

District-wise study Plan for Housing in the Districts of Sivagangai and Pudukottai, Tamil Nadu.



Submitted by

**Rural Empowers Social Services Organization (RESSO)
Tirumayam, Pudukkottai District, Tamilnadu.**

Report Written by

Francis Adaikalam. V

**District-wise study Plan for Housing
in the Districts of
Sivagangai and Pudukottai, Tamil Nadu.**

Submitted by

**Rural Empowers Social Services Organization (RESSO)
Tirumayam, Pudukkottai District, Tamilnadu.**

Report Written by

Francis Adaikalam. V

List of Acronyms

APL	-	Above Poverty Line
APMAS	-	Andhra Pradesh Mahila Abhivruddhi Society
ASSEFA	-	The Association of Sarva Seva Farms
BDO	-	Block Development Office
BPL	-	Below Poverty Line
CASA	-	Church Auxiliary Social Action
CB	-	Cooperative banks
CBMFI	-	Community Based Microfinance Institutions
CCSS	-	Credit Cum Subsidy Scheme
DCCB	-	District Central Co-operative Bank
DRDA	-	District Rural Development Agency
FFCD	-	Food For Community Development
HMF	-	Housing Micro Finance
IAY	-	Indira Awaas Yogna
JLG	-	Joint Liability Group
JNNURM	-	Jawaharlal Nehru National Urban Renewable Mission
LDB	-	Lead Development Bank
LIC	-	Life Insurance Corporation
MFI	-	Micro Finance Institutions
NABARD	-	National Bank for Agriculture and Rural Development
NGO	-	Non Governmental Organization
MDG	-	Millennium Development Goals
NHB	-	National Housing Bank
NHFS	-	National Family Health Survey
PACB	-	Pudukottai Agricultural Co-operative Bank
PGB	-	Pandyan Grama Bank
PSBs	-	Public Sector Banks
RBI	-	Reserve Bank of India
RFMC	-	REPCO Foundation for Micro Credit
RRB	-	Regional Rural Bank
SHG	-	Self Help Groups
SIPCOT	-	State Industries Promotion Corporation of Tamil Nadu
TRUPA	-	Tirupattur Rural Upliftment Project Association
UDHR	-	Universal Declaration of Human Rights

Acknowledgment

National Housing Bank's initiative in bringing out a housing status study in Sivaganga and Pudukottai Districts on the lines of Potential Credit Plan of NABARD is a welcome step in this direction. I thank NHB team for entrusting this work to me.

I must thank organizations and individuals who helped and contributed on various stages of this study. For want of not leaving out any individuals who have helped to carryout this study I restrict my self mentioning the names of the organization they belong to. Foremost are the members of public who benefited through various schemes of Governmental, Non-Governmental, Banks and other lending agencies need a special mention. The study would have lost its value and essence in their absence. Special thanks to various Government agencies District Rural Development Agency National Information Centre and District Statistical Office for providing basic data relating to the schemes. Many thanks to officials belonging to Municipality offices and Block Development Offices of both districts for sparing their valuable time in providing nuances of Government schemes. More importantly the elected representatives in these districts who were forthcoming in providing their ideas.

Apart from all the functionaries help from lead bank in both the districts and sharing from Managers of Nationalized Banks and functionaries of Co-operative Societies has immensely helped the team to crystallise the report. The support I received from Voluntary Agencies, Builders Association, Contractors and Money Lenders helped me to fine tune the report for a logical conclusion. I fail my work if I don't thank my students Mr. Ponnusamy, Mr. Jones and Mr. Thomas and logistics support given by friends and well wishers.

Date:16/09/09

Place: Chennai



Francis Adaikalam.V

Lecturer, Department of Social Work

Loyola College, Chennai-34.

E mail: vfrancis@gmail.com

CONTENTS

ACKNOWLEDGEMENT	i
LIST OF ACRONYMS	ii

PART I

BACKGROUND OF THE STUDY & METHODOLOGY	1-9
A. Background	
B. Methodology	
C. Report structure	
D. Overall Observation & Recommendations	
E. Limitations	

PART II

GENERAL INTRODUCTION & SIVAGANAGI DISTRICT	10-70
<u>Chapter 1: Housing Position in Tamilnadu</u>	
<u>Chapter 2: Sivaganga District Profile</u>	
2.1. Socio Economic Developments	
<u>Chapter 3: Housing Situation in Sivaganga District</u>	
3.1. Income Group wise Housing Situation in the District.	
<u>Chapter 4: Assessment and Performance of various Housing Schemes.</u>	
4.1. Indira Awaas Yojana	
4.1.1. IAY Allotment	
4.1.2. Bank Loan procedure for IAY beneficiaries	
4.1.3. Granting money	
4.1.4. Construction Cost	
4.1.5. Quality House determines Quality of Life	
4.1.6. General observation about IAY scheme	
4.2. Voluntary Organisation's Initiative	
4.2.1. The Case of TRUPA	
4.2.2. Assessment of TRUPA's initiative	

