

# INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I  
J  
R  
C  
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

*Indexed & Listed at:*

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.

Open J-Gate, India [link of the same is duly available at Inlibnet of University Grants Commission (U.G.C.)],

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 2401 Cities in 155 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

# CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	THE RELATIONSHIP BETWEEN ACCOUNTING REVENUES, INCOME AND EXECUTIVE PAY <i>DR. C. JOE UENG, DR. VINITA RAMASWAMY, DR. YA-HUI HSIEH, DR. YU-TA CHEN &amp; CHING LIANG CHANG</i>	1
2.	TRAFFIC FATALITIES AMONG CHILDREN THAT IS CAUSING EXTENSIVE ECONOMIC DAMAGES <i>MURAT DARICIN</i>	5
3.	IMPACT OF CONSUMER PRICE INDEX, REAL EFFECTIVE EXCHANGE RATE INDEX, PER CAPITA INCOME AND DISCOUNT RATE ON PAKISTAN'S STOCK MARKET INDEX <i>MUHAMMAD TOSEEF ASLAM &amp; DR. MUHAMMAD RAMZAN</i>	10
4.	NEW FACE OF MANAGEMENT EDUCATION: ISSUES AND CHALLENGES <i>DR. S. K. BARAL</i>	15
5.	MANAGEMENT OF RURAL FINANCING FOR RURAL UPLIFTMENT -AN ANALYSIS <i>DR. A. JAGADESH BABU &amp; DR. V. V. RATNAJI RAO CHOWDARY</i>	20
6.	PROBLEMS OF WOMEN ENTREPRENEUR IN MAYILADUTHURAI, NAGAI DISTRICT <i>K. MANIKANDAN &amp; DR. K. RAMAKRISHNAN.</i>	24
7.	SWOT ANALYSIS OF WOMEN ENTREPRENEURSHIP IN TIRUPUR WITH SPECIAL REFERENCE TO DALITS <i>P. DEVI BHUVANESHWARI &amp; DR. R. ANNAPOORANI</i>	29
8.	QUALITY WORK LIFE OF MIGRANT CONSTRUCTION WORKERS IN CHENNAI <i>DR. LAVANYA VEDAGIRI RAO</i>	33
9.	AWARENESS LEVEL AMONG WOMEN ENTREPRENEURS TOWARDS STREE SHAKTI AND SGSY – A STUDY OF NORTH KARNATAKA DISTRICTS <i>DR. A. S. SHIRALASHETTI</i>	37
10.	SACK TO SOPHISTICATED: JOURNEY OF JUTE INDUSTRY <i>SANGEETA DEWAN &amp; PREETI SODHI</i>	41
11.	SOCIO ECONOMIC DETERMINANTS OF PARTICIPATION IN MGNREGA: A STUDY IN BANKURA DISTRICT OF RURAL WEST BENGAL <i>BIPUL DE &amp; SEBAK JANA</i>	48
12.	CUSTOMER PREFERENCE AND SATISFACTION TOWARDS CHAT OUT RESTAURANTS <i>DR. C. K. MUTHUKUMARAN, DR. D. SUGUMAR &amp; DR. A. B. ANGAPPAPILLAI</i>	55
13.	IS LABOUR GETTING FAIR SHARE IN ORGANISED MANUFACTURING SECTOR? <i>DR. ASHOK KUMAR &amp; BALJEET KAUR</i>	60
14.	SOCIO-ECONOMIC STATUS OF TSUNAMI SURVIVORS IN KOTTUCHERRYMEDU, KARAICAL DISTRICT - A CASE STUDY <i>DR. N. UDAYAKUMARI &amp; N. MANIMOZHY</i>	65
15.	COINTEGRATION AND CAUSAL RELATIONSHIP AMONG CONTRIBUTION OF AGRICULTURE, INDUSTRY AND SERVICE SECTOR TO GROSS DOMESTIC PRODUCT IN BANGLADESH <i>MD. ARAFAT RAHMAN &amp; TANVIR KHAN</i>	68
16.	ASSET LIABILITY MANAGEMENT IN PUNJAB NATIONAL BANK -WITH SPECIAL REFERENCE TO THEIR INTEREST RATE SENSITIVITY <i>DEVI PREMNATH &amp; GOWRY.R</i>	73
17.	STRUCTURAL CHANGE IN SOUTHERN STATES OF INDIA <i>TINA SINGH</i>	79
18.	ANALYSIS OF INDIAN DIRECT TAX SYSTEM <i>DR. P. AMARJOTHI.</i>	83
19.	FRAMEWORK FOR DEVELOPMENT OF STRATEGIC ELEMENTS TO SELF HELP GROUPS IN JAMMU AND KASHMIR STATE <i>AASIM MIR</i>	86
20.	WEAK AREAS IN ACCOUNTING SYSTEM CONTROL FACILITATING WHITE COLLAR CRIME <i>DR. YOGESH MAHESWARI</i>	88
21.	HUMAN RESOURCE ACCOUNTING: AN EFFECTIVE ANALYSIS AND FUTURE ASPECT <i>SUJAN KANTI BISWAS &amp; SUMAN KANTI DEB</i>	92
22.	EFFECT OF HEALTH INFORMATION LITERACY ON THE ATTITUDE OF WOMEN TOWARDS FAMILY PLANNING <i>ARAMIDE OLUFEMI, AYO ODUROYE &amp; AKIN ALAGBE</i>	99
23.	VARIATIONS IN EXTERNAL CAPITAL FLOWS AND GROWTH IN THE CEMAC ZONE <i>GEORGES DIEUDONNÉ MBONDO</i>	104
24.	ECONOMIC MODELING OF THE COST OF INPUTS FOR RICE PRODUCTION: A CASE STUDY ON BANGLADESH <i>MD. GHULAM RABBANY, SHARMIN AFRIN, AIRIN RAHMAN &amp; FARJANA SALAM</i>	111
25.	THE ROLE OF MARKETING-MIX STRATEGIES ON GROWTH OF MICRO AND SMALL ENTERPRISES IN MERU COUNTY-KENYA <i>MWIRIGI RAELE NKATHA &amp; LENITY MUGENDI</i>	116
26.	BANK -SPECIFIC DETERMINANTS OF PROFITABILITY OF QUOTED COMMERCIAL BANKS IN KENYA <i>UMULKHER ALI ABDILLAHI &amp; MUGANDA MUNIR MANINI</i>	122
27.	TREND OF AREA, PRODUCTION AND PRODUCTIVITY OF RICE CROP IN ASSAM <i>ANANYA BORGHAIN</i>	130
28.	ANALYSIS OF HOME LOANS BY PUBLIC SECTOR BANKS: INTER-BANK & INTRA-BANK ANALYSIS <i>JYOTI BHATIA</i>	136
29.	TREND AND PATTERNS OF FDI INFLOW INTO INDIA <i>RANJAN KUMAR NAYAK</i>	143
30.	HEDONIC CONSUMPTION & CHANGING DEMOGRAPHICS OF THE INDIAN CONSUMER: EMERGING TRENDS AND STRATEGIC IMPLICATIONS <i>ANURAG KANSAL</i>	156
	<b>REQUEST FOR FEEDBACK</b>	165

