

A STUDY ON MOBILIZATION AND DEVELOPMENT OF FUNDS IN CANARA BANK AT CHIKKERUR HAVERI (DIST)

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Abstract—A bank takes the money from people in the form of deposits that are generally reimbursable on demand or that expire after a fixed time. It keeps the deposits to its customers secure. Often it acts as custodian of the properties of its customers. Finance function is defined as the procurements of funds and their effective utilization. Finance is that business activity which is concerned with the acquisition and conservation of capital fund in meeting financial needs an overall objective of a business enterprise. Banking is a vast subject many economic researchers have studying and focusing their attention on various spheres of banking. The objective of the study is to analyse the financial performance of Canara Bank in Coimbatore City. For analysis, the tools used are financial statement analysis, Trend analysis & Ratio Analysis has been used. It is found that Fixed and current deposits have shown an increasing trend. Equity shareholders are also enjoying an increasing trend in the return on their capital. Though current assets and liabilities (current liquidity) of the bank is not so satisfactory but bank has succeeded in maintaining a stable solvency position over the years. Banking is a financial institution that handles other people's money, that is, money that depositors lend. Banking provides quick payment and withdrawal facilities in cheque and drafts forms to its customers; it also brings about circulation of bank money. The money is in balance sheets, sketches etc. Although the banking sector has coin to coin competition Canara bank provides its customers with a happy service and with the latest technology and software as well as the new strategies, Canara bank is coming up with new items, keeping in mind customers as a layman and providing services to them, it is growing rapidly. Agriculture is one of the most important industries, as if we were able to see before, and now it is also the one sector that provides the most work for people. Canara bank also plays an important role for such life and provides agricultural credit facilities. And in such a way, the probability is the most to resolve this by giving such a credit risk ranking. Based on different approaches applied to CANARA Bank's financial analysis, we can conclude that the bank's financial situation and overall results are satisfactory. Though the bank 's income has risen over the period, but not at the same rate as the expenses. But the bank has managed to retain a fair position on profitability. The bank has also succeeded in increasing its share capital, which in the last 5 years has risen by about 50 per cent. The principal owners are individuals. The bank's greatest accomplishment has been a huge rise in its deposits, which has always been its key target. Fixed and existing deposits showed a rising trend, Equity shareholders also enjoy an increasing increase in their return on capital. While the bank's current assets and liabilities (current liquidity) are not so satisfactory, bank has managed to maintain a stable position in solvency over the years. Regarding the external and internal equity ratio, the bank used more external equity in the form of loans and borrowings than the equity of the owner. Investments by banks are also showing a rising trend. Because of growth in advances, the bank's interest from these advances is proving to be the bank's main source of revenue.

Keywords—Accounts, Corporate Practice, Digital Banking, Funds, Mobilization.

INTRODUCTION

Finance is considered the lifeblood of a corporation. This is because finance is one of the fundamental pillars of all kinds of economic operation in the modern money – driven economy. It is the master key which provides access to all manufacturing and merchandising sources of being employed. It has been rightly stated that business needs money to make more money, only when I have in general finance at the time it is needed can be described as the provision of capital. However, as a function of management it has a special meaning finance function can be defined as the

procurement of funds and their effective use. Sources of authoritative definition as follows: "Organization financing is the corporate practice dealing with the procurement and retention of capital funds to meet the financial needs of an organization as a whole." Harward and Upten say, "Finance is an administrative field or collection of administrative functions within an organization related to the arrangement of cash and credit such that the organization can have the mean Banking Institutions are the intermediaries between lenders and depositors. They accept deposits and lend money for both consumer and productive purposes. Because the creation of capital depends on savings mobilization, banks have the moral obligation over the funds they raise from outside. In contrast, "the borrowers are responsible for repaying the loan for smooth running of the bank along with interest.

REVIEW OF LITERATURE

Sai Naga Radha V (2013)

Concluded that there is no substantial difference in the net profit margin, operating profit margin, return on capital hired, return on equity and debt equity ratio before merger. Significant gap about gross profit margin.

