

The Impact of Consumer Durable Loans on Household Purchasing Behaviour and Financial Stability

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EXECUTIVE SUMMARY

For management student, installment-based finance for household goods project has given a very good opportunity to gain actual exposure to the organization and to gain work experience within the actual work environment. For the best utilization of Trainees ability to be efforts, I choose HDFC financial institutions, Prithla Branch, Palwal as the organization for installment-based finance for household goods Project.

The nature of installment-based finance for household goods Project is of Operational Assignment. The task or activities carried out during this Project are related to the financial institutions credit facilities services.

This project is related with the various banking credit facilities services which are provided, to understand what are the procedures for these financial institutions credit facilities services and how a financial institutions as a group works.

CHAPTER-1

INTRODUCTION

THEORETICAL BACKGROUND

1.1: Finance?

"Finance refers to the administration of money and other assets that can be easily converted into cash." A category of stocks that includes businesses providing financial support systems to both commercial and retail clients. This sector encompasses financial institutions, investment funds, insurance companies, and real estate. Financial support systems perform best in environments with low-interest rates. A significant portion of this sector generates revenue from mortgages and credit services, which increase in value as borrowing costs decline. Furthermore, when the economy is expanding, the financial sector benefits from a rise in investment, as favorable economic conditions typically lead to more capital projects and increased individual investments. New initiatives require financing, often resulting in a greater number of credit services. "Finance" can be defined straightforwardly as the management of money or funds. However, modern finance represents a collection of business activities that involve the creation, promotion, and management of

cash and alternative monetary assets via various capital accounts, financial instruments, and markets set up for trading and transacting assets, liabilities, and risks. The theory, organization, and regulation of finance are shaped by a complex web of power relationships among political economies at both national and international levels.

1.2: Buyers?

A buyer is an individual who acquires goods or services for personal use rather than for resale or production. This person has the autonomy to make purchasing decisions and is influenced by advertising and marketing strategies. When someone visits a store to buy items like a toy, shirt, or beverage, they are acting as a buyer. According to the Buyers Protection Act of 1985, any person who purchases goods for consideration is included, which also covers individuals who obtain those goods for resale or any business-related purpose.

1.3 :Personal financing services:

"The buyers lending segment that entails lending money to buyers. It encompasses a wide variety of credit facilities, including payment card credit facilities, home credit facilities credit facilities, and car credit facilities, and can be applied to credit facilities borrowed at the prime rate or the subprime rate." Everyone benefits from the win-win arrangement that is personal financing services. Instead of waiting for years of funds to build, the purchasers have the chance to improve their level of living right now. Personal finance options help manufacturers reduce inventories and increase demand. It is a form of sales training for dealers. For a financing corporation, it's about making money. Consumer finance refers to the lending between a buyers and a lender. Sometimes the lender can be a financial institutions or a financial institution. Other times, the lender can be an institution that extends in house credit in return for the business of the buyers. personal financing services would encompass nearly any form of lending business that can lead to the extension of credit to a buyers.

1.4: Buyers Durable Finance:

"Buyers durable finance refers to financing the purchase of a durable goods, such as a TV, washing machine, etc. The term "buyers durable finance" refers to it. Customers have still another compelling reason to select 0% interest buyers durable credit when making durables purchases since buyers durable finance offers 0% interest on durable products. Buyer durable finance plans are typically provided in the showroom or at the dealer location (point of sale). In addition to consumers, lenders, manufacturers, and merchants also benefit. The resulting rise in sales and increased consumer preference for high-margin products benefits manufacturers. Customers, especially those with certain income levels, can use financing programs to acquire items in advance and pay back installments over time by using future income flows. The 12/4 scheme is currently the most widely used finance plan in the market. Under this plan, the financier receives the user's advance initial deposit for the first four months and then pays the dealer the whole amount. The user repays the financier the remaining amount in eight installments. Usually, the manufacturer pays the lender for the interest and processing fee. Although purchasers durables finance seems to be doing well, significant growth would require manufacturers' sustained assistance, as they are currently essentially subsidizing the interest cost.

