# A Cluster Investigation To Quantify The Financial Performance Of Selected Housing Finance Companies In India

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**Abstract :** This paper explores the financial performance of selected housing finance companies in India. The financial performance of any organization is affected by a few variables like capital utilization, cost, revenue and profit margin. In this investigation has broken down the financial performance of HFCs for the period of eight years of top six HFCs in India. In this analyze the growth of profitability and financial adequacy of HFCs and also analyze the financial performance of HFCs in terms of operating profit, net profit, return on capital employed and return on assets. In this analysis apply the two ways analysis F test is used to analyze the financial information of HFCs.

**Index Terms :** Financial Performance, Housing Finance, Operation Profit, Net Profit, ROCE, ROA

## 1. INTRODUCTION

Housing being the one of the fundamental needs of humanity, the demand for house becomes in accordance with increment in population and way of life henceforth the need of financing the buying of house come up. The public who needs the obligation for ought to have some cash background expected to show the edge of venture on housing finance. In any case, for applying for lodging money, they have to show a lot of responsibility of home ownership [14]. The significance of Housing area can be decided by the way that we think about house as the best speculation and need put away our saving in a house. The prerequisite to develop the house to the peoples finance was required. The housing finance sector and find the service offered and service attributes which stay as the purpose behind evaluating consumer satisfaction, since the extent of service spreads from the loans attribute to the various service offered by HFCs [13]. The Housing Finance Companies (HFCs) have ventured up their loaning throughout the year adding to the development of the Housing area. The HFC scored on better client profits and centered loaning than battle off the opposition. HFC organizations step by step pushing forward because of backwards demand, improvement and monetary help they are giving credit to a house as well as helping people to satisfy their fantasies.HFC committed towards giving housing advance to the poor peoples. They are coordinated and controlled by National Housing Bank (NHB). HFC that once ruled the market as the most noticeable gathering are confronting genuine rivalry from the commercial banks. The mergers didn't prompt abundance benefits for the procuring firm [11]. In regard of HFCs separated from their step by step bringing down piece of the pie a seemingly endless amount of time after year these has been critical weight on their productivity in light of the diminishing overall revenues emerging from rivalry and expanded expense of assets. Consequently upgraded operational as well financial efficiency is vital for endurance and development of HFC in India. These is additionally need to contemplate the exhibition investigation of HFCs particularly in the current situation of out-throat rivalry hurled by numerous associations into housing finance industry. Indian acquiring firms and observed minor varieties regarding influence on operating performance following mergers, in various segments of Indian businesses [6]. The current investigation is center around the investigation of financial performance of selected HFCs in India, whose business is essentially housing finance only.


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## 2. OBJECTIVES OF STUDY

The broad objectives of study are:

- To investigate the growth of probability and financial adequacy of selected HFCs
- To Analysis the financial performance of selected HFCs in term their operating profit, net profit, return on capital employed and return on assets

## 3. METHODOLOGY

The present examination is direct founded on secondary data have been utilized; all the information figures have been gathered from the annual reports of respective housing finance companies. The motivation behind the exhaustive appraisal, novel word records are proposed, explicitly intended for every class of financial analysis. The point is to survey the data capacity of annual reports and whether effective firms present their outcomes definitely or not [8]. The sample of company has been chosen based housing loan providers of top ten companies in India. Among all these ten organizations six companies are contemplated for present investigation. Industrial Credit and Investment Corporation of India (ICICI), Life Insurance Corporation Housing Finance Limited (LICHFL), General Insurance Company Housing Finance Limited (GICHFL), Can Fin Homes Limited (CFHL), Housing Development Finance Corporation Limited (HDFCL) and Dewan Housing Finance Corporation Limited (DHFCL) are considered. In this examination has been attempted for time of eight years from 2011-12 to 2018-19, so as to analyze financial performance in term of operating profit, net profit, return on capital employed and return on assets have been utilized. Each of the ANCOVAs documents the relationship of one of the following variables to measure the financial performance of the industry cot centration, market share, growth, advertising, research and development [3]. The statistical techniques like means, standard deviation, co-efficient of variance are utilized to analyze the financial performance of companies during examination period and furthermore tested the hypothesis by applying two way analysis of F test. Most estimating on the connection between corporate social/environmental performances (CSP) and corporate financial performance (CFP) accept that the present proof is excessively broken or too factor to even consider drawing any generalizable ends [9].

