A Summer Internship Project Report

On

"A Study of Vehicle Finance in Manappuram Finance LTD,

At

"MANAPPURAM FINANCE LTD." SOLAPUR

By

SAGAR SATISH GAIKWAD

MBA- II (Finance)

Batch (2022-24)

Under the Guidance

of

Dr. Deepali

Bankapure

Submitted to
"Savitribai Phule Pune University"

In partial fulfillment of the requirement for the award of a degree of
Master in Business Administration (MBA)

"Arihant Institute of Business Management"

Behind Crystal Honda Showroom, Uttam Nagar, Bhunde Vasti, Bavdhan, Pune, Maharashtra, 411021

Arihant Education Foundation's
ARIHANT INSTITUTE OF BUSINESS MANAGEMENT
(Affiliated to Savitribai Phule Pune University, Approved by DTE and AICTE, New Delhi)
Registered Address: Sr. No. 276/1/2, 277/1/2, 278/2, Behind Crystal Honda Showroom, Uttam Nagar, Bavdhan (Bk), Pune - 411021
020-67902404 admin@arihantacs.edu.in www.arihantmbainstitute.ac.in

ARIHANT
। प्रज्ञा परित्याप्त ।

B+ NAAC

Ref.: AEF / AIBM /

Date: / /

CERTIFICATE

This is to certify that the Summer Internship Project (SIP) report titled "A Study On Vehicle Finance in Manappuram Finance LTD" is a bonafide work carried out by **Mr Sagar Satish Gaikwad** in partial fulfillment for the award of two years MBA program of Savitribai Phule Pune University under my supervision. The Summer Internship Project is based on the experience and exposure discussed with the internal and external guide for advancement of knowledge in this specified subject as per university requirement.

Project Guide **External Examiner**

Certificate from Company

MANAPPURAM®
FINANCE LIMITED
Make Life Easy

This is to certify that **MR. Gaikwad Sagar Satish** student of **MBA 2nd** year course at **"Arihant Institute of Business management,Pune"** has successfully completed his Summer Internship Training on **"A Study of Vehicle Finance In Manappuram Finance Ltd Solapur"** special reference to with us during the period of **1 July 2023 to 30 August 2023**. The work done by him and findings under this title are the outcome of his work. During the training period he was found to be hard working and sincere. We wish him all the best for his future.

Manappuram Finance Limited * Solapur *

Place :
Date :

Singature of Issuing Authority

India's First Listed and Highest Credit Rated Gold Loan Company

Registered & Corporate Office : (CIN-L65910KL1992PLC006623) IV/470A (old) W638A(New), Manappuram House, Valapad, Thrissur, Kerala - 680 567, India
Tel : 0487 - 3050100, 3050108 Fax : 0487 - 2399298 E mail : mail@manappuram.com Website : www.manappuram.com

Acknowledgement

This study is an attempt **STUDY OF VEHICLE FINANCE IN MANAPPURAM FINANCE, DIST SOLAPUR**. I owe

my deep sense of gratitude for this successful completion of this project was made possible through cooperation of many people. I am deeply conscious of the fact that study would have not been possible without willing co-operation of **Amar Kadam** (Branch Manager) by giving permission for collecting the data during the period of covid.

I also extend thanks to myproject Guide **Dr. Deepali Bankapure** for hervaluable guidance.

Place:PUNE

Date

Mr. SAGAR SATISH GAIKWAD

Declaration

I hereby declare that the project report entitled **“A STUDY OF VEHICLE FINANCE IN MANAPPURAM FINANCE, DIST Solapur**’ is an original work prepared by me under the guidance of **Dr. Deepali Bankapure** The empirical findings in this report are based on the data collected during the project work. The matter included in this report is true &verified. This report has not been presented anywhere else for the award of any degree course.

I understand that any such copying found then, I shall be liable to be punished as the authoritiesdeem fit.

Place: PUNE

Date:

Mr. SAGAR SATISH GAIKWAD

Guidance certificate

This is to certify that the project entitled “**A STUDY OF VEHICLE FINANCE IN MANAPPURAM FINANCE, DIST SOLAPUR** prepared by **MR. SAGAR SATISH GAIKWAD** in partial fulfilment for the degree of **(MBA) MASTERS OF BUSINESS ADMINISTRATION** is done under the supervision and guidance of **Dr. Deepali Bankapure** and the same is forwarded to the university.

I also wish him all the best for his efforts and success to every step he moves in life.

Place: - PUNE

Date: -

Dr. Deepali Bankapure

(GUIDE)

TABLE OF CONTENTS

CHAPTER-1
INTRODUCTION

CHAPTER-I

INTRODUCTION TO THE STUDY

The subject of vehicle finance comprises the different financial products which allows someone to acquire a vehicle with any arrangement other than a single lump payment. The provision of vehicle finance by a third party supplier allows the acquirer to provide for and raise the funds to compensate the initial owner, either a dealer or manufacturer.

Indian consumer is fast changing his habit of borrowing money to buy product. Consumer financeis a win-win system. It includes three parties i.e. consumer, producer and consumer finance company or bank. It is also being influenced by processing fee, loan clearance time, requirement of documentation and methodology being followed in computation of interest.

Vehicle finance is required by both private individuals and businesses. All types of finance products are available to either sector, however the market share by finance type for each sector differs, partly because business contract hire can provide tax and cash flow benefits to businesses.

For different people, a vehicle serves different purposes. For some, it represents fulfilling a dream,while for others it represents a mode of transportation that can take them efficiently from one placeto another.

While most of us dream of owning that dream motorcycle or scooter, only a few can fulfil it because of lack of financing. Luckily, owning a vehicle has become easier with **MANAPPURAM FINANCE** LTD quick and convenient vehicle finance.
We provide easy and faster loans for your vehicle purchase. Visit any of our nearest branches or apply online to get timely approval of your loan.

