CHAPTER 10

SUMMARY OF FINDINGS,

SUGGESTION & CONCLUSION
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Overview:
The study covers the various housing activities specially carried out by the ASHB in accordance with the Housing Policy, Plan & Programmes, which have been discussed in the preceding chapters. Simultaneously the performance in implementation of such schemes in both physical & financial terms have also been analyzed & evaluated.

The standard / adequate Housing norms, Housing scenario & position of the State viz a vis India, State/ Central housing policy, profile of prominent public sector housing agencies, and organizational structure of ASHB etc. are discussed in the previous chapters. The reviewed positions of Five Year Plans are also highlighted. Beside above, performance of ASHB has also been compared with other selected housing agencies in India.

Now the above discussion are summarized under this chapter 10 indicating the main findings, and Conclusion have also been drawn chronologically and chapter-wise with comment & suggestions. In order to fulfill the objective & prove the hypothesis, as stated in the chapter-I, statistical tools & techniques have also been applied. The original data have been converted into percentage in order to have a relative look into the operational performance in respect of ASHB over the period since 1987.

The performance of implementation of schemes are also highlighted through preparation of ratio analysis, Bar chart and other statistical tools are also applied to know the difference between hypothesized concept and actual performance. The null /alternative hypothesis has also been applied to verify the actual achievement.
Chapter-1: Introduction : Overview, Objective, Measurement of Operational Performance, etc.

The housing activities in Assam have been carried out under “Directorate of Housing” since 1955. Subsequently such activities have been carried out by ASHB w.e.f. 1st August 1974 under the State Housing Board Act 1972. Out of the total 48 no. of public sector agencies in Assam, ASHB was one of the vibrant organizations, looking after various activities in the field of housing and was functioning as a nodal agency for housing development in Assam.

Operational performance includes the overall performance of the organization. It reflects the achievement of targets in all fields of organizational performance. The study conducted to cover the important aspects relating to ASHB. Such important aspects have been based on certain determinants. The determinants are the basis on which correct appraised can be carried out to evaluate the operational performance of an organization, such determinants are Organizational Structure, Staffing Pattern, Physical Achievement against target, Working Result, Administrative & Supervision Cost, Recovery Performance, Resource Mobilization, Debt Servicing, Reviewing system of Performance & MIS etc.

Comment: Analysis of above determinants helps to find out or locate the area of deficiency or shortfall of standard performance of the ASHB. Hence agencies should evaluate the position through application of above determinants, which cover all aspects of organization.

Chapter-2: Standard Housing & Housing Scenario in Assam & in India.

1. According to the definition of UNCHS (Habitat) Nairobi, an adequate/standard housing refers to adequate privacy, adequate space, adequate security, adequate basic
infrastructure, adequate lighting and ventilation, and adequate location with regards to
work and basic facilities, all at reasonable cost. A house must be in location which
allows access to employment, health services, schools and other facilities. It is true in
cities and rural areas since the cost in time and public transport to and from work is
often a major constraint on the budgets of poor households. The United Nation Centre in
Human Settlement estimated in 1994 that over one billion people throughout world live
in inadequate housing, where a little more than 100 million people living in conditions
classified as homeless.

2. Housing situation in India differs from place to place, State to State & region to
region. The housing conditions are not similar in all places of our country due to some
natural & geographical condition. The housing problem in the rural areas by and large is
qualitative in nature, and the problem in the urban areas is largely quantitative.

The housing shortage is basically due to high growth rate of population. The
uncontrolled growth of population in urban areas is due to migration & other factors
which have created a very high magnitude of housing & infrastructure problem. The
urban population out of total population has increased from 10.84% in 1901 to 17.29 in
1951, 25.72% in 1991 & to 31.20 % in 2001. The trend of urban population is
increasing gradually, but in rural areas decreasing from 89.16% in 1901 to 82.71% in
1951, 74.29% in 1991 & to 68.80 % in 2001.

3. The housing stock in India was 147.00 million in 1991 out of which the stock was
107.9 million units in rural areas & 39.1 million units in urban areas. The total increase
in housing stock of 67.7 million units during the period 1961-1991. The projected
housing stock is 174.1 million units in 2001, 191.20 million units in 2011 & to be
increased to 223.50 million units in 2021.

Similarly housing shortage was estimated in the NBO report at 41 million unit
up to the year 2001, but the ninth plan working group in housing sector has estimated the shortage of 19.40 million units only in March 2001. Due to introduction of various housing schemes (including 2 million housing scheme etc. in the year 2000), the shortage is gradually decreased in the year 2001.

4. The basic housing problem in the State of Assam is upgradation of existing units due to extreme variations, frequent floods etc. The average household size in Assam has 5.43 members, compared to the national average of 5.46 members. But there are variation in the average household size in different towns in the State. The average household size in Guwahati & Dibrugarh has 4.7 members, whereas 7.2 members in Dhubri, 6.9 members in Nowgoan & 6.2 members each in Kokrajhar & Diphu.

The housing shortage in Assam as per 1991 census was 2.27 million units in rural area. The housing shortage in rural Assam is the highest amongst other State in India except in Bihar ie.4.09 million. The housing shortage in urban areas in Assam was only 0.16 million whereas highest shortage is seen in Arunachal Pradesh which is 1.10 million. The housing stock in Assam was 3.82 million out of which 0.48 million in urban & 3.34 million units in rural areas as per census 1991.

As we know that the housing situation is dependent upon the growth rate of population but it is also based on the active consideration of implementation of housing schemes through the State housing agencies.

The housing shortage 2001 in respect of State of Assam could not be covered under this study since no such information/ census report is available at present. However, considering the projected population of Assam as indicated in the chapter 2, the no. of household is worked out to 53,27,000 in the year 2001 & 60,63,000 in the year 2010 & 65,52,000 in the year 2016.

It can be observed that household number would be increased to 60,63,000 in 2010 from 38,40,000 in 1991 ie 36.67% against probable increase of population by
15.87% in next 10 years. Accordingly shortage of housing in Assam may be increased. Hence, it may be suggested to take special housing programme by the State Govt.

The unserviceable Kutcha house in Assam was 67.24% in rural areas & 23.50% in urban areas & the position of the country as a whole was 10.09% in rural & 2.87% in urban areas.

