CHAPTER – I

RESEARCH DESIGN

Introduction :

Over the years housing remained one of the basic requirements for human survival. 'Housing as a basic need ranks next to food and clothing'. It is to be viewed as a base for human development and not merely as a protection against vagaries of nature. Besides, it is fundamental to human beings for their physical, psychological, social and economic well being. Housing, whether in urban or in rural settlements, is the most visible expression of a country's ability to satisfy one of the most basic needs of its people. A certain minimum standard of housing is essential for healthy and civilised existence.

As the World Bank paper rightly observes,

"Housing has a substantial social benefits including the welfare effects of shelter from the elements, sanitation facilities and access to health and education services. Improved health and education and better access to income-earning opportunities can lead to higher productivity and earnings for low-income families. It is thus for sound economic reasons that, after food, housing is typically the largest item of household expenditure for poor families, and that they are willing to go to great lengths to obtain housing at locations with access to employment, even if this means incurring the risks of illegal 'squatting'."
However, for quite a large number of people all over the world housing is a far distant dream. For many millions, the sky is the roof under which to sleep and billions dwell in unsafe and insanitary settlements where the basic facilities are conspicuous by their absence or chronic inadequacy.

All over the world, the provision of satisfactory housing has been a major problem and continuous and consistent efforts have been made to meet the ever-increasing needs of the generation. Housing is, indeed, a global problem. While the problem of housing is not only chronic in underdeveloped and developing countries, most of the advanced countries also face this problem in varying degree and dimensions.

According to an estimate made by the Federation of Indian Chamber of Commerce and Industry (FICCI) the investment requirement for housing during Eighth Five Year Plan will be about Rs.51,576 crore which is based on December 1989 prices. Housing, however, is a capital intensive industry. The employment potential of the housing is enormous due to the backward and forward linkages. Since, housing construction is not only a capital intensive industry, it is also a labour intensive activity capable of absorbing a large number of unskilled labour. According to an estimate, 'an investment of Rupees one crore in house building leads to direct employment to 495 persons at 1981-82 prices and at December 1989 prices, this investment would provide direct employment to 289 persons'. An investment of
Rs.51,576 crore will provide direct employment to 15.4 million persons and indirect employment generated would be much more than this. On account of its linkages with various other sectors of the economy, housing gives rise to domestic growth. Promotion of well being of the people is the central and focal concern and purpose of all development efforts. Investments in housing are investments in the development of human resources, the benefits of which accrue not only to groups and individuals but also to the nation as a whole. Thus, investments in housing should be conceived as the framework of social and economic development.

'The share of housing investment in GNP is 2 per cent for the poorest countries, but it increases to 6-8 per cent for middle income countries.'

'More than 23 million people being homeless, over 572 lakh people living in slums, 50 per cent of the urban households staying in overcrowded one room tenements' show the acute scarcity in the housing sector.

In spite of the national and international efforts during the past five decades of planning, the nation has not been able to improve the settlement conditions of the poor and disadvantaged. The continuing deterioration of the living conditions of the majority of people both in urban and rural settlements in the developing countries, has been a matter of great concern. The United Nations General Assembly
declared 1987 as the 'International Year of Shelter for Homeless' to focus the attention on the chronic inadequacy of this basic necessity and with the aim of securing renewed political commitment to the improvement of shelter and neighbourhoods of the poor and disadvantaged. This provided an opportunity to access the results of the efforts of the past decade and to decide on new directions and approaches for national policies and strategies.

Its adequate availability in the country is an indicator of the quality of life that citizens enjoy. It also helps in creating conditions conducive to the achievement of crucial goals in matters pertaining to education, health, sanitation and the living standards of the people. What is more, housing activity, involving as it does productive investment, promotes economic activities and thereby substantial employment.

Keeping in line with UN declaration of 'Global Shelter Policy 2001' and policies by Central and State governments in successive Five Year Plans, in 1988 a National Housing Policy (NHP) was formulated by the Government of India (GOI). The long-term goal of the National Housing Bank (NHB) is to reduce houselessness, to improve the housing conditions of the inadequately housed and to provide a minimum level of basic services and amenities to all. It emphasises new construction and upgradation and housing for rental purpose.
Need for the Study:

‘Long did I cherish a desire,
Not for wealth, nor fame,
But a tiny house, tucked away,
In a corner of the earth,
Where I could be alone with my thoughts.’