4.3. ASSEFA

4.3.1. ASSEFA of Housing Finance- 3 types

4.3.2. ASSEFA's experience in Housing

4.4. Suggestions

Chapter 5: Mapping Institutions providing Credit for Housing

5.1. Informal Credit Delivery System in Sivaganga District

5.2. Formal Lending Institutions in Sivaganga District

Chapter 6: Performance of Lending Institutions for Housing

6.1. Banks

6.2. Co-operative Sector

6.2.1. Problems faced by Housing Cooperatives

6.3. Housing Finance Companies

Chapter 7: Assessment in-debt-ness and Repayment Capabilities

7.1. Housing Finance to Weaker Section Vs Overall Disbursement 2004-2007

7.2. Loan

7.3. Repayment options

Chapter 8: Housing Shortage & Projection in Sivaganga District

8.1. Households Density

8.2. Housing Shortage

8.3. Housing Potential

8.4. Sanitation

8.5. Alternative Models Proposed

PART III

PUDUKOTTAI DISTRICT

71-106

Chapter 1: Pudukottai District Profile

Chapter 2: Housing status of Pudukottai District

2.1. Urbanisation

2.2. Household Status

Chapter 3: Assessment of performance of various Housing Schemes

3.1. Kutcha Renewal Scheme

3.2. Indira Awaas Yojana

- 3.3. Repco Foundation for Micro Credit (RFMC)
- 3.4. Pandian Grama Bank
- 3.5. Summary

Chapter 4: Institutions Lending Credit for Housing

- 4.1. Presence of Commercial Banks
- 4.2. Co-operative Societies

Chapter 5: Assessment of Lending Institutions for Housing

- 5.1. Bank Loan for Priority Sector Housing
 - 5.1.1. Number of Physical units supported by Banks in Priority Sector
 - 5.1.2. Loan Amount granted by Banks in Priority Sector
- 5.2. Housing Loan for Non Priority Sector
 - 5.2.1. Number of Physical units supported by Banks in Non Priority Sector
 - 5.2.2. Loan Amount sanctioned by Banks in Priority Sector
- 5.3. Bank Loan for Weaker Section Housing

Chapter 6: Assessment of Indebtedness and Repayment Capabilities

Chapter 7: Housing Shortage and estimation for Pudukottai District

- 7.1. Housing shortage
- 7.2. Possible interventions in Housing
- 7.3. Sanitation Status in Pudukottai District

TABLES
SIVAGANGA DISTRICT

TABLE A1.1	Stakeholders Interviewed & Interacted for the Study	4
TABLE A1.2	Housing Profile in Tamil Nadu	12
TABLE A1.3	Percentage Distribution of Total Households by Type of Census Houses Occupied 2001.	15
TABLE A1.4	Physical and Financial Achievements during the Tenth Five Year Plan	19
TABLE A1.5	Financial Outlay of Eleventh Five Year Plan	20
TABLE A1.6	Providing Security to All (IAY): Tenth Plan Achievement	21
TABLE A1.7	IAY Kutcha Houses	21
TABLE A1.8	Tamilnadu Housing Demand Projection	22
TABLE A2.1	Administrative Structure	24
TABLE A2.2	Taluk Details	24
TABLE A3.1	Distribution of Households by Type of Census Houses Occupied, 2001	27
TABLE A3.2	Urban Rural Housing Position	28
TABLE A3.3	Percentage of Urban Population	29
TABLE A3.4	Domestic Consumption of Electricity	29
TABLE A3.5	Income wise Household Details in Sivaganga District.	30
TABLE A3.6	Houses and House Sites distributed to Communities	31
TABLE A4.1	Cost Estimation to Construct 10 x 10 Floor Space House	35
TABLE A4.2	Progress report on Indira Awaas Yojana	36
TABLE A4.3	Various Models Developed by TRUPA	39
TABLE A4.4	Comparison between schemes implemented by Government and NGOs	43
TABLE A5.1	Progress of SHG bank linkage program in India.	47
TABLE A5.2	List of Bank Branches Blockwise in Sivaganga District	48
TABLE A5.3	Trends in Co-operative Societies	50
TABLE A5.4	Profile of Micro Finance in Sivaganga District	51

TABLE A5.5	Broad Sector-Wise and Year-Wise Break up of Credit Outlay for the 10 th Plan period	52
TABLE A6.1	Number of Physical Units in Housing loans, Priority Sector (77): 2007-2009	54
TABLE A6.2	Amount granted for Housing loans, Priority Sector (77): 2007-2009	55
TABLE A6.3	Percentage of Housing Finance to Weaker Section in Priority Sector	56
TABLE A6.4	Bank wise Percentage for housing finance to weaker section 2004 – 2008	57
TABLE A7.1	Formal Institutions Finance Position	61
TABLE A7.2	Scheme wise - Details of Recovery and Overdue Position 2004-2006	62
TABLE A8.1	Housing Shortage in Tamilnadu for the Years 2001 & 2011	67
TABLE A8.2	Housing Potential in Sivaganga District	68
TABLE A8.3	Sanitation Position	69