Srinivas K.,Saroja L.(2013)

Comparison and review of SBI and CANARA Bank Financial Results. For study of the selected banks' comparative financial results using CAMELS model with check. The result showed that there is no gap in importance between the financial results of the CANARA and SBI bank, but the results of the CANARA bank is marginally less than that of SBI.

Taiwar R.K., 3 (1976)

Chairman of the working group claimed that "it would be appropriate to conclude that bank service requires significant improvement on an evolving basis. And the time has come for banks to look inside and find out what is the essence and quality of the products they offer, what is the commodity their customers demand and how to manage the time"

Abdullah and Rozario F. D.N.M.A. (2009)

Research the impact of customer satisfaction on service and product quality. As a sample, 149 respondents are selected from one of the well-known hotels in Kuala Lumpur, Malaysia. The psychometric research is conducted to assess the questionnaire's reliability and validity. The study establishes a positive significant association with customer satisfaction between place / ambience and quality of service. While a major relationship between food quality and consumer satisfaction is, it is in the negative direction. Future studies should concentrate on identifying characteristics that affect customer satisfaction when cost / price is not a factor and location / ambience factors are becoming the leading factor in deciding customer satisfaction at this time.

Teker E., Aktan B. And Erosy P. (2009)

Reviews the use of the internet in Turkey to perform a simple due diligence investigation for financial institutions, including banking, stock trading, insurance, and financial information provision between the 2005 and 2008 period. The findings show that internet use in Turkey, with its young population, has continued to increase dramatically in financial services.

N Rao. Tiwari and S. (2009)

Research the efficiency of 5 public sector banks selected in 2005 based on the size of deposits. The study concludes that all aspects of employee productivity have negligible influence on deposits, assets and advances, from branch performance, only operating income per branch, and from operating efficiency, deposit costs have significant and positive effects. Factors controlling liquidity and ultimate benefit factors do not greatly affect deposits, assets and advances while all income factors have negative effects.

The M.S. (2003)

Establishes an unbiased rating system for the nationalized banks. Four aspects of the performance business performance of banks, efficiency, safety, and soundness, and labour productivity were analysed in this study for all 17 NBs between 2000-01 and 1999-2000. The study concludes that Corporation Bank emerged as the top bank overall during 2000-01, led by Andhra Bank. In terms of performance, Canara Bank, in terms of safety and soundness, Andhra Bank, and labour productivity, Canara Bank is the highest and the banks listed rank higher than the non-listed.

OBJECTIVES OF THE STUDY

- To research CANARA Bank products and services.
- Analyzes the corporation's financial statements to determine its true financial status by using ratios.
- To find out the recent trend that CANARA Bank's study.
- Suggesting some of the steps for potential growth to CANARA Bank.
- To have organisation's summary.
- To research the organisation's divisions in depth.
- Gathering analysis of the company's organizational structure.
- Gathering enough details about the organization to do its swot review.
- Studying the Balance sheet and Profit & Loss A / c for accurate full understanding of the company's financial situation and results.
- Analyzing the declaration of the fund flow that helps to know the supply offends the use of the client funds.
- To provide other information needed about changes in economic resources and obligations
- Analyzing cash flow statement to know the flowing cash, the company's cash balance for a given time.

LIMITATIONS OF THE STUDY

- The research and interpretation are based on secondary data for the study period found in CANARA Bank's published annual reports.
- The research was confined for a period of 5 years (2012-2016), owing to the restricted time available at disposal.
- Due to the non-disponibility of competitor results, inter-firm comparison was not possible.
- Financial performance analysis can only be a way of learning about the company's financial situation, and cannot give a image of the company's activities.
- Difficulty collecting data.

RESEARCH METHODOLOGY

SAMPLING:

Sampling unit: A sampling unit is an individual person the term sampling unit refers to a singular value within a sample database. The sampling unit is digital banking at Chikkerur.

Sampling size: The sample size in this case will be given by the number of people in that sample size is 44.

Sample Design: Probability sampling: probability sampling is a sampling technique in which sample from a large population are chosen using a method based on the theory of probability.

Sample technique: A sample technique is the names are other identification of the specific process by which the entities of the sample have been selected.

