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# Critical Evaluation of the Services Rendered by Canara Bank and HDFC Bank - A Comparative Assesment

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**Abstract**

*India is a mixed economy where every one will be given an opportunity to undertake and promote their business activities but subject to the conditions of the rules and regulations passed by the Government. In this direction, we are not only having public sector banks exclusively, even private sector banks was given an opportunity to serve the common people where there is a lack of government banks in certain regions. Today both public sector banks and the private sector banks have been established in every city, town and villages and we find a healthy competition in promoting their business. In this respect this to assess the services rendered by both public sector bank and the private sector bank. Further an assessment has been made to show how best Canara Bank has rendered its services against the premier private bank viz., HDFC Bank. In order to study the services rendered by these banks nearly 100 respondents each has been chosen to study the services offered by the Canara Bank and HDFC Bank. For the convenience this chapter has been divided into two sections. Section one discussed about general information of the respondents of Canara and HDFC Bank and section two has been devoted to assess various aspects of banking services which include bank accounts. ATM and cheque facilities, credit and debit cards, various loans, non-performing assets, interest rate and take over and closure of loan accounts and the opinion of the services rendered by these banks.*

**Keywords:** Credit, Performance, Employee, Subsidy, Priority Sector Advances, Capital Reserves, Investment, Income and Expenditure.

**Introduction**

India is a mixed economy where every one will be given an opportunity to undertake and promote their business activities but subject to the conditions of the rules and regulations passed by the Government. In this direction, we are not only having public sector banks exclusively, even private sector banks was given an opportunity to serve the common people where there is a lack of government banks in certain regions. Today both public sector banks and the private sector banks have been established in every city, town and villages and we find a healthy competition in promoting their business. In this respect this to assess the services rendered by both public sector bank and the private sector bank. Further an assessment has been made to show how best Canara Bank has rendered its services against the premier private bank viz., HDFC Bank. In order to study the services rendered by these banks nearly 100 respondents each has been chosen to study the services offered by the Canara Bank and HDFC Bank.

For the convenience this chapter has been divided into two sections. Section one discussed about general information of the respondents of Canara and HDFC Bank and section two has been devoted to assess various aspects of banking services which include bank accounts, ATM and cheque facilities, credit and debit cards, various loans, non-performing assets, interest rate and take over and closure of loan accounts and the opinion of the services rendered by these banks.

### Review of Literature

Garg, Mohini (1994) compared the profitability of Indian scheduled commercial banks with foreign banks for the period of 1970 to 1990. The study reveals that Indian scheduled commercial banks have achieved remarkable progress in the last two decades under study, particularly in branch expansion in rural areas, deposits mobilization and credit deployment to priority sector and small borrowers. However, their profits have not kept pace their growth and hence, the share in profits has come down, whereas foreign banks with a much smaller geographical spread and resources base, earn almost as much by way of profits as 20 nationalized banks put together. It is concluded that there is a lot of difference in the pattern of advances and investments and even lending rates of Indian and foreign banks.

The study suggests giving more autonomy to Indian commercial banks in their functioning

Murty (1996) analyzed various factors which can be helpful to improve the profitability of public sector banks. The study examine the impact of monetary policy and market interest rates on the banks profitability and also suggest various measures to improve the profitability of the public sector banks in India.

Sarkar JS (1998) studied the performance in terms of financial ratios of efficiency and profitability and concluded that private banks are not unambiguously superior to public banks.

Dass (1999) performed a sequential decomposition model for profitability analysis of public sector banks found a convergence in bank wise profitability in the post reform period.

Ballab J (2001) analyzed challenges in the post-banking sector reforms. With globalization and changes in technology, financial markets world over

have become closely integrated. For the survival of the banks they should adopt new policies/strategies according to the changing environment.

### Objectives of the Study

- To study the performance of canara bank and HDFC bank
- To study the services rendered by Canara bank and HDFC bank.
- To offer suitable remedial measures to improve the banking system.

