

A COMPARATIVE STUDY OF CANARA BANK AND PUNJAB NATIONAL BANK

A Project submitted to
University of Mumbai for Partial Completion of the Degree
of Bachelor in Commerce (Accounting & finance)
Under the Faculty of Commerce

By

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**Under the Guidance of
ASST . PROF . DR . KISHORE CHAUHAN**

JNAN VIKAS MANDAL'S

Mohanlal Raichand Mehta College Of Commerce

Diwali Maa College Of Science

Amritlal Raichand Mehta College Of Arts

Dr . R . T. Doshi College Of Computer Science

NAAC Re-Accredited Grade 'A+' (CGPA : 3.31) (3rd Cycle)

Sector-19 , Airoli, Navi Mumbai, Maharashtra 400708



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Certificate

This is to certify that **Mr.Rishabh Sambhaji Patil** has worked and duly completed her/his project work for the degree of Bachelor in Commerce (Accounting and Finance) under the faculty of Commerce in the subject of **Accounting and Finance** and her / his project is entitled, "**A Comparative Study of Canara Bank and Punjab National Bank**" under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree of Diploma of any University.

It is her/ his own work and facts reported by her/his personal findings and investigation.

**Guidance Teacher,
ASST . PROF . DR . KISHORE CHAUHAN.**

Date of Submission

Declaration

I the undersigned **Mr.Rishabh Sambhaji Patil** here by, declare that the work embodied in this project work title “**A Comparative Study of Canara Bank and Punjab National Bank**” , forms my own contribution to the research work carried out under the guidance of **Dr.Kishor Chauhan** is a result of my own research work has not been previously submitted to any other University for any other Degree / Diploma to this or any other University.

Wherever reference has been made to previous work of others, it has been clearly indicated as such and included in bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

Name:

Rishabh Sambhaji Patil

Certified by:

ASST . PROF . DR . KISHORE CHAUHAN

Acknowledgement

To this who all have helped me is difficult because they are so numerous, and the depth is so enormous.

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Chapter : 1- Introduction To Bank

1.INTRODUCTION

1.1 MEANING OF BANK

A bank is a financial institution that accepts deposits from the public and creates a demand deposit while simultaneously making loans. Lending activities can be directly performed by the bank or indirectly through capital markets.

Because banks play an important role in financial stability and the economy of a country, most jurisdictions exercise a high degree of regulation over banks. Most countries have institutionalized a system known as fractional reserve banking, under which banks hold liquid assets equal to only a portion of their current liabilities. In addition to other regulations intended to ensure liquidity, banks are generally subject to minimum capital requirements based on an international set of capital standards, the Basel Accords.

Banking in its modern sense evolved in the fourteenth century in the prosperous cities of Renaissance Italy but in many ways functioned as a continuation of ideas and concepts of credit and lending that had their roots in the ancient world. In the history of banking, a number of banking dynasties — notably, the Medicis, the Fuggers, the Welsers, the Berenbergs, and the Rothschilds — have played a central role over many centuries. The oldest existing retail bank is Banca Monte dei Paschi di Siena (founded in 1472), while the oldest existing merchant bank is Berenberg Bank (founded in 1590).

1.2 HISTORY OF BANKING

What is the banking system, and what are the laws and customs which regulate and have regulated our Banks? Where does it all start? The business of banking and loaning money at interest has existed from the earliest forms of civilization because it responds to an imperative need of society. It was conducted in Athens, probably in Carthage, and certainly in Rome; but, after the establishment of Christianity, it encountered serious obstacles. Here we will study the history of banking with a special focus on banking in India.

The word “Bank” is widely and extensively used and circulated. The “Bank” in English carries the same meaning in

Bengali. The origin of the English word “Bank” came into being (when, where and how) which could not be specifically identified. The history regarding the origin of “Bank”, even after the twelfth century, is not also clear which has been based on guesses. According to some writer, the word “Bank” was derived from “Banco”, “Bancus”, “Banque” or “Banc” all of which means a bench upon which the mediaeval European Money-lenders and Money –Changers used to display their coins.

1.2.1. Source and Origin of Modern Banking

Banking-experts pass their opinion that banking system was introduced from the primitive stages of human civilization in some way or other in the world. While reviewing historical backgrounds of social, economic and religious activities of ages, the origin of modern banking can be better known.

1.2.2. Banking In India

For the growth and development of modern banking, Indo-Pak Subcontinent has a positive role. With the gradual evolution of ages, banking activities have got momentum. We shall study it in the below sections:

1.2.3. The Ancient Era

Many Economists and Experts have expressed their opinion that banking business has been going on since ancient era. Many pieces of evidence are found with the archaeological symbols of Harappa and Mohenjodaro. From different religious scriptures, we find a lot of information regarding modern banking activities.

1.2.4. The Mughal Era

The banking system has been extensively developed during the Mughal Era. During that time government treasury was formed. The Govt. introduced gold and silver coins of different denominations named “Ashrafi”. Thus banking system has been developed. During that period “Seth Family” was world famous. They used to conduct business through agency house. Among the local bankers Marwari, Multani, Kabuliwala, Sharaf, Chetti etc. are worth a mention. In the seventeenth century, English Tradesmen were involved with them. In 1700, The Hindustan Bank was established as a joint venture bank.

1.2.5. The British Era

The expansion program of the modern bank started when the English took the power of India. In 1784 the Bengal Bank introduced paper currency notes and gold coins of different denominations. Later, in 1787 General Bank of India, in 1806 Bank of Bengal, in 1840 Bank of Bombay and in 1843 Bank of Madras were set up. With the merging of three banks, the Imperial Bank of India was established in 1920 and in 1935 the Reserve Bank of India came into being.

1.2.6. The Pakistan Era

In 1947 during the separation of India, 639 branches of different banks were the parts of Pakistan. Besides, Head Offices of Habib Bank Limited and Muslim Commercial Bank Limited were transferred to Karachi. In 1948 the State Bank of Pakistan was established.

1.2.7. The Bangladesh Era

Bangladesh came into being in 1971. Since then a branch of state bank of Pakistan stationed at Dhaka was declared Central Bank of Bangladesh named as Bangladesh Bank under Special Act. Excepting other banks, Head Offices of two banks e.g. Eastern Mercantile Bank Limited (1959) and Eastern Banking Corporation Limited(1965) were at Dhaka. They were renamed as Pubali Bank Limited and Uttara Bank Limited respectively. In this country of 14 crores people about 57 banks (Govt. bank 4; Local private 30; Foreign 12; specialized 7 and others 4) with about 5500 branches and about 1,10,000 officers/staff; are functioning for socioeconomic development.

With two banks as above many branches of more than 10 banks were located in Bangladesh. When the Non- Bengali owners had left the country the disastrous condition of banks in Bangladesh knew no bounds. The fact remains that most of the bankers and staff were Non-Bengalies. Consequently, the management and control of all such banks were reposed on Bangladesh Government. In 1972. Government, pursuant to President's Order 26, had nationalized all banks. The banking system of Bangladesh came to a standstill.

1.3 TYPES OF BANKS

Banks are financial institutions that perform deposit and lending functions. There are various types of banks in India and each is responsible to perform different functions.

In terms of the government exam syllabus, a candidate must know the types of Banks and the role of each of them in managing the financial system of a country.

The bank takes deposit at a much lower rate from the public called deposit rate and lends money at a much higher rate called the lending rate.

Banks can be classified into various types. Given below is the bank types in India:-

1.3.1. Central Bank

1.3.2. Cooperative Banks

1.3.3. Commercial Banks

1.3.4. Regional Rural Banks (RRB)

1.3.5. Local Area Banks (LAB)

1.3.6. Specialized Banks

1.3.7. Small Finance Banks

1.3.8. Payments Bank

Functions of Banks

The major functions of banks are almost the same but the set of people each sector or type deals with may differ. Given below the functions of the banks in India:

- ✓ Acceptance of deposits from the public
- ✓ Provide demand withdrawal facility
- ✓ Lending facility
- ✓ Transfer of funds
- ✓ Issue of drafts
- ✓ Provide customers with locker facilities
- ✓ Dealing with foreign exchange

1.3.1. Central Bank

The Reserve Bank of India is the central bank of our country. Each country has a central bank that regulates all the other banks in that particular country.

The main function of the central bank is to act as the Government's Bank and guide and regulate the other banking institutions in the country. Given below are the functions of the central bank of a country:

- ✓ Guiding other banks
- ✓ Issuing currency□
- ✓ Implementing the monetary policies
- ✓ Supervisor of the financial system□
- ✓

In other words, the central bank of the country may also be known as the banker's bank as it provides assistance to the other banks of the country and manages the financial system of the country, under the supervision of the Government.

1.3.2. Cooperative Banks

These banks are organised under the state government's act. They give short term loans to the agriculture sector and other allied activities.

The main goal of Cooperative Banks is to promote social welfare by providing concessional loans. They are organised in the 3 tier structure

- Tier 1 (State Level) – State Cooperative Banks (regulated by RBI, State Govt, NABARD) □

Funded by RBI, government, NABARD. Money is then distributed to the public
Concessional CRR, SLR applies to these banks. (CRR- 3%, SLR- 25%)

Owned by the state government and top management is elected by members

- Tier 2 (District Level) – Central/District Cooperative Banks □

- Tier 3 (Village Level) – Primary Agriculture Cooperative Banks □

1.3.3. Commercial Banks

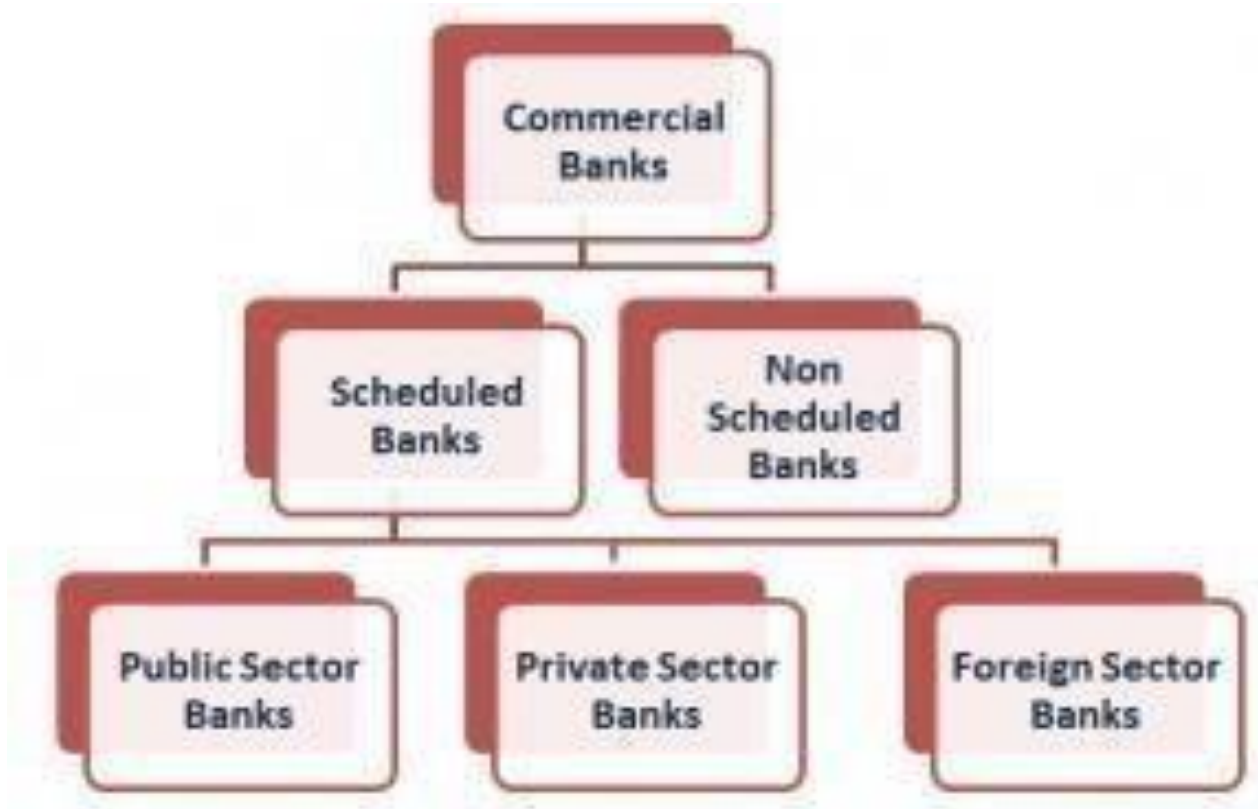
Organised under the Banking Companies Act, 1956

They operate on a commercial basis and its main objective is profit.