1.5 Who is eligible for a buyers credit facilities?

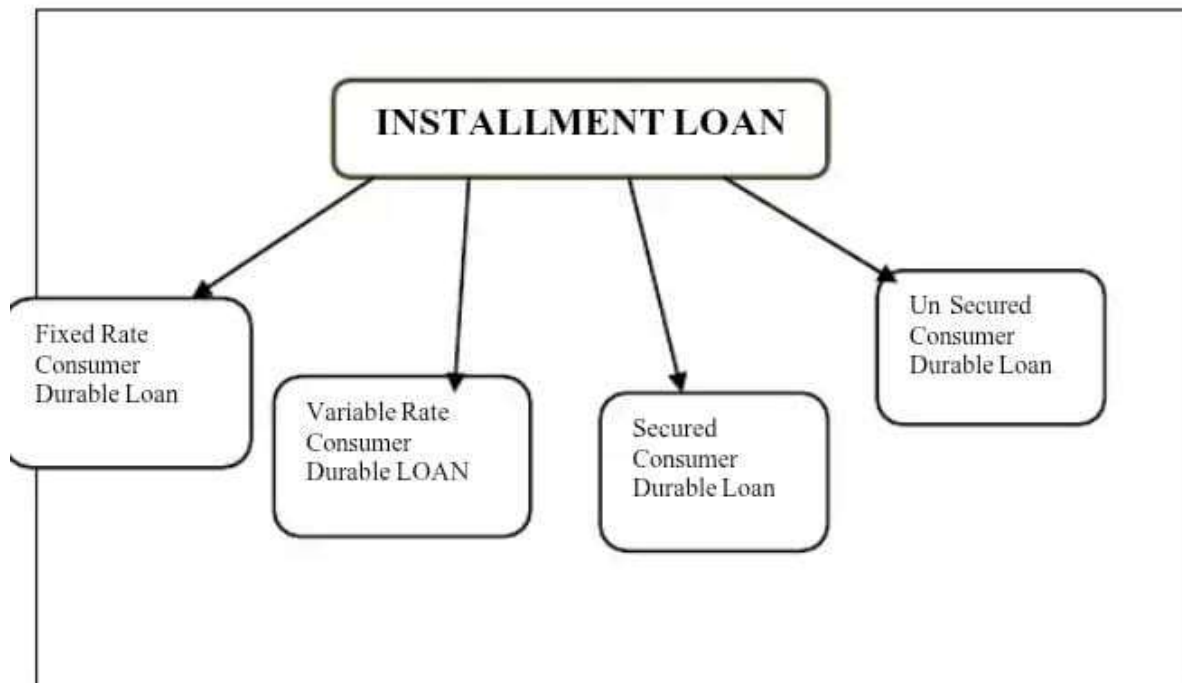
If you are a monthly income earner aged over 21 with a monthly monthly income of Rs 18,000 (Rs 15,000 for HDFC financial institutions monthly income Account holders), you can avail of a buyers credit facilities. If you are self-employed above the age of 26 with tax returns of income over Rs 1.5 lac, you can avail of a buyers credit facilities.

1.6 Types of installment-based finance for household goods

A installment-based finance for household goods is a credit facility which may be taken to purchase buyers durable goods such as household appliances, electronics, etc. An installment credit facilities is the most common type of installment-based finance for household goods. An installment credit facilities is a separate category of personal credit facilities from that of an installment payment conversion made through a payment card/debit card as no card is used to

purchase something and or to plan installment-based payment. Defining an installment credit facilities and its sub types is as follows:

INSTALLMENT credit facilities:-



Installment credit facilities:

These are the most popular type of installment-based financing for home goods, and they are repaid according to a prearranged plan in weekly, bi-monthly, monthly, or fortnightly installments. Such installments may have time-based or fixed interest. Further, these buyers credit facilities could be secured or unsecured credit facilities. Based on these varied features, installment credit facilities could also be classified as follows:

Fixed rate installment-based finance for household goods:

Most buyers credit facilities provided to the borrowers are fixed borrowing cost(s) credit facilities under the same procedure under which other borrowing cost(s) on personal credit facilities are levied. The buyers credit facilities, as designated, also have a fixed rate of interest throughout the tenure of the credit facilities.

Variable rate installment-based finance for household goods:

With a variable rate buyers credit facilities, the borrowing cost(s) applied to outstanding balances fluctuates when market borrowing cost(s) shift. So, so will your interest charges. Such credit facilities generally include limits on how high or how low the borrowing cost(s) can float.

Secured installment-based finance for household goods:

Secured credit facilities are credit facilities backed by assets as security. Secured buyers credit facilities in India are typically followed by hypothecation of the bought product. financial institutions also provide installment-based finance for household goods against other documents like fixed deposits, RBI Bonds, gold jewellery, LIC policy, etc. borrowing cost(s) are thus typically lower for secured installment-based finance for household goods. In the event that you are

unable to repay the credit facilities for any reason, your security can be withdrawn by the financier to compensate for their loss.

Unsecured installment-based finance for household goods:

Most prevalent are installment-based finance for household goods that are not secured. There is no collateral of any form that needs to be furnished by the borrower. Interest on an unsecured credit facilities can be higher than in the secured version. The majority of the financial institutions and financial institutions that provide installment-based finance for household goods provide them at competitive terms like the interest on personal credit facilities. During times like festivals you can even get special offers with nil or zero processing fees and an effective rate of 0%.

1.7 Factors Affecting installment-based finance for household goods borrowing cost(s)

Although there are a few lenders who advance installment-based finance for household goods at 0% borrowing cost(s), there are a few other lenders who also charge interest on installment-based finance for household goods. The interest, charged by a lender, not only varies with the financial institution, but also with the profile of the applicant.

A three-digit numerical summary of your credit report or credit history, your CIBIL rating falls between 300 and 900. Because it shows that you are more credit-worthy, the closer your score is to 900 (750 and above for a CIBIL score, for example) the more likely you are to be eligible for installment-based financing for home items. Additionally, it facilitates your ability to obtain money on more favorable terms, including a reduced interest rate.

Facilities for credit Amount: The applicant will typically pay a higher interest rate for larger credit facility amounts. This is because larger credit facility amounts typically result in larger installment payment payouts, raising the lender's default risk.

credit facilities Tenure: Longer repayment tenures usually come with higher rates of interest and vice versa.

Current Outstanding Debt: A Excessive rate of charge could be charged on buyers credit facilities in case of applicants with high existing debt as this is perceived to increase the risk of default for the lender.

1.8 Is installment-based finance for household goods secured or unsecured?

installment-based finance for household goods are classified as unsecured credit facilities and do not require you to allocate any form of your asset as security against repayment of credit facilities, in contrast to secured credit facilities.