- Rabindranath Tagore

This was how poet Rabindranath Tagore expressed his desire for a tiny house reflecting, perhaps, the dream of millions. Even a tiny house was a distant dream in Tagore’s days.

Housing is one of the prime necessities of human beings, after food and clothing. One of the lofty aims of life is to secure a good shelter during the lifetime itself though it depends upon standard, mode and economic position of the persons concerned. The problem of securing good accommodation is drifting from bad to worse due to the continuous rise in population, migration to urban areas rapid industrialisation, break up of joint family and non-availability of adequate finance and building materials. The modern concept of housing does not limit the idea of housing merely to shelter. Today housing means provision of comfortable shelter and such surroundings and services, which could keep a man healthy and cheerful all along.

The third world countries are characterised by a large section of the population still deprived of the basic necessities of life. However, housing is a global problem. Even in the advanced countries this basic necessity is far from satisfactory.
As Charles Abrams succinctly puts it,

‘housing programme lags far behind industrial progress in every part of the world. The technical progress that broke the secrets of speed, sound space and light still cannot build a house cheap enough for the rank and file. While a Soviet cosmonaut can orbit the world, the state that launched him cannot establish a good housing programme on the ground. A Negro labourer’s family in New York and a squatter in Caracas may both have television sets, but neither can afford a decent house’.  

‘It is estimated that approximately one-fourth of the world’s population does not have adequate shelter and live in extremely insanitary and unhygienic conditions.’

Thus for decades, the addition to the housing stock has never been able to keep pace with every-growing population of the country. ‘It is estimated that the shortage of housing units will be in the vicinity of 41 million by the turn of the century.’ In terms of quantity and quality, the gap between supply and demand in the housing sector in India has been widening. If there are 100 million houseless families in the world, India has about 23 million without shelter.

“In India, eighty crore plus population live in over 140 million houses, dotted over 25 metro cities, 2,500 small and middle towns and over 5 lakh villages. Housing scene is rather alarming with a backlog of 7 million houses in urban and 16.3 million houses in the rural areas. By the year 2001 the figure is expected to shoot up to 15.5 million houses in urban and 25 million houses in the rural areas.”
The Government of India, therefore, after great deliberation, formulated the NHP in order to tackle the enormous housing problem facing the country. In pursuance of the objective outlined in the NHP, as a first step, the NHB was constituted with the primary objective of encouraging investment in housing in order to achieve a sustained growth of housing stock in the country and also to create a suitable and healthy environment to carry out the plan of action.

The formation of the NHB is a milestone in the socio-economic development of the country and it is a good and timely step in the housing policy. Its scope and range of activities will give a tremendous boost to the housing environment and also to the solution of housing problems. The NHB has estimated that it is necessary to build one million new housing units per annum in order to meet the colossal housing shortage in the country.

It is in this context the housing finance has become a specialised and institutional activity for the purpose of accelerating the pace of building construction activity in the country by making adequate provision of funds to needy individuals for the construction of the houses. While housing finance markets are well developed in the Western countries, there is a pressing need to promote housing finance institutions in India, so that these institutions respond to the ever increasing needs of the market. Viewed in this context, institutional framework is imperative and there has to be a viable and accessible institutional system for providing housing finance.
Institutions like LIC, HDFC, HUDCO, agencies such as housing boards and other government/statutory authorities like Improvement Trust, Area Development Boards, etc., are already engaged in house construction activities. Commercial banks have entered the fray recently. The private sector companies are also busy in house construction and housing finance activities. The cumulative effect of the activities of various housing finance institutions in the country should help to develop a well-defined housing finance system so as to harness the savings for the purpose of investment in housing with the ultimate objective of increasing the housing stock in the country and thereby easing the housing shortage. The problem is colossal and each housing finance institution has to play a crucial role in this thrust area.

It is, therefore, necessary and inevitable to study and evaluate the various changes that have taken place in the housing sector over the last five years in the light of the various activities in order to find out the achievements in this regard as well as to make suitable suggestions, to improve the operational efficiency of the Housing Finance Organisations (HFOs).