1. Paper free and easy online application process
2. Flexible repayment options
3. Speedy loan processing
4. Easy & Simple Documentation
5. Attractive interest rates
6. 50% processing fee waiver and special rate for IndusInd A/C holders

1.1 OBJECTIVE

1. The primary objective of the making report is to know how Vehicle Finance exists.
2. To study comparative position of Vehicle Finance.
3. To understand what is Vehicle Finance.
4. To Study the Rules and Documents Required By Manappuram Finance
5. To Study the Awareness of the Vehicle Among the Customer

1.2 SCOPE

1. The present study undertaken by the researcher will be focused on certain specified functional areas within the regular limits and will be restricted with financial policies & practices in **MANAPPURAM FINANCE**

1.3 LIMITATIONS

1. The study is limited **MANAPPURAM FINANCE**
2. The information provided by Branch Manager & respondents is considered authentic.
3. This study is based on primary and secondary data received from bank therefore all limitations of primary and secondary data are limitations for the study.

1.4 RESEARCH METHODOLOGY

Methods of data Collection:-

Types of Data:-

Normally two types of data are used for the purpose of vehicle carrying out research.

1) Primary Data

2) Secondary Data

Primary Data:-

Primary Data is the one which is collected from fresh sources and for the first time while vehicle out the research. Through discussion with the managers concerned I got a lot of information about the process of Vehicle Finance. Due to this discussion I could get the knowledge of how the whole process is vehicle carring on and the documents that have to be maintained for vehicle carrying on the Vehicle Finance.

Secondary Data:-

Internal sources of secondary data includes the data generated within the organization i.e.

Annual Report, Interest Rate, Eligibility, Documentation. Etc

External sources are the sources outside the organization. Eg Internet, Books, etc.

CHAPTER-2 COMPANY PROFIT

CHAPTER-II

Bank Profile

2.1 Introduction of Organisation

Name : Manappuram Finance Ltd. Solapur

Location :Shivsmarak Shinde Chowk Solapur.

Establishment : 1/1/1993

Constitution : Maharashtra State Co-operative Society Act.

Working Hrs. : 10:00 AM to1:30 PM & 2:00 PM to 5:00 PM

Phone Number : +91 77688 82692

2.2 INTRODUCTION

Co-Operative bank came into existence in the year1960. Co-Operation is a word which is derived from Latin word "Co-Operation" 'co' means together and 'Operation' means working other is the meaning of co-operation for the prosperity of everybody. One for all and all for one is the hidden fact of success behind this co-operation.

Though co-operative movement was started, in 1844 in India it started from 1994 with unlimited responsibilities.

In 1918 this act was undertaken by state government and in the year 1925 Mumbai government passed independent co-operative act.

2.3 HISTROY & GROWTH OF THE ORGANIZATION

“MANAPPURAM FINANCE” is the well known and reputed bank in the Solapur situated in the heart of Solapur city “MANAPPURAM FINANCE” started in the year 1966 i.e. on dated23rdApril 1966.The bank is registered under RBI Act as SUR/BNK 119/Date 23/4/1966 RBI License No. M.H:- 459P/Date 19/4/1986.

“MANAPPURAM FINANCE” started with the blessing of god siddeshwar the honest member and promotor Dr. P. G. Valsangkar The first chairman of janta sahakari bank was late Dhundiraj Shastri and first CEO U.M. Kulkarni.

According to the bank balance sheet banks profit is increasing every year due to increasing deposits loan recovery etc. which is shown in the following figures

It is noticed that the profit of the bank is increasing every year due to the investment of customers the bank

Established on 23 April 1966, Manappuram Finance Ltd., Solapur is today reckonedas one of the top-notch & leading amongst the Urban Co-operative banks operating in the regionof western Maharashtra and Marathwada. In the five decades of its existence, the performance of bank has been prototypical in terms of growth in deposits, advance & overall operational preeminent.

The bank epitomizes the traditional values and combines these with its financial acumen, innovating products and unique customer service. The success of the bank lies in increasingly promoting savings at the grass root levels and chanallising it to meet the needs of low and middle-income segments of society involved in lowly crafts trade and commerce as well as, providing succor to the salaried middle class who was hitherto denied access to institutional finance.

Manappuram Finance is among the few Urban Banks who have devised need based loan schemes, keeping in view every imaginable need of an individual borrower to the large industrial / commercial enterprise.

2.4 Bank provides the special facilities to customer are as follows

• Bank provides loans and advances to the needy people, businessman, industrialist and merchants.

• Education loans are provided for the students of B.E, B. Tech, MBA, MCA, etc.

• Housing finance is provided.

• Money transfers services (DD/MT/TT)

• RTGS/NEFT (electronic transfer)

• Gold loans are also provided

• Safe deposited, lockers, ATM.

2.5 AREA OF OPERATION

Manappuram Finance Ltd. Is Located in 7 district of Maharashtra i.e .Solapur, Osmanabad, Latur, Mumbai, Pune, Nanded and Beed etc.
The Solapur city and all other branch is main operating area of NaviPeth Branch.

ORGANIZATION STRUCTURE

2.6 ACHIEVEMENTS

The bank achieved the special place i.e. scheduled bank in year 2002 in the sector of banking. They also achieved their main target 1550 core in 2011.

2.7 MISSION

Opening branches in various parts of the city. The target of the bank

March 2019 - 2200 corers

March 2020 – 2470 corers

March 2021 – 2700 corers

March 2022 – 3000 corers

In 2021 – 2700 corers is deposit and 650 corer is loan

CHAPTER-3 THOERTICAL BACKGROUND

CHAPTER-III

3.1 Concept & Definition

Vehicle Finance

A Vehicle finance is a loan that person takes out in order to purchase a motor vehicle. Vehicle Finances are typically structured as instalment loans and are secured by the value of vehicle being purchased.

