



## Housing Finance Management in Shgs (In Krishnagiri District)

\*Dr P. Ponramu

\* Asst., professor. Dep. Of commerce, Govt., Arts College. Melure. Madurai Dt.

### ABSTRACT

*The residence for each family is a must. But their earnings are not sufficient to meet out the expenses on housing. However after introduction of SHG system in rural areas, the need of financial assistance for housing is well taken care of by SHGs. The housing finance includes assistance for construction, renovation, maintenance.*

*Keywords: Self-Help Groups, Management, Finance Management.*

### 1. Introduction

In recent times, the concept of Hindu undivided family system has been changed, leading to the disintegration of joint family system. The nuclear family system is deeply rooted in our society. This is reflected in rural areas also. Therefore residence for each family is a must. But their earnings are not sufficient to meet out the expenses on housing. However after introduction of SHG system in rural areas, the need of financial assistance for housing is well taken care of by SHGs. The housing finance includes assistance for construction, renovation, maintenance.

### 2. The Physical and Financial Status of Housing Loan Activities

The cumulative figures of house construction loan are presented in Table 1

**TABLE1 Number and Amount of Loan on Housing**

Years	Number of Loan	Amount of Loan Rs.	Cumulative Physical	Cumulative Financial Rs.
2006-2007	159	3,30,700	159	3,30,700
2007-2008	255	13,55,000	414	16,85,700
2008-2009	236	14,91,650	650	31,77,350
2009-2010	216	32,89,000	866	64,66,350
2010-2011	196	28,30,000	1062	92,96,350
2011-2012	239	54,24,300	1,301	1,47,20,650

Source: SHGs Account Books and Auditor Reports in Krishnagiri District.

It is found from Table1 that in 2006-2007 a maximum number of loans is issued to the members by the respondent SHG units. It is also found that in 2010-2012, a maximum value of loan has been sanctioned for housing with Rs.54,24,300.

### 3. Issue and Recovery of Loan for Housing

The comparative statement of issue and recovery of loan for housing is presented in Table 2.

**TABLE 2 Issues and Recovery of Loan for Housing**

Year	Amount of Loan Issued Rs.	Amount Recovered Rs.	Recovery Percentage
2006-2007	3,30,700	2,43,850	73.74
2007-2008	13,55,000	6,77,500	50.00
2008-2009	14,91,650	13,67,500	91.68
2009-2010	32,89,000	28,60,000	86.96
2010-2011	28,30,000	22,97,000	81.17
2011-2012	54,24,300	47,57,400	87.71

Source: SHGs Account Books and Auditor Reports in Krishnagiri District.

It is found from Table 2 that in 2011-2012, a maximum number of loan has been issued to housing sector and a maximum value of loan has been recovered from their members during the same year and the recovery percentage of the loan is the highest in the year 2008-2009 with 91.68 per cent and the lowest percentage of recovery of loan is in the year 2007-2008 with 50 per cent.

With regard to issue of loan for housing, it is observed that in 2006-2007 the respondent units sanctioned 255, number of loan and on month-wise issue, the number of loans issued in the months of January, December and April are the highest.

It is also noted that during 2008-2009 the maximum value of loan is issued for housing with Rs.25,60,000 and on month-wise issue, the maximum value of loans issued for housing is in the months of December, January, February and April.

And recovery also is the highest in the year 2011-2012 with Rs.47,57,000 accounting for 87.71 percentage of recovery of loan.

### 4. Conclusion

The issue and recovery status of housing loans of various categories are analysed and presented in terms of percentage. Details about the year wise and month wise disbursement of housing loans with corresponding recovery percentage performance increasing trend maximum SHGs member repairs, renovation and new house construction using the SHGs funds .

**REFERENCES**

1. Nilakantha Rath, "A Note on Agricultural Production in India During 1955– 1978 - A Study of Growth Rates in Series XIV", Indian Society of Agricultural Economics, Bombay, 1979. | 2. C. Latha Bastine and K. Palanisamy "An Analysis of Growth Trends of Principal Crops in Kerala", Agricultural Situation in India, March, 1994. REFERENCES | 3. Nilakantha Rath, "A Note on Agricultural Production in India During 1955– 1978 - A Study of Growth Rates in Series XIV", Indian Society of Agricultural Economics, Bombay, 1979. | 4. C. Latha Bastine and K. Palanisamy "An Analysis of Growth Trends of Principal Crops in Kerala", Agricultural Situation in India, March, 1994. | 5. Action Aid India, Themes in Development-1. "Saving and Credit", the NGO Factor Published by Action Aid", Indian PB 5406, June 1992, p.9. | 6. Akerlof, A.G., "The Market for "Lemons": Quality Uncertainty and the Market Mechanism", Quarterly Journal of Economics 84: 488-500. 1970. | 7. Alamgir, D.A.H, "Micro-financial Services in Bangladesh; Review of Innovations and Trends", Credit and Development Forum, Dhaka, 1999. | 8. Balakrishnan, M., "Micro-credit Opportunities and Challenges", IAGE April, 2001, p.12. | 9. Bennett, L., Goldberg M. and Hunte, P., "Ownership and Sustainability; Lessons on Group-based Financial Services from South Asia", Journal of International Development 8(2): 271-88, 1996. | 10. Credit and Development Forum, "CDF Statistics: Micro-finance Statistics of NGOs and other MFIs", Credit and Development Forum, Dhaka, 1998. | 11. Farrington, T. "Efficiency in Micro-finance Institutions", Micro-banking Bulletin 4, February, 1999, pp.18-24. | 12. Fisher, Thomas and Malcolm Bush and Christopher Guene, "Regulating Micro-finance: A Global Perspective", New Economics Foundation, London. 2001.994 | 13. www.odi.org.uk/briefing/pov4.html. | 14. edarural@iasdi01.vsnl.net.in | 15. [http://www.uncdf.org/english/microfinance/newsletter/pages/2005\\_10/news](http://www.uncdf.org/english/microfinance/newsletter/pages/2005_10/news) | 16. www.sel.org.uk. |