The utility of the study can be recognised by the Government to formulate the plans and policies and to undertake steps to increase and accelerate the housing stock in the country. It also assists the HFOs to restructure the housing loan schemes, to frame policies, to take steps to enhance the operational efficiency, etc.
In the light of the above background, the present study assumes special significance.

Statement of the Problem:

India, like other countries of the world, has been attempting to solve her housing problem. And like most other poor third world countries, the problem of housing in India is becoming more acute each passing year both in quantitative and qualitative terms in a situation of growing population, rapid growth of industrialisation and mass migration from rural to urban areas. To create more housing, one needs five elements: technology, capital, labour, land and building materials. Except for labour, the other elements are scarce in India and capital is all the more scarce. It is, therefore, essential that special attention and care should be needed to the use of financial resources so as to maximise financial results on the present and future investment. Unless these scarce resources are utilised productively, efficiently and economically, optimum benefits from such input will fail to accrue not only to the organisation but also to the nation.

While finance is no doubt a crucial input for the growth of the housing sector, it needs to be recognised that lack of adequate financial resources is not the only inhibiting factor. There are equally, if not more, important constraints to the growth of the housing sector, such as non-availability of serviced land for housing construction, high cost of construction and formidable legal impediments calling for substantial
changes in the shelter policy as well as in the legislation affecting housing.

It is recognised that the magnitude of the problem calls for the involvement of various agencies including the government, cooperative, communities and private sector.

Efforts are being made by the Central Government by installing NHB at central level for developing and promoting a well-organised system of housing. With a view to giving greater thrust to housing development and in pursuance of the objectives of the National Housing Policy formulated by the National Housing Bank, the well-organised and specialised housing finance institutions were set up to tackle the burning problem of housing and to enhance and enrich the housing stock and to take initiatives for popularising the housing schemes and policies.

Further, at the institutional level NHB and various institutional financing outlets have been created with a view to augmenting the appropriate financial resource needs for covering the larger housing needs through various sources.

These housing finance institutions (HFIs) were set up with the key objective of extending financial assistance for construction, purchase, repairs, renovation, alteration, etc., of houses and thereby solving the housing problem. Hence, the efficiency with which the
HFIs mobilise and utilise financial resources determines the housing development in particular and housing stock in general.

In keeping abreast with the tremendous expansion in housing development and finance activities in the country. A comparative evaluation is made by the researcher by adopting certain parameters to test the operational, allocational and financial soundness of the selected housing finance organisations. For this purpose, different types of ratios have been computed in order to assess how efficiently the funds have been utilised with an ultimate objective of testing and improving the financial health of the HFCs with the help of tools and techniques of management accounting. Against this background, a need was felt by the researcher, hence, the statement of the problem:

HOUSING DEVELOPMENT AND FINANCE IN INDIA – AN EVALUATION OF SELECTED HOUSING FINANCE ORGANISATIONS

Objectives of the Study:

The present study has been undertaken with the following objectives:

1. To trace the growth of housing development in India.
2. To review the National Housing Policy and Programmes.
3. To study the working of National Housing Bank.
4. To analyse the role-played by the housing finance organisations in implementing the housing policies and programmes of the government.

5. To study the activities of organisations engaged in housing finance.

6. To make a comparative evaluation of the selected housing finance organisations in the light of:
   i) Lending operations,
   ii) Operational efficiency,
   iii) Profitability,
   iv) Liquidity, and
   v) Long-term financial position.

7. To make suggestions for the enhancement of the efficiency and effectiveness of the organisations on the basis of findings.

**Research Methodology:**

The study focuses on a comparative evaluation of four selected housing finance organisations (HFOs), namely,

1. Housing Development Finance Corporation Limited (HDFC),
2. Dewan Housing Finance Corporation Limited (DHFL),
3. Can Fin Homes Limited (CFHL), and
4. LIC Housing Finance Limited (LICHFL).
The researcher has adopted survey method in which the data pertaining to the study have been collected by personally visiting the various housing finance organisations and contacting the officials concerned and soliciting the data relevant for the study.

The researcher had also a good deal of discussion with the officials of the selected HFOs about the housing schemes, problems arising while implementation of housing schemes, financing and recovery of loans, rate of interest, competition, etc. Many of the opinions expressed in the thesis are the reflection of the opinions expressed by the concerned authorities of the selected HFOs.