Simple Random sampling: A sampling is a subset of a statistical population in which each member of the subset as on equal probability of being chosen. A simple random sample is meant to be an unbiased representation of a group.

SOURCES OF DATA:

Primary data:

The data is obtained from the bank's accounting section using clear observation method and comprehensive interview schedules that are used by bank employees. Where the researcher uses the original and first-hand knowledge collected using data collection methods and techniques, primary data is gathered by having interviews, meetings, opinions and questionnaires.

Secondary data:

Data collection through banks' annual reports, bank manuals and other related documents. Data collection through the bank 's literature and through the bank's blogs, journals, circulars, brochures and other bank records.

TOOLS FOR DATA COLLECTION:

The key sources for collecting data are personal contact and interview with bank employees, annual reports, books, guides, circulars, brochures, and other bank documents. Schedule of interviews, review of focus groups, case studies, conclusion, and questionnaires.

HYPOTHESIS:

- Indian public sector banks lack state-of-the-art infrastructural facilities (AIF) for Canara bank growth.
- Indian public-sector banks do not follow the operational risk (POR) principles for banking sector growth.
- Indian banks lack adequate cultural infrastructure (CI) to establish eBanking.
- India 's banks lack adequate legal (LI) infrastructure to grow banks

DATA ANALYSIS AND INTERPRETATION

TABLE 1: GENDER WISE CLASSIFICATION OF RESPONDENTS

Gender	No. of respondent	Percentage
Male	40	50%
Female	40	50%
Total	80	100%

From the above chart it indicates that Canara bank's male and female customers can use the bank's E- banking services.

TABLE 2: AGE OF RESPONDENTS

Age of respondents	No. of respondents	Percentage
18-25years	41	51.3%
26-30years	25	31.3%
30-40years	10	12.5%
40-50years	03	3.8%
Above 50years	01	1.1%
Total	80	100%

It can be understood from the chart above that most are from 20-25 years.

TABLE 3: STATUS OF USAGE OS THE CANARA BANK CUSTOMER

Status of usage	No. of respondents	Percentage
Less than 1 year	11	13.75%
1-5 years	32	40%
5-10 years	28	35%
Above 10 years	09	11.25%
Total	80	100%

It can be seen in the chart above that most customers use 1-5 years.

TABLE 4: HOW BANK IS MOST TECHNOLOGICALLY ADVANCED

Particulars	No.of respondents	Percentage
Yes	79	98.75%
No	01	1.25%
Total	80	100%

It can be viewed in the above chart as most of the respondents are referred to as the bank is most technologically advanced.

TABLE 5: WHICH ATTRIBUTE THE CUSTOMERS ARE VALUE THE MOST

Particulars	No. of respondents	Percentage
Quality of services	17	21.25%
Trust	28	35%
Location	08	10%
Technology used	19	23.75%
Type of bank	08	10%
Total	80	100%

In the chart above it can be interpreted that most customers choose the bank 's confidence for the attribute they value the most.

TABLE 6: WHICH PROMOTES TO USE THE NEW TECHNIQUES TO HELP CANARA BANK CUSTOMER

New techniques in canara bank	No. of respondents	Percentage
Technology savvy	09	11.25%
Reduced cost	10	12.5%
Time consuming	09	11.25%
Ease of use	18	22.5%
All the above	34	42.5%
Total	80	100%

In the chart above, it notes that most respondents use all the variables that the bank offers.

TABLE 7: SATSIFACTION TOWARDS THE QUERIES OF THE CUSTOMER HAVE BEEN RESOLVED BY CANARA BANK

Particulars	No. of respondents	Percentage
Highly satisfied	8	16
Satisfied	15	30
Average	27	54
Total	50	100

From the graph below we can view that 54 percent of respondents are extremely satisfied with the customer's questions on average 30 percent of satisfied 16 percent of respondents.