### 3.1. Hypothesis

H1: There is significant change in Operating Profit ratio between the years and between companies.
H2: There is significant change in Net Profit ratio between the years and between companies.
H3: There is significant change in Return on Capital Employed ratio between the years and between companies.
H4: There is significant change in Return on Assets ratio between the years and between companies.

## 4. MEASUREMENT OF FINANCIAL PERFORMANCE

### 4.1. Operating Profit

The Operating Profit ratio showing the connection between operating profit and net sale in the form of percent, operating profit showed up at by modifying all non-operating costs and incomes in net profit. Financial stability ratios in the vein of obligation to net worth ratio if there should be an occurrence of have indicated a downward trend and thus the money related dependability has been decreasing at an extreme rate [1]. The higher operating profit ratio quantifies how the firm effective in gaining profits on center business activities. This ratio likewise gauges how much incomes are left over after all variable or operating cost have been paid. In this paper broke down the operating profit ratios of not many chose Housing Financing Companies in India. The trend of the operating profit ratio of above said organization is fluctuating during the investigation period from 2011-12 to 2018-19.

***TABLE 1***
*OPERATING PROFIT RATIO OF SELECTED HOUSING FINANCE COMPANIES*

| Company Name | Years | | | | | | | | Mean | SD | CV |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | | | |
| ICICI | -54.54 | -42.75 | -37.20 | -40.59 | -52.57 | -67.47 | -76.74 | -74.51 | -55.80 | 15.51 | -27.80 |
| LICHFL | 94.86 | 95.86 | 97.75 | 97.52 | 95.74 | 94.27 | 93.61 | 93.61 | 95.40 | 1.62 | 1.70 |
| GICHFL | 89.43 | 88.06 | 88.60 | 90.65 | 90.54 | 89.47 | 88.94 | 90.81 | 89.56 | 1.02 | 1.14 |
| CFHL | 92.19 | 91.24 | 91.67 | 91.60 | 92.09 | 92.64 | 93.03 | 94.88 | 92.42 | 1.15 | 1.24 |
| HDFCL | 59.36 | 60.63 | 62.45 | 59.66 | 59.95 | 57.80 | 44.02 | 46.22 | 56.26 | 7.02 | 12.48 |
| DHFCL | 87.75 | 87.17 | 88.27 | 84.52 | 84.22 | 84.23 | 87.09 | 64.53 | 83.47 | 7.83 | 9.38 |
| MEAN | 61.51 | 63.37 | 65.26 | 63.89 | 61.66 | 58.49 | 54.99 | 52.59 | 60.22 | 5.69 | -0.31 |
| SD | 58.30 | 53.44 | 51.64 | 52.87 | 57.41 | 63.14 | 67.22 | 65.22 | 58.57 | 5.69 | 14.30 |
| CV | 94.78 | 84.33 | 79.13 | 82.74 | 93.11 | 107.96 | 122.24 | 124.02 | 97.26 | 99.94 | -4611.96 |