1.9 Features of HDFC financial institutions installment-based finance for household goods

No Extra Cost installment payment: You can pay back HDFC installment-based finance for household goods as per your convenience in a period of 3 months to 36 months.

Flexible Repayment Tenure: You can repay the installment-based finance for household goods from HDFC as per your convenience within a tenure starting from 3 months and up to 36 months.

credit facilities Amount: The lowest amount loaned under this scheme is Rs. 10,000 and the highest amount loaned for buyers durables is Rs. 5 lakh. For lifestyle products you can take up to Rs. 15 lakh credit facilities to finance your purchase.

Instant Approval and Quick fund release: HDFC installment-based finance for household goods is processed and approved instantly. So, you need not delay your purchase.

Minimal to No Documentation: HDFC financial institutions offers this credit facilities with little or no documentation at all making it easy and convenient to apply.

No initial deposit: You are not required to make any initial deposit for purchasing your desired product under this scheme because the financial institutions provides 100% finance that you can repay by way of monthly EMIs.

1.10 HDFC financial institutions installment-based finance for household goods borrowing cost(s)

HDFC financial institutions installment-based finance for household goods comes with reduced rates of interest between 0% (no cost installment payment) and 18% per annum depending on the offer made. The interest is charged on the reducing balance basis, i.e. interest is charged on the outstanding amount only and not on the entire credit facilities amount at the start. As a result, you save considerably on the interest part.

1.11 OBJECTIVE OF STUDY :

Primary Objective:

- To Understand The credit facilities Process.
- To Know New And Existing Customers Are Taking credit facilities.

Secondary Objective:

- To Understand What Is An installment payment Card ?
- To Study Advantage Of installment payment Card.
- To Study The Features And Benefits Of installment payment Card.

1.12 Extent of research

How will HDFC financial institutions maintain its position in the current market and introduce new offers to customers, considering the intense competition due to the increasing number of financial companies entering the industry?

CHAPTER -2

INFORMATION OF ORGANIZATION

2.1 PROFILE OF financial institutions



Type	:- Private sector financial institutions
Industry	:-monetary support
State Head	:-Updeep singh
Revenue	:-116,597 crore (2019)
Operating income	:- 23,263 crore (2019)
Net income	:-21,078 crore (2019)
Total assets	:-1,189,432 crore (2019)
Number of employees	:- 104,154 (June 30, 2019)
Website	:- www.hdfcbank.com

Services offered :-wholesale banking, retail banking, auto credit facilities, two wheeler credit facilities, personal credit facilities, credit facilities against property, installment-based finance for household goods.

With its main office in Mumbai, HDFC Financial Institutions Limited is a well-known Indian provider of banking and financial support services. In terms of assets and market capitalization, HDFC Financial Institutions is the biggest private sector financial institution in India as of April 2021. With a market valuation of \$122.50 billion, it is the third-largest corporation on Indian stock exchanges. Furthermore, with almost 120,000 workers, HDFC Financial Institutions ranks as the fifteenth largest employer in India and is one of the top employers in the nation.

2.2 BRANCH PROFILE

Name of Branch :-HDFC financial institutions,Palwal

Branch Manager :- Updeep Singh

Branch Code :-2056

IFSC Code :- HDFC0004762

MIRC Code :-5292405011588

REGION :- West-Haryana

E-Mail :- i.support@hdfcbank.com

Slogan :- “we understand your world”

2.3.1 Mission

The goal of HDFC Financial Institutions is to become "A World-Class Indian financial institutions" by integrating with international standards and best practices in the areas of technology, risk management, service quality, product offerings, audit, and compliance.

2.3.2 Vision

To be a customer-focused and well-managed organization that holds a leading position in the market for providing housing finance.

2.4 History

With its registered office in Mumbai, Maharashtra, India, HDFC Financial Institutions was founded in 1994 as a division of the Housing Development Finance Corporation. Manmohan Singh, the Union Finance Minister at the time, officially opened the financial institution's first corporate office and full-service branch at Sandoz House, Worli.

HDFC banking institutions operated a distribution network with 5,500 branches in 2,769 cities as of June 30, 2019. In the fiscal year 2017, the financial institutions additionally issued 18 million credit cards, 23.59 million debit cards, and 430,000 point-of-sale terminals. The banking institutions had 116,971 permanent employees as of March 21, 2020.

2.5 Products And Services

A vast array of goods and services are provided by HDFC Financial Institutions, such as retail and wholesale banking, treasury management, and several kinds of credit facilities like auto loan facilities, two-wheeler credit facilities, personal credit facilities, credit facilities against property, installment-based finance for household goods, and lifestyle credit facilities, along with payment card services. In addition to these, the financial institutions also provides digital platforms and solutions like PayZapp and SmartBuy for enhanced customer convenience.

2.6 Mergers And Acquisitions

In February 2000, HDFC financial institutions merged with Times financial institutions, marking the first-ever merger between two new-generation private sector financial institutions. Times financial institutions was originally promoted by Bennett, Coleman & Co. Ltd., widely recognized as The Times Group, India's largest media organization.

Centurion Financial Institutions of Punjab (CBOP) was purchased by HDFC Financial Institutions in 2008. The ₹95.1 billion acquisition agreement was approved by the board of financial institutions, making it one of the biggest mergers in the monetary support systems industry in India.

A 9.99% ownership investment in FERBINE, a Tata Group-sponsored company founded to create a national umbrella organization for retail payment systems akin to the National Payments Corporation of India (NPCI), was acquired by HDFC banking institutions in 2021.