### Methodology of the Study

In order to carry out a study on the critical evaluation of Canara bank and HDFC bank, both primary and secondary sources has been used. The major sources have drawn from books, journals, magazines, Reserve bank of India reports and official web sources. In regard to primary sources nearly 200 samples has been collected out of 200 samples 100 samples each has been allotted equally to the respondents of both Canara bank and HDFC bank. The data collected pertaining to the Performance of Canara bank and HDFC bank after the introduction of the policy of Canara bank and HDFC bank in India. More particularly, the study would focus the recent changes that have taken place in the Indian Banking Industry.

### Performance of Canara Bank

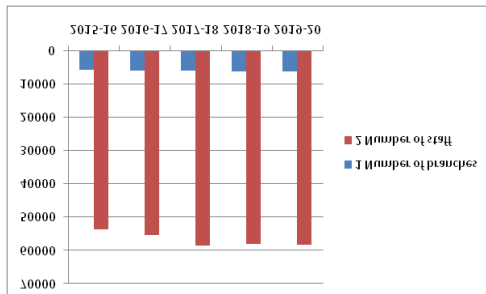
Canara Bank is one of the biggest public sector banks controlled by the Government of India. It is headquartered in Bangalore. It was founded in Mangalore in the year 1906 by Ammembal Subba Rao Pai. It is one of the oldest public sector banks in the nation. The government nationalized the bank in 1969. The Tagline of Canara Bank is "Together we can." As of 31st March 2019, the bank had a network of 6310 branches and more than 8851 ATMs scattered across 4467 centers. The performance of the Canara Bank can be evaluated by examining various factors that help to improve the banking business. Canara Bank's performance is measured by the number of offices/branches opened, the number of employees employed, the number of ATMs opened, select international banking branch services, paid-up capital, reserves, deposits, income, and interest earned, as well as the introduction of new products such as housing loans, personal loans, auto loans, and mortgage loans.

**Table 1 Number of Branches and Staff of Canara Bank during 2015-16 to 2019-2020**

Sl. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1	Number of branches	5849	6083	6212	6310	6329
2	Number of staff	54008	55717	58855	58350	58632

**Sources:** “Canara Bank, Annual Report-2017-18 to 2019-2020”.

Canara Bank is one of the biggest public sector banks in India. It has a vast network in India and establishes its international branches in many countries, including England, Dubai, and America. Thus, it is very clear from table 4.5 the number of units has been considerably increased from 5879 in 2015-16 to 6329 in 2019-20. Similarly, the bank recruited and appointed more human resources to carry out the business and meet the additional demand for financial services from the urban centers and established its network in villages and towns. Thus, as shown in Table 4.5, the bank’s human resources position increased from 54008 in 2015-16 to 58632 in 2019-20, indicating an upward trend in personnel employment in this bank.



**Graph-1 Number of Branches and Staff of Canara Bank**

### Performance of HDFC Bank

HDFC Bank is one of India’s premier banks. HDFC Bank is a new generation private sector bank with headquarters in Mumbai. It offers a wide range of banking services, including commercial and investment banking on the commercial side and transactional branch banking on the local side. This HDFC Bank came into existence in the year 1994 and started its banking operations in 1995. As of 30th September 2017, the bank’s distribution network was at 4729 branches and 12259 ATMs across 2669 cities and towns. HDFC Bank also has one overseas wholesale banking branch in Bahrain, a Hong Kong branch, and two representative offices in the United

Arab of Emirates (UAE) and Kenya.