Source: Annual Reports of Selected HFCs

It very well may be discovered the operating profit ratio of ICICI Bank was fluctuating negative tendency during the investigation period shown in the table 1. The scope of ratio was highest in the year 2013-14 with a ratio of minus 37.20 percent and least worth minus 76.74 percent in the year 2017-18 and mean ratio was minus 55.80 percent with standard deviation of 15.51 percent. It demonstrates that the organization was powerlessness to control the expense. The operating ratio of LICHFL Company was presented in the table 1. The trend was vacillated inside the range from 93.6 percent in 2017-18 to 97.75 percent in the year 2014-15 with a mean ratio of 95.40 percent and standard deviation ratio of 1.62 percent. It demonstrates that the organization profits are good, yet the diminishing trend shows that the administration was wasteful to create the sound benefit. It can also found that the range of operating profit ratio of GICHFL shifts from 90.81 to 88.06 percent in the year 208-19 to 2013-14 respectively in the entire investigation period with mean ratio of 89.56 percent and standard deviation ratio of 1.02 percent. That is to say, the administration of the organization can used their resources in most productively and enhanced the profits. It tends to break down that the operating profit ratio of CFHL was steady, without fluctuating in the study period. The highest ratio of this organization was 94.88 percent in the year 2018-19 and least ratio was 91.24 percent in 2012-13. The mean ratio was 92.42 percent with a standard deviation ratio of 1.15 percent. It is demonstrated that the organization has gained great profits in the investigation period. The trend of operating profit ratio of the HDFCL Company was gradually fluctuating in the investigation period. This organization most elevated operating profit ratio was 62.45 percent in the year 2013-14 and least ratio was 44.02 percent in the year 2017-18 with a mean ratio of was 56.26 percent and with a standard deviation of 7.02 percent. It shows that the organization not ready to create great benefits in the investigation period Further, it can watched the operating profit ratio in DHCL was indicated a blended fluctuating trend in with the range from 64.53 percent in 2018-19 to 88.27 percent in 2013-14 throughout the investigation period. The Operating Profit ratio of organization was changed whole the time of study. The mean ratio was 83.47 percent which is acceptable yet the diminishing trend of ratio ought to be constrained by the administration. To judge whether the difference in the mean value of operating profit ratio between the years and between the companies during the study period, the following hypothesis is confined and tested

H1: There is significant change in Operating Profit ratio between the years and between companies.

Values are calculated from Analysis of Variance for Operating Profit Ratio is presented in the table 2

***TABLE 2***

*ANALYSIS OF VARIANCE OF OPERATING PROFIT RATIO OF SELECTED HOUSING FINANCE COMPANIES*

| Source of Variance | SS | df | MS | F Ratio | P-Value | F - Table value |
|---|---|---|---|---|---|---|
| SSC (i.e., between years) | 846.341 | 7 | 120.906 | 2.569 | 0.030 | 2.285 |
| SSR (i.e., between companies) | 137212.723 | 5 | 27442.545 | 583.102 | 0.030 | 2.485 |
| SSE (Residual) | 1647.205 | 35 | 47.063 | | | |
| Total | 139706.269 | 47 | | | | |

* Significant at 0.05 level

It is manifest from the Table 2 that the calculated value of F is shows that 2.569 and table value F is shows 2.285. So calculated F is greater than the table value F at 5% level of significance. Hence, the H1 is accepted, and thus, the difference between operating profit in between the years is significant. Further, calculated value of F is shows that 583.102 and table value of F is shows 2.485. So calculated F is more than the table value at 5% level of significance, the H1 is also accepted, and thus, the difference between operating profit in between companies is also significant. Therefore, it is concluded that the financial performance of the selected companies estimated through operating profit ratio is good and it is sufficient during the study period

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### 4.2. Net Profit

The Net Profit ratio building up connection between Net Profit and Sales, it shows the management efficiency in administrating, industrial and selling the items. This ratio is the general estimates the association's capacity to turn every rupee sales in to net profit it is evident from table 3.