FIGURES
SIVAGANGA DISTRICT

FIGURE A1.1	Percentage Distribution of Households by Type of Census Houses-2001.	14
FIGURE A1.2	Households living in Permanent Census Houses 2001.	16
FIGURE A1.3	Households living in Semi Permanent Census Houses, 2001	17
FIGURE A1.4	Households living in Temporary Census Houses, 2001	18
FIGURE A2.1	Sivaganga District	23
FIGURE A2.2	Basic Data on Sivaganga District	26
FIGURE A6.1	Number of Physical Units in Housing loans, Priority Sector (77): 2007-2009	54
FIGURE A6.2	Amount granted for Housing loans, Priority Sector (77): 2007-2009.	55
FIGURE A6.3	Percentage of Housing Finance to Weaker Section in Priority Sector	56
FIGURE A6.4	Bank wise Percentage for housing finance to Weaker Section 2004 – 2008	57
FIGURE A7.1	Overall Finance Recovery Status	61

TABLES
PUDUKOTTAI DISTRICT

Table B1.1	Administrative Structure	73
Table B1.2	Taluk Details	73
Table B1.3	Block-wise Panchayat Details	74
Table B1.4	Decennial Growth of Population, Pudukottai District	75
Table B2.1	Census 2001 – Taluk wise Distribution	77
Table B2.2	District-wise Urbanization Level	78
Table B2.3	Number of Households in Tamilnadu	79
Table B2.4	Block-wise BPL-APL Families	80
Table B2.5	Free Houses and House sites distributed to Communities	81
Table B3.1.	Housing Scheme for SC/ ST Households	82
Table B3.2	Repayment Structure in RFMC	85
Table B4.1	Performance of Banks in Pudukottai District as on March 2007	87
Table B4.2	List of Bank Branches Block-wise in Pudukottai District	89
Table B4.3	Details of Co-operative Societies	91
Table B5.1	Number of Housing Loans in Priority Sector	92
Table B5.2	Amount sanctioned for Housing loans in Priority Sector	94
Table B5.3	Number of Housing Loans in Non-Priority Sector	95
Table B5.4	Amount granted for Housing loans in Non-Priority Sector	97
Table B5.5	Percentage of housing finance to WS out of Priority sector	99
Table B7.1	Housing Shortage in Tamil Nadu for the years 2001 and 2011	103
Table B7.2	Sanitation Situation, Pudukottai District	104
Table B7.3	Census 2001 Report on Sanitation	105

FIGURES
PUDUKOTTAI DISTRICT

Figure B1.1	Pudukottai Taluk Map	72
Figure B1.2	Pudukottai Block Map	72
Figure B1.3	Population Growth in Pudukottai District	75
Figure B1.4	Basic Data on Pudukkottai District	76
Figure B5.1	Number of Housing Loans in Priority Sector	93
Figure B5.2	Amount sanctioned for Housing loans in Priority Sector	94
Figure B5.3	Number of Housing Loans in Non-Priority Sector	96
Figure B5.4	Amount granted for Housing loans in Non-Priority Sector	97
Figure B5.5	Bank-wise percentage of housing finance to Weaker Sections in Pudukottai District	98
Figure B6.1	Scheme-wise details of Recovery and Over-due Position	101

ANNEXURES

107-110

- I. Questionnaire for the beneficiaries
- II. Questionnaire for the Govt. officials
- III. Questionnaire for the Bank officials

A. Background

The Istanbul Declaration and the Habitat Agenda (1996) stated that provision of the Right to Adequate Housing required joint action by Government Organizations, Communities and Local Authorities, as well as Partner Organizations and entities of the International Community. Such a Coordinated Action is required to achieve Comprehensive Rural Development as it is envisaged in the 11th Five Year plan. One of the main factors to ensure that goal is availability and accessibility of formal credit system. In this direction the Reserve Bank of India emphasized on Financial Inclusion measures. It includes Banking Penetration, Availability of Banking Services and Usage of the Banking System. The main idea is not only to create a Formal Credit System in the less developed areas but also to create Credit availability to people irrespective of their income.

As envisaged in the 11th Five Year Plan one of the major factors that determine the overall development of the country is Affordable Housing through adequate and timely credit. In order to know the present status to fine tune the housing credit system and to create people friendly policy a status report on the existing situation at the Micro Level is needed. It includes Stocktaking the Existing Infrastructure, Mapping out the Credit Institutions vis-à-vis housing situation in a specified geographical area at a given point in time.