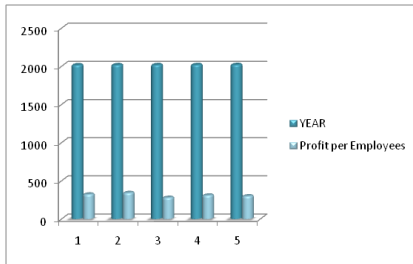
The performance of the HDFC Bank can be assessed with the help of various parameters which include number of offices, banking outlets, number of employees, business per employee, profit per employee, assets, debit and credit cards, establishment of ATMs, interest income, capital, reserves and surplus, deposit rate, priority sector lending, housing and other loans and advances, non-performing assets, profitability and corporate social responsibility.

**Table 2 HDFC Banks profit per employee during 2016-2020 (Amt in Rs. crore)**

Sl. No.	Year	Profit per Employees
1	2016	323.00
2	2017	343.00
3	2018	280.00
4	2019	310.00
5	2020	300.00

**Sources:** HDFC Banks annual report 2019-20, Mumbai

If we look at the previous table 5.10 the performance results of HDFC Bank are totally different during 2016-2020. The performance of HDFC banks profitability per employee was Rs. 0.42 million to Rs. 1.00 million during 2008-09 to 2012-13. Although the profitability has been considerably increased to Rs. 323.00 crore during 2016 but the profitability performance have shown a fluctuating trend. Compared to 2016 and 2017 the profit per employee have declined to Rs. 280.00 crore. Again during 2019 the profitability per employee of HDFC Bank have increased to Rs. 310.00 crore but failed to perform during 2020 and shown a downward trend in respect of profitability per employee of the company. This may be the reason of business competition in the globalized world or it may be the reason of excess manpower or it could be a poor show of the company compared to the previous years.



Graph 2 HDFC Banks profit per employee

Services Rendered by Canara Bank and HSFC Bank- A Comparison

Table 3 Savings Bank Account Details of the Respondents

Sl. No.	Bank account	Canara Bank	HDFC Bank	Total	Percent
1	Having single account	65	40	105	52.50
2	Multiple account	35	60	95	47.50
Total		100	100	200	100.00

Sources: Field study, Bangalore, 2019-20

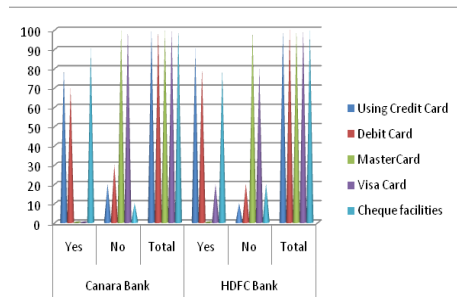
Savings are the habit of Indian population. People will not spend the total amount or income at a time. Since the resources of scarce in nature, the people spend the money according to the requirement which are very urgent and postpone the consumption which are not required urgently. Hence, it is the behaviour of the Indian population to have a Savings account to save the excess money. Due to civilization/modernization people have adopted banking culture by opening a bank account. In this respect the table 1 clearly reveals that majority of the respondents (52.50 per cent) have opened only one account and nearly 47.50 per cent of the respondents have opened multiple accounts in the same bank or in other banks. Comparatively 65 per cent of the respondents of Canara Bank and 40 per cent of respondents of HDFC Bank have opened single account. Whereas nearly 60 per cent of the respondents of HDFC Bank have opened multiple accounts in many banks as against only 35 per cent of the respondents of the Canara Bank have multiple accounts.

Table 4 Availing Card and Cheque facilities by the respondents

Sl. No.	Card and Cheque facilities	Canara Bank			HDFC Bank		
		Yes	No	Total	Yes	No	Total
1	Using Credit Card	80	20	100	90	10	100
2	Debit Card	70	30	100	80	20	100
3	Master Card	00	100	100	00	100	100
4	Visa Card	00	100	100	20	80	100
5	Cheque Facilities	90	10	100	80	20	100

