

PROJECT REPORT
ON
PUNJAB NATIONAL BANK
(HOUSING LOAN)



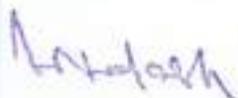
IN PARTIAL FULFILLMENT FOR THE AWARD OF
BACHELOR IN COMMERCE

PATTAMUNDAI COLLEGE,
PATTAMUNDAI

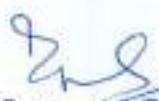
2019-2020

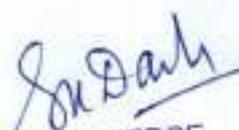
REPORT

This project was undertaken by the department of Commerce, Pattamundai college, Pattamundai on the topic "Housing Loan Scheme of Punjab National Bank. " during the session 2019-2020. This project was done by the 32 numbers of students under the guidance of Mr.Jitendra Malik, Lecturer in commerce. Punjab National Bank provides its customers with various Home loan policies and features at highly competitive rates. They know the needs of the Indian customers that they have to deal with, on a regular basis, and provide the policies accordingly. The PNB Home Loan caters mainly to the requirement of the middle class individuals of India, as PNB itself is one of the leading public sector banks of the nation. The PNB Home loans are very easily available, and have an even easier process of repayment that is given over a prearranged time period. This period of time is determined, when the PNB Home loans are being finalize along with the loans, the buyers get the opportunity of having a life insurance covered against him. The Indian real property market has witnessed an unprecedented rise in the realty and land prices in the last ten years or so. In the present condition the best investment option most people would rely on is buying a home. Home is the safest investment because it is one of the few assets whose value appreciates over the years. Following the boom in the real estate market, a healthy competition can be witnessed in the housing finance sector, as more and more banks and financial institutions are entering the house loan market. The market is flooded by various housing finance schemes offered by these banks and financial institutions and the ultimate beneficiaries are the consumers as they have got plenty of options to choose from according to their requirements.



Principal
Pattamundai College


22/02/2020
IQAC Co-ordinator
Pattamundai College


HOD, COMMERCE
PATTAMUNDAI COLLEGE

SL. NO.	DESCRIPTION	PAGE NO.
1.	<ul style="list-style-type: none">• Report• Aim & objectives of project & Industry overview	01 02-04
2	Organizational Profile <ul style="list-style-type: none">• History• Vision & mission• Organisation structure• Product profile• Trend Analysis• SWOT Analysis	05-13
3	Research Methodology <ul style="list-style-type: none">• Source of data• Tools and techniques used	14
4	Procedure of PNB Home loan Sanctioning	15-19
5	Analysis of data & Interpretation	20-30
6	Recommendations	31
7	Limitations, Conclusion, References	32

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OBJECTIVE

- To study the various services provided by Punjab National Bank.
- To study in detail housing loan provided by the PNB.

INDUSTRY OVERVIEW

The Financial Services are services provided by different businesses whose transactions involve management of money such as banks, credit card firms, investment companies, insurance companies and some government agencies. The finance industry is an industry in itself as well as an ancillary that supports other industries. Trade and commerce across the world would come to a standstill if there was no means to fund, pay and protect the transactions. The following institutions are a part of the financial industry:

Banks- Banks are one kind of financial services organizations. Banks generally function by providing a sheltered and secure place for people to store their money. Usually, banks will invest their clients' stored money for the bank's gain, while paying a small amount of interest to those who keep their money in savings or checking accounts. Banks often provide a variety of financial services, including the issuance of loans, mortgages, checks, and credit cards. Some banks are known as private banks and offer services only to those who have a high net worth. Generally, private banks will offer a broader range of services to their clients than other banks.

Credit card companies- Credit card companies are financial services companies which provide lines of credit to consumers in exchange for interest paid on the money consumers borrow when they charge a purchase to the card. The card company pays for the purchase, but it does so by essentially issuing a high-interest loan to the purchaser.

Insurance companies- Insurance brokers are hired to find appropriate insurance plans for their clients. Insurance providers offer plans which are designed to defer liability for the risk of loss from one entity to another in exchange for a predetermined amount. This makes the second entity, typically an insurance provider, liable for any losses accrued by the first entity, typically an individual or company. Thus, a person will pay a health insurance provider, for example, a recurring fee so that the provider will be responsible for the payment of medical bills should that person fall sick or injured.

Investment Services- Investment services, another type of financial service, generally deals with helping individuals and other entities invest their money in stocks, shares or funds. These services usually offer financial products for investors to buy, such as mutual funds. Usually, money invested with an investment service is managed by the service for the gain of the individual investor or a group of investors. Additionally, they may render professional advice to investors in exchange for payment.

BANKING SECTOR

Banking in India originated in the last decades of the 18th century. The oldest bank in existence in India is the State Bank of India, a government-owned bank that traces its origins back to June 1806 and that is the largest commercial bank in the country. Central banking is the responsibility of the Reserve Bank of India, which in 1935 formally took over these responsibilities from the then Imperial Bank of India, relegating it to commercial banking functions. After India's independence in 1947, the Reserve Bank was nationalized and given broader powers. In 1969 the government nationalized the 14 largest commercial banks; the government nationalized the six next largest in 1980. Currently, India has 88 scheduled commercial banks (SCBs) - 27 public sector banks (that is with the Government of India holding a stake), 31 private banks (these do not have government stake; they may be publicly listed and traded on stock exchanges) and 38 foreign banks. They have a combined network of over 53,000 branches and 17,000 ATMs. According to a report by ICRA Limited, a rating agency, the public sector banks hold over 75 per cent of total assets of the banking industry, with the private and foreign banks holding 18.2% and 6.5% respectively.

From Independence, it took some years for the banking sector to mature. By 1960s, the Indian banking industry did occupy an important position to facilitate the development of the Indian economy. Moreover, it did employ a quantum volume which could affect national economy. It resulted in a debate about the possibility to nationalize the banking industry. At that point, during the annual conference of the All India Congress Meeting, in a paper entitled "Stray thoughts on Bank Nationalisation", Indira Gandhi, the-then Prime Minister of India expressed the intention of the GOI favouring nationalisation. The paper was received with positive enthusiasm. Thereafter, in a swift and sudden move, the GOI issued an ordinance and nationalised the 14 largest commercial banks with effect from the midnight of July 19, 1969. The decision was even termed as a "masterstroke of political sagacity" by none other than a leader of the stature of Jayprakash Narayan. Then, within the next fortnight of issuing the ordinance, the Parliament passed the Banking Companies (Acquisition and Transfer of Undertaking) Bill. The bill finally received the presidential approval on 9th August, 1969. In 1980, there came the second phase of nationalisation of 6 more commercial banks. The reason forwarded for this was to have more control of credit delivery by the government. By the time, GOI effectively got hold of 91% control of the total banking business of India. Till 1990s, all nationalized banks grew at a pace of around 4%, similar to the average growth rate of the Indian economy.

