

STUDY OF PERSONAL LOAN AND ANALYSIS OF PEOPLE PERCEPTION ON HDFC & SBI BANK

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Abstract - This research work is descriptive and empirical work and the researcher used primary and secondary data to complete the research work. The total research work was completed in five major chapters. Meaning, Introduction, study of literature, research method, data analysis and results and conclusions and results. Study is focus on latest current customer perception towards personal loans.

Keywords: banking, personal credit, economy.

I. INTRODUCTION

The Oxford Dictionary defines a bank as “a money-lending institution,” which pays for a customer order. The development of any country depends largely on the banking system. The banking business has done miraculous roll for the global economy. Banks create financial mediators by accumulating savings and converting them into currencies. It is well-known that banking plays a calm, yet important role in our daily lives. Banking services these days include the issuance of bank and credit card issuance, essentials, keys, ATM services and online transfers nationwide / worldwide. An easy-to-use way of earning money from depositors and borrowing the same money from borrowers improves the flow of money into the use and investment of banking services. This in turn allows the economy to grow. If there is no banking business, the money saved will remain gathering dust in our homes, entrepreneurs will not be in a position to raise and borrow money, and general people who have dream of to buy a new car or new house will not be able to buy cars or houses.

There are various types of banks operating in our country to cater for the financial needs of different types of people engaged in agriculture, trade, industry etc. In terms of jobs, banking

institutions in India can be divided into the following categories:

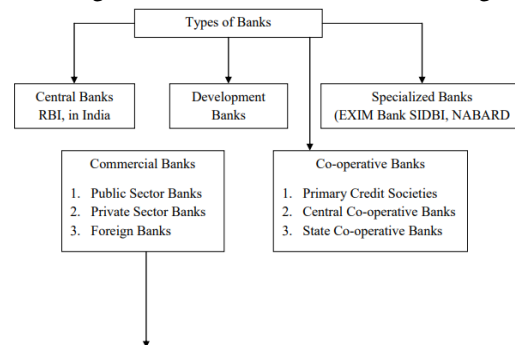


Fig 1 Types of Bank

Personal loans can be taken with anything for a wedding, to holiday, or at any purchase of a life product or medical health emergency. The personal loan is an unsecured loan provided by banks and non-bank financial institutions without taking any collateral security, although some banks demand on the guaranteed purpose that it is not valuable to the bank as long as it is not unpredictable. Personal loans can go a long way in eliminating consumer debt and can now easily get loans from banks and private equity depending on their qualifications such as income and business income.

A personal loan is a simple and easy process to get your money in small amounts and in a timely manner. The bank will need borrower documents related to proof of identity, proof of residence and proof of income / ITR for the past 3 years to start the fair loan approval process. After reviewing the documents and verifying the loan with Credit Information Bureau (India) Ltd., also known as CIBIL, the bank can decide whether to approve or reject the loan. Main basis of approval is customer previous track, current loan liability as well previous loan repayment. Bankers often check

their CIBIL score of 700 or more. The credit for establishing a consumer loan is usually unsecured and depends on the consumer's loyalty and ability to loan repay. The personal loan process takes approximately three days or more to repay the loan when the borrower is eligible for the loan. Personal loan repayments are equal monthly installments and the term of office varies from 1 to 5 years. It is recommended that the borrower contact as many banks as possible and offer him or her loan offers. After that she can try to negotiate with them and choose the most efficient option for customer. The lender will have to consider the processing fee and the minimum payment when making the filing. Always remember to take out your debt as soon as possible. Classified as unsecured loans, these loans are often more expensive compared to any other loans, such as gold jewelry, high value commitment insurance policies. Eligibility of Personal loans is provided by various banks and non-bank financial institutions (NBFCs) basis of pre define policy. There are a number of factors that affect your creditworthiness.