What is a Vehicle Finance?

A Vehicle Finance is a loan taken out in order to purchase a motor vehicle. They are typically structured as instalment loans and are secured by the value of vehicle, truck, SUV, or motorcycle being purchased.

How is a Vehicle Finance structured?

As with almost any loan, a Vehicle finance consists of two distinct parts: the principal and the interest. The principal is the amount of money that is lent and is determined by the value of the vehicle. For instance, if you are using a Vehicle Finance to purchase a used truck that costs $10,000, then the principal amount for your loan would also be $10,000.

Depending on the vehicle and the dealership, there might or might not be a required down payment amount. The larger the down payment, the lower the principal of the Vehicle Finance, which means lower costs for the borrower and reduced risk for the lender. If the borrower in that example put down a $1,000 down payment on the $10,000 truck, then the amount of their Vehicle Finance would only be $9,000.

The interest on the other hand, is the amount of money that the lender is charging you on top of amount lent. It is essentially the “cost” of the loan, or how much the lender is charging you for the privilege of borrowing money. Generally, interest is expressed as an interest rate, which is a certain percentage of the principal over a certain period of time.

To return to the previous example, if that $10,000 Vehicle Finance came with a 5 percent yearly interest rate, then the loan would accrue $500 in interest over the course of a full year. A Vehicle Finance's simple interest rate is different than its annual percentage rate or APR. The APR includes any additional fees or charges that are included in the loan *beyond* the simple interest rate. So when shopping for a Vehicle Finance, the APR is the best way to discover the loan's true cost.

Vehicle finance are typically structured as instalment loans, which means that the loan is paid off in a series of regular (usually monthly) payments. A typical Vehicle Finance will have a term that is anywhere from 36 months (3 years) to 60 months (6 years) long. The longer the loan is outstanding, the greater the amount of interest that accrues and the more the loan costs overall. However, Vehicle Finances with longer terms will usually have lower monthly payments, as each payment will represent a smaller fraction of the principal loan amount.
Most Vehicle Finances are also amortizing, which is fairly standard for instalment loans. With an amortizing loan, each payment made goes towards both the principal *and* the interest. This ensures that every payment made goes towards paying off the amount lent. Additionally, amortization makes loans slightly cheaper; since every payment pays down the principal amount, the amount being *charged* in interest declines as well.

Where can I get Vehicle Finance?

There are two primary ways that a person can get a Vehicle Finance. The first is to get one from a direct lender, and the second is to get one through the vehicle dealership.

With a direct lender, a person would find a vehicle that they wanted to purchase and then go visit their bank, credit union or local finance company. They would then work with the lender to secure a loan in the amount they needed. The vehicle would still serve as collateral and the lender would technically own the vehicle until the loan was paid off. While this option is usually slower the dealership financing, it will also usually result in a lower interest rate, as there are fewer parties involved.

With dealership financing, the borrower can get a Vehicle Finance through the auto dealer where they are buying the vehicle. Dealerships often have relationship with several different lenders, which means they can get multiple quotes and then select the most favourable one. This is by far the easiest and fastest option, as the borrower would not even have to leave the dealership in order to get approved. In theory—the entire vehicle-buying process could be accomplished in a single visit. However, this option is usually more expensive, as the dealership will be making a profit off the loan, which translates to a higher interest rate for the borrower.

Commercial vehicle finance:

Business enterprises of all sizes and types use different vehicles for accomplishing theirday-to-day business activities. These vehicles can be trucks, buses, vans, trailers, taxi's,coaches and two-wheelers. Commercial vehicles can be made available on lease, can be ofany certain class used for business purposes, may be used to haul hazardous materialsand are the property of a company. Many businesses give these vehicles to theiremployees for various external works. This includes vehicles that are used by businessesthat deal in the shipping and delivery of freight and wares. Owing to their high prices,these commercial vehicles are out of many business organisations' reach. In suchconditions, to purchase them easily, commercial vehicle finance loans emerge as one ofthe best options for the businesses require assistance to purchase commercial vehicles toassist with the growth of their business.

Basics, Types, Techniques

More than two-thirds of all new and used vehicle purchases are financed by borrowed money. That figure rises to about 85% if only new vehicle purchases are considered. Of the vehicle purchasers who borrow money to buy a vehicle, about half obtain loans at the vehicle dealership, while the other half borrow from banks, credit unions, and internet lenders.

Since chances are good that you'll be borrowing money in order to get the keys to a new ride, it pays to understand the different types of loans that are available.

Secured vs. Unsecured Vehicle Finances: What's the Difference?

A secured Vehicle Finance means the loan is secured by the vehicle itself. They are the most common type of Vehicle Finance. This means that the bank or finance company has a security interest in the vehicle written into the vehicle title, and can seize the vehicle if the borrower defaults on the loan. In this respect, it's like a mortgage.

There are a few finance companies, however, that offer unsecured loans that can be used to purchase a vehicle or truck. With these loans, the lender has no security interest in the vehicle, which makes them more like using a credit vehicle to make a purchase. Unsecured Vehicle Finances are generally only offered to people with high credit scores and substantial income and assets. Since they expose the lender to more risk, they often come at a higher interest rate than secured loans do.

What's the Difference Between Pre-Computed Interest and Simple Interest Loans?

The interest on a vehicle loan is the price you pay for using someone else's money to buy your vehicle or truck. There are two ways this interest is commonly computed and structured. Simple interest loans require a monthly payment that includes payment of the interest on the loan's outstanding balance. So, for example, if you borrowed $15,000 to buy your vehicle, but have now paid down the amount owed to $6000, you will only pay interest on that outstanding $6,000 balance.

Pre-computed interest, however, is based on a calculation of what the sum total of the interest will be over the life of the loan. That figure is divided by the number of months of the loan term.

Each month's payment includes the same monthly interest payment. In that case, you pay the same amount of interest each month regardless of the balance on the loan.