They have a unified structure and are owned by the government, state, or any private entity. They tend to all sectors ranging from rural to urban

These banks do not charge concessional interest rates unless instructed by the RBI Public deposits are the main source of funds for these banks The commercial banks can be further divided into three categories:

- Public sector Banks – A bank where the majority stakes are owned by the Government or the central bank of the country. □
- Private sector Banks – A bank where the majority stakes are owned by a private organization or an individual or a group of people □
- Foreign Banks – The banks with their headquarters in foreign countries and branches in our country, fall under this type of bank □



1.3.4. Regional Rural Banks (RRB)

These are special types of commercial Banks that provide concessional credit to agriculture and rural sector.

RRBs were established in 1975 and are registered under a Regional Rural Bank Act, 1976. RRBs are joint ventures between the Central government (50%), State government (15%), and a Commercial Bank (35%).

196 RRBs have been established from 1987 to 2005.

From 2005 onwards government started merger of RRBs thus reducing the number of RRBs to 82. One RRB cannot open its branches in more than 3 geographically connected districts. Aspirants can check the list of Regional Rural banks in India at the linked article.

1.3.5. Local Area Banks (LAB)

Introduced India in the year 1996 These are organized by the private sector

Earning profit is the main objective of Local Area Banks Local Area Banks are registered under companies Act, 1956

At present, there are only 4 Local Area Banks all which are located in South India



1.3.6. Specialized Banks

Certain banks are introduced for specific purposes only. Such banks are called specialized banks. These include:

- Small Industries Development Bank of India (SIDBI) – Loan for a small scale industry or business can be taken from SIDBI. Financing small industries with modern technology and equipments is done with the help of this bank □
- EXIM Bank – EXIM Bank stands for Export and Import Bank. To get loans or other financial assistance with exporting or importing goods by foreign countries can be done through this type of bank □
- National Bank for Agricultural & Rural Development (NABARD) – To get any kind of financial assistance for rural, handicraft, village, and agricultural development, people can turn to NABARD. □

There are various other specialized banks and each possesses a different role in helping develop the country financially.

1.3.7. Small Finance Banks

As the name suggests, this type of bank looks after the micro industries, small farmers, and the unorganized sector of the society by providing them loans and financial assistance. These banks are governed by the central bank of the country.

1.3.8. Payments Banks

A newly introduced form of banking, the payments bank have been conceptualized by the Reserve Bank of India. People with an account in the payments bank can only deposit an amount of up to Rs.1,00,000/- and cannot apply for loans or credit cards under this account.

Options for online banking, mobile banking, the issue of ATM, and debit card can be done through payments banks. Given below is a list of the few payments bank in our country:

- ✓ Airtel Payments Bank ☐
- ✓ India Post Payments Bank
- ✓ Fino Payments Bank
- ✓ Jio Payments Bank
- ✓ Paytm Payments Bank ☐
- ✓ NSDL Payments Bank ☐

6 PAYMENT BANKS OF INDIA



1.4 FEATURES OF BANK

1.4.1. Deals with money

The Main Features of a bank is that it deals with all the money-related transactions. For example, you can deposit your money in a bank account to save it securely, and you will also get interested in the money that you will save in the account.

Therefore, it is the easiest way to increase your money without putting it at any risk. Moreover, if you need the money, then you can borrow it from the bank at a certain interest. For example, you can borrow money from the bank to pay your tuition fees as well as you can also borrow money from the bank you want to buy a car. However, you are supposed to pay the money back to the bank with interest.

1.4.2. Provide loans

Banks make extra money by providing loans for different products to the loan. The bank makes the extra money by lending money to the eligible person at certain rates.

Nowadays, banks provide loans for various requirements such as study loan, car loan, home loan, personal loans, etc.

Different banks provide different loans at different interest rates. You can compare the interest rates of different banks to get a loan at minimum interest rates.

1.4.3. Identity

As I told you, there are various banks which provide loans at different interest rates. Therefore, each bank has a different name which helps the people to identify it easily and to differentiate with other banks.

Even though the basic services provided by all banks are the same, but each bank tries to provide different interest rates and better services to attract more and more customers.

Therefore, each bank uses a unique bank name and unique tag line to sell their services.

1.4.4. Withdrawal and payment facilities

A Bank provides various payment and withdrawal services to customers so that they can receive their money hassle-free. Customers can withdraw money using cheques and drafts and also from the ATMs installed by the banks at different locations in the city.

They can withdraw money using the debit cards provided by the bank the card is directly linked with the bank and customers can withdraw money anywhere in the world without going to the bank and even without carrying their passbook.

1.4.5. Internet services

Another feature of a Bank is that modern banks are also providing internet services. The development of the internet and its inclusion in the banking sector has made it even more easy for people to carry out various transactions.

Banks are providing online services through their apps. You can pay bills, buy food, go shopping without having cash with you. With the help of banking apps, you can pay for everything online.

Nowadays, more and more banks are taking their business online. It helps in making safe and risks free transactions, and there are fewer chances of stealing taxes. There are specific terms for these types of transactions, such as internet banking and mobile banking.

1.4.6. Business

The only work of banking is not to provide banking services to customers. All banks are involved in the subsidiary businesses to make more money.

Their sole responsibility to provide maximum satisfaction to their customers and to provide them maximum interest rates so that more customers do banking with them. The money is passed from one hand to another to make a profit.

1.4.7. Increasing functionality

Like other industries banking sector is also focused on enhancing their functionality.

Banks have developed from just providing money lending and cash deposit and withdrawal services to providing loans and credit to cashless bank services to internet and mobile banking.

It is one of the fields which are growing fastest. It will not be wrong to assume that banks will be providing more services in the future in addition to internet banking and mobile banking and people's dependency on the cash will reduce to almost zero percent.

1.4.8. Branches at different locations

Also, the features of a bank include services to its customers wherever they live in the whole world. Most banks are opening their branches the rural part of the country to connect people with the banks and to gain more profit. People are not required to travel miles like the old times to do banking.

They can visit the nearest branch to them. Each bank is opening more and more branches with the increase in the population so that they can satisfy their customers properly by being near to them.

1.4.9 Bank can be a company or an individual providing banking services

Usually, when you hear about the word bank, you think about a large place where many people are working and dealing with the money transactions.

But it is not wrong to say that a bank can be large organization consist of hundreds of people or it can be a unit managed by a single person.

1.4.10. Commercialized

All the banking services are taking place with a single AIM to make money. You might feel perplexed how bank money by managing others money. But this is the key. We hand over our money for a small interest on the money deposited by us.

The bank uses our money to lend it to others or by investing it in profitable businesses to make profits. If you think your money is sitting in a banks locker, then you are wrong.

You might have digits of the money mentioned in your passbook, but you might be rotating between one person to another to make more money to the investor.

1.5 IMPORTANCE OF BANK

Importance of Bank: Banking plays an important role in the financial life of a business, and the importance of banks can be seen from the fact that they are considered to be the life-blood of the modern economy. Although no wealth is created by banks, their essential activities facilitate the process of production, exchange and distribution of wealth.

Importance Of Bank In Detail In this way, they become effective partners in the process of economic development and growth. In the words of Stephenson & Britain “Banks are the custodians and distribution of liquid capital, which is the life- blood of our commercial and industrial activities and upon the prudence of their administration depends on the economic well-being of the nation”.

Importance of Bank for Business

On the basis of these Important Functions of Banks, we may easily describe the importance of banks in today’s global life.

1.5.1. Collections of Savings and Advancing Loans

Acceptance of deposit and advancing the loans is the basic function of commercial banks. On this function, all other functions depend accordingly. Bank operates different types of accounts for its customers.

1.5.2. Money Transfer

Banks have facilitated the making of payments from one place or persons to another by means of cheques, bill of exchange and drafts, instead of cash. Payment through cheques, the draft is more safe and convenient, especially in case of huge payments, this facility is a great help for traders and businessmen. It really enhances the importance of banks for the business community.

1.5.3. Encourages Savings

Banks perform an invaluable service by encouraging savings among the people. They induce them to save for profitable investment for themselves and for the national interest. These savings help in capital formation

1.5.4. Transfer Savings into Investment

Bank transfer the savings collected from the people into investment and thus increase the amount of effective capital, which helps the process of economic growth.

1.5.5. Overdraft Facilities

The banks allow the overdraft facilities to their trusted customers and thus help them in overcoming temporary financial difficulties.

1.5.6. Discounting Bill of Exchange

The importance of banks can be seen through the facility of discounting the bill of exchange. Banks discount their bill of exchange of consumers and help them in financial difficulties. By discounting a bill of exchange, they able to get the desired amount for the investment they want.

1.5.7. Financing Internal & External Trade

Banks help merchants and traders in financing internal and external trade by discounting a foreign bill of exchange, issuing of letters of credit and other guarantees for their customers.

1.5.8. Act as an Agent

The bank act as an agent and help their customers in the purchase and sales of shares, provision of lockers payment of monthly and dividends on the stock.

1.5.9. Issue of Traveler's Cheques

For the convenience and security of money for travelers and tourists, the bank provides the facility of traveler's cheques. These cheques enable travelers and tourists to meet their expenses during their journey, as these are accepted by issuing bankers, restaurants, and other businessmen both at home and abroad. No doubt, this is also one of the great functions of banks and shows the importance of banks for us in more precise ways.

1.5.10. General Utility Services

The existence of commercial banks is essential for contribution to general prosperity. Banks are the main factors in raising the level of economic development of the world. In addition to the above-cited advantages, banks also provide many services of general utilities to the customers and the general public.

1.6 OBJECTIVES OF BANK

Objectives of Banking

1.6.1. Safeguard Deposits

Bank serves the main purpose of accepting deposits from public and safeguarding it. It guarantees the safety of funds to customers for depositing their money in their accounts.

1.6.2. Provide Loans

It advances loan to customers at both short-term and long-term basis as per their needs. Bank provides loans out of the deposit that they receive and charges interest on the amount from customers.

1.6.3. Encourage Savings

Banking institutions have an efficient role in encouraging saving habits among people. It motivates people for saving and depositing their earnings in bank accounts by paying them a fixed rate of interest on their deposited amount regularly.

1.6.4. Capital Formation

Banking accelerates the capital formation rate within the country. It extends credit to various sectors of the economy from time to time which helps in uninterrupted continuation of all growth and development activities. Different industries and businesses approach banks for fulfilling their financial needs.

1.6.5 Currency Issue

Banking organizations does the purpose of issuing currency which is served as a legal tender in country. Central bank of our country (i.e. RBI) prints and issues all currency notes for the public.

1.6.6. Enhances Living Standards

It assists the people in improving their quality of life by providing them credit. Bank enables customers in purchasing high quality and costly goods on credit basis or hire purchase system.

1.6.7. Generates Employment

Banking organizations also helps in generating large employment opportunities within the country. It helps companies in extending their activities by providing them credit as per their needs. This will result in increase in human resource requirement for various positions. In addition to this, a large section of economy is working within the banking sector.



1.7 FUNCTIONS OF BANKS

There are two types of functions of banks:

Primary functions – being primary are also called banking functions. Secondary Functions Both the types of functions of bank are explained below in detail:

1.7.1. Primary Functions of Bank

All banks have to perform two major primary functions namely: Accepting of deposits

- ✓ Granting of loans and advances
- ✓ Accepting of Deposits

A very basic yet important function of all the commercial banks is mobilising public funds, providing safe custody of savings and interest on the savings to depositors. Bank accepts different types of deposits from the public such as:

- ✧ **Saving Deposits:** Encourages saving habits among the public. It is suitable for salary and wage earners. The rate of interest is low. There is no restriction on the number and amount of withdrawals. The account for saving deposits can be opened in a single name or in joint names. The depositors just need to maintain minimum balance which varies across different banks. Also, Bank provides ATM cum debit card, cheque book, and Internet banking facility. Candidates can know about the Types of Cheques at the linked page.
- ✧ **Fixed Deposits:** Also known as Term Deposits. Money is deposited for a fixed tenure. No withdrawal money during this period allowed. In case depositors withdraw before maturity, banks levy a penalty for premature withdrawal. As a lump-sum amount is paid at one time for a specific period, the rate of interest is high but varies with the period of deposit.
- ✧ **Current Deposits:** They are opened by businessmen. The account holders get an overdraft facility on this account. These deposits act as a short term loan to meet

urgent needs. Bank charges a high-interest rate along with the charges for overdraft facility in order to maintain a reserve for unknown demands for the overdraft.