***TABLE 3***

*NET PROFIT RATIO OF SELECTED HOUSING FINANCE COMPANIES*

| Company Name | Years | | | | | | | | Mean | SD | CV |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | | | |
| ICICI | 20.89 | 22.56 | 23.68 | 23.54 | 18.42 | 18.60 | 14.63 | 7.90 | 18.78 | 5.36 | 28.55 |
| LICHFL | 14.91 | 13.76 | 14.34 | 13.04 | 13.43 | 13.86 | 13.50 | 13.99 | 13.85 | 0.58 | 4.18 |
| GICHFL | 13.53 | 15.39 | 15.64 | 14.08 | 14.23 | 14.76 | 18.53 | 14.02 | 15.02 | 1.59 | 10.57 |
| CFHL | 15.29 | 13.78 | 13.10 | 10.56 | 14.50 | 17.38 | 18.85 | 17.18 | 15.08 | 2.68 | 17.78 |
| HDFCL | 15.00 | 15.20 | 15.91 | 14.38 | 14.98 | 14.41 | 9.02 | 10.64 | 13.69 | 2.47 | 18.04 |
| DHFCL | 14.70 | 17.06 | 11.06 | 9.98 | 9.47 | 29.09 | 11.47 | -7.63 | 11.90 | 10.15 | 85.34 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| MEAN | 15.72 | 16.29 | 15.62 | 14.26 | 14.17 | 18.02 | 14.33 | 9.35 | 14.72 | 3.81 | 27.41 |
| SD | 2.60 | 3.30 | 4.33 | 4.89 | 2.88 | 5.73 | 3.88 | 8.91 | 2.30 | 3.50 | 29.53 |
| CV | 16.57 | 20.28 | 27.73 | 34.30 | 20.32 | 31.81 | 27.06 | 95.27 | 15.62 | 91.87 | 107.75 |

Source: Annual Reports of Selected HFCs

The net profit ratio of ICICI bank had enrolled fluctuating trend and range from 7.90 percent to 23.68 percent in the year 2018-19 to 2013-14 respectively, during study period. The organization showed that the mean of Net Profit ratio of ICICI bank was 18.78 percent which is statistically significant. The Co-efficient variance value additionally indicated flighty change (28.55 percent) in this ratio during study period. Further, standard deviation ratio was 5.36 percent in study period. Table 3 shows the Net Profit ratio of LICHFL from the year 2011-12 to 2018-19, during eight years of study period the trend of the of LICHFL was varied. The most elevated estimation of the ratio was 14.91 percent in 2011-12 and least estimation of ratio was 13.04 percent in 2014-15, from this year onwards the net profit ratio logically increments up to 2018-19. The mean estimation of net profit ratio of above said organization was 13.85 percent in study period. The standard deviation and co-efficient variance are 0.58 percent and 4.18 percent individually. It implies the organization produced great benefit by controlling every single regulatory cost during study period. Table 3 shows a net profit of GICHFL had a mixed fluctuating trend range from 13.53 percent to 18.53 percent in the year 2011-12 to 2017-18 respectively during the study period. The mean of net profit ratio of GICHFL was 5.02 percent which is statistically significant. The co-effective difference value additionally showed high change with ratio of 10.57 percent and SD of 1.59 percent. It can also be seen that the net profit ratio of CFHL trend was diminished from 15.29 percent in the year 2011-12 to 10.50 percent in the year 2014-15 and again it was expanded up to 2017-18 with highest net profit ratio was 18.85 percent in the investigation period. The mean value of above said organization was 15.08 percent, SD of 2.68 percent and CV ratio was 17.78 percent. It demonstrates that the organization shows the normal performance during study period. It can also be discovered that the HDFCL had descending trend in fluctuating its net profit ratio in study period. The highest net profit ratio of the organization was 15.91 percent in the year 2013-14 and least value was in the year 2017-18 with a ratio of 9.02 percent. The mean ratio of above said organization was 13.69 percent, SD ratio was 2.47 percent and CV of this organization is 18.04 percent. The said organization performance was acceptable in study period. Further, perceptions from the table 3 showed the net profit ratio of DHFCL trend was fluctuating descending way and furthermore shows negative trend during study period. The maximum value of ratio was 29.09 percent in 2016-17 and least ratio was minus 7.63 percent in 2018-19. The mean value of the above said organization was 11.90 percent along with CV ratio of 85.34 percent. It was inferred that the organization net profit were changes in higher rate in study period. To judge whether the difference in the mean value of Net Profit Ratio between the years and between the companies during the study period, the following hypothesis is confined and tested

H2: There is significant difference in Net Profit Ratio between the years and between companies.

