

# A Study of Personal Loan on ICICI Bank in Nagpur

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**Abstract:** *Personal loans can be obtained for nearly any purpose. Home remodeling is a common reason for taking a personal loan. Educational expenses are another. Such loans may be more difficult to obtain unless the borrower can provide substantial collateral, because there is no inherent value to the lender in the item for which the loan is being obtained. However, loans for jewelry, coins, art and similar goods are often made on much the same basis as mortgages or automobile loans, with the goods themselves serving as collateral.*

**Keywords:** Personal loans

## I. INTRODUCTION

The major characteristics of a personal loan are a debt incurred by an individual consumer rather than business loan or line of credit granted to a company or corporation. Mortgages are usually the largest debt that individuals incur in a lifetime, although some educational loans are also quite large especially for post baccalaureate education. Automobile loans are another common type of personal loan. Personal loans can be obtained from banks or finance companies. Banks loans are usually the most difficult to qualify for, requiring significant collateral, substantial income and a favorable credit rating in exchange for lower interest rates and more advantageous payment schedules. Short term loans and credit cards require no collateral but offset this convenience by charging high interest rates, imposing restrictive payment terms, or both.

## II. REVIEW OF LITERATURE

This chapter summarizes the literature that is already in existence regarding unsecured personal loans. Relevant theories and empirical evidence is review in this chapter. There are a number of theories that try to explain the growth in access to understand personal loans over time. This chapter review The Neoclassical theory the welfares theory and The Empowerment theory of credit.

### 2.1 OBJECTIVES:

- To study the need, importance and role of personal Loan.
- To study the procedure of personal Loan of ICICI.
- To know the impact of ICICI loan on selected sample respondents in Nagpur city.
- To suggest remedial measures for improving the quality & procedure of personal loan of ICICIBank.
- To trace out the problem faced by sample respondents in availing the personal loan from ICICIBank.

### 2.2 HYPOTHESIS

**H0:** The rate of interest on loan is the major factor of preference for availing personal loans from ICICI Bank.

**H1:** ICICI Bank provides innovative, dynamic and competitive services in terms of customer satisfaction.

## III. RESEARCH METHODOLOGY

Sample Size: 100

Sampling Techniques: Simple Random Sampling

Type of Research: In this project we will used Descriptive Method for Data Analysis

**Data Collection:**

**Primary Data:** The structure of primary data is formulated on the basis of research objectives. Objectives set the guidelines and directions of research planning formulating the objectives offer the best feasible means of solution

**Secondary Data:** Secondary data was gathered from various documents and articles from personal loan. The project is depending on Secondary data.

**DATA ANALYSIS & INTERPRETATION TECHNIQUES TO BE USED :**

The Proposed chapter will deal with various types of data collected & analysis and interpretation of the result are carried out thereof.

**IV. CONCLUSION**

As per demographic profile, maximum respondents who borrowed loan are under the age group of 30 -40 years. It clearly shows that, this age group segment is well acquainted with financial services offered by the bank and for personal improvement, modifications etc. they are opting for loan. It was found that, among respondents maximum Government salaried employees borrowed Loan i.e 63% while minimum were self employed professional i.e 7%. It was observed that, the most important factor considered by respondents is interest rate and the second most important factor is repayment schedule, and the least important factor is Tenure.