If you pay your Vehicle Finances off in the amount of time specified by the term but not before, there is usually no or very little difference between the total interest paid under pre-computed and simple interest loans. However, if every month you pay more than the minimum due on the note, and pay your note off early, you will reap some financial advantage from a simple interest loan, since excess payments are applied against the outstanding principal. That means that the interest portion of subsequent payments will be lower.

Dealer Purchase Vehicle Loans

While vehicle loans are available from banks, credit unions, and internet lenders, vehicle dealers are another source of vehicle financing. In this scenario, the dealership salesman's office becomes one-stop shopping for both the vehicle and the financing. Vehicle dealerships often have financial arrangements with several lending companies and will be glad to help you get a loan from one of them. This sounds easy—and it is—but that ease may come at a price

The bulk of a monthly car 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 car. 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 car.

Traditionally car loans were for short periods, generally about 24 months and no longer than 36 months. In the 1980s, however, standard car 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 cars (they paid a monthly fee in exchange for the right to drive a particular car) rather than purchase cars outright.

Types of Vehicle Finance

1. Every common individual desires to zoom around the town or workplace or school in a new private vehicle. The comfort and luxury is the need of high class while comfort and affordability is the need of the common people. At such times, vehicle finance plays an important role to deal with the budget and expenditure to buy a vehicle you wish toown for private or commercial purpose.
2. Your vehicle finance depends on your needs. If you want to buy an expensive vehicle for personal use or heavy duty vehicles for commercial purpose, you need to have a greater budget line. Therefore, secured as well as unsecured loans can benefit you according to thebest financial deals in the market.
3. Unsecured loans are usually helpful in buying low budget vehicles or used vehicles whichfit your expenses and especially for long running vehicles. Every good deal has a drawback. Similarly, such loans have high interest rates and add to your future expenses. Hence, it is always necessary to know your finance deal thoroughly before you apply for one.
4. Comparatively, secured loans are quite helpful when its about buying an expensive motor.The benefits and assists is quite large hence you would like this deal. The lower rate of interest is the plus point which attracts the loan seekers towards secured loans.

Consumers on their own can compare the interest rates and terms of many lenders. But consumers who invite the dealership to make the financing arrangements are looking at a single, take-it-or-leave it offer. In other words, you are surrendering your ability to shop around for a better loan.

Auto manufacturers and dealers frequently advertise terrific low- or zero-interest vehicle loans to customers. These can be good deals, but they're generally only available to people with perfect credit histories. For customers with less than stellar credit records, vehicle dealerships can push through loans that the consumer might not be able to get on his own. As noted above, however, surrendering the ability to shop for your own vehicle loan comes at a cost.

Lease Buyout Vehicle Loans

Another type of Vehicle Finance is the lease buyout loan, in which a financial institution lends you the money to buy the vehicle you've been leasing at the end of the lease term. Buying the vehicle you've leased can be a good option in some circumstances. By the end of a lease term, you are more familiar than anyone with your vehicle's maintenance and accident history. And you've had years of test-driving, so you know what you like and don't like about the vehicle. Further, buying out your own lease helps avoid penalty fees for damage, excessive wear and tear, or going over your mileage limit.

You could, of course, just finance the lease buyout through the same company that financed your lease. But it also might pay to shop around for a better rate.

Private Party Purchase Vehicle Loans

From a financing point of view, getting a loan to buy a used vehicle from a dealership is very similar to getting a loan to buy a used vehicle from an individual. However, there may be additional steps involved in the transaction.

The critical question is whether the seller still has an outstanding vehicle loan. In that case, the seller's finance company has a legal interest in the vehicle, so your own finance company isn't going to let the deal go through unless and until the note on the owner's vehicle is discharged. This can get tricky if the seller intends to use the proceeds of the sale to pay off his or her outstanding loan balance. In that case, your finance company will likely insist that an amount equivalent to the loan balance be escrowed and then paid to the original finance company once the deal goes through.

Regardless of what kind of Vehicle Finance you want, shopping around is critical. Don’t think of a vehicle loan as just another bit of paperwork to be gone through before you buy a vehicle. The loan is a purchase in itself, one that will likely cost hundreds or thousands of dollars. Comparing rates from our top Vehicle Finance companies and other lenders may save you considerable money over the life of the loan.

Importance of Vehicle Finance:

- Every common individual designs to zoom Around The Town or workplace or school in a new private vehicle.
- The comfort and the luxury is the need of high class vehicle comfort and affordability is the need of the common people
- At such times vehicle finance plays an important role to deal with the budget and expenditure to buy vehicle you wish to own for private or commercial purpose

CAR LOAN:

To finance a car loan, you need to do three things:

- Provide details of the vehicle you want to buy
- Prove your identity to the lender
- Prove you have the ability to repay the loan

Here are the 12 key components to be aware of when you get car finance:

- Lender – this could be a big four bank, a regional bank or a non-bank lender
- Security – car loans can be secured (collateral) or unsecured (no collateral)
- Deposit – the amount of money you contribute to buying the car
- Principal – the amount you borrow
- Interest rate – the cost of borrowing
- Interest rate type – variable or fixed
- Repayment frequency – weekly, fortnightly or monthly
- Loan term – the amount of time you have to pay off the loan
- Features – e.g. a redraw facility or an extra repayments option
- Application fees – the upfront cost of setting up the loan
- Ongoing fees – any recurring charges throughout the life of the loan
- Balloon payment – a lump sum you might have to pay at the end of the loan

A car loan (also known as an automobile loan, or auto loan) is a sum of money a consumer borrows in order to purchase a car. 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.

Car loans follow most of the same rules and procedures that apply to other loans. In most cases when purchasing a car, a borrower will specifically apply for a car 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 car loans are for specific lengths of time, generally anywhere between 24 and 60 months, although some car loans can be for longer periods. This type of loan is also known as financing. Car loans generally include a variety of fees and taxes, which are added to the total loan amount.