**Comment:** (1) As per the above study it is observed that available residential houses in Assam are basically Semi Pucca, serviceable & unserviceable Kutcha in nature. The said position is higher in comparison to all India figure in percentage. The required amenities in Assam on the other side are lower especially in safe drinking water & electricity facilities.

In this situation individual beneficiaries can not afford to make their houses with having all required facilities. It is also not possible for an individual out of their limited sources. It proves that standard norms as per the definition of UNCHS are yet to be full field in Assam. It is also difficult to evaluate the actual situation of its applications.

As per the records it is observed that the affordabilities of builders/ Govt.s to make the housing complex with having all such facilities in Assam is also very limited due to scarcity of resources.

There is no such big housing complex constructed by State Housing Agencies in Assam with other facilities as required.

(2) State Govt. as well as state housing agencies and builders should take responsibilities to look into this above aspects while constructing the housing complex at present or in future.

(3) Living standards help to develop the mind set of the people as well as the society, hence the Govt./ prospective builders should now make the plan & programme with public participation for providing such facility. This may create a good/ developed environment in the State, in places where no such provisions are available.
(4) The main problem of housing situation in Assam is, the up-gradation/repair & renovation of existing houses. On the other side, poor performance in implementation of various schemes or discontinuation of existing schemes such as shelter up-gradation/JHS, EWS, IYSH etc. have adversely affected in the housing situation of Assam. Hence State sponsored schemes may be further initiated within a specific period of time, otherwise housing shortage position will be increasing in near future, since agencies other than Central/State Govt. will not take active consideration on it.

Chapter-3: Housing Policy: Background, Definition, Objective, Goals, Elements, Scope and Other contents.

The national housing policy has been laid on the table of both the houses of Parliament in July 1992 and the Government of India declared the national housing policy in 1994. Similarly, State housing policy has been formulated in Sept. 1988, and approved finally in 1993 called as Assam State housing policy. The main features of the policies are highlighted as under:

- Simplification of existing legal provisions, relating to the acquisition of land to enable taking over land speedily.
- Payment of adequate and timely compensation to the land owners.
- Encouraging the involvement of licensed private developers in land development, construction and infrastructure provision with adequate legal safeguards.
- New legislation for the optimum use of land for housing and urban services and suitable measures for the re-development of land occupied by industries which is in a State of decline or causing environmental pollution.
- A fiscal and municipal taxation policy, including tax on vacant urban land in order to curb speculative activities to increase the supply of land.
- Increased investment by Central, State and local agencies in infrastructure within the framework of regional plans.

- Adequate investments made to increase the coverage of urban population to 100% for potable water and 80% for basic sanitation including the total elimination of rural scavenging.

- Development of small and medium towns by strengthening their linkages with the contiguous rural areas as a part of integrated planned development of the region.

- Encouragement of housing schemes with approved guidelines in major cities to channel investment of non-residential Indians in convertible foreign exchange in residential property.

- Fiscal incentives to promote desired investment in housing activity by the private sector and individuals and channel additional savings for housing activity.

- Incentives to be given for investment in rental or ownership housing especially for low income employees in the organized sector, including industry to providing housing for their workers.

- Rationalization of stamp duties and registration fees.

- Review of slum improvement laws in order to provide for conferment of occupancy rights wherever possible, acquisition of private slums and speedy provision of basic services.

- Revision of master plan standards, land use plans, building by-laws and infrastructure standards by the State Governments and local authorities based on National Building Code as the guide.

- Enactment of Apartment Ownership Act in States not having such a law and suitable amendments to the existing laws wherever necessary in order to provide
for the transfer of occupancy rights of individual owners, management of common areas and to enable the creation of charge on the apartments by lending institutions.

- Simplification of procedure for registration of documents and execution of mortgages.

**Comment:** The national housing policy as well as State Housing Policy have not set quantitative targets to be achieved within a particular time frame. This is due to the resource constraints. Simply prescribing some guidelines without a financial target and a time frame will only keep the policy on paper. The various limitations of the policy are the financial and fiscal constraints, legal problems, industrial concentration, infrastructure and rapid urbanization. The new NHP should take these factors into consideration to achieve the objectives. Government should also think of an independent regulatory body with statutory powers to have a check on all housing agencies in the public and the private sectors.

**Chapter 4: Housing & Urban Development during Five Year Plan (Part A)**

The first five year plan of India identified the problem of affordability as the key issue in the housing sector. In fact, meeting the housing needs of the refugees was the Prime Concern of the Govt. during the 1st five year plan. Besides the above ISIH scheme in 1952, LIGH scheme in 1954 were launched and an independent Ministry of Works & Housing was established.

- MIGH scheme, Plantation Labour housing scheme, VHS, LAD scheme, Slum dwellers improvement scheme, scheme for Handloom Weaver were introduced during the 2nd five year plan. The establishment of the Delhi Development Authority (DDA) under the Act of Parliament for implementation of the master plan, & for the first time a statement on housing policy was made on the 14th August 1957 in the Parliament by the
Ministry of Works and Housing.

- Housing policy linking with economic development & Industrializations & efforts given for increasing housing stocks by various agencies, public/private co-op. etc. were considered as main Principle during the 3rd Five year plan.

- A scheme for environmental improvement of slum was introduced in 1972 in selected cities. Master plans were proposed for 72 cities during 4th plan. In the context of soft term loans with a longer period of repayment for the EWS, LIG categories, Govt. decided to establish HUDCO as a Sectoral Institution in 1970 during the 4th Plan.

- MNP & Twenty Point Programme under which certain schemes undertaken for improving the housing situation for provision of houses for landless workers were introduced in the 5th Plan.

Constructions of rental houses by the public agencies were also emphasized. The establishment of Housing Development Finance Corporation in Oct. 1977 for new residential housing to individuals, and to the association of individuals, co-op. societies etc. is another significant development during the 5th Plan.

The Sixth plan emphasized on housing activities in small, medium & intermediate towns, low cost housing techniques, land use control etc. The Strategy for providing “Sites & Services” instead of subsidy directly for EWS through the scheme was also one of the important activities carried out during the 6th Plan.