Using the Visa global card network, HDFC banking institutions and Paytm collaborated to introduce a range of credit cards in September 2021.

2.7 Investments



A HDFC branch

In March 2020, HDFC Ltd. (the parent company of HDFC financial institutions) invested ₹1,000 crore in Yes financial institutions. According to the Reconstruction Scheme of Yes financial institutions, 75% of this investment would remain locked in for a period of three years. On 14 March, Yes financial institutions issued 100 crore equity shares with a face value of ₹2 per share, at a price of ₹10 per share (including a premium of ₹8), to HDFC Ltd. This transaction resulted in HDFC holding 8.97% of the post-issue equity shares capital of Yes financial institutions.

2.8 Listings And Shareholding

The Indian National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) both trade HDFC financial institutions' equity shares. JP Morgan Chase financial institutions issue the financial institutions' American Depositary Receipts (ADRs), which are listed on the New York Stock Exchange (NYSE).

Due to insufficient trading volumes, the Board of Directors later delisted the Global Depositary Receipts (GDRs) of HDFC financial institutions that had previously been listed on the Luxembourg Stock Exchange.

2.9 Awards and recognition

2021

- The FinanceAsia Country Awards named them the best financial institutions in India;
- The Asia Money Best Financial Institutions Awards named them the best financial institutions for SMEs;
- The Euro Money Awards for Excellence named them the best financial institutions in India.
- The Euromoney Private Banking and Wealth Management Survey ranked it as the top-ranked mass-affluent category.

2020

- Received the title of Best Financial Institutions in India from the FinanceAsia Country Awards;
- Won Best Financial Institutions: New Private Sector at the FE Best Financial Institutions Awards;
- Acknowledged for Innovation and Inclusivity in Priority Sector Lending at the 11th Inclusive Finance India Awards;
- Honored as the Best Financial Institutions in India by the Euromoney Awards

2019

- Named India's Best Financial Institutions by the Euromoney Awards for Excellence 2019;
- Selected as the Best Large Financial Institutions and Financial Institutions of the Year by Business Today – Money Today Financial Awards 2019;
- Placed first in the 2019 BrandZ Top 75 Most Valuable Indian Brands list, appearing for the sixth consecutive year;
- Featured in the Most Honored Company List by the Institutional Investor All-Asia (ex-Japan) Executive Team;
- Ranked 60th globally and included in the 2019 BrandZ Top 100 Most Valuable Global Brands for the seventh year in a row. The brand value of the financial institutions rose from \$20.87 billion to \$22.70 billion between 2018 and 2019.

The 2019 Business World Magna Awards' Best Large Financial Institutions and Fastest Growing Large Financial Institutions The top private sector banks in India include Dun & Bradstreet. Company of the Year: The Economic Times

Corporate Excellence Awards, BFSI Awards 2018 Aadhaar Excellence Awards: Top-Performing Private Financial Institutions in Aadhaar Generation & Update National Payments Excellence Awards, or NCPI.

Chapter -3

RESEARCH DESIGN AND METHODOLOGY

3.1: Introduction:

In general, research is the process of gaining knowledge. It can also be defined as a methodical, scientific inquiry meant to gather pertinent data on a specific topic. Research is essentially the art of carrying out scientific investigation. According to a different definition, research is any in-depth study or inquiry done by a person in any field of knowledge in order to find new facts.

The approach of gathering and analyzing data for a research study is referred to as study approach. Key aspects of study approach include the accuracy and credibility of data, ethical considerations, consistency in measurement, and maintaining a logical flow in the research process.

Research is essentially a structured, methodical, data-driven scientific investigation focused on addressing or solving a clearly defined problem. It involves seeking out answers or solutions through critical inquiry.

At its core, research is a human intellectual endeavor focused on discovering something novel. This discovery may relate to a product, process, service, or system, and may even take abstract forms such as a concept, idea, mental approach, or strategic framework.

3.2: Meaning of Research:

- Research involves the uncovering, development, and confirmation of facts.
- It is a systematic effort to find both intellectual and practical solutions to problems by applying scientific methods within the realm of knowledge.
- Research becomes essential when individuals, organizations, or societies encounter challenges that lack clear answers or when existing answers appear conflicting or inconsistent.
- The purpose of research is often to resolve debates, clarify contradictions, address misunderstandings, and settle disputes related to the nature of certain elements of the universe.
- Research follows a methodical process aimed at making generalizations and establishing theories.

3.3: Definitions:

The Oxford Advanced Learner's Dictionary of Current English defines research as a comprehensive study or in-depth inquiry, especially one conducted to find new information in any field of knowledge.

Clifford Woody:

According to one definition, research is a methodical process that includes problem identification and redefinition, hypothesis development or suggested solutions, data collection, organization, and analysis, and conclusion drawing. Lastly, it involves putting these findings through a rigorous testing process to see if they support the initial theories.

Kerlinger:

Research is a methodical, regulated, objective, and analytical inquiry into theoretical assumptions concerning the assumed relationships among natural phenomena.

P. V. Young:

A methodical strategy to researching, evaluating, and comprehending social life with the goal of advancing, modifying, correcting, or validating information—whether that knowledge aids in the creation of theory or the actual application of an art—is known as research.

Black and Champion:

Establishing causal correlations between variables is the aim of scientific research, which collects data through actual observation and uses it to methodically develop logically connected propositions.