Many consumers apply for car loans at their local bank. When applying for a car 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 car loan.

Often a bank or financial institution will preapprove certain customers for car 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.

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. 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 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 car payment consists of two parts: the principal (the original amount of the loan) and the interest. Interest on car loans depends primarily on three main factors: the credit rating of the car buyer, whether the car is new or used, and the price of the car. As a rule interest rates on new cars tend to be lower than interest rates on used cars. Also, as the price of a car goes up, the interest rate will usually go down.

The bulk of a monthly car 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 car. 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 car. At the same time, the value of the car steadily decreases over the course of the loan, meaning that the car will never be worth the amount of the original loan.

Traditionally car loans were for short periods, generally about 24 months and no longer than 36 months. In the 1980s, however, standard car 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 cars (they paid a monthly fee in exchange for the right to drive a particular car) rather than purchase cars outright. Car leases were primarily attractive because they did not require a down payment, and they tended to require lower monthly payments than traditional car loans. In order to compete with the car leasing industry, a number of lenders began to offer car 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 car, a truck, or another vehicle that is more expensive than average cars 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.

The best car loan is the one that offers the best combination of interest rate, fees, features, repayment options and customer service for your individual situation.

But with hundreds of car loans to choose from, how do you find the best car loan for you?

You have two options. You can study all the different lenders and loan products yourself. Or you can consult an expert broker like National Loans, and get them to do the work for you.

A good car loan is one that ticks these three boxes:

- It helps you solve a problem – you get your car faster than if you had to save 100% of the money
- It's affordable – your interest rate is competitive and you can make the repayments
- It suits your circumstances – you get the features and repayment options you need

There are three ways you can get car finance:

- Go direct-to-lender
- Get dealer finance
- Use a finance broker

Going direct-to-lender can seem like a clever option. After all, if you've already got a relationship with a bank, they'll reward your loyalty with a great deal, right? Unfortunately, that's often not the case. Banks tend to take their existing customers for granted and save their best deals for new customers they're trying to lure across.

Getting dealer finance can also seem like a great option. After all, it's so convenient and the salesperson may offer some sort of inducement. However, there's a good chance the salesperson's lender of choice will charge you higher interest rates than one of the other lenders on the market.

That's why using a finance broker is the best option for many Australians. A broker will have relationships with a range of banks and non-bank lenders, which means you get a range of options. Also, a broker will hold your hand through the process. As a result, there's a good chance you'll get a better loan while doing less work.

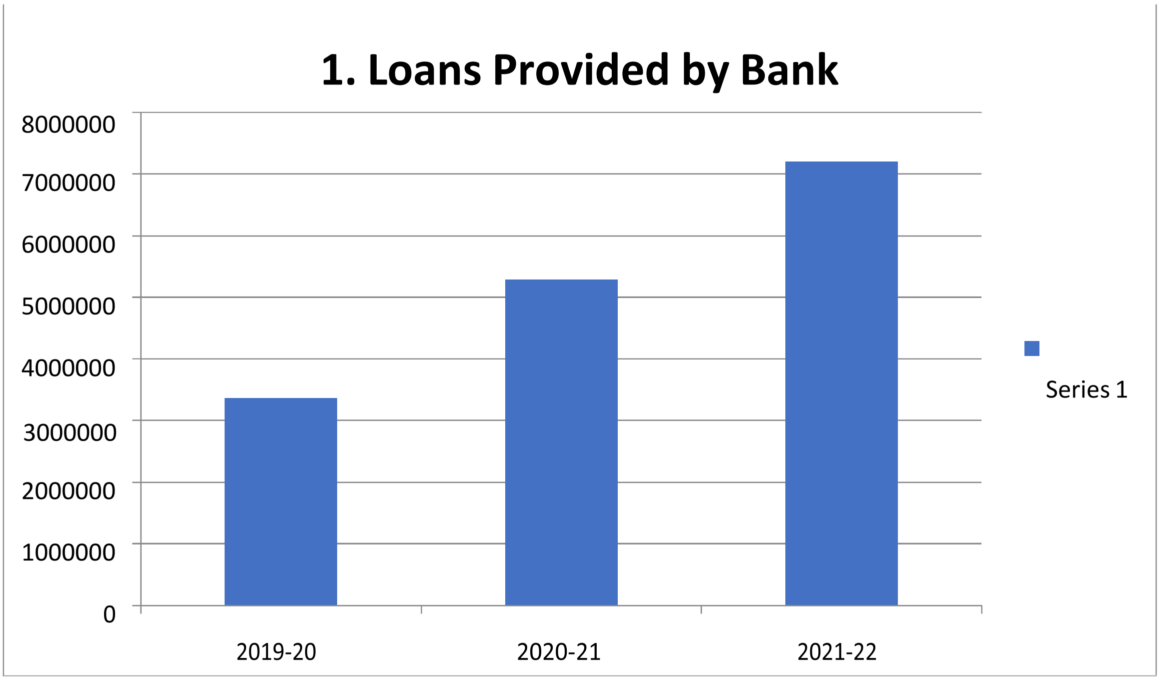
CHAPTER-4 DATA ANALYSIS AND INTERPRETATION AND FINDINGS

CHAPTER-IV

Year wise vehicle loan position is on 2019-20 To 2021-22

TABLE NO.1

YEAR	Disbursement	RECOVERED	UNRECOVERD	INTREST
2019-20	3360000/-	3057600/-	302400/-	10.75%
2020-21	5280000/-	4932200/-	316800/-	10.75%
2021-22	7200000/-	6984000/-	216000/-	10.75%