India has over 33,000 branches of scheduled commercial banks, around 14,500 branches of Regional Rural Banks (RRBs) and 98,000 Primary Agricultural Credit Societies (PACS) in rural and semi-urban banking network. But still 41% of the population are unbanked as mentioned by Ms.Ranjana Kumar in her report on 'Banking with the Poor: NABARD's Experience'. In India, around 400-500 Grassroots-level Organizations is providing savings and Micro-Loan Services to the poor to no more than 1.5 million households. Still some 60 million families (approximately 36% of the country's population) are in need of financial services as mentioned in UN Habitat report on Financing Urban Sector.

Moreover Credit through Microfinance was heavily focusing on areas such as livelihood, social function and other emergency needs of the family. Whereas, Micro Credit support for Housing is negligible. This may be due to borrower's long term repayment commitment. NHB defines Housing Microfinance as "Housing loans generally less than Rs.1, 50,000, per beneficiary extended to low income persons in rural and urban areas for construction of new houses or repairs/ upgrading of existing houses. Tenor of the loans generally extends from 2 years to 10 years". So the need for Housing Microfinance as envisaged by NHB becomes imperative. The concept paper on Housing Microfinance by National Housing Bank offers 3 perspectives at the family level. Firstly, families view Housing as Shelter, Secondly as a Commodity and Thirdly as an Investment. Most of the time families in Low Income Group families view housing as form of Social, Economic and Personal Security.

In this respect Housing Microfinance Study proposed by National Housing Bank (NHB) becomes significant. Such a study not only maps out the presence of credit system but also makes provision for the marginalized and the poor to have access to loan for construction, repairing and up-gradation of house. This will enable formulation of suitable policy interventions by the State and Financial Institutions focusing on housing for the poor, low income segments which have by and large, remained unserved and underserved. In addition National Housing Bank, which has the mandate to conduct research, studies in the field of housing and housing finance in the country would know the status and requirements of housing as also the potential institutional linkages to address the housing and housing finance requirements in the Sivagangai and Pudukkotal Districts of Tamil Nadu which have been declared as most backward districts. So the study had the following objectives:

- a. To estimate housing requirements and potential market for housing finance.
- b. To study the existing institutional framework providing grant and credit facilities for housing to the various sections of the society either through budgetary provisions and through lending institutions.
- c. To recommend alternative optimal models for channelising housing finance in these districts.

B. Methodology

The primary data was collected in the period between May 2008 and August 2008. Since the study is first of its kind in India exploratory design (no systematic sampling) was used to collect information from the field without compromising NHB's Terms of Reference. Questionnaire¹ for various stakeholders to collect data were prepared after reviewing the secondary literature and discussion with officials of NHB, Beneficiaries and Bankers. Different stakeholders interviewed in this process of data collection were beneficiaries of Government Housing Schemes, Bankers, Insurance Agents, Pawn Brokers, Representatives of Voluntary Organization, Builders Association and Government Officials. Snowball Sampling was adopted to collect and to interact with various stakeholders using Semi structured questionnaire. In addition to the interviews field level reports and documents relevant to the study were collected. Secondary data were collected from various sources such as Government Departments and Banks². Information available in World Wide Web during the period between June 2008 and December 2008 has been incorporated.



Meeting with Stakeholders

¹ See Annexure I, II & III for details

² The list of Government agencies, Banks, NGOs and individuals the researcher met or visited in both the Districts are provided in Table A1.1.

TABLE A1.1
Stakeholders Interviewed & Interacted for the Study

	<i>Sector</i>	<i>Sivaganga District</i>	<i>Nos.</i>	<i>Pudukottai District</i>	<i>Nos.</i>	
I	Government	Project Office, DRDA	3	Project Officer, DRDA	1	
		NIC Office	1	NIC Office	1	
		Statistical Office	3	Statistical Office	1	
		TADCO office	1	MLA, Tirumayam	1	
		Municipality Office, Sivaganga	3	Municipality Office, Pudukottai	2	
		Panchayat Office, Manamadurai	2	Panchayat Office, Tirumayam	2	
		BDO Office, Manamadurai	4	BDO, Tirumayam	1	
		Adi Dravida Welfare Office	1			
Sub Total			18		9	
II	Financial Institutions	Lead Bank, IOB		Lead Bank, IOB	1	
		SBI, Manamadurai	1	SBI, Tirumayam	1	
		TN Co-operative Housing Society	4	TN Urban Co-operative Housing Society	4	
		TN Urban Co-operative Housing Society	3			
		NABARD	1	NABARD	1	
		Canara Bank, Manamadurai	1			
		LIC, Madurai			3	
		Sub Registrar, TN Housing Society, Virudhunagar			2	
		Sub Total			10	
III	NGOs	Integrated Rural Community Development Society (IRCDS), Sivaganga	2	RESSO, Tirumayam	3	
		TRUPA, Tirupathur	3	NILAM, Aranthangi	2	
		ASSEFA, Sivaganga	2			
		Sub Total			7	
IV	Individuals	SHG members	30	SHG members	40	
		Beneficiaries of IAY scheme	40	Beneficiaries of IAY scheme	50	
		People who got bank or LIC loans	15	People who got bank or LIC loans	16	
		Builders Association	4	Builders Association	4	
		Money lenders	3	Money lenders	2	
		Sub Total			92	
Total			127		138	