3.4: Characteristics of Research:

1. Forecasts of future events.
2. Guidance for the answer.
3. Observation and description accuracy.
4. Experience is the foundation of inquiry.
5. New data collection.
6. A scientific program is research.
7. Expansions of theoretical principles.
8. Look for the solution.
9. Activity of the patient.
10. Relevance to society.
11. Logical and objective
12. A thoughtfully planned tempo
13. Expertise requirements.
14. Knowledge discovery, development, and verification task
15. Thorough critical analysis.

3.7: Sources of Data:

Exploratory in nature, the study primarily uses secondary data. The information was gathered from:

- Books on CD Loans,
- Articles, magazines,
- Research papers,
- Firm websites,
- Comparable MBA projects,
- The Internet of Things

3.8: Objective of Project:

1. To have a look at different financial schemes of HDFC FINANCE in today's Era.

2. To see towards the credit facilities process for durable product at HDFC FINANCE with the help of caselets ,specifically HARYANA State.
3. To study the surrogate of the HDFC FINANCE with references to cases.

3.9: Scope of the Project:

This project falls within the purview of Haryana's HDFC FINANCE Lending. Additionally, the researcher just examines personal finance services.

3.10: study approach:

The study uses primarily secondary data and is exploratory in nature. The information was gathered from a variety of sources, including company websites, articles, magazines, research papers, MBA projects, the Internet of Things, and annual reports from businesses.

3.10.1: Time Frame:

Owing to a three-month time limit, I have gathered five caselets, four of which have been accepted and one refused.

3.11: Limitation of the project:

1. Only installment-based financing for household products is included in this analysis.
2. The restricted policies of the installment payment system can occasionally cause client dissatisfaction. It is highly typical in today's business operations.

3.12: Key concepts:

- Lending: A lender is an individual or organization that provides a credit facilities. This means the lender advances money to a borrower with the expectation that it will be repaid within an agreed timeframe, typically along with interest.
- Surrogates: A surrogate refers to the documentary requirements needed as part of the credit facilities approval process.

Scheme Chart :

Various types of schemes are given below:

Schemes	Description
12/4	It means the 4 months payment will be taken as an advance and remaining payment will be distributed in 8 months .
10/2	It means the 2 months payment will be taken as an advance and remaining payment will be distributed in 8 months .
18/6	It means the 6 months payment will be taken as an advance and remaining payment will be distributed in 12 months . And it is long term scheme.
24/6	It means the 6 months payment will be taken as an advance and remaining payment will be distributed in 18 months . And it also long term scheme.
10/0	It means there is no any advance payment will be taken, all payment will be distributed in 10 months .

Table No.3.1: Scheme Chart for loan approval

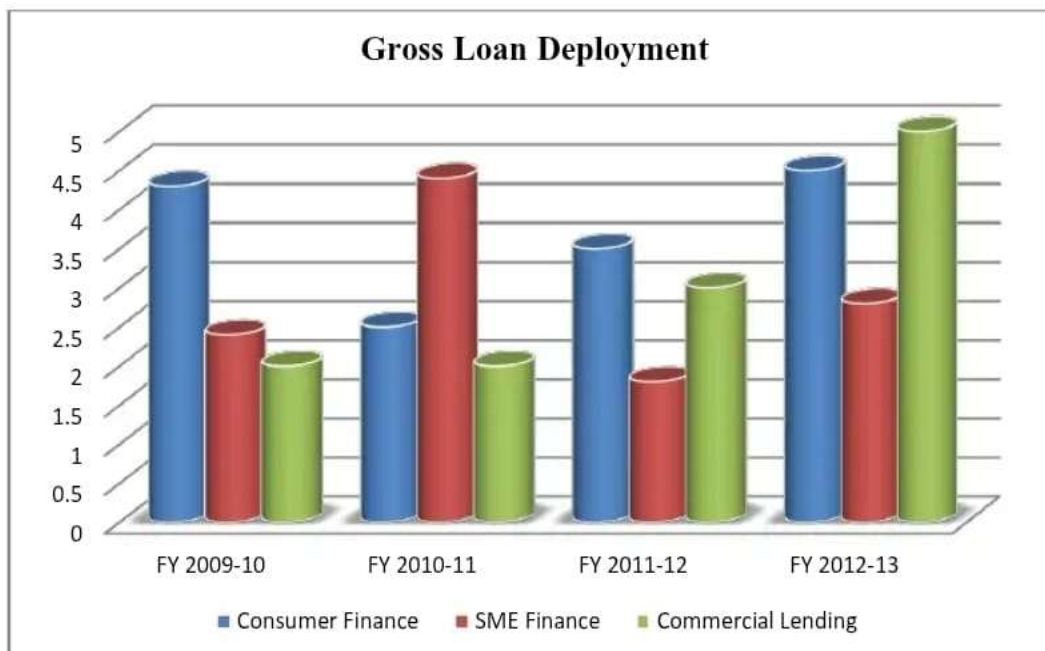
Chapter -4

Analysis and interpretation data

Gross credit facilities Deployment

Interpretation:

The graph below illustrates the credit facilities distribution for the year across various sectors. It shows that the personal financing services sector has experienced faster growth compared to the SME finance and commercial lending sectors.