Govt. of India formulated National Housing Policy (NHP) in 1988 and also set up BMTPC with the objective of bridging the gap between laboratory development & large-scale field applications of innovative materials & technologies during the 7th Plan. Another significant development was setting up of network of Building Centre (BC) as a Centrally sponsored scheme to effect saving in construction cost through promotion of low cost building materials in the 7th Plan.
Special attention was given in the 8th Plan for Indira Awas Yojana (IAY) introduced in 1985-86 forming part of RLEGP for construction of houses for SC/ST & emancipated freed bonded labour. NHHP was approved by the Parliament in 1998. This policy is in continuation of the NHP of; 1994 which focuses on the changes in the role of the Stake holders in the housing development process. A decision was taken to increase the percentage of incremental deposits from Banking fund into housing sector, from the present 1.5% to 3%. In the year 1999-2000. The Urban Land (Ceiling & Regulation) Act, 1976, was modified in 1999 and was made applicable in the Union Territories & the States of Punjab, Haryana, Gujrat, U.P. etc.

Govt. of India, had reduced the investment in housing sector from 34.2% in 1st Plan to 9.7% in 8th Plan 92-97 in the allocation of resources for the economic development of the country.

**Housing and Urban Development in Assam: (Part B)**

Here, Housing & Urban Development in Assam during the five year plans are highlighted wef. 4th five year plans only. During the 4th Plan an amount of Rs.100.00 lakhs were spent for construction of 446 no. of houses against targeted 770 no. of units in general areas. Accordingly an amount of Rs.9.00 lakhs allocated & 32 houses under LIG & MIG along with 211 no. of units under SIH Scheme were constructed in the Hill areas.

Works relating to Electronic Crematorium at Guwahati have been initiated during 4th Plan. 18 persons were trained up in different fields. Drainage scheme at Tinsukia, Jorhat, Tezpur and preparation of master plan etc. were initiated in 4th Plan. But no proposition for master plan in Hill districts has been initiated. An amount of Rs. 15.77 lakhs involved for urban development in Hill districts during 4th Plan.

There were 6172 no. of housing units in general area and 200 no. of units in Hill districts are covered through implementation of various schemes specially by ASHBB
during 5th Plan. It included 5220 no. of Tea workers' quarters constructed by the employers of Tea Garden under SIH schemes for PW.

Preparation of master plan, extension of Diphu town and construction of rest houses at Mikir & N.C. Hill districts have been undertaken in the 5th Plan along with other development schemes such as drainage, park, swimming pool etc. involving an amount of Rs. 75 lakhs.

Further preparation of master plan for 32 towns other than Hill districts were undertaken during the 5th Plan. Training provided to 100 persons in different subjects and development programmes for two new townships were also undertaken with total involvement of Rs. 840 lakhs for urban development in general sector.

In the 6th Plan, altogether 108822 no. of units under various schemes have been covered in Assam. Out of which 9739 no. of units by the Housing Board (1500 units for general scheme and 8183 units of quarters for SIHPW scheme & 56 units for Hill area). 97,859 families covered under MNP & balance 1224 units for Government quarters have been constructed by State Govt. during 6th Plan.

IDSMT with an amount of Rs.142 lakhs and EIUS schemes with an amount of Rs.64 lakhs have been implemented in different towns through T&CP Assam. There were 35350 no. of persons benefited under the above scheme as against 123584 slum dwellers in 98 pockets of different towns in Assam.

3 no. of markets out of 6 markets, as targeted during 6th plan, were completed with an amount of Rs. 24 lakhs under the control of MAD.

During the 6th plan scheme for development of Diphu office which is declared as District Office, an amount of Rs. 7.12 lakhs was spent. Subsequently additional grant amount of Rs. 10.44 lakhs was utilized for some specific urban development schemes in Hill districts. IDSMT scheme was also implemented specially for development of Diphu town. Further an amount of Rs 40.00 lakhs for beautification of urban centre have also
been allocated during 6th plan in Hill districts.

During 7th Plan 60,017 no. of people/ families in both hill & general areas were benefited in housing sector. Out of above units, 13,360 units were constructed by the ASHB under various schemes. 42207 families covered under MNP schemes by T&CP and 1450 no. of Government quarters were constructed by the State Government during 7th Plan.

As targeted for development of 11 towns under IDSMT scheme, an amount of Rs. 95 lakhs was spent in the 7th plan under the control of T& CP department. Slum area development was also undertaken with an amount of Rs. 126.40 lakhs and benefited 48554 no of persons under the scheme. Under GMC (Guwahati Municipal corporation). scheme for improvement of existing road, drain, public toilet were taken up with amount of Rs. 520.00 lakhs. For strengthening of the Directorate of Municipal administrations, local bodies an amount of Rs. (18 + 43.70 lakhs) 61.70 lakhs was spent in the 7th Pan.

Further preparation of master plan, training for 20 persons and for preliminary work under World Bank programme an amount of Rs. 87.87 lakhs was spent during the 7th Plan. Total amount of Rs. 890.97 lakhs was spent for urban development programme through T & CP.

MAD has also undertaken scheme for construction of municipal market, including shopping centre under Chandmari flyover and urban basic service for the welfare of mothers and childrens residing in the slum, with an amount of Rs. 58.27 lakhs.

During the 7th Plan, for construction of market centre and scheme for beautification in the Hill districts, an amount of Rs. 172.57 lakhs has been utilized.

In the 8th Plan, 4108 no. of units have been covered by ASHB, 2099 no. of units constructed by the State Govt., 50680 no. of families covered under MNP and 134 no.of
quarters both in general & Hill districts have been constructed. Altogether 57,021 no. of housing units/ families covered during the 8th Plan.

T & CP, Government of Assam, had undertaken the scheme for implementation of IDSMT scheme, environmental improvement of slums, NRY scheme, preparations of master plan with an amount of Rs. 1954.18 lakhs during 8th plan.

MAD, Government of Assam has utilized of Rs. 694.58 lakhs for implementation of scheme for construction of market, urban basic service for poor, integrated urban poverty, eradication programmes etc. during 8th Plan.

Similarly scheme through GMDA such as construction of Bus Terminus at Gutanagar, environment of joining regulation etc. have been implemented during 8th Plan.

