

A
PROJECT REPORT
ON

“STUDY OF HOME LOANS OFFERED BY CANARA BANK”

Submitted to

G.S COLLEGE OF COMMERCE AND ECONOMICS

(AUTONOMOUS), NAGPUR

Affiliated to

RASHTRASANT TUKDOJI MAHARAJ UNIVERSITY, NAGPUR

In partial fulfillment for the award of the degree of

Bachelor of Business Administration

Submitted by
SAKSHI CHAUKE

Under the Guidance of
DR. FARHA HUSSAIN

G.S College of Commerce and Economics (Autonomous),

Nagpur

Academic year 2023-24



G.S College of Commerce and Economics (Autonomous),

Nagpur

Academic year 2023-24



CERTIFICATE

This is to certify that “SAKSHI CHAUKE” has submitted the project report titled **“STUDY OF HOME LOANS OFFERED BY CANARA BANK”**, towards partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he has ingeniously completed his project as prescribed by RashtraSant Tukadoji Maharaj Nagpur University, Nagpur.

DR. FARHA HUSSAIN

(Project Guide)

DR. AFSAR SHEIKH

(Co-ordinator)

Place: Nagpur

Date:

G.S College of Commerce and Economics (Autonomous),

Nagpur

Academic year 2023-24



DECLARATION

I here-by declare that the project with title “**STUDY OF HOME LOANS OFFERED BY CANARA BANK**” has been completed by me in partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Place: Nagpur

SAKSHI CHAUKE

Date:

G.S College of Commerce and Economics (Autonomous),

Nagpur

Academic year 2023-24



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With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to DR. PRAVEEN MUSTOOR, Principal, G.S. College of Commerce & Economics, Nagpur.

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I will fail in my duty if I do not thank the Non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

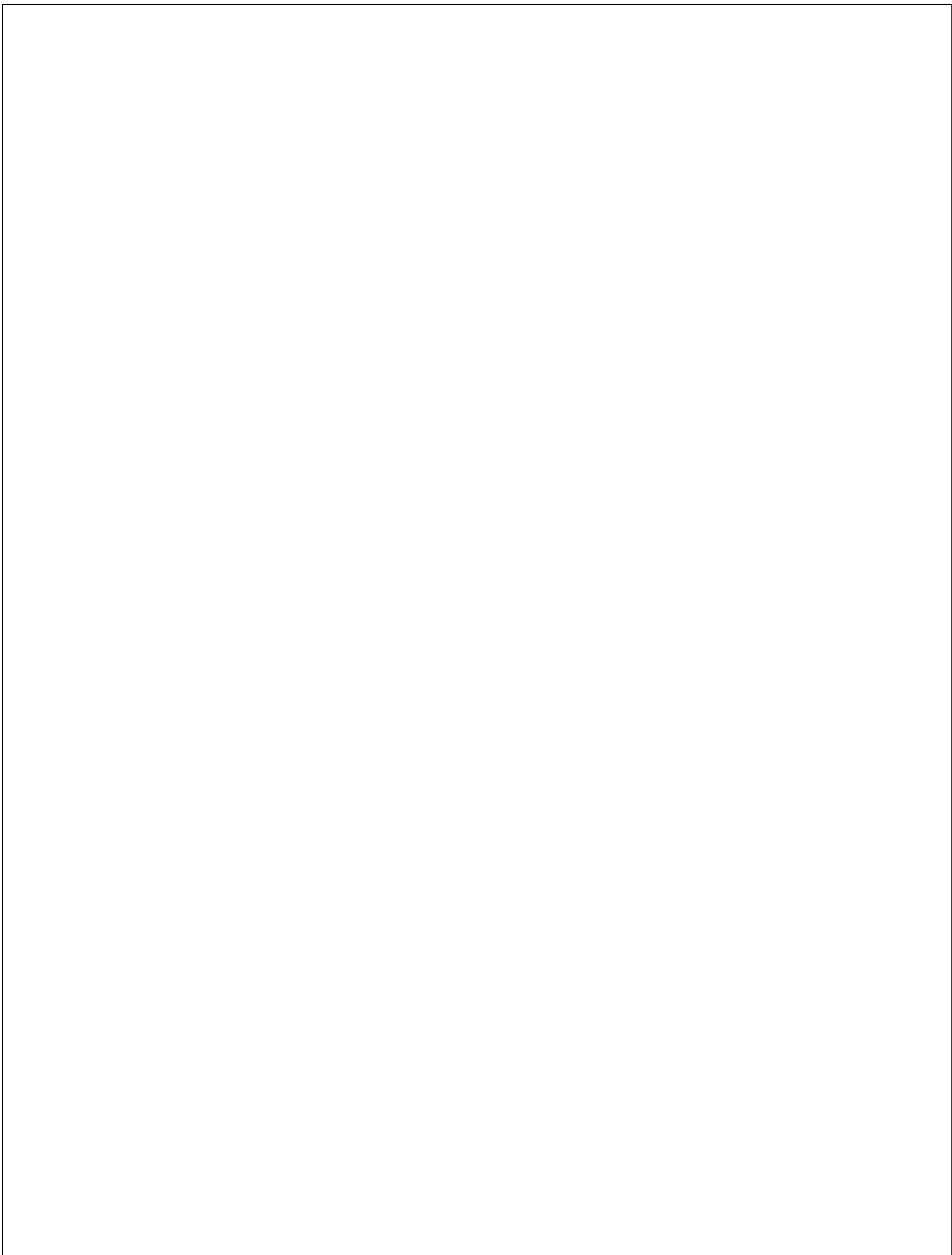
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SAKSHI CHAUKE

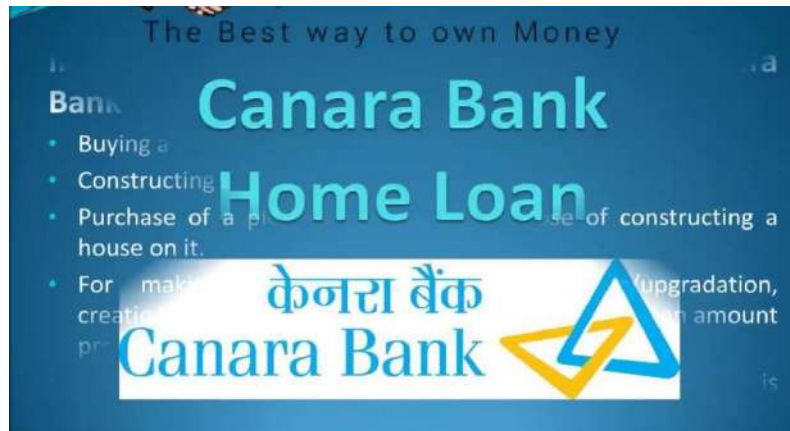
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Introduction



Home Loan

The section 5 (b) of the Banking Regulation Act 1949 defines Banking as," Accepting for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft or otherwise. " A "home loan" is a credit to a consumer for the purchase or transformation of the private immovable property he owns or aims to acquire secured either by a mortgage on immovable property or by a surety commonly used in a Member State for that purpose." A home loan requires you to pledge your home as the lender's security for repayment of your loan. The lender agrees to hold the title or deed to your property until you have paid back your loan plus interest. In simple words a home loan is a fund or the loan which the buyer has taken from any financial institution or bank to purchase a new home at an agreed rate of interest specified during the contract 1

Home loan is the finance borrowed from a bank or financial institution to buy or modify a residential real estate property. Any Resident or Non-resident individual who is planning to buy a house in India can apply for a home loan. If you have decided to buy a property in the near future you can even apply for a loan before you select your property.

Housing, being one of the basic needs of making in terms of safety, security, self-esteem, social status, cultural identity, satisfaction and achievement, is one of the major determinants of economic well-being In India there are many prominent nationalized banks and private banks that offer easy home loans to the prospective buyers. These banks offer home loans to the prospective buyers to purchase either fresh or old house. Further loans are also provided for home upgrading or repair, extension of houses etc. The facilities provided by these banks include Low interest rates, Door-step service, can transfer your existing highinterest rate loan, Free personal accident insurance, up to 100% funding for selected properties.