4.1CASE STUDY:

Case No.1

Applicant' Name	Mr. Jai shankar Kumar
Age Span	43 veer
Permanent Address	Gandhi ghar, Asaoti ,Palwal
Residential Addres institutions,Palwal,Haryana121102	City Park, ITI Road nearICICI financial
Occupation	Service
Company Name	Gunnu knits, PALWAL
monthly income	69,999/-PM
Purchases	Surya LED TV 2.0
Surya W/M	

Associated Cost

Rs.39,999

Rs.34,999

Document Required for credit facilities

Address Proof:-financial institutions Statement

ID Proof: - Pan Card or Voting Card or DL

earning verification documents:-SBI payment card (Platinum)

Problem

Residence proof

PARTICULARS	ELIGIBILITY CRITERIA	APPLICABLE OR NOT
Occupation	Service	✓
Institution Name	Gunnu knits	✓
Pay	Rs.8,40,000 PA	✓
Residence	Rented	✓
Place	PALWAL	✓
Documents req.		
Address prof	Bank doc.	✓
ID prof	PAN card,Voting card	✓
Credit card	SBI credit card(Platinum)	✓
Products		
Surya LED TV 2.0	Rs.39,999	✓
Surya W/Machine	Rs.34,999	✓

Solution:-

a. installment payment and initial deposit calculations:

(Ref. Table No.3.1) Scheme: 12/4

Product Cost: Rs. 75,000

Rs. 24,999 as a initial deposit (Rs. 75,000/12*4)

installment payment: 6250 rupees * 8 months = 50,000 rupees

b. The credit facilities Approval Process:

I. The minimum monthly income required to obtain a credit facilities is Rs. 8,000 and above. Since Mr. Jai Shankar Kumar makes Rs. 69,999 per month, he is eligible for a credit facilities.

II. Mr.Jai shankar Kumar must provide a payment card statement or rent agreement that shows his current city address as evidence of address for a credit facilities.

III. He must present his passport, PAN card, or voting card as identification.

Case No.2**Applicant's Name**

Ms.Palak Gaur

Age span

21year

Residential AddressJatola Village, Behind Sharma Dhaba,
Gadpuri, Palwal -121102**Occupation**

Service

Company Name

Escorts,Delhi-NCR

Monthly income

60,000/-PM

Purchase of Products

I. LG Freez

Cost Associated

Rs.35,999

Document Required for credit facilities

Address Proof:-Rent Agreements

ID Proof: - Pan Card or Voting Card or DL. And marriage Certificate.

earning verification documents:-3 Month financial institutions

Statement.

Problem

ID Proof

Name of the Applicant- Ms. Palak Gaur

PARTICULAR	ELIGIBLE	APPLI. OR NOT
OCCUPATION	SERVICE	✓
INSTITUTION NAME	ESCORTS	✓
PAY	Rs.7,20,000 PA	✓
RESIDENCE	RENTED	✓
PLACE	PALWAL	✓
DOCUMENTS REQ.		
ADDRESS PROF	RENT AGGREMENT	✓
ID PROF	MARRIGE CERTIFICATION	✓
BANK STATEMENT	3 MONTHS BANK STATEMENT	✓
PRODUCT		
LG Freez	Rs. 35,999	✓

Solution:

a. installment payment and initial deposit calculations: Scheme: 12/4 b.The product costs Rs. 36,000.

initial deposit:- Rs.12, 000

installment payment: (3000)/- for 8 months i.e,24,000

c. How the credit facilities is approved:

I. She is eligible for the credit facilities because her monthly income is 60,000 PM, even though the minimal monthly income should be 8000 PM.

II. If the lender decides to leave on the rent basis, they must produce the rent agreement, which should be on stamp paper worth Rs.999, in accordance with the credit facilities approval document requirements. The requirements for this paper were met by Ms.Palak Gaur.

III. The PAN card, voting card, and driver's license are needed for the ID proof.

The issue with Ms. Palak PAN card is that it does not reflect her present name, which was changed following her marriage. We have taken a copy of the PAN and marriage certificate in order to solve this issue.

IV. She must provide a payment card, an existing customer, a financial institutions credit facilities, and three months' worth of financial institutions statements in order to prove her income. She has three months' worth of financial institutions statements from February to May, along with her CIBIL score of 780.

Case No.3

Applicant's Name	Mr.Ram Prasad
Age span	41year
Residential Address	Shree Niwas, Rajeev colony near Croma Showroom.sec-56A Faridabad-121004
Occupation	Service
Company Name	Century pvt. Ltd.
Monthly income	90.000/-PM
Purchase of Products	Surya TV
Cost Associated	Rs.50,000
Document Required for credit facilities	System Error I. Add. Proof:-Elec. Bill, Tele. Bill, Passport II. ID Proof: - PAN or DL or PasVoting Card or Dsport III. earning verification documents:-HDFC Credit

Problem The HDFC Dedupe **that the system displays indicates that there is an issue with the credit facilities database of the HDFC FINANCE lending application.

Mr. Ram Prasad(Existing Customer)

Particular	ELIGIBILLE	APPLI OR NOT
OCCUPATION	SERVICE	✓
INSTITUTION NAME	Century pvt. Ltd	✓
PAY	Rs. 10,08,000LPA	✓
RESIDENCE	OWN	✓
PLACE	Faridabad	✓
DOCUMENT REQ.		
ADDRESS PROF	PASSPORT	✓
ID PROF	PASSPORT	✓
CREDIT CARD	HDFC BANK	✓
PRODUCT		
SURYA TV	Rs. 50,000	✓

Solution:-

a. installment payment and initial deposit calculations: Plan: 10/0 Product cost: Rs. 52,000 250 rupees is the initial deposit (processing fee). installment payment: Rs. 52, 000 (Rs. 5200 * 10 Months). How the credit facilities will be approved:

b. Mr. Ram Prasad has an existing customer with HDFC FINANCE Lending who can pay the initial deposit using a credit or debit card in addition to cash. Thus, Mr. Prasad uses cash to cover the initial deposit..

c. When Mr. Prasad presented a copy of the NOC to HDFC FINANCE Lending, the credit facilities was denied due to a technical error. The company then resolves his issue by revising Mr. Prasad's prior credit facilities history.

d. The system needed a month to implement the database modifications, so once the changes were reflected, his credit facilities was approve.