The following are some of the factors that a bank or NPFC should consider when deciding on a credit rating. Financial Background This is the most important parameter that determines whether we are eligible for a loan and also determines the amount of personal loan you are entitled to. This will help the bank to understand how to repay the loan properly. Each bank will have a lower interest rate so that it can access individual loans. Credit history this will help the bank to know our EMI payment record or credit card debt for any loan. If we pay your previous EMIs and credit card bills on time, your chances of getting a higher loan amount. The company where we are working play vital role to loan acceptance and loan. If our company is A category company like so bank will charge minimum ROI and other charges but If company is belongs to B or C class company, it can be difficult for us to get a personal loan or it can be very expensive compared to someone working in A class company. This means that if we work for a subordinate company according to the bank, the mortgage rate of someone in a class B company will be very small.

Job experience also very important to factor. If your Job is stable or you have high experience so bank will charge lower ROI comparatively unstable job or lower job experience.

If there are any other debts we may have some debts from time to time and then our personal loan eligibility may decrease as we have already paying the previous loan EMI and any EMI with cash in hand compared to the case where we do not have it. Loan lenders in India are very easy to apply

for a personal loan these days. The personal loan market is full of competitors such as HDFC Bank, ICICI Bank, IndusInd Bank, Axis Bank, SBI Personal Loan and all public and private banks. Bajaj Finance Limited plays a major role in NBFCs. Other NBFC are Fullerton India Credit Company Limited and Shriram City Union Finance Limited etc.

Types of personal loans:

The personal loan is divided into two types; Personal Loan for Salaries class, Personal Loan for Self Employed class and Personal loan cross sell (Pre-Approved Loans).

An Overview of the Self-employed and Employment Scenario in Madhya Pradesh:

1. Salaried class Personal Loan:

Some of the general important criteria are:

The applicant must have a healthy and stable income of a ratio of 1: 4, ex. if personal income is Rs. 20000 Rs, EMI should not exceed Rs.5000 Rs.

The applicant must be between 21 and 60 years old.

Some of the institutional finance institutions lend to their outgoing client and have good records with them.

Stability is also an important factor. According to the lease phase, six months to one year of permanent residence is sufficient.

Original KYC verification must be required by banks, It is basis requirement all KYC documents such as proof of ID, proof of address, bank statement etc. must satisfy the concern manager.

2. Self-employed class Personal Loan: Some of the general important criteria are:

The applicant must be not less than 21 years of age and not more than 65 years of age at the end of the loan.

Bank transactions must be healthy.

Proof of business to understand the stability of the business.

Institution Some financial institutions request a copy of the latest income tax return, profit and loss and balance to understand the applicant's cash flow.

3. Personal Loan (Cross Sell):

Some of the general important criteria are as follow:

Bajaj Finance Limited plays a major role in this sector throughout India.

Proof The customer only needs to provide KYC documents such as proof of address, proof of ID and photo.

Personal Loan (Cross Sell) come basis of existing relation with bank of NBFC.

II. KEY OBJECTIVES

The main purpose of this study is to understand the impact of marketing as awareness of technological development is low and people living in those areas are very close to nature. This research work is a way to explore male- female, Married-Unmarried and explain their focus, influence and their ad-related emotions.

Low goals

Design and develop a process for evaluating customer credit systems from a customer perspective and side of the profession.

Identify the basics of customer bank lending schemes from a customer perspective and from a professional perspective

Thinking

H01. Bank lending schemes from a customer perspective and there is no significant and positive relationship between the two sexes on the employee side.

H02. There is no significant and positive relationship between married and single people in bank loan schemes from a customer and employee perspective.

H03. Overall Satisfaction for SBI & HDFC

Primary education

This study was natural research and translation. Data were collected by means of research and relationships between statistical variables were assessed using mathematical tools.

III. SAMPLE DESIGN

- Demographic Census covers all banks located in the Bhopal area of Madhya Pradesh
- Model Framework All Customers and Bankers.
- ANOVA Model Technology it is possible, a technology used that is deliberately designed and ready to identify respondents to a study. Equivalent feedback providers from all groups of people are guaranteed to minimize sample error.
- The Elements Model The Elements Model is a learning feature for each respondent
- Sample Size 425 Question papers are still being distributed but 415 are returned with the correct answer from the Bhopal respondents. The researcher collected data after building positive relationships with respondents.
- Secondary Data Researcher collects second data from various research essays and journals, books, journals, reports (government / company, newspaper, television) in print format and online from various

sources.

