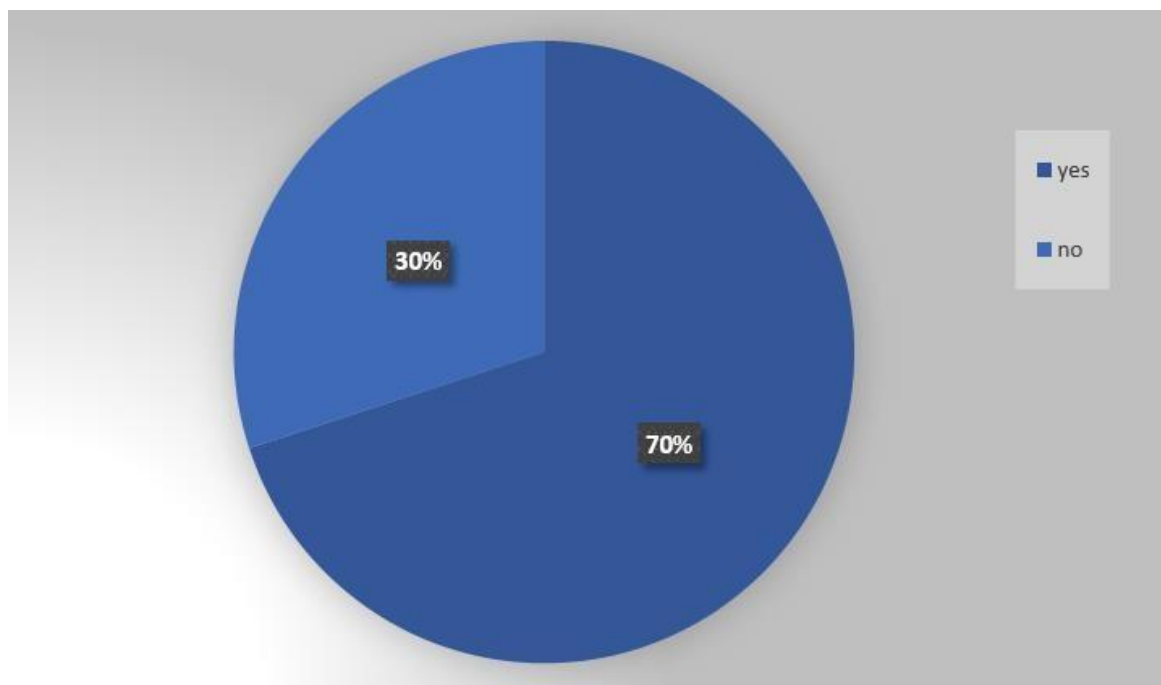


C.A	24%
C.S	16%
NIT, s	10%
MBA	50%

Interpretation

From the above pie diagram, it is clear that 24% of respondents have taken education loan for chartered accountant, 16% for company secretary, and 10% for NITs (National Institutes of Technology) course and 50% of MBA (MASTER OF BUSINESS ADMINISTRATION).