Case No.4

Applicant's Name

MR.Roshan Kumar

Age span

27 year

Residential Address

OMAXE society,

Near.Alapur,

Palwal -121102

Occupation

Service

Company Name

DEE Development Engineers pvt.ltd.

monthly income

40.000/-PM

Purchase of Products

Panasonic TV

Hedge W/M

Cost of Products

I. Rs.40,000

II.Rs.42,000

Document Required for credit facilities

I. Address Proof:-Elec.Bill, Tele. Bill, Passport

II. ID Proof: - Pan Card or Voting Card or Driving License or Passport

III. earning verification documents:-ICICI financial institutions payment card

Problem

ID Proof Name

. Name of Mr.Akshaykadam on the payment card and Pan Card is mismatch i.e.AkshayKadam on payment card and AAKaashKKadam on PAN Card

Name of applicant:-Mr. Roshan Kumar

PARTICULAR	ELIGIBILITY CRITERIA	APPLICABLE OR NOT
Occupation	Service	✓
Institution Name	DEE Development Engineers	✓
Pay	Rs.3,60,000 PA	✓
Residence	Owned	✓
Place	Palwal	✓
Documents req.		
Address prof	Elec. Bill	✓
ID prof	PAN card	✓
Credit card	ICICI Bank	✓
Products		
Panasonic LED	Rs.40,000	✓
Hedge W/M	Rs.42,000	✓

How to approve the credit facilities:

I.Mr. Roshan Kumar possesses all the necessary documents, including residency documentation, proof of identification, and proof of income; the only issue he is experiencing is with the Identity prof.

Case No.5

Applicant' Name	Mrs. Jaanki
Age span	50 years
Permanent Address	Vill. Kheda, near JCB chowk, Sec-56A Ballabgarh-121102
Occupation	Own Business
Company Name	Omkar Trading
Purchase of Products	Havells LED TV Videocon Theater
Cost of Products	Rs.40,000 Rs.35,000

Document Required for credit facilities

I. Add. Proof:-Elec. Bill,

Index-II, Telephone Bill.

II.ID Proof: - Pan Card, Voting Card, DL. and Passport.

III. earning verification documents: - payment card. Any financial institutions credit facilities.

Problem

less CIBIL

CIBIL ScoresRequired Criteria:-

The minimum CIBIL score needed to approve a credit facilities is 750 or higher; Mrs. Jaanki's score is 710, which is below the requirements, so the credit facilities has been denied.

4.2: PROCESS ADOPTED:

Documentation:

1. Proof of residence
2. Identity Verification
3. Rejected Check
4. The payment card
5. monthly income Slip Latest (for salaried and government employees)
6. monthly income financial institutions statement for the last three months

7. The most recent, authentic, and courier-delivered phone bill (instant)

4.2.1: Application process for credit facilities approval:

- The first step is to make a pitch to the buyers. The second step is to go throughout the entire credit facilities process with 0% interest. After the buyers agree, request the necessary paperwork to approve the credit facilities, such as identification proof, residency documentation (such as a driver's license, voter ID, Aadhar card, and cancelled check). Selecting the customer's surrogate comes next when the documentation submission process is finished.
- The customer should complete the application form, after which the executives enter the customer's information into the sales force program.
- The Temp. credit facilities ID or unique case ID will be generated after the credit facilities process is complete. The company's approval department then has complete control.
- The next step is to create the credit facilities and product amount invoice when the credit facilities have been approved and the customer has signed the agreement document, which contains the terms and conditions.
- A memo of disbursement is generated based on the invoice.

- The disbursement memo will be sent to the HDFC FINANCE branch office in Pune along with the credit facilities procedure paperwork. The operational section of HDFC FINANCE then examines each of the documents that are connected.

- These documents are sealed with an approval stamp once the company's lending procedure is completed.

Surrogates Required for credit facilities Approval:

There are three types of policy as below:

A.WOW Policy

B.WOW Lite Policy

C.WOW Extension Policy

A.WOW Policy:

The WOW Policy is mostly used for customers who have credit cards and are listed businesses. The maximum credit facilities to Value (LTV) is 83% to 90%, depending on the customer's documentation.

Following are the Surrogates included in that Policy:

- 2.1 payment card (Max LTV 83% up to 125000)
- 2.2 Listed Companies (Max LTV 90% up to 100000)
- 2.3 RC of Vehicle (Max LTV 83%)
- 2.5 Existing Customer (Max LTV 90% up to 50000)
- 2.6 CIBIL Score (Max LTV 90% up to 125000)
- 2.7 Salaried (Max LTV 90% up to 125000)
- 2.11 Instant

B.WOW Lite Policy:

Customers with net exposures up to \$24,999 to \$34,999 are covered by the WOW Lite Policy, and the maximum credit facilities to Value (LTV) for all surrogates is 83.333% in accordance with corporate regulations.