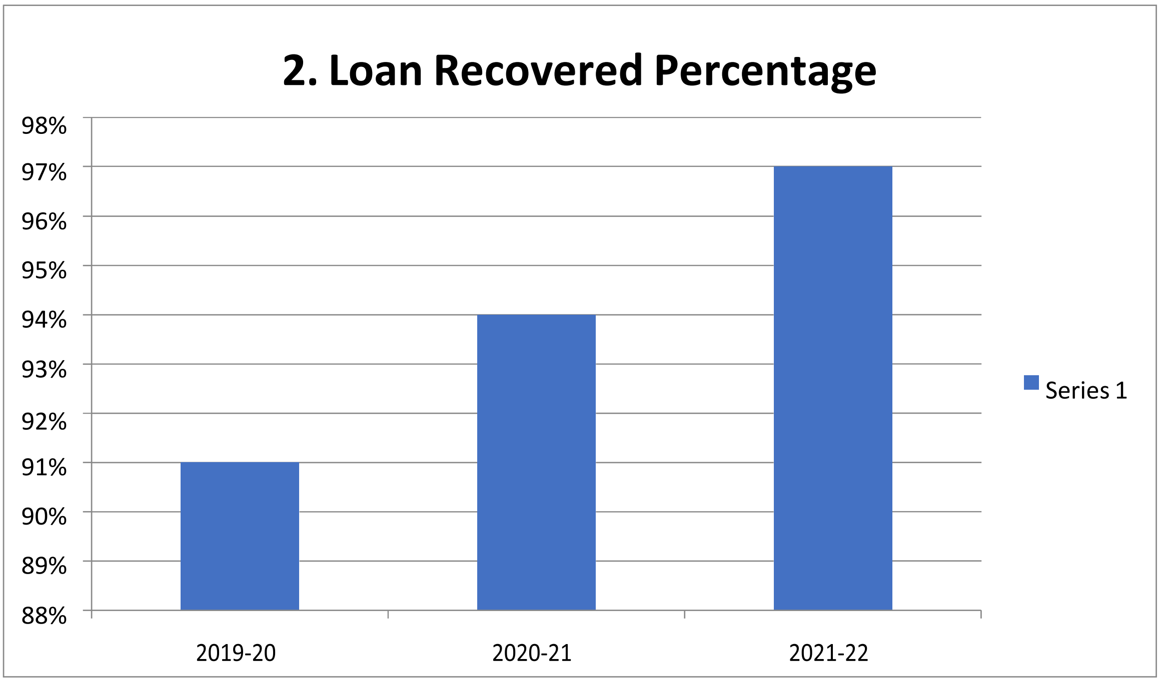


Interpretation:-

Loan provided by bank to the customer on vehicle finance is increasing year by year.

TABLE NO.2 Loan Recovered Percentage .

YEAR	2019-20	2020-21	2021-22
RECOVERED	3057600/-	4932200/-	6984000/-



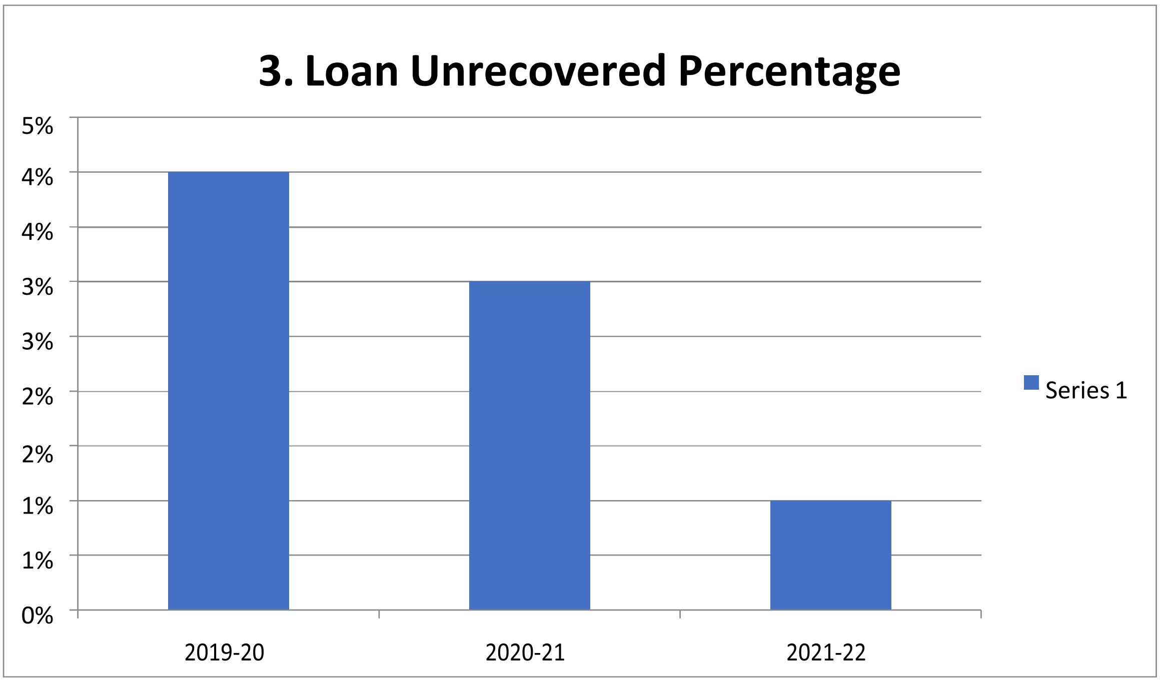
Interpretation:-

From the above table it is quite clear that the recovered loan percentage is increase Year by Year

1. In year 2019-20 covered 91%.
2. In year 2020-21 covered 94%.
3. In year 2021-22 covered 97%.

TABLE NO.3 Loan on Unrecovered Percentage .