C. Report Structure

In this context the present study tries to map out the current Pattern of Housing, Existing Credit System for Housing, Housing Shortage and Future Potential at the micro level. It also includes opinion of various stakeholders in the existing housing schemes. Opinions formed from the study and the analysis generated would help NHB to plan and execute housing Microfinance in Sivaganga and Pudukottai Districts. Overall the report can be divided in to 2 parts. Part I focuses on General Introduction and housing profile of Sivaganga District and Part II is on Pudukottai District.

Part I of the report starts with a **General Introduction** in describing the housing conditions for Tamil Nadu. It details out households living in Permanent, Semi Permanent and Temporary houses. For instance, Census 2001 reports that the percentage of households living in temporary houses is higher in the State 23.31% than the Country figure 18.14%. District wise statistics show that in Sivaganga and Pudukottai Districts the percentage of Semi- Permanent stand as 26.54 and 19.41 respectively and for Temporary households the figure stands as 15.85 and 33.76 respectively. As far as Sivaganga District is concerned there is a potential in housing finance in Semi-Permanent and in Temporary category since these two categories constitute 42.39 per cent. Whereas for Pudukottai District it comes around 53.17. The **Second Chapter** profiles Sivaganga District based on the statistical information collected from various sources including District administration and Census 2001. The **Third Chapter** focuses on Housing condition in the district and it's potential. It brings out the housing position in urban and rural areas, percentage of urbanization in the district and income wise housing situation in various Blocks across the District. Interestingly S.Pudur Block which has highest number of Below Poverty Line Households in the district is least penetrated by the formal Banking sector as depicted in Table 5.1. Existing housing models implemented by Government and Non Governmental organizations are evaluated in the **Fourth Chapter**. It also records people's experience in availing both Government and Non-Government schemes. Existing Housing Micro Finance model created by agencies working for housing can be augmented for the entire District. The **Fifth Chapter** maps out the Performance of lending institutions. Though the District has a good network of

Bank branches covering 7313 persons per Branch as against State average of 10482 persons per branch the focus is heavily on the concentration of Banks is in urban areas. Problems faced by co-operative societies are detailed in **Sixth Chapter**. For instance, though people have easy access to the Cooperative Societies there is not much activity in these societies for the past few years. This may be due to less credit availability, nil membership drive and inadequate, untimely support from Government. Performance of lending institutions specifically banking sector on Housing finance is concentrated in the **Seventh Chapter**. Period between 2004 and 2007 is covered to analyze the recovery rate and repayment options. The data provided by formal credit agencies show that housing recovery level is higher compared to overall recovery level between 2004 -2007. The **Final chapter** focuses on housing shortage its potential and sanitation situation of Sivaganga District. Housing Shortage in the year 2001 works out to be 39, 000 which includes minimum housing estimation (11,000) and replacement demand (28,000). In the year 2011 it is projected as 54,000 (Minimum Housing Estimation 24,000 + Replacement Demand 30,000). Out of the total 2,67,888 households in this District 75% of the households in Sivaganga require sanitation facilities

Part II of the report brings out situation in Pudukottai District. It details out the District Administrative divisions and population growth from 1971 to 2001. **Chapter 2** details about rate of urbanization in the district. Census 2001 shows that the level of urbanization in Pudukottai District is 17 per cent a way below the State average of 44 per cent. This collaborate the evidence that more households are living in rural areas in the district. **Chapter 3** records various housing schemes implemented Government agencies, banks and opinion of people. People opined that Government subsidized programmes benefited people. Yet, inadequate funding, delay distribution of funds to the beneficiaries and transparency issues hampers good performance. **Chapter 4** describes the prevalence of Lending institutions in Pudukottai District. It shows that the presence of Commercial Banks in the District is not evenly distributed. Number of branches in each block varies from 4-16 out of 95 branches in the District. Only two Public Sector Undertaking banks have their presence in all the blocks. Even Regional Rural Bank and Co-operative Bank are virtually absent, except for Pudukottai Agricultural Cooperative Bank which has 138 societies with 3 lakh members. **Chapter 5** assesses the lending institutions in housing for Priority sector and Non Priority Sector. Data available from