For urban development in Hill areas, an amount of Rs. 468.93 lakhs was spent in construction of 5 no. of markets under the IDSMT scheme and also assistance was provided to local bodies of Hill Districts for preparation of master plan during 8th Plan.

In the 9th Plan, there were 2010 units constructed by the Housing Board besides 25,320 no. of families under MNP and 660 no. of units under the Hill districts were covered under various schemes.

During the 9th plan, the scheme for IDSMT, NSDP, EIUS & scheme for water supply at Kamakhya etc. have been undertaken by the T & CP with involvement of Rs. 2055.95 lakhs.

GMDA has also undertaken the schemes for enforcement of master plan & doing regulation of the city, construction of flyover at Ganesghuri, storm water drainage project etc. with financial assistance of Rs. 938.75 lakhs from HUDCO. But in actual GMDA has received in total Rs. 3174.41 lakhs from HUDCO as on 2002 for flyover & drainage schemes.

Comment: The investment in other priority sectors of the economy viz., agriculture, industry etc. have grown substantially over the plan periods in the country and in the
State of Assam. The present shelter crisis is due to the comparative decline in investment in the housing sector. The immediate need is to reverse this declining investment trend.

In spite of the acute housing shortage in the country as well as in the State of Assam, the Govt. has not thought of providing cheap finance for the housing sector through fiscal incentives. The Govt. has not made any such provision in the five year plan for financial assistance to the State agencies for housing finance at concessional rate.

Provision for private sector involvement in a bigger way is also not indicated in the five year plans. When the State Govt. is not in a position to invest a sizable amount in housing, the private effort has to be involved for which, provision for some fiscal incentives & timely availability of loan at concessional rate are required to be made in the plans. Strict legislations are also necessary to prevent unscrupulous parties to enter this field.

While preparing the total outlay on housing, the Government must keep in mind that in the present acute employment situation, it will be worthwhile to give priority to the housing sector which provides direct employment to more number of people next to the agriculture sector.

It is also observed that, in most of the cases no such major works are undertaken in the initial 4 years of five year plans, & accordingly major portion of allocated activities are attempted to be achieved only in the end year of each Five Year Plan. This is happening due to lack of periodical reviewing system of achievement.

**Chapter 5: A Profile of State Housing Agencies in Assam**

The term ‘State’ used in this study means both Central & the provincial Government. The word State refers to Government both at the Centre & at the State. The profile of the State level co-operative housing agency is also included in this chapter.
Out of the 28 no. of listed HFCs in the country, only 4 no. of all India based companies are operating housing activities in Assam. These are HUDCO (H/N), SBI HF, LIC HF, HDFC, The Housefed & ASHB being State level agencies are doing such activities in a limited way in Assam. However, a number of banks have recently diversified their activities extending credit to housing sector.

There is no subsidiary housing finance company of Banks established in the State of Assam. The Banks are financing loan for housing purposes directly through their branches.

Most of the HFC’s H.O. are at Bangalore & at Mumbai. There is no subsidiary housing company of banks established in the NE region.

• All HFCs provide finance to the individuals and their terms & conditions are almost similar. For financing of loan HFCs considered 25 % to 40 % of net income/salary in case of service holders. Similarly net average income of 3 (three) years is considered for businessman for extending loan.

• The applicable ROI of BOB HF & HDFC are found lowest i.e. 8.25 % and 9.25 % for 5 years respectively. The highest rate of interest is found 18.5 % of Housefed, Assam.

• Repayment terms of HFC are also similar but such terms differ from scheme to scheme, i.e. 2 years is the minimum & 20 years is the maximum. 10 years is the common term of repayment of all HFCs. In case of state level agency like Housefed the repayment period is 15 years subject to maximum age of 60 years.

• Principal security for loan needed for all the HFCs are mortgage of property such as original Title deed, Sale deed, Land Patta with Namjari. They undertake the equitable mortgage of properties. But Housefed has created registered mortgages of properties which take time for disbursing the loan instalment etc.
• SBI HF takes 10% of loan disbursed in the form of NSC, LIC or term deposit as collateral security which may also go up in case of self-employed. HDFC/ LIC HF are also following similar terms as like SBI HF. HUDCO under HUDCO Niwas also takes PDC for 36 to 40 no. initially for repayment of dues. BOB HF also accepted PDC. But Housefed, Assam has no such provision of collateral security.

At present all the HFCs follow EMI monthly instalment, but BOB HF follows quarterly rest basis. Housefed has no clear indication in this aspect.

Housefed, Assam has charged 3% Panel Charge but others have provision of 2% to 2.5% of defaulted amount.

All HFCs have provision of requirement of one Personal Guarantor, but Housefed or ASHB has no such provision of Personal Guarantor.

• LIC HF is financing loan to individuals since 1989 and disbursed Rs. 6362.53 crore in the country involving 407417 no. of units as on 31/3/02 and 3738 number in Assam.

• HUDCO under individual scheme (H/N) has sanctioned 3,44,938 no. of units & 1,34,38,000 no. of residential units under various housing schemes as on 31/3/02 in the country and 27348 no. in Assam since 1999 under HUDCO Niwas only.

• HDFC started functioning since 1977 and sanctioned over 20.00 lakh units as on 31/3/02 with an amount of Rs. 401 billion in the country.

• SBI HF has sanctioned since its inception 1989 Rs. 41.00 crores in Assam involving 3681 no. of units.

• Housefed, Assam has financed 11702.00 no. of units. The total sanction loan amount was Rs.26.03 crore in Assam as on 31/3/02 since 1979.

• BOB HF started functioning in the country since 1993 & no branch offices in the state of Assam.
**Comment:** Generally HFCs take time for sanctioning/releasing of loan instalment for a period of 1 to 3 months. However, all housing agencies required almost similar document for considering the loan.

- HDFC and HUDCO under HUDCO Niwas are financing well in the housing market in the country as well as in the State of Assam. Compared to their activities and terms & conditions, the state level housing agencies are not running well. However, as the HFCs prefer for urban housing, State agencies should take opportunities for financing in both urban & rural areas on selective basis. State housing agencies should follow and find out methodology as adopted by all India based HFCs.

In order to improve the function of state level housing agencies, State Govt. should provide administrative support and extend the borrowing limit of Housefed. Competent authority should also review the performance of State agencies like Housefed, ASHB. The State agency should also generate resources/borrowing at cheaper rate from the market. They have not made any target for sanction/release as well as recovery position.