Current situation- Today, the banking sector in India is fairly mature in terms of supply, product range and reach. As far as private sector and foreign banks are concerned, the reach in rural India still remains a challenge. In terms of quality of assets and capital adequacy, Indian banks are considered to have clean, strong and transparent balance sheets relative to other banks in comparable economies in its region. The Reserve Bank of India is an autonomous body, with minimal pressure from the government. The stated policy of the Bank on the Indian Rupee is to manage volatility but without any fixed exchange rate. Till now, there is hardly any deviation seen from this stated goal which is again very encouraging. With passing time, Indian economy is further expected to grow and be strong for quite some time-especially in its services sector. The demand for banking services, especially retail banking, mortgages and investment services are expected to grow stronger. Therefore, it is not hard to forecast few M&As, takeovers, and asset sales in the sector. Consolidation is going to be another order of the day. The significant change in the policy and attitude that is currently being seen is encouraging for the banking sector growth. In March 2006, the Reserve Bank of India allowed Warburg Pincus, a private foreign investor, to increase its stake in Kodak Mahindra Bank to 10%. Notably, this is the first time that a foreign individual investor has been allowed to hold more than 5%

in a private sector bank since 2000. Earlier, The RBI in 2005 announced that any stake exceeding 5% by foreign individual investors in the private sector banks would need to be vetted by them. "Currently, India has 88 scheduled commercial banks (SCBs) - 28 public sector banks (that is with the Government of India holding a stake), 29 private banks (these do not have government stake; they may be publicly listed and traded on stock exchanges) and 31 foreign banks. They have a combined network of over 53,000 branches and 17,000 ATMs. According to a report by ICRA Limited, a rating agency, the public sector banks hold over 75 per cent of total assets of the banking industry, with the private and foreign banks holding 18.2% and 6.5% respectively."³ Despite the current global slowdown, despite the fear of US economic recession, despite the volatility of Indian stock markets, every informed observer is more or less optimistic about the 8% to 10% growth per annum for the Indian economy till the next few years. Therefore, it can safely be said that the banking industry in India will only surge ahead in coming years. We can also expect to see many other sea changes in terms of their operations, funding and structures.

ORGANIZATION'S PROFILE

Name of organization: Punjab National Bank

Head Office: Bhikaji Cama Place, New Delhi

Origin of the Organization

Established in 1895 at Lahore, undivided India, Punjab National Bank (PNB) has the distinction of being the first Indian bank to have been started solely with Indian capital. The bank was nationalised in July 1969 along with 13 other banks. From its modest beginning, the bank has grown in size and stature to become a front-line banking institution in India at present.

Growth and Development

With over 38 million satisfied customers and 4668 offices, PNB has continued to retain its leadership position among the nationalized banks. The bank enjoys strong fundamentals, large franchise value and good brand image. Besides being ranked as one of India's top service brands, PNB has remained fully committed to its guiding principles of sound and prudent banking. Apart from offering banking products, the bank has also entered the credit card & debit card business; bullion business; life and non-life insurance business; Gold coins& asset management business, etc.

Since its humble beginning in 1895 with the distinction of being the first Indian bank to have been started with Indian capital, PNB has achieved significant growth in business which at the end of June 2012 amounted to Rs 6,79,823 crore.

Present Status of the Organization

PNB has always looked at technology as a key facilitator to provide better customer service and ensured that its 'IT strategy' follows the 'Business strategy' so as to arrive at "Best Fit". The bank has made rapid strides in this direction. Along with the achievement of 100% branch computerization, one of the major achievements of the Bank is covering all the branches of the Bank under Core Banking Solution (CBS), thus covering 100% of its business and providing 'Anytime Anywhere' banking facility to all customers including customers of more than 2000 rural branches. The bank has also been offering Internet banking services to the customers of CBS branches like booking of tickets, payment of bills of utilities, purchase of airline tickets etc. Towards developing a cost effective alternative channels of delivery, the bank with more than 2150 ATMs has the largest ATM network amongst Nationalised Bank. With the help of advanced technology, the Bank has been a frontrunner in the industry so far as the initiatives for Financial Inclusion is concerned. With its policy of inclusive growth in the Indo-Gangetic belt, the Bank's mission is "Banking for Unbanked". The Bank has launched a drive for biometric smart card based technology enabled Financial Inclusion with the help of Business Correspondents/Business Facilitators (BC/BF) so as to reach out to the last mile customer. The BC/BF will address the outreach issue while technology will provide cost effective and transparent services. The Bank has started several innovative initiatives for marginal groups like rickshaw pullers, vegetable vendors, dairy farmers, construction workers, etc. The Bank has already achieved 100% financial inclusion in 21,408 villages. Backed by strong domestic performance, the bank is planning to realize its global aspirations. Bank has expanded its footprints into 10 countries. Bank also has overseas branches in Hong Kong, Dubai, Kazakhstan, UK, Sydney, Australia and Norway. A second branch in Hong Kong at Kowloon was opened in the first week of April'09. Bank is also in the process of upgrading its representative offices at China, Norway and Australia and Brazil.



In pursuit of banking excellence

Vision

“To evolve and position the bank as a world class progressive, cost effective and customer friendly institution providing comprehensive financial and related services, integrating frontiers of technology and serving various segments of society especially the weaker sections; committed to excellence in serving the public and also excelling in corporate values.”

Mission

“To provide excellent professional services and improve its position as a leader in the field of financial and related services; build and maintain a team of motivated and committed workforce with high work ethos; use latest technology aimed at customer satisfaction and act as an effective catalyst for socio-economic development.”

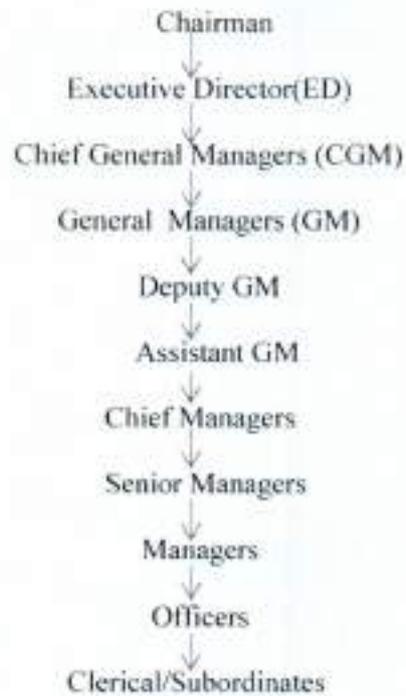


ORGANIZATIONAL STRUCTURE

Bank has its Corporate Office at New Delhi and supervises 68 circle offices under which the branches function. The delegation of power is decentralised up to the branch level to facilitate quick decision making.