The data thus collected have been properly classified and analysed with the help of the tools of management accounting like ratio analysis, trend analysis, etc. Further, to make the present study of comparative evaluation more meaningful, important techniques of financial analysis, i.e., inter-firm, inter-period, and overall performance analysis have been adopted. The data were converted into averages and percentages for the period under review for the purpose of comparison. The relevant information is presented in the form of tables with suitable titles followed by necessary explanations.

All these have helped in framing some definite and concrete idea about the performances, problems and prospects of the housing finance institutions.
Sources of Data:

The study is mainly based on secondary data. Secondary data pertaining to financial and other aspects of management of the selected HFOs are collected from various records and annual reports of the respective selected organisations for the relevant years of the study.

Secondary data are also obtained from Census Directorate, National Building Organisation, National Housing Bank, Planning Commission Documents, Economic Survey, Statistical Abstract of India, works of individual researchers, etc.

The following basic documents are collected, viz.,

1. The Balance sheets and
2. Profit and Loss Accounts for the years from 1995-96 to 1999-2000 of all the organisations selected for the study.

The data are supplemented by the interviews conducted by the researcher with area managers, unit officers, branch managers, etc., who are dealing with housing finance. The interviews thus conducted were unstructured in nature.

Scope of the Study:

The study deals with housing development and finance in India. Its scope is confined only to four HFIs out of the twenty-one HFIs approved by the NHB for its refinance in India. Of the four HFIs, two
are in the private sector and the remaining two in the public sector. The four HFIs were selected by the researcher for the sake of convenience and from the point of contacting these HFIs. Another important reason for including HDFC and LICHFC in the study is that these two institutions are the leading housing finance institutions in India. DHFL and CFHL also find their place in this study due to their pivotal role in the field of housing finance.

The study covers a period of five years (1995-96 to 1999-2000). This period has been deliberately selected due to the fact that the most significant aspect of the Eighth Five Year Plan in respect of housing sector is set against a definite National Housing policy. Thus, the priorities and programmes of the Eighth Plan are to be viewed as a subset of the long-term policy document.

**Review of Literature:**

The researcher has referred to a number of articles, books, reports and a few research works on the research topic. He has reviewed only a few selected references, which are of vital importance to the present research topic.

Cherunilam, Francis and Heggade, Odeyar D., in their book, *Housing in India*, have covered various aspects of housing situation in India. They have made a critical analysis of the measures of the measures taken by the government to alleviate the housing problem in India. They have also highlighted the reasons that have led to the tardy
progress and development in the housing sector. Apart from this, they have made broad observations about the global housing problem with particular reference to the developing countries.

The authors have also thrown light on the importance of housing in the economy, various dimensions of housing problem, slums, housing through plans, rural housing, housing co-operatives, housing finance institutions and social housing schemes.

Paila, Mohan in his thesis entitled, *Housing Development and Finance in Maharashtra, - An Evaluation of Selected Housing Finance Organisations*, has highlighted on the operational and allocational efficiency of the three selected housing finance organisations, viz., HDFC, LICHFL and MSCHFC. This study is confined to Maharashtra State and a period of five years. The work was based on primary data supplemented by secondary data to trace out the problems of borrowers and lenders in obtaining housing loans and in deploying housing finance by the finance institutions respectively.

The Government of India in its booklet known as *National Housing Policy May 1988*, have brought out its national housing policy as was laid on the tables of both the House of Parliament. On account of change in the Government at the Centre another booklet styled as *Draft Housing Policy*, was again issued by the Central Government in May 1990 which highlighted the revised policy of the
Government for the housing sector in view of the changed circumstances.

The National Building Organisation, Government of India, New Delhi, in its publication, *Handbook of Housing Statistics*, Part I, 1996, provides statistical information relating to various aspects on housing like housing stock, housing condition, housing facilities, housing situation in slums, etc.

National Housing Bank in its, *Report on Trend and Progress of Housing in India*, June 1996, contains the statistical information on variety of aspects like households, housing stock and housing shortage, regulation and supervision of the housing finance companies, financial assistance, NHB’s new refinance and direct lending scheme, performance of HFCs, etc.