All State agencies’ recovery performance are below 40% and at present it varies from 9% to 40% only, whereas in the same market Central sector agencies’ performance are more than 75%. It proves that agencies have no special mechanism for improvement of their positions in all aspects. They should react immediately on the event of default without waiting for specific approval. Authorities should also fix responsibilities with assignment of duties to subordinates for prompt action.

**Chapter 6: Implementation of various social housing schemes by ASHB.**

After Independence, housing policy was considered & the subsidized industrial housing scheme was announced as a Landmark decision in Indian's Social History in Sept. 1952.

- In Assam, housing activities were introduced through Directorate of housing
since 1955 and continued till 1974. ASHB was set up in the year 1972 & started functioning w.e.f. 1st August 1974. The Directorate of housing which existed as a govt. department was wound up in the year 1974. The ASHB has implemented various housing schemes since 1974 & shown its achievement upto 31/3/98.

- The LIG housing scheme was introduced in the year 1954 & there were 4171 no. of units covered out of the fund borrowed from both Govt. of Assam & HUDCO amounted to Rs.734.00 lakhs and Rs.956.70 lakhs respectively. There were 4086 no. of units sanctioned by the HUDCO but the same figure could not be undertaken by the Board due to non availability of Govt. support such as approval, guarantee etc.

Under the MIGH scheme, ASHB has financed 2946 no. of units with financial involvement of Rs.1581.98 lakhs out of borrowed fund of Rs.1647.16 lakhs from both State Government & HUDCO as on 31-03-98.

The EWS scheme with financial involvement of Rs.235.42 lakhs was implemented by ASHB for the benefit of 1355 no. out of targeted of 4485 number of units. The ASHB has utilized 100% of fund received from HUDCO and only 1.46% was utilized which it received from State Govt.

The scheme for shelter upgradation was also implemented covering 12749 number of units through utilization of Rs.372.37 lakhs out of fund received Rs. 468.87 lacs against targeted of 15537 no. of units.

The HIG scheme was implemented with financial assistance of Rs.1621.51 lakhs only from HUDCO & utilized Rs.1138.61 lakhs for the benefit of 1137 no of units.

Subsidized housing scheme for IYSH in the year 1987 was implemented by the ASHB & also utilized the loan amount of Rs.268.08 lakhs out of fund received for Rs.345.26 lakhs. There were 8836 no. of units achieved against target of 11508 no. of units under the scheme.
The Central sponsored subsidized housing scheme for plantation workers as introduced in the year 1956, the ASHB has implemented with loan of Rs.334.78 lakhs & subsidy of Rs.242.02 lakhs. Accordingly an amount of Rs 308.83 lakhs towards loan & Rs.205.04 lakhs towards subsidy was utilized for the benefits of workers of Tea Gardens of 16 districts of Assam. Tentatively 11420 no. of worker’s quarters have been provided under this scheme.

- The Land Acquisition & Development scheme was also implemented by the ASHB & accordingly altogether 621 Bighas 15 Lessas land have been purchased/acquired as on 31/3/98 & utilized Rs.125.29 lakhs for the same out of the receipt of Rs.127.00 lakhs.

- The Board has not undertaken the deposit work in general. The Board has undertaken the work on request of other departments, through which one Health Unit & 2 L.P. Schools were constructed at Deparpathor in Nowgaon district with involvement of Rs.3.50 lakhs out of 3.54 lakhs allocated sum..

- One A.T. house at Jamugurihat near Tezpur was constructed by ASHB for facilitating the case of disabled soldiers.

- The scheme for house sites for rural landless workers was implemented & 353 no of plots handed over to the beneficiaries for which an amount of Rs.0.549 lakh utilized out of Rs.2.00 lakhs so far received.

- There were 18 no. of dwelling units constructed through 4 no. of A.T. houses under the Harijan housing scheme for EWS which was also undertaken by the Board.

- One more Centrally sponsored scheme i.e. construction of cluster demonstration of houses under NBO, New Delhi was implemented by ASHB through RHDC & 40 houses were constructed in Kamrup, Cachar, Golaghat districts with financial assistance of Rs.15.65 lakhs out of Rs.26.92 lakhs so far received.
Under the scheme for EISA, the ASHB implemented & developed certain areas in GHY on selective basis with involvement of Rs.23.36 lakhs out of fund received for Rs.25.18 lakhs. The rental housing scheme was implemented by the Board & constructed 768 no of flats/ houses with an amount of Rs 930.89 lakhs upto 1998. The JHS, one of the most important schemes for the benefit of people of the Economically Weaker Section, has been implemented by the ASHB. The Board has received a loan of Rs.496.46 lakhs & utilized Rs.402.79 lakhs as on 31/3/98. Accordingly the subsidy for an amount of Rs.295.02 lakhs was received & it utilized Rs. 141.08 lakhs. There was 3477 no. of units covered against target of 7823 units.

Altogether, the Board has utilized an amount of Rs.6298.58 lakhs against fund received Rs.8316.91 lakhs. Finally, there are 47841 units covered under various housing schemes directly against targeted units of 73056 no. As per the objective of the study, it is found that the Board has financed 43614 no. of units for the benefit of EWS & LIG peoples and acted as a facilitator for the benefit of 4227 no. of people of middle income and higher income group.

**Comment:** It is concluded that the Board has utilized 81 % of funds received from the HUDCO and 68 % of funds received from the State Government. Overall utilization is 76 %. An amount of Rs. 2018.33 lakhs towards scheme fund remained unutilized as on 31/3/98, but the same was spent for incurring other expenses. In spite of utilization of 76 % of loan, Board is unable to recover the instalment from the individual beneficiary even to the that extent of meeting the requirement of debt servicing and therefore, the recovery performance has fallen below 10 %. It proves that the Board has either not financed the right persons or beneficiaries are not aware of these schemes. Beneficiaries perhaps are also not aware the legal actions for an event of default. On the other side it comes out very badly that no such pro-active actions have been initiated by the Board against defaulters.
Chapter-7: Organizational Structure, Establishment and Functions of the Assam State Housing Board: ASHB was constituted under the Board Act, 1972, composed with one Chairman and 9 other members. Board shall be deemed to be a local authority as per the provision of Land Acquisition Act 1894. It includes 3 (three) members elected by the Assam Legislative Assembly. The Chairman is appointed by the Government for the period of three years from the date of his appointment along with other members of the Board. Board may discharge the duties such as Technical aspect, Research work, Loan Assistance & Survey etc. However, except financing loan to individuals no such activity was carried out by the Board which can be recorded for the benefit of the Govt./public.