Values are calculated from Analysis of Variance for Net Profit Ratio is presented in the table 4

***TABLE 4***

*ANALYSIS OF VARIANCE OF NET PROFIT RATIO OF SELECTED HOUSING FINANCE COMPANIES*

| Source of Variance | SS | df | MS | F Ratio | P-Value | F - Table value |
|---|---|---|---|---|---|---|
| SSC (i.e., between years) | 267.881 | 7 | 38.269 | 1.744 | 0.131 | 2.285 |
| SSR (i.e., between companies) | 211.544 | 5 | 42.309 | 1.928 | 0.115 | 2.485 |
| SSE (Residual) | 768.163 | 35 | 21.948 | | | |
| Total | 1247.587 | 47 | | | | |

* Significant at 0.05 level

It is manifest from the Table 2 that the calculated value of F is shows that 1.744 and table value F are shows 2.285. So calculated F is less than the table value F at 5% level of significance. Therefore, the H2 is rejected, and thus, the difference between net profits in between the years is not significant. Further, calculated value of F is shows that 1.928 and table value of F is shows 2.485. So calculated F value is less than the table value at 5% level of significance, the H2 is also rejected, and thus, the difference between net profits in between companies is also not significant. Hence, it is concluded that the financial performance of the selected companies estimated through net profit ratio is not sufficient during the investigation period.

### 4.3. Return on Capital Employed

The ROE is broadly utilized practically speaking despite the fact that it is some of the time evaluated for not considering the issue of hazard related with business exercises and the size of the initial capital contributed or future income, so it is hard to effectively assess the impact on shareholder value [2] [10]. The fundamental goal of making interests in any business is to get good profit for the capital contributed. It is ratio of achievement of the business in understanding this target. It indicated the similar proficiency with which the entire organization runs appropriately. Consequently, return on capital employed (ROCE) is an important measuring stick to measure the overall performance of on winning intensity of the capital contributed. It shows how the management has utilized the funds provided by lenders and proprietors.

***TABLE 5***
*RETURN OF CAPITAL EMPLOYED RATIO OF SELECTED HOUSING FINANCE COMPANIES*

| Company Name | Years | | | | | | | | Mean | SD | CV |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | | | |
| ICICI | 2.39 | 2.81 | 3.08 | 3.34 | 3.46 | 3.75 | 3.10 | 2.39 | 3.04 | 0.49 | 16.08 |
| LICHFL | 1.73 | 1.64 | 1.73 | 1.54 | 1.62 | 11.19 | 9.72 | 10.13 | 4.91 | 4.52 | 91.98 |
| GICHFL | 1.70 | 2.28 | 2.20 | 0.97 | 1.92 | 1.94 | 8.88 | 8.60 | 3.56 | 3.22 | 90.48 |
| CFHL | 1.96 | 1.63 | 1.57 | 1.36 | 1.97 | 2.52 | 9.12 | 8.82 | 3.62 | 3.32 | 91.80 |
| HDFCL | 3.98 | 4.01 | 4.42 | 4.15 | 4.27 | 10.71 | 9.24 | 10.63 | 6.43 | 3.15 | 49.07 |
| DHFCL | 1.46 | 1.78 | 1.43 | 1.50 | 1.44 | 3.70 | 9.34 | 8.14 | 3.60 | 3.28 | 91.10 |
| MEAN | 2.20 | 2.36 | 2.41 | 2.14 | 2.45 | 5.64 | 8.23 | 8.12 | 4.19 | 3.00 | 71.75 |
| SD | 0.93 | 0.93 | 1.15 | 1.28 | 1.14 | 4.18 | 2.53 | 2.96 | 1.26 | 1.33 | 32.09 |
| CV | 41.99 | 39.41 | 47.99 | 59.85 | 46.79 | 74.14 | 30.73 | 36.50 | 30.01 | 44.43 | 44.73 |