Home is a dream of a person that shows the quantity of efforts, sacrifices luxuries and above all gathering funds little by little to afford one's dream home is one of the things that everyone one wants to own. Home is a shelter to person where he rests and feels comfortable. Many banks providing home loans whether commercial banks or financial institutions to the people who want to have a home. A home loan is a secured loan that is obtained to purchase a property by offering it as collateral. Home loans offer high-value funding at economical interest rates and for long tenors. They are repaid through EMIS. After repayment, the property's title is transferred back to the borrower. The lender possesses the legal rights to recover the outstanding loan amount by the sale of the property in question in case the borrower cannot repay the dues.

Owing a piece of land or property is a lifetime dream for every individual. There are many Homes Loans provider in the market to make your dream come true. But before opt for any home loan provider, need to consider certain factors related to property that interested in buying and also about the salient and also study some home loans in applying a home loan in India. Purchasing and moving into a dream home would generally rank among the top three things on the wish list of most people. A few decades ago, finding a bank for financing Home Loan was not so easy. But now taking Home Loan has become very simpler. The RBI has been regularly stashing Interest rates, with the result that home finance loans that came at an interest rate of 16.5% to 18% four years ago are now available at 11.5% to 13% or lower. Each year the finance minister's generosity during the budget seems to be slowly concentrated for the home sector and construction sector. In their quest for attracting more and more customer for Home Loans most of the banks have sanctioned loans without taking applicant's capacity to repay loan into consideration. The result: banks have to initiate legal

process under securitization act. To avoiding legal complication a few private banks have embarked on to create awareness among the prospective application for Housing Loan

Unique Features of Home loans

- Purpose: For purchase of house from builder/resale and construction/ extension of existinhouse .
- Loan Amount: You can avail for home loans ranging from Rs.1 lakh to Rs.100 lakh depending on your eligibility, income, and repayment capacity.
- Security: Home loan is a secured loan wherein collateral is required.
- Loan Tenor: The maximum loan tenure is 25 years.

Types of Home loans

1. Home purchase loan: Taken to purchase a home
2. Home improvement loan: Taken to repair/renovate a home.
3. Home construction loan: Taken to build a new house.
4. Land purchase loan: Taken to buy a plot of land for constructing his/her own house.
5. Home extension loan: Taken to add another floor, room, garage, bathroom, or kitchen, etc.
6. . Joint home loan: Taken by two or more people, for instance, spouses.
7. Home loan balance transfer: Allows you to switch lenders and transfer your outstanding loan amount to enjoy better terms and conditions and lower interest outgo.
8. Top-up home loan: Allows you to borrow funds over and above the outstanding loan amount at nominal rates and for any purpose.

Canara Bank Home loan

If you are planning to buy a home, then it is debatably one of the biggest financial decisions in your life. Taking a home loan can involve lots of stress because it requires a lot of investment of money. Each and every man has a definite goal to become an owner of his own home. This is the most amusing and stirring point of their lives. Therefore, there are many people who splurge their time in looking for a home loans but they avoid frittering time for exploring their home loans. In fact, getting a home loan is very easy nowadays. There are a lot of public and private financial sectors which provide home loans to different customers based on their credit. There are a variety of home loans which are based on different recent conditions. Different types of home loans include mortgage loans, home equity loans etc. Home equity loans are those loans which keep the home as a surety or a guarantee. In fact, it is also known as second mortgage. There are different advantages involved in taking a home loan. Such advantages include low rate of interest and deduction of taxes. Mortgage loans are classified into two categories. These categories are conventional or government loans and fixed rate loans or adjustable rate of loans. The values of homes have doubled sensibly in recent times due to the rise in demand and the rapidly increasing rates of interest for these home loans at the same time. It is really good for those people who are interested in refinancing their home equity loans so that the home equity loans save a lot of money for them. In fact, one more added advantage they get is to pay lower monthly amounts to the concerned bank. You should take enough care before you select the proper channel for home loan. Remember to ask all possible hidden charges involved in a home loan like application, origination and withdrawal fees and hidden interests before taking a loan. This is because you may lose your property or home in case you cannot repay your loan amount. The Housing Development Finance Corporation, or HDFC , is one of the earliest banks of our country and still respected by its competitive private counterparts. Like various other companies financing for your home loans, the HDFC has developed its own home loan policies. The HDFC Home loans have been formulated, especially with the knowledge of the basic needs of our nation's people and are quite thrifty. HDFC Home Loan is available under various schemes and offers attractive interest rates.

Features of Canara Bank Home Loan

- Home Loan products to suit every customer need
- Low Interest Rates
- Low Processing Fee
- No Hidden Charges
- No pre-payment penalty
- Interest charges on Daily Reducing Balance
- Repayment up to 30 years
- Home Loan Available as Overdraft
- Interest Concession for Women Borrowers

Canara Bank Home loan Procedure

How to apply for Canara Bank Home Loans ?

ONLINE METHOD

Visit mymoneykarma Home Loans Portal.

Fill in your name, email address, and phone number.

Our customer care executive will get in touch with you and give you the best and the lower interest rate scheme. After you select the bank you want to transfer to, an executive will be sent to your home/office to collect the required documents. After verification, your loan will be approved

OFFLINE METHOD (through branch)

- ◆ Visit the nearest Canara bank branch
- ◆ Fill in the home loan application form
- ◆ Submit the form along with the required documents.

◆Your documents will be verified by the bank.

◆Generally, it can take up to 30 days for the application to be processed approved/rejected.

Documents required for Canara Bank Home Loans

For salaried employees;

Proof of Identity and Residence

- Passport
- Aadhaar Card
- Driving License
- Voter ID Proof of Income
- 3 months pay slip
- Latest Form 16 and IT returns
- 6 months bank statement showing salary credits Property related documents
- Receipts of payments made to the developer
- Copy of the allotment letter/buyer agreement
- Title deeds of the plot
- Copy of the plans, approved by the local authorities
- Proof of no encumbrances on the property
- Construction estimate by an Architect/Civil engineer Other documents
- Own contribution proof
- Employment contract/appointment letter if current employment is less than a year old

- Passport-size photograph of the applicants/co-applicants must be affixed on the Application form and signed across
- 6 months Bank Statements that show the repayment of any ongoing loans
- A cheque for processing fee favoring Canara Bank For Self-employed: Proof of Identity and Residence
- Passport
- Aadhaar Card
- Driving License
- Voter ID Proof of Income
- Income Tax Returns along with computation of income for the last 3 Assessment Years (of the individual and the business entity attested by a CA)
- Last 3 years' balance sheet and profit & loss a/c statements, with annexures/schedules (of the individual and the business entity attested by a CA)
- 6 months savings account statements of the individual.
- 6 months savings account statements of the business. Property related documents
- Receipts of payments made to the developer
- Copy of the Allotment Letter/Buyer Agreement
- Title Deeds of the Plot
- Copy of the plans, approved by the local authorities
- Proof of no encumbrances on the property
- Construction estimate by an architect/civil engineer Other documents
- Latest Form 26 As
- Own contribution proof
- Business Profile
- Partnership deed for a business entity that is a partnership firm

- Memorandum and Articles of Association of the Company
- List of directors and shareholders with their individual shareholding that is certified by a CS/CA in case of the business entity being a company
- Passport-size photograph of the applicants/co-applicants must be affixed on the application form and signed across
- Details of ongoing loans of the business entity and the individual including the installments, outstanding amount, security, purpose, balance loan term, etc.
- A cheque for processing fee favoring Canara Bank.

