

A STUDY ON GOLD LOAN WITH REFERENCE TO MUTHOOT FINANCE LTD IN ANDHRA PRADESH .

Submitted in partial fulfillment of the requirement for the reward of

BACHELOR OF BUSINESS ADMINISTRATION

By

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**BACHELOR OF BUSINESS ADMINISTRATION
SCHOOL OF MANAGEMENT STUDIES**

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

Accredited with Grade “A” by NAAC I 12B Status by UGC I Approved by AICTE

**Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI - 600119
MARCH 2022**



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BACHELOR OF BUSINESS ADMINISTRATION

BONAFIDE CERTIFICATE

This is to certify that this Project Report is the Bonafide work of **M.NITHIN REDDY 39280068** who has done the Project work entitled **A STUDY ON GOLD LOAN WITH REFERENCE TO MUTHOOT FINANCE LTD.**

under my

supervision from December 2021 to March 2022.

Internal Guide

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Dean, School of Business Administration

Submitted for Viva voce Examination held on _____

DECLARATION

I am **M.NITHIN REDDY (39280068)**. Hereby declare that the Project Report entitled **“A STUDY ON GOLD LOAN WITH REFERENCE TO MUTHOOT FINANCE LTD IN ANDHRA PRADESH ”** done by me under the guidance of **DR.S.Shathini**, School of Business Administration is submitted in partial fulfillment of the requirements for the award of BACHELORS OF BUSINESS ADMINISTRATION degree.

DATE:

PLACE: ANDHRA PRADESH

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ABSTRACT

The study was done at MUTHOOT FINANCE LTD ANDHRA PRADESH. It was an opportunity to gain knowledge and practical exposure in different areas of an organization. It enhanced the knowledge level of the candidate wherein which they can apply practical knowledge in future career through this study. It was an extraordinary opportunity to experience work discipline, team work, time management from the company. From this study it has been observed that the finance department of MUTHOOT FINANCE LTD has maintained a stable in the performance and had a consistent working capital and has delivered a sustainable result.

CHAPTER -1

INTRODUCTION

Muthoot Finance Limited (MFL) is a “systematically important non-deposit taking NBFC” that is involved in the business of providing loans against gold and is today, considered to be the largest company in India (in terms of loan portfolio, with a gold loan portfolio of Rs.22694 crores provided to over 5.5 million accounts) to be offering this service. It is the flagship company of the Kerala based “Muthoot Group”. MFL has an operating history of over seven decades having first started the gold loan business in 1939. Muthoot Finance Ltd. was incorporated as a private limited Company on 14th March, 1997 and was converted into a public limited Company on 18th November, 2008. The Company is promoted by Mr. M. G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot collectively operating under the brand name of „The Muthoot Group“, which has diversified interests in the fields of Financial Services, Healthcare, Education, Plantations, Real Estate, Foreign Exchange, Information Technology, Insurance Distribution, Hospitality etc. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non- Banking Financial Institutions on 13.11.2001 vide Regn No. N 16.00167. The Company is presently classified as Systemically Important Non- Deposit Taking NBFC (NBFC-ND-SI).

The Company made an Initial Public Offer of 51,500,000 Equity Shares of the face value ` 10/- each at a price of ` 175/- raising ` 9,012,500,000.00 during the month of April 2011. The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited from 6th May, 2011. However it was only in 2001 that the company secured an NBFC license from the RBI. In addition to the gold loan business, MFL also provides money transfer services through their various branches by acting as sub-agents of various registered money transfer agencies. Recently MFL has also got into the collection agency services. In addition to all of that the company also operates three windmills in the state of Tamil Nadu. During the quarter ended December 31, 2013 MFL reported a PAT of Rs. 194 crore against a PAT of Rs. 270 crore in the corresponding period in the previous financial year. The reduction in profits during the quarter were primarily on account of the reduction in portfolio during the period (of 14%) and also owing under recoveries of interest from auctioning of delinquent contracts. As on December 31, 2013 the company had a net worth of Rs. 4121 crore and had a gross NPA% of 1.99%. Muthoot Finance Ltd (MFL) is the flagship company of the Kerala based business house „The Muthoot Group“, which has diversified operations in financial services, healthcare, real estate, education, hospitality, power generation and

entertainment. MFL has a long and established track record of operating in the gold loan business and is India's largest gold loan focused NBFC with a managed advance base of Rs. 21,618 crore (provisional) as on March 31, 2014. The company operates through an extensive pan-India branch network of 4270 as on March 2014. The company derives a significant proportion of its business from South India where gold loans have traditionally been accepted as means of availing short-term credit, although over the past few years the company has increased its presence beyond South India.

CHAPTER-2

LITERATURE:

- Sarika Malhotra says that not so long ago, NBFCs were a hot favourite of private equity investors in India (Malhotra, 2013). With the Indian economy on a roll, most PE funds wanted to put their money in non-banking finance companies (NBFCs) specialising in gold loans. But, today, gold loan companies have lost their lustre because of a stricter regulatory environment and a volatile gold market, pushing funds to vehicle finance companies instead. And with the economy in a slowdown, exits from gold loan lenders have also become much harder. For example, the vehicle financing company, Au Financiers, has been a virtual PE magnet the past few years. It first hit the jackpot in 2008 when Motilal Oswal Private Equity invested INR 20 crore. Funds have been pouring in since. Oswal invested another INR 20 crore in the company in 2010 and International Finance Corporation (IFC) INR 35 Crore, followed by INR 150 crore by Warburg Pincus and INR 33 crore by IFC last year. Chrys Capital also invested INR 120 crore in 2013. At the same time, the lender has also grown from strength to strength: Au's net worth has leapt to INR 500 crore from just INR 15 crore in 2008 while its valuation has galloped to INR 1,200 crore from INR 30 crore in the same period. For Motilal Oswal too, the investment was worth its weight in gold. A partial exit in 2012 is reported to have translated into a five-fold return on investment, while a further stake sale took its returns up 10 times. Vehicle finance companies in particular have been attracting more funding. Quoting experts, the researcher says they offer more stability than gold loan firms which are subject to business risks such as price fluctuations and quality of collateral. Gold players have been hit by uniform valuation methodology for jewellery and operating model changes suggested by the RBI which requires them to seek permission to open new branches and disburse higher value loans through cheques. Also, PE funds believe in the business model of lending against income-generating assets such as commercial vehicle finance, as compared to businesses operating in consumption-based lending. Vehicle loan companies get most of their business from semi-urban and rural areas. Most people in urban areas, looking to buy cars, go to banks for loans, but those seeking trucks, especially from smaller towns, prefer