Sources: Field study, Bangalore, 2019-20

As technology improves in the economy, almost all segments of the nation will adjust to the new technology. In this regard Banking Sector is not an exception. The banking sector adopts new techniques in order to improvise its services. Card services is not only an invention but also innovation. It simplify the work of both the bankers as well as the customers. Thus, it is evident from the table 2 nearly 80 and 70 per cent of the Canara Bank respondents are using both credit and debit cards and 90 per cent of the respondents are using cheque book facilities. In respect of HDFC Bank a similar trend is observed. Nearly 90 and 80 per cent of the respondents are using credit and debit cards, even 80 per cent have availed cheque book facilities. In the case of MasterCard and Visa Card non of the Canara Bank respondents have availed the facilities. However, 20 per cent of HDFC Bank respondents are using Visa Card. This clearly shows that HDFC Bank are working hard to promote its business by giving maximum services to its customers.



Graph 3 Availing Card and Cheque facilities

**Table 5 Using ATM facilities by the respondents**

Sl. No.	Card and Cheque facilities	Canara Bank			HDFC Bank		
		Yes	No	Total	Yes	No	Total
1	Availed ATM facilities	95	05	100	85	15	100
2	Availed ATM facility in only one Bank	60	40	100	40	60	100
3	Whether Public Sector Bank ATM is good	60	40	100	50	50	100
4	Whether Private Sector Bank ATM is good	60	40	100	60	40	100
5	Whether Foreign Sector Bank ATM is good	40	60	100	30	70	100

**Sources:** Field study, Bangalore, 2019-20

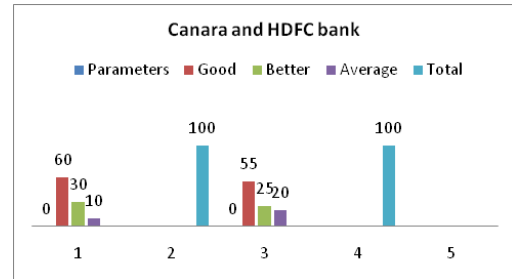
The modern technology gives more benefits to the banking customers. It is not only saves time of both customers as well as the bankers but also promote the banking business at a faster rate. It is evident from the table 3 nearly 95 and 85 per cent of respondents belong to both Canara Bank and HDFC Bank who are availing the ATM facilities. Further, it is also evident from the table 3 nearly 60 and 40 per cent of the respondents of Canara Bank and HDFC Bank are using ATM card in a single bank. 60 per cent of the Canara Bank respondents are considered that both public sector bank and private sector bank ATMs are good and 40 per cent say that Foreign bank ATM services are also good. Against this 50 and 60 per cent of HDFC Bank respondents have opined that both public and private sector bank ATMs are rendering good services and only 30 per cent revealed that even foreign bank ATMs are also giving good services. Thus the majority of both Canara Bank and HDFC Bank respondents have opined that Indian Banks both public and private sector banks ATMs are better than Foreign bank ATMs.

**Table 6 Rating of banks by the respondents**

Sl. No.	Parameters	Canara Bank	HDFC Bank
1	Good	60	55
2	Better	30	25
3	Average	10	20
<b>Total</b>		<b>100</b>	<b>100</b>

**Sources:** Field study, Bangalore, 2019-20

In regard to the ratings of the banks by the respondents reveals that 60 and 55 per cent opined that both Canara Bank and HDFC Banks are good and only 30 and 25 per cent have opined that it is better and only negligible per cent i.e., 10 and 20 per cent says the performance and the services rendered by both Canara and HDFC banks are average.



