

A Study on Education Loan with Refrence of Punjab National Bank

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Abstract—There is a serious financial issue in the education sector in the majority of emerging nations. A paradigm changes in the way that education is funded is desperately needed, as this issue compromises everyone's fundamental right to an education. Government scholarships usually serve to finance schooling education loans, fees, subsidies, and other methods. Since education loans are readily available to students, they can be widely used as an alternative source of funding for higher education. Commercial banks act as the main lenders of education loans in India, where programs for such loans have been in place for a while. The primary function of banks that determines their profitability is the granting of loans. This descriptive study aims to examine how the loanees perceive regarding Punjab National Bank's (PNB) credit procedure by giving those who have used the bank's credit a carefully planned interview schedule.

Index Terms—Banks, education loan, commercial banks.

I. INTRODUCTION

Although education is one of the most effective means of fostering both professional and personal growth, students and their families frequently face significant financial hardships due to the growing expense of high-quality education. Education loans have become an essential financial solution to close this gap. Banks and other financial institutions offer education loans as a type of financial aid to assist students in pursuing their academic objectives, both domestically and overseas. These loans are usually repaid over time, frequently after the course is over, and cover tuition, housing, books, and other associated costs. Education loans are essential for enabling students to create a

better future by facilitating access to higher education. For any country to be empowered, education is crucial. As a source of input for the development of human capital, politics, the economy, and society, education is essential. Knowledge has been the driving force behind modern economic growth in recent years. The production and application of knowledge gain more importance for the overall growth of a country. The amount and calibre of a nation's educational system, especially its higher education system, determines the growth of knowledge.

OBJECTIVES

1. To analyse the eligibility criteria for education loans offered by PNB.
2. To identify challenges faced by students in availing education loans from PNB.
3. To assess customer satisfaction with PNB's education loan services.

II. METHODOLOGY

The proposed study is descriptive in nature, based on primary data collected by administering a well-structured questionnaire to persons who have availed credit from PNB. The sample frame for the study is PNB Mandi while the sample population for the study shall be the borrowers who have availed credit from PNB. The sample size for the study is 110 while convenient sampling method has been used for the study. The response of borrowers about these factors has been obtained in a Likert's five-point scale ranging between Strongly Disagree and Strongly Agree. The data collected has been represented suitably in tables and figures.

III. ANALYSIS AND INTERPRETATION

TABLE:1 Demographic Profile of the Respondent

Profile	Variable	Count	Percentage %
AGE	18-25	42	38.5%
	25-35	38	34.9%
	35-45	27	24.8%
	45 above	3	1.8%
GENDER	TOTAL	110	100%
	Male	53	48.2%
	Female	57	51.8%
QUALIFICATION	TOTAL	110	100%
	Graduation	26	23.6%
	Post-Graduation	55	50%
	Higher studies	29	26.4%
	TOTAL	110	100%
BANK ACCOUNT	Saving account	80	72.7%
	Current account	9	8.2%
	Fixed account	21	19.1%
	TOTAL	110	100%

IV. INTERPRETATION

With 73.4% of respondents being between the ages of 18 and 35, young adults make up the majority of the sample. The fact that only 1.8% of respondents are above 45 suggests that the number of respondents is biased toward younger people. There is a little female

preponderance, but the number of men and women is almost equal. This implies that both genders are pretty evenly represented in the sample. 76.4% of the highly educated group had finished post-graduation or higher education. This can represent a population from urban or commercial origins that has more access to education.

TABLE:2

	Variable	Count	Percentage %
PNB's education loan eligibility criteria are clearly defined and easy to understand.	Strongly agree	11	10%
	Disagree	16	14.5%
	Neutral	26	23.6%
	Agree	26	23.6%
	Strongly agree	31	28.3%
	Total	110	100%
The bank provides education loans to students pursuing courses from recognised institutions.	Strongly agree	20	18.2%
	Disagree	30	27.3%
	Neutral	26	23.6%
	Agree	23	20.9%
	Strongly agree	11	10%
	Total	110	100%
PNB considers the co-applicant's financial stability as an essential factor for loan approval.	Strongly agree	16	14.5%
	Disagree	19	17.3%
	Neutral	39	35.5%
	Agree	19	17.3%
	Strongly agree	17	15.4%

	Total	110	100%
A good academic record improves the chances of loan approval.	Strongly agree	10	9.1%
	Disagree	20	18.2%
	Neutral	23	20.9%
	Agree	36	32.7%
	Strongly agree	21	19.1%
	Total	110	100%
The loan application process is complex and time consuming.	Strongly agree	14	12.8%
	Disagree	24	22%
	Neutral	15	13.8%
	Agree	38	34.9%
	Strongly agree	19	16.5%
	Total	110	100%
The bank's loan approval process takes longer than expected.	Strongly agree	9	8.2%
	Disagree	19	17.3%
	Neutral	28	25.5%
	Agree	34	30.9%
	Strongly agree	20	18.1%
	Total	110	100