- ❖ **Recurring Deposits:** A certain sum of money is deposited in the bank at a regular interval. Money can be withdrawn only after the expiry of a certain period. A higher rate of interest is paid on recurring deposits as it provides a benefit of compounded rate of interest and enables depositors to collect a big sum of money. This type of account is operated by salaried persons and petty traders.

- ✓ **Granting of Loans & Advances :** The deposits accepted from the public are utilised by the banks to advance loans to the businesses and individuals to meet their uncertainties. Bank charges a higher rate of interest on loans and advances than what it pays on deposits. The difference between the lending interest rate and interest rate for deposits is bank profit.

Bank offers the following types of Loans and Advances:

- ❖ **Bank Overdraft:** This facility is for current account holders. It allows holders to withdraw money anytime more than available in bank balance but up to the provided limit. An overdraft facility is granted against collateral security. The interest for overdraft is paid only on the borrowed amount for the period for which the loan is taken.

- ❖ **Cash Credits:** A short term loan facility up to a specific limit fixed in advance. Banks allow the customer to take a loan against a mortgage of certain property (tangible assets and / guarantees). Cash credit is given to any type of account holders and also to those who do not have an account with a bank. Interest is charged on the amount withdrawn in excess of the limit. Through cash credit, a larger amount of loan is sanctioned than that of overdraft for a longer period.

- ❖ **Loans:** Banks lend money to the customer for short term or medium periods of say 1 to 5 years against tangible assets. Nowadays, banks do lend money for the long term. The borrower repays the money either in a lump-sum amount or in the form of instalments spread over a pre-decided time period. Bank charges interest on the actual amount of loan sanctioned, whether withdrawn or not. The interest rate is lower .

- ❖ **Discounting the Bill of Exchange:** It is a type of short term loan, where the seller discounts the bill from the bank for some fees. The bank advances money by discounting or purchasing the bills of exchange. It pays the bill amount to the drawer(seller) on behalf of the drawee (buyer) by deducting usual discount charges. On maturity, the bank presents the bill to the drawee or acceptor to collect the bill amount.

1.7.2. Secondary Functions of Bank

Like Primary Functions of Bank, the secondary functions are also classified into two parts:

- ✓ Agency functions Utility
- ✓ Functions

- ❖ **Agency Functions of Bank:** Banks are the agents for their customers, hence it has to perform various agency functions as mentioned below:

- ❖ **Transfer of Funds:** Transferring of funds from one branch/place to another.

- ❖ **Periodic Collections:** Collecting dividend, salary, pension, and similar periodic collections on the clients' behalf.

- ❖ **Periodic Payments:** Making periodic payments of rents, electricity bills, etc on behalf of the client.

- ❖ **Collection of Cheques:** Like collecting money from the bills of exchanges, the bank collects the money of the cheques through the clearing section of its customers.

- ❖ **Portfolio Management:** Banks manage the portfolio of their clients. It undertakes the activity to purchase and sell the shares and debentures of the clients and debits or credits the account.

- ❖ **Other Agency Functions:** Under this bank act as a representative of its clients for other institutions. It acts as an executor, trustee, administrators, advisers, etc.

✓ **Utility Functions of Bank**

Issuing letters of credit, traveller's cheque, etc.

Undertaking safe custody of valuables, important documents, and securities by providing safe deposit vaults or lockers.

- Providing customers with facilities of foreign exchange dealings
- Underwriting of shares and debentures
- Dealing in foreign exchanges
- Social Welfare programmes
- Project reports
- Standing guarantee on behalf of its customers, etc.

1.8 **DIGITIZATION IN BANKING**

Digitization is the process of converting data into digital format. Digitalization means the adoption of technology. But these two words are being used interchangeably.

✧ **Role of digitization in banking :-** Banks are not just a part of our lives, but have a significant role in our daily lives. For many, day will not end without at least a single financial transaction. Thus banks always try to adopt latest technologies to enhance customer experience. Digitization is not an option for banking industry, rather it is inevitable because every industry is being digitized and banking sector is no exception. Mobile banking is increasing at a fast pace more than online banking.

Advantages of digitization in banking :-

- ✓ Improved customer experience.
- ✓ Reduction of costs for banks and customers as well by using ATMs, cashless transactions etc.
- ✓ With more digital data available with banks, they can take data-driven dynamic decisions by using digital analytics. This benefits both customers and banks.
- ✓ Technology is non-discriminatory. Everyone will be treated same at banks.
- ✓ Number of customers will be increased for banks because of the increased convenience of banking.

- ✓ Need of handling large amounts of cash will be reduced.
- ✓ Opening and maintaining bank accounts are never been this easier.
- ✓ Repetitive tasks will be eliminated by automation.
- ✓ Rural and urban gap will be eliminated.
- ✓ With the increasing cashless transactions, fake currency threat will be reduced.
- ✓ Productivity will be increased.

ADVANTAGES OF DIGITAL BANKING



Disadvantages of digitization in banking :-

- ✓ Digitalization reduces the effort of employees and hence results in loss of jobs. Some bank branches may cease to exist with the increasing use of online banking. Banks will be more vulnerable to cyber attacks.
- ✓ Privacy may have to be compromised. No one can hide crores of rupees in banks and just act middle class.
- ✓ These disadvantages are just temporary. Loss of jobs will be compensated through creation of new jobs such as cyber security, research team for innovation in technology etc.
- ✓ It's not that banks are going to have less work, but it's just that the role of retail banking sector changes.



1.9

CANARA BANK

1.9.1. Introduction

Canara Bank is one of the largest Indian government owned banks. It is headquartered in Bengaluru. It was established at Mangalore in 1906 by Ammembal Subba Rao Pai and later the government nationalized the bank in 1969. The bank also has offices abroad in London, Hong Kong, Moscow, Shanghai, Dubai, Tanzania and New York. As per the announcement made by the Finance Minister Nirmala Sitharaman on 30 August 2019, Manipal based Syndicate Bank merged with Canara bank on 1 April 2020, making it the fourth largest bank in the country.

1.9.2. OBJECTIVES

- ✓ To Identify, Motivate and Train Women Entrepreneurs.
- ✓ To Conduct General and Skill Development Programmes (EDPs) for different Target Groups.
- ✓ To Assist Potential Women Entrepreneurs to start/establish/run an Enterprise professionally.
- ✓ To Guide Existing Entrepreneurs in improvisation modernization of an existing unit.
- ✓ To co-ordinate with Government/Voluntary organizations engaged in promoting entrepreneurship among women.
- ✓ To offer counseling services to the Entrepreneurs existing as well as prospective.
- ✓ To popularize the concept of Self Help Groups' among women as well assist them in formation of SHGs, credit linkage and trainings.



1.9.3 MISSION AND VISION

Vision statement of our founder Sri Ammembal Subba Rao Pai states that, “A good Bank is not only the financial heart of the community, but has also an obligation of helping in every manner to improve the economic conditions of the common people” has been the guiding principle of the Bank’s CSR activities.

Major initiatives of the Bank under CSR have been setting up of Trusts and Institutions which have created an impact in serving the people and society at large. The Bank has set up two trusts.

Canara Centenary Rural Development Trust Canara

Financial Advisory Trust

Bank continues to actively fund and also involve in the activities of these Trusts under its CSR.

In addition, Bank has facilitated setting up of below mentioned Trusts as their founder member.

Canara Golden Jubilee Education Fund

Canara Relief & Welfare Society

Bank’s CSR policy is reviewed and updated basing on the Department of Public Enterprises (DPE) guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector enterprises as Sustainable Development and Corporate Social Responsibility (SD&CSR) Policy of Canara Bank.

The new Companies Act 2013 (enacted on 29.08.2013) brought in important provisions giving a direction to the CSR activities in the country, which has necessitated the bank to review and update the policy in line with the expectations of the new Companies Act. The CSR policy is reviewed and updated annually based on the inputs received from implementation of the policy and guidelines received from time to time.

◆ **Mission:**

CSR is a strategic business initiative to achieve sustainable triple bottom line growth. CSR will be an investment in building corporate reputation, employee engagement and efforts of the bank in finding out innovative ways to serve the people. The main objective is “to create a measurable positive impact on economic, social and environmental success and brand image of our Bank and group, through well designed, directed and sustainable interventions either own or in partnership with other reputed like minded organizations in thematic areas of livelihood, education, health and environment aimed at improving the quality of life of weaker and vulnerable sections of people”.

◆ **Focus & Target Group:**

CSR activities of the Bank focus on the disadvantaged, marginalized and excluded. Accordingly, following weaker and vulnerable sections of the people will be the broad focus of all our CSR activities.

- ✓ Small and marginal farmers ,Artisans
- ✓ Women and girl children, Unemployed youth and school drop outs
- ✓ Differently abled people, Scheduled Caste/Tribes
- ✓ Minority Community, Prisoners and ex-convicts

Victims of heinous crimes, Victims of natural and manmade calamities Roles & responsibilities

a) Activities: Eradicating hunger, poverty and malnutrition, promoting preventive health care & sanitation under Swachh Bharat activities and making available safe drinking water. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and

measures for reducing inequalities faced by socially and economically backward groups; Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts. Measures for the benefit of armed forces veterans, war widows and their dependents. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government. Rural development projects.

1.9.4. HISTORY

Ammemba Subba Rao Pai, a philanthropist, established the Canara Hindu Permanent Fund in Mangalore, India, on 1 July 1906. The bank changed its name to Canara Bank Limited in 1910 when it incorporated.

Canara Bank's first acquisition took place in 1961 when it acquired Bank of Kerala. This had been founded in September 1944 and at the time of its acquisition on 20 May 1961 had three branches. The second bank that Canara Bank acquired was Seasia Midland Bank (Alleppey), which had been established on 26 July 1930 and had seven branches at the time of its takeover.

In 1958, the Reserve Bank of India had ordered Canara Bank to acquire G.

Raghumathmul Bank, in Hyderabad. This bank had been established in 1870, and had converted to a limited company in 1925. At the time of the acquisition G. Raghumathmul Bank had five branches. The merger took effect in 1961. Later in 1961,

Canara Bank acquired Trivandrum Permanent Bank. This had been founded on 7 February 1899 and had 14 branches at the time of the merger.

Next, Canara Bank acquired four banks in 1963: the Sree Poornathrayeesa Vilasam Bank, Thrissur, Thrippunithura, Arnad Bank, Tiruchirapalli, Cochin Commercial Bank, Cochin, and Pandyan Bank, Madurai. Sree Poornathrayeesa Vilasam Bank had been established on 21 February 1923 and at the time of its acquisition it had 14 branches. Arnad Bank had been established on 23 December 1942 and at the time of its acquisition had branch.

Cochin Commercial Bank had been established on 3 January 1936, and at the time of its acquisition had 13 branches.

The Government of India nationalised Canara Bank, along with 13 other major commercial banks of India, on 19 July 1969. In 1976, Canara Bank inaugurated its 1000th branch. In 1985, Canara Bank acquired Lakshmi Commercial Bank in a rescue. This brought Canara Bank some 230 branches in northern India.

In 1996, Canara Bank became the first Indian Bank to get ISO certification for "Total Branch Banking" for its Seshadripuram branch in Bangalore. Canara Bank has now stopped opting for ISO certification of branches.

On 30 August 2019, Finance Minister Nirmala Sitharaman announced that Syndicate Bank would be merged with Canara Bank. The proposed merger would create the fourth largest public sector bank in the country with total business of ₹15.20 lakh crore (US\$210 billion) and 10,324 branches. The Board of Directors of Canara Bank approved the merger on 13 September. The Union Cabinet approved the merger on 4 March 2020. The merger was completed on 1 April 2020 with Syndicate Bank shareholders receiving 158 equity shares in the former for every 1,000 shares they hold.

1.9.5 OVERSEAS SUBSIDIARIES, BRANCHES AND OFFICES

Canara Bank established its international division in 1976. In 1983, Canara Bank opened its first overseas office, a branch in London. Two years later, Canara Bank established a subsidiary in Hong Kong, Indo Hong Kong International Finance. In 2008–9, Canara Bank opened its third foreign operation, this one a branch in Shanghai. Later Canara Bank established a branch each in Leicester and Bahrain, and converted its Hong Kong subsidiary into a branch. It also has a representative office in Sharjah.

Together with State Bank of India, Canara Bank established a joint venture in Moscow, Commercial Bank of India LLC. Canara Bank provides the general manager and the branch managers for Al Razouki Intl Exchange Co (LLC), which a number of business leaders and non-resident Indians (NRIs) established in 1981 in the United Arab Emirates to facilitate remittances to India by tourists and NRIs. Since 1983, Canara Bank has been responsible for the management of Eastern Exchange Co. WLL, Doha, Qatar, which Abdul Rahman M.M. Al Muftah established in 1979. Canara Bank opened its seventh overseas branch in New York, United States on 10 June 2014.