**Graph 4 Rating of banks by the respondents**

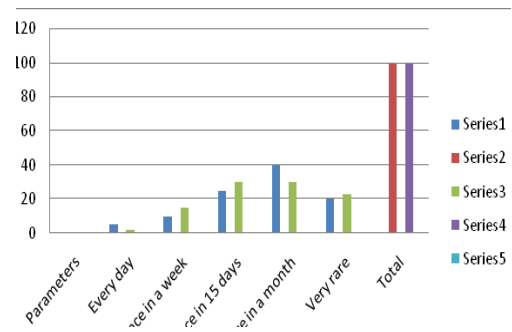
**Table 7 Frequency of visit to the bank by the respondents**

Sl. No.	Parameters	Canara Bank	HDFC Bank
1	Every day	05	02
2	Once in a week	10	15
3	Once in 15 days	25	30
4	Once in a month	40	30
5	Very rare	20	23
<b>Total</b>		<b>100</b>	<b>100</b>

**Sources:** Field study, Bangalore, 2019-20

Banking is not only for the benefit of the rich and the business man but it is common to every one who can avail the banking services in various ways viz., deposits, savings, money transfers, making demand draft and banking banking draft or any other relevant to it. In this regard, it is evident from the table 5 majority (40 per cent) of Canara Bank respondents opined that they visit their banking branches once in a month and 20 per cent also opined that they go the bank very rarely, 10 and 15 per cent of the respondents are using the banking services once in a week and fifteen days visit the branch offices. Only 5 per cent say they need to go their bank every day in order to deposit the money. A similar trend was also observed in respect of HDFC Bank, nearly 2 per

cent of the respondents do visit their banking branch every day for the transaction of money. 15 per cent claimed that they visit once in a week and 30 per cent each say that they visit the banking branch once in 15 days and once in a month. Surprisingly 23 per cent respondents say that they manage their banking business by online and they visit the banking branch very rarely.



**Graph 5 Frequency of visit to the bank by the respondents**

**Table 8 Salary through the Bank by the respondents**

Sl. No.	Parameters	Canara Bank			HDFC Bank		
		Yes	No	Total	Yes	No	Total
1	Do you belong to salary class	80	20	100	69	51	100
2	Do you get salary through the bank	70 (87.50)	10 (12.50)	80 100.00	60 (86.95)	09 (13.04)	69 (100.00)

Sources: Field study, Bangalore, 2019-20

It is evident from the table 6 nearly 80 per cent of Canara Bank respondent and 69 per cent of HDFC Bank respondents belong to salary class. Out of 80 per cent of the salary class in Canara Bank, only

70 respondents are getting salary through the bank. Similarly, out of 69 respondents only 60 respondents are drawing their salary through the bank.

**Table 9 Loan availed by the respondents**

Sl.No.	Parameters	Canara Bank			HDFC Bank		
		Yes	No	Total	Yes	No	Total
1	Have you availed loan from the bank	100	00	100	100	00	100
2	If the loan is on verge of closure, will you for the second loan	60	40	100	50	50	100

Sources: Field study, Bangalore, 2019-20

It is evident from the table 7 that majority of the customers are opening their bank account for the purpose of securing loan. It is true that almost 100 per cent of both Canara Bank and HDFC Bank respondents have taken loan from the bank. A similar trend was also observed from HDFC Bank that 100 per cent of the respondents have availed the bank loan. In the case of seeking second loan from

the bank 60 per cent of Canara Bank respondents and 50 per cent of HDFC Bank respondents have agreed to seek second loan after closure of their first loan subject to the conditions of the bank and the tenure of their remaining services. 40 and 50 per cent of Canara Bank and HDFC Bank respondents are not interested for second loan either because of their income level or age factor.

**Table 10 Type of loan availed by the respondents**

Sl. No.	Type of Loan	Canara Bank			HDFC Bank		
		Yes	No	Total	Yes	No	Total
1	Gold Loan	60	40	100	40	60	100
2	Housing Loan	70	30	100	80	20	100
3	Educational Loan	05	95	100	10	90	100
4	Personal Loan	40	60	100	60	40	100
5	Vehicle Loan	10	90	100	30	70	100
6	Agriculture Loan	00	100	100	00	100	100
7	Builder Loan	10	90	100	15	85	100
8	MSME Loan	20	80	100	10	90	100
9	Staff Loan	00	100	100	20	80	100
10	SHG Loan	10	90	100	00	100	100
11	Mudra Loan	20	80	100	00	100	100

