

A STUDY ON BORROWERS' PERCEPTION TOWARDS PRIVATE FINANCIAL INSTITUTIONS IN TIRUNELVELI CORPORATION AREA

* S. PREMA LATHA

Ph.D Research Scholar in Commerce (Reg.No: 18221191012018), Sadakathullah Appa College (Autonomous) Rahmath Nagar, Tirunelveli.
(Affiliated to Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli-627012, Tamil Nadu, India)

**Dr. S.M.A SYED MOHAMED KHAJA

Head & Assistant Professor in Commerce,
Sadakathullah Appa College (Autonomous) Rahmath Nagar, Tirunelveli.
(Affiliated to Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli-627012, Tamil Nadu, India)

ABSTRACT

Financial institutions are playing a vital role for economic development of the nation. Their contribution is essential one for the nation. In India both public sector banks and private financial institutions together contribute lots to the nation. So the researcher selects the topics a study on borrowers' perception towards private financial institutions in Tirunelveli corporation area. The main aim of conducting this research is to discover the borrowers' perception towards private financial institutions in Tirunelveli. In order to conduct this research and to achieve the objectives, the primary data has been collected by using structured questionnaire. Moreover, secondary data has been collected from published reports, journals, periodicals, newspapers, books, magazines, and other published literature. For collecting the primary data judgmental sampling method is used. To undertake this study, the sample sizes of 120 respondents were taken.

KEYWORDS: Private Finical Institutions, Perception.

INTRODUCTION:

In India financial institutions are playing a key role for development of the nation by mobilizing savings, facilitating payments and trade of goods and services, and promoting efficient allocation of resources, the financial sector is seen as playing a critical role in facilitating economic growth and, directly through broadening access to finance and indirectly through growth, contributing to poverty.

India's private sector has been the major engine of growth and employment generation during the 1990s and 2000s. Its contribution to gross domestic product (GDP) growth has increased from around 66% in the 1980s and 1990s to more than 80% in the 2000s. Becoming increasingly important as a significant part of the economic growth and employment mechanism, the private sector provides goods and services, generates tax revenues for financing key social and economic infrastructure

and develops new and innovative solutions helping solve development challenges. It will indicate that; how the private sector financial institutions contribute nation economic development. This is the main reason for the searcher select the topic borrowers' perception towards private financial institutions in Tirunelveli corporation area.

ROLE OF PRIVATE FINANCIAL INSTITUTIONS IN ECONOMIC DEVELOPMENT

Indian Private financial institutions play a big role in the development of the economy of India. It is the backbone of any country's economy, and its well-functioning is essential for nation-building. The following functions are performed by Indian Private financial institutions.

- Advancement of credit
- Business development
- Financial security
- Cash management
- Financial stability

REVIEW OF LITERATURE:

Dr. Amit et al., (2016) in their journal entitled "A Comparative Study of Home Loans Offered By Public And Private Sector Banks In Nagpur District" have described the level of satisfaction of the customers on home loan facility provided by the public and private banks. The study found out that, The majority of the respondents wants to take a loan for the construction of the new house not only that, Home Loan availing procedure is very much difficult for the people who demanding it. Some Customer's does not has proper knowledge about different home loan schemes.

Manjari Agarwalet al., (2017) in their journal "A Study Of Customers' Perception And Satisfaction Towards Housing Loans Of LIC Housing Finance Ltd. And Sbi Bank In Haldwani Region" found that, the overall performance of LICHFL was better than SBI. It was found that loan disbursement was speedier in SBI, as compared to LICHFL. It was also found that LICHFL was better than SBI, in terms of proper and speedy response of officials to the loan takers. LICHFL was faster than SBI in terms of process of return of title deed and other documents, after the repayment of loan. Also, LICHFL was better than SBI, in terms of the behavioral aspect of employees.

Dr. Mrs. K. Umamageswari and Miss. S. Subhashree (2016) in their journal titled "A comparative study on customer preference towards housing loan offered by banks in Udumalpet" suggest that, 1) It is suggested that banker has to make it very easy procedure to get loan., 2) It also suggested that they have to provide housing loan facilities for all categories of occupation people such as agriculture etc., 3) It is suggested that bank has to reduce the interest rate incurred for housing loan so that people does not get hesitate to avail housing loan

STATEMENT OF THE PROBLEM:

Without money people can't do anything in the world. It is intimate the importance of finance. In every country banking sector and other financial institutions offered loans to the public for fulfill their needs and accomplish their objectives. In India equal to public sector the private financial institutions also rendering good financial services to the people. The success of the organization mainly depends on the satisfaction of their customers. So the financial companies to understand whether their customers having positive or negative perception about their services. With regards the researcher to choose topic a study on borrowers' perception towards private financial institutions in Tirunelveli corporation area. The study has been undertaken among 120 private financial borrowers in Tirunelveli corporation area.