Hierarchy



Board of Directors

ShriK.R.Kamath	Chairman & Managing director,Chairman of Indian Banks' Association
ShriRakeshSethi	Executive Director
Smt. UshaAnathasubramanian	Executive Director
ShriS.R.Bansal	Executive Director
Directors	
ShriAnurag Jain	Govt of India Nominee Director
Shri N S Vishwanathan	Reserve Bank Of India Nominee Director
ShriM.A.Antulay	Part time non official Director
ShriB.B.Chaudhary	Part time non official Director
Dr. Sunil Gupta	Shareholder Director
ShriDevinder Kumar Singla	Shareholder Director
Shri MN Gopinath	Shareholder Director
Tara Chand Jhalani	Workmen Employee Director

Departments of the Organization

The bank has following departments:

- Finance
- Personal Administration
- Human Source
- Sales & Marketing
- Retailing
- Treasury Management
- Information Technology

PRODUCT PROFILE OF THE ORGANIZATION

➤ *Saving Account*

- PNB Prudent Sweep
- Total Freedom Salary Account
- PNB Vidyarthi Salary Account
- PNB Mitra SF Account

➤ *Current Accounts*

- Smart Romer
- PNB Vaibhav
- PNB Gaurav

➤ *Fixed Deposit Accounts*

- Spectrum fixed deposit scheme
- Anupam account
- Multi benefit deposit scheme
- Special fixed deposit scheme
- Recurring deposit scheme
- PNB swechajamayojna/flexird

➤ *Credit schemes*

- Housing loan
- Car finance
- Personal loan
- Professional loan
- Educational loan scheme
- Loan against mortgage of property
- PNB financial basket scheme
- Personal loan scheme for pensioners
- Privilege card scheme
- Other credit scheme

➤ *Social Banking*

- Farmers
- Krishi card
- Agriculture credit scheme
- PNB farmer's welfare trust

➤ *Women*

- Scheme for house wife and other women
- Mahila udhyamnidhi scheme

PNB HOME LOAN

Punjab National Bank provides its customers with various Home loan policies and features at highly competitive rates. They know the needs of the Indian customers that they have to deal with, on a regular basis, and provide the policies accordingly. The PNB Home Loan caters mainly to the requirement of the middle class individuals of India, as PNB itself is one of the leading public sector banks of the nation.

The PNB Home loans are very easily available, and have an even easier process of repayment that is given over a prearranged time period. This period of time is determined, when the PNB Home loans are being finalized and along with the loans, the buyers get the opportunity of having a life insurance covered against him. The basic grounds on which the PNB Home loans are provided are:

- Extending, repairing, modification and even renovating of an already existing building or flat.
- Purchase or building of new house or flat.

The basic interest of PNB home loans be around 9.25% and the time period may vary from a period of minimum 5 years to a maximum of 25 years. However there is a certain limitation of the loan amount that an individual may take from the bank. The maximum amount of loan sanctioned under PNB home loans is need based. Apart from all these details, the PNB Home loans also enable us to choose between fixed and floating rates that may be applicable from time to time and keep varying from one period to another.

TRENDS IN HOUSING LOAN MARKET IN INDIA

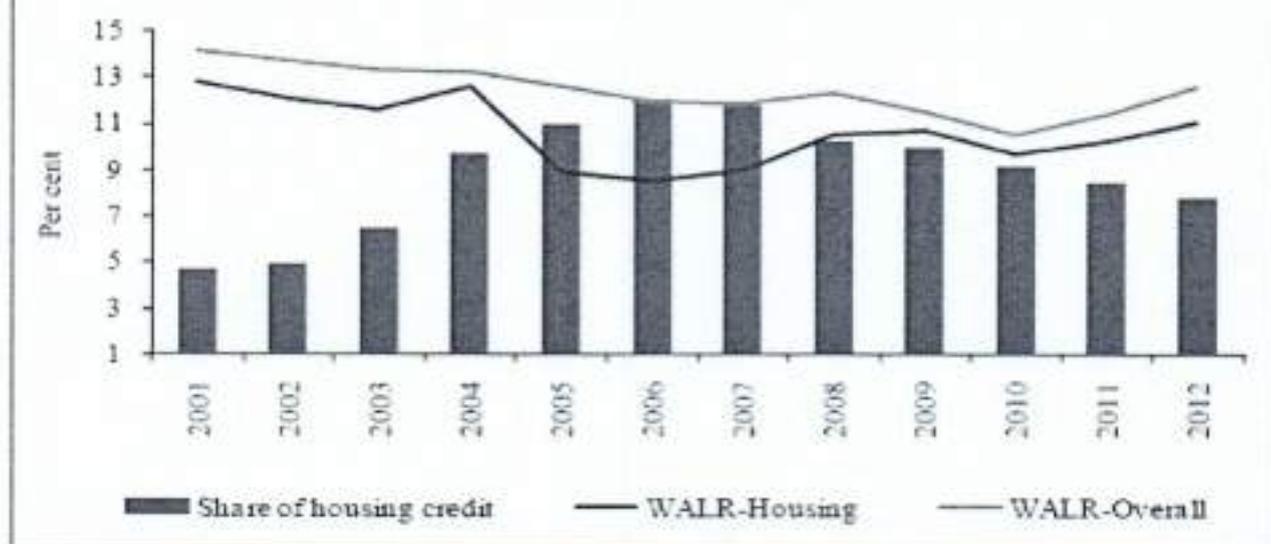
The Indian real property market has witnessed an unprecedented rise in the realty and land prices in the last ten years or so. In the present condition the best investment option most people would rely on is buying a home. Home is the safest investment because it is one of the few assets whose value appreciates over the years.

Following the boom in the real estate market, a healthy competition can be witnessed in the housing finance sector, as more and more banks and financial institutions are entering the house loan market. The market is flooded by various housing finance schemes offered by these banks and financial institutions and the ultimate beneficiaries are the consumers as they have got plenty of options to choose from according to their requirements.

The immediate impact of rising competition in the housing loan sector can be seen in the rates of interest charged by various banks. Most of the banks and financial institutions are offering housing loans at competitive interest rates and innovative house loan products. The standard interest rate in the market today is 8 to 8.5% per annum for a five-year loan. However, the terms and conditions for housing loans differ from one bank to the other.

The budget 2013 has brought good news for New Home loan customers. Home loans up to Rs 25 lac will be allowed additional deduction of interest of 1 lac. This will mean that the customers who are running home loans up to 25 lac can save on tax and will have more net income to hold on to.

Chart 3. Most part of the 2000s witnessed a sharp increase in housing credit alongside fall in housing interest rate



Interpretation:

The weighted average lending rate (WALR) on housing loan first declined from 12.8 per cent in March 2001 to a low of 8.6 per cent in 2006 before rising to 11.1 per cent by March 2012. Though the interest rate on housing finance has gone up since 2006, it has remained below the overall weighted average lending rate of banks.

