

Engineers, Chartered Accountants, Doctors and Respective Specialist Lending Opportunity and Challenges

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Abstract

All specialists who fall under categories Engineers, Chartered Accountants, Doctors and multiple specialists in respective professionals are to be separately while distributing Loans. Since these professionals practice the business in a different way. The professionals are catering to not only to their jobs, but also cater as a consultant. The money which is borrowed can be used not only for personal use or for the business growth in this profession. The approach on this kind of profiles is completely different. There are some unsung heroes as well in this profession who are either under paid or under recognized as well. However, the approach for these kind of customers to be very professional as well and to be treated well since these customers are very busy in their current profession and sometimes in a very renowned locality and popularity.

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I. Introduction

Professional loans are basically viewed as a business loan or salaried loans to any customer. Thus, the categorization and volume is not considered separately in the books of any financial institution. The overall lending opportunity in India across all professional stakeholders is approx. 3 Lakh crores.

The categories of professionals is divided into CA, ICWA, CFA, Architects, Engineers and Doctors. The average way of lending these loans is around 3 to 6 lakh rupees from the region to region with the age and experience based. Also, as a trend the minimum experience which is observed minimum is 3 years and can go to 25+ years as per the maturity and age of customer. (Dubey, 2021)

II. Literature Review

Professional Loans

These loans categorize into multiple types from the lending institutions standard point of view.

- CA (ICAI, ICWA and CFA) loans
- Doctors Loans
- Engineers Loans (who are running businesses)
- Architects loans

For these professionals there is a different approach that is established by the banking industry. These customers are treated as a premium customers and also are offered with different rates since the risk is reduced a lot as these professionals jobs are quite secured and are well renowned in the society. (Dubey, 2021)

CA (ICAI and CFA) Loans:

In India as of 1 Apr, 21 there are 327081 CAs' who are registered under ICAI which are further divided into multiple categories which are in practice and not in practice and further by regions.

Region	FELLOWS			
	In Practice		Not in Practice	Total
	Full Time	Part Time		
Western	25388	620	4014	30022
Sothern	18359	581	3453	22393
Eastern	8014	170	1301	9485
Central	17787	344	2068	20199

Northern	17452	516	3670	21638
Total	87000	2231	14506	103737

Region	ASSOCIATES			
	In Practice		Not in Practice	Total
	Full Time	Part Time		
Western	19217	1673	58344	79234
Sothern	9617	1029	31960	42606
Eastern	3819	358	12259	16436
Central	13059	748	27782	41589
Northern	11424	964	31091	43479
Total	57136	4772	161436	223344

Data from (ICAI, 2021)

Here the CAs' are bifurcated into multiple types Fellows and Associates. Fellows are practicing and are currently under internship and pursuing the layers of CA examination.

This data is currently with ICAI in a format which cannot be easily read and is in a format which is not easily accessible by any system for automation process.

In India with ~125 crore population and almost near to 7 crore tax payers, we can see that there are an approximate ~3 Lakh practicing CAs' which in time creates the demand for their services at the premium rate. Even in 3 Lakh CAs' there are only 1.25 Lakh members who are practicing fully as chartered accountant thus this is eventually leading to scarcity of resources to cater to wide range of customers across India. (Banchariya, 2018)

As per (Hemant, 2022) there is a rise in women CAs' subscribing to CA courses and also becoming full time practicing CAs'. Currently there are over 40% of CA students are girls.

To become a final CA members a student have to go through the below courses and a minimum no. of years as intern for practicing.

- CA Foundation Course
- CA Intermediate Course
- CA Articleship
- CA Final Course

In ideal situation, this will take minimum 4 years. While many pursue for longer term as there are dropouts or discontinuation in the course for multiple reasons.

With considering minimum of 6 lakhs average loan requirement to all the above CAs', banking industry has ~2000 crore opportunity for lending.

CFA:

In India as per statistics by (CFA), there are 170000 registered CFAs' too and out of which 96% are practicing full time with around 150 local societies.

Again to verify all these CFAs' any banking industry doesn't have source unless they go manually verify. This will create a risk factor for the fast running industry.

If all the members of CFA takes loans there can be an opportunity of around 1000 crores across India with the average ticket size of 6 Lakh rupees.

Doctors

One person after god is looked at in India is Doctors. Doctors play a very key role in keeping society healthy by multiple ways. They educate, take care and also help the underpowered to take care of themselves and make sure that they take care properly.

During COVID 19, we have seen that Doctors are the ones who have taken the front foot and helped and saved crores of lives with the help of technology and also by making sure they are available at hospitals/clinics all the time by risking their own life to make sure the treatment continues.