V. INTERPRETATION

The majority of respondents think that PNB's eligibility requirements for student loans are simple to comprehend and well-defined. But a sizeable percentage (almost 24%) is neutral, indicating that certain details should still be clarified. There is potential for better communication, as seen by the low percentage of disagreement. There are differing opinions about PNB's dependability in lending money to students attending reputable universities. Over 27% disagree, while only over 31% agree. There is a need for improved communication or clarity regarding eligibility policies, as indicated by the high neutral proportion, which points to respondents' ambiguity or ignorance. Regarding whether PNB views the co-applicant's financial situation as a crucial consideration, a sizable percentage of respondents (35.5%) are undecided. This indifference might be an

indication of ignorance of internal approval standards. However, a sizable portion (32.7%) do concur, suggesting that this necessity is somewhat understood. Given their awareness of merit-based considerations, more than half of the respondents think that a strong academic record has a beneficial impact on loan approval. There is a tiny percentage that disagrees, which may indicate divergent expectations or experiences. The loan application procedure is complicated and time-consuming, according to a majority of the respondents, indicating the need for streamlined processes or improved assistance. The high degree of agreement suggests that customers find this to be a major source of suffering. Delays are a widespread problem, as indicated by the nearly 50% of respondents who believe that loan approval requires longer than anticipated. This supports the idea that processing is inefficient when combined with the previously presented complexity data.

TABLE:3

	Variable	Count	Percentage %
The lack of awareness and clarity about loan terms and conditions creates confusion.	Strongly agree	19	17.35
	Disagree	26	23.6%
	Neutral	16	14.5%
	Agree	31	28.2%
	Strongly agree	18	16.4%

	Total	110	100%
Interest rates and repayment terms are not student friendly.	Strongly agree	14	12.7%
	Disagree	29	26.4%
	Neutral	20	18.2%
	Agree	35	31.8%
	Strongly agree	12	10.9%
	Total	110	100%
The eligibility criteria for education loans are reasonable and easy to meet.	Strongly agree	6	5.5%
	Disagree	20	18.2%
	Neutral	23	20.8%
	Agree	39	35.5%
	Strongly agree	22	20%
	Total	110	100%
Loan processing and approval time are satisfactory.	Strongly agree	14	12.8%
	Disagree	26	23.9%
	Neutral	30	26.6%
	Agree	27	24.8%
	Strongly agree	13	11.9%
	Total	110	100%
The bank staff is helpful and provides adequate guidance throughout the loan process.	Strongly agree	8	7.3%
	Disagree	22	20%
	Neutral	26	23.6%
	Agree	39	35.5%
	Strongly agree	15	13.6%
	Total	110	100%
The customer service team is responsive and addresses queries effectively.	Strongly agree	13	11.8%
	Disagree	21	19.1%
	Neutral	26	23.6%
	Agree	40	36.4%
	Strongly agree	10	9.1%
	Total	110	100%

VI. INTERPRETATION

This illustrates a communication breakdown that may prevent students from making well-informed decisions. A sizable percentage of respondents are unhappy with the financial strain placed on them and think that PNB's interest rates and repayments arrangements are not student-friendly. On this issue, about one-third of respondents agree, while a quarter disagree, indicating a divided opinion and possible subject for revision. It is encouraging that over half of those who responded think the eligibility requirements are fair and simple to fulfil. The 21% who are neutral and the 18% who disagree, however, point to some

ambiguity or situations in which candidates still encounter difficulties. There are differing views. Even though over a third are satisfied by the loan approval time, a sizable percentage disagree or are neutral, which suggests uneven service delivery or unfulfilled efficiency expectations. The bank employees are seen as friendly and supportive by over half of the respondents, indicating a mostly positive customer service attitude. One in five disapproving, nevertheless, suggests that staff training or quality of service may be lacking. Most people have a positive opinion of customer service responsiveness, but again, over 20% don't agree. This suggests erratic situations in which some clients do not feel heard or receive

VII. CONCLUSION

The survey findings indicate that while a significant portion of respondents view Punjab National Bank's (PNB) education loan services positively, there are areas requiring attention to enhance overall customer satisfaction. Approximately 25% of respondents expressed confusion regarding the clarity of PNB's education loan eligibility criteria, suggesting a need for clearer communication. Over 51% found the loan application process complex and time-consuming, highlighting opportunities for streamlining and simplification. While 45.5% were satisfied with customer service, 30.9% expressed dissatisfaction, indicating areas for improvement in responsiveness and effectiveness. Additionally, 37.6% were satisfied with loan processing and approval times, while 23.9% were dissatisfied, pointing to potential inefficiencies in the approval process. Addressing these concerns through clearer communication, streamlined processes, enhanced customer service, and optimized processing times can lead to improved customer satisfaction and a more efficient loan service experience.

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