For NRIs:

Identification documents

- Passport size photograph
- Copy of Passport
- Photocopy of valid permanent resident card/valid visa (if Indian passport)/valid Work Permit.
- Photocopy of address proof (recent bank statement/utility bill)
- Postpaid bill if the landline is not available
- Photocopy of PAN card
- Signature proof (any of the above KYC documents)
- KYC of local co-applicant in India (ID proof, address proof, sign proof) and should be in a mortgage location. Income documents:
- last 3 months salary slips with corresponding bank credits established through bank statements
- Last 2 years B4/P60/IR8/employment contract/work contract/certificate for last 2 years.
- Last 3 months bank statement.

● Bank statement/loan statement confirming EMIs running (both for loans in India/abroad) for loan eligibility calculation purposes (in addition to salary a/c statement if other loans are running.) 8 Property documents:

- Copy of latest Sale Deed with chain-link allotment letter.
- Payment plan and receipts in case of property that is under construction
- Agreement of sale, sanction plans, tax paid receipts, chain link title papers, etc. in case of the property

ADVANTAGES OF SBI HOME LOANS:

- Low interest rate
- No hidden costs and administrative charges
- Low processing fees
- Less paperwork
- No prepayment penalties
- Balance home loan transfer ELIGIBILITY:
 - Resident Type: Resident Indian
 - Minimum Age: 18 years
 - Maximum Age: 70 years
 - Loan Tenure: up to 30 years.

INTEREST RATES:

- 1) Fixed interest loans
- 2) Floating rate loan

Fixed Interest Loans: A fixed interest rate loan is a loan where the interest rate doesn't fluctuate during the fixed rate periods of the loans. This allows the borrower to accurately predict their future payments. Variable rate loans, by contrast, are anchored to the prevailing discount rate.

Floating Rate Loans: A floating interest rate, also known as a variable or adjustable rate refers any type of debt instrument, such as a loan, bond, mortgage, or credit that does not have a fixed rate of interest over the life of the instrument.

Canara Bank Home Loan Customer Care

In order, to entertain and listen to the customer grievance and complaints on home loan process prescribed by the bank the SBI bank provides wholesome of options to the customers. For further details and to post your query on SBI Home loan you can call on the canara bank customer care toll free number - 1800 425 00181800 103 00181800 208 33331800 3011 3333 Toll free no (if calling within India): 1800 1030

Points to Remember

Here are some important things to know about contacting Canara Bank Home Loan Customer Care:

Check –

- One can call the toll-free number to get any information from Canara Bank customer care department or to get an issue or grievance resolved.
- Customers can call the toll-free number anytime during the week except on 15 August, 2 October, and 26 January.
- Customers can also choose to visit their nearest branch to get their issues/grievances resolved.
- Phone Banking is based on IVR (Interactive Voice Response). Follow the instructions closely to get to the service you require.

Redressal of Complaints and Grievance System

- In case you have a grievance or issue that you want to bring to the notice of Canara Bank Customer Care Department, you can always call them on their toll-free number mentioned above. Additionally, you can also bring the complaint to the notice of the Branch Manager. In case the Branch Manager fails to satisfactorily resolve your complaint, you can escalate the matter to concerned Circle Office/Regional Office.
- In case the Regional Office/Circle Office fails to resolve your complaint satisfactorily, you can further escalate it to Canara Bank's Nodal Officer at the Head Office.

DISBURSEMENT

Reasons for Canara Bank Home Loan Rejection

- Low credit score
- Unstable employment
- Insufficient income
- Working in a delisted private company
- Not falling into the age limit
- Living in an address which is present in the defaulter list

CHAPTER 2
COMPANY PROFILE

Widely known for customer centricity, Canara Bank was founded by Shri Ammembal Subba Rao Pai, a great visionary and philanthropist, in July 1906, at Mangalore, then a small port town in Karnataka. The Bank has gone through the various phases of its growth trajectory over hundred years of its existence. Growth of Canara Bank was phenomenal, especially after nationalization in the year 1969, attaining the status of a national level player in terms of geographical reach and clientele segments. Eighties was characterized by business diversification for the Bank. In June 2006, the Bank completed a century of operation in the Indian banking industry. The eventful journey of the Bank has been characterized by several memorable milestones. Today, Canara Bank occupies a premier position in the comity of Indian banks

Canara Bank has several firsts to its credit. These include:

- Launching of Inter-City ATM Network
- Obtaining ISO Certification for a Branch
- Articulation of Good Banking – Banks Citizen Charter
- Commissioning of Exclusive Mahila Banking Branch
- Launching of Exclusive Subsidiary for IT Consultancy
- Issuing credit card for farmers
- Providing Agricultural Consultancy Services

Over the years, the Bank has been scaling up its market position to emerge as a major Financial Conglomerate with as many as thirteen subsidiaries/sponsored institutions in India and abroad. As at December 2023, Canara Bank services over 11.30 crore customers through a network of 9,585 branches and 12,120 ATMs/Recycler spread across all Indian states and Union Territories.

Not just in commercial banking, the Bank has also carved a distinctive mark, in various corporate social responsibilities, namely, serving national priorities, promoting rural development, enhancing rural self employment through several training institutes and spearheading financial inclusion objective. Promoting an inclusive growth strategy, which has been formed as the basic plank of national policy agenda today, is in fact deeply rooted in the Banks founding principles. "A good bank is not only the financial heart of the

community, but also one with an obligation of helping in every possible manner to improve the economic conditions of the common people". These insightful words of our founder continue to resonate even today in serving the society with a purpose. The growth story of Canara Bank in its first century was due, among others, to the continued patronage of its valued customers, stakeholders, committed staff and uncanny leadership ability demonstrated by its leaders at the helm of affairs. We strongly believe that this century is going to be equally rewarding and eventful not only in service of the nation but also in helping the Bank emerge as the "Best Bank to Bank with" by pursuing industry benchmarks in profitability, operational efficiency, asset quality, risk management and digital innovation.

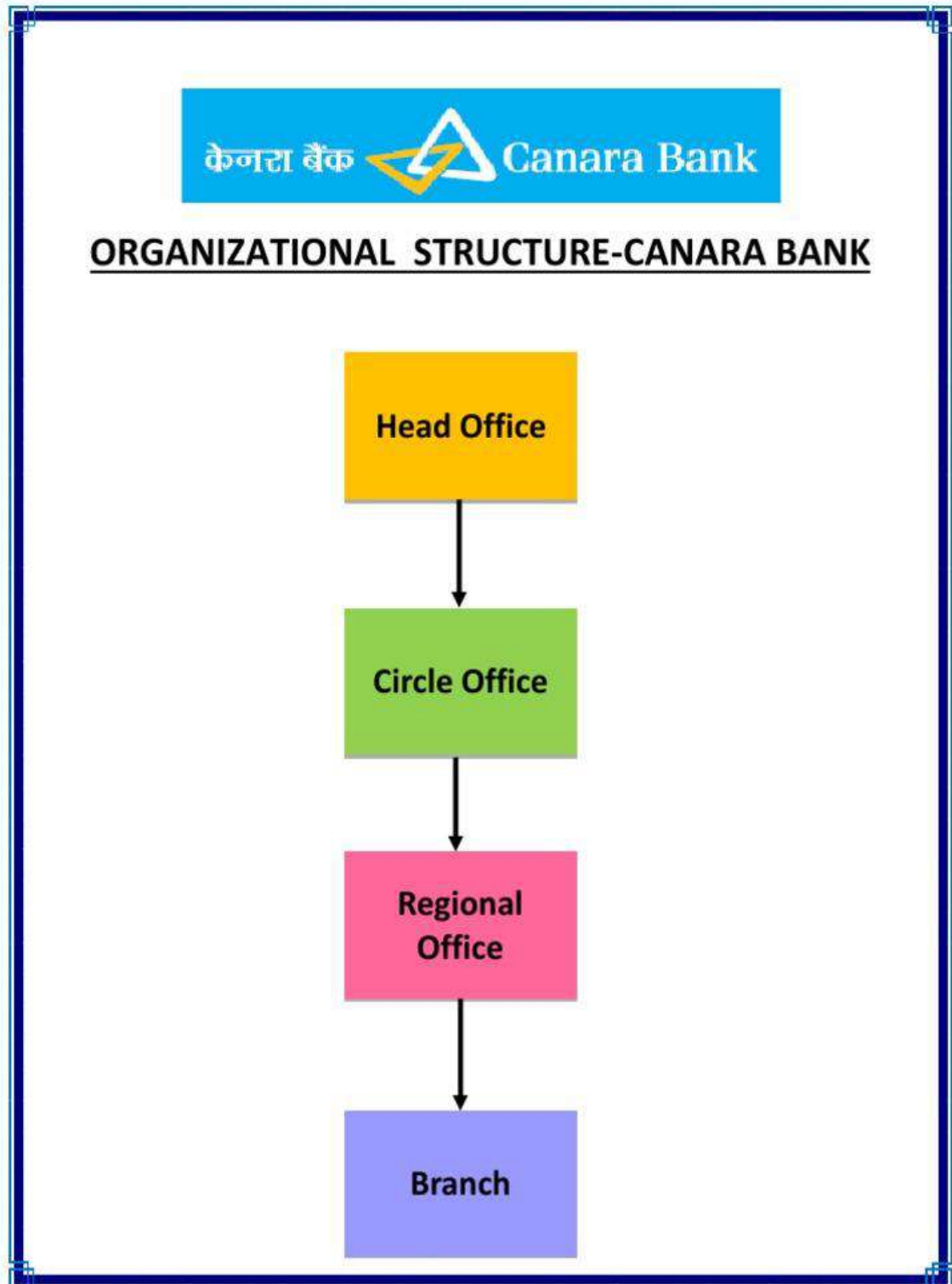
Services offered :