Annual Credit Plans, Pudukottai show that in the priority sector the number of housing loans in all the blocks is in downward trend from 2004 except for Thirumayam Block. Urbanised Pudukottai block benefits the maximum in the Non Priority sector in addition to Thiruvarankulam Block which is covered substantially. This chapter also records the progress made in housing for weaker section. Though Nationalized Banks share in lending credit is more than 80 per cent its percentage of housing finance to Weaker Sections out of priority sector is coming down over the years. **Chapter 6** weighs the repayment capabilities of borrowers in housing finance. It shows better repayment capacity of borrowers in housing finance over general loans. Finally, **Chapter 7** describes about housing shortage, necessary intervention to address the housing potential and sanitation status. Human Development Report 2003 for the state of Tamilnadu records that in the year 2001 the minimum new Housing need was 50,000 out of which 44,000 were in rural and 6,000 in urban areas and the replacement demand is 33,000 totaling the Housing shortage to 83,000. By 2011 the Housing Shortage estimation in the District is estimated to be 1, 02,000.

D. Overall Observation & Recommendations

- Intensification of housing micro finance in Sivaganga and Pudukottai Districts could be achieved through the existing Rural Banking network which includes RRBs and Housing Co-operative Societies. In addition to this NHB can exploit the exponential growth of SHGs and its direct interface with Banks. NHB can consider formulating a refinance scheme for housing in lines with SHG-Bank linkage scheme of NABARD.
- Title of the land in the rural areas is detrimental in getting loans. In rural areas absence of clear title or the flow of title results as a deterrent for easy sanction of loan. To mitigate this hardship faced by rural borrowers, the State Government may consider digitalisation of land records in a time bound manner. ‘Anytime anywhere land records’, an e-service programme launched by State Government of Tamil Nadu for computerisation of land records may be expedited.

- Housing Finance Companies have very limited penetration with respect to housing loan in rural areas. This results in less housing loan products for the rural segments. NHB can encourage microfinance institutions already engaged in housing to register themselves as housing finance companies. This would facilitate increased fund flow for rural housing.
- NHB can consider instituting a 'National Award' for institutions that proactively engages in rural housing programme under different categories, viz., Scheduled Commercial Banks, RRBs, Housing Finance Companies, Microfinance Institutions, Housing Co-operative Societies etc.
- NHB may provide impetus to disseminate critical information for growth of rural housing amongst various stakeholders/players. This may done through training institutes set up by Commercial Banks in rural areas (RUDSETI) on a regular basis. NHB can provide financial and resource support for organising such training programmes.
- Institutions can set aside a 'Grievance Day' for customers/prospective customers exclusively to address the grievance in housing as it is arranged for Old Age Grievance Day. Such an arrangement will not only smoothen the loan process but also pave way for mitigate the legal hurdles. This meeting may be held at the district level headed by the respective district collector.
- In order to encourage beneficiaries who make regular repayment, a special incentive scheme need to be introduced wherein certain percentage of the interest amount paid can be provided as cash back. This may revitalise the sentiments of beneficiaries who have not been benefited from the recent housing loan waiver scheme for EWS category, announced by the State Government.

E. Limitations

1. Structured questionnaire could not be administered to elucidate respondents view. Instead Semi-structured questionnaire were used due to scope and scale of the study.
2. Pre testing indicated that semi-structured interviews through Snowball sampling prove effective in getting response than standard questionnaire since it involves multiple stakeholders.
3. Estimations like track record of individual debt and related information could not be obtained. They were not forthcoming in telling debt and reason for borrowing fearing that these exact details will hamper their chance of being considered for loan or Government subsidies.
4. Could not visit all the Blocks to have an interaction since the scope of the study is to understand general patterns that are operating. In the process some local issues might have been missed.
5. Getting data to analyse repayment options and performance of credit agencies working for housing was limited to Annual Credit Plan reports and District Rural Development Agency of concerned Districts.
6. Due to administrative reasons the researcher could not collect enough data from Pudukottai District to map and analyse the performance of credit institutions.
7. One of the major difficulties the researcher experienced was collecting complete data from various agencies.

GENERAL INTRODUCTION
&
SIVAGANGAI DISTRICT

1 HOUSING POSITION IN TAMILNADU

The Universal Declaration of Human Rights (UDHR) of 1948, clearly states under Article 25 (1) that, “Everyone has the right to a standard of living adequate for the health and well being of himself/ *herself* and his/*her* family, including food, clothing, housing, medical care and necessary social services” (Italics added). The UN Special Rapporteur defines adequate housing as a basic human right. To quote, “The right of every woman, man, youth and child to gain and sustain a safe and secure home and community in which to live in peace and dignity”.¹ The Supreme Court of India has elaborated at great length on the right to adequate housing, shelter and livelihood as part of the all-encompassing Right to Life under Article 21 of the Constitution.

As Millennium Development Goals (MDGs) aims reaching out to the unreached, housing should be the national priority along with health and education since it was signed by Heads of State at Habitat Agenda by 171 signatory Member States and their partners at the Istanbul Summit in 1996.