Panigrahi, N.P., in his article, *Housing a Form of Investment in Human Resources with Special Reference to Urban India*, has attempted to explain the housing condition in India, deficiency of housing and individual efforts in housing.

Hosangadi, S.D., in his article entitled, *Do you have the Money*, has analysed how investment in housing helps in increasing productivity linkage between provision of shelter and country’s overall socio-economic development. This article has also focused on the existing financial framework for meeting housing needs and segments of housing finance system. Further, he has opined that it is only
through successful financial intermediation between borrowers and investors with differing requirements that it would be possible to garner the large magnitude of resources needed for tackling the housing problem and eventually pave the way for integration of the housing finance system with the overall financial system.

Mathur, G.C., in his article, *Housing the Poor*,\(^\text{18}\) has explained the reasons for the housing shortage and problems for snails progress of housing sector. Further, it is suggested that to give accent on improving the housing condition of the poor, it is incumbent to adopt a realistic approach keeping in view the scarce resources that can be provided for housing. The strategy for housing the poor both in urban and rural areas has, therefore, to be based on self-help to the possible extent, more intensive land use, improved use of local materials, growing house concept, construction of houses in stages and provision of essential services, community facilities and public utilities. He has also highlighted the need for low cost houses for the rural and urban poor.

Talha, Mohammad in his article entitled, *Role of LIC in Housing Development*,\(^\text{19}\) has thrown light on the contribution of LIC to housing development in the country and the mortgage schemes for investment in housing.

Nair, Tara S., has emphasised in her article known as, *Housing: The Missing Concerns*,\(^\text{20}\) that the unfortunate part of the housing
scenario is that the financial imprudence of successive political leadership in the country has taken the dream of a shelter further away from the poor.

**Bawraja, M. and Gowrappa, K.,** in their article styled as, *Housing Finance in India*, have focussed on housing scenario in India by segregating the housing problems into qualitative and quantitative aspects, have also analysed the major problems of housing shortage both in rural and urban areas, need for housing investment, causes for low investment in housing, motive behind the investment in housing, sources of housing finance and contribution of the HFIs to housing development activities in the country.

An article on, *Trends and Policy Issues of Housing Finance in India*, by Krishna, R.R. and Ganeshmurthy, V.S., emphasises that there is a vast scope for housing promotion in India. They opine that banks and HFCs can play a vital role in the promotion of housing. Removal of Urban Land Ceiling Act, grant of infrastructure status to housing, reduction of interest rates for housing loan are the right policy measures that will improve the pace of the growth of housing in India. More specifically, measures such as reduction in the interest rates for housing loan, simplified procedures in the sanctioning of housing loans and speedy sanction of housing loans will give a boost to construction of houses.
Selvam, M. in his article, *LIC Housing Finance: An Evaluation*,\(^{23}\) has viewed that the government at national level, state and local level shall have to ensure adequate supply of housing services.

Dandekar, Hemalata C. and Sawant, Shashikant B., have conducted a case study of Kothrud, Pune, entitled, *Housing Needs in New Suburbs in India Metroplii*,\(^{24}\) have opined that an Indian cities continue to expand at a seemingly inexorable pace in terms of population growth and physical settlement on the land, it is useful to obtain an insight into mechanisms through which various social strata in the rapidly growing urban community are meeting their needs for housing, physical infrastructure and a good quality of life.

Saha, Shovan K., in his article, *Housing Problems in Mega Cities and Some Suggestions*,\(^{25}\) has thrown light on the problem of shelter will keep growing with urbanisation and the pace of the economic development. The author feels a dent to this can be made by encouraging construction of houses through community participation. He also stresses the need for a national housing information bank, which will help evolving realistic housing policies at the national, state and local levels.

Godbole, Madhav in his article entitled, *Outdated Rent Laws and Investment in Housing*,\(^{26}\) has attempted to trace out the causes for low investment and housing shortage in India. He feels that the
anachronistic rent laws have been the biggest deterrent to investment in
the housing sector and increasing the availability of housing.

**Datta, Ruddar** in his article, *NHP Fails to Assure Shelter for EWS*,\(^{27}\) opines that housing problem is essentially the problem of the
poor and low income groups.