There are 407 no. of employees working under the Board and divided into four different classes. Out of which 19 are under class I, 48 under class II, 235 no. under class III & 105 no. are under IV. The Board has 7 no. of cells/ branches such as Engineering, Administrative, Loan, Rent & Land, Planning, Accounts & Public relation cells, but no such professionals engaged in these cells.

All the above 7 cells are headed by the four wings such as Technical wing, Administrative wing, Loan section wing and Finance & Accounts wing.

Technical wing is headed by two Superintending Engineers and Establishment. Administrative wing is headed by one Chief Administrative Officer under whom five executives are working. Similarly Finance & Accounts wings are controlled by the Chief Account Officer who is a deputationist. There are two more sub-sections under the Accounts wing namely Central section & HUDCO section. Board has no in-house professionally qualified accounts/finance officials in executive level resulting in the poor performance of maintaining the loan accounts and poor recovery of loan that is below 25%. Nowhere it is seen that the Board has either proper system for reviewing the
default cases or prepared individual-wise current default status of the Board.

The loan section is accordingly headed by the Chief Housing Officer who is in charge of loan sanctioning, selection of beneficiaries, documentation aspect etc. Additional CHO and Housing Officers are under the control of CHO who is in-house member of the Board. In this respect the Board has no proper training system for looking after such main activities. Hence there is possibility of showing poor performance in duties. Land is the basic resource for any housing development. Adequate supply of service land at affordable cost, fulfilling the field needs of the people. Public housing agencies could also act as promoters of housing activities by concentrating on the supply of developed land and other support activities as envisaged in the National Housing Policy. In this respect of ASHB has not been able to undertake any layout schemes with planned vicinity of services and facilities. No such specific department for supply and management of land/ Real Estate of the ASHB exists till now. Instead, Board has continued with providing cash loan to the individual plot owners. Board has no proper Management Information System (MIS) for the purpose of communication within and outside of office organization. The Act suitably provides for training of personnel to various jobs, but the ASHB appears to have neglected the same abysmally. A few no of labourers had undergone training through building centres. There are only four building centres functioning in the district of Kamrup, Nowgaon, Golaghat & Tinsukia. The above building centres have been sanctioned with grant received from Government of India and KFW for the production of low cost building materials and for providing training in the field of construction activities.

In respect of preparation of plan & programme/ budget etc., the Board is making such document on an usual basis without reviewing the past performance & market demand and no such pro-active/ prospective plans proposed to meet the requirement.
Hence, the quality of variation in implementation of the scheme is difficult to be achieved.

**Comment:** The Administrative set up of the Board is seen to be obsessed with more technocrats without corresponding precaution for loan recovery performance and with manifestation of lack of legal efficiency. No loan recovery officer with specific assignment of duties is seen which is the Core department of any financing organisation. The mortgage of property is the main security of the loan, which needs to be scrutinized, certified and it constitutes the safety net of an organization's performance, but the Board has no Law professional or qualified officials engaged for the same. The documents are scrutinized by non professional officers of the Board. The Board has been functioning for the last 26 years & financing more than 36000 units without maintaining the records through computerized system.

At present all records/ individual loan accounts are maintained manually & followed in traditional system only. The absence of a computerized system in ASHB implies its limitations & backwardness in its very approach towards fulfilling goal & target amidst competitiveness of housing business at the moment.

Finally it can be concluded that the Chief of the different wings are required to be headed by professionally qualified/ experienced executives. The professional like Chartered Accountant/ Cost Accountant/ MBA finance or post graduate in Commerce are required to be engaged under Finance & Accounts wings. Law graduate/ post graduate at least one in each zonal office is most essential in place of executives of other discipline. As already indicated officers from law disciplines may be deputed/ appointed as Housing Officers/ Law Officers at least against 1/3 of the 44 existing Housing Officers of the Board. Moreover, in order to make proper management of available land and building at various places a distinct department under the Real Estate may be created by the Board.
Chapter 8: Financial Performance and Cost Structure of the ASHB.

ASHB has mobilized fund from Govt. of Assam & HUDCO towards loan of Rs. 64.63 crore, out of which an amount of Rs. 47.11 crore come from HUDCO and Rs. 17.52 crore from Govt. of Assam respectively. Other than State Govt. & HUDCO, No other sources is available for the Board to mobilize funds. ASHB has never mobilized any fund from the market during last ten years from 1987-88 to 97-98. Funds borrowed from HUDCO was increasing upto 93.5 % of total borrowing & decreasing in case of Govt. of Assam to extent of 7 %. The loan was borrowed from HUDCO with State Govt. guarantee. Board could not borrow the full amount of Rs. 151.25 crore sanctioned by HUDCO as on 31/3/99. The sources of revenue are interest income, fees, rent recovery & supervision receipt etc. Similarly interest payment, salary exp. & other administrative exp. etc. are the main head of expenditure of the Board. The Board is running on deficit since last ten years consecutively. The cumulative deficit as on 31/3/98 is Rs. 483.31 lakhs. The revenues shown as surplus in the year 97-98 are properly not assessed as per the terms of accounting policy (as already indicated in the chapter). Total average revenue deficit of 11 years is Rs. 45.65 lakhs as on 31/3/98.