7.1.6. Are you satisfied by the services of bank?

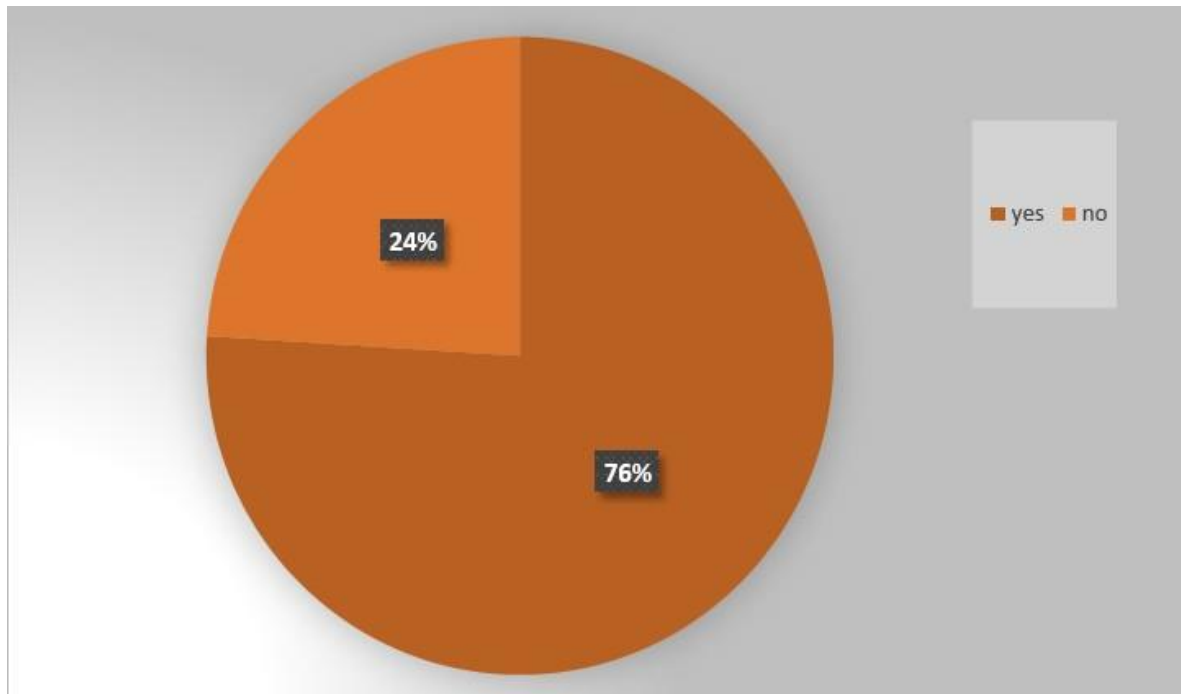


Yes	70%
no	30%

Interpretation

From the above pie diagram 70% are satisfied with banks services whereas 30% are not satisfied.

7.1.7. Do you interest rate charged by bank on loan reasonable?

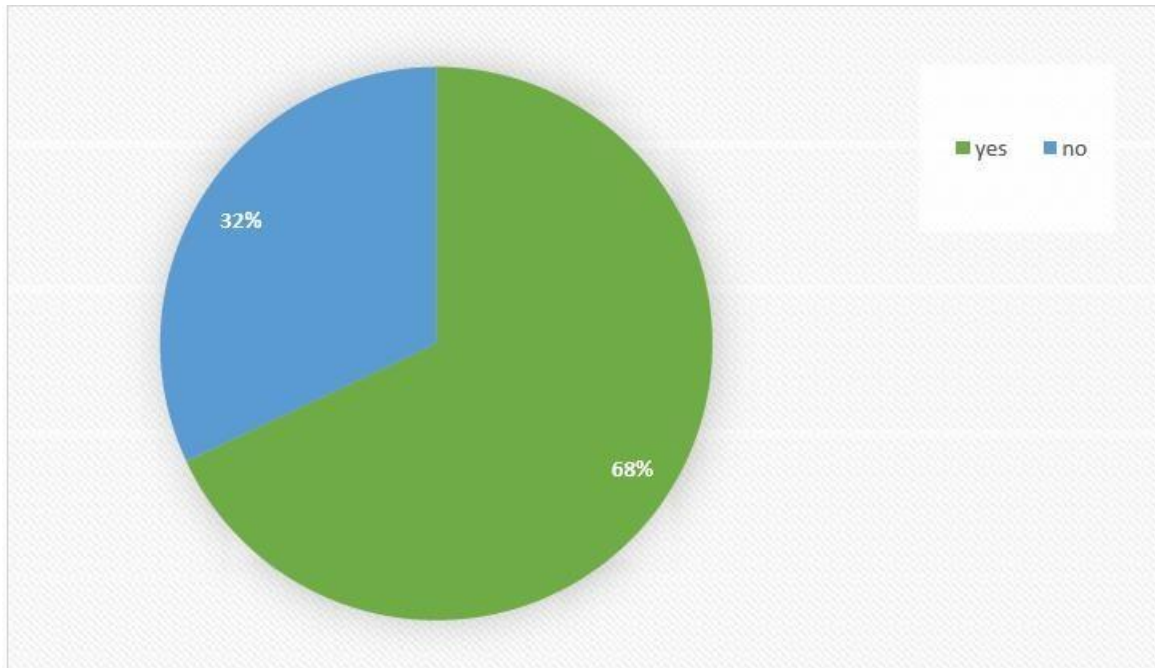


Yes	76%
no	24%

Interpretation

From the above pie diagram, it is clear that around 76% of respondent think that the interest rate charged by bank is reasonable and 24% think that it is not reasonable.