**Aldrich, Brain C. and Sandhu, Ranvinder**, have edited a book
based on original studies drawn from most major developing countries
titled *housing the Urban Poor - Policy and Practices*, in developing
countries.\(^{28}\) This book provides the direction in which the housing
sector is moving. They are of the opinion that the rapid growth of
population, decline in the agriculture production and the expansion of
job opportunities as a consequence of industrialisation in the most
developing countries had led to migration of rural folk to urban areas.
The political and urban authorities, in turn, failed to provide housing to
all migrants within short span of time. This resulted into shortage of
housing and growth of slums and squatter settlements.

**Prabhavathi, P.V.S.,** in her book titled, *Housing and
Development Programmes – A Study*,\(^{29}\) has made an attempt on housing
and development programmes of slum dwellers in Visakhapatnam,
Andhra Pradesh. The book deals with appraisal of the weaker sections
housing development programmes and analysis of the utilisation of
physical and social environmental development and health improvement
programmes.
Cedric Pugh in his book titled, *Housing and Urbanisation – A Study in India*, has thrown light on the theory and policy evaluations in public housing, squatter settlement, land management, housing finance and the government housing. He has also emphasised the very presence of economic growth and urbanisation and the active presence of the world bank in housing in such major cities as Calcutta, Madras, and Mumbai.

Aldrich Brain, C. and Ravinder Sandhu, S. have edited twelve research papers presented at different international conferences in the form of a book called, *Housing in India*. These papers have focused on the various aspects of housing in Asia like forms of government, culture, history, level of economic development, etc., relating to the provision of housing.

**Concepts Defined:**

Some of the concepts used in this study are explained below.

**House:**

According to Census Reports 1991, a house is a building or part of a building having a separate main entrance from the road or common courtyard or staircase, etc., used or recognised as a separate unit. It may be occupied or vacant. It may be used for residential or non-residential purpose or both.
Household:

Census Reports 1991, defines household as 'a group of persons who commonly live together and take their meals from a common kitchen unless exigencies of work prevent any of them from doing so. Household may consist of persons related or unrelated by blood'.

Dwelling Unit:

As per Census Report 1991, the dwelling unit means the accommodation being availed by the household for residential purposes. Kutcha houses may be classified into two categories, viz.,

i) Serviceable Kutcha Houses:

Serviceable kutcha houses are those which have solid mud walls but thatched roof.

ii) Non-serviceable Kutcha Houses:

If both walls and roofs are made of materials such as grass, leaves, or bamboo, they may be classified as non-serviceable kutcha houses. Such houses have to be rebuilt at short intervals.

Room:

According to the Census Reports 1981, a room should have four walls with a doorway, a roof overhead and should be wide and long enough for a person to sleep in, i.e., it should have a length of not less than 2 metres and a breadth at least 1½ metres and 2 metres in height.
Slum/Bustee:

As given in the Census Report 1991, slum/bustee is a compact area with a collection of poorly tenements crowded together usually with inadequate sanitary and drinking water facility.

Town:

A town is defined as:

'(a) all statutory towns, i.e., places with a municipality, corporation, cantonment board or notified town area committee, etc.,

(b) all other places which satisfy the following criteria:

i) a minimum population of 5,000,

ii) at least 75 per cent of the male working population engaged in non-agricultural pursuits, and

iii) a density of population at least 400 persons per square kilometre (1,000 persons per sq.mile).'

City:

An urban unit having a population of one lakh and above is treated as a city.

Urban Agglomeration:

As indicated in Census Report 1991, an urban agglomeration denotes 'a continuous urban spread and normally consists of a town and its adjoining urban outgrowths or two or more physically
contiguous towns together with contiguous well organised outgrowths, if any, of such towns'.

Building:

According to the National Sample Survey Organisation (NSSO) in the 44th Round of NSS a building is a free standing structure comprising of one or other spaces covered by a roof and usually enclosed within external walls or dividing walls which extend from the foundation to the roof.

Type of Structure:

As per NSSO, buildings were classified into three types with respect of their structure – pucca, semi-pucca and kutcha on the basis of the materials used to construct their walls and roof.