The loan recovery performance of the Board varied from 44.76 % to 8.38 % & it has been gradually decreasing from the year 89-90 to 96-97 to the extent of 8.38 %. Similarly rent recovery performance is also within the range of 38.63 % to 15.82 %. In respect of servicing of borrowing, the Board has serviced the HUDCO Debt regularly upto QE Dec. 96 in full & in part for the QE March 97. But thereafter defaulted i.e. from QE March 97 towards repayment to HUDCO till the end of the current quarter ending & total default comes to Rs.70.37 crore as on 31.03.2003. No proper action initiated to improve the situation by the Board directly, except diversion of scheme fund for repayment of HUDCO dues. Once the loan was disbursed, return was not expected even 50 %. In case of loan from Govt. of Assam, Board has not remitted any amount towards
repayment up to March 99 except for Rs. 22.44 lakhs during the last 11 years. Total liability comes up to Rs.2998.05 lakhs in case of Govt. of Assam & Rs.8960.50 Lakhs in case of HUDCO up to Dec. 02 and Rs. 9316.77 Lakhs as on 31-03-2003. However, utilization performance of fund is quite improved to the extent of 76.10%. Out of Rs. 8316.90 lakhs, the Board has utilized Rs. 6317.76 lakhs as on 31/3/98. As per the audited statement of A/c, it is seen that the Board has taken time for finalization of annual accounts i.e. maximum 5 years 1 month and minimum of 1 year 9 months in place of 12 months. Most of the time accounts are audited within 3 or 4 years which should have been completed within 6/9 months from the date of closing of the A/c.

In respect of cost construction of the Board, major expenditure incurred for the payment of interest to HUDCO & next major expenditure was for payment of salary etc. They have no sources of revenue for payment of salary. The Board has received total Rs. 299.92 lakhs as establishment grant from State Govt. during the services of 26 years as on 31/3/98.

The interest income are taken into account on accrual basis but payment is made on actual basis, hence interest income is always shown in higher side in their a/c. On the other hand interest on State Govt. loans are also accounted on accrual basis & shown as interest income, but no payment has been made to State Govt. Hence present position as shown may further deteriorate in future, since the board has no adequate revenue generating scheme.

However, the component of dues accruing from interest against total recoverable from the beneficiaries of both HUDCO & State Govt. finance is 36%. Hence interest expenses are more than its income of last 11 years.

Comment: (i) The Board could not mobilize the sanctioned sums from the HUDCO which is one of the main sources for the Board’s finance.
(ii) ASHB could not make any proper plan of action or find out a solution through implementation of revenue generating schemes to meet the revenue deficit.

(iii) At present the Board has no own sources of earning even for payment of establishment/ Administrative Cost. However, it meets its operational payments from loan recovery from individuals against HUDCO & State Govt. finance schemes. It is observed that after 4/5 years i.e. expiry of terms of repayment of existing loans the Board will be unable even to spend for their own expenses.

(iv) Revenue by way of rent collection is not sufficient even to meet the recurring/maintenance exp. However, expenses so far incurred have no bifurcation whether it is revenue nature or capital nature.

(v) The Board with more than 400 staff is running without any future strategic plan which may lead to stop functioning of the office eventually.

(vi) Govt. of Assam has neither taken any step nor supported the Board to adopt any turnaround strategy to the relief of people.

(vii) If the present trend continues, it will soon bring the state govt to the brink of major liability on account of ASHB's continued loss.

**Chapter 9: Comparative Performance of selected State level Housing agencies in India.**

The ASHB was established under the Board Act 1972, whereas GHB & KHB in 1962, OSHB in 1968 respectively the subsidy & RHB was established in 1970. The GHB & KHB are the oldest State level housing agencies next to Andhra Pradesh Housing Board (1960) in the country.

All selected agencies are required to carry out housing activities which are similar in nature. The RHS has produced larger units of 5715 numbers in average per year during last five (1993-94 to 1997-98) years, whereas ASHB has produced 3176 no.
of units per year. Similarly, units of 4834 no. & 4066 no. were produced by GHB & OSHB respectively. However, KHB has produced the lowest average in terms of units i.e. 1951 units per year. However, other Housing Boards have not implemented shelter upgradation scheme except ASHB.

In terms of physical performance ASHB has contributed 3.69 % of yearly growth of residential houses in the State of Assam (Ref. table 9.3). Rajasthan Housing Board has contributed 3.97 % of their growth of residential houses in Rajasthan, whereas KHB contributed only 1.15 % in growth of residential houses in the State of Karnataka.

The housing shortage position as already indicated, is highest in Assam with a shortage of 29.17 % in urban areas and 67.40 % in rural areas. The shortage position of Rajasthan is found lowest as per census 1991 amongst selected States.

In respect of working result, ASHB shows revenue deficit continuously but other housing agencies show surplus during the year 93-94 to 97-98. Cost recovery position of ASHB shows downward trend from 56.33 % to 5.82 % whereas other selected housing agencies show upward trend of recovery, RHB has extended their recovery upto 90.53% in 93-94 & always above 81 %. Although OSHB shows 24.69 % in 93-94 but subsequently they improved to 54.04 % in 97-98.

The HUDCO is the main source of borrowing of fund for all selected agencies. RHB, GHB & KHB have also borrowed fund from other sources/ HFIs. However, total borrowing of five years (93-94 to 97-98) was found Rs. 39.52 crore as a minimum in case of ASHB & Rs. 266.26 crores as maximum in case of RHB.

Servicing of debt is continued by RHB, KHB & GHB in full and not defaulted upto 97-98. But ASHB & OSHB are showing default & could not serve the debt as required.
The administrative & supervision charges are also shown higher in case of ASHB & OSHB and varied from 13.61 % to 55.56 %. In other cases A & S charges were varied from 5 % to 27.77 %.

In respect of organization structure all selected agencies have professional staffs in most of the deptt. ASHB has professionals in 7 deptt. out of 12 deptt. & KHS has 6 professionals in 6 department out of 12 departments and other have 9 to 10 no. of deptt. equipped with professionals.

Comment: In view of performance of ASHB in respect of working result with deficit, poor recovery performance, huge expenditure incurred under A & S, default in debt servicing and borrowing efficiency during last five years from 1993-94 to 97-98, it can be finally concluded that Board's performance in terms of physical, financial and organizational aspect is found poorest amongst selected agencies in India.

Based on the salient findings of this study summarized above, the following suggestions are recommended for improvement of Housing Board and further actions.

**SUGGESTION:**

(1) The current nature of problems confronting the Board calls for complete resetting of the organizational staffs. The investigation reveals that the Board is more tempted to position itself as a money lender than to undertake activities of rental housing, Government sponsored schemes, shelter upgradation schemes, land acquisition & plotted development scheme etc. and finally as a promoter of shelter.

