

A Study on Impact of Loan Granting by Canara Banks towards Business on Post-Covid on Borrowers' Perspective

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Abstract: *The purpose of the study was to examine the performance of Canara Bank on post covid and their relationship with the borrowers. Banks are important social organizations rendering various financial services to their customers. A well-structured questionnaire was employed to collect data from the respondents with a sample size numbering 75. It focuses on the study of Canara Banks towards business on post covid from the borrower's perspective. Statistical tools like simple percentage analysis, Chi-Square test, regression analysis were used in this study. This analysis revealed certain engaging results regarding the customer expectation towards loan granting facilities.*

Keywords: Canara Bank, Banking performance, Analysis

1. Introduction

Canara Bank is the third-largest Nationalised bank in India. It was incorporated on July 1, 1906, with the name Canara Bank Hindu Permanent Fund. The key success of an organization lies with its people and the speed efficiency of the bankers. Syndicate Bank is being amalgamated with Canara bank and the name of the amalgamated entity/Bank is Canara Bank. Personal banking, Corporate Banking, NRI banking, and Priority & SME credit are some of the important functions provided by Canara Bank. They provide loans for local businesses and individuals alike, helping each of us on our paths toward success. Canara Bank occupies a premier position in the comity of Indian banks with an unbroken record of profits since its inception.

Importance of Loan Granting

There are various types of loan facilities provided by the banks to their customers which play an essential role to help the financial needs of the people. A loan is a form of debt that is incurred by an individual or entity. Banks assess loans by checking the capacity of the borrowers (ability to pay back a loan). In the case of business, taking a business loan improves your business's creditworthiness. After making on-time payments and completing your loan within its term, your credit score will improve.

Benefits of Business loans

- Flexibility for usage
- Flexible repayment options
- Convenient and easy
- Reasonable interest rates
- No collateral required
- Working capital support
- Multiple loan options
- Tax benefits

Disadvantages of Business Loans

- Strict eligibility criteria
- Lengthy application process
- You may not receive the full loan amount
- Not suitable for ongoing expenses
- Secured loans carry risk

Statement of Problem

The outbreak of covid-19 has affected credit performance and a massive decline in global economic activity. The low-interest-rate scenario, along with the significant impact of the COVID-19, is reducing the core banking profitability. So, this study shows whether there is a negative effect on the performance of banking credit and challenges faced due to the pandemic.

Scope of the Study

The present study is to ascertain the problems faced by Canara bank due to the covid-19 situation and to obtain knowledge towards its credit accessibility. This study covers the impact of loan granting by Canara banks after covid on borrowers' perspectives.

Objectives of the Study

- To know the borrowers' view against loan granting services.
- To study the personal profile of the borrowers before availing of loan services.
- To find out the approaches of borrowers towards loan granting.
- To study the challenges faced by the borrowers towards loan granting due to covid-19

Research Methodology

To meet the above objectives data have been collected by a survey.

Primary Data

The required data for the study are primary and the data has been collected with the help of a questionnaire

Secondary Data

The secondary data has been collected in the form of reviews with the help of journals, articles, and electoral statistics.

Tools Used for Analysis

Chi-Square

The chi-square is a statistical test that was used to analyze the observed result with the anticipated results. It can be often used to analyze the observed result with the anticipated results. It can be often used in hypothesis writing.

$$\chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

Simple Percentage Analysis

The simple percentage method is used to contrast two or more data series. It's a pragmatic approach towards expressing the survey responses. The formula to calculate the percentage analysis (Value/TotalValue)*100

2. Review of the Literature

Anbuoli Parthasarathy (2015) This study aims to know the importance of Customer Relationship Management (CRM) for the performance of the bank and its borrower's expectations for efficient maximization of revenue. CRM helps to find customer demand and complaints through

Factors	Highly satisfied	Satisfied	Neutral	Not satisfied	Total
Awareness relates to RBI update	18	19	20	18	75
Easy procedure to get a loan	15	17	20	23	75
Agriculture loan subsidy	20	15	19	21	75
Subsidy Assistance	8	17	23	27	75
Better customer relationship	14	10	24	27	75
Project assistance	16	19	26	14	75
Facility for repayment	15	27	29	4	75

Interpretation

The above table depicts the satisfaction level of borrowers which were suggested by the respondents to alter the impact on granting loans. Among all the suggested levels the subsidies have got the 1st rank making it a major problem.

3) Rankings of Challenges Faced for Availing Loans

S.No.	Problems	Weighted Score	Rank
1	Complicated procedure	60	II
2	Non-availability of project assistance	40	III
3	No-better, customer Relationship	60	IV
4	Lack of subsidy assistance	30	II
5	Lack of awareness Related to RBI updates	40	III
6	Repayment procedure	70	I

which solutions can be developed for those problems. The main objective is to study the awareness of Customer Relationship Management policies and factors influencing those policies and check the profile of borrowers using Canara bank services. The analysis of Variance and Chi-square were executed to test customer awareness.

Mahalaxmi (2019) The study reveals the success of speed efficiency of the bankers due to the E-Banking services. The objective is to analyze the loan granting procedures and expected quality of E-Services at Canara Bank. Factors affecting E-Banking services at Canara Bank must be studied for the interest of customer expectations. The tools like correlation analysis, variance analysis, ANOVA test were used to analyze the collected data.

3. Analysis and Interpretation

1) Percentage of Income Groups

S.NO	Percentage of Annual Income (%)	Number of Respondents
1	Below 3 Lakhs	23
2	3 lakhs to 5 lakhs	22
3	5 lakhs to 10 lakhs	28
Total		75

Interpretation

By comparing, the percentage of annual income on post-covid of the pandemic. The majority of the respondents whose annual income was from 3 lakhs to 5 lakhs were able to analyze by the percentage analysis method.

2) Satisfaction Level in regards of borrowers

Interpretation

It depicts the challenges faced by the borrowers by the ranking's procedure. The rankings procedure gets a high rank in the weighted score.

4. Findings

- Majority of the respondents whose annual income is above 3 lakhs to 5 lakhs
- It outlines the table to know the satisfaction level regarding of borrowers lending loan
- By the ranking's procedure, repayment procedure is a limitation for a vailing of loans.

5. Suggestions

- Focus on the high-interest rates to clear your debts

- Consolidate all your debt which finance involves combining existing loans into one single loan.

6. Conclusion

This survey is done using primary data i.e. by collecting response from respondents who gave clarity about availing of loans from a borrower's perspective. There were more challenges but the repayment procedure is nowadays an inherent limitation. Strong customer relationships are required to avail loan. The above tools were used to interpret the borrower's satisfaction for availing loan services from Nationalised Banks.

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