**CHIEF PATRON**

**PROF. K. K. AGGARWAL**

Chancellor, Lingaya's University, Delhi  
Founder Vice-Chancellor, GuruGobindSinghIndraprasthaUniversity, Delhi  
Ex. Pro Vice-Chancellor, GuruJambheshwarUniversity, Hisar

**FOUNDER PATRON**

**LATE SH. RAM BHAJAN AGGARWAL**

Former State Minister for Home & Tourism, Government of Haryana  
Former Vice-President, Dadri Education Society, Charkhi Dadri  
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

**CO-ORDINATOR**

**DR. BHAVET**

Faculty, Shree Ram Institute of Business & Management, Urjani

**ADVISORS**

**DR. PRIYA RANJAN TRIVEDI**

Chancellor, The Global Open University, Nagaland

**PROF. M. S. SENAM RAJU**

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

**PROF. M. N. SHARMA**

Chairman, M.B.A., HaryanaCollege of Technology & Management, Kaithal

**PROF. S. L. MAHANDRU**

Principal (Retd.), MaharajaAgrasenCollege, Jagadhri

**EDITOR**

**PROF. R. K. SHARMA**

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

**CO-EDITOR**

**DR. SAMBHAV GARG**

Faculty, Shree Ram Institute of Business & Management, Urjani

**EDITORIAL ADVISORY BOARD**

**DR. RAJESH MODI**

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

**PROF. SIKANDER KUMAR**

Chairman, Department of Economics, HimachalPradeshUniversity, Shimla, Himachal Pradesh

**PROF. SANJIV MITTAL**

UniversitySchool of Management Studies, GuruGobindSinghI. P. University, Delhi

**PROF. RAJENDER GUPTA**

Convener, Board of Studies in Economics, University of Jammu, Jammu

**PROF. NAWAB ALI KHAN**

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

**PROF. S. P. TIWARI**

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

**DR. ANIL CHANDHOK**

Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

**DR. ASHOK KUMAR CHAUHAN**

Reader, Department of Economics, Kurukshetra University, Kurukshetra

**DR. SAMBHAVNA**

Faculty, I.I.T.M., Delhi

**DR. MOHENDER KUMAR GUPTA**

Associate Professor, P.J.L.N. Government College, Faridabad

**DR. VIVEK CHAWLA**

Associate Professor, Kurukshetra University, Kurukshetra

**DR. SHIVAKUMAR DEENE**

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

***ASSOCIATE EDITORS***

**PROF. ABHAY BANSAL**

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

**PARVEEN KHURANA**

Associate Professor, Mukand Lal National College, Yamuna Nagar

**SHASHI KHURANA**

Associate Professor, S.M.S. Khalsa Lubana Girls College, Barara, Ambala

**SUNIL KUMAR KARWASRA**

Principal, Aakash College of Education, Chanderkalan, Tohana, Fatehabad

**DR. VIKAS CHOUDHARY**

Asst. Professor, N.I.T. (University), Kurukshetra

***TECHNICAL ADVISOR***

**AMITA**

Faculty, Government M. S., Mohali

***FINANCIAL ADVISORS***

**DICKIN GOYAL**

Advocate & Tax Adviser, Panchkula

**NEENA**

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

***LEGAL ADVISORS***

**JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

**CHANDER BHUSHAN SHARMA**

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

***SUPERINTENDENT***

**SURENDER KUMAR POONIA**

## CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Education, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Management Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic and Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email address: [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com).

## GUIDELINES FOR SUBMISSION OF MANUSCRIPT

### 1. **COVERING LETTER FOR SUBMISSION:**

DATED: \_\_\_\_\_

**THE EDITOR**  
IJRCM

**Subject:** SUBMISSION OF MANUSCRIPT IN THE AREA OF.

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

**DEAR SIR/MADAM**

Please find my submission of manuscript entitled ' \_\_\_\_\_ ' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

#### **NAME OF CORRESPONDING AUTHOR:**

Designation:

Affiliation with full address, contact numbers & Pin Code:

Residential address with Pin Code:

Mobile Number (s):

Landline Number (s):

E-mail Address:

Alternate E-mail Address:

#### **NOTES:**

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:  
**New Manuscript for Review in the area of** (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is required to be below **500 KB**.
- e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
- f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESES****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****SCOPE FOR FURTHER RESEARCH****ACKNOWLEDGMENTS****REFERENCES****APPENDIX/ANNEXURE**

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure. Sources of data should be mentioned below the table/figure.** It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:
  - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
  - Use (ed.) for one editor, and (ed.s) for multiple editors.
  - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
  - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
  - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
  - For titles in a language other than English, provide an English translation in parentheses.
  - The location of endnotes within the text should be indicated by superscript numbers.

**PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:****BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

**CONTRIBUTIONS TO BOOKS**

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

**JOURNAL AND OTHER ARTICLES**

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

**CONFERENCE PAPERS**

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19-22 June.

**UNPUBLISHED DISSERTATIONS AND THESES**

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

**ONLINE RESOURCES**

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

**WEBSITES**

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>



**ANALYSIS OF HOME LOANS BY PUBLIC SECTOR BANKS: INTER-BANK & INTRA-BANK ANALYSIS**

**JYOTI BHATIA**  
**RESEARCH SCHOLAR**  
**DEPARTMENT OF ECONOMICS**  
**PUNJABI UNIVERSITY**  
**PATIALA**

**ABSTRACT**

*Housing sector is very important for fulfilling the need of housing of the people. Investment in housing can be conceived as the main framework for social and economic development. Introduction of the national housing policy and declaration of the housing as priority sector has helped a lot to fulfill the housing need of the economy. Banks and other institutions are providing housing finance to masses. Housing finance is provided for the purpose of purchase, construction, renovation and improvement of housing to the individuals or any corporate body. Banks are now everywhere and the schemes are implemented even in villages and small towns. Various benefits of home loans like attractive interest rates, technical and financial assistance in owning a home, liberal laws and door to door services are arising. To analyze the housing scenario in Punjab: study of public sector banks has been under taken and it has been realized that this business has been growing over the years and more and more amount is disbursed according to the requirement. It is indicated in the paper that the outstanding housing loan portfolio of banks is on rise continuously over the last many years.*

**KEYWORDS**

home loans, finance, public sector banks.