vehicle finance NBFCs.

- The Reserve Bank of India's (RBI's) new guidelines on lending against gold will weaken the competitive positions, growth prospects, profitability, and asset quality of gold loan non-banking financial companies (Moneycontrol.com, 2013) (NBFCs). CRISIL expects the profitability of these NBFCs to decline by nearly 75 basis points (bps), and their loan books to decline in the near term. However, the new guidelines, issued on September 16, 2013, will promote orderly, sustainable growth in the sector over the long term. Implementation of the RBI guidelines will weaken the competitive positions of gold loan NBFCs vis-à-vis those of banks and the unorganised sector. The introduction of uniform valuation methodology for jewellery will limit the flexibility to offer loans at higher effective loan-to-value (LTV) ratios, and prompt customers to move to other lenders. According to CRISIL Ratings, borrowers with limited stocks of jewellery will move to the unorganised sector that will continue to offer loans at higher LTV ratios. Interest-sensitive borrowers will shift to banks that offer loans at much lower costs for similar or higher LTV ratios. The growth of the gold loan NBFC sector will also be constrained by two stipulations in the new guidelines: that NBFCs take the regulator's approval before opening new branches, and disburse higher-value (above INR 1 lakh) loans through cheques. Moreover, intensifying competition will lead to reduced yield for gold loan companies. The detailed norms on auctioning will also increase the operational costs and challenges in auctioning gold. The desire to limit delinquencies to avoid auctioning will lead to higher investments in collection systems. As a combined impact of these developments, the gold loan NBFCs' return on assets (RoA) is expected to decline by nearly 75 bps.
- Compared with the rest of the world, in India, the gold loan market is big business Ashish and Mehta. Until a decade back, most of the lending was in the unorganized sector through pawn brokers and money lenders. However, this scenario changed with the entrance of organized sector players such as banks and non-banking finance companies (NBFCs) which now command more than 25 percent of the market. NBFCs have been a major driving force behind this growth given their extensive network, faster turnaround time, higher loan-to-value ratios and the ability to serve non-bankable customers. Gold loans are among the newest sector status of gold loans by RBI, the pace of securitization of these loans is slowing down as most of these securitizations focused on benefits accrued through the use of agricultural sector status. Also, RBI's draft securitization guidelines (Sept. 2011) had proposed minimum holding period (MHP) of 12 months for allowing securitization transactions. Given the short tenure of gold loans (a year and lesser), securitization of the same will not be possible. The government views gold loans as an effective means of meeting the demand for micro-finance in India. This would encourage framing of policies favorable to the growth of the gold

loan market. Since more than 75 percent of the gold loan market is still with the unorganized segment as of 2010, the organized segment has a huge potential for growth through cannibalization of the unorganized segment.

CHAPTER-3

RESEARCH DESIGN

3.1. OBJECTIVE OF THE STUDY

- To make an analytical study of various financial products
- To know the effective utilization of various financial products by Muthoot Finance Corporation Ltd.
- To study the problems connected with granting Muthoot Finance to customer
- To know opinion of customer regarding CTF provided by Muthoot Finance for the CTF.

3.1. SCOPE OF THE STUDY

The scope of the study is to identify and analyze the factors which make the gold loan provided by Muthoot Finance Limited the best and most sought after. The reason behind the huge success of this facility is unlimited. This study intends to:

- To know the present market share of Muthoot Finance Limited.
- Identify the factors responsible for the high customer satisfaction.
- To evaluate the social security and empowerment process of the company.
- To evaluate the suggestions of the customers which is necessary for the further development of the organization.

3.2. LIMITATIONS

- Time allowed for the study was not sufficient.
- A sample survey was selected.
- The data provided by the respondent may not be correct or accurate.
- Some of the samples selected for the study did not respond properly to the questionnaire. However proper care had taken to make the analysis and interpretations more meaningful.
- Questionnaires are impersonal, this means that it may be difficult to understand answers and thus to act on them. Also, there is a chance that the question may be misinterpreted, rendering the answer useless.

3.3. RESEARCH PLAN

In this chapter, explains the structural frame work. The research methodology considered as a blue print of the study. It determines the strengths, reliability and accuracy of the project. Methodology can be said as the methods used by researchers in selecting samples, sample size, data collection and various tools in data collection

3.4.PRELIMINARY INVESTIGATION

Preliminary investigation involves the following:

- Direct visit to the company.
- Discussions with the branch manager.
- Analyzed about the scope and viability of the existing facilities.
- Secondary data were used to get an overview about the two companies.

3.6EXPLORATORY STUDY

- Personal interviews with branch manager, staff and the customers.
Questionnaires were used to understand various factors affecting the gold loan financing decision.
- To analyze and interpret the data collected using figures and tables.
- The last phase of this project is to give suggestions to Muthoot Finance.

3.7 RESEARCH DESIGN

“A research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to control variance” by F.N. Kerlinger (1959)

3.8 Sample design

Sample design deals with the method of selecting items to be observed for the given study.