- ONLINE ACCOUNT OPENING.
- LOANS. Canara Vehicle. Teachers Loan.
- MOBILE BANKING. WhatsApp Banking.

CENTRAL BANK DIGITAL CURRENCY. Credit Cards. Debit Cards. Prepaid Cards.
MasterCard Platinum International Travel Prepaid Card. UPI

. • LOANS. Canara Vehicle. Swarna loan. NRI FORM. NRI Forms. NRI NEWS
BULLETINS.

ORGANISATIONAL STRUCTURE OF CANARA BANK



PRODUCT GROUP

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Canara Bank
A Government of India Undertaking
Together We Can

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← INSPIRED BY FUTURE →

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<p style="text-align: center; border: 1px solid white; border-radius: 50%; width: 30px; margin: 0 auto;">24/7</p> <ul style="list-style-type: none"> ✓ Quick Deposit - Cash ✓ Quick Deposit - Cheque ✓ ATM 	<ul style="list-style-type: none"> ✓ Self Banking ✓ Video Banking ✓ Touch Banking
<ul style="list-style-type: none"> ✓ Open your Savings Bank account in just a few minutes. Instant Account Opening with Personalised Debit Card, Instant Internet and Mobile Banking, Virtual Welcome Kit and Access to Digital Products 	<ul style="list-style-type: none"> ✓ Digital Token ✓ Digital Slip ✓ Digital Feedback ✓ Speak to Bro (Robot)

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CHAPTER 3
LITERATURE REVIEW

Review of literature has vital relevance with any research work due to literature review the possibility of repetition of study can be eliminated and another dimension can be selected for the study. The literature review helps researcher to remove limitations of existing work or may assist to extend prevailing study. Several researches have been conducted to analyse the different aspects of performance of banks in India. But there are very few research and literature available on the subject related to lead bank scheme and its impact. There have been many researches and studies on priority sector lending by banks in India. A brief review of these studies is highlighted in the following paragraphs to highlight the importance of the study. The conclusions and finding from the available literature and research are analysed as follows:

1. Report of the High Level Committee to review Lead Bank Scheme (2009) The Lead Bank Scheme (LBS) was introduced by Reserve Bank in 1969 when designated banks were made key instruments for local development and entrusted with the responsibility of identifying growth centers, assessing deposit potential and credit gaps and evolving a coordinated approach for credit deployment in each district, in concert with other banks and other agencies. The LBS underwent significant transformation in 1989 when the Service Area Approach was dovetailed into the scheme. Subsequently, as it was observed that the service area restrictions were a limiting factor for credit deployment, the restrictive provisions were removed in 2004, except for the Government Sponsored programmes.

2. Mihir Shah ,Rangu Rao and P.S Vijay Shankar 2009) This study overviews of rural credit in 20th century India finds a remarkable continuity in the problems faced by the poor throughout this period. These include dependence on usurious moneylenders and the operation of a deeply exploitative grid of interlocked, imperfect markets. We articulate the theoretical and historical case for nationalisation of banks and provide evidence of its positive impact on rural credit and development. Certain excesses led to reforms unleashed in the 1990s. This did increase bank profitability but at the cost of the poor and of backward regions. While the MFI model of microfinance is unsustainable, the SHG-Bank Linkage approach can make a positive impact on security and empowerment of the disadvantaged.

3. R.K Uppal 2009)¹¹ The study is an attempt to study the priority sector advances by the public, private and foreign bank groups. This study is based on the parameters like lending to priority sector by public, private sector and foreign bank groups, targets achieved by public, private sector and foreign bank group NPAs (Non- performing assets), while lending to priority sector. On the basis of these parameters, the study concludes that public sector banks have not achieved the target of 40% while private sector banks have achieved the overall target. No private sector bank could achieve the 10% target by lending to weaker section. On the other hand, foreign banks have achieved the small scale industries' export credit and overall target. NPAs of public sector banks have increased because of high priority sector advances. The paper also throw light on the problems or issues which arise due to priority sector advances and also suggest some.

CHAPTER 4
RESEARCH METHODOLOGY

MEANING AND DEFINITION OF RESEARCH

Research is a systematic and methodical investigation conducted to discover, interpret, or revise facts, theories, applications, or laws in any field of study. It involves the collection, analysis, and interpretation of data to answer questions or solve problems. Research aims to advance knowledge, address gaps in understanding, or improve practices in various domains, including science, social sciences, humanities, technology, and business. It can take various forms, such as experimental research, observational studies, qualitative research, quantitative research, and mixed-method approaches. The ultimate goal of research is to contribute to the body of knowledge and to facilitate informed decisionmaking and problem-solving.

CHARACTERISTICS OF RESEARCH

- **Systematic:-** Research follows a structured and organized process, with clear steps for planning, data collection, analysis, and interpretation.
 - **Objective:-** Research aims to be unbiased and impartial, relying on evidence rather than personal opinions or beliefs.
 - **Rigorous:-** Research adheres to high standards of quality and accuracy, employing robust methodologies and techniques to ensure reliability and validity of findings.
 - **Empirical:-** Research is based on observation and experimentation, using empirical evidence derived from observation or experience.
 - **Replicable:-** Research findings should be replicable by other researchers, meaning that the methods and procedures used can be repeated to obtain similar results.
- Transparent:-** Research should be transparent in its methods, data collection processes, and analysis techniques, allowing for scrutiny and verification by others.

RESEARCH PROCESS

The research process typically involves several key stages, which are often iterative and may overlap. Here's an overview of the general research process:

- **Identifying the Research Problem:-** The first step is to identify a research topic or problem that is relevant, interesting, and feasible to investigate. This may involve reviewing existing literature, discussing ideas with colleagues or mentors, and considering personal interests and expertise.

- **Reviewing the Literature:-** Once the research problem is identified, researchers conduct a thorough review of existing literature to understand what is already known about the topic, identify gaps or controversies in the literature, and refine the research questions or hypotheses.

- **Formulating Research Questions or Hypotheses:-** Based on the literature review, researchers formulate specific research questions or hypotheses that they aim to address through their study. These questions or hypotheses guide the design and conduct of the research.