Subsidiary companies

- ✓ Canfin Homes Limited (CFHL), with a network of 110 branches and 28 satellite offices throughout India
- ✓ Canbank Factors Limited
- ✓ Canbank Venture Capital Fund Limited
- ✓ Canbank Computer Services Limited
- ✓ Canara Bank Securities Limited
- ✓ Canara Robeco Asset Management Company Limited Canbank
- ✓ Financial Services Limited
- ✓ Canara HSBC Oriental Life Insurance Company Limited.
- ✓ Regional rural banks Canara Bank sponsors
four regional rural banks (RRB):

Andhra Pragathi Grameena Bank

Kerala Gramin Bank – It is the largest RRB in India. Its headquarters are at Malappuram and it operates in all districts in Kerala. It was established in 1976 as a Scheduled Commercial Bank. Karnataka Gramin Bank has its headquarters at Bellary, Karnataka, and has 645 branches spread over eleven districts.

Karnataka Vikas Grameena Bank was constituted on 12 September 2005 after amalgamation of four Regional Rural Banks (RRBs) namely Malaprabha Grameena Bank, Bijapur Grameena Bank, Varada Grameena Bank and Netravathi Grameena Banks as per recommendations of the Narasimhan Committee under Government of India Notification dated 12 September 2005. All four amalgamated RRBs were sponsored by Syndicate Bank (Now Canara Bank) and were located in Karnataka.

Development projects

Canara Bank partnered with UNEP to initiate a solar loan program. This four-year \$7.6 million effort launched in April 2003, to help accelerate the market for financing solar home systems in southern India.

Empower :Canara Bank offers Unified Payment Interface (UPI) app named “empower”. This app empowers Canara Bank and other Bank customers to perform pay and collect

transactions using a single mobile app. On 19 November 2017, it launched Canarites (Candi) app, a digital library, a field recovery mobile app, a retail loan (vehicle) – tracking system, and a regulatory guidance tracking system

On 7 May 2020, Bhanu Srivastav from Canara Bank, partnered with NGOs to donate all his royalty proceeds for the betterment of needy children. He is working at Canara Bank Head Office, in Human Resource Department and a bestselling author of novel 'Hacker 404 Happiness not found'.

On 23 May 2020, Canara Bank announced credit support for borrowers affected by COVID-19 to enable them to avail the sanctioned facilities to the full extent and improve their business.

On 19 July 2020, Canara Bank announced to raise up to Rs 5,000 crore equity capital in Financial Year 2021 to strengthen capital base and to boost capital adequacy ratio in view of expansion plans. The Bank will seek nod from shareholders for the same in its AGM in August 2020.

Controversies

Money Laundering

On 6 June 2018, the UK division of Canara Bank was fined £890,000 (\$1.2 million) by the UK's Financial Conduct Authority and was blocked from accepting new deposits for around five months for systematic anti-money laundering (AML) failures.

.10.1. INTRODUCTION

1.10 PUNJAB NATIONAL BANK

Punjab National Bank, abbreviated as PNB, is an Indian government owned bank headquartered in New Delhi, India. The bank was founded in 1894 and is the second largest government owned bank in India, both in terms of business and its network. The bank has over 180 million customers, 10,910 branches and 13,000+ ATMs post merger with United Bank of India and Oriental Bank of Commerce, effective from 1 April 2020.

PNB has a banking subsidiary in the UK (PNB International Bank, with seven branches in the UK), as well as branches in Hong Kong, Kowloon, Dubai, and Kabul. It has representative offices in Almaty (Kazakhstan), Dubai (United Arab Emirates), Shanghai (China), Oslo (Norway), and Sydney (Australia). In Bhutan it owns 51% of Druk PNB

Bank, which has five branches. In Nepal PNB owns 20% of Everest Bank Limited, which has 50 branches. Lastly, PNB owns 41.64% of JSC (SB) PNB Bank in Kazakhstan, which has four branches.



1.10.2. OBJECTIVES

PNB or Punjab National Bank always looks forward for the betterment of customer service and guarantee the members of bank for the finest services.

It also offering internet banking service to the customers to pay the utility bills, using ecommerce facilities, buy ticket and much more.

It has more than 3700 ATMS all over the country and has the wide ATM network.

It struggle for spreading the branches all over the world including sub-continent, Europe and USA, and Punjab National Bank will fulfill the requirement of every state.

It achieved many awards and achievement like “Niryat bandhu bronze trophy”, “Excellent performance in lending under PMEGP scheme”, “Skoch Challenge Award” and many other awards proving to be an attainable and trustful bank.

Punjab National Bank facilitate home loan to save interest cost, usually Punjab National Bank offers 75% to 80% as home loan.

Also offers car finance to the minimum monthly amount with low interest. Furthermore, it offers cooperate banking which includes loan against future lease rentals, EXIM Finance, Cash Management Services and Gold card scheme for exporters.

It also offers a lot of facilities for personal banking like saving fund account, current account, fixed deposit schemes, credit schemes, ATM Card, Nomination Facilities and deceased claim cases.



1.10.3 MISSION , VISION AND DIRECTORS Vision

The vision of PNB is to To be a Leading Global Bank with Pan India footprints and become a household brand in the Indo-Gangetic Plains providing entire range of financial products and services under one roof"

Mission :The mission of PNB is To make a self sustaining Institute of International standards having the status of a deemed university and having organic linkages with other national and transnational academic Institutions in the area of IT, in various fields of universal banking, in a span of ten years.

Objectives

- ✓ To conduct Diploma and Certificate courses independently or in association with other national or overseas institutions.
- ✓ To conduct Training Programmes, Seminars and Conferences relating to various facets of IT driven banking, finance and insurance.
- ✓ To showcase various IT products and solutions relating to developments and innovations in the area of finance and management.

- ✓ To develop software relating to Banking, Insurance and Finance.
To provide Consultancy Services in the aforesaid areas.
- ✓ To develop training aids and study materials including Computer Based Teaching (CBT). Designing & testing of IT based products solutions and services etc.

■ **Board of directors**

S.S Mallikarjuna

Rao MD &

CEO

Shri. Sanjay Kumar

■ **Executive Director**

Shri. Vijay

Dube Executive

Director

Sri. Swarup Kumar Saha

■ **Executive Director**

Shri Kalyan Kumar

■ **Executive Director**

Shri Pankaj Jain

1.10.4. HISTORY

Punjab National Bank is a PSU working under Central Government of India regulated by Reserve Bank of India Act, 1934 and Banking Regulation Act, 1949. Punjab National Bank was registered on 19 May 1894 under the Indian Companies Act, with its office in Anarkali Bazaar, Lahore, in present-day Pakistan. The founding board was drawn from different parts of India professing different faiths and of varying background with, the common objective of creating a truly national bank that would further the economic interest of the country. PNB's founders included several leaders of the Swadeshi movement such as Dyal Singh Majithia and Lala Harkishen Lal, Lala Lalchand, Kali Prosanna Roy, E. C. Jessawala, Prabhu Dayal, Bakshi Jaishi Ram, and Lala Dholan Dass. Lala Lajpat Rai was actively associated with the management of the Bank in its early years. The board first met on 23 May 1894. The bank opened for business on 12 April 1895 in Lahore. PNB is the first Indian bank to have been started solely with Indian capital that survives to the present – the earlier Oudh Commercial Bank was established in 1881, but failed in 1958. Mahatma Gandhi, Jawahar Lal Nehru, Lal Bahadur Shastri, Indira Gandhi and the Jalianwala Bagh Committee have held PNB accounts.

Timeline

PNB ATM at Moolchand Metro Station of Delhi Metro, Delhi .In 1900 PNB established its first branch outside Lahore in India. Branches in Karachi and Peshawar followed. The next major event occurred in 1940 when PNB absorbed Bhagwan (or Bhugwan) Dass Bank, which had its head office in Dehra.

At the Partition of India and the creation of Pakistan, PNB lost its premises in Lahore, but continued to operate in Pakistan. Partition forced PNB to close 92 offices in West Pakistan, one-third of its total number of branches, and which held 40% of the total deposits. PNB still maintained a few caretaker branches. On 31 March 1947, even before Partition, PNB had decided to leave Lahore and transfer its registered office to India; it received permission from the Lahore High Court on 20 June 1947, at which time it established a new head office at Under Hill Road, Civil Lines in New Delhi. Lala Yodh Raj was the Chairman of the Bank.

In 1951, PNB acquired the 39 branches of Bharat Bank (est. 1942). Bharat Bank became Bharat Nidhi Ltd. In 1960, PNB again shifted its head office, this time from Calcutta to Delhi. In 1961, PNB acquired Universal Bank of India, which Ramakrishna Jain had established in 1938 in Dalmianagar, Bihar. PNB also amalgamated Indo Commercial Bank (est. 1932 by S. N. N. Sankaralinga Iyer) in a rescue. In 1963, The Burmese revolutionary government nationalised PNB's branch in Rangoon (Yangon). This became People's Bank No. 7. After the Indo-Pak war, in September 1965 the government of Pakistan seized all the offices in Pakistan of Indian banks. PNB also had one or more branches in East Pakistan (Bangladesh).

The Government of India (GOI) nationalised PNB and 13 other major commercial banks, on 19 July 1969. In 1976 or 1978, PNB opened a branch in London. some ten years later, in 1986, the Reserve Bank of India required PNB to transfer its London branch to State Bank of India after the branch was involved in a fraud scandal. That same year, 1986, PNB acquired Hindustan Commercial Bank (est. 1943) in a rescue. The acquisition added Hindustan's 142 branches to PNB's network. In 1993, PNB acquired New Bank of India, which the GOI had nationalised in 1980. In 1998 PNB set up a representative office in Almaty, Kazakhstan.

In 2003 PNB took over Nedungadi Bank, the oldest private sector bank in Kerala. At the time of the merger with PNB, Nedungadi Bank's shares had zero value, with the result that its shareholders received no payment for their shares. PNB also opened a representative office in London. In 2004, PNB established a branch in Kabul, Afghanistan, a representative office in Shanghai, and another in Dubai. PNB also established an alliance with Everest Bank Limited in Nepal that permits migrants to transfer funds easily between India and Everest Bank's 12 branches in Nepal

Currently, PNB owns 20% of Everest Bank. Two years later, PNB established PNBIL – Punjab National Bank (International) – in the UK, with two offices, one in London, and one in Southall. Since then it has opened more branches, this time in Leicester, Birmingham, Ilford, Wembley, and Wolverhampton. PNB also opened a branch in Hong Kong. In January 2009, PNB established a representative office in Oslo, Norway. PNB hopes to upgrade this to a branch in due course. In January 2010, PNB established a subsidiary in Bhutan. PNB owns 51% of Druk PNB Bank, which has branches in Thimpu, Phuentsholing, and Wangdue. Local investors own the remaining shares. Then on 1 May, PNB opened its branch in Dubai's financial center. PNB purchased a small minority stake in Kazakhstan-based JSC Danabank established on 20 October 1992 in Pavlodar. Within the year PNB increased its ownership till 84% of what has become JSC (SB) PNB, with its share currently decreased to 49%. The associate in Kazakhstan now called JSC Tengri Bank has branches in Almaty, Nur-Sultan, Karaganda, Pavlodar and Shymkent.

September 2011: PNB opened a representative office in Sydney, Australia. December 2012: PNB signed an agreement with US based life Insurance company Metlife to acquire a 30% stake in MetLife's Indian affiliate MetLife India Limited. The company would be renamed PNB MetLife India Limited and PNB would sell MetLife's products in its branches.

1.10.5. MERGERS AND ACQUISITIONS

Number	Acquisition date	Company	Location
1	1951	Bharat Bank Ltd.	New Delhi, India
2	1961	Universal Bank of India	Dalmianagar, Bihar, India
3	1962	Indo-Commercial Bank	India

4	1986	Hindustan Commercial Bank	India
5	1993	New Bank of India	New Delhi, India
6	2003	Nedungadi Bank	Kozhikode, Kerala, India
7	2020	Oriental Bank of Commerce United Bank of India	Gurugram (Head Office) Kolkata (Head Office)

Amalgamation

On 30 August 2019, Finance Minister Nirmala Sitharaman announced that the Oriental Bank of Commerce and United Bank of India would be merged with Punjab National Bank. The proposed merger would make Punjab National Bank the second largest public sector bank in the country with assets of ₹17.95 lakh crore (US\$250 billion) and 11,437 branches. The Union Cabinet approved the merger on 4 March 2020. PNB announced that its board had approved the merger ratios the next day.