3.9 Observational design

Observational design relates to the conditions under which the observations are to be made while conducting research studies.

3.10 Statistical design

These designs concern with the quantitative and statistical aspects of the design such as technique of study, the methods of model building etc.

3.11 COLLECTION OF DATA

The successes of the study are based upon the proper collection of data. Normally data collected comes under two categories; Primary and Secondary.

3.12 PRIMARY DATA

The data collected directly by the investigator are called primary data. They are original and give firsthand information. It can be collected by different methods viz. direct personal investigation, indirect oral investigation etc. Primary data were collected through

- Questionnaire
- Personal interview

- Survey method
- Observation
- Expert opinion

3.12 Questionnaire

The primary data was collected mainly by using a questionnaire. In study, structured questionnaire consisting of a list of questions pertaining to the dichotomous questions, multiple choice questions and questions for recommendations and suggestions. This facilitates the respondents to fill up the questionnaire in an easy and fast manner.

The questions are divided in two following sections: -

- ✓ Personal details
- ✓ Inquiry details

3.13 Personal Interview

The personal interview was taken from half of the respondents. This was mainly to elicit information that was left out in the questionnaire opinions and suggestions were asked for the betterment of the project.

3.14 Survey method

Survey is the most commonly used method of primary data collection in marketing research. This is widely used because of its extreme flexibility. Survey research is a systematic gathering of data from respondents through questionnaire. Survey technique used in the study is personal interview. The advantages of this method

- It requires relatively shorter period of time to complete
- Researcher can procure many different types of information
- The amount of information produced on each aspect is larger.
- There is a possibility of more accurate reply

3.15 SECONDARY DATA

The collected by the investigator from the data already collected by others for some other purposes are called secondary data. Thus, secondary data are refined data from primary data. It is also called second hand data because data is collected from previous reports about the organization from the internal books, magazines and World Wide Web. Secondary data are collected through

- Annual reports
- Websites
- Journals and magazines

CHAPTER-4

ANALYSIS & INTERPRETATION OF DATA



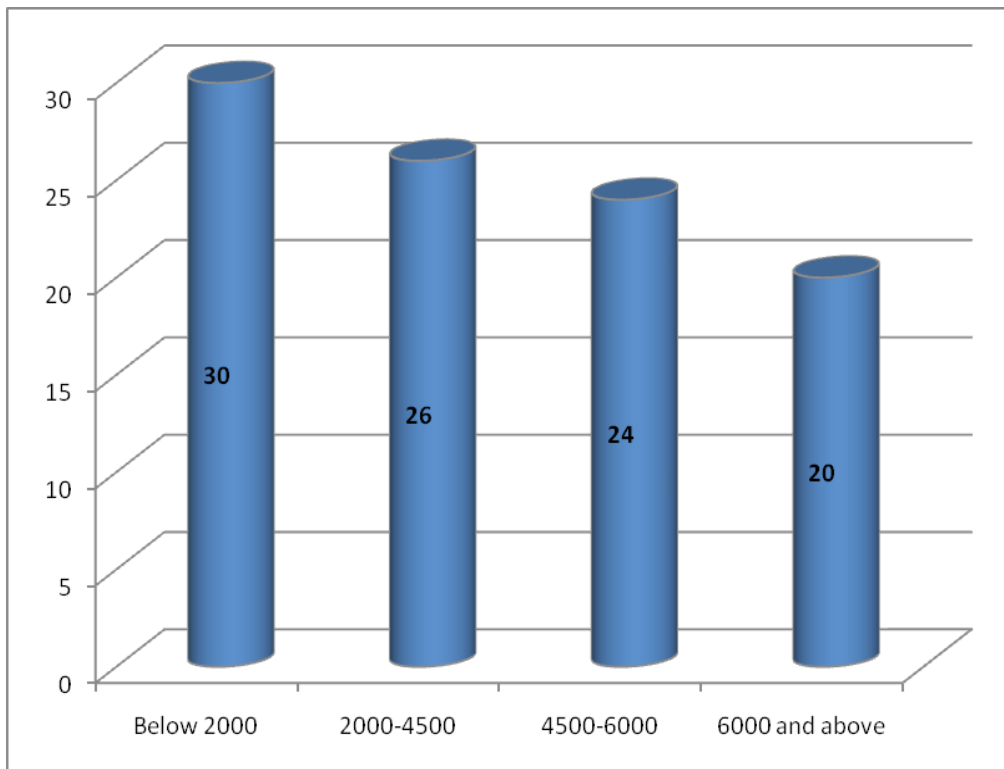
ANALYSIS & INTERPRETATION OF DATA

**TABLE 4.1 SHOWING THE CLASSIFICATION OF
RESPONDENTS ON THE BASIS OF THEIR INCOME GROUP**

INCOME (RS.)	NO. OF RESPONDENTS	PERCENTAGE
Below 2000	15	30
2000-4500	13	26
4500-6000	12	24
6000 and above	10	20
TOTAL	50	100

Analysis

The above table shows the classification of respondents on the basis of their income group. Out of 50 respondents (15N,30%) earns income below 20000, (13N,26%) earns income between 20000to 45000, (12N,24%) earns income between 45000 to 60000, (10N,20%) earns income between 60000and above.