COMPETITORS OF PUNJAB NATIONAL BANK

Current Floating Home Loan Interest Rates of SBI

Bank Name	Up to 30 Lacs	From 30 lacs to 75 Lacs	Above 75 lacs
SBI	9.95% p.a.	10.10% p.a.	10.10% p.a.

Current Home loan rates of HDFC Ltd

Loan Schemes	Upto& including Rs 30 lacs	above 30lacs to 75lacs	above 75lacs
HDFC Ltd (Floating Rates)	10.15%	10.40%	10.40%

Current Home Loan Interest Rates of ICICI Bank Home Loan

Loan Schemes	Up to 30 Lacs	From 30Lacs to 75 Lacs	Above 75 Lacs
ICICI Bank Home Loan	Scheme I :10.25% (Fixed 1 yr)	Scheme I :10.50% (Fixed 1 yr)	Scheme I :10.50% (Fixed 1 yr)
	Scheme II : 10.25% (Fixed 2yrs)	Scheme II : 10.50% (Fixed 2yrs)	Scheme II : 10.50% (Fixed 2yrs)
	Scheme III : 10.50% (Fixed 3yrs) then 10.25%	Scheme III : 10.75% (Fixed 3yrs) then 10.50%	Scheme III : 10.75% (Fixed 3yrs) then 10.50%

SWOT Analysis

Strength	<ol style="list-style-type: none">1. Diversified operations with 5100 branches2. Strong I. T support with “best fit” approach3. Schemes for small and medium scale businesses4. It is the second largest state-owned commercial bank in India with about 5000 branches across 764 cities5. Its 56,000+ workforce serves over 37 million customers
Weakness	<ol style="list-style-type: none">1. Less penetration in the urban areas2. Inadequate advertising and branding as compared to other banks3. Legal issues regarding employees caused a bad name of PNB
Opportunity	<ol style="list-style-type: none">1. Small scale business banking across India2. Expansion in other countries for international banking3. Installation of more ATM's and better customers services
Threats	<ol style="list-style-type: none">1. Economic crisis and economic fluctuations2. Highly competitive environment3. Stringent Banking Norms by the RBI and the Govts

RESEARCH METHODOLOGY

Research methodology is a way to systematically show the research problem. It may be understood as a science of studying how research is done scientifically. It is necessary for the researcher to know not only the research methods but also the methodology.

Source of Data:

To fulfil the objectives of the study the data is collected from secondary source.

Secondary Source: It was collected from internal sources. The secondary data was collected on the basis of organizational file, official records, newspapers, magazines, management books, preserved information in the company's database and website of the company.

Tools and Techniques Used: Descriptive

Balance sheet of the last 5 years

Profit and Loss A/C of the last 5 years

Case flow

Interest rates and EMI of PNB home loans and other banks

PROCEDURE OF PNB HOME LOAN SANCTIONING

PNB Housing Finance Limited is a wholly owned subsidiary of Punjab National Bank, one of the leading nationalized banks. PNB provides a wide array of home loans to address varied customer needs.

Advantages of taking Home Loan from PNBHFL

- Provides an extensive range of home loan products like Home Purchase Loans, Home Construction Loans, Home Extension Loans, Home Improvement Loans and Plot Loans.
- Pan India branch network
- Robust service delivery model - door step services ensuring easy and fast approval & disbursal of loans
- Excellent post disbursement services
- Facility of enhancement in loan amount in the event of escalations in cost
- Dedicated team of well-experienced employees who work on best-in-class information systems & network to deliver and provide customer satisfaction
- High standards of ethics, integrity and transparency
- Various repayment options

PNB ApnaGharYojana home loans are meant for construction or for acquisition/ purchase of house/ flats. The minimum loan amount would be Rs.50,000/- and maximum loan amount depends on the repayment capacity of the borrower. In case of joint application, incomes of borrowers /co-borrowers are clubbed together for calculation of loan eligibility. The loan repayment is in Equated Monthly Instalments (EMI) over a maximum period of 20 years.

Eligibility:

- Individuals in permanent service or having their own business (Resident or non-resident).
- Age of the applicant should not be more than 60 years in case of service class and 65 years in case of businessman or self-employed.

Documents needed

Self-employed and salaried require different documents to support the housing finance deal. Before signing the Home Loan documents, all terms and conditions should be rechecked.

A customer must understand and agree with each of the clauses in the documents before agreeing to sign the loan deal.

Common Documents

- **Valid address proof:** Voter Card, Ration Card, Aadhaar Card, Driving License and so on.
- **Age proof:** Voter Card, Ration Card, Aadhaar Card, Driving License and so on.
- Last six months Bank account statement
- Income proof and passport size photograph of the applicant and co-applicant

Salaried Individual

- Application form with recent photograph
- Salary slip of last 3 months
- Latest Form 16
- Bank statement for last 6 months
- Processing fee check
- Proof of identity (any one): Passport Driving licence/photo credit card/Employee licence/Voter's ID/PAN card
- Proof of Residence (any one): Driving licence/Any utility bill/Govt. or authority bill
- Proof of age (any one) : Passport/Voter's ID/PAN card/ Birth certificate/life insurance policy or premium receipt Signature verification proof
- Repayment track record of existing loans/Loan closure letter

Self-Employed

- Application form with recent photograph
- Bank statement for last 6 months
- Processing fee check
- Proof of age (any one) : Passport/Voter's ID/PAN card/ Birth certificate/life insurance policy or premium receipt
- Proof of identity (any one): Passport Driving licence/photo credit card/Employee licence/Voter's ID/PAN card
- Proof of Residence (any one): Driving licence/Any utility bill/Govt. or authority bill
- P&L and balance Sheet for last 2 years certified/audited by CA
- Qualification proof of the highest professional degree
- Proof of existence
- Income Tax return/Computation of total income/Auditor's Report Balance sheet/Profit and loss account for last 2 years certified by CA
- Repayment track record of existing loans/Loan closure letter
- Proof of office address
- Board Resolution in case of company

Charges:

- **Loan processing charges:** For loan amount up to 3 crore is 0.50% of the loan amount max. of Rs 20000 + taxes & for loan above 3 crore 0.90% of the loan amount + taxes
- **Documentation charges:**Rs 1350/- + taxes
- **Prepayment charges:** Nil when loan is repaid by the borrower on his own from his own funds, or when the borrower shifts to some other bank after increase in interest rate within 30 days.2% in case of when the loan is repaid by some other financial institution or banks

Loan amount:

- Minimum loan amount would be Rs.50,000/- and maximum loan amount depends entirely on the repayment capacity of the borrower(s).
- Actual loan eligibility shall be on the basis of repayment capacity as determined by PNBHFL taking into account income, age, qualification and occupation.
- Income of borrower(s) / co-borrower(s) shall be clubbed together for calculation of loan eligibility/ the level of finance in case of joint application

Margin:

The borrower's contribution shall be minimum 20% of the total cost of project, including stamp duty and registration charges.