Doctors are categorized as below because of their specialization:(Felson, 2020)

- Allergists/Immunologists

- Anesthesiologists
- Cardiologists
- Colon and Rectal Surgeons
- Critical Care Medicine Specialists
- Dermatologists
- Endocrinologists
- Emergency Medicine Specialists
- Family Physicians
- Gastroenterologists
- Geriatric Medicine Specialists
- Hematologists
- Hospice and Palliative Medicine Specialists
- Infectious Disease Specialists\
- Internists
- Medical Geneticists
- Nephrologists
- Neurologists
- Obstetricians and Gynecologists
- Oncologists
- Ophthalmologists
- Osteopaths
- Otolaryngologists
- Pathologists
- Pediatricians
- Psychiatrists
- Plastic Surgeons
- Podiatrists
- Preventive Medicine Specialists
- Psychiatrists
- Pulmonologists
- Radiologists
- Rheumatologists
- Sleep Medicine Specialists
- Sports Medicine Specialists
- General Surgeons
- Urologists

Here are list of doctors that are currently present:

Age Group	Doctor
15-29	2,85,691
30-40	4,56,478
41-50	2,91,845
51-65	1,98,791
>65	22,981
Total	12,55,786

The data shows that there are around 12.5 Lakh doctors with MBBS and specialization as mentioned above. This will give us the opportunity to lend such variant customer base and also the lending can be done in a very distributed manner. However, the certificate and registration is not technically ready for doing the system automation. Many robot crawlers are used to extract the data and run and confirm data on the live basis. This is not helping in coping up faster as there is always downs and ups on the website as well.

Apart from the MBBS and specialization Doctors, we have further 3 categories which are Dentist, Ayurvedic and Homeopathy (Ayush).

Age Group	Dental	Ayush
15-29	80,263	40,463
30-40	1,45,837	1,94,500
41-50	34,951	2,91,905
51-65	9,198	1,78,717
>65	271	68,083
Total	2,70,520	7,73,668

With the volumes in place at 6 Lakh rupees as an average ticket size, the overall opportunity then is considered to be around 1.4 Lakh crore rupees for Doctors itself.

Architects:

The total number of architects in India as 10 May 2022 is 117675. (Architects, 2022)

Engineers:

As per (statista, 2020) there are 3089 thousand Engineers spread across India.

Categories comprising of:

Computer Science Engineering: 935 Thousands

Mechanical Engineering: 684 thousands

Electronics Engineering: 611 thousands

Civil Engineering: 484 thousands

Electrical Engineering: 373 thousands

However, data around these opportunity of lending is also not concrete, this is very much dependent on the underwriter who is underwriting the particular loan basis the customer's profile and behavior.

III. Research Methodology

The adopted approach in this research is Qualitative research method to analyze and achieve the key objective of the research. Via lending how is the opportunity spread across and the research to the previous research associated for the professional categories for the multiple professions. Also, categories like growth, strategies and supporting information which drives these underlying business opportunities has been considered for the research steps.

IV. Discussion

As per the data from (Architects, 2022), (CFA), (Dubey, 2021) and (Tandon), we are able to understand that there is a huge opportunity in funding in lakhs of crores to make sure that the professionals who serve the industry and people across multiple functions and methods can be served as well. Also, the risk factor for these loans will be lesser too as this would mean that we are catering to the profiles which are very known and renowned in the industry. With this in mind, the risk factors will always be reduced and the complete collection process can be taken care of. With the opportunity such high in nature, we also would need technologies helping us to cater the requirement for the faster lending and verified form too.

For ex: if any of the professional person applies for a loan with any age group, banking industry have limited data getting updated and shared access across these professionals to cross verify data and remove the risk factor of fake or irregular practice certificates for both experience and also genuineness of the customer.

With the opportunity of lakhs of rupees in lending across multiple categories, in the next 5 to 10 years this sector shall increase by 5% to 10%. Even the awareness and ratio is also getting increased for the education that can spread across.

Professionals are also called the customers with very niche profile and also respectful portfolio in the society. The categories are well spread with great professional spread and has the profiles covered across multiple varsities.

V. Conclusion

Every observation is already discussed in each and every section for the part to concluded, an overall conclusion is made here along with corresponding recommendations.

The current study is an attempt to analyze the techniques of measures and protocols that are considered for achieving the amount of opportunity.

There can be exponential and remarkable impact if the government helps in automation of the details which are available in offline mode and increase the opportunity for the business to take this chance and leverage the improvement of business by lending. Even with this shift and also RBI conducting multiple source formations than the increments are very good and opportunity is sky rocketing.

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