**INTRODUCTION**

Housing is one of the basic necessities. Besides, it is fundamental to people's physical, psychological, social and economic well-being. All over the world, the provision of satisfactory housing has been a major problem and continuous efforts have been made to meet the ever increasing needs of each generation. While the problem of housing is chronic in the developing countries, most of the advanced countries are also facing this problem in varying degrees and dimensions. (Saluja 2008)

Although housing sector is very important and investment in housing can be conceived as the main framework for social and economic development, but the issue remained neglected for a long period. In India housing sector could not catch the attention of policy makers during the early years of development planning. It was only in 1988, that a National Housing Policy was framed and housing was declared as a priority sector area. The National Housing Bank (NHB) was set up in the same year as a subsidiary of Reserve Bank of India for promoting housing finance both at local and regional levels and for providing support to financing institutions. In order to clear the housing backlog, construction of two million dwelling units per year were planned. (Saluja 2008)

Housing finance is provided for the purpose of purchase, construction, renovation and improvement of housing to the individuals or any corporate body. There are two sources of housing finance i.e. formal sources and informal sources. Formal sources comprise of central and state government, housing and urban development corporation (HUDCO), insurance organizations and corporations like LIC, GIC, commercial banks, co operative banks and special housing finance institutions like HDFC and ICICI. Informal sources include own funds, or borrowing from relatives, friends and private lenders.

Of the above mentioned sources, the role of scheduled commercial banks is changing and increasingly playing a crucial role. The banking sector is getting ready to be able to support adequately a higher rate of economic growth as well as to prepare itself for facing new challenges in the present scenario. In order to maintain competitiveness and to meet rising expectations of the customers, banks are enhancing their role. Deregulation in the financial sector has also brought about new opportunities for banks. It defined a clear shift in the role of banks. After the macro economic crisis India experienced in 1991-1992, an altogether different approach to the functioning of the banking sector as a whole in the development process was undertaken (Kamath 2010)

In the last few years housing scenario in India has changed drastically. It has taken a front seat and people are looking forward to owning houses. It is no more a dream that requires lifetime saving. Banks are now everywhere and the schemes are implemented even in villages and small towns. It would not be wrong to say that there has been boom in the number of home loan mortgage brokers in India. (Antule 2010)

Various benefits of home loans like attractive interest rates, technical and financial assistance in owning a home, liberal laws and door to door services are arising. Home loans work like any other debt. That is loans are simply specific amount of money that we borrow from bank, a private lender, or some other type of lender. Afterwards, we must repay our debts with interest. However unlike other types of loans, home loan are different in several respects like tenure of the loan, amount involved, interest rates, security and documentation involved.

**REVIEW OF LITERATURE**

Review of literature helps to have a proper insight onto various aspects of the issues under study. A number of studies on various aspects of home loans have been carried out:

**Elumalai (1989)** in his article "National Housing Bank", pointed out that housing shortage was an acute problem not only in metros but also in graded cities, state capitals and industrial belts. He pointed out that increasing prices, fall in purchasing power of money and increase in population were the major cause of houselessness. He criticized the formulation of NHB. Home Loan Account Scheme (HLA) and opined that it could not serve the purpose of rural poor as scheduled commercial banks had only 31,641 branches in rural areas, which covered 5.78 lakh villages as on December 1988. He suggested that HLA Scheme should be implemented through post offices and by providing mobile services that could collect deposits.

**Chaturvedi (2000)** in his article, "Interest Rates on Housing Finance Falling" highlighted the competition between public sector housing finance companies, private sector housing finance companies and banks. He depicted the falling interest rates offered by these institutions and analyzed the role of various housing finance companies and commercial banks played in various regions and concluded that private sector companies were doing good business in urban areas, while cooperative banks, HUDCO and various nationalized banks were leading in rural areas.

**Gupta and Aggarwal (2003)** in their article entitled, "The Consumer Financing Business in India – Building Blocks for the Future Companies" highlighted the role of housing finance companies in India for the period 2001-2003. For the purpose of their research a survey conducted by FICCI on 47 banks and housing finance companies had been used and it was concluded that banks had overtaken housing finance companies in the home loan market. Banks had captured 65.5 percent share of the total home loan disbursement in 2002-2003 that was 43.6 percent in 2001-02.

**Verma et al. (2009)** in their research paper, "Retail Finance-Housing" studied Indian housing finance industry from the period 2004-2008. For the purpose of the study tools like Trend analysis and Compound annual growth rate had been used. They analyzed that housing finance industry remained vulnerable to asset price decline and low income level growth. The decline in property prices had made loan disbursed in 2007-08 susceptible to higher negative equity. Home loan disbursement grew at CAGR of 16 percent during 2004-2008. They concluded on the basis of trend analysis that decline in income level will affect repayment capacity of borrowers and housing finance disbursement would register a CAGR of 5 percent for the period 2007-2013.

Thus we find that housing finance has occupied the minds of researchers. A host of studies and analytical work has been carried out at national level.

**OBJECTIVES OF THE STUDY**

The presented study has been undertaken with the following objectives:

1. To analyze the extent and growth of home loans by sampled banks.
2. To compare the extent and growth of home loans by sampled banks.

**SCOPE OF THE STUDY**

The present study is confined to the State of Punjab. For purpose of the study five scheduled commercial banks State Bank of India, State Bank of Patiala, Punjab National Bank, Bank of India and Punjab & Sind Bank have been taken.

**METHODOLOGY**

To analyze housing finance situation of the sampled banks, secondary data has been collected from regional offices, circle offices, zonal offices and head offices of the sampled banks. Along with this various reports of National Housing Bank and RBI master circulars on housing finance has been collected and personal interaction has been carried out with managers of the sampled banks and PNB hub. Averages, percentage change, percentage share and compound annual growth rates have been calculated. Time period of the study is 2005-06 to 2011-12.

**ANALYSIS OF THE HOME LOANS**

Banks are providing housing finance to individuals under Housing Finance Scheme. Housing finance schemes are divided into three parts.

1. Direct Housing Finance
2. Indirect Housing Finance
3. Investment in bonds of National Housing Bank and HUDCO.

Direct housing finance refers to finance provided to individuals or groups of individuals. Indirect housing finance refers to finance provided to housing finance institutions, housing boards and other housing agencies. According to the purpose of the study, the area of consideration is Direct Housing Finance.

Direct housing finance situation of the sampled banks has been represented. In this context three categories of information has been collected and analyzed i.e. total number of home loan accounts opened, total amount disbursed and total amount outstanding.