Source: Annual Reports of Selected HFCs

Table 5 indicated the ROCE ratio of ICICI bank, the mean ratio was 3.04 percent with fluctuating trend upwards course up to the year 2016-17, the ROCE ratio was 2.39 percent in 2011-12 and afterward it has been marginally varied and went up to 3.75 percent in 2016-17. At that point it was shows descending trend with a ratio of 2.39 percent in 2018-19. The SD was 0.49 percent and CV was 16.08 percent, it demonstrates that the organization had more fluctuation in the ratio of ROCE in study period. Return on Capital Employed ratio of LICHFL had enrolled fluctuating trend and run from 1.54 percent in 2014-15 to 11.19 percent in 2016-17 during study period. Table 5 additionally demonstrated that the mean ROCE of LICHFL was 4.91 percent and which is statistically significant. The co-efficient of variance LICHFL was 91.98 percent, which is shows that there is less risk to using funds in the in the study period and all the more proficiently to acquire profits. Table 5 demonstrated the ROCE ratio of GICHFL had mixed fluctuating trend in the study period. The ROCE ratio of GICHL was 1.70 percent in 2011-12 expanded up to 2.20 percent in 2013-14 and starts diminishing up to 0.97 percent in 2014-15 and again expanding up to 2018-19 with ratio of 8.60 percent. The mean ratio was 3.56 percent, SD ratio was 3.22 percent and CV ratio was 90.48 percent which implies the organization had a significant performance in study period. It tends to be found out from table 5; that the ROCE ratio of CFHL had fundamentally fluctuating trend in study period. The ratio extend from 1.36 percent in 2014-15 to 9.12 percent in 2017-18 with a mean ratio was 3.62 percent, SD ratio was 3.32 percent and CV ratio was 91.80 percent which is measurably critical. ROCE ratio of HDFCL was appeared in the table 5; the mean ratio was 6.43 percent with changing trend during the investigation time period. The ROCE ratio was 3.98 percent in the year 2011-12 which rose to 4.42 percent in the year 2013-14 and again reduced trend in 2014-15. The ratio has been insignificantly switched went up to 9.24 percent and 10.63 percent in the year 2017-18 and 2018-19 respectively. The SD ratio was 3.15 percent and CV ratio was 49.07 percent. The range of ROCE ratio in the study period was 10.71 percent highest in the year 2016-17 to 3.98 percent was least in the year 2011-12. It can be discovered that the ROCE of DHFCL had a fluctuating trend and range from 1.43 percent in the year 2013-14 to 9.34 percent in the year 2017-18. It was indicated the mean ROCE ratio was 3.60 percent which is statically significant, the ROCE was excellent in this organization and the SD ratio was 3.28 percent during the investigation period. To judge whether the difference in the mean value of Return on Capital Employed ratio between the years and between the companies during the study period, the following hypothesis is confined and tested

H3: There is significant difference in Return on Capital Employed Ratio between the years and between companies.

Values are calculated from Analysis of Variance for Return on Capital Employed Ratio is presented in the table 6

***TABLE 6***
*ANALYSIS OF VARIANCE OF RETURN ON CAPITAL EMPLOYED RATIO OF SELECTED HOUSING FINANCE COMPANIES*

| Source of Variance | SS | df | MS | F Ratio | P-Value | F - Table value |
|---|---|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| SSC (i.e., between years) | 309.507 | 7 | 44.215 | 11.916 | 0.00001 | 2.285 |
| SSR (i.e., between companies) | 63.332 | 5 | 12.666 | 3.414 | 0.013 | 2.485 |
| SSE (Residual) | 129.874 | 35 | 3.711 | | | |
| Total | 502.712 | 47 | | | | |

* Significant at 0.05 level

It was noticed from the Table 6 that the calculated value of F is shows that 11.916 and table value F is shows 2.285. So calculated F is more than the table value F at 5% level of significance. Hence, the H3 is accepted, and thus, the difference between Return on Capital Employed in between the years is significant. Further, calculated value of F is shows that 3.414 and table value of F is shows 2.485. So calculated F is more than the table value at 5% level of significance, the H3 is also accepted, and thus, the difference between Return on Capital Employed in between companies is also significant. Therefore, it is concluded that the financial performance of the selected companies estimated through Return on Capital Employed ratio is good and it is adequate during the study period.