Interpretation

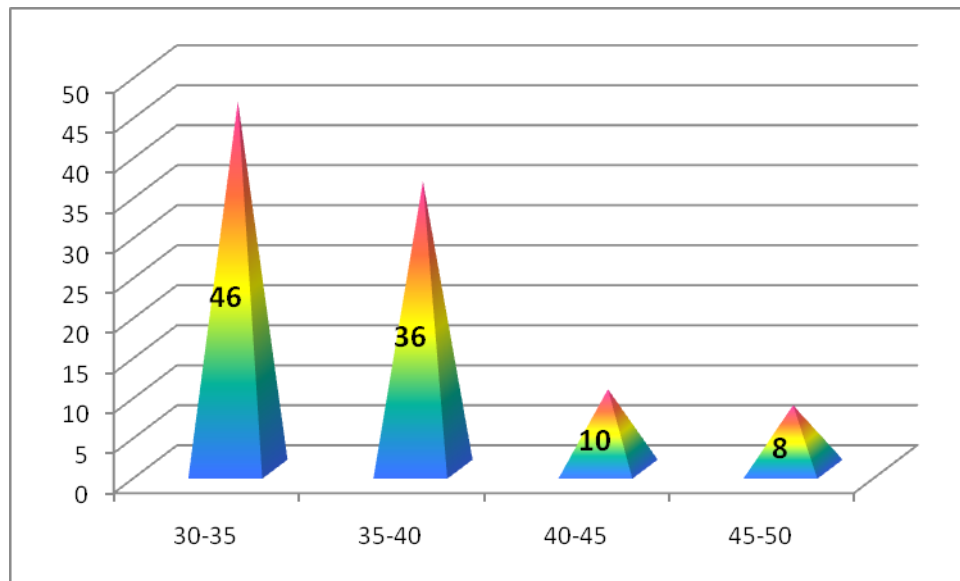
Chart showing classification of respondents on their monthly income. out of 50 respondents among the 15respondents were having a monthly income of less than 2000 while 13 of them earned between 2000-4500, and 12 ofrespondents have a monthly income between 4500-6000 and 12 of them earned above 6000.

**TABLE 4.2 SHOWS THE RESPONDENTS ON THE BASIS
OF AGE GROUP**

AGE GROUP (IN YEARS)	NO. OF RESPONDENTS	PERCENTAGE
30-35	23	46
35-40	18	36
40-45	5	10
45-50	4	08
TOTAL	50	100

ANALYSIS

The above table shows the classification of respondents on the basis of age group. Out of 50 Respondents (23N,46%) earns income between 30-35 age group, (18N,36%) earns income between 35-40 age group,(5N,10%) earns income between 40-45 age group, (4N,08%) earns income between 45-50 age group.



Interpretation:

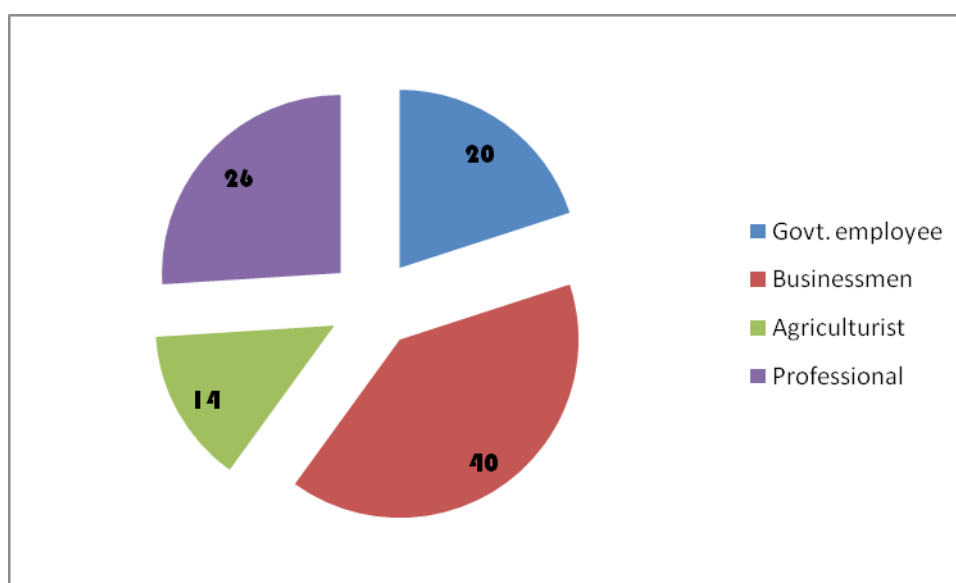
Chart showing the classification of respondents according to their age group 23 of the respondents among the 50 respondents have age group of less than 30-35, while 18 of then age group of between 35-40, 05 of the respondents have the age group between 40-45, 4 of the respondents are in the age group of 45-50.

TABLE 4.3 SHOWS THE CLASSIFICATION OF RESPONDENTS ON THE BASIS OF THEIR OCCUPATION

OCCUPATION	NO. OF RESPONDENTS	percentage
Govt. employee	10	20
Businessmen	20	40
Agriculturist	7	14
Professional	13	26
TOTAL	50	100

Analysis

The above table shows that the classification of respondents on the basis of occupation. Out of 50 respondents (10N,25%) are government employee, (20N,40%) are businessmen, (7N,14%) are agriculturist, (13N,26%) are professional.



Interpretation

Chart showing the classification according to their occupation out of 50 respondents, 10 of respondents are Govt. employee, 20 of respondents are businessmen, 07 of respondents are agriculturist, and 13 of respondents are professionals.