Shareholders of Oriental Bank of Commerce and United Bank will receive 1,150 shares and 121 shares of PNB, respectively, for every 1,000 shares of they hold. On 1 April 2020, the merger came into effect. Post merging, all customers of other two merging banks are now be treated as the customers of PNB.

Listings and shareholding

PNB's equity shares are listed on Bombay Stock Exchange and the National Stock Exchange of India. It is a constituent of the CNX Nifty at the NSE.

Subsidiaries

Full list of subsidiaries is available here. PNB Housing Finance Ltd.

PNB Metlife India Insurance Company Co. Ltd. PNB Investments Services Ltd

PNB (International) Ltd. PNB Gilts Limited

PNB CSR Initiatives

The bank incurred ₹3.24 crores on CSR activities like medical camps, farmer training, tree plantations, blood donation camps etc. during the FY 2012–13.

For the financial year 2018–2019, PNB incurred a sum of ₹2,954.15 lakhs on CSR initiatives. Among many initiatives, one such effort is PNB Ladli, which started in 2014. The scheme initiated to promote education among girls of Rural / Semi-urban areas.

During the year 2018–19, PNB has also taken the initiative for donations to CM relief fund for Kerala and Kumbh Mela.

For the year FY18-19, PNB has initiated ₹1,851.41 for RSETIs.

To Help young talents in India the bank also initiated PNB Hockey Academy, one of the major efforts towards supporting the national games.

❖ **1.11- Impact of Canara Bank & Punjab National Bank in Covid 19**

◆ **Covid 19 Situation: On Canara Bank & Punjab National Bank**

In terms of RBI's COVID- 19 Regulatory Package, Bank had extended a Moratorium / deferment of payment of interest, to the eligible Borrowers who had desired to avail the same. Pursuant to the same RBI has permitted the Bank at its discretion to convert the accumulated interest for the deferment period up to August 31, 2020 into COVID Funded Interest Term Loan [CFITL], which shall be repayable not later than March 31, 2021. In tune with above said RBI guidelines, we have converted accumulated interest from 01.03.2020 till 31.08.2020, in the accounts of all the eligible borrowers by opening separate CFITL accounts in our Books. All the eligible Borrowers shall be liable to repay the CFITL along with interest compounded monthly from the date of conversion, till the rate of repayment of CFITL. In the case of any failure to pay CFITL, Bank shall be entitled to charge penal interest at the applicable rate. If any of the eligible borrowers do not wish to avail the above facility, we request them to forthwith pay the accumulated interest (CFITL) along with applicable interest upto the date of payment failing which it shall be deemed that the conversion of the accumulated interest to CFITL has been accepted. Further, all the securities given by the Borrowers concerned shall continue for the above said CFITL and they shall be bound by all other terms and conditions contained in our original sanction letter and loan documents executed.

◆ **Impact due to Covid19:**

The digital channels of Canara Bank were fully and effectively utilised during the lockdown. “Greater leveraging of digital channels led to a sharp increase in e-transactions by 24 crore,” said TN Manoharan, Chairman, Canara Bank.

In a note to shareholders, he said: “The bank also effectively discharged its duties with all branches and ATMs being fully operational during the lockdown to avoid any financial exigency.”

The bank’s Business Correspondents (BC) services were enhanced, thus leading to 1.2 crore BC transactions during the shutdown days.

“Digital initiatives and alternative delivery channels of the bank have significantly stepped up alternate delivery channels, as a result of which the e-transaction ratio stood at 73.92 per cent as of March 2020,” said Manoharan.

The number of registered users under mobile banking rose 93.21 per cent year-on-year (yoy) to 42.2

lakh and net banking users increased by 76.76 per cent yoy to 109.35 lakh as of March 2020.

LV Prabhakar, MD and CEO, said: “From the operation perspective, the bank has taken all precautionary initiatives to ensure continuity in operations. The bank has a disaster recovery site, which is capable of handling the CBS and other functions. Further to safeguard the health of its employees, the bank has given Work from Home options and implemented staggered working hours.”

◆ **Changing customer needs**

“In an age of information and technology, the bank recognises the changing needs of the customers and cater to the needs of the young demographic base of the country. Thus, your bank gives thrust on digital footprints and enhanced delivery channels,” said Prabhakar.

The bank, as of March 2020, has 8,850 ATMs. It has 177 hi-tech E-lounges operational in select branches. .

According to Prabhakar, in order to ensure business continuity for smaller enterprises that were faced with liquidity and cash flow issues, the bank introduced the ‘Canara Credit Support to Covid-19 affected Customers (CCS)’, providing fund-based working capital demand loans.

The bank actively participated in all government schemes and provided compassionate assistance to the beneficiaries, crediting ₹783 crore under PM Kisan and ₹1,029 crore to PMJDY women beneficiaries.

As a part of nation building and in solidarity with those worst affected by the pandemic, the bank’s employees contributed ₹15.53 crore to PM CARES Fund. Further, as a philanthropic gesture, the bank spent ₹4.35 crore for Covid-19 relief measures as a part of its CSR initiatives.

◆ **Canara Bank announces 3 loan schemes amid fight against**

coronavirus: State-run Canara Bank on Friday announced three loan schemes as part of the fight against the pandemic under which it will offer healthcare credit, business and personal loan to individuals.

The Canara Chikitsa healthcare credit facility will offer loans from over Rs 10 lakh to Rs 50 crore to registered hospitals, nursing homes, medical practitioners, diagnostic centres, pathology labs and all other units engaged in the servicing healthcare infrastructure.

The loan to be offered at a concessional rate of interest will have tenor of 10 years with moratorium up to 18 months, Canara Bank said in an advertisement.

Canara Bank said there will be no processing fee for this loan. For micro, small and medium enterprises (MSMEs), there will be no collateral security, which the lender will cover under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), and the bank will bear the guarantee premium.

CGTMSE is meant to provide financial assistance to such kinds of industries without any third party guarantee or collateral.

For non-MSMEs, the collateral security will be minimum 25 per cent.

Canara Chikitsa and Canara Jeevanrekha loan schemes will be valid till March 31, 2022.

Under the third category of loan -- Canara Suraksha personal loan scheme -- the lender will offer loan from Rs 25,000 - Rs 5 lakh as immediate financial assistance to customers for COVID-19 treatment during admission or post discharge.

The scheme will offer moratorium of six months. Coming at a nil processing fee, the scheme will be valid till September 30, 2021.

Earlier this month, the Reserve Bank of India (RBI) announced a Rs 50,000-crore special window to banks to lend to vaccine makers, hospitals and COVID-related health infrastructure.

It also allowed individual and small borrowers more time to repay their debt, aimed at providing financial support when the economy is hit by the repercussions of the pandemic.

According to ratings firm Crisil, banks are expected to lend for healthcare activities below the current rates of lending, courtesy the scheme, which entails loans being available to banks at repo rate till March 2022 which are to be utilised for onlending and also earn a priority sector lending classification.

◆ **Canara Bank Provides COVID 19 – RBI Package for Term Loans:**

To support the COVID 19-RBI package, Canara Bank offers its borrowers a moratorium/deferment of instalments for Term Loans falling due from 01.03.2020 to 31.08.2020, and extends repayment period accordingly. The bank has sent SMS to customers to avail the same. The bank is also providing collateral and margin-free loans up to Rs. 20 Lakhs to Self Help Groups (SHGs) with immediate effect to help them overcome the impact of COVID-19.

RBI, through its press release on 27.03.2020 on COVID-19–Regulatory Package, had directly addressed the stress in financial conditions caused by the pandemic COVID-19. The policy statement by RBI explicitly mentions 6-months moratorium on term loans (including home loans, personal loans, education loans, auto and other loans having a fixed tenure), consumer durable

For 6 months is for EMIs/Credit Card outstanding balance falling due between 01.03.2020 and 31.08.2020. The entire outstanding amount (applicable interest and charges during this period) has to be paid as per the September 2020 payment due date.

◆ Covid-19 crisis led to Rs 4,000-cr fresh NPAs: PNB MD CEO

Mallikarjuna Rao:

Punjab National Bank's (PNB's) integration with Oriental Bank of Commerce (OBC) and United Bank of India (UBI) came at a time when the country was in lockdown to mitigate the impact of the coronavirus disease (Covid-19). On the eve of PNB's 126th foundation day, the bank's Managing Director and Chief Executive Officer SS Mallikarjuna Rao tells Somesh Jha about the pandemic's impact on customer outreach programmes related to the amalgamation. Edited excerpts:

Which sectors have been most affected by Covid-19?

We have seen an impact on apparel and textiles, auto and auto components, aviation, tourism, and financial sectors — including non-banking finance companies (NBFCs), building and construction. We do not have huge exposure to aviation, except Jet Airways, which is already a non-performing asset (NPA). The micro, small and medium enterprises (MSME) segment will have a problem. In the apparel sector, the issue is that they import raw material from Bangladesh, manufacture it here and export. It will take more for them to come back to normalcy and their accounts will be under stress.

What is your outlook?

There can be an impact on profitability as there will be more NPAs. There will be some slippage, which will have to be accounted for and it will impact profitability. I am expecting that things will improve from October 1. So, there will be an impact of 6 months.

How long can we afford a lockdown?

It is not a question of affordability. We will continue to support our customers in the crisis, but there will be an impact on the credit off-take.

How have your targets changed for this year?

We had planned for credit growth of 8 per cent, but because of Covid-19 it will be around 6 per cent. On NPAs/slippages, we are keeping our fingers crossed to see how the first two quarters pan out. We have seen an impact of Rs 4,000 crore, majority of which are MSMEs and retail accounts, for the bank in March, which otherwise wouldn't have been there.

We are regularly communicating with employees and I am myself boosting their morale by appreciating their efforts in these tough times. There are some sporadic incidents across the country such as crowds being high in front of the bank branch during the direct benefit transfer, which is a cause of concern for the state authorities, who call up branch managers asking for an explanation or for closing branches. But by and large, it's been extremely smooth.

Can the operations of branches be rationalised during lockdown?

In some parts, it can be done, but our branch operational ratio right now is 92-95 per cent across the country.

How are you preparing for lockdown extension?

As far as banks are concerned, there are no problems as we have sufficient cash; we are calibrating branch activities, too. The impact is on amalgamation. Effective April 1, certain activities, such as customer and employees' outreach, human resource deployment, which we had planned to complete by April 15-30, will be pushed back by a month.

Were some product launches also delayed?

As of today, all our products have been harmonised. Even though database is different for three banks, we have customised. For example, human deployment, changing of the name boards, which was to start from April 1, has been postponed by a month.

How have many customers availed the three-month moratorium on loan repayment?

We have given the facility to all borrowers, except NBFCs. Opting out is automatic if customers pay the money. So far, loans outstanding of around Rs 4 trillion, out of the total Rs 7.5 trillion, have been postponed for the merged entity (PNB).

Is the bank helping its borrowers in any way to deal with the situation?

We have released four new products: For farmers — 25 per cent of their existing KCC limits to the maximum of Rs 50,000, we can give money to them by application. They can repay in a span of 3 years. We have also introduced Tatkal Sahayata Rin for self-help groups, under which we are extending loans to the tune of Rs 5,000 per member and Rs 1 lakh for group, repayable in 3 years. The third product is personal loan, equivalent to three times of average monthly salary, up to Rs 3 lakh, and the fourth product is for the bigger group, additional funding to the extent of 10 per cent of working capital without insisting on margin. These were launched last week and will address cash flow problems.

How are you monitoring slippages of good loans into bad?

If borrowers categorised as Stress Mention Account (SMA)-2 as of March 1 have not paid money till March 31, they are categorised as NPAs. We are impressing upon such borrowers that since

additional demand for interest is not there for March, April and May, the overdue amount as of March 1 can be paid till May 31 so the account remains standard. Because of the lockdown, we are trying to reach out to such borrowers by April 30.

How many such borrowers are there?

The SMA-2 accounts, outstanding as of March 1, that have become NPAs for PNB till March 31 are to the tune of Rs 2,000 crore and for the combined entity, are around Rs 4,000 crore. This wouldn't have happened if the Covid-19 pandemic hadn't hit the country. But quarterly slippages would not be high. This loan amount of Rs 4,000 crore has the potential for upgrade so we are reaching out to them.

How are you monitoring your accounts in these circumstances?

We will launch a campaign known as 'each one, reach ten, each day' on Sunday, which is our 126th foundation day. We are not conducting any programmes as such, but reaching out to all our customers through employees — every day 10 customers will be targeted by an employee. We want to understand the requirements of all customers and act accordingly.