“We [the Heads of State or Government] reaffirm our commitment to the full and progressive realization of the right to adequate housing, as provided for in international instruments.”

--Istanbul Declaration (paragraph 8) and the Habitat Agenda (paragraph 39).

Creating policies and developing programmes to cater the needs of the unreached is crucial in the present day context. Housing microfinance, one such approach, showed that people are helped and that too outside the gambit of formal banking sector. Housing Microfinance is defined by National Housing Bank as

“Loan product taken by a Self Help or Joint Liability Group member for Housing purposes. The principles of Microfinance are followed here, like small amount of loan taken for shorter term compared to a normal housing finance on alternative forms of collateral. The word ‘housing’ is referring to progressive construction of house or home improvement works,

¹ Report of the UN Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, Miloon Kothari, E/CN.4/2006/41, 21 March 2006.

or in some cases construction of new house or purchasing a new house. The upper limit of a HMF loan can be up to Rs. 1.25 lakh". (Draft Report Housing Microfinance, July 2008, NHB)

A Plethora of International and National documents emphasized that housing becomes a determining factor in ensuring adequate standard of living. In that context let us in this chapter look at the status of housing in Tamilnadu. The following analysis is based on the Census 2001 report. The Chapter also gives a glimpse of housing condition in all the Districts of Tamilnadu. Data relating to Permanent, Semi Permanent and Temporary houses are presented in this Chapter.

TABLE A1.2
Housing Profile in Tamil Nadu

Housing Category	Census 1991 (TN)	Census 2001 (TN)	Census 2001 (All India)
Permanent	5,618,265 (45.52%)	8,295,106 (58.52%)	99,431,727 (51.80%)
Semi-Permanent	2,310,125 (18.72%)	2,572,029 (18.15%)	57,664,327 30.04%
Temporary	4,414,325 (35.76%)	3,304,310 (23.31%)	34,815,619 (18.14%)
Total Households	12,342,715	14,173,626	191,963,935

Source: Census 1991 & 2001.

Census 2001 shows that there are 14,173,626 households in Tamil Nadu out of which 8,295,106 households constituting 58.52% live in permanent houses. Households living in semi-permanent houses form 18.15% (2,572,029 households). About 23.31% of the households numbering 3,304,310 live in temporary houses. Among them, 2,789,773 households are living in serviceable houses and the remaining 514,537 households in non serviceable houses. In rural Tamil Nadu, 47.30% of households live in permanent houses, 20.21% in semi-permanent houses and 32.48% in temporary houses (28.39% in

serviceable and 4.10% in non-serviceable). Whereas, situation in urban area is entirely different. Among the urban households 74.27% are housed in permanent structures 15.26% in semi-permanent houses and 10.45% in temporary houses (7.47% in serviceable and 2.98% in non-serviceable).

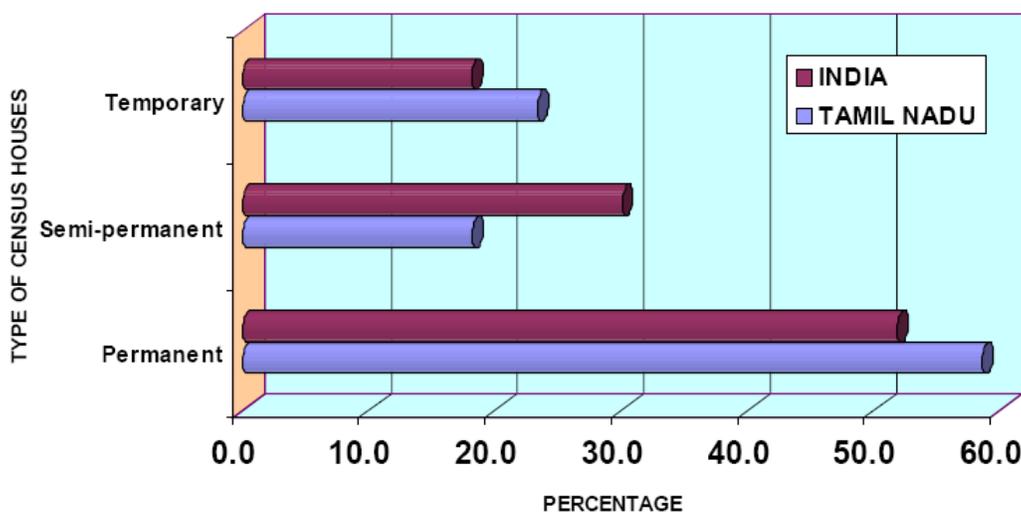
Census 1991 shows that of the 12,342,715 total households in the State, 5,618,265 households constituting 45.52% were in permanent houses, 2,310,125 households (18.72%) in semi-permanent houses and 4,414,325 households (35.76%) in temporary houses. Among the rural households, 34.60% were in permanent, 20.33% in semi-permanent and 45.07% in temporary houses. The corresponding ratios among urban households were 69.02%, 15.24% and 15.73%.