TABLE 4.4 SHOWING THE HOW OFTEN DO YOU TAKE A GOLD LOAN IN A YEAR

Opinion	No Of Respondent	Percentage
Once	28	56
2-5 times	22	44
6-10 times	0	0
More than 10 Times	0	0

Total	50	10`0
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Analysis

The above table shows how often you take a gold loan in a year. Out of 50 respondents (28N,56%) takes gold loan once in a year, (22N,44%) takes gold loan 2-5 times in a year

Interpretation

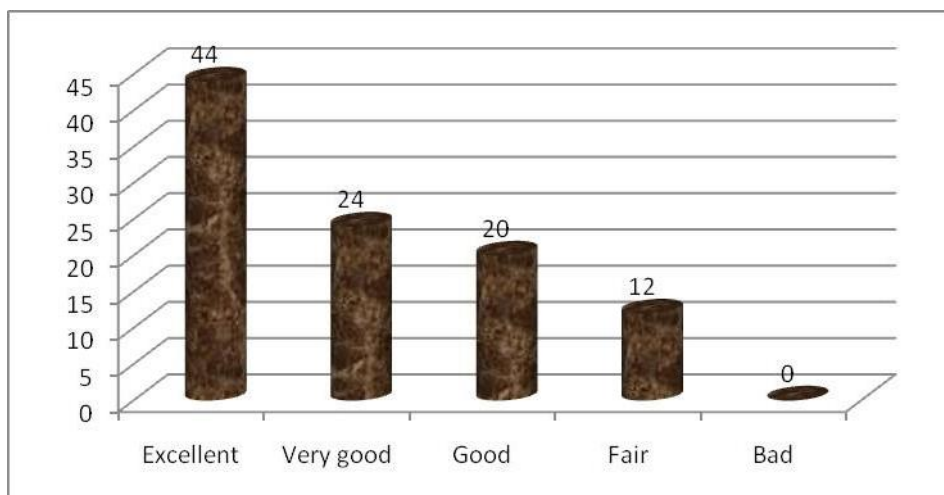
The above chart shows that the out of 50, the opinion of the 28 respondents suggest that 56% of Muthoot's customers applies for a gold loan just once, while the rest of the 44% applies for a gold loan 2-5 times

THE TABLE 4.5 SHOWS THAT THE CUSTOMERS OPINION REGARDING THE RATE OF INTEREST CHARGEABLE BY THE MUTHOOT FINANCE

Opinion	No of Respondents	Percentage
Excellent	22	44
Very good	12	24
Good	10	20
Fair	06	12
Bad	0	0
Total	50	100

Analysis

The above table shows that the customers opinion towards the rate of interest chargeable by Muthoot finance. Out of 50 respondents (22N,44%) feels excellent towards rate of interest, (12N,24%) feels very good, (10N,20%) feels good, (6N,12%) feels fair. None of the above



Interpretation

The above chart was designed to understand the satisfaction of the customers with the interest rate on gold loan offered by Muthoot finance. Here, 44% of the customers believe that the interest offered by the Muthoot finance company is excellent. While 24% of customers of Muthoot finance think that the rate of interest is very good. 20% of the respondents believe that the interest rate is good. 12% of the respondents believe the interest rate is fair. None of the //

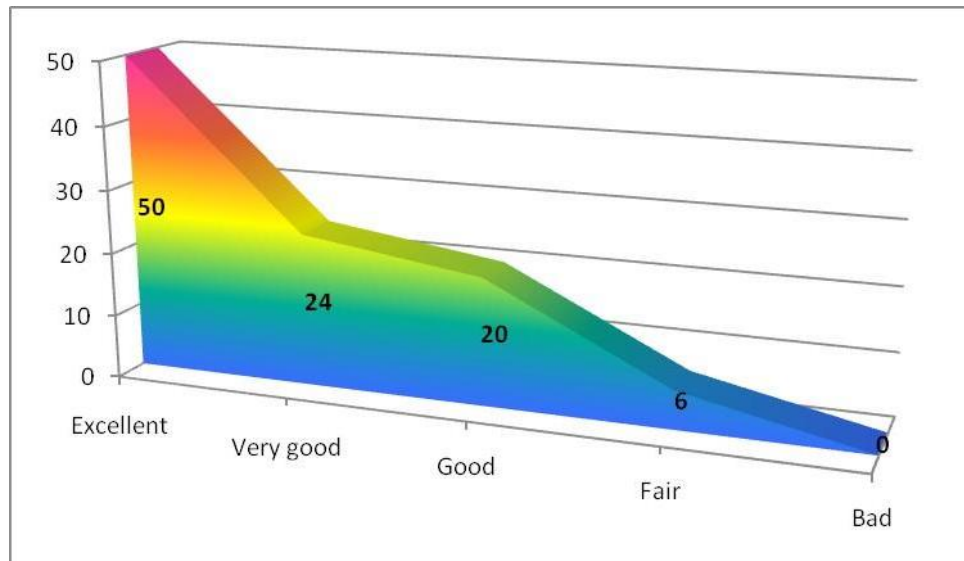
respondents thought that interest rate offered by companies was bad.

TABLE 4.6 SHOWS THAT THE MUTHOOT FINANCE STAFF BEHAVIOR TOWARDS THE CUSTOMER REGARDING VARIOUS FINANCIAL PRODUCTS

Opinion	No of Respondents	Percentage
Excellent	25	50
Very good	12	24
Good	10	20
Fair	03	06

Bad	0	0
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Total	50	100
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Analysis