The industry wants the banking system's help to pay three months' wages of employees by enhancement of working capital loans. How do you see this?

Our fourth product, released three-four days ago, is actually covering wages for up to 6 months for firms. Now, we have to reach out to customers as they have to be aware of the product. By April 30, we will have a good number of customers availing it.

◆ **PNB to focus on self-service, automation to deal with Covid-19**

setbacks: Punjab National Bank proposes to accelerate self-service and focus on automation with a view to optimise processes, employees and workplace and thus deal with the challenges following the outbreak of coronavirus, the lender said in a message to shareholders.

The current crisis will steer the banking industry to remote working which is likely to shape the cost structure in the days ahead, PNB's MD and CEO S S Mallikarjuna Rao said in a letter to shareholders. He noted that MSME, agriculture, agro-based industries, healthcare, among others, present ample opportunities for growth and lending.

"The bank will accelerate self-service and automation initiatives through greater focus on technology to foster optimisation of processes, employee and workplace," he said.

In the last financial year, PNB's operating profit increased year-on-year by 13.4 per cent to Rs 14,739 crore. After a gap of two years, the bank registered a net profit of Rs 336 crore for 2019-20. On amalgamation of two public sector banks -- Oriental Bank of Commerce and United Bank of India -- into PNB with effect from April 1, 2020, Rao said the amalgamation process provides significant benefits to PNB and its customers besides providing scale and growth.

"The amalgamation has propelled the bank to the position of the second largest public sector bank in the country and will enable us to realise operational, revenue and cost synergies," he told shareholders.

On way forward for PNB, he said the bank's prime goal will be to strengthen the balance sheet, which will create a foundation for sustainable profitability going ahead.

"The bank will continue its focus on asset quality management and capital improvement in the post-pandemic environment, apart from continuing the accelerated momentum in recovery, product leadership, technology, efficiency, and small ticket lending," Rao said.

Going forward, he said PNB's endeavour will be to enhance value through multipronged digital transformation strategy and greater focus on better underwriting prudence and risk controls. He said the bank is considerably strengthened with the amalgamation.

"As a bigger entity, we have revamped our products and delivery channels. It is our mission to build a global size, future-ready institution which will substantially contribute to the country's growth," Rao said. He exuded confidence that in its new avatar, PNB 2.0 will scale still greater heights and continue its growth trajectory.

The 19th Annual General Meeting of the shareholders of PNB will be held on August 4. The bank will seek shareholders' nod for raising equity capital of up to Rs 7,000 crore.

◆ **COVID-19: Punjab National Bank organises webinar to promote its financial products on the TReDS platform:**

Punjab National Bank, India's second largest public sector lender, conducted a live webinar titled 'Mega MSME Outreach' to connect with its MSME customers across the country and to address their challenges in the face of COVID-19 pandemic.

An important objective of the webinar was to educate its customers across the nation about the various products and services made available by the bank for their ease. Through the campaign 'Each One Reach Ten Each Day', more than 1.00 lac MSME customers are being contacted by the officials to update about the COVID scheme on daily basis. Through the

addition, the bank has communicated with large number of MSME Associations, across the country seeking co-operation to educate the MSMEs under their ambit about the special schemes launched by the bank.

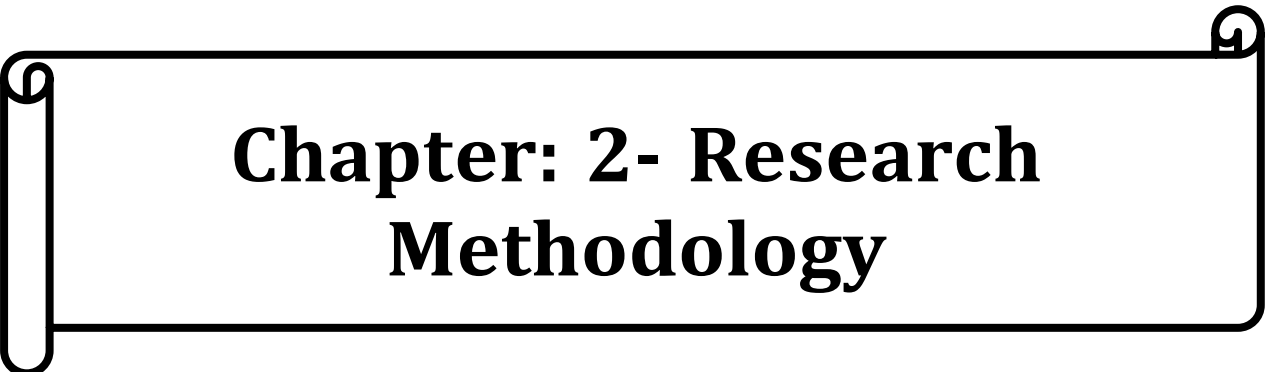
The webinar also informed the MSME participants about various hand-holding measures taken by the Government of India, Reserve Bank of India and Punjab National Bank. The webinar was hosted by CH SS Mallikarjuna Rao, MD& CEO, Punjab National Bank along with Executive Directors, Dr. Rajesh Kumar Yaduvanshi, Sanjay Kumar, Vijay Dube and Agyey Kumar Azad and was moderated by Vinod Jain, Chairman, Banking & Insurance Committee PHD, Chambers of Commerce & Industry.

Steps taken by the bank to aid existing borrowers and for giving boost to the MSME units are follow:

- ✓ Standby Line of Credit for MSMEs
- ✓ PNB COVID-19 Emergency Credit Facility (PNB- CECF)
- ✓ Campaign- Each One Reach Ten Each Day
- ✓ Liberalised Working Capital assessment (LWCA) model for MSME borrowers having Limits upto ₹ 5.00 Crore & above ₹ 5.00 Crore.
- ✓ Other Policy initiatives like restructuring of MSME Advances, Interest Subvention Scheme, TReDS, Mudra Loan Products, Credit Guarantee Trust for MSME's, PSB loans in 59minutes, among others.

Executive Directors said that, “The pandemic has posed fresh challenges for the country’s economy, causing severe disruptive impact on both demand and supply side elements. This has potential to derail the growth of the economy in the current and coming fiscal years. With the proactive approach of the bank, we hope the outreach program would help our customers to understand the customised new product facilities, benefits and special schemes offered by the bank to cope up with the crisis”

In the backdrop of nationwide lockdown, the bank has uniquely organised the webinar to address the liquidity requirement of its customers through the online platform and it has witnessed a humongous response from our borrowers across the country, marking it a great success.

A decorative horizontal border with a scroll-like appearance, featuring a vertical bar on the left and curved ends on the top and right.

Chapter: 2- Research Methodology

2. RESEARCH METHODOLOGY

Research methodology is a road through which the researchers need to carry on with their research. It shows the road by which these researchers solve their problem and give their result from received data during study time. This research methodology will tell us the result that will come at the end after the research process. In this chapter the researcher has given the details about the hypothesis which he has framed for his research study. The details of the objectives of the research is also provided by the researcher. The details of the sample size, sample design is been provided. The researcher has also given the details of the techniques of sampling, the various limitations which the researcher has faced, the statistical tools used by the researcher to conduct the research work. The researcher has also specified the significance of the research conducted by the researcher.

Research may be very broadly defined as systematic gathering of data and information and its analysis for advancement of knowledge in any subject. Research attempts to find answer intellectual and practical questions through application of systematic methods. Webster's Collegiate Dictionary defines research as "studious inquiry or examination; esp.: investigation or experimentation aimed at the discovery and interpretation of facts, revision of accepted theories or laws in the light of new facts, or practical application of such new or revised theories or laws". Some people consider research as a movement, a movement from the known to the unknown. It is actually a voyage of discovery. We all possess the vital instinct of inquisitiveness for, when the unknown confronts us, we wonder and our inquisitiveness makes us probe and attain full and fuller understanding of the unknown. This inquisitiveness is the mother of all knowledge and the method, which man employs for obtaining the knowledge of whatever the unknown, can be termed as research

2.1 OBJECTIVES OF THE STUDY

The objective of the research must be brief and clear which helps to explore the un even matters of the study. The purpose of research is to discover answers to questions through the application of scientific procedures. The main aim of research is to find out the truth which is hidden and which has not been discovered as yet. Though each research study has its own specific purpose. A clearly defined objective directs a researcher in the right direction. Without strong objectives no repetition of findings can be expected. The objectives of a research project gives a clear outline what is to be attained by the study. A clearly defined objectives are important feature of a good research study. The objective of the study is to determine the frequency with which something occurs or with which it is associated with something else. Research objectives may be linked with a hypothesis or used as a statement of purpose in a study that does not have a hypothesis.

Objectives of the study

- To determine whether Canara Bank or Punjab National Bank is more preferred by Customers.
- To know about people's perception towards Canara bank and Punjab National Bank.
- To determine which bank is more customer oriented amongst Canara Bank and Punjab National Bank.
- To understand which bank amongst the two effectively makes use of digitalisation

2.2 LIMITATIONS OF THE STUDY

The limitations of the study are those characteristics of design or methodology that impacted or influenced the interpretation of the findings from your research. They are the constraints on generalizability, applications to practice, and/or utility of findings that are the result of the ways in which you initially chose to design the study or the method used to establish internal and external validity or the result of unanticipated challenges that emerged during the study. It is far better that you identify and acknowledge your study's limitations than to have them pointed out by your professor and have your grade lowered because you appeared to have ignored them. Acknowledgement of a study's limitations also provides you with an opportunity to demonstrate that you have thought critically about the research problem .

Limitations of the study

- The sampling survey area is limited to only Thane district.
- The survey is conducted within the limited period.
- Some of the questionnaire may not be filled with care and accuracy by the respondents.

2.3 SIGNIFICANCE OF THE STUDY

The study will be useful to identify the following things:

- ✓ Help to know about the awareness level of the people regarding the services provided by either of the two banks
- ✓ Helps to understand about people's perception towards Canara Bank or Punjab National Bank.
- ✓ Helps to understand people's perception on which bank is more convenient

2.4 SAMPLE DESIGN

The process of drawing a sample from a large population is called sampling. Population refers to the total of items about which information is defined. Well selected samples may reflect fairly and accurately the characteristics of the population.

2.4.1 Sampling Unit

The sampling unit for this survey was the customers who are satisfied with the services of Canara bank or Punjab National Bank

2.4.2 Sample Size

The sample size was 60 customers responding either about Canara Bank or Punjab National Bank.

2.4.3 Sampling Technique - Convenient Sampling.

2.5 SOURCES OF DATA

2.5.1 Primary data

Primary data are those which are collected for the first time. Primary data s collected by framing questionnaires. The questionnaire contained close-ended questions. Close ended questions are those wherein the respondents has to merely check the appropriate answer from the list of available options. Any doubts raised by the respondents were clarified to get the perfect answers from the distributors. Closeended questions were simple to tabulate and analyse.

2.5.2 Secondary data

Secondary data means data that are already available i.e. they refer to the data which have been Collected and analysed by someone and can save both money and time of the researcher. Secondary data may be available in the form of company records, trade publications, libraries Etc.

Secondary data sources are as follows:

- ✓ Daily newspaper
- ✓ Standard textbooks
- ✓ Various websites

2.6 HYPOTHESIS

A hypothesis is a tentative statement about the relationship between two or more variables. It is a specific, testable prediction about what you expect to happen in a study. For example, a study designed to look at the relationship between sleep deprivation and test performance might have a hypothesis that states, "This study is designed to assess the hypothesis that sleep-deprived people will perform worse on a test than individuals who are not sleep-deprived."

2.6.1 Null hypothesis

Majority out of the respondents prefer using Canara Bank for more convenient transactions.

2.6.2 Alternative hypothesis

Majority out of the respondents prefer using Punjab National Bank for more convenient transactions.