### 4.4. Return on Assets

Return on Assets measure gainfulness comparative with reserves put resources into the organization by basic investors, favored investors, and providers of obligation financing. Return on Assets is a fundamental condition for organizations with influence to lessen the expense of obligation because of their maintainability profile and therefore help their ROE [5]. It shows how proficiently an organization can change over the cash used to buy resources overall gain or benefit. The table 7 shows the return on assets of selected HFCs in India, ROA ratio of six selected HFCs in India for the time of 8 years from 2011-12 to 208-19 were presented in the table 7.

***TABLE 7***

*RETURN ON ASSETS RATIO OF SELECTED HOUSING FINANCE COMPANIES*

| Company Name | Years | | | | | | | | Mean | SD | CV |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | | | |
| ICICI | 1.26 | 1.42 | 1.47 | 1.48 | 1.10 | 1.03 | 0.68 | 0.34 | 1.10 | 0.41 | 37.22 |
| LICHFL | 1.42 | 1.29 | 1.37 | 1.23 | 1.27 | 1.28 | 1.17 | 1.21 | 1.28 | 0.08 | 6.43 |
| GICHFL | 1.37 | 1.78 | 1.76 | 1.53 | 1.55 | 1.57 | 1.84 | 1.32 | 1.59 | 0.19 | 11.99 |
| CFHL | 1.61 | 1.33 | 1.28 | 1.03 | 1.45 | 1.75 | 1.81 | 1.58 | 1.48 | 0.26 | 17.59 |
| HDFCL | 2.57 | 2.63 | 2.67 | 2.50 | 2.56 | 2.33 | 2.11 | 2.45 | 2.48 | 0.18 | 7.38 |
| DHFCL | 1.44 | 1.43 | 1.16 | 1.15 | 1.08 | 3.04 | 1.18 | -0.90 | 1.20 | 1.06 | 88.85 |
| MEAN | 1.61 | 1.65 | 1.62 | 1.49 | 1.50 | 1.83 | 1.47 | 1.00 | 1.52 | 0.36 | 28.24 |
| SD | 0.48 | 0.51 | 0.55 | 0.53 | 0.55 | 0.74 | 0.54 | 1.15 | 0.50 | 0.36 | 31.76 |
| CV | 29.97 | 31.09 | 34.23 | 35.80 | 36.69 | 40.31 | 36.89 | 115.16 | 33.06 | 98.47 | 112.45 |

Source: Annual Reports of Selected HFCs

It tends to be seen that the ROA ratio of ICICI bank indicated changing trend during the study period. The range of ratio above said organization from 0.34 percent in 2018-19 to 1.48 percent in 2014-15, the organization ROA ratio was indicated descending trend begins in the year 2015-16 with a ratio of 1.10 percent. It was constantly shows descending trend up to the year 2018-19. It shows that the organization execution not sufficient, in using financial resources. The mean ratio was 1.10 percent, SD ratio was 0.41 percent and CV ratio was 37.22 percent. ROA ratio of LICHFL was showed in the table 7; the mean ratio was 1.28 percent with fluctuating descending trend during the investigation period. The most elevated worth ratio of LICHFL was 1.42 percent in 2011-12 and least worth ratio was 1.17 percent in 2017-18. It can obvious that the organization was neglecting to change over their benefits into net benefit. The SD ratio was 0.08 a CV ratio was 6.43