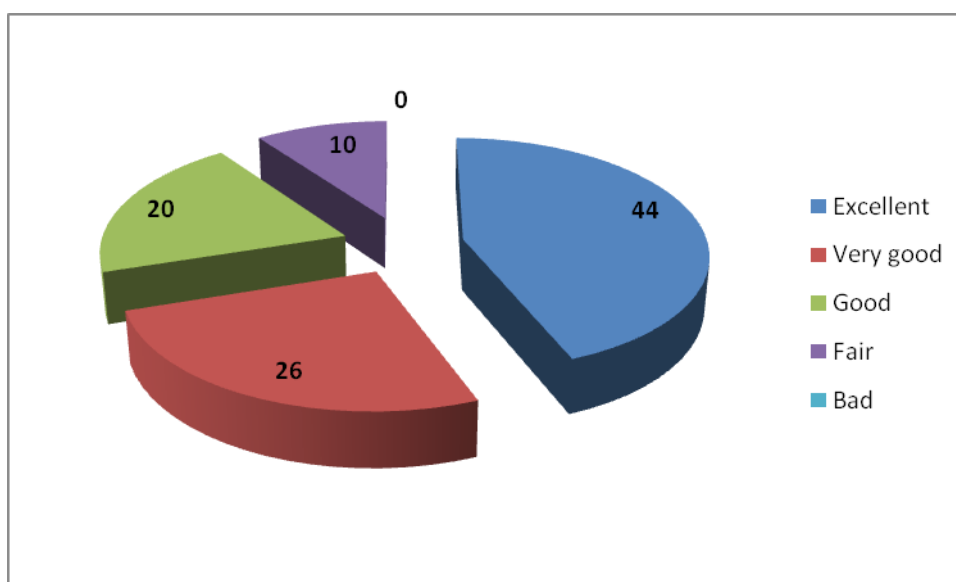
The above table shows that the staff behavior towards the customer regarding various financial products. Out of 50 respondents (25N,55%) feels excellent regarding the staff behavior (12N,24%) feel very good, (10N,20%) feels good, (03N,06%) feels fair.

Interpretation

Staff behavior is interpreted in the above chart. About 50% of the organizations thought that the behavior of staff is excellent. The share of customers who choose very good as the option stands at 24% for Muthoot finance. 20% of respondents believe that staff behavior was good and 06% of respondents believe that the fair respectively. None of the respondents to the questionnaire believe that the behavior of staff was bad.

TABLE 4.7 SHOWS THE CUSTOMERS OPINION TOWARDS THE VARIOUS FINANCIAL LOAN APPLICATION PROCEDURE OFFERED BY THE

Opinion	No of respondents	Percentage
Excellent	22	44
Very good	13	26
Good	10	20
Fair	05	10
Bad	0	0



Analysis

The above table shows that the customers opinion towards the financial loan procedure. Out of 50 respondents (22N,44%) feels excellent towards various financial loan application procedure (13N,26%) feels very good, (10N,20%) feels good, (05N,10%) feels fair. None of the respondents feels bad towards financial loan application procedure.

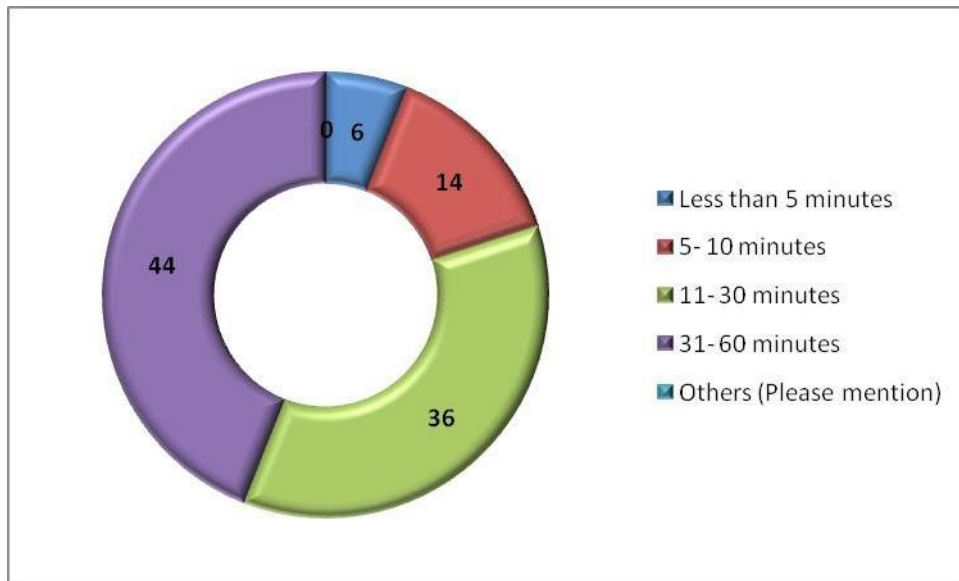
Interpretation

The above chart was designed to interpret the response of customers to Muthoot finance gold loan procedure. It was interpreted that 44% and 26% of Muthoot's respondents believed that this factor was excellent and very good respectively. As for option 'Good' and 'Fair' the share stands at

20% and 10% Muthoot finance. None of the respondents to the questionnaire believe that the Bad.

TABLE 4.8 SHOWS THE TIME TAKEN FOR THE VARIOUS AND WHOLE LOANPROCEDURE OF MUTHOOT FINANCE

Opinion	No of Respondents	Percentage
Less than 5 minutes	03	06
5- 10 minutes	07	14
11- 30 minutes	18	36
31- 60 minutes	22	44
Others (Please mention)	0	0
Total	50	100



Analysis

The above table shows that the time taken for the various and whole loan procedure at Muthoot finance. Out of 50 respondents (03N,06%) takes less than 5 minutes to complete the loan procedure, (07N,14%) takes 5-10 minutes, (18N,36%) takes 11-30 minutes, (22N,44%) takes 31-60 minutes.