**DIRECT HOUSING FINANCE IN PUNJAB****TABLE 1.1.1: STATE BANK OF PATIALA (PUNJAB)**

Year	Total No. of Home Loan Accounts	Total amount Disbursed (Rs. Cr.)	Total amount outstanding (Rs. Cr.)
2005-06	5459	175.07	158.34
2006-07	5526	233.42	206.61
2007-08	5527	270.3	240.04
2008-09	5517	304.89	271.12
2009-10	5857	410.8	353.24
2010-11	5212	432.73	373.84
2011-12	6100	490.25	425.10
Average	5600	331.07	289.76
CAGR	0.98 <sup>ns</sup>	18.46 <sup>***</sup>	17.58 <sup>***</sup>
% change	11.74	180.03	168.47

Source: SBoP, Head Office.

\*\*\* and \*\* indicate significant at one and five per cent level of probability, respectively, ns : non-significant

The table 1.1.1 shows disbursement of home loans by State Bank of Patiala in Punjab, along with number of home loan accounts opened and total amount outstanding for the period 2005-06 to 2011-12. The bank showed more than two times rise in total amount disbursed to Rs.490.25 crores in 2011-12 from Rs. 175.07 crores in 2005-06. In addition to this, the compound annual growth of loan amount disbursed was 18.46 percent. Outstanding home loan amount showed hike from Rs.158.34 crores in 2005-06 to Rs. 425.10 crores in 2011-12. There was not much difference between CAGR of home loan disbursed and amount outstanding. If we look at the extent of home loans, on an average 5600 were number of accounts opened every year for disbursing housing loans. The rate of interest charged was between 9 and 12.25 percent per annum. On comparing it with all India figures, growth rates of both disbursement and outstanding of Punjab was more than that of India.

**TABLE 1.1.1 (a)****DIRECT HOUSING FINANCE (STATE BANK OF PATIALA)**

Year	URBAN			RURAL			SEMI-URBAN		
	No. of Home Loan Accounts	Total Amount Disbursed (Rs Cr.)	Total Amount Outstanding (Rs.Cr.)	No. of Home Loan Accounts	Total Amount Disbursed (Rs Cr.)	Total Amount Outstanding (Rs.Cr.)	No. of Home Loan Accounts	Total Amount Disbursed (Rs Cr.)	Total Amount Outstanding (Rs.Cr.)
2005-06	2615	104.4 (59.63)	94.22 (59.50)	1054	32.4 (18.51)	32.25 (20.37)	1790	38.27 (21.86)	31.87 (20.13)
2006-07	2736	128.21 (54.93)	114.03 (55.19)	1179	39.06 (16.73)	33.83 (16.37)	1611	66.15 (28.34)	58.75 (28.44)
2007-08	2937	159.57 (59.03)	143.77 (59.89)	969	35.96 (13.30)	30.7 (12.79)	1621	74.59 (27.67)	65.57 (27.32)
2008-09	2703	152.29 (49.95)	137 (50.53)	1074	56.77 (18.62)	46.43 (17.13)	1740	95.83 (31.43)	87.69 (32.34)
2009-10	2761	212.64 (51.76)	184.2 (52.15)	877	51.53 (12.54)	44.24 (12.52)	2219	146.63 (35.70)	124.8 (35.33)
2010-11	2358	218.63 (50.52)	190.79 (51.03)	815	51.98 (12.01)	44.04 (11.78)	2039	162.12 (37.47)	139.01 (37.19)
2011-12	4031	223 (45.49)	197.66 (46.50)	1094	84.99 (17.34)	72.48 (17.05)	1025	182.26 (37.17)	154.96 (36.45)
<b>Mean</b>	<b>2877.29</b>	<b>171.25</b>	<b>151.67</b>	<b>1008.86</b>	<b>50.38</b>	<b>43.42</b>	<b>1720.71</b>	<b>109.41</b>	<b>94.66</b>
<b>CAGR</b>	<b>3.4</b>	<b>13.84<sup>**</sup></b>	<b>13.31<sup>**</sup></b>	<b>-2.56</b>	<b>14.63<sup>**</sup></b>	<b>12.60<sup>**</sup></b>	<b>-3.12</b>	<b>29.10<sup>**</sup></b>	<b>28.91<sup>**</sup></b>
<b>% change</b>	<b>54.15</b>	<b>113.60</b>	<b>109.79</b>	<b>3.80</b>	<b>162.31</b>	<b>124.74</b>	<b>-42.74</b>	<b>376.25</b>	<b>386.23</b>



In the above table urban, rural and semi-urban area wise distribution of housing finance status, for the year 2005-06 to 2011-12 has been represented for State Bank of Patiala .It can be seen that out of the total, maximum number of home loan accounts were opened in urban areas, they became almost double by the year 2011-12; total amount disbursed and total amount outstanding was maximum in urban areas and least was in case of rural areas. It showed that banks were concentrating on urban areas and rural areas were not much preferred. In case of number of home loan accounts opened the growth rate in urban areas i.e. 3.4 percent and in rural and semi urban areas it was -2.56 percent and -3.12 percent. In addition to this 29.10 percent growth was noticed in disbursement in semi urban areas and that was maximum, followed by compound annual growth in rural areas that was 14.63 percent and then came growth in disbursement in urban areas that was 13.84 percent. On the contrary if we compare growth rates of total amount outstanding, this was also maximum in semi urban areas i.e. 28.91 percent.

**TABLE 1.2.1: BANK OF INDIA (PUNJAB)**

Year	Total No. of Home Loan Accounts	Total amount Disbursed (Rs. Cr.)	Total amount outstanding (Rs. Cr.)
2005-06	3500	51.26	126.78
2006-07	3768	52.56	139.48
2007-08	3925	51.56	162.24
2008-09	4121	43.38	180.82
2009-10	4479	42.42	201.91
2010-11	4423	37.42	204.76
2011-12	4309	44.31	214.6
Average	4075	46.13	175.80
CAGR	3.92***	-4.58***	9.60***
% change	23.11	-13.56	69.27

Source: Bol, Head Office.

\*\*\* and \*\* indicate significant at one and five per cent level of probability, respectively, ns: non-significant

In the table 1.2.1, Direct Housing Finance situation of Punjab for Bank of India has been illustrated. First of all, number of home loan accounts opened showed average annual growth rate of 3.92 percent, which was significant. In addition to this, there was fluctuations in total amount disbursed and it fell dramatically in 2010-11 to Rs. 37.42 crores. The compound annual growth rate for advances was negative i.e. -4.58 percent. Moreover, outstanding amount of housing loans was increasing every year at the compound annual growth of 9.60 percent. Outstanding amount became almost double over the years. Overall percentage change in outstanding was much more than percentage change in disbursement that was negative. The rate of interest charged was between 9 and 13 percent per annum.