- **Designing the Study:-** Researchers design the study by selecting appropriate research methods, sampling techniques, data collection instruments, and analytical approaches. The study design should be aligned with the research questions or hypotheses and consider practical constraints such as time, resources, and ethical considerations.

- **Collecting Data:-** Data collection involves gathering relevant information or observations to address the research questions or test the hypotheses. This may involve conducting surveys, interviews, experiments, observations, or archival research, depending on the nature of the study.

- **Analyzing Data:-** Once the data is collected, researchers analyze it using appropriate statistical or qualitative techniques. The goal is to extract meaningful patterns, relationships, or insights that can address the research questions or hypotheses.

- **Interpreting Findings:-** Researchers interpret the results of the data analysis in the context of the research questions or hypotheses, considering their implications, limitations, and contributions to existing knowledge. This may involve comparing findings to previous research, discussing potential explanations for the results, and identifying areas for further in

- **Drawing Conclusions:-** Based on the interpretation of findings, researchers draw conclusions about the research questions or hypotheses. Conclusions should be supported by evidence from the data and presented clearly and logically.

- **Communicating Results:-** Finally, researchers communicate their findings through various means such as academic papers, conference presentations, reports, or other forms of dissemination. Clear and effective communication is essential for sharing knowledge with the research community and broader audiences. In the research process, researchers also engage in critical reflection, seeking feedback from peers, mentors, or research participants, and making adjustments as needed to enhance the quality and rigor of the study.

PROBLEM DEFINITION

Home loan is one of the emerging portfolio of both Private and Public sector banks. The national housing policy of the Government of India emphasizes that the incentive to be given to customers buying residential properties. Accordingly in income tax there has been concessions / tax sops for the individual buyer for home use. 60-65% Tax sops given by the government for housing loans have been instrumental in driving growth in this sector. The government allows tax benefits to both the home loan consumer and the lender. A home loan consumer is allowed tax deductions on the following:

- **Interest paid on home loan:** As per Sec 24 (b) of the Income Tax Act, 1961, annual interest payments up to Rs. 1,50,000 on housing loans can be claimed as a deduction from taxable income.

- **Principal repayment of home loan:** Sections 80 C read with section 80CCE of the Income Tax Act, 1961 says from gross total income, an Rs. 1,00,000 of principal repayment on home loan is allowed as a deduction. Under Section 36 (1) (viii) of the Indian Income Tax Act 1961, with respect to any special reserve created and maintained by a financial corporation engaged in providing long-term finance for construction or purchase of houses in India for residential purposes, a maximum amount of 20 per cent of the profits (earlier it was 40 per cent) obtained from such business (figured in the head 'Profits and Gains of Business or Profession') and carried to such special reserve is tax deductible. This deduction is available only up to double the total amount of the company's paid-up share capital and its general reserves. Since the loan is given by banks by mortgaging the property, hence there is

significant security to banker for disbursing the loan. However the customers have different opinions about the housing loan scheme.

NEED OF STUDY

There are no sources in the current document. Every human being wants their own house. House is a profitable and useful in the future and furnished propulsion to economic development. But the today scenario buying the home is a challenge chore. Because it is a major expenditure. A middle classes family cannot afford this expenditure. To resolve this activity. Government provides housing finance loan facility for every person at lower. Take home on loan basis in which we pay monthly instalment favourable interest rates.

Keywords: interest rate, home loan, financial institution, fixed and floating interest rate.

- To make comparative study of Disbursement of home loans by Commercial banks.
- To know the ideas of customers about home loan products and services.

OBJECTIVE OF STUDY

1. To study the process of Canara Bank home loans in Nagpur.
2. To study how to calculate EMI on home loans in Nagpur.
3. To learn about various aspect of Canara home loans in Nagpur.
4. To know the idea of customer about interest pay on home loans in Nagpur.

RESEARCH DESIGN

Research Type :-

Descriptive Research :- In a descriptive design, a researcher is solely interested in describing the situation or case under their research study. It is a theory-based design method which is created by gathering, analyzing, and presenting collected research. Descriptive design helps others better understand the need for the research. If the problem statement is not clear, you can conduct exploratory research..

Sample Design :-

Non-Probability :- In non-probability sampling, the researcher chooses members fresearch at random. This sampling method is not a fixed or predefined selection process. This makes it difficult for all elements of a population to have equal opportunities to be included in a sample.

Non-Probability :-

□ **Convenience sampling :-** This method is dependent on the ease of access to subjects such as surveying customers at a mall or passers-by on a busy street. It is usually termed as convenience sampling, because of the researcher's ease of carrying it out and getting in touch with the subjects. Researchers have nearly no authority to select the sample elements, and it's purely done based on proximity and not representativeness.

SOURCES OF DATA COLLECTION

A] Primary Source: Approaching the home loan customers of public sector banks and private sector banks and obtaining relevant details by questionnaires, personally

➤ **Interviews:** An interview is a technique of data collection that involves respondents' oral questioning. Interviews can be conducted with varying degree of flexibility.

➤ **Structured Interview:** Structures Interviews are conducted with a fixed list of questions in a standard sequence that have mainly fixed or pre-categorized answers. So as to make the questions always answered in the same circumstances, a structured interview was standardized with regard to questions for respondents' survey. This significantly minimized the impact of context, where the answers to a survey question can depend on the type of foregoing questions. Although effects of context cannot be averted, it is often desirable that all respondents are held across constantly. This technique to gather information is very limited. To follow the structured method, mostly the surveys are carried out either telephonically or even the person is leaned. The questionnaire was intricately designed to tap the factors which affect the performance of bank and try to analysis the customers' satisfaction level. The first part gathered information about the personal profile of the respondents which included their age, education, marital status, and their working profile. Part II was about their loan reasons, amount and loan before after Part III to know level of satisfaction, level of motivation, level of involvement and work compatibility.

B] Secondary Source

:Data has been collected from statistical bulletin published by various organizations journals, periodicals, newspapers, annual reports of the respective nationalized banks, annual report of Reserve Bank of India (RBI), RBI Bulletin, trend and progress of banking (annual publication of RBI), SBI, ICICI, HDFC, PNB etc. (bulletin, annual report) and all publications and reports published by respective nationalized banks annually. Personally approaching the SBI & ICICI banks and obtaining relevant details.

SAMPLING:

Sampling refers to the method of selecting a sample from a given universe with a view to conclusions about that universe. A sample is a representative of the universe selected for study.

SAMPLE SIZE:

Large sample gives reliable result than small sample. However, it is not feasible to target entire population or even a substantial portion to achieve a reliable result. So, in this aspect selecting the sample to study is known as sample size. Hence, for my project my sample size was 63. The Sample Size consists of both the Professional and Business class people. IT peoples, Doctors, Jewellers, Timber Merchants & Real estate Agents, common people are taken as Sample.

HYPOTHESIS

A hypothesis (plural: hypotheses) is a precise, testable statement of what researcher(s) predict will be the outcome of the study.

[HO]: "Canara Bank do not provide the home loans at low interest rate."

[H1]: "Canara Bank provide the home loans at low interest rate"

" [HO]: "Customers are not satisfied with the home loan schemes offered by Canara Bank."

[H2]: "customers are satisfied with the home loan schemes offered by Canara Bank."

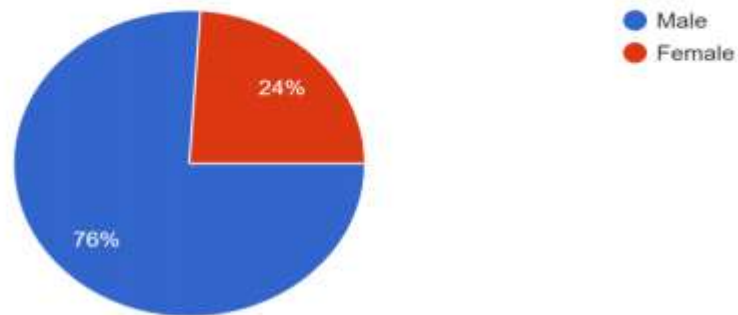
CHAPTER 5
DATA ANALYSIS & INTERPRETATION

INTRODUCTION: Above data has been collected from 25 respondents.