Interest Rate

- Lending rate structure is that interest rate for home loan can be fixed or floating. Floating rate varies with BPLR & Base Rate.
- Currently the base rate is 10% and BPLR is 13.50% with effect from 05.05.2011.
- Currently loan is available as per floating rate.

Loan Amount	Upto 5 yrs	Above 5-10 yrs	Above 10-15 yrs	Above 15-20 yrs	Above 20-25 yrs
Upto 30 lakh	10.5	10.75	10.75	11	11
Above 30 lakh to < 75 lakh	11.25	11.5	11.5	11.75	11.75
75 lakh & Above	11.5	11.75	11.75	12	12

Builders and bodies corporate (Non Housing): 15.50%

Builders and bodies corporate (Housing): 15.00%

Security:

Security for the loan is first charged by way of equitable/registered mortgage of the property to be financed and/or such other collateral securities as may be necessary. Loans to allottees of flats/houses of development authorities or members of co-op. housing societies or reputed private builders can be considered on the basis of tripartite agreement and/or interim security. With respect to property under construction, interim security may be required. Collateral/interim security may be assignment of Life Insurance Policies, guarantees from sound and solvent guarantors, pledge of marketable shares and such other investments acceptable to PNBHF.

Loan disbursement:

For outright purchase of house/flat, the loan amount will be paid in lump-sum to the vendor at the time of registration after satisfying that the borrower has paid/provided for the balance amount. For houses/flats under construction, the loan amount will be disbursed in stages based on the progress of construction. Disbursement will be made after the property has been technically appraised and all legal documentation has been completed. The borrower has to invest his proportionate share of the cost, prior to disbursement of loan.

The loan can be disbursed either in lump sum or instalments according to the requirement of the development authority/ society/ private builder.

Loan repayment:

Loan repayment shall normally be in Equated Monthly Instalments (EMI) comprising of principal and interest over a maximum period of 20 years. The table below shows the EMI for a loan of Rs. 1,00,000/- at different rates of interest.

No. of Years /Term of loan	11.00%	11.25%	11.50%	11.75%	12.00%	12.25%	12.50%	12.75%	13.00%	13.25%
05	2175	2187	2200	2212	2225	2238	2250	2263	2276	2289
07	1713	1726	1739	1752	1766	1779	1793	1806	1820	1833
10	1378	1392	1406	1421	1435	1450	1464	1479	1494	1508
15	1137	1153	1169	1185	1201	1217	1233	1249	1266	1282
20	1033	1050	1067	1084	1102	1119	1137	1154	1172	1190

Special repayment plans:

In deserving cases, Instalments may be fixed in increasing/decreasing order or in lump sum or even linked to Life Insurance Policies, under PNB Housing Finances' special repayment plans like :

- Graduated repayment plan
- Decreasing repayment plan
- LIC linked repayment plan
- Balance payment facility

PNB SCHEME WISE INTEREST RATES

PNB home loans are categorised under normal and flexible variants. The current BASE RATE is - 9.50%

Repayment Period	Fixed option		Floating option		
	Up to Rs.20Lac	Above rs.20Lac	Up to Rs.30Lac	Above Rs.30Lac- Rs.75Lac	Rs.75Lac and above
Up to 5 years	8.75%	9.50%	BR+0.50%	BR+1.25%	BR+1.50%
5 years – 10 years	9.00%	9.50%	BR+0.75%	BR+1.50%	BR+1.75%
10 years- 15 years	9.25%	9.75%	BR+0.75%	BR+1.50%	BR+1.75%
15 years -20 years	9.25%	9.75%	BR+1.00%	BR+1.75%	BR+2.00%
20 years -25 years	9.50%	10.00%	BR+1.00%	BR+1.75%	BR+2.00%

DATA ANALYSIS & INTERPRETATION

BALANCE SHEET OF PNB

Rs (in Crores)

Particulars	Mar'13	Mar'12	Mar'11	Mar'10	Mar'09
Liabilities	12 Months				
Share Capital	353.47	339.18	316.81	315.30	315.30
Reserves & Surplus	32323.43	27477.89	21191.74	15815.63	12824.59
Net Worth	32676.90	27817.07	21508.56	17722.92	14653.63
Secured Loan	39620.92	37264.27	31586.69	19262.57	4374.36
Unsecured Loan	391560.06	379588.48	312898.73	249329.80	209760.50
TOTAL LIABILITIES	463857.89	444669.82	365996.97	286315.09	228788.49
Assets					
Gross Block	3357.68	3168.86	3105.60	4215.21	3930.36
(-) Acc. Depreciation	00	00	00	1701.74	1533.25
Net Block	3357.68	3168.86	3105.60	1021.48	883.37
Capital Work in Progress	00	00	00	00	00
Investments	129896.10	122629.47	95162.35	77724.47	63365.18
Inventories	00	00	00	00	00
Sundry Debtors	00	00	00	00	00
Cash and Bank	27135.36	28828.03	29691.21	23473.56	21413.14
Loans and Advances	318487.78	303567.64	250366.08	192921.28	159723.19
Total Current Assets	345623.17	332395.67	280057.30	216394.84	181136.33
Current Liabilities	15019.15	13524.18	12328.27	10317.69	18130.13
Provisions	00	00	00	00	00
Total Current Liabilities	15019.15	13524.18	12328.27	10317.69	18130.13
NET CURRENT ASSETS	330604.02	318871.49	267729.03	206077.15	163006.20
Misc. Expenses	00	00	00	00	00
TOTAL ASSETS(A+B+C+D+E)	463857.89	444669.82	365996.97	286315.09	228788.49

INTERPRETATION:-

- The amount of total shares capital is constant from the last 3 yrs after the current 2yrs total share capital is increase i.e. they are going well but they need increasement.
- Reserves are continuously increasing and it is good for the company.
- The debt part of the company is also in decreased value comparing from the last year.
- But they have to work on the liabilities part, as it is in increasing term.
- Investment is increasing continuously.
- Current asset is continuously increased.
- Total asset is in increasing terms as compared to last year.