**TABLE 1.3.1: PUNJAB & SIND BANK (PUNJAB)**

Year	Total No. of Home Loan Accounts	Total amount Disbursed (Rs. Cr.)	Total amount outstanding (Rs. Cr.)
2005-06	2994	19.52	129.66
2006-07	3587	51.54	180.16
2007-08	3686	38.62	194.04
2008-09	3736	45.33	209.68
2009-10	3869	61.72	259.64
2010-11	3918	62.26	228.16
2011-12	4339	75.46	263.76
Average	3733	50.64	209.30
CAGR	4.89***	19.14***	10.89***
% change	44.92	286.58	103.42

Source: Punjab & Sind Bank, Head Office.

\*\*\* and \*\* indicate significant at one and five per cent level of probability, respectively, ns : non-significant

Table 1.3.1 shows disbursement of home loans by Punjab & Sind Bank in Punjab, along with number of home loan accounts opened and total amount outstanding for the period 2005-06 to 2011-12. The bank showed almost two and half times rise in total amount disbursed to Rs. 75.46 crores in 2011-12 from Rs. 19.52 crores in 2005-06. In addition to this, the compound annual growth of loan amount disbursed was 19.14 percent. Moreover, outstanding home loan amount showed hike from Rs.129.66 crores in 2005-06 to Rs.263.76 crores in 2011-12. So far as outstanding loan amount was concerned, it showed growth rate of 10.89 percent. If we look at the extent of home loans, on an average 3733 accounts were opened every year for disbursing housing loans. The rate of interest charged was between 9 and 12.25 percent per annum.

**TABLE 1.2.1 (a)**

DIRECT HOUSING FINANCE ( BANK OF INDIA)									
Year	URBAN			RURAL			SEMI-URBAN		
	No. of Home Loan Accounts	Total Amount Disbursed (Rs Cr.)	Total Amount Outstanding(Rs.Cr.)	No. of Home Loan Accounts	Total Amount Disbursed(Rs Cr.)	Total Amount Outstanding (Rs.Cr.)	No. of Home Loan Accounts	Total Amount Disbursed(Rs Cr.)	Total Amount Outstanding(Rs.Cr.)
2005-06	2930	24.93 (48.63)	107.34 (84.67)	46	0.01 (.019)	0.042 (.033)	524	26.29 (51.35)	19.4 (15.30)
2006-07	3057	24.92 (47.41)	118.03 (84.62)	144	0.09 (.17)	5.34 (3.83)	567	27.55 (52.42)	16.11 (11.55)
2007-08	3190	43.81 (84.97)	138.92 (85.63)	153	1.76 (3.41)	6.72 (4.14)	582	5.99 (11.62)	16.6 (10.23)
2008-09	3315	41.24 (95.07)	153.43 (84.85)	176	1.62 (3.73)	6.87 (3.80)	630	0.52 (1.2)	20.52 (11.35)
2009-10	3564	31.1 (73.31)	166.56 (82.49)	213	3.07 (7.24)	9.55 (4.73)	702	8.25 (19.45)	25.8 (12.78)
2010-11	3387	28.55 (76.30)	160.48 (78.37)	218	1.95 (5.21)	9.88 (4.83)	818	6.92 (18.49)	34.4 (16.8)
2011-12	3357	33.63 (75.90)	172.25 (80.27)	204	2.48 (5.60)	10.17 (4.74)	748	8.2 (18.5)	32.18 (14.99)
<b>Mean</b>	<b>3257.14</b>	<b>32.60</b>	<b>145.29</b>	<b>164.86</b>	<b>1.57</b>	<b>6.94</b>	<b>653.00</b>	<b>11.96</b>	<b>23.57</b>
<b>CAGR</b>	<b>2.62**</b>	<b>3.00</b>	<b>8.23**</b>	<b>22.26**</b>	<b>129.40*</b>	<b>90.53</b>	<b>7.35**</b>	<b>-19.11</b>	<b>13.22**</b>
<b>% change</b>	<b>14.57</b>	<b>34.90</b>	<b>60.47</b>	<b>343.48</b>	<b>24700</b>	<b>24114.29</b>	<b>42.75</b>	<b>-68.81</b>	<b>65.88</b>

Source: Bol, Head Office.

Figures in the brackets are parenthesis, \*\*and\*indicate significant at one and five per cent level of probability, respectively

In the above table urban, rural and semi-urban area wise home loan distribution for the year 2005-06 to 2011-12 has been represented for Bank of India .It can be seen that out of the total, maximum number of home loan accounts were opened in urban areas and extent was maximum in urban areas too, that was 3257.14 home loan accounts opened every year. Total amount disbursed declined from Rs.26.29 crores in 2005-06 to Rs 8.2 crores in 2011-12, in semi urban areas, but increased in urban area from Rs 24.93 crores in 2005-06 to Rs 33.63 crores in 2011-12. Growth wise, total amount disbursed and total amount outstanding both were maximum in rural areas i.e. 22.26 percent and 129.40 percent. It meant that BoI had been catering to the need of housing of rural India.

TABLE 1.4.1: PUNJAB NATIONAL BANK (PUNJAB)

Year	Total No. of Home Loan Accounts	Total amount Disbursed (Rs. Cr.)	Total amount outstanding (Rs. Cr.)
2005-06	6800	2960	2194
2006-07	10151	3142	2970
2007-08	12254	3470	7176
2008-09	18964	2900	7259
2009-10	21386	4650	9764
2010-11	24355	11264	17041
2011-12	23546	8777	24934
Average	16779	5309.00	10191.14
CAGR	24.05***	24.37***	48.62***
% change	246.26	196.52	1036.46

Source: Punjab National Bank, Head Office.

\*\*\* and \*\* indicate significant at one and five per cent level of probability, respectively, ns : non-significant

The above table represents number of home loan accounts opened, disbursement of home loan amount and total amount outstanding of Punjab National Bank in Punjab for the period 2005-06 to 2011-12. It is clear that average number of home loan accounts opened per annum were 16779. The compound annual growth rate of no. of home loan accounts opened was 24.05 percent. However, the compound annual growth rate of loan amount disbursed was 24.37 percent. On the other hand, outstanding was growing at the rate of 48.62 percent, which was double than that of growth rate of amount disbursed for home loans and significant at one percent level of probability. Though outstanding growth rate was much high, but still extent of the loans was much more in case of PNB as compared to any other bank. The rate of interest charged was between 9 and 11.75 percent. On comparing the growth rates of amount disbursed and amount outstanding with the growth rates at India level, it was much more at Punjab level.