FINDINGS OF THE STUDY

- Canara Bank has been successfully completed over the past 30 years and has earned more market share in various deposits and services than other private and RR banks.
- Canara Bank has a high percentage of savings deposits relative to other banks. Where they can lend the money to different sectors.
- Canara Bank is in second place in overall lending.
- There is a different rating system for SMEs (small and medium-sized enterprises) since SMEs are a big part of the credit portfolio
- When sanctioning the Canara bank loan, it will ask the bank to close its relationship with other banks and ask the party to route the transaction in Canara bank to compare the actual transfer with the transfer of the account and the diverting of funds.
- The credit officer shall be granted the degree of independence to set the relevant interest rate.
- Most people have an appreciation of the idea of eBanking and its different facilities. But very few people do not know about the banking and its services.
- Customers favor banking services primarily because they offer facilities that are easy to everyone to use 24 * 7 hours a day.
- Many consumers use ATM's, Internet banking as opposed to other banking facilities.
- For personal and professional reasons, people use e-banking, but few people use ebanking for personal purposes only.
- Customers think the banking facilities are genuinely helpful.
- Most consumers appreciate the reliability and stability of the banking sector and its various services.
- Many people choose to use the Automated Teller machine on some other device, such as mobile phones, computers, etc.
- Many customers are satisfied with the banking service that the banks provide.
- Customers are pleased with the bank charges for the banking services they provide.

SUGGESTIONS

- Although the status of short-term liquidity is very satisfactory as per the liquid ratio revealed but the current ratio is below the ideal ratio of 2:1. The bank should therefore make efforts to increase its current assets to maintain a margin of safety and to maintain a better position in liquidity.
- The Bank's profitability is not sufficient for the time under review. Because of higher dependence on debt capital in the form of borrowings and loans to fund capital structure, revenues are rising but not at the same rate as expenditure. To boost profitability, therefore, the bank will reduce its reliance on external equities to meet capital requirements. The interest expenses will therefore decrease and profits will increase which is good for the bank. Similarly, to improve profitability, the non-productive expenses should be curtailed.
- A higher trend in the credit deposit ratio shows that the bank has performed satisfactorily in terms of lending and income-generating advances. It suggests that the bank's credit performance is good, and it performs its business well by fulfilling the main goal of credit granting and accepting deposit. So, in order to get more creditworthiness on the market, the bank will keep
- While the bank has succeeded in increasing its deposits, it should implement some innovative and enticing schemes for the public to further improve this situation. These schemes can be in the form of higher interest rates and shorter FD's maturity period, etc.
- The Bank will aim to finance ever more projects. Support would help it gain higher income.
- The Bank is more reliant on debt capital. The that reliance on external equities can prove dangerous in the long run. So, to remedy this situation bank should increase its focus on internal equities and other internal financing sources.
- Bank should also recommend enhancing its day-to-day customer service. Such service can be enhanced by offering

timely service and displaying a cooperative attitude towards its customers. It will help to give the public some form of trust and to create a better public image.

- To achieve the aim of rural growth, more and more branches should be opened in different rural areas of the country. It will encourage rural poor farmers and those living below the poverty line in helping. Bank can appoint commission agents for different areas who can encourage the public to invest in the bank's capital and make more CANARA bank deposits.
- The Bank will simplify the method of prompt disbursement advances.
- A good autonomous working environment should be created to achieve organizational success to accomplish the desired goal more effectively.
- Finally, a branch automation trial should be implemented by bank to manage operating costs.
- Canara bank must carefully research the company's accounts where there is a risk of exploitation
- Canara Bank should consider providing separate financial assistance programs for sectors categorized as negative.
- Canara Bank should have schemes to meet the demand for financial assistance from small amount-needed enterprises
- Canara Bank should provide customers with the time to close transactions with their existing banks or financial institutions, allowing customers to complete formalities with established banks or financial institutions without impacting their credibility and relationship with them.
- The applicant can be faced with a dilemma by closing the account in the other bank that has been trading for several years. Where they have to close account there before the loan is approved.

CONCLUSION

Although the banking sector has coin to coin competition Canara bank provides its customers with a happy service and with the latest technology and software as well as the new strategies, Canara bank is coming up with new items, keeping in mind customers as a layman and providing services to them, it is growing rapidly. Agriculture is one of the most important industries, as if we were able to see before, and now it is also the one sector that provides the most work for people. Canara bank also plays an important role for such life and provides agricultural credit facilities. And in such a way, the probability is the most to resolve this by giving such a credit risk ranking

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