PROFIT & LOSS A/C OF PNB Rs (in Crores)

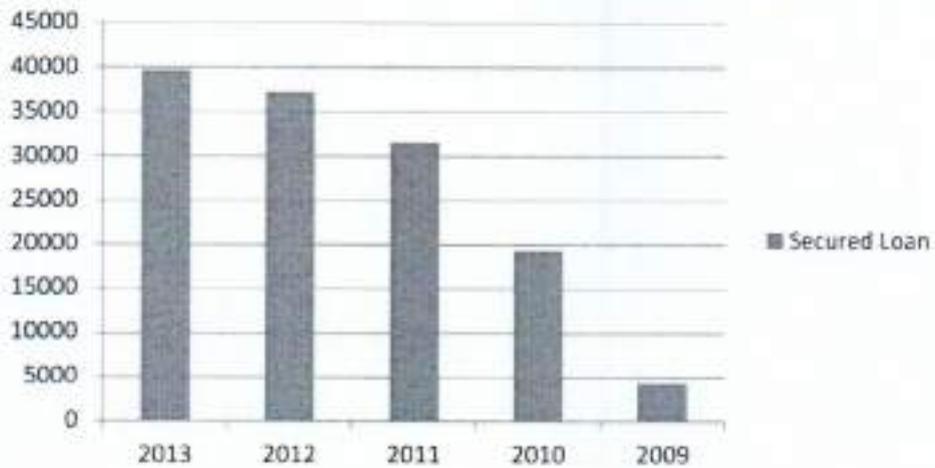
	Mar'13	Mar'12	Mar'11	Mar'10	Mar'09
	12Months	12Months	12Months	12Months	12Months
INCOME:					
Sales Turnover	41893.33	36428.03	26986.48	24524.78	21907.42
Excise Duty	00	00	00	00	00
NET SALES	41893.33	36428.03	26986.48	24524.78	21907.42
Other Income	0	0	0	0	0
TOTAL INCOME	46109.25	40630.63	30599.06	24961.37	22460.42
EXPENDITURE:					
Manufacturing Expenses	00	00	00	00	00
Material Consumed	00	00	00	00	00
Personal Expenses	5674.72	4723.48	4461.10	3121.14	2924.38
Selling Expenses	00	00	00	40.11	31.24
Administrative Expenses	2171.63	1967.01	1647.27	2377.28	1880.13
Expenses Capitalised	00	00	00	00	00
Provisions Made	6159.70	3577.25	2491.97	353.62	373.15
TOTAL EXPENDITURE	14006.25	10287.74	8600.34	5892.14	5208.91
Operating Profit	7009.95	6703.95	5698.96	6042.24	4776.35
EBITDA	11225.88	10906.55	9311.54	6478.82	5329.35
Depreciation	318.50	292.26	255.85	222.83	191.06
Other Write-offs	00	00	00	00	00
EBIT	10907.37	10614.29	9055.69	6256.00	5138.29
Interest	27036.62	23013.56	15179.14	12944.02	12295.30
EBT	4747.67	7037.04	6563.73	5902.37	4765.15
Taxes	00	2152.84	2130.23	1999.43	1676.04
Profit and Loss for the Year	4747.67	4884.20	4433.50	3902.94	3089.11
Non Recurring Items	00	00	00	2.42	1.78
Other Non Cash Adjustments	00	00	00	00	00
Other Adjustments	00	00	00	00	00

REPORTED PAT	4747.67	4884.20	4433.50	3905.36	3090.88
KEY ITEMS					
Preference Dividend	00	00	00	00	00
Equity Dividend	954.38	746.19	696.99	693.67	630.60
Equity Dividend (%)	269.99	220.00	219.99	220.00	200.00
Shares in Issue (Lakhs)	3534.73	3391.79	3168.12	3153.02	3153.02
EPS - Annualised (Rs)	134.31	144.00	139.94	123.86	98.03

INTERPRETATION:-

- Net sales are in increasing figures.
- Net profit is also in increasing number but the last year is decreased.
- The amount of income is increasing compared to last year.
- Company need to have some corrective measures on the expenditure part as it is increasing continuously.
-
- Earnings per share are also in fluctuating terms. Company has to focused on that.

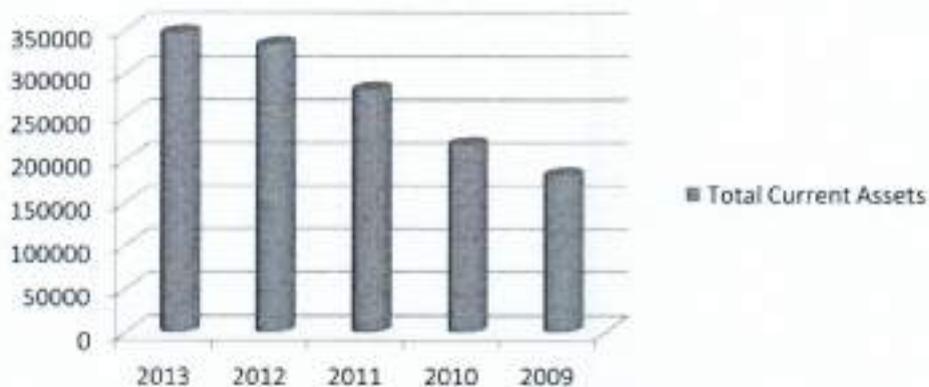
Secured Loan of PNB of last 5 years



Interpretation:

From the above graph it is evicted that the secured loans of PNB has increased in last 5 years which shows that the company is able to pay back its loan .

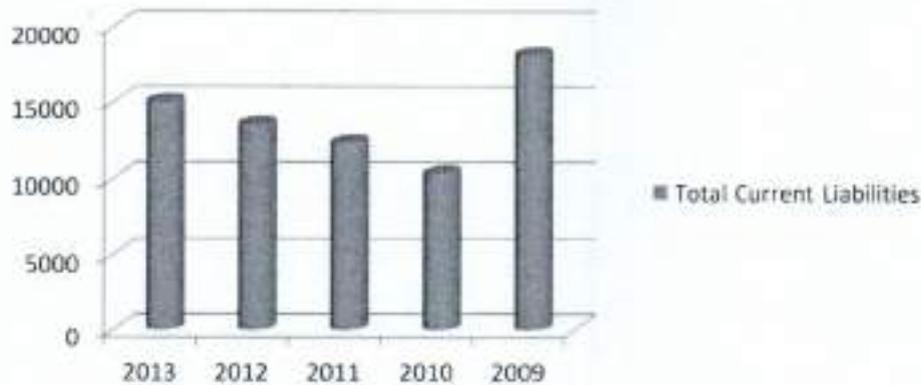
Total Current Assets of PNB of last 5 years



Interpretation:

From the above graph it is seen that the curent assets of the company has increased in last 5 years which depicts that the company's stability has increased over time.

