



PERSONAL LOAN CUSTOMERS IN COIMBATORE DISTRICT WITH RELATIONSHIP OF BANKS AND NON-BANKING FINANCIAL COMPANIES.

**Dr. M.
Somasundaram,
Ph.D.,**

ABSTRACT Personal loan can be used for various purpose and normally it will be used for education fees, marriage expenses, purchasing furniture and household items. We can use it for medical expenses need also. This is unsecured loan and offered by the banks and financial companies without taking any collateral security. Some of the institute may expect guarantor for this loan since they want to avoid more risk. It is very helpful to the end users for their personal use and now they can easily get it from banking and financial institution based on their salary/income criteria.

KEYWORDS : Personal Loan, Use, Bank, Finance, Income

1.1 Introduction:

Personal loan is a simple process loan with minimal documentation and being provided reasonable time. The bank will require basic know your customer documents like proof of identity, residence along with income proof. After verifying the documents and checking the borrower's credit score with Credit Information Bureau (India) Limited commonly known as CIBIL, the bank or finance may take the decision on this loan. Normally CIBIL score should be equal or more than 700.

1.2 Personal loan process:

Once the customer qualified for the personal loan, it may take 2 days' time for the process and disbursement of loan amount. The personal loan repayment is in equated monthly instalments and repayment period normally from 12 months to 60 months. Various bankers and Non-banking financial companies are providing this loan to the customers.

1.3 Repayment history:

This will help the bank and finance ascertain our track record for payment of EMI of any loan or the payment of the credit card bills. In case we have paid all your previous EMIs and credit card bills on time, chances are there getting the loan is higher.

1.4 Objective of the study:

- 1) To know the age group of the customers.
- 2) To understand about the customers' educational level.
- 3) To determine that in which institute they have availed this loan.
- 4) To find out that which Bank and Non-banking finance company is leading in Coimbatore district by way of providing personal loan.

1.5 Selection of the customers:

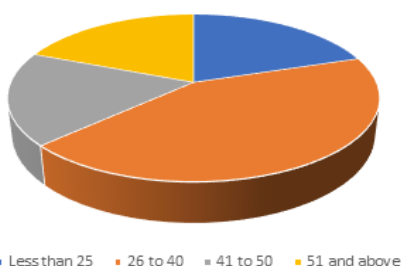
For this study, we have selected the customers from Bajaj Finance Limited, Fullerton India, HDFC Bank and Axis Bank in Coimbatore District. We have taken 100 customers from these four institutions.

1.6 Limitation of the study:

It deals with only two banks and two non-banking financial companies in Coimbatore District.

2.1 This chart shows about age of the respondents:

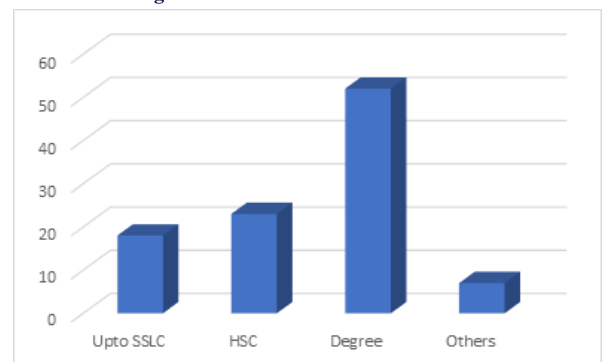
Age of the respondents:



With the help of the above chart, we have known that 20% customers are less than age with twenty-five, 43% customers are between twenty-six to forty age group, 18% between forty-one to fifty and 19% from fifty-one and above age category.

2.2 This chart shows about education background of the customers:

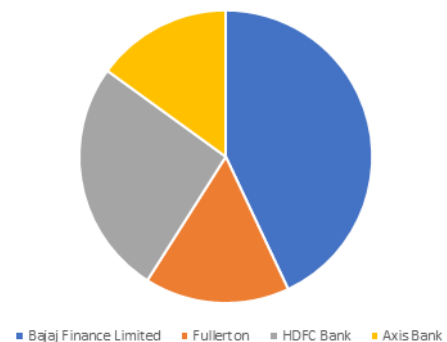
Education background of the customers:



With the help of the above chart, we have known that 18% customers are up to SSLC education level, 23% customers are with HSC (Higher Secondary), 52% with degree level and 7% from other educational background category.

2.3 This chart shows that where personal loan availed by the customers like Bank and Financial Companies:

Personal Loan offered Banks/Non-Banking Financial Companies:



With the help of the above chart, we have understood that 43% customers availed loan from Bajaj Finance Limited, 26% customers from HDFC Bank, 16% from Fullerton and 15% from AXIS Bank.

Findings and Conclusions:

- Customers can calculate and avail very low rate of interest for their personal loan based on the competition.
- Borrowers to honour their EMI cheques on time and avoid the legal issues from the bankers and financial companies.
- Customers can have their EMI ratio with their income level always with 1:4 calculations and this will help them for making on time repayment.
- CIBIL is an important tool to the bankers for determining about their loan sanctioning. Borrowers can maintain their credit record as good one with all the bankers and financiers always.
- Bajaj Finance Limited is leading in Coimbatore District with 43% by way of providing personal loan with good rate of interest and good customer service when considering with other three bank/financial companies.
- Borrowers are majority with age of 26 to 40, Educational background of 52% with degree (Graduate) level.

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