**Sources:** Field study, Bangalore, 2019-20

There are various products marketed by the banks, the prominent one are loans viz., gold loan, housing loan, educational, personal loan, vehicle loan, agriculture loan, builder loan, MSME loan, staff loan, SHG loan and Mudra loan. Majority of the Canara Bank respondents are (60 and 70 per cent) avail gold loan and housing loan, 40 per cent avail personal loan and 20 per cent each claim that they availed Mudra loan and MSME loan and 10 per cent each have availed vehicle loan, builder loan and SHG loan. And only 5 per cent said that they availed

educational loan. Further, none of them availed staff loan and agriculture loan. In respect of HDFC Bank majority of the respondents (80 and 60 per cent) avail housing and personal loan. Nearly 40 and 30 per cent have availed gold loan and vehicle loan, 20 per cent availed staff loan and 15 per cent availed builder loan. Contrary to Canara Bank 10 per cent of the respondents of HDFC Bank have benefited by availing educational loan and MSME loan. Another special feature of the table 8 reveals that the bank did not promote SHG loan and agricultural loan.

**Table 11 The time period to sanction the Bank Loan**

Sl. No.	Time period	Canara Bank	HDFC Bank	Total	%
1	Within a week	00	00	00	00
2	Within 15 days	00	07	07	3.50
3	Within 21 days	08	15	23	11.50
4	Within one month	15	18	33	16.50
5	Within two month	20	25	45	22.50
6	More than two month	57	35	92	46.00
<b>Total</b>		<b>100</b>	<b>100</b>	<b>200</b>	<b>100.00</b>

**Sources:** Field study, Bangalore, 2019-20

In regard to the time period to sanction of bank loan, the respondents have given different opinion. In the case of time period pertaining to sanction of loan within a week and within 15 days the Canara Bank respondents viewed that it is not possible to get it sanctioned in their bank. Further 8.00 to 15.00 per cent of the respondents have agreed that the bank

loan gets sanctioned in 21 days and in one month. Similarly 20.00 per cent of the respondents have agreed that the loan takes two months but majority (57.00 per cent) of the respondents opined that the bank loan usually take more than two months. A similar trend is also observed in respect of HDFC Bank respondents. In the case of loan sanctioned

within a week is totally ruled out, 7.00 per cent opined that it takes fifteen days, even 15.00 per cent agreed it takes 21 days. 18.00 per cent agreed that it takes a month. But majority of the respondents 25.00 and 35.00 per cent agreed that the bank loan takes

two months or even more than two months. Thus it has been noticed from the table 9 that majority of both (46.00 per cent) Canara Bank and HDFC Bank respondents have said that the time to get bank loan they need to wait at least more than two months.

**Table 12 Perception by the respondents towards claiming Bank loan**

Sl. No.	Parameters	Canara Bank			HDFC Bank		
		Yes	No	Total	Yes	No	Total
1	Do you find any difficulty in applying the loan	70	30	100	60	40	100
2	Do have any middle man to help you to sanction the loan	30	70	100	30	70	100
3	Did you satisfy the loan formalities followed by the bank	40	60	100	30	70	100
4	Did you refer the loan opportunities to others	30	70	100	25	75	100
5	Did you pay processing charges	100	00	100	100	00	100
6	The amount of processing charges are reasonable	60	40	100	40	60	100

**Sources:** Field study, Bangalore, 2019-20

It is evident from the table 10 majority of both Canara Bank and HDFC Bank respondents say that they find very difficult in applying the bank loan. Nearly 30.00 per cent of the respondents agreed that they applied for bank loan through the middle man. 60 and 70 per cent also opined that they are not satisfied with the formalities followed by the bank in respect of sanctioning the bank loan. And majority of the respondents do not share the bank loan opportunities to others. Almost all the respondents of both Canara Bank and HDFC Bank have agreed that they have paid processing charges toward sanctioning the loan and majority said that the processing charges are most reasonable.