7.1.8. Is the Education Loan Immediately Passed?

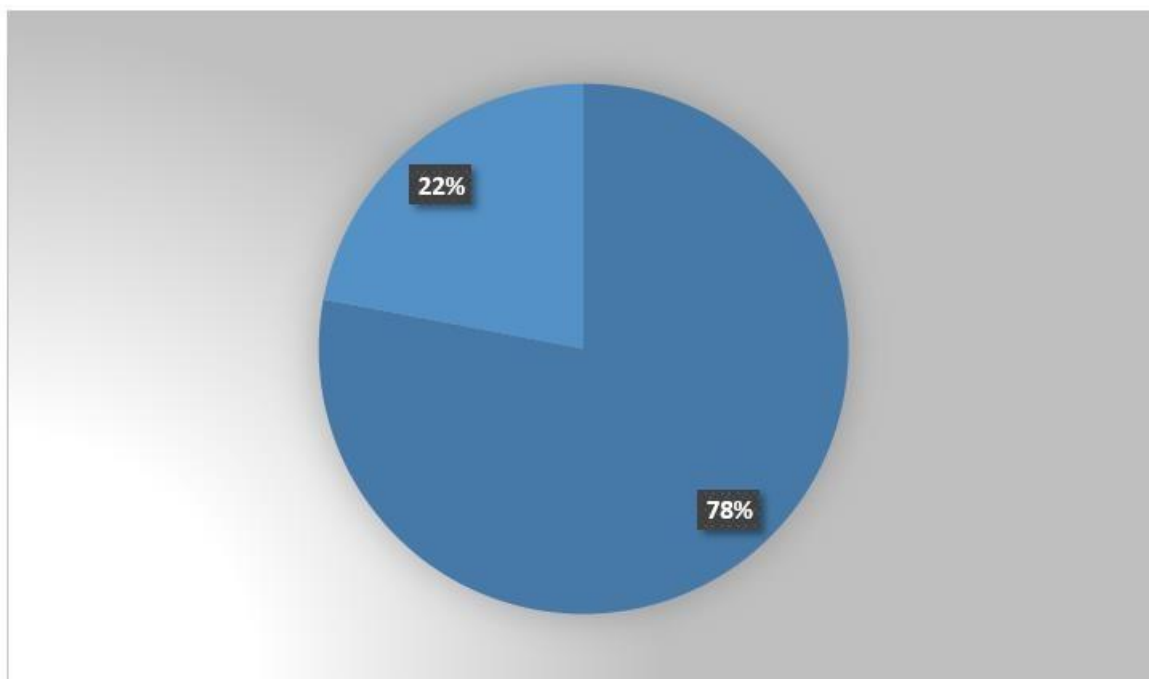


Yes	68%
no	32%

Interpretation

From the above pie diagram, it is clear that 68% of respondents said that education loan was passed immediately but 32% said that it was not passed immediately.

7.1.9. Do you get any tax benefits?

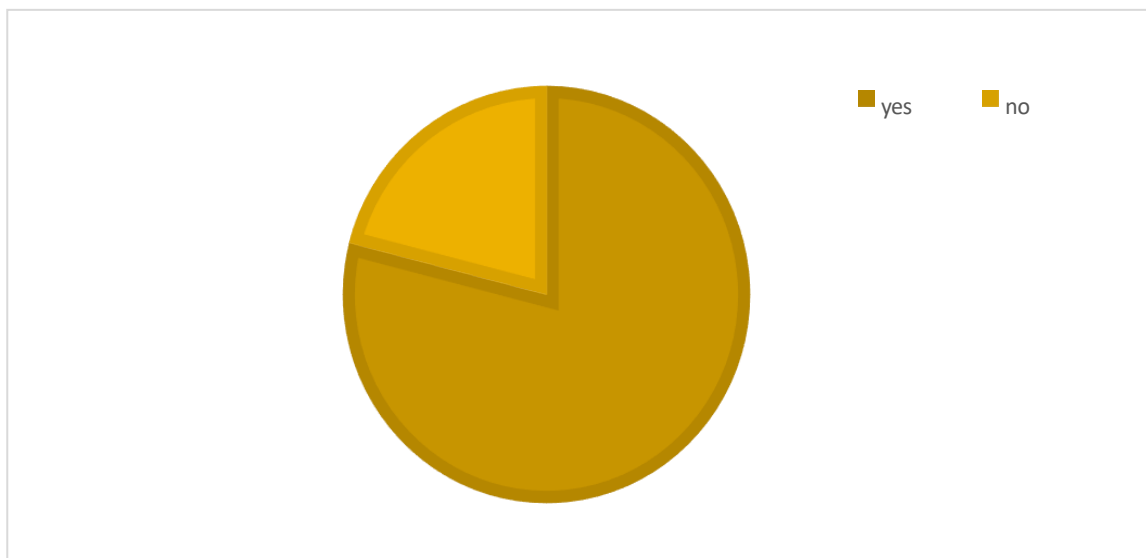


Yes	78%
no	22%

Interpretation

From the above pie diagram, we came to know that 78% of respondents said that they got tax benefits and 22% said they didn't get tax benefits yet.

7.1.10. Over All Satisfaction Education Loan Schemes of Bank of Baroda?



yes	79%
no	21%

Interpretation

The above pie diagrams shown by the 79% of peoples are satisfied in bank of Baroda loan schemes and 21% of peoples are not satisfied in bank of Baroda loan schemes.