Correspondings are the Surrogates included in that Policy:

- 3.1 payment card (Max LTV 83% up to 35000)

- 3.2 Listed Companies (Max LTV 83% min monthly income 7500)
- 3.3 RC of Vehicle (Max LTV 83% up to 25000)
- 3.5 Existing Customer (Max LTV 83%)
- 3.6 CIBIL Score (Max LTV 83%)
- 3.7 Salaried (Max LTV 90% Min net monthly income 7500)

SURROGATES REQUIREMENTS FOR LOAN APPROVAL:

a.	WOW
2.1	Credit Card
	Silver – 25k
	Gold – 50k
	Platinum, Titanium, Visa Signature, Diner, American Express – 100k-125k
2.2	Listed Company (Government employee and listed company)
	Junior level – 25k
	Middle level – 50k
	Senior level – 100k
2.3	RC Surrogate (4 Wheeler Private use)
	Lower – 30k
	Middle – 50k
	Upper – 100k
2.5	Existing Customer – 50k
2.6	CIBIL Score
	< 700 – Rejected
	>700 but < 800 – 50k
	> 800 – 100k
2.7	Salaried
	15,000 to 24,999 – 25k
	25,000 to 49,999 – 50k
	Above 50,000 – 50k
2.11	Instant – 35k
2.21	Debit Card
	Normal – 15k
	Salaried – 35k
2.22	EMI Card – Upto 1 lakhs
b.	B. WOW Lite
3.1	– 35k
3.2	– 35k
3.3	– 35k
3.5	– 35k
3.6	– 35k
3.7	– 35k

CHAPTER-5

LEARNINGS & CONTRIBUTION TO THE ORGANISATION

Learnings of the Trainee;-

- Trainees at financial institutions discover and experience the true applicability of management functions and principles.
- Coordination between the branch manager and employees.
- Organizing all financial institutions-related tasks since, when performing any work in the financial institutions, any
- The branch manager highlighted the particular abilities that the employee needed.
- In a financial institutions or organization, working as a team.
- Making plans for upcoming daily tasks.
- In charge of the current work system.
- Employee direction is providing staff with rules and recommendations for daily work and its procedures to ensure seamless operation.

Contribution to the Organisation

Description of files	NO.
Loan file Passed	10
Fraud Caught	1

- I was responsible for informing clients about credit facilities options at HDFC financial institutions. I learned something new from this exercise, which made it quite intriguing.

- I did my job honestly from the first to the last day, saving HDFC financial institutions time on credit facilities approval by providing daily routing work.

Chapter -6

Recommendations

RECOMMENDATIONS

- Customers are not aware of the 0% financing plan. Thus, HDFC FINANCE ought to inform its clients about the 0% financing options.
- Customers believe that if they take out a durable credit facilities at 0% from HDFC FINANCE, they will be charged some hidden fees or taxes. Thus, HDFC FINANCE eliminates the customer's incorrect thinking and provides a thorough explanation of the credit facilities process.
- Initially, HDFC FINANCE had an installment payment card swiping mechanism, but they discontinued it owing to various issues. I believe HDFC should address this as it may save more time for both customers and sales executives, as well as serve more non-installment payment card users and quickly convert them to installment payment card holders.

Chapter -7

Observations

OBSERVATIONS

The area of the monetary support systems sector that lends money to private customers is known as personal financing services. Alternative lenders include financing companies, pay-day credit facilities services, and businesses that specialize in lending to buyers with bad credit, even though financial institutions and credit unions are among the lenders in the personal financing services sector.

Rates of Interest

An essential component of personal financing services is borrowing cost(s). Customers can benefit greatly from knowing how the borrowing cost(s) affects the total amount of their credit facilities.

Rating of Credit

A buyers's ability to secure acceptable personal financing services is influenced by their credit rating. In general, a buyers's personal CIBIL rating can be used to determine the likelihood that they will default on their credit facilities.

Chapter-8**Final Insight****FINAL INSIGHT**

Buyers credit services are offered by numerous organizations worldwide and are beneficial for economic resilience. economic resilience is crucial for both individuals and enterprises, as well as for buyers. In terms of financial problems, both buyers and businesses require stability because, in the long term, no one can be very inventive without it.

Chapter-9**QUESSIONNAIRES& ANNEXURE****QUESTIONNAIRES**

1. Information about personnel?

a) Name. b) Profession.

b) Gender. d) Age.

2. How much do you make each year?

a) Under one lac. b) One to one and a half lacs.

d) 1.25–1.50 lacs. d) 1.50L to over 1.50L.

3. Have you previously taken out a credit facilities?

a) Sure. b) No.

4. Which financial institutions, if any, is it?

Government (a) and private (b).

5. How much was borrowed?

a) Under fifty thousand. b) 50,000–100,000.

c) 100,000–200,000. d) 200000 and above.

6. Describe borrowing cost(s).

a)9%,b) 9.5%,

c) 10%, and if otherwise.

7. Security types?

a) Home, b) land,

c) gold, & d) everything else

ANNEXURE:

➤ Process of Granting credit facilities:

1. Documents needed:

When applying for a buyers credit facilities, you will require very little paperwork.

These consist of:

- Proof of income;
- Proof of identity and signature;
- residency documentation;
- Recent photos

• Professionals and independent contractors could have distinct documentation requirements. When you apply, please check with your financial institutions.

2. Different requirements: As stated in surrogates, there are different slabs based on which clients can receive credit facilities.

Chapter-10

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