YEAR	2019-20	2020-21	2021-22
UNRECOVERED	12096/-	9504/-	2160/-



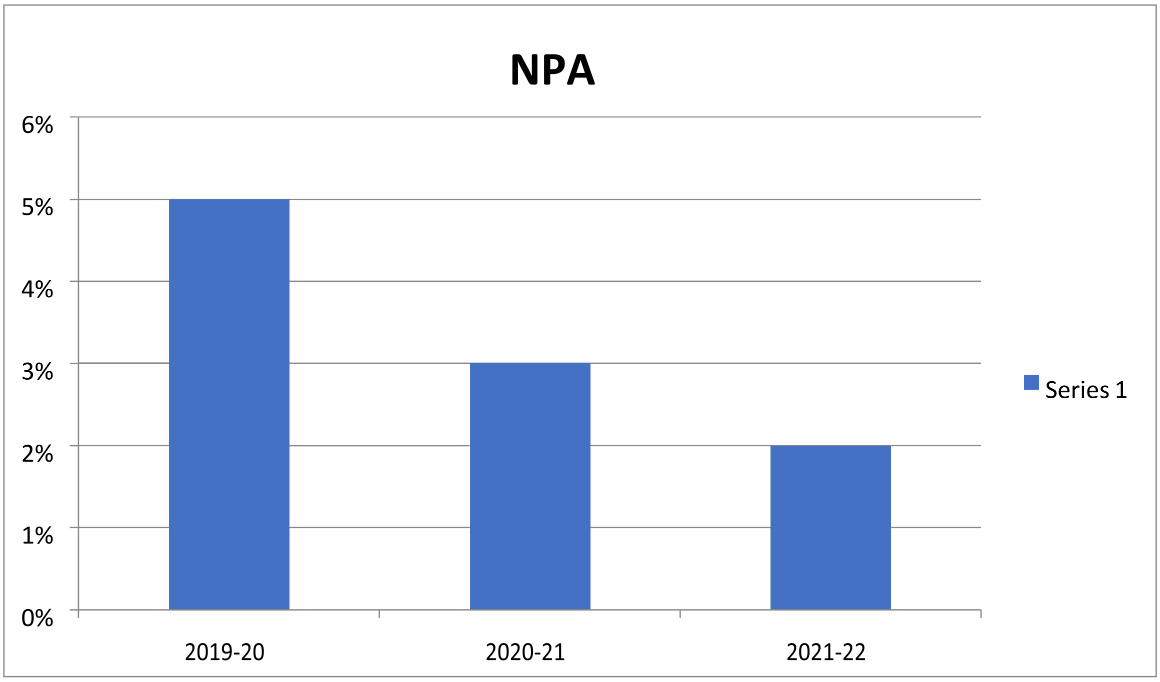
Interpretation:-

From the above table it is quite clear that the recovered loan percentage is decrease Year by Year

1. In year 2019-20 covered 4%.
2. In year 2020-21 covered 3%.
3. In year 2021-22 covered 1%.

TABLE NO.4 Loan on NPA

YEAR	2019-20	2020-21	2021-22
NPA	15120/-	9504/-	4320/-



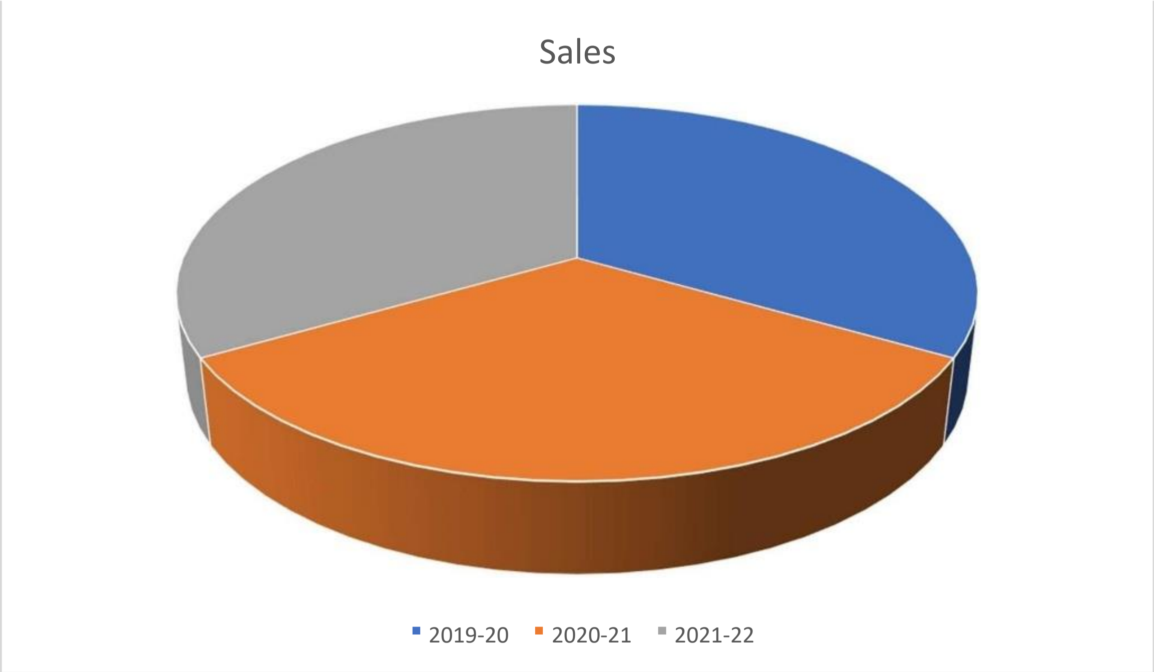
Interpretation:-

From the above table it is quite clear that the recovered loan percentage is decrease Year by Year

1. In year 2019-20 covered 5%.
2. In year 2020-21 covered 3%.
3. In year 2021-22 covered 2%.

TABLE NO.4 Loan on

YEAR	2019-20	2020-21	2021-22
INTREST	10.75%	10.75%	10.75%



Interpretation:-

1. **In year 2019-20 Sales is 10.75%**
2. **In year 2020-21 Sales is 10.75%**
3. **In year 2021-22 Sales is 10.75%**

CHAPTER-5 OBSERVATIONS AND FINDINGS

CHAPTER-V

OBSERVATIONS &FINDINGS

Data interpretation & Analysis

I am the student of ARIHANT ISNTITUTE OF BUSINESS MANAGEMENT, Pune and presently during a project on "Analysis of Financial Strategies on Vehicle loan" I request you to kindly fill the questionnaire below and assure you that the data generated shall be keep confidential.