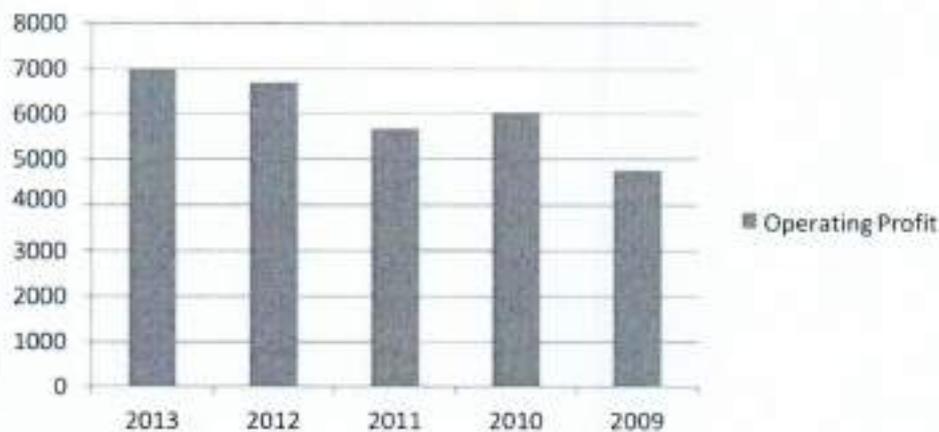
Total Current Liabilities of PNB of last 5 years



Interpretation:

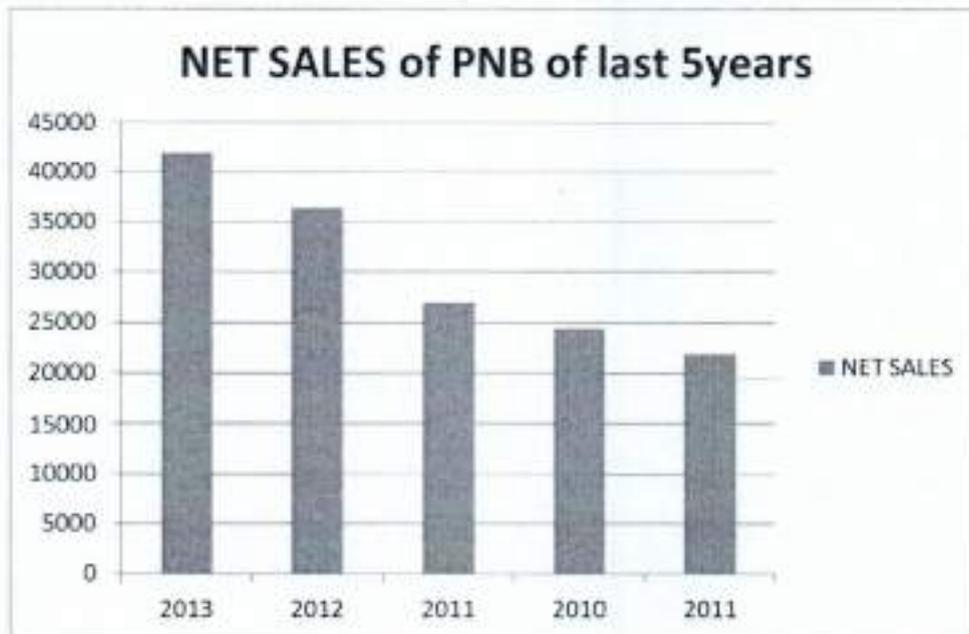
From the graph of current liabilities of PNB it is seen that the current liabilities have decreased with time which is good for the company. It is lowering the burden of company.

Operating Profit of PNB of last 5 years



Interpretation:

As seen from the above graph that the profit for the company from the production process is increasing which is good for the company.



Interpretation:

The Net Sales Of the PNB has increased in last 5 years which shows the bank is in good position and the increasing demand of PNB products in the market.

CASH FLOW

Cash Flow

Rs. (in Crores)

Particulars	Mar'13	Mar'12	Mar'11	Mar'10	Mar'09
Profit Before Tax	4747.67	4884.20	4433.50	5904.78	4756.92
Net Cash Flow from Operating Activity	-1886.71	-811.22	8045.67	1835.99	2105.16
Net Cash Used in Investing Activity	-650.85	-492.34	-1083.66	-409.41	-395.84
Net Cash Used in Financing Activity	844.91	440.38	-744.36	633.84	873.11
Net Inc/Dec in Cash and Cash Equivalent	-1692.65	-863.18	6217.65	2060.42	2582.42
Cash and Cash Equivalent - Beginning of the Year	28828.03	29691.21	23473.56	21413.14	18830.72
Cash and Cash Equivalent - End of the Year	27135.38	28828.03	29691.21	23473.56	21413.14

COMPARISON OF PNB HOME LOANS WITH OTHER BANKS

10 Year Floating Home Loan Rates

Product name	ICICI Home Loan	PNB Home Loan	SBI Home Loan
Interest rate	10.75%	10.75%	10.00%
Processing Fee	0.50%	0.50%	0.25%
EMI	Rs. 27,268	Rs. 27,268	Rs. 26,430
Number of EMI	120	120	120
Total interest to be paid	Rs. 12,72,128	Rs. 12,72,128	Rs. 11,71,618
Total amount to be repaid	Rs. 32,72,128	Rs. 32,72,128	Rs. 31,71,618

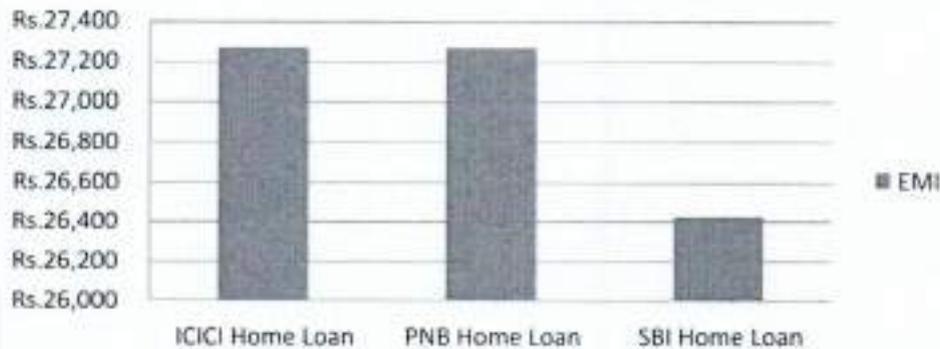
Interest rate For Home Loan of Rs 20 Lakh for 10 years period(Floating)



Processing Fee For home loan of Rs 20 lakh for 10 years period(Floating)



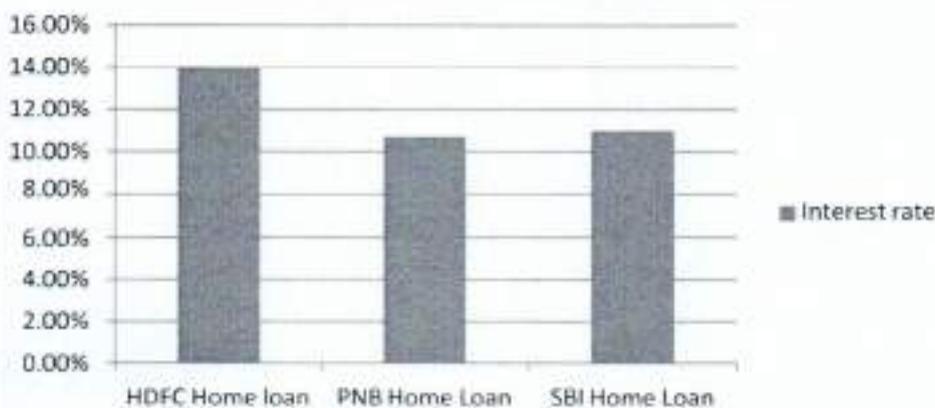
EMI for loan amount of Rs 20 lakh for a period of 10 years repayment of different banks(floating)