PUBLIC SECTOR BANKS OFFERING THE BEST RATES ON SAVINGS ACCOUNTS

Banks	Interest rate (per annum)	Minimum Balance Requirement	Balance Type
IDBI Bank	3.00% - 3.50%	Rs 500 - Rs 5,000	MAB
Punjab National Bank	3.00% - 3.50%	Rs 500 - Rs 2,000	QAB
Canara Bank	2.90% - 3.20%	Rs 500 - Rs 1,000	MAB
Bank of Baroda	2.75% - 3.20%	Rs 500 - Rs 2,000	QAB
Punjab & Sind Bank	3.10%	Rs 500 - Rs 1,000	MB
Indian Overseas Bank	3.05%	Rs 500 - Rs 1,000	MB
Union Bank	3.00%	Rs 250 - Rs 1,000	MB
Central Bank of India	2.75% - 2.90%	Rs 500 - Rs 2,000	MMB
Bank of India	2.90%	Rs 500 - Rs 1,000	AQB
Indian Bank	2.90%	Rs 500 - Rs 2,500	MB

Chapter: 3- Literature Review

3.LITERATURE REVIEW

3.1 INTRODUCTION

A literature review is dealing with the summary of previous research on a topic. The literature review examine articles, books, and other sources suitable to a particular area of research. The review should, describe, summarize, fairly judge and clarify this previous research. It should give a theoretical base for the research and help you determine the nature of your research. The literature review allows the work of previous researchers, and in so doing, assures the reader that your work has been well developed. It is assumed that by mentioning a previous work in the field of study, that the author has read, and to take over that work into the work at hand. A literature review creates a "landscape" for the reader, giving her or him a full knowledge of the developments in the field. This landscape informs the reader that the author has indeed took over all previous, important works in the field into her or his research.

A literature review may consist of simply a summary of key sources, but in the social sciences, a literature review usually has an organizational pattern and combines both summary and synthesis, often within specific conceptual categories. A summary is a recap of the important information of the source, but a synthesis is a re-organization, or a reshuffling, of that information in a way that informs how you are planning to investigate a research problem. The analytical features of a literature review might:

- Give a new interpretation of old material or combine new with old interpretations,
- Trace the intellectual progression of the field, including major debates,
- Depending on the situation, evaluate the sources and advise the reader on the most pertinent or relevant research, or
- Usually in the conclusion of a literature review, identify where gaps exist in how a problem has been researched to date.

3.2 Literature review related to comparison of canara bank and punjab national bank

- ✓ Sanyal (2016) has claimed that it was the constant inspiration and leadership by the government which had increased the probability of success of such government moves.
- ✓ Rani (2016) stated the plight of shopkeepers and consumers pacing up with demonetisation move by understanding and adopting online payment portals and alternate banking channels to survive.
- ✓ Long-term-term and short-term study and Kulkarni and Tapas (2017) studied the rational and outcomes of demonetisation and currency contractions across countries. Study covered instances of sudden demonetisation from Ghana, Myanmar, Brazil, Soviet Union, Russia, Iraq, North Korea, Cyprus, Greece and Venezuela. The Russian economy did the demonetisation for political reasons; Zimbabwe carried it out to get control over chaotic monetary system and Australia took that step for convenience of transactions and did it in a very efficient way. Similar to India, Ghana and Myanmar did it to fight against black money. The major reason of currency contraction had been to fight against hyperinflation or any economy crisis.
- ✓ Raychaudhuri (2017) suggested that the goals of demonetisation lack logical consistency and it is unacceptable to expect growth in short run. Whereas Pandia (2017) believed that demonetisation is a deterrent to the terror funding and criminal activities and discourages the Indian tendency of hoarding money. Further demonetisation has been referred as good initiatives which would yield results in long run and tolerating transitory inconvenience is worth taking.
- ✓ Balaji and Balaji (2017) studied the impact of demonetisation on cashless transactions. Study suggested that there was a positive impact on cashless transactions and building additional awareness about internet based banking channels and the risks involved with it.

- ✓ Kulkarni and Tapas (2017) had evaluated the rationale of demonetisation and the study concluded that adapting cashless mode was still feasible to achieve in the long run but problem of corruption cannot be solved just by demonetisation. Since, it needs an attitudinal change in Indian citizen's behaviour.

- ✓ The Indian studies (Gajjar, 2016; Ghosh, 2017; Mehta et al., 2016; Nerkar, 2016; Samuel and Saxena, 2017; Singhal, 2017) related to demonetisation were qualitative in nature where implications were induced based on secondary facts and experiences. There is dearth of studies which empirically measures the impact of demonetisation on economy and its subsequent effect on cashless economy. Thus our study fills this gap and presents the scale to measure the immediate impact of demonetisation.

- ✓ FE Bureau (2017) states that according to the RBI Demonetisation has increased the growth of which is known as the digital payment companies.



Chapter: 4- Data Analysis & Interpretation

4. DATA ANALYSIS, INTERPRETATION AND PRESENTATION

4.1 INTRODUCTION TO DATA ANALYSIS

WHAT IS DATA ANALYSIS? :Data Analysis is the process of carefully applying statistical and/or logical methods to describe and represent, compress and recap, and judge data. According to Shamoo and Resnik (2003) various systematic procedures “provide a way of drawing inductive inferences from data and distinguishing the signal from the noise present in the data”.. While data analysis in qualitative research can include statistical procedures, many times analysis becomes an ongoing iterative process where data is continuously collected and analysed almost simultaneously. Indeed, researchers generally analyse for patterns in observations through the entire data collection phase (Savenye, Robinson, 2004). The form of the analysis is determined by the specific qualitative approach taken (field study, ethnography content analysis, oral history, biography, unobtrusive research) and the form of the data (field notes, documents, audiotape, videotape). An essential component of ensuring data integrity is the accurate and appropriate analysis of research findings. Improper statistical analyses distort scientific findings, mislead casual readers (Shepard, 2002), and may negatively influence the public perception of research. Integrity issues are just as relevant to analysis of non-statistical data as well.

Data mining is a particular data analysis technique that focuses on statistical modelling and knowledge discovery for predictive rather than purely descriptive purposes, while business intelligence covers data analysis that relies heavily on aggregation, focusing mainly on business information. In statistical applications, data analysis can be divided into descriptive statistics, exploratory data analysis (EDA), and confirmatory data analysis (CDA). EDA focuses on discovering new features in the data while CDA focuses on confirming or falsifying existing hypotheses. Predictive analytics focuses on application of statistical models for predictive forecasting or classification, while text analytics applies statistical, linguistic, and structural techniques to extract and classify information from textual sources, a species of unstructured data. All of the above are varieties of data analysis.

Analysis refers to breaking a whole into its separate components for individual examination. Data analysis is a process for obtaining raw data and converting it into information useful

for decision-making by users. Data is collected and analyzed to answer questions, test hypotheses or disprove theories. Statistician John Tukey defined data analysis in 1961 as: "Procedures for analyzing data, techniques for interpreting the results of such procedures, ways of planning the gathering of data to make its analysis easier, more precise or more accurate, and all the machinery and results of statistics which apply to analyzing data.

There are several phases that can be distinguished, described below. The phases are iterative, in that feedback from later phases may result in additional work in earlier phases. The CRISP framework used in data mining has similar steps.

TYPES OF DATA ANALYSIS

There are several types of data analysis techniques that exist based on business and technology. The major types of data analysis are:

Statistical Analysis : Statistical Analysis shows "What happen?" by using past data in the form of dashboards. Statistical Analysis includes collection, Analysis, interpretation, presentation, and modeling of data. It analyses a set of data or a sample of data. There are two categories of this type of Analysis - Descriptive Analysis and Inferential Analysis.

4.2 DESCRIPTIVE ANALYSIS

Analysis complete data or a sample of summarized numerical data. It shows mean and deviation for continuous data whereas percentage and frequency for categorical data.

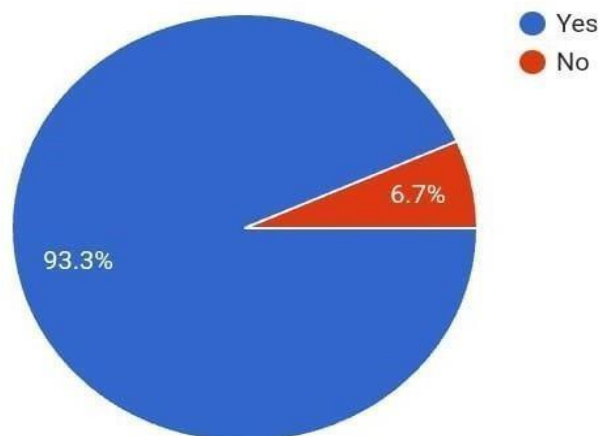
1. Do you have bank account ?

60 Responses

Yes	No	Total
56	4	60

Do you have bank account?

60 responses



Interpretation

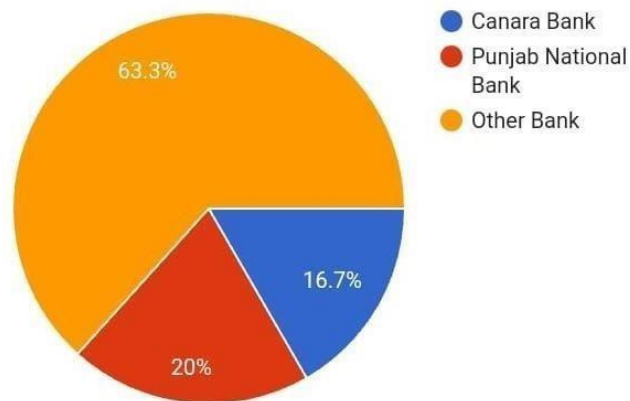
The above digrame or piechart indicates that 93.3% of the total people have a bank account after increased digitalisation and 6.7% of the people still do not have bank account.

In which bank you have your bank account?

Canara Bank	Punjab National Bank	Other Bank	Total
10	12	38	60

In which bank you have your bank account?

60 responses



Interpretation

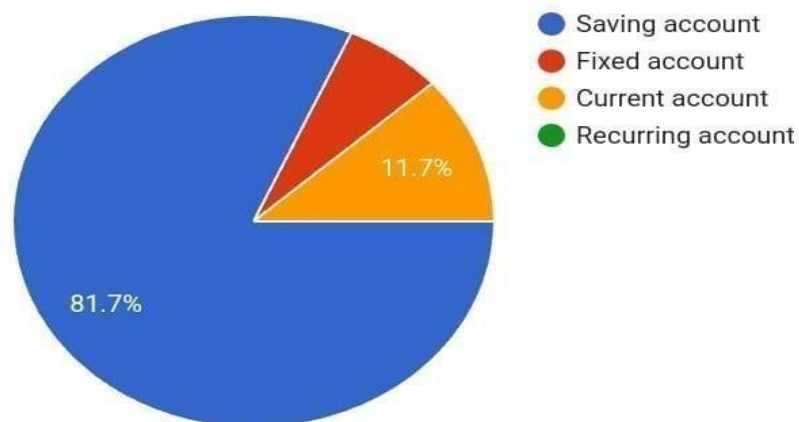
The above diagram or piechart indicates that 16.7% of the total people prefer account in Canara bank and the 20% of people prefer account in Punjab National bank and remaining 63.3% people prefer to have their account in Other bank.

2. Which type of account you have in your Bank ?

Current A/C	Saving A/C	Recurring A/C	Fixed A/C	Total
7	49	0	4	60

Which type of account you have in your Bank?

60 responses



Interpretation

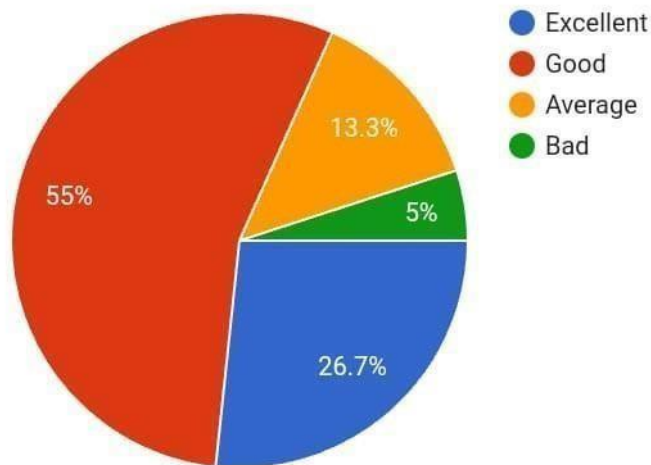
11.7% of the people opt for current account which shows business account, is comparatively less with 81.7% in case of savings account, 6.6% of the people use Fixed account, whereas no one prefer recurring account.

3. What you think about the services of Punjab National Bank?

Excellent	Good	Average	Bad	Total
16	33	8	3	60

What you think about services of Punjab National Bank?