**Table 13 Time period opted for repayment of Bank Loan**

Sl. No.	Time Period	Canara Bank	HDFC Bank	Total	%
1	Upto two years	10	12	22	11.00

2	Upto five years	15	15	30	15.00
3	Upto ten years	33	40	73	35.50
4	Upto fifteen years	35	30	65	32.50
5	More than fifteen years	07	03	10	05.00

**Sources:** Field study, Bangalore, 2019-20

It is evident from the table 11 that majority of both Canara Bank and HDFC Bank respondents have agreed that the time period opted to repay the bank loan was ten to fifteen years. It was also observed that 07.00 per cent of Canara Bank respondents have opted for more than fifteen years for the repayment period of loan as against 03.00 per cent of the HDFC Bank respondents. Only 11.00 and 15.00 per cent have agreed to repay the loan upto two and five years.



**Table 14 Regular payment of EMI Bank loan**

Sl.No.	Parameters	Canara Bank			HDFC Bank		
		Yes	No	Total	Yes	No	Total
1	Did you pay loan EMI regularly	88	12	100	91	09	100

Sources: Field study, Bangalore, 2019-20

It is interesting to note that the regular payment of EMI towards the bank loan is very important for the survival of the bank, otherwise it leads to non-performing assets which will adversely affect the performance of the bank. In this regard table 12 clearly shows that nearly 88.00 per cent of the

Canara Bank respondents have clearly revealed that they pay bank loan EMI regularly as against 91.00 per cent of HDFC Bank respondents. And 12.00 per cent of the Canara Bank respondents have given a negative answer as against 09.00 per cent of HDFC respondents due to inability to pay the regular EMI.

**Table 15 Defaulter of Bank loan**

Sl.No.	Parameters	Canara Bank			HDFC Bank		
		Yes	No	Total	Yes	No	Total
1	Are you defaulter of Bank loan	30	70	100	40	60	100

Sources: Field study, Bangalore, 2019-20

Banking loan is an opportunity to each and every person who are in need of money for various purposes. As a borrower, it is their duty to repay the principle and interest regularly to the bank. If they fail to do so they become defaulter. Thus, it is evident from the table 13 nearly 30.00 per cent of the Canara Bank respondents are defaulter of the loan as against 40.00 per cent of the HDFC respondents. Hence, it is mandatory for each and every customers to follow the banking rules and regulations while availing banking services.

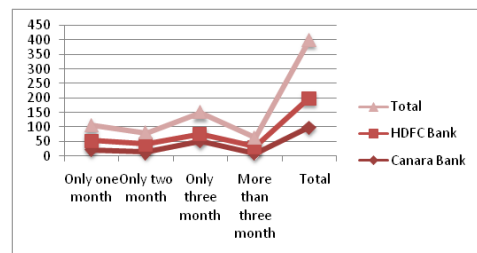
should promptly repay the debt who owes it. Then, we can expect bank to give a prompt service at your door step. It is evident from the table 14 majority of the loans 52.00 have default for three month of Canara Bank respondents as against 23.00 per cent of HDFC Bank. Contrarily HDFC Bank respondents opined that nearly 22.00 per cent are defaulters for more than three months as against only 10.00 per cent of Canara Bank. A similar trend was also observed that only 23.00 per cent of Canara Bank respondents are defaulter for only one month as against 30.00 per cent of HDFC Bank and 15.00 per cent of Canara Bank respondents are unable to pay regular EMI for the period of two months as against 25.00 per cent of HDFC Bank respondents. This clearly shows that customers need to approach the bank for loans to meet various kinds of expenditures. Due to inability of the borrower we find the defaulters everywhere and in every bank.