percent. GICHFL shifts the ROA ratio of with a range from 1.32 percent in 2018-19 to 1.84 percent in 2017-18 during the investigation period. The ratio was 1.37 percent in 2011-12 rose up to 1.76 percent in 2013-14 and again diminished 1.53, 1-55 and 1.57 percent in 2014-15, 2015-16 and 2016-17 respectively. The mean ratio was 1.59 percent and CV ratio of 11.99 percent which is measurably critical. Table 7 was spoken to the ROA ratio of CFHL during study period, the mean ratio of above said organization was 1.48 percent, SD ratio was 0.26 percent. The CFHL shows mixed fluctuating trend in with a range from 1.03 percent in the year 2014-15 to 1.81 percent in 2017-18. The overall performance of organization in the investigation period was not terrible. The ROA ratio of HDFCL appeared in the table 7, the ratio range of HDFCL was 2.11 percent in 2017-18 to 2.67 percent in 2013-14. The trend was somewhat vacillated in the above said organization. The mean ratio was 2.48 percent, SD ratio was 0.18 percent and CV ratio was 7.38 percent which statistically significant. It demonstrates that the HDFCL can ready to use its funds in most effective way and it was additionally solid situation to generate good profits during the investigation period. Further, perceptions from table 7 shows that the ROA ratio of DHFCL was fluctuating descending, up to the year 2015-16 and again it was showed upward trend up to the year 2016-17 with ratio of 3.04 percent and again diminished in the year 2017-18 with ratio of 1.18 percent lastly it was show negative value ratio of minus 0.90 in the year 2018-19. The mean ratio was 1.20 percent and CV ratio was 88.85 percent. It shows that the organization not having good performance in producing profits in the study period. To judge whether the difference in the mean value of Return on Assets ratio between the years and between the companies during the study period, the following hypothesis is confined and tested.

H4: There is significant difference in Return on Assets Ratio between the years and between companies.

Values are calculated from Analysis of Variance for Return on Assets Ratio is presented in the table 8.

***TABLE 8***

*ANALYSIS OF VARIANCE OF RETURN ON ASSETS RATIO OF SELECTED HOUSING FINANCE COMPANIES*

| Source of Variance | SS | Df | MS | F Ratio | P-Value | F - Table value |
|---|---|---|---|---|---|---|
| SSC (i.e., between years) | 2.443 | 7 | 0.349 | 1.595 | 0.1696 | 2.285 |
| SSR (i.e., between companies) | 10.107 | 5 | 2.021 | 9.236 | 0.00001 | 2.485 |
| SSE (Residual) | 7.660 | 35 | 0.219 | | | |
| Total | 20.211 | 47 | | | | |

* Significant at 0.05 level

It was noticed from the Table 8 that the calculated value of F is shows that 1.595 and table value F is shows 2.285. So calculated F is less than the table value F at 5% level of significance. Therefore, the H4 is rejected, and thus, the difference between Return on Assets in between the years is not significant. Further, calculated value of F is shows that 9.236 and table value of F is shows 2.485. So calculated F is greater than the table value at 5% level of significance, the H4 is accepted, and thus, the difference between Return on Assets in between companies is significant. Therefore, it is concluded that the financial performance of the selected companies estimated through Return on Assets ratio is partially good in case of between the companies and it is not sufficient to get good return on their assets in case of between the years during the study period.

## 5. CONCLUSION

This paper has examined, there is a significant difference between financial performance in between the years estimated operating profit ratio and return on capital employed ratio, yet it is not significant as per the net profit ratio and return on assets, because the selected companies are failing to acquire their assessed net profit during the study period and the organizations additionally fail to get a decent return on their assets. Although, there is a significant difference between financial performances in between the companies as per Operation profit ratio, net profit ratios, return on capital employed and return on assets during the study period. It means all selected HFCs are generating good profits and furthermore these companies are effective to convert the money used to buy assets into net income. The financial performance of bank advisers for investigations the after effects of an organization's strategy, execution, proficiency and viability in fiscal terms, these results, ponder the organizations rate of profitability, return on assets and profit acquiring. It likewise features on how a bank is feasibly utilizing its financial and different resources to earn profit [12]. As far as financial performance, the scholarly writing has perceived a wide combination of measures that can be gathered into two huge blocks: market based and bookkeeping accounting measures. The most regular accounting estimations join the two measures used in this investigation, the ROA and the ROE [4] [7]. The financial performance of the selected HFCs measure through Operating Profit, Net Profit and Return on Capital Employed and Return on Assets is satisfactory and acceptable during the study period.

## 6. LIMITATIONS

The dependability of the investigation relies upon the exactness of the information gathered. The current investigation depends on the published secondary information and consequently the confinements of the published financial statement constraints might be appropriate to this study. In this study limited to Housing Finance Corporation only, but not considered the commercial bank even though these banks are having a huge market share in housing finance business in India.

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