SCOPE OF THE STUDY:

The scope of the covers only private financial borrowers from Tirunelveli corporation area. Other financial institution, like public sector financial institutions are not considered by the researcher. The sample size is 120. Research conducted in Tirunelveli area corporation only.

OBJECTIVES OF THE STUDY

1. To study the socio economic background of the respondents
2. To find out reasons for choosing private financing borrowing.
3. To measure their overall satisfaction.
3. To give suitable suggestions to them.

RESEARCH METHODOLOGY

Sample size	-	120 respondents from Tirunelveli.
Sampling Techniques	-	Convenience sampling
Sources of data	-	Both primary & Secondary

ANALYSIS AND RESEARCH FINDINGS

An attempt is made to know the borrowers' perception towards private financial institutions in Tirunelveli corporation area. The variables such as the age of the respondents, gender, marital status, reason for choosing private finance and overall satisfaction by them were analyzed.

TABLE 1
AGE OF THE RESPONDENTS

AGE	Below 30 years	30–35	36– 40	Above 40	Total
	25	35	42	18	120
Percentage	21 %	29 %	35 %	15%	100%

Source : Primary data

TABLE 2

GENDER OF THE RESPONDENTS

Gender	Male	Female	Total
	101	19	120
Percentage	84 %	16%	100%

Source : Primary data

**TABLE 3
MARITAL STATUS**

MARITAL STATUS	Married	Un-Married	Total
	87	33	120
Percentage	73 %	27 %	100%

Source : Primary data

**TABLE 4
REASONS FOR BORROW FROM PRIVATE FINANCIAL INSTITUTIONS
NOT FROM PUBLIC LTD.**

S. No	Attributes	Rank					Total score	Mean score	Rank
		I	II	III	IV	V			
1	Quick sanction	56	25	11	10	2	6280	62.85	I
2	Staff behaviour	27	24	28	17	4	4770	47.70	III
3	Repaying period	14	10	16	26	34	4529	45.29	IV
4	Minimum paper work	32	46	15	3	4	4915	49.15	II
5	Rate of interest	4	16	21	17	42	4301	43.01	V

Source: Primary data

➤ The above table indicates that, majority of the respondents were choose private financial institution for the reason of Quick sanctioning the loan.

HYPOTHESIS**H0₁ Private financial institutions improves the financial status of consumers****ONE-SAMPLE t TEST 5**

	Test Value = 0					
	T	Df	Sig. (2-tailed)	Mean difference	95% Confidence Interval of the Difference	
					Lower	Upper
According to you what is the most important benefit from an NBFC?	14.507	120	.000	0.8190104	0.78027	0.85775

It is seen that at a 5% level of significance the hypothesis is rejected. Hence we can conclude that Private financial institutions do not improve the financial status of the consumers significantly.

TABLE 6
OVERALL SATISFACTION

Overall satisfaction	Satisfied	Not satisfied	Total
	79	41	120
Percentage	66 %	34%	100%

Source : Primary data

FINDINGS OF THE STUDY:

- It is found that, out of 120 respondents, 35% of the respondents are belongs to 36 – 40 years of age.
- It is observed that, 84% of the respondents are male.
- It is discover that, 73% of the respondents are married.
- Out of 120 respondents, 66% were overall satisfied with private financial institution borrowings.

SUGGESTIONS:

- ✓ Even though they are satisfied with quick sanctioning, minimum paper work they feel interest rate higher than public ltd. financial institutions. In future private financial institution charge reasonable interest rate.
- ✓ Some of the respondents told after sanctioning the loan amount at the time of repayment their behaviour slightly changed. The management to eradicate this problem in future.
- ✓ Private financial institution to improve parking facility in future.

CONCLUSION:

Finally the researcher concluded that, it was found that most of the private financial institution customers are satisfied with their borrowings. Certain percentage of the respondents was not satisfied with private financial institution borrowing, but they are borrowing regularly. So every private financial institution should come forward and remove the negative barriers in future. It will attracting new customers as well as retained existing customers too .

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