The questions are asked to mixed group of people are:

Q1 GENDER

Gender
25 responses



SR NO	CATEGORY	RESPONDENTS	PERCENTAGE
1	MALE	19	76%
2	FEMALE	6	24%
	TOTAL	25	100

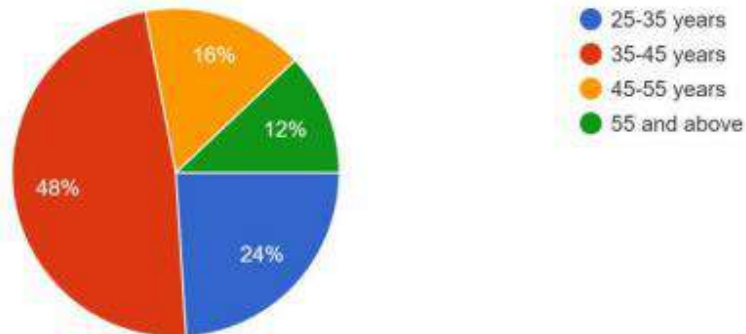
INTERPRETATION:

In the above chart we can see that out of all the 25 respondents there are 19 male and 6 females who have taken the home loan from the canara bank

Q2AGE

Age

25 responses



SR NO	CATEGORY	RESPONDENTS	PERCENTAGE
1	25-35	6	24%
2	35-45	12	48%
3	45-55	4	16%
4	55 AND ABOVE	3	12%
	TOTAL	25	100

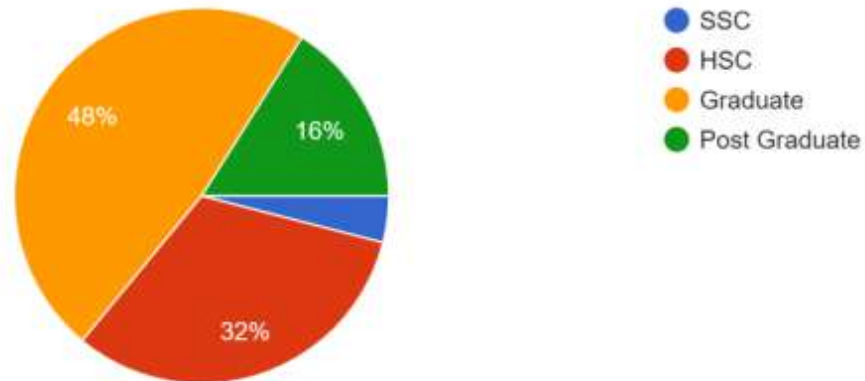
INTERPRETATION :

From the above diagram we come to know that the age group of 35-45 is more dominant in taking home loans from the canara bank i.e 12(48%)

Q3 QUALIFICATION

Qualification

25 responses



SR NO	CATEGORY	RESPONDENT	PERCENTAGE
1	SSC	1	4%
2	HSC	8	32%
3	GRADUATES	12	48%
4	POST GRADUATES	4	16%
	TOTAL	25	100

INTERPRATATION :

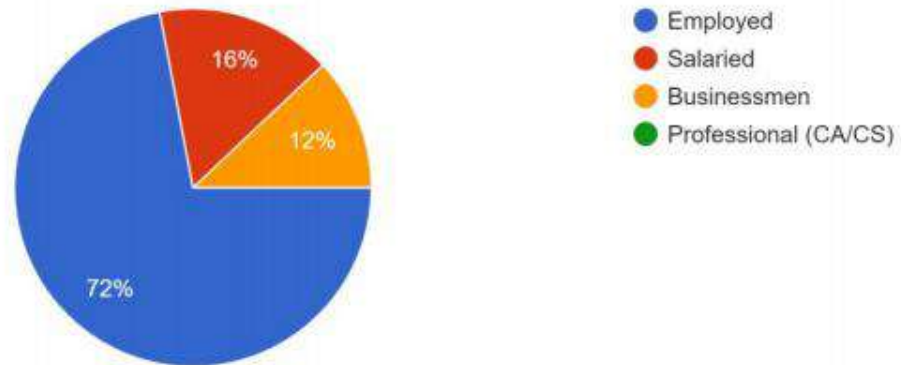
In the above study we come to know the qualifications of the respondents.

The category of graduates is more dominant i.e 48%

Q 4 PROFESSION

Profession

25 responses



SR NO	CATEGORY	RESPONDENTS	PERCENTAGE
1	EMPLOYED	18	72%
2	SALARIED	4	16%
3	BUSINESSMEN	3	12%
4	PROFESSIONALS	0	0
	TOTAL	25	100

INTERPRETATION:

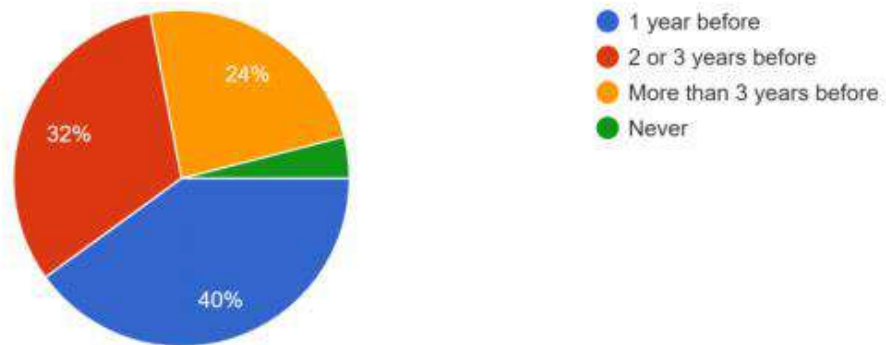
In the study we can say that the respondents who are employed have more dominant as compare to others i.e 72%

The salaried category is next most significant with 16%

Q 5 WHEN YOU HAVE TAKEN HOMELOAN FROM CANARA BANK?

Have you ever taken Home loan from canara bank. If yes when?

25 responses



SR NO	CATEGORY	RESPONDENTS	PERCENTAGE
1	1 YEAR BEFORE	10	40%
2	2/3 YR BEFORE	8	32%
3	MORE THAN 3 YEARS BEFORE	6	24%
4	NEVER	1	4%
	TOTAL	25	100

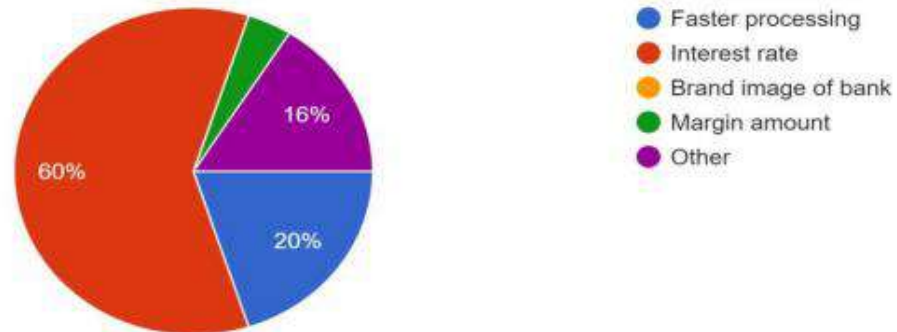
INTERPRETATION:

The above data suggest that most of the respondents have taken homeloans before 1 year i.e 40%

Q 6 REASON FOR TAKING HOMELOAN FROM CANARA BANK

Reason for taking home loans from canara bank

25 responses



SR NO	CATEGORY	RESPONDENTS	PERCENTAGE
1	FASTER PROCESSING	5	20%
2	INTEREST RATE	15	60%
3	BRAND IMAGE		
4	MARGIN AMOUNT	1	4%
5	OTHERS	4	16%
	TOTAL	25	100

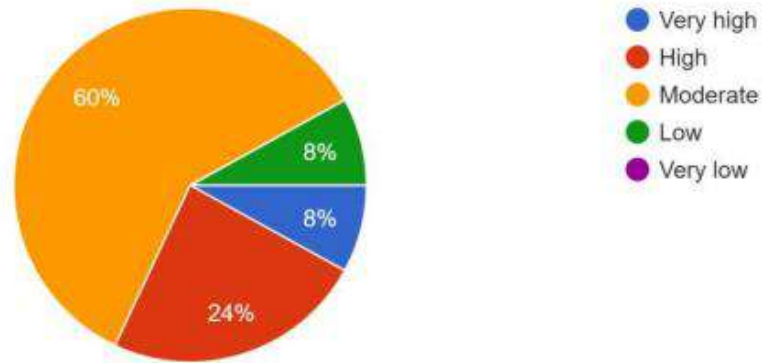
INTERPRETATION:

The reason of most of the respondents of taking homeloans is the interest rate of the bank i.e 60%

Q7 HOW DO YOU RATE THE INTEREST RATE CHARGED BY CANARA BANK?