Interpretation

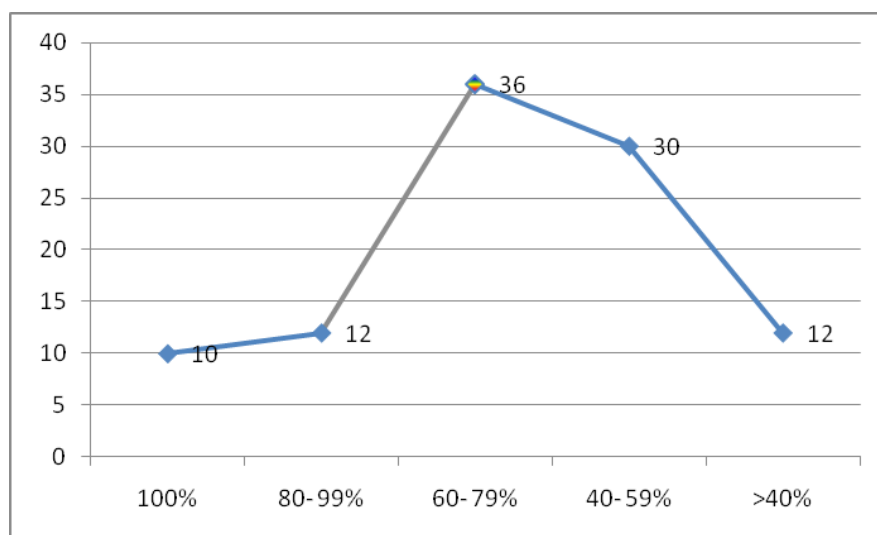
The above diagrams represent one of the main factors which decides the fate of any loan financing company i.e., time taken for clearing a loan. 06% of respondents believed that it takes less than 5 minutes for the whole loan procedure.

respondents who think the whole loan procedure takes 5-10 minutes stands at 14%. the option '11-30 minutes' was selected by 36%.

The option 31-60 minutes was selected by 44% respectively. None of the respondents believe that the whole loan procedure takes more than 1 hour.

**TABLE 4.9 SHOWS HOW SATISFIED ARE YOU
WITH THE SECURITY STANDARDS OF
MUTHOOT FINANCE LIMITED ?**

Opinion	No of respondents	Percentage
100%	5	10
80- 99%	06	12
60- 79%	18	36
40- 59%	15	30
>40%	06	12
Total	50	100



Analysis

The above table shows that the satisfaction towards security standards of Muthoot finance. Out of 50 respondents (05N,10%) satisfied fully,(06N,12%) are 80-99% satisfied, (18N,36%) are 60-79% satisfied, (15N,30%) are 40-59 % satisfied, (06N,12%) are less than 40%

Interpretation

It is interpreted that 10% of respondents are 100% satisfied with their security standards. It is also interpreted that 12% of respondents satisfied with the security facilities. 18 respondents trusted Muthoot security standards is 60% - 79% respectively. The institutes had 30% of the respondents who believed that the security standard was 40% - 59% trustable the institutes had 12% of the respondents who believed that the security standard was greater than 40% trustable.

TABLE 4.10 SHOWING THAT HOW THE CUSTOMER WILL COME TO KNOW ABOUT MUTHOOT FINANCE FACILITIES

Opinion	No of respondents	Percentage
Newspapers	08	16
Journals and Magazines	06	12
T.V Advertisements	24	48
Notice	2	04
Friends and relatives	10	20
Others (Please specify)	0	0

Total	50	100
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Analysis

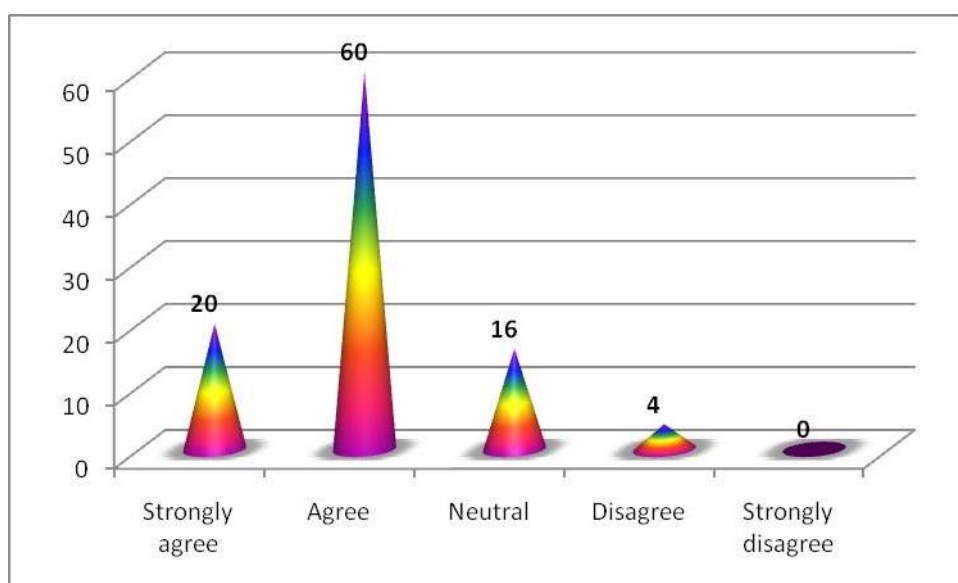
The above table shows that how customers will come to know about Muthoot finance .out of 50 respondents (08N,16%) get to know about Muthoot finance facilities through newspapers, (06N,12%) known about Muthoot finance facilities through journals and magazines, (24N,48%) known through T.v. advertisements, (2N,04%) known about Muthoot finance facilities through notice, (10N,20%) known about Muthoot finance through friends and relatives.

Interpretation

The diagram shows the mediums through which the customer came to know about Muthoot Finance Limited, here it is interpreted that newspaper as a medium penetrates about 16% for Muthoot finance. The main medium of advertising for the company is T.V. advertisements which stand at 48% for Muthoot finance. Other sources like journals and magazines- Muthoot finance is 12%. notice is 04%, friends and relatives are 20% is also play vital roles in penetrating the market share of the company.