TABLE 1.4.1 (a)

DIRECT HOUSING FINANCE (PUNJAB NATIONAL BANK)									
Year	URBAN			RURAL			SEMI-URBAN		
	No. of Home Loan Accounts	Total Amount Disbursed (Rs. Cr.)	Total Amount Outstanding (Rs. Cr.)	No. of Home Loan Accounts	Total Amount Disbursed (Rs. Cr.)	Total Amount Outstanding (Rs. Cr.)	No. of Home Loan Accounts	Total Amount Disbursed (Rs. Cr.)	Total Amount Outstanding (Rs. Cr.)
2005-06	3823	2260.73 (76.35)	1490.26 (67.92)	531	125.93 (4.25)	280.6 (12.79)	2446	573.34 (20.53)	423.14 (19.29)
2006-07	5582	2528.24 (80.47)	1549.77 (52.18)	611	98.01 (3.12)	993 (33.43)	3958	515.74 (16.41)	427.23 (14.39)
2007-08	7408	2622.61 (75.58)	1698 (23.66)	561	52.18 (1.50)	1099.62 (15.32)	4285	795.21 (22.92)	4378.38 (61.01)
2008-09	11833	2215.15 (90.43)	1625.35 (22.39)	577	28.6 (.99)	539.1 (7.43)	6554	656.25 (8.58)	5094.55 (70.18)
2009-10	11082	3538.17 (76.09)	1936.45 (19.83)	768	452.46 (9.73)	2665.0 (4.63)3	9536	659.37 (14.18)	5162.52 (75.54)
2010-11	11972	6454.92 (57.31)	8351.48 (49.00)	1652	991.03 (8.80)	1036.2 (5.81)7	10731	3813.05 (33.89)	7653.25 (45.18)
2011-12	12260	6647.13 (75.73)	17921.89 (71.87)	1148	69.12 (.79)	1136.86 (.28)	10138	2060.75 (23.48)	5875.25 (27.85)
Mean	9137.14	3752.42	4939.03	835.43	259.62	1107.21	6806.86	1296.24	4144.90
CAGR	21.37**	21.31**	47.92*	17.92**	19.50	20.27	28.68**	31.43*	63.86*
% change	220.69	194.03	1102.60	116.20	-45.11	305.15	314.47	259.43	1288.49

Source: PNB, Head Office,

Figures in the brackets are in parenthesis, \*\*and\*indicate significant at one and five per cent level of probability, respectively

In the above table urban, rural and semi-urban area wise distribution of housing finance status, for the year 2005-06 to 2011-12 has been represented for Punjab National Bank .It can be seen that out of the total, maximum number of home loan accounts were opened in urban areas (137.14), followed by semi urban areas i.e. 6806.86. Compound annual growth rate of total amount disbursed and total amount outstanding was maximum in semi urban areas i.e. 31.43 percent and 63.86 percent. Moreover, least growth rate was in case of rural areas i.e. 19.50 and 20.27 percent. It showed that banks were concentrating on urban and semi urban areas. In case of growth rate of number of home loan accounts opened maximum was the growth rate in semi-urban areas i.e. 28.68 percent. This is understandable because minimum loans have been given in rural areas. If we compare growths rates of disbursement and amount outstanding at Punjab level with that at India level, it was much more at Punjab level.

TABLE 1.5.1: STATE BANK OF INDIA (PUNJAB)

Year	Total No. of Home Loan Accounts	Total amount Disbursed (Rs. Cr.)	Total amount outstanding (Rs. Cr.)
2005-06	27639	786	1883.51
2006-07	30341	2865	1008.18
2007-08	31624	2657	1164.81
2008-09	31585	3006	1229.07
2009-10	39813	4147	2644.39
2010-11	37861	5692	4684.74
2011-12	38059	9724	10759.47
Average	33846	4125.29	3196.31
CAGR	6.00***	39.72***	50.20***
% change	37.70	1137.15	1117.81

Source: SBI, Head Office.

\*\*\* and \*\* indicate significant at one and five per cent level of probability, respectively, ns : non-significant

From the table 1.5.1, the figures show enhancement in home loan amount disbursed in Punjab by SBI from Rs.786 crores in 2005-06 to Rs. 9724 crores in 2011-12. It showed high compound annual growth rate of 39.72 percent, which was significantly very high. In addition to this, if we look at the extent of the average number of home loan accounts opened, they were 33846 per annum. On the other hand outstanding amount was much more, even the highest as compared to other sampled banks. In the year 2011-12, Rs. 10759.47 crores were outstanding. The compound annual growth rate of total amount outstanding was 50.20 percent. The rate of interest charged was between 9 and 12.25 percent per annum. On comparing it with growth rates of amount disbursed and amount outstanding at India level, growth rates at Punjab level were much more than that at India level.

TABLE 1.5.1 (a)

DIRECT HOUSING FINANCE (STATE BANK OF INDIA)									
Year	URBAN			RURAL			SEMI-URBAN		
	No. of Home Loan Accounts	Total Amount Disbursed # (Rs Cr.)	Total Amount Outstanding (Rs. Cr.)	No. of Home Loan Accounts	Total Amount Disbursed* (Rs Cr.)	Total Amount Outstanding (Rs. Cr.)	No. of Home Loan Accounts	Total Amount Disbursed* (Rs Cr.)	Total Amount Outstanding (Rs. Cr.)
2005-06	16469	-	1443.17 (76.62)	3540	-	90.34 (4.80)	7630	-	350 (18.58)
2006-07	18024	-	653.25 (64.79)	7307	-	98.33 (9.75)	5010	-	256.6 (25.46)
2007-08	18160	-	733.48 (62.97)	11342	-	119.32 (10.24)	2122	-	312.01 (26.79)
2008-09	18447	-	771.98 (62.81)	4473	-	144.13 (11.73)	8665	-	312.96 (25.46)
2009-10	20560	-	950.04 (35.93)	6207	-	217.03 (8.21)	13046	-	1477.32 (55.86)
2010-11	18450	-	922.93 (19.70)	6086	-	459.9 (9.82)	13325	-	3301.91 (70.48)
2011-12	18448	-	931.77 (8.66)	6252	-	262.77 (2.44)	13359	-	9564.93 (88.90)
<b>Mean</b>	<b>18365.43</b>	-	<b>915.23</b>	<b>6458.14</b>	-	<b>198.83</b>	<b>9022.43</b>	-	<b>2225.10</b>
<b>CAGR</b>	<b>1.84</b>	-	<b>-1.28</b>	<b>2.67</b>	-	<b>27.88**</b>	<b>21.5</b>	-	<b>80.84**</b>
<b>% change</b>	<b>12.02</b>	-	<b>-35.44</b>	<b>76.61</b>	-	<b>190.87</b>	<b>75.09</b>	-	<b>2632.84</b>

Source: SBI, Head Office.