How do you rate the interest rate charged by the canara bank?

25 responses



SR NO	CATEGORY	RESPONDENTS	PERCENTAGE
1	VERY HIGH	2	8%
2	HIGH	6	24%
3	MODERATE	15	60%
4	LOW	2	8%
5	VERY LOW	0	0

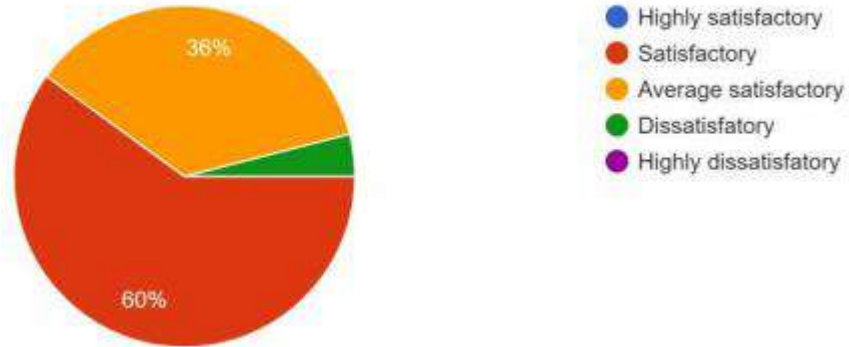
INTERPRETATION:

The chart suggest that the respondents have significantly responded that the interest rate charged by the bank is moderate i.e 60%

Q8 HOW DO YOU RATE THE EMI (EQUATED MONEY INSTALLMENTS) OF THE CANARA BANK ?

How do you rate the EMI(Equated Money Installment)

25 responses



SR NO	CATEGORY	RESPONDENTS	PERCENTAGE
1	HIGHLY SATISFACTORY	0	0
2	SATISFACTORY	15	60%
3	AVERAGE SATISFACTORY	9	36%
4	DISSATISFACTORY	1	4%
5	HIGHLY DISSATISFACTORY	0	0

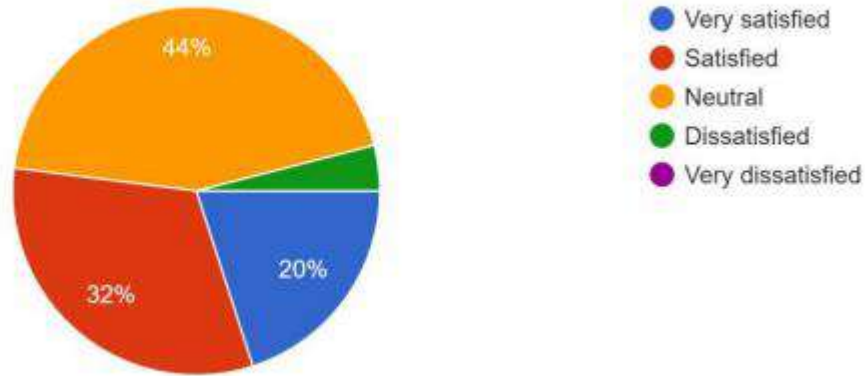
INTERPRETATION:

In the above chart we can say that 60% of respondents are satisfied with the EMI charge by the canara bank

Q9 HOW DO YOU RATE THE DOCUMENTATION PROCEDURE OF THE CANARA BANK?

How do you rate the documentation procedure of the canara bank ?

25 responses



SR NO	CATEGORY	RESPONDENTS	PERCENTAGE
1	VERY SATISFIED	5	20%
2	SATISFIED	8	32%
3	NEUTRAL	11	44%
4	DISSATISFIED	1	4%
5	VERY DISSATISFIED		0
	TOTAL	25	100

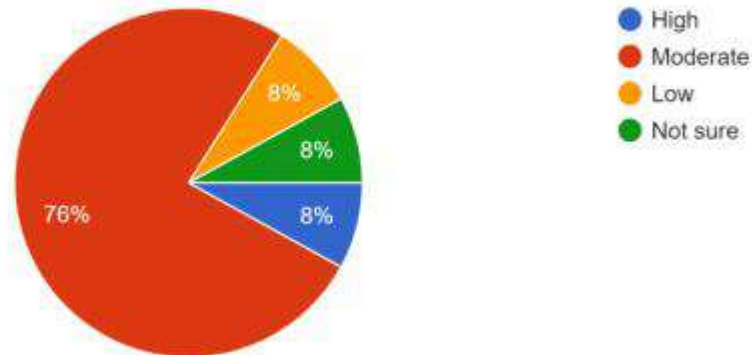
INTERPRETATION:

44% Of respondents have rate the documentation procedure of canara bank as neutral

Q10 HOW DOYOU RATE THE PROCESSING FEES OF CANARA BANK

How do you rate the processing fees of canara bank ?

25 responses



SR NO	CATEGORY	RESPONDENTS	PERCENTAGE
1	HIGH	2	8%
2	MODERATE	19	76%
3	LOW	2	8%
4	NOT SURE	2	8%

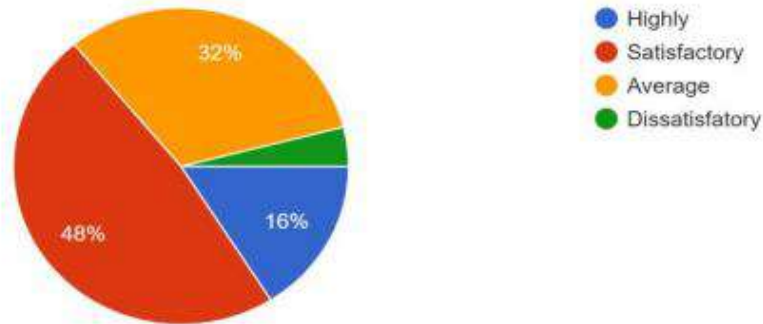
INTERPRETATION:

in above chart we come to know that the respondents have rate the processing fees of the canara bank moderately i.e 76%

Q 11 HOW DO YOU RATE THE SANCTIONING PROCEDURE AND SANCTIONING TIME OF CANARA BANK ?

How do you rate the sanctioning procedure and sanctioning time of the bank ?