TABLE 4.11 SHOWS THAT THE CUSTOMER RESPONSES TAKING INTO CONSIDERATION THE RECENT FLUCTUATIONS OF VARIOUS FINANCIAL SERVICES OF MUTHOOT FINANCE ARE SUCCESSFUL IN PROVIDING EFFECTIVE LOANS

Opinion	No of respondents	Percentage
Strongly agree	10	20
Agree	30	60
Neutral	08	16
Disagree	02	04
Strongly Disagree	0	0



Analysis

The above table shows that the customer responses towards fluctuations of various financial services. Out of 50 respondents (10N,20%) strongly agrees the fluctuations in financial services, (30N,60%) agrees the fluctuations in financial services, (08N,16%) neutrals, (02N,04%) disagrees.

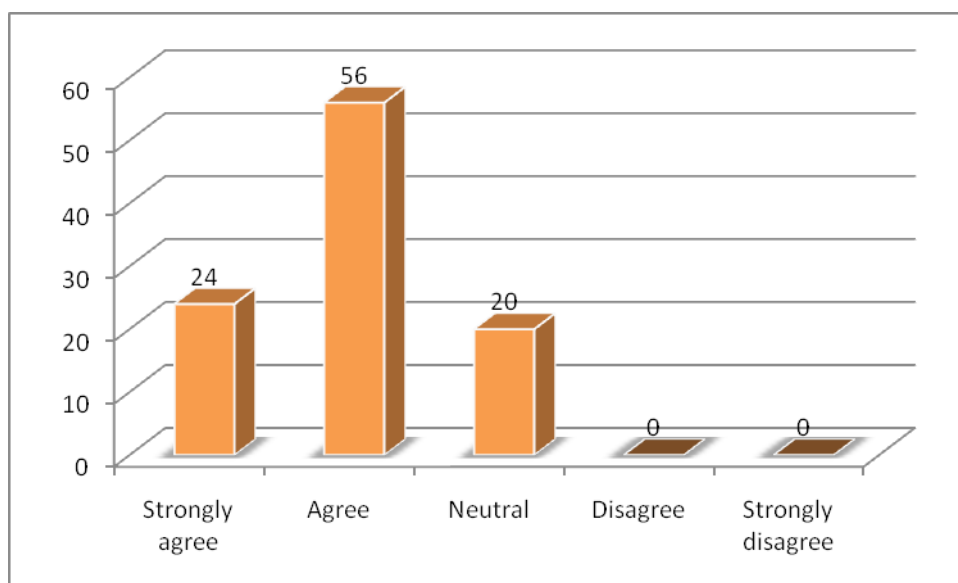
Interpretation

It is interpreted from the above diagrams that a majority of the 60% respondents of Muthoot Finance agree to the fact that the company are able to provide effective loans even after the recent fluctuations in rates.

Those respondents who strongly agree to this fact constitute 20% and 16% opted for neutral while rest 04% disagreed to this fact.

**TABLE 4.12 SHOWS THAT IN CASE OF DEFAULT, DOES
PAYBACK PERIOD**

Opinion	No of Respondents	Percentage
Strongly agree	12	24
Agree	28	56
Neutral	10	20
Disagree	0	0
Strongly Disagree	0	0



Analysis

The above table shows that the long payback period provided by Muthoot finance. Out of 50

respondents (12N,24%) strongly agrees, (28N,56%) agrees, (10N,20%) neutral

Interpretation

Here, it is interpreted a majority of the respondents agrees that financial institutions assist by providing long payback period. This was closely followed by the opinion that the respondents strongly agrees that 56% financial institutions assist by providing long payback period. Followed by neutral with 20% and strongly agree is 24%.

CHAPTER-5

FINDINGS AND SUGGESTIONS



5.1 FINDINGS

The major finding of the study can be summarized as follows:

- The management and employees of both the companies maintains a good relationship.
- Most of the respondents (58.33%) have monthly income range between Rs.5000 – Rs 10,000.
- Media advertisement has an important role in spreading popularity in case of Muthoot Finance.
- Majority of the respondents' have the opinion that the behaviors of company's staff are cordial and friendly.
- Majority of the customers were satisfied with the services, hence there was no need of complaints to be lodged.
- NBFCs score over banks on two fronts despite charging higher interest - quick approval and disbursal of loans, and less documentation. An NBFC at the most takes 30 minutes to give the loan after verifying the gold, and the only document required is an identification proof of the person pledging the gold.

- It was also found that customers of the companies are more than satisfied with the security standards on their gold jewelers.
- It was identified from the customer response that the companies are successful in proving effective gold loans even after the recent fluctuations in the prices of gold.

The study was also aimed at finding best gold loan financing company. After analyzing and interpreting the data collected through primary and secondary sources, the following conclusions were made:

- The estimated gold loan portfolio of Muthoot Finance Limited (7,342 Crores) is far superior and leasing Limited (2,560 Crores) which indicate the sound market position of Muthoot Finance Private Limited.
- It was also interpreted that Muthoot Finance Limited has more regular customers.
- The interpretation of data also indicated that the public are more satisfied with the interest on gold loan offered by Muthoot Finance. This might be a result of its experience in the gold loan market and its objective to provide gold loans at cheaper and affordable rates.
- Another important finding was presence of Muthoot throughout the country as well as abroad.

- Muthoot being the more established among the two knows the infrastructure requirements to grow in this industry.
- It was also interpreted that Muthoot Finance was successful in providing long pay back periods to its customers. This is also another reason for its success in this industry.

5.2 SUGGESTIONS

- Muthoot should work on its marketing strategies to improve its market share.
- Most of the people are unaware of the different financial products offered by Muthoot. So, the company should take necessary steps to create awareness among the public.
- The company can also give attractive offers to old customers as well as prospective new customers.
- The company can also look into new ventures as it has established itself as the leader in gold loan financing field.

CHAPTER-6

CONCLUSION

It helped me to find out the different factors responsible for the success of the Muthoot finance companies.

The major finding that can be concluded from this study is that Muthoot Finance Limited is still the best gold financing company in India.

This experience has helped me gain knowledge about the business of gold loanfinancing in India.