Pucca:

A pucca structure is one whose walls and roof at least are made of pucca materials such as cement, concrete, oven burnt bricks, stone and stone blocks, jack board, tiles, timber, galvanised or corrugated iron sheets, asbestos cement sheets, etc.

Kutcha:

A structure of this type was one which has both walls and roofs made of kutcha on non-pucca materials such as unburnt bricks, bamboo, mud, grass, leaves, reeds and/or thatch, etc.
Type of Dwelling:

Dwellings have been classified into three types, viz.,

i) **Independent House**:

It is a separate structure comprising of one or more rooms, with accessories, if any, built or rebuilt or converted to from a housing unit. It must have a separate entrance from a road or a common ground or courtyard. A household is said to be living in an independent house if its dwelling accommodation is co-terminus with the entire household.

ii) **Flat**:

Flat is a self-contained housing arrangement occupying a portion of a building. It consists of one or more rooms with normal housing facilities like water supply, bath and toilet for the exclusive use of a single household.

iii) **Chawl**:

Chawl is a building with number of tenements, generally single roomed, having a common corridor and common bathing and toilet facilities.

**Semi-pucca**:

A structure of this type which could not be treated as wholly or pucca or wholly kutcha.
Useable Housing Stock:

It comprises of pucca, semi-pucca and serviceable kutcha in rural areas and pucca and semi-pucca in urban areas.

Economically Weaker Sections (EWSs):

The class of persons whose annual income does not exceed Rs.15,000, are coming under this category as per HUDCO.

Lower Income Group (LIG):

As per HUDCO guidelines, LIG means the class of persons whose annual income exceeds Rs.15,000.

Middle Income Group (MIG):

HUDCO guidelines specifies, MIG as the class of persons whose annual income exceeds Rs.31,000, but does not exceed Rs.53,400.

Higher Income Group (HIG):

The class of persons whose annual income exceeds Rs.53,400 are coming under this category as per HUDCO guidelines.

Squatter Settlements:

According to the World Bank, 1992, (The Housing Indicators Programme, Washington, D.C.), the term squatter settlements is used to indicate housing that is either the result of illegal occupation or has been developed in an unauthorised fashion.
Outline of the Study:

Keeping in view the objectives mentioned earlier, the present study is organised into seven chapters. The details of chapterisation are as follows:

The first chapter is on “Research Design”. The contents of this chapter are: introduction, need for the study, statement of the problem, objectives, methodology, sources of data, scope of the study, review of literature and concepts defined.

The second chapter entitled, “Housing Development in India”, focuses on the housing scenario/situation in India, density per room in selected countries, magnitude of the housing problem in India, Government participation in housing development and development of housing during Five Year Plans. The chapter also deals with plan-wise investment in housing, employment generation in housing sector, Urban Land (Ceiling and Regulation) Act, and Rent Act and housing sector.

The third chapter is on “Review of National Housing Policy and Programmes”, enlightens on the National Housing Policy, its objectives, highlights, elements and National Housing and Habitat Policy, 1998, Housing Policy, future directions, housing finance, the future strategy, supply constraints and some strategic speculation for the future. This chapter also focuses on setting up of National Housing Bank, NHB’s mandate, sources of funds, objectives, schemes, certain
provisions of HFCs (NHB) Directions, Home Loan Account Scheme, etc.

The fourth chapter throws light on “Housing Finance in India”. In this chapter an attempt is made to study the evolution of housing finance in India, institutional framework, existing credit flows and future sources, need for housing investment, relevance of financial policies and the regulatory framework and role of housing finance companies in housing development. In addition to the above, this chapter also covers nature of housing finance, methods of financial management strategies, risk management in HFCs and housing sector and income tax benefits.

The fifth chapter entitled, “Profile of Selecting Housing Finance Organisations”, deals with the following : historical perspective, objectives, management, modus operandi, repayment procedure, housing loan schemes, sources of capital, activities, etc.

The sixth and penultimate chapter is devoted to a comparative evaluation of selected housing finance organisations by adopting certain parameters such as:

i. Lending Operations,

ii. Operational Efficiency,

iii. Profitability,

iv. Liquidity, and


The last chapter highlights the “Findings and Suggestions”.
References:


3. Times of India, new Delhi, Edn. 16th, July, 1990.

4. Ibid.