Dear Sir/Madam:

Name. Gender.

Address. Mobile no.

1. Educational Qualification

   A) 10^{th} or below B) 10^{th} + 2^{nd} or below C) Graduate D) post Graduate and above

2. Your residence is

   A) Owned B) Rented C) Company provided D) PGAccommodation

3. Do you have vehicle?

   A) Yes ☐ B)No ☐

4. If yes

   1. Four wheeler B) Two wheeler C) Other D) None.

5. Your Occupation

   A) Salaried B) Self Employed C) Retired D)Housewife

6. If Salaried , employed with

   A) Private limited B) public sector C) Public limited D) Government.

7. Mentioned the type of industry your employed---------------

   A) Finance B) Telecom C) Hotel/Restaurant D) Others

8. If Self Employed your Firm is

   A) Private Limited B) Partnership C) Proprietorship

9. Your Nature of work in the firm is.

   A) Finance B) CA C) Consultant Lawyer D) Distributor/Trade

   10. Your Gross Yearly Income

   Monthly Expenses RS ----------------

   11. Are you a account holder of lokmangal bank?

   A) Yes B) No

12. If yes

A) Current B) Saving C) FD D) Demat

13. If No

Are you an account holder in any other Bank?

A) YesB) No

14. Have you availed loan facilities from any bank?

A) Yes B) No

15. If yes Type of loan

A) Car loan B) personal loan C) Housing loan D) other loan

Mention the loan amount -------------- Name
of the bank——————

16. Are you assessed to TAX?

A) Yes B) No

19. If you have an exciting policy with any insurance company as life assured proposer please mention details below Name of the company---------------

Sum assured-------------

Yearly premium amount---------------

Policy start date-----------

20. Do you have any exciting insurance cover premium paying and or paid of policies?

A) Yes B) No

21 Any suggestion for bank about vehicale finance?

CHAPTER-6 CONCLUSION AND SUGGESTIONS

CHAPTER- VI

Conclusion & Suggestions

Conclusions:

There has been lot of talks on growing Vehicle Finance cases in the Indian banking industry. I wish to share my views in regard to this which need to be addressed at the earliest possible .

1. Appraisal Systems should be revisited. There are lot of flaws in the current loan appraisal systems. Bankers have only developed the machines to make better presentations not the content.
2. Accountability of the bankers in case of defaulting accounts should be ensured along with the borrowers.
3. Bad Loan Asset Bank shall be created to handle the distressed assets and sincere efforts should be made to revive the sick units.
4. Loan Settlement process should be smooth and short.
5. From time to time, a number of committees have suggested measures to improve the working of the' Indian banking system.
6. The recommendations of the Indian Government would have far reaching implications on the working of the banking system. They have not yet been implemented except in the case of reduction of SLR.
7. Bank charges are to high, One side Government is encouraging people to open accounts in other banks are increasing charges on services arbitrarily.
8. Security should be enhanced for online transaction so as to encourage more & more people to do online transaction

After doing this project I got that what are the documents needed for an application of the vehicle loan, which is very important gain which I got from this project. Before I started the project I had very less information of documents required.

This project has given me a lot of information related to the vehicle finance by talking to General Manager & the Staff of MANAPPURAM FINANCE. This has given me confidence that the future of Banks in India will very bright as in a population of more than 1 billion everyone needs money

Suggestions:

The suggestions as relevant to vehicle finance are given as follows:The players of vehicle finance should look for innovative way to reduce EMIs on cars and extending the tenure of loan.The vehicle finance companies need to focus on salaried employees.The players in vehicle finance are required to offer innovative vehicle finance schemes for those consumers who want to avail vehicle finance upto Rs.5 lakh.The loan agreements, documents should be drafted in regional language as case may be.The players of vehicle finance business should plan celebration events, announce awards and look for creative ideas and ways to make each participating consumer a winner.The participants of vehicle finance should have strategies focus on using media of advertising. They should favorably make use of friends and family as reference groups in order to change attitudes, and beliefs of consumers towards vehicle finance.The vehicle finance companies should appreciate those consumers who have made regular repayment and also reward them financially.We need effective enforcement of consumer protection law in India.There should be no charge on pre-payment penalty.

The players of vehicle finance should make effective use of developments that have taken place in information technology. The trend reflects that an increasing number of consumers trying the web to make purchase decisions and seek vehicle finance. They should develop and update web pages in their websites as case may be.The government of India should recognize the fact that rationalization of the excise duty structure, removal of procedural bottlenecks, and creating conditions for easy accessibility of vehicle finance are imperative forrevival of demand in the vehicle sector of India. Indian vehicle industry has to bridge the technological gap in safety, fuel efficiency, emission standards and vehicle design. The mantra for the vehicle industry should be to cut price, increase quality and provide better value for money to consumers.

The problem being faced by the participants of vehicle finance business is methodology and availability of tools to track the financial credibility of individual consume

CHAPTER-7 REFERENCES

1. WWW.MANAPPURAM.COM
2. WWW.GOOGLE.CO.IN
3. WWW.RBI.ORG
4. WWW.WIKIPEDIA.COM

Bank Internal Records

1.ANNUAL REPORT OF MANAPPURAM FINANCE LTD.
2. MANAPPURAM FINANCE LTD.