60 responses



Interpretation

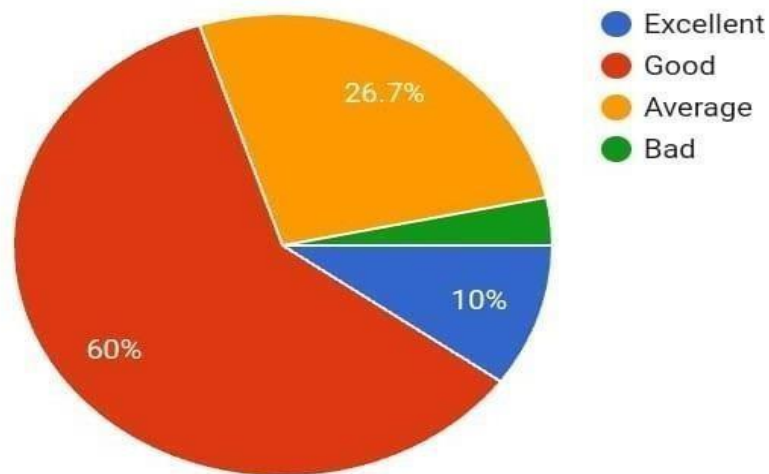
The above diagram or pie chart indicates that 26.7% of total people state that the service is excellent, whereas 55% state that the service is good. But 13.3% state that the service is average and the remaining 5% are not at all satisfied with the service

4. What you think about services of Canara Bank?

Excellent	Good	Average	Bad	Total
6	36	16	2	60

What you think about services of Canara Bank?

60 responses



Interpretation

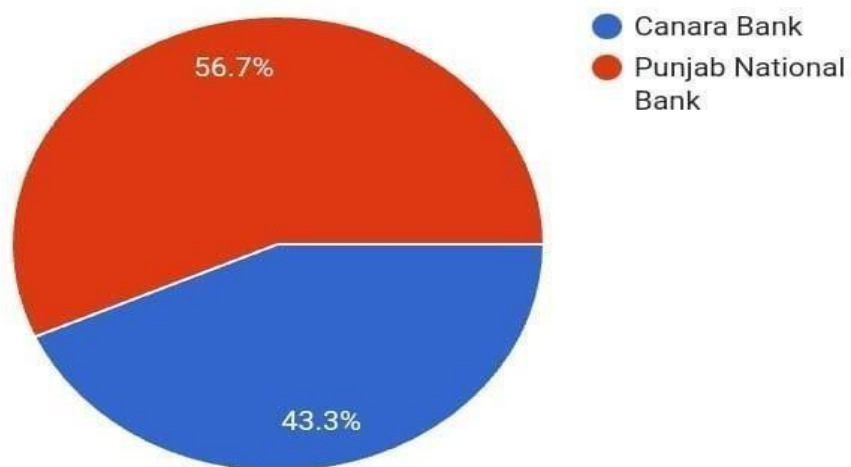
The above diagram or pie chart indicates that 10% of total people state that the service is excellent, whereas 60% state that the service is good. But 26.7% state that the service is average and the remaining 3.3% are not at all satisfied with the service

5. Which bank gives the better facilities?

Canara bank	Punjab national bank	Total
34	26	60

Which bank gives the better facilities?

60 responses



Interpretation

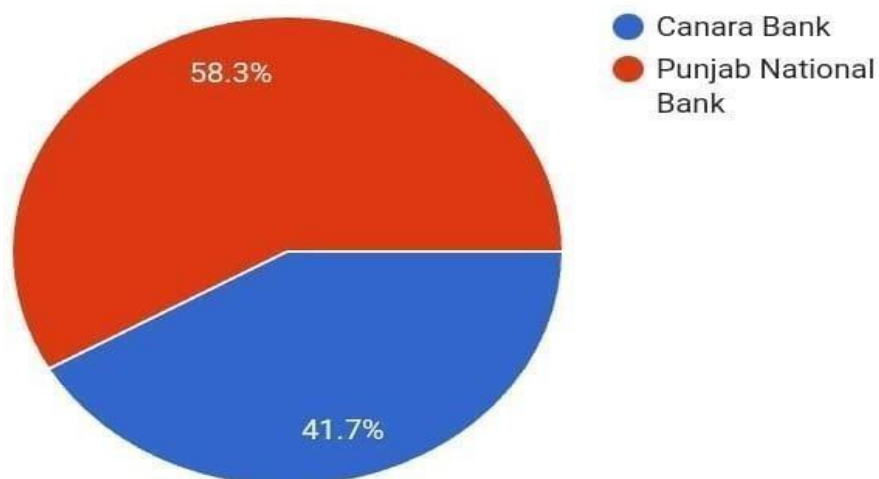
The above diagram or pie charts indicates that 56.7% of the total people are satisfied with the facility provided by Punjab National Bank whereas only 43.3% of the people are satisfied with the facilities provided by Canara Bank.

6. Which Bank provide more effective online services?

Canara bank	Punjab national bank	Total
25	35	60

Which bank provide more effective online services?

60 responses



Interpretation

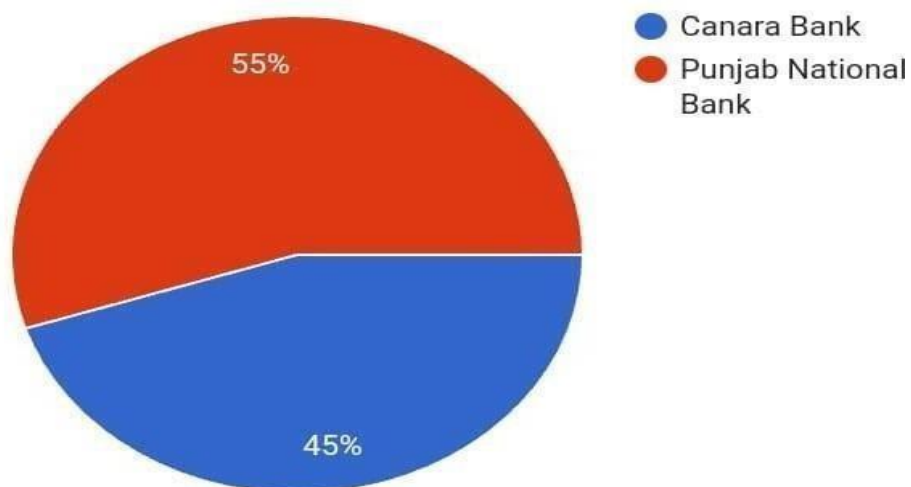
The above diagram or pie chart indicates that 58.3% of the total people prefer using effective online services of Punjab National bank whereas the remaining 41.7% people prefer to use effective online services Canara bank

7. Which bank is more personalized?

Punjab national bank	Canara bank	Total
33	27	60

Which Bank is most personalized?

60 responses



Interpretation

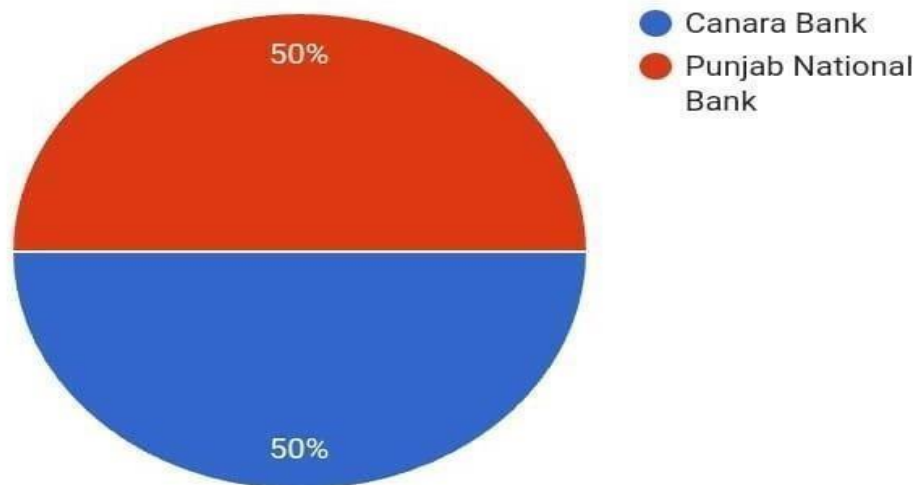
The above diagram or pie chart indicates that 55% of the total people state that Punjab National Bank is more personalized whereas only 45% of people state Canara Bank as personalized.

8. Which bank you prefer for investment purpose?

Punjab national bank	Canara bank	Total
30	30	60

Which Bank you prefer for investment purpose?

60 responses



Interpretation

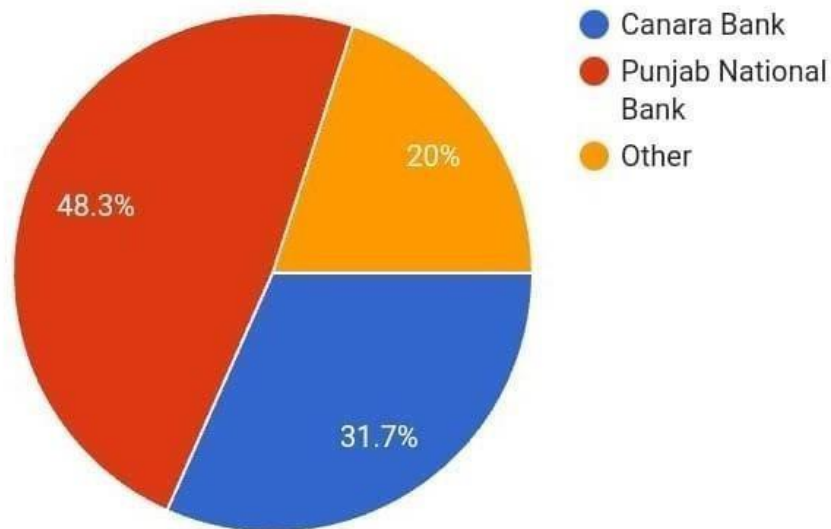
The above diagram or pie chart states that 50% of the people prefer Punjab National Bank and other 50% of the people prefer Canara Bank for investment purpose

10. Which bank do you recommend to your friends and family?

Punjab national bank	Canara bank	Other bank	Total
18	30	12	60

Which bank do you recommend to your friends and family?

60 responses



Interpretation

48.3% respondents suggest Punjab national bank to their friends and relatives whereas 31.7% of respondents suggest Canara bank and remaining 20% respondents suggest Other bank as per the above pie chart.



**Chapter: 5- Conclusion &
Findings**

5. CONCLUSION AND FINDINGS

5.1 Conclusion

- ✓ The first chapter deals with the introduction of banks, especially about canara bank and punjab national bank.

- ✓ The second chapter explains the research methodology adopted in this project. The third chapter shows all the literature review related to this topic.

- ✓ The fourth chapter shows the data which I have collected and interpreted the same.

- ✓ Finally, on the comparative study of canara bank and punjab national bank, one can get to a conclusion that the punjab national bank is more customer oriented

- ✓ The digitization has been effectively implemented by the punjab national bank in comparison with canara bank

5.2 Findings

- ✓ According to the responses recieved ,the punjab national bank gives better facilities to the customers.

- ✓ The customers prefer service of punjab national bank.

- ✓ Customers also have more attractive investment option in punjab national bank in comparison with canara bank.

- ✓ Punjab national bank provides more effective services.

- ✓ Punjab national bank also provide personalized services to the customers.

- ✓ Services of punjab national bank is recommended as best by the customer

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Questionnaire & Annexure

Questionnaire & Annexure

I **Mr.Rishabh Sambhaji Patil** of JVM's Degree College of Commerce and Science. I would like to take the survey for my project on “ **A Comparative Study of Canara Bank and Punjab National Bank (With Reference to Thane , Maharashtra)** ”

This is my College Project. I'm Very thankful if you will give your time to fill this forms. This is only for education purpose. Data will be confidential.

Thank You!

Comparative Study of Canara Bank and Punjab National Bank

Declaration :- I request you to respond to all the questions. I assure you that the information provided by you will be used for the academic purposes only.

- ✧ Email address

- ✧ Respondent Name

- ✧ Age

- ✧ Location (Area name)

- ✧ Gender

1. Do you have bank account?

- a) Yes
- b) No

2. In which bank you have your bank account?

- a) Canara Bank
- b) Punjab National Bank
- c) Other Bank

3. Which type of account you have in your Bank?

- a) Current A/C
- b) Saving A/C
- c) Recurring A/C
- d) Fixed A/C

4. What you think about services of Punjab National Bank?

- a) Excellent
- b) Good
- c) Average
- d) Bad

5. What you think about services of Canara Bank?

- a) Excellent
- b) Good
- c) Average
- d) Bad

6. Which bank gives the better facilities?

- a) Canara Bank
- b) Punjab National Bank

7. Which bank provide more effective online services?

- a) Canara Bank
- b) Punjab National Bank

8. Which Bank is most personalized?

- a) Canara Bank
- b) Punjab National Bank

9. Which bank you prefer for investment purpose?

- a) Canara Bank
- b) Punjab National Bank

10. Which bank do you recommend to your friends and family?

- a) Canara Bank
- b) Punjab National Bank
- c) Other Bank

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