CHAPTER 7



FINDINGS AND SUGGESTIONS

Finding of Study

The study was aimed the identifying student's education loan schemes in bank of Baroda and satisfaction of the students who have taken educational loan.

- The maximum number of students need the education loan for their graduation, post- graduation.
- The maximum numbers are peoples/students are prefer in bank of Baroda education loanThe bank of Baroda disburses the education loan amount faster
- The above pia diagram 7.1.1. explain the how you came to know about the education loan of bank of Baroda of different ways like advertisement, word to mouth, referred by family and friends etc. advertisement is biggest publicity of bank of Baroda education loan schemes.
- The above pia diagram 7.1.2. shown by the why are select this bank. The select is services quality is the best 100% peoples out of 56% respondent peoples are satisfied this bank for services is the best and another one is the simple procedure low interest rate in bank of Baroda
- Shown by the pia diagram 7.1.3. is the do you like the marketing strategy is very good 100% peoples and 76% of respondent peoples and averages is 20%
- Above the pia diagram 7.1.4. is the know about education loan offered by the bank of Baroda There are 100% peoples out of 70% peoples are positive respondents i.e., yes and remining is30% is no.

➤ The above pie diagram 7.1.5. is study of which students taken by loan in what degree or course ,C.A, M.B.A, C.S and different professional course like M.B.B.S and etc.

➤ Pie diagram 7.1.6. is identifying the which percent of peoples/students satisfied of the service of this bank. There are satisfied peoples/students is 70% the more peoples are satisfied by the bank of Baroda services and non-satisfied are 30%.

The reasonable interest rate by this bank. The interest rate think is peoples /student's respondents is 76% and non-reasonable are the 24%.

➤ The above pie diagram 7.1.8. is the education loan immediately passed is very fast respondent peoples are the 68% other no thinker are 32% peoples.

➤ The overall satisfied peoples in bank of Baroda 79% of education loan schemes and other are 21% of non-satisfied peoples.

➤ There are maximum peoples are attracted because of the bank being government and other documentation procedure is very faster different types of schemes are bank of Baroda provide any one can easily barrowers the education loan in bank of Baroda.

SUGGESTION

- Banks should go for advertisement campaign from scratch.
- Banks should try to cash its brand image.
- Strong branch network should be made and staff personnel's incentives should be increased.
- Banks should increase its product line in educational loans.
- Special scheme for non-professional student as well as for professional student should be increased.
- Banks should introduce some new model keeping in mind the loan suitable for the medium income group customer.
- In this age of information, the customer before taking loans collected all the information about various brands. The banks should a combined booklet of the product range in order to upgrade the knowledge of future taking of loans.
- Presence of some famous personality in Advertisement or in Pamphlet's insuring better retention in the mind of customers.

CHAPTER 8

CONCLUSION

The study throws light on the efforts of the Government for economic development through human resource development. Educational loans provide education accessible even to the lessprivileged classes of the society and to uplift them to a better standard of living. Educational loans volume increased 5.58 times for the period 2018 to 2021 and is projected for growth into 12 times in the year 2017. It calls for necessary increase in the facilities available for higher studies and participation of more banks into this service. The guidelines for providing and managing educational loans issued by the Indian Banks Association and the rising momentum loan issue project definite answer to the development of the country through education of the people. Regarding the question of NPAs, it is better to write off genuine cases by banks as much as they can and this should be supplemented by the realization of the floatation of the Credit Guarantee Fund for writing of unsecured assets from educational loans. Further it is evident from the growth in NPAs that it is better to issue education loans to job-oriented courses and to that extent empirical studies can be conducted on the composition of the borrowers and their choice of various courses for study during the past few years.

CHAPTER 9



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CHAPTER 10



ANNEXURES

ANNEXURES

1. *How you came to know about the education loan of this bank?*

- Advertisement
- Word of mouth
- Referred by your family / friend

2. *What made you select this bank?*

- Services quality
- Simple procedure
- Interest rate
- Advertisement

3. *Do you like the marketing strategy of bank?*

- Yes
- No

4. *Do you know about the education loan offered by this bank?*

- Yes
- No

5. *For which course you have taken education loan?*

- C.A
- C.S
- MBA

5. *Are you satisfied by the services of bank?*

- Yes
- No

6. *Do you interest rate charged by bank on loan reasonable?*

- Yes
- No

7. *Is the education loan immediately passed?*

- Yes
- No

8. *Do you get any tax benefit?*

- Yes
- No

9. *Overall satisfaction education loan schemes of bank of Baroda?*

- Yes
- No

APPENDIX

- www.bankofbaroda.com
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