#Not provided by the Bank as yet, Figures in the brackets are in parenthesis, \*\*and\* indicate significant at one and five per cent level of probability, respectively. In the above table urban, rural and semi-urban area wise distribution of housing finance status, for the year 2005-06 to 2011-12 has been represented for State Bank of India. It can be seen that out of the total, maximum number of home loan accounts were opened in urban areas i.e. 18365.43, followed by semi urban areas i.e. 9022.43. Total amount outstanding was maximum in semi urban areas (Rs 2225.1 crores) and least was in case of rural areas i.e. Rs 198.83 crores. It showed that bank was concentrating on urban and semi urban areas. In case of number of home loan accounts opened, maximum was the growth in semi-urban areas i.e. 21.5 percent and 2.67 percent and 1.84 percent in rural and semi urban areas. On the contrary, if we concentrate on total amount outstanding this was also maximum in semi urban areas and it was 80.84 percent and outstanding was growing over the years.

**MOVING ONTO PERCENTAGE SHARE**

TABLE 1 (a): OVERALL PERCENTAGE SHARE OF NO. OF HOME LOAN ACCOUNTS OPENED

Banks	Punjab's share as a percentage share of total in India	Number of home loan accounts in Punjab in Urban areas, Rural areas & Semi urban areas		
<b>SBoP</b>	50.06	53.93	18.01	28.18
<b>BoI</b>	1.97	79.93	4.05	16.06
<b>PNB</b>	15.24	50.18	4.59	37.38
<b>SBI</b>	2.53	54.26	19.08	26.66
<b>P&amp;SB</b>	79.83	-	-	-

Source: Calculation based on previous tables

It is clear from the table that out of total number of home loan accounts opened in India, percentage share of Punjab & Sind Bank was maximum i.e. 79.83, followed by SBoP i.e. 50.06 percent. It indicated that these two banks concentrated more in the State Punjab. But on the other hand, one reason could be that these banks originated in Punjab and so their area of concern remained Punjab State. Out of the three largest banks of India (SBI, SBoP and PNB), only PNB had been successful in opening home loan accounts in Punjab, its share was 15.243 percent out of total share of India. Share of SBI and BoI remained least. It was very clear from the table that rural area's share out of total share of Punjab was least and it was almost same in case of BoI and PNB. Overall percentage share was maximum for all the sampled banks in urban areas.

TABLE 1 (b): OVERALL PERCENTAGE SHARE OF TOTAL DISBURSEMENT

Banks	Punjab's share as a percentage share of total in India	Disbursement in Punjab in Urban areas, Rural areas & Semi urban areas		
<b>SBoP</b>	38.05	51.73	15.22	33.05
<b>BoI</b>	.40	70.66	3.4	25.93
<b>PNB</b>	30.54	70.68	4.9	24.42
<b>SBI</b>	1.78	-	-	-
<b>P&amp;SB</b>	44.63	-	-	-

Source: Calculation based on previous table

It is clear from the table that out of total amount disbursed in India, percentage share of Punjab & Sind Bank was maximum i.e. 44.63 percent, followed by SBoP i.e. 38.05 percent. It indicated that these two banks concentrated more in the State Punjab. But on the other hand, one reason could be that these banks basically originated in Punjab and so their area of concern remained Punjab State. Three largest banks of India had been successful in disbursement in Punjab. Share of SBI was just 1.78 percent and that of BoI remained less than one percent. It was very clear from the table that rural area's share out of total share of Punjab remained least. The share of rural areas was least for BoI i.e. just 3.4 percent. Share of urban areas had been maximum out of total disbursement in Punjab. PNB, BoI & SBoP diverted more than 50 percent of their funds in urban areas for financing houses.

TABLE 1 (c): OVERALL PERCENTAGE SHARE OF TOTAL OUTSTANDING

Banks	Punjab's share as a percentage share of total in India	Outstanding in Punjab in Urban areas, Rural areas & Semi urban areas		
SBoP	38.42	52.43	14.99	32.67
Bol	2.43	82.64	3.95	13.41
PNB	5.55	48.46	10.86	40.67
SBI	5.38	27.41	5.95	66.64
P&SB	65.85	-	-	-

Source: Calculation based on previous table

It is clear from the table that out of total amount outstanding in India, percentage share of Punjab & Sind Bank was maximum i.e. 65.85 percent, followed by SBoP i.e. 38.42 percent. It was very clear from the table that in semi-urban areas outstanding out of total share of Punjab was the maximum for SBI i.e. 66.64 percent followed by PNB i.e. 40.67 percent. Least outstanding share was of rural Punjab. Bank of India's share of outstanding was maximum that was 82.64 percent of total outstanding in Punjab and in rural areas maximum share of outstanding in Punjab was of SBoP i.e. 52.43 percent and moreover in semi urban areas SBI's share of outstanding was maximum i.e. 66.64 percent.

#### NOW WE TURN TO A COMPARATIVE STUDY OF NUMBER OF HOME LOAN ACCOUNTS OPENED, TOTAL AMOUNT DISBURSED AND TOTAL AMOUNT OUTSTANDING IN PUNJAB BY THE SAMPLED BANKS

Figures from tables (1.1.1 to 1.5.1) show that from 2005-06 to 2011-12 there was noticeable hike in number of home loan accounts opened in Punjab by all the sampled banks, with fluctuations in between. Maximum number of home loan accounts were opened by SBI i.e. 33846, followed by PNB (16779), then came SBoP (5600) and Bol (4075). Least number of accounts were opened by Punjab & Sind Bank (3733). If we compare the growth rates, growth rate of number of home loan accounts was maximum of PNB i.e. 24.05 percent, then came the growth rate of SBI i.e. 6 percent and least was of SBoP i.e. just 0.98 percent.

Moving on to total amount disbursed, it was evident that starting from 2005-06, there was rise in the loan amount disbursed of all the five sampled banks. So far as Bol was concerned, its amount disbursed showed noticeable fall in the year 2010-11 and in all other years they were fluctuating. Similarly, in case of PNB loan amount plummeted in the year 2007-08 and 2011-12. In addition to this there was dramatic rise in the amount disbursed in the year 2010-11. Thus, except Bol, all other sampled banks' compound annual growth rate showed rise in the disbursement of home loan amount. In spite of fluctuations, annual growth rate of direct housing finance was maximum at 39.72 percent for SBI, followed by PNB, Punjab & Sind Bank and SBoP, least growth rate was noticed for Bol (-4.58 percent) due to procedural formalities, less cooperation of the staff and highest rate of interest as compared to any other sampled bank.