25 responses



SR NO	CATEGORY	RESPONDENTS	PERCENTAGE
1	HIGHLY	4	16%
2	SATISFACTORY	12	48%
3	AVERAGE	8	32%
4	DISSATISFACTORY	1	4%
	TOTAL	25	100

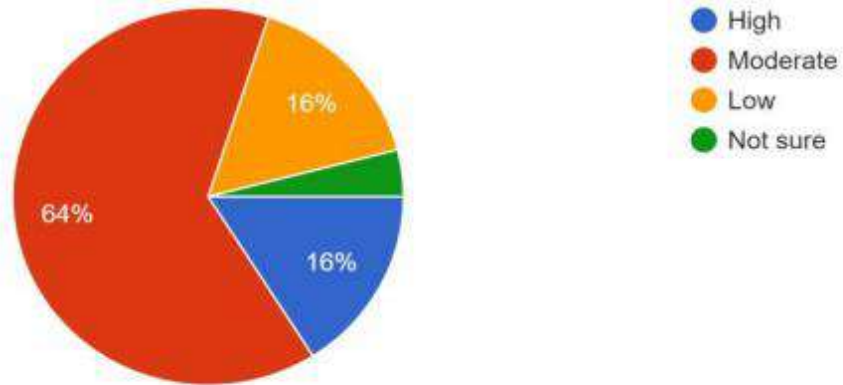
INTERPRETATION:

FROM the above data we can say that 48% of respondents are satisfied with the sanctioning procedure and time of the canara bank.

Q12 HOW DO YOU RATE THR FORE CLOSURE CHARGES OF THE CANARA BANK?

How do you rate the Fore Closure Charges of the bank ?

25 responses



SR NO	CATEGORY	RESPONDENTS	PERCENTAGE
1	HIGH	4	16%
2	MODERATE	16	64%
3	LOW	4	16%
4	NOT SURE	1	4%

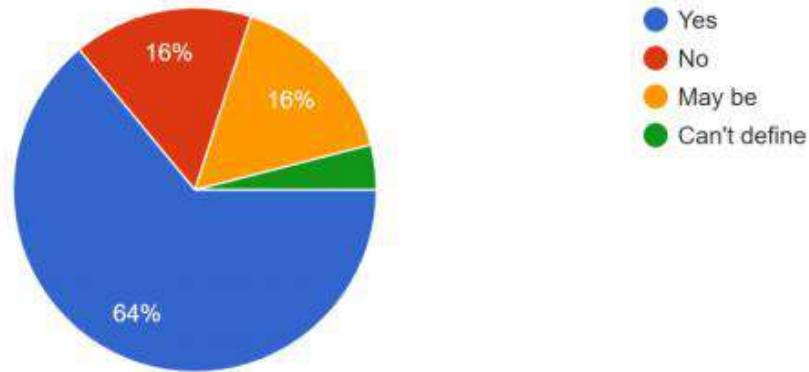
INTERPRETATION:

from the above chart we come to know that 64% of respondents have rate the fore closure charges of the bank as it moderate

Q13 ARE YOU SATISFIED WITH THE HOMELOAN OF THE CANARA BANK?

Are you satisfied with the canara bank home loan?

25 responses



SR NO	CATEGORY	RESPONDENTS	PERCENTAGE
1	HIGHLY SATISFIED	16	64%
2	SATISFIED	4	16%
3	AVERAGE	4	16%
4	DISSATISFIED	1	4%

INTERPRETATION: :

FROM the above data we can say that 64% of total respondents are satisfied with the home loans of the Canara Bank.

CHAPTER 6

FINDING

From this project it is found that Canara Bank advance product having the reputed place in the market at Nagpur region, there is a great opportunity to compete with ICICI Bank & to retain its customer by fulfilling the requirement of customer in Canara Bank advance product.

- It has been observed that approximately 85% correspondents are using advance product of Canara Bank and 15% are not using any type of advance product of Canara Bank in Nagpur.
- All of Canara Bank customers are satisfied with the services provided by the bank. Many of these customers satisfied with the low interest rate and longer repayment period of the advance product.
- Most of the customers at Nagpur prefer to take loan from Canara Bank.
- Approximately 43% of advance product users said that the service of Canara Bank advance product is excellent.
- A response from customer care is so clear & good.
- Many customers have no time to call customer care so that they are not able to about the service & features of Canara Bank advance product.
- Most customers are shifted from other bank's advance product to Canara because of hidden charges, high interest rate, less repayment period
- The customers are not highly satisfied with the services offered by the bank

CHAPTER 7
CONCLUSION & LIMITATIONS

CONCLUSIONS

In my study we came to know that many peoples are interested to take a home loan from canara Bank to construct their homes. Home loans have long period when compared to other personal loans and other loans. So, peoples are confused to take a home loan. The interest rates are low this, peoples are willing to take a loan from Canara Bank. The interest rates are low when compared to other banks. The loan sanction process is fast as compared to other banks. For disbursement process is also it will take low time when compared to other banks.

Finally, the whole research was carried out in a systematic way to reach at exact results. The whole research and findings were based on the objectives. However, the study had some limitations also such as lack of time, lack of data, non-response, reluctant attitude, and illiteracy of respondents, which posed problems in carrying out the research. But proper attention was made to Carry out research in proper way and to make accurate conclusion for the canara BANK which may be beneficial for banks to enhance their customer base.

LIMITATIONS :

- There was limitation of time to conduct such a big survey in limited available time.
- Lack of data was also the other limitation of the study as some of banks do not have data on topic.
- To access such many customers was difficult because of non-cooperative attitude respondents. The present study has got all the limitations of case study method of data collection

CHAPTER 8
SUGGESTION

- Customer awareness programme is required so that more people should attract towards advance product.
- If there are any kind of hidden charges than that must disclose to customer before giving loan to them.
- Canara Bank must take some steps so that customers can get their loan in time. Like
- phone verification by customer care that one customer is got their loan on time or not. It must be before a certain date so necessary steps can be taken.
- Canara Bank should more concern about physical verification rather than phone verification so it will avoid fraud or cheating.
- Advance product selling agents must not give any type of wrong information regarding advance product.
- For the better service new offers would be require.
- Canara Bank customer care should more concern about the fastest settlement of customer problems.
- Before deducting or charging any monetary charge Canara Bank must consult with customer
- As we have seen in the study that customer are not highly satisfactory with services offered by the canara bank

CHAPTER 9
BIBLIOGRAPHY

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- ❖ <https://www.google.com/search?q=finding+for+homeloans+by+camara+bank+in+project &rlz=1C1F>
- ❖ <https://www.canarabank.com/housing-loan>
- ❖ <https://www.creditmantri.com/canara-bank-home-loan-eligibility/>
- ❖ <https://cleartax.in/s/canara-bank-home-loan-emi-calculator>

Books:

- (1) C.R. KOTHARI (Research methodology: Method and technology)
- (2) VINOD KOTHARI (Guide to housing finance)
- (3) SACHIN MITTAL (Understanding How to Handle Home Loans)

ANNEXURE

QUESTIONNAIRE

Q.1 What is your name ?

Short Answer

Q.2 Age ?

- 18-25 years
- 25-35 years
- 35-45 years
- 45 and above

Q.3 Gender

- Male
- Female

Q.4 Qualification

- SSC
- HSC
- Graduate
- Post Graduate
- ProfessionAL

Q.5 Profession

- Student
- Employed
- Businessmen
- Professional (CA/CS)
- Unemployed

Q.6 Have you taken homeloan from Canara Bank .If yes when ?

- One year before
- Two or three years before
- More than three years before
- Never

Q.7 Reason for taking homeloans from canara bank ?

- Faster processing
- Interest rate
- Brand image of bank
- Margin amount
- Others

Q.8 How do you rate the interest rate charged by canara bank ?

- Very high
- High
- Moderate
- Low
- Very low

Q.9 How do you rate the EMI Of canara bank ?

- Highly satisfactory
- Satisfactory
- Average satisfactory
- Dissatisfactory
- Highly dissatisfactory

Q10. how do you rate the documentation procedure of the bank ?

- Very satisfied
- Satisfied
- Neutral
- Dissatisfied
- Very dissatisfied

Q11 how do you rate the processing fees of canara bank ?

- High
- Moderate
- Low
- Not sure

Q12 how do you rate the sanctioning procedure and time of the bank?

- Highly satisfactory
- Satisfactory
- Average
- Dissatisfactory

Q13 how do you rate the fore closure fees of the bank ?

- High
- Moderate
- Low
- Not sure

Q 14 are you satisfied with the canara bank home loans ?

- Highly satisfied
- satisfied
- average
- dissatisfied