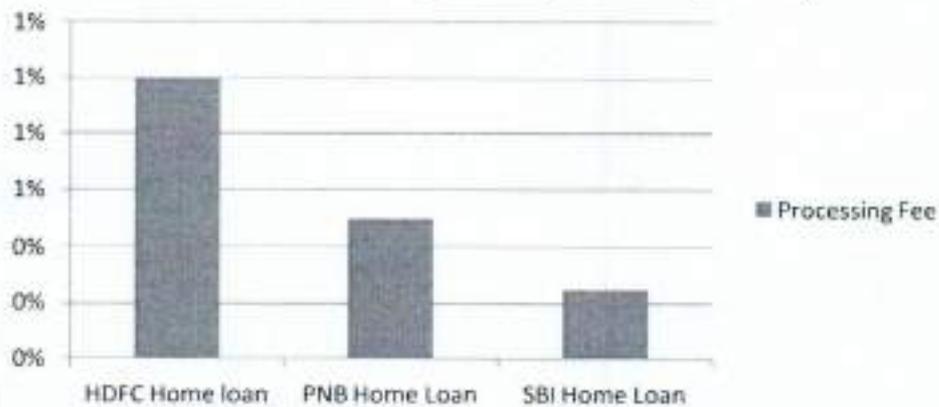
10 Year Fixed Home Loan Rates

Product name	HDFC Home loan	PNB Home Loan	SBI Home Loan
Interest rate	14.00%	10.75%	11.00%
Processing Fee	1%	0.50%	0.25%
EMI	Rs. 31,053	Rs. 27,268	Rs. 27,550
Number of EMI	120	120	120
Total interest to be paid	Rs. 17,26,394	Rs. 12,72,128	Rs. 13,06,000
Total amount to be repaid	Rs. 37,26,394	Rs. 32,72,128	Rs. 33,06,000

Interest rate for Home Loan of Rs 20 Lakh for 10 Years period(Fixed)



Processing Fee for Home Loan of Rs 20 lakh for 10 years period (fixed)



EMI for loan amount of Rs 20 lakh for a period of 10 years repayment of different banks(Fixed)



INTERPRETATION

While making the comparison of PNB Home Loans with Home Loans of Other Banks following findings were recorded:

- The PNB Fixed home loans were good as according to customer perception as compared to HDFC Bank and SBI Bank.
- The Fixed Interest rates of PNB Bank are less as compared to SBI Bank and HDFC Bank which is good.
- In the 10 years Fixed Home Loan Rates the processing fee of PNB Bank is slightly less than HDFC Bank but more than SBI Bank.
- In fixed home loan rates with same number of EMI of all the 3 Banks, the EMI of PNB is less than the EMI of HDFC and SBI Bank. So this shows that PNB fixed home loan rates are cheaper than SBI Bank and HDFC Bank.
- PNB Floating Home Loan Rates are cheaper than HDFC Bank but as compared to SBI Bank the rates of SBI Bank are yet cheaper.
- A customer would prefer SBI 10 Year Floating Home Loan Rates as the interest rates, processing fee, EMI and the total interest paid are less as compared to the other 2 Banks i.e. ICICI Bank and PNB.

RECOMMENDATIONS

- Banks should improve the quality of their products (Specially Home loan).
- Most of the private banks and public banks are much aggressive about home loan than PNB. So, PNB should also be focus and aggressive about its home loan products.
- Many of the hidden costs are accumulate with the services, which are not informed to the customers at the first time, and then customers suffer many of the problems. So, banks should disclose all the fee structure, terms & conditions regarding the product before making sale.
- In the bank premises front office executives are not co-operative with the customers. So, higher authority should keep control over these types of activities.
- Most the banks believe in large sales force than the quality sales force, which are more competitive. So, banks should improve their quality sales force, which include the competitive sales personnel.
- Maximum number of borrowers were get influenced by dealer/agent and minimum by relative. So bank requires introducing new advertisement for loan schemes.

LIMITATIONS

- This Industrial Project involved large amount of research but there was time constraint.
- The data was collected mainly from the secondary source and collecting data from the primary source was difficult.
- Though people in India are aware of home loans but they are not aware of different types of home loans, their eligibility.
- Collecting data regarding trends in housing finance was a difficult task.

CONCLUSION

Punjab National Bank has taken a leap forward in expanding the housing finance market in a big way. It has laid down various schemes for home loans categorised under fixed and floating variants which proves to be beneficial for its customers.

The Interest rates provided by the PNB for home loans are also cheap from customer point of view. Though SBI is its close competitor, PNB tries to provide as much good services to its customers in regard of home loans.

Dedicated team of well-experienced employees of PNB work on best-in-class information systems & network to deliver and provide customer satisfaction.

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www.rbi.org.in

sl no	Name of the Student	Roll No.	Signature
1	Sabai kanta Swain	BC-17-158	Sabai kanta Swain
2	Soumya Rondon Jena	BC-17-159	Soumya Rondon Jena
3.	Soumya ranjan Patra	BC-17-160	Soumya ranjan Patra
4.	Usha Rani Prusty	BC-17-162	Usha rani Prusty
5.	Manoj Sahoo	BC-17-163	Manoj Sahoo
6.	Suchismita Bhuyan	BC-17-164	Suchismita bhuy
7.	Chandan Mandal	BC-17-165	Chandan Mandal
8.	Smentiranjan Malik	BC-17-166	Smentiranjan Mali
9.	Goutam Pradhan	BC-17-169	Goutam Pradhan
10.	Samarendra Behra	BC-17-170	Samarendra Beha
11.	Laxmi kanta Pradhan	BC-17-171	Laxmi kanta Pradhan
12.	Prakash Kumar Bhal	BC-17-172	Prakash Kumar Bhal
13.	Suchitra Nayak	BC-17-173	Suchitra Nayak
14.	Tapas Kumar Behera	BC-17-088	Tapas Kumar Behera
15.	Niharika Das	BC-17-096	Niharika Das
16	Gourav Pradhan	BC-17-099	Gourav Pradhan
17	Keshari Kishore Sahoo	BC-17-100	Keshari Kishore Sahoo
18	Rashmi ranjan Sahoo	BC-17-105	Rashmi ranjan Sahoo
19	Abinash Malik	BC-17-109	Abinash Malik
20	Srikant Pradhan	BC-17-110	Srikant Pradhan
21.	Sanil Kumar Rout	BC-17-112	Sanil Kumar Rout
22	Debadatta Nayak	BC-17-118	Debadatta Nayak
23	Debasish Patra	BC-17-135	Debasish Patra