Comparative position of total amount outstanding of direct housing finance by sampled banks for the period 2005-06 to 2011-12, show that from 2005-06 to 2011-12, there was rise in the outstanding amount for all the sample banks. Moreover, outstanding loan amount of PNB rose multiple times in the year 2007-08. Maximum compound annual growth in outstanding loans was of SBI i.e. 50.20 percent followed by PNB i.e. 48.62. Growth rate of outstanding was not much different for Bol and Punjab & Sind Bank. Least growth rate had been noticed by Bol i.e. 9.60 percent.

#### CONCLUSION

Growth rate of housing industry became possible because of rise of middle class. As housing is the basic necessity, every individual wants to invest in housing. It is a long term investment and house is an asset. With this thinking people are striving hard to own a house and rising growth rate of disbursement proves that banks are also taking initiative to fulfill this dream of individuals. But on the other hand challenging factor is also there. Banks must pay attention to this aspect also.

The Scheduled Commercial Banks are the major players of the housing finance market in India. Through different schemes and direct housing finance mechanism, banks serve those segments of the society which have been ignored by the Housing finance institutions. They give small loans for expansion of houses also to the poor section through golden jubilee scheme. Through banks government has been trying to increase the accessibility of housing finance to the poor.

It is clear from the above paper that the outstanding housing loan portfolio of banks is on rise continuously over the last many years. Demand for housing finance is expanding in housing finance market. So to fulfill the requirement of the people banks had been disbursing more and more funds. On the contrary, it is clear from the above analysis that whatever had been the case, outstanding at India level, Punjab level, Urban, Rural and Semi-urban area wise had been rising over the years, so there is a need for creation of credit risk management mechanisms which will encourage the lenders to provide finance to the poor. These credit risk management mechanisms could be in the form of Credit Guarantee fund/Risk fund by the Government, Title insurance, Credit Bureau and other alternative forms of collateral. There is a strong need for strengthening of laws related to the recovery of Housing loans too. Introduction of appropriate risk mitigants would provide further boost to banks in increasing their lending in rural areas. Risk mitigants which could be introduced in the form of title Guarantee. In a majority of the rural areas a clear title of the land pertaining to the existing houses, is not available. In the absence of such clear titles, the banks find it difficult to provide housing loans on such property. Therefore, to cover the risk of default / defects in the title, a simple affidavit by the borrower being the legal heir of the house property duly signed by the village Panchayats or Land Revenue Officer, can be treated as a valid document for the purpose of creation of the mortgage.

Rural Risk Fund (RRF) presently, the banks have high risk perception for lending to the poor. The risk fund will provide credit guarantee cover for loans upto Rs. 1 lakh taken by the BPLs. However, for effective operationalisation of such a fund, the Ministry of Rural Development could consider providing an initial corpus of Rs. 1000 crore to NHB to set up such a fund to be exclusively used for providing cover to banks for small loans say upto Rs. 1 lakh taken by the poor where the primary security i.e., valid collateral e.g., title deed is not available.

Mortgage Credit Guarantee, would cover all loans given by banks i.e., in urban and rural areas with loans above Rs. 1 lakh. NHB with the other institutions will bring in the required corpus of initial funds and banks will be paying premium for the credit cover which may be shared between banks and the ultimate borrowers.

Appropriate legislative amendment on land titles and borrower's affidavit attested by the village panchayat to be treated as sufficient documentary evidence for banks and financial institutions to lend can bring about. Amendments allowing mortgage of agricultural land as collateral for housing loan can also be thought of.

Rationalisation of Stamp duty and Registration charges and bring them down to a minimum token amount in the case of rural housing to encourage registration of mortgages and building up proper land records.

#### REFERENCES

1. Agarwal et al (2006), "An Empirical Analysis of Home Equity Loans and Line Performance", Journal of Financial Intermediation, Vol 15, No 4, October, pp. 444-469
2. Bandyopadhyay and Saha (2008), "Factors Driving Demand and Default Risk in Residential Housing Loans: Indian Evidence", Journal of Economics and Business, Vol 60, No 1-2, Jan-Feb, pp.110-124
3. Beltas (2008), "Housing and Housing Finance in Algeria: Opportunities and Challenges", Housing Finance International, Vol 22, No 3, March, pp.13-21
4. Beracha and Hirschev (2009), "When Will Housing Recover?" Financial Analysts Journal, Vol 65, No.2, March/April
5. Chaturvedi (2009), "Interest Rates on Housing Finance Falling" <http://www.accommodationtimes.com> viewed on March 02, 2011
6. Das (1990), 'Institutional Financing of Housing in India with special reference to Delhi', Unpublished Ph.D thesis, Delhi University, New Delhi
7. David (2008), "Home Equity" [www.papers.ssrn.com](http://www.papers.ssrn.com), viewed on June 26, 2011.
8. Elumalai (1989), "National Housing Bank", Yojana, September 1-15, pp.5-7
9. Gulko (1994), "Housing Finance: Past, Present and Future" [www.ssrn.com/paper](http://www.ssrn.com/paper), viewed on June 26, 2011

10. Gupta and Aggarwal (2003), "The Consumer Financing Business in India – Building Blocks for the Future Companies" www.ideas.repec.org,viewed on june 26,2011
11. Kamath (2010), 'Banking Sector: Emerging Challenges' Banking sector in India, Yojana, February, pp 5-7
12. National Housing Bank "Report on Trend and Progress of National Housing Bank",NHB Publication, New Delhi,Reports from 2004 to 2012.
13. Saluja, D(2008)., 'Housing Loan- A Case Study of HDFC Bank in Ludhiana District', Unpublished M.Phil Thesis, Chaudhary Devilal University, Sirsa (Haryana)
14. United Nations Economic and Social Commission for Asia and the Pacific (2010) "Pro Poor Housing Finance in Asia and the Pacific" draft by UNSCAP and NHB, Unhabitat ,www.apuhf.info,viewed on June 11, 2011.
15. Verma (2009), "Retail Finance-Housing" www.crisil.com/research-report housing,viewd on June28, 2011





## **REQUEST FOR FEEDBACK**

**Dear Readers**

At the very outset, International Journal of Research in Commerce, Economics and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail [info@ijrcm.org.in](mailto:info@ijrcm.org.in) for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com).

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

**Academically yours**

Sd/-

**Co-ordinator**

## ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

### *Our Other Journals*