**Table 16 Defaulter of Bank Loan**

Sl. No.	Parameters	Canara Bank	HDFC Bank	Total
1	Only one month	23	30	53
2	Only two month	15	25	40
3	Only three month	52	23	75
4	More than three month	10	22	32
	Total	100	100	200

Sources: Field study, Bangalore, 2019-20

As it has been discussed one should follow the banking regulation to avail uninterrupted banking services. It is not just to benefit the loan but one



**Graph 6 Defaulter of Bank Loan**

**Table 17 Steps taken by the Bank of Bad Debts/Defaulters**

Sl.No.	Parameters	Canara Bank			DFC Bank		
		Yes	No	Total	Yes	No	Total
1	Issue of letter (AOD)	80	20	100	70	30	100
2	Issue of notice	90	10	100	80	20	100
3	Ceasing the property	60	40	100	80	20	100

**Sources:** Field study, Bangalore, 2019-20

As a result of non-recovery of bank loans, the respective bank uses various steps in accordance with RBI guidelines to recover the loan amount with interest. The steps followed by the banks are issue of letter, issues of notices and finally ceasing assets or property. In this regard it is very clear from the table 15 nearly 80.00 per cent of Canara Bank respondents as against 70.00 have agreed that the bank issues letter on account of loan defaulter. Similarly 90.00 per cent of Canara Bank respondents as against 80.00 per cent have agreed that banks issues notices for the non-payment of regular EMI. Another noteworthy trend of the table 15 reveals that 80.00 per cent of HDFC Bank respondents as against 60.00 per cent of Canara Bank respondents clearly stat that the bank will cease the property in case of irregularity of payment towards the bank loan.

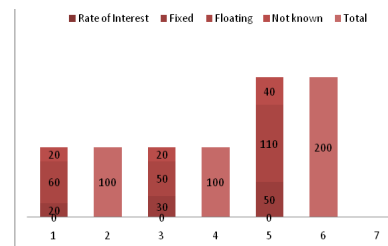
**Table 18 Rate of Interest opted by the respondents**

Sl. No.	Parameters	Canara Bank	HDFC Bank	Total
1	Only one month	23	30	53
2	Only two month	15	25	40
3	Only three month	52	23	75
4	More than three month	10	22	32
	Total	100	100	200

**Sources:** Field study, Bangalore, 2019-20

As a matter of urgency people move to the bank to secure loan. This is because the rate of interest charged by the banks are very cheaper than the market rate of interest. Hence, people blindly agree to the bank loan without looking for the rate of interest. The customers ultimate aim is to secure the bank

loan even if the rate of interest is little more because security of their assets/property. In this regard nearly 60 per cent of Canara Bank respondents have opted for floating rate of interest as against 50.00 per cent of HDFC Bank respondents. Similarly, 30.00 per cent of HDFC respondents have opted for fixed rate of interest as against 20.00 per cent of Canara Bank respondents. Unfortunately 20.00 per cent of both Canara Bank and HDFC Bank respondents claimed that they do not know the rate of interest offered by the bank, however, they need to secure the loan from the bank.



**Graph 7 Rate of Interest opted by the respondents**

### Suggestions To Improve The Banking System

- To reduce the bank rate so that bank will attract many customers to raise the banking loans
- To strengthen the banking customer care services
- To make banking services 100 percent digitalization
- To offer more rural branch services
- To strengthen saving habit of the people or public
- Reduce the services charges rendered by the bank for various banking products

### Conclusion

Thus the foregoing analysis have clearly stated that both Canara Bank and HDFC Bank have

extended the maximum services to its customers subject to the conditions and norms followed by the bank. Majority of the customers are also satisfied in respect of rate of interest, loan processing and formalities of the bank and the steps taken by the bank in case of default of the EMI payment and periodical information given to the customers about the outstanding of the loan amount etc., Thus, the clearly reveals that the respondents have given a transparent answer about the services provided by both Canara Bank and HDFC Bank.

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