- Collecting Tools to be used for data collection the questionnaire will be used to measure all variables. Data will be collected in terms of 1-5 LIGERT, measurement process and test type (Y / N).

- Tools used for data analysis Internal stability b. Honesty c. Facts analysis d. Testing T. Frequency analysis f. Postponement g. CFA (Modeling Equation Modeling) by AMOS

Software used for statistical analysis Data collected with the help of various statistics using SPSS software is analyzed by the researcher. The Social Science (SPSS) version 20.0 version of Windows 7 will be used for data analysis and hypothesis testing. The data collected will be processed using Microsoft Excel 2010 with the help of various types of puzzles, charts and charts for Windows 7.

IV. DATA ANALYSIS & INTERPRETATION

Data Analysis for Customer Questionnaire Detail of Demographic Profile of Respondents Gender-wise Frequency Distribution, Process to obtain personal loans through banks, **And** Overall Satisfaction for SBI & HDFC

T-Test between Perception of Demographic Variables and Loan Schemes of Banks by Customer

Independent Samples Test between Perception Gender and Loan Schemes of the Banks by Customer T-test was applied to find out difference between perception of male and female gender for Loan Schemes of Banks.

H01. There is no relationship between male and female bank customer on Loan Schemes of Banks.

H02. Process to obtain personal loans through banks

H03. Overall Satisfaction for SBI & HDFC

T-Test

Table: One-Sample Statistics on Gender

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Gender	296	1.7703	.42137	.02449

Total 294 are male and 296 female. Group statistics table explore the mean value of Gender is 1.7703, for std deviation is 0.42137 and for std error mean is 0.02449.

One-Sample Test						
	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Gender	72.280	295	.000	1.77027	1.7221	1.8185

For gender Gender T value of 72.280, Mean Difference 1.77027

Process to obtain personal loans through banks

One-Sample Test						
	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Process to obtain personal loans through banks	0.384	295	.045	1.20270	1.1566	1.2488

Independent forms of lending procedures for banks to determine whether the equity is considered or not is beyond the scope of testing. The T value is .384 (<.5) critical .045, e.g. The value of T is not significant, so equal variance is considered. The T value is 0.384.

Level of education: **Report**

Report		
Education Level		
Mean	N	Std. Deviation
3.3378	296	1.40967

Education Level **Case Processing Summary**

Case Processing Summary						
	Cases					
	Included		Excluded		Total	
	N	Percent	N	Percent	N	Percent
Education Level	296	100.0%	0	0.0%	296	100.0%

ANOVA on Overall Satisfaction for SBI & HDFC

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Overall Satisfaction for SBI	Between Groups	3.164	2	1.582	12.508	.000
	Within Groups	37.053	293	.126		
	Total	40.216	295			
Overall Satisfaction for HDFC	Between Groups	5.622	2	2.811	31.676	.000
	Within Groups	26.000	293	.089		
	Total	31.622	295			

As we can see from above table variation between sample means / variation within the samples value for HDFC is 31.676 and F value for SBI 12.508.

V. CONCLUSION

T-test was applied to find out difference between perception of male and female gender for Loan Value of F is Total 294 are male and 296 females. Group statistics table explore the mean value of Gender is 1.7703, for std deviation is 0.42137 and for std error mean is 0.02449. For gender Gender T value of 72.280, Mean Difference 1.77027 As we can see from above table variation between sample means / variation within the samples value for HDFC is 31.676 and F value for SBI 12.508. Second T-test was applied to find out difference between Process to obtain personal loans through banks as we can see from table variation between sample means / variation within the samples value for HDFC is 31.676 and F value for SBI 12.508.

Similarly, the main aim of this paper is to study personal loan and customer satisfaction towards service of HDFC & SBI. The data collected into two major categories in this analysis we make the Google questionnaires. As sigma is zero, we accept the hypothesis. As after analysis of small sample size we found that customer more satisfied in HDFC bank

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