Therefore, Government of Assam should immediately form a core/ task force for reorganizing the present structure of the ASHB especially for downsizing and reorganization suggestion.

(2) As it is observed, that the commercial undertakings in housing finance find easy catch in the affluent urban dwellers market, a State sponsored organization like the
Housing Board could play an ideal role by concentrating its activities in the rural sector. The scope in the said sector is fairly large owing to the fact that standard housing norms are yet to be achieved by the rural folk where deficiencies lie.

(3) The Board should avail of VRS practices for downsizing the excess Executive & staff personnel. A task force should examine the issue of restructuring the Board with a view to bifurcating the present organization into a Housing Finance Institute & a Board for taking care upon financing as well as rental housing & residual activities respectively.

(4) The offices of the Board including the Zonal offices should be appropriately manned with competent persons of legal background. The current set of staff dealing with crucial matter of scrutiny & verification of documents lack adequate expertise, resulting in dilusion of Boards interest over securities in case of default.

(5) The provision of Co-llateral security should be followed with stringent rule so that secondary reliance in case of default can be fruitful and quickly realizable. The easy method of deduction from salary in case of default should be cautiously enforced with absolute consent of the employers in unambiguous terms.

(6) Zone/ district/ sub-division wise target of sanction, release & recovery of loan may be fixed on selective basis. Periodical review of performance of each of the schemes with regard to their achievement should be conducted by the competent authority or by a suitable agency. Provision of ‘reward’ or any kind of incentive may also be thought of for the district offices showing the best performance in achieving the targets.

(7) Periodical review in respect of procedure of recovery, serving demand notices, recovery performance, co-ordination with the debt recovery organs of the Govt. is utmost essential for formulation of new/modified strategy. Maintenance of records should be such so that list of defaulters can be easily identified & revenue authority’s
help should be sought against defaulters for forfeiture of property etc. Encouragement to
defaulters can be made through offer of waiver of penalty & punitive interest.

(8) The Board should upgrade its incentive towards loanees for lump-sum or one time
settlement of outstanding of loan. The existing provision for repayment may be made
more lucrative to the loanees in respect of curtailment & rescheduling, extension of
period, resetting of interest and revision of terms. The package of incentives offered by
other rival competitors should find due weightage in formulation of revised incentives.

(9) Creation of Real Estate Management Department under ASHB is suggested for
proper management of assets and utilization of land. The Govt. may also re-examine the
matter of dispose the units specially A.T. houses located at chandmary, Guwahati hill
area. The maintainence cost is presently more than its earning by way of rent etc. The
Board can generate sufficient fund provided the units are disposed instead of renting out
under the RHS scheme. The same fund can also be used as working capital for undertak-
ing the remunerative schemes.

(10) In the execution of housing schemes, land is the most scarce commodity and this
position will deteriorate in future. In order to execute housing schemes in future, the
agencies in Assam should try to create Land Bank consisting of Government lands on
lease, acquiring and purchasing of private land etc. In this respect, Government
intervention through suitable modification of ULCR Act 1976 is now essential for
proper utilization of surplus land for the benefit of common people & to make housing
affordable to people.

(11) The detailed information about each & every aspect of the scheme should be given
to the beneficiaries specially of rural areas before releasing the first instalment or
supplying any kind of housing materials.

(12) Under the cash loan housing activities, State HFI should mobilize resources from
market on competitive rate considering the cost of borrowing.
(13) Wide publicity of the schemes should be made for awareness of general people & they should have idea about housing policy of the State as well as Central Govt.

(14) In view of the improvement of Sanction/ release procedures of National level HFI's providing with simplification & customer friendliness, the State level housing agencies should also simplify their procedures in order to provide loan within a very short time & without red-tapism.

(15) Since no provision have been made by any State housing agencies for taking insurance policies to cover various risks involved during the construction of houses, it is advisable to give special incentive at the cost of housing agencies for covering all such risks through insurance policies with full repayment period

(16) The hitherto followed traditional policy of approving sanction at HO may be changed by the State housing agencies to consider sanction not only at State Headquarter but also with provision of spot sanction/ release by visiting team of officers at different camp offices/ district offices.

(17) Immediate computerization system of loan accounts should be established to update their accounts by ASHB.

(18) Training facilities to motivate the official of ASHB to do hard work & to create a working environment for greater benefit of people of Assam.

(19) As per the provision of Rental Housing Scheme of ASHB, houses are required to be provided to Govt. employees only. Since the rental housing facilities are availed by both the Govt. employees & other people of Assam, hence suitable modification of present rules of ASHB is recommended, otherwise it displays a flagrant violation of existing rules.

(20) In order to improve the quality of living as well as to make an adequate housing environment to the people of the State, housing agency like ASHB should make
infrastructural provision of basic amenities like drinking water & latrine facilities, during implementation of the schemes.

(21) To maintain low cost technology and to transfer the benefit of the same to the grass-root level and to reduce the cost of building materials, the provision of Building Centres should be incorporated in the plan & programme with a target by the State housing agencies. Opportunities of creation of Building Centres through grant from Building Material & Technology Promotion Council should be availed annually for the maximum benefit of downtrodden section of people of the State.

(22) Initiation of action to improve saving habit among loanees is considered to be one of the complementary measures to improve loan recovery performance. Poor performance of recovery is the only most important cause of failure of operational success of the ASHB.

Hence, provision of operation/maintenance of Housing Bank account may be made under State HFI with the condition that loan facilities can be availed suitably by the depositors based on the deposit amount and continued atleast for 2 to 3 years. The system may be more beneficial for rural people in Assam for obvious reasons.

(23) Considering the present liability ie;approx. Rs.9316.77 lakhs towards repayment of HUDCO loan as on 31-03-2003 the ASHB, proves its inability to serve the present debt out of its limited sources in the wake of its unlimited expenses. The creditor institutes have no other alternative other than invocation of security such as Govt. Guarantees in order to realise the outstanding dues. Hence, it is suggested to go for OTS (one time settlement) of loan liabilities under RBI guideline and may negotiate with financing institutes for special dispensation of additional charge etc. It will help to gain benefits to the tune of crore of rupees, otherwise of which full liabilities with penalty have to be borne along with invocation of Government guarantee as provided against borrowing