If one compares Tamil Nadu figure with All India figures, it is evident that the ratio of households living in permanent houses in Tamil Nadu (58.52%) is higher than the ratio of the country as a whole (51.80%). Households living in semi-permanent houses form 18.15% in Tamil Nadu compared to 30.04% of the total households in the country. Whereas, it is quite alarming to note that the proportion of households living in temporary houses is comparatively higher in the State (23.31%) than the country figure (18.14%).

(http://www.censusindia.net/results/housing_tamilnadu.pdf).

FIGURE A11

**Percentage Distribution of Households by Type of Census Houses-
2001.**



Adapted from Housing Condition in Tamil Nadu, N. Ravichandran, Directorate of Census Operations, Tamil Nadu, India. Pg.no.3. http://www.censusindia.net/results/housing_tamilnadu.pdf

The following Table A1.2 and the Figures A1.2, A1.3 and A1.4 depict clear picture about the housing conditions in the State. District comparison in Tamil Nadu reveals that Chennai District figures the highest number of households living in permanent houses 87.16% followed by Coimbatore 73.45%. Sivaganga and Pudukottai Districts are 57.61 and 46.81 respectively. Fifty One Percentage of households living in semi-permanent and temporary households combined in Sivaganga District is the same as that of Tamil Nadu State. There is a lag to meet the achievement on permanent housing in the highly urbanized District of Chennai, 87.16% and Coimbatore 73.45% which has both urban and rural phenomena. Figures 1.2 to 1.4 shows distribution of households in Permanent, Semi-Permanent and Temporary across the state.

TABLE A13
Percentage Distribution of Total Households by Type of Census
Houses Occupied 2001.

State/District	Total No. of households	Permanent	Semi-permanent	Temporary			Unclassifiable
				Total	Serviceable	Non-serviceable	
TAMIL NADU	14,173,626	58.52	18.15	23.31	19.68	3.63	0.02
THIRUVALLUR	605,866	64.98	10.24	24.78	20.23	4.55	0.00
CHENNAI	827,811	87.16	7.18	5.61	2.17	3.44	0.05
KANCHEEPURAM	618,170	60.35	10.77	28.88	25.27	3.61	0.01
VELLORE	726,594	58.11	11.56	30.32	27.12	3.20	0.01
DHARMAPURI	631,426	48.21	27.94	23.85	22.06	1.79	0.00
TIRUVANNAMALAI	482,397	49.18	11.41	39.41	36.66	2.75	0.00
VILUPPURAM	632,884	37.34	9.25	53.39	48.99	4.40	0.02
SALEM	718,556	60.83	15.38	23.79	21.55	2.23	0.00
NAMAKKAL	387,488	61.43	16.84	21.72	17.97	3.75	0.01
ERODE	687,882	63.56	22.73	13.70	7.27	6.44	0.01
THE NILGIRIS	178,702	70.22	25.94	3.79	2.73	1.06	0.04
COIMBATORE	987,930	73.45	21.16	5.38	2.50	2.88	0.01
DINDIGUL	455,447	58.56	24.15	17.28	12.90	4.37	0.02
KARUR	232,854	61.14	17.61	21.23	16.49	4.73	0.02
TIRUCHIRAPPALLI	551,471	59.88	15.64	24.45	21.23	3.22	0.03
PERAMBALUR	118,361	48.44	12.81	38.75	35.47	3.28	0.01
ARIYALUR	165,214	36.01	12.55	51.44	48.49	2.95	0.01
CUDDALORE	503,057	42.42	11.01	46.56	41.52	5.04	0.01
NAGAPATTINAM	337,514	38.44	13.93	47.62	39.30	8.32	0.01
THIRUVARUR	270,898	37.23	13.35	49.42	45.25	4.17	0.00
THANJAVUR	479,459	43.97	15.58	40.44	35.66	4.78	0.01
PUDUKKOTTAI	314,708	46.81	19.41	33.76	28.18	5.59	0.01
SIVAGANGA	280,607	57.61	26.54	15.85	13.98	1.87	0.00
MADURAI	597,300	68.08	19.67	12.22	10.47	1.75	0.04
THENI	262,150	61.89	25.90	12.19	9.91	2.28	0.03
VIRUDHUNAGAR	441,037	66.83	24.58	8.59	7.55	1.04	0.01
RAMANATHAPURAM	270,147	49.87	32.00	18.10	9.76	8.33	0.03
THOOTHUKKUDI	387,267	60.43	26.14	13.38	7.86	5.52	0.05
TIRUNELVELI	649,229	62.81	28.89	8.29	7.07	1.22	0.01
KANNIYAKUMARI	371,200	49.38	35.41	15.21	11.30	3.91	0.00

Source: Census 2001.

FIGURE A12
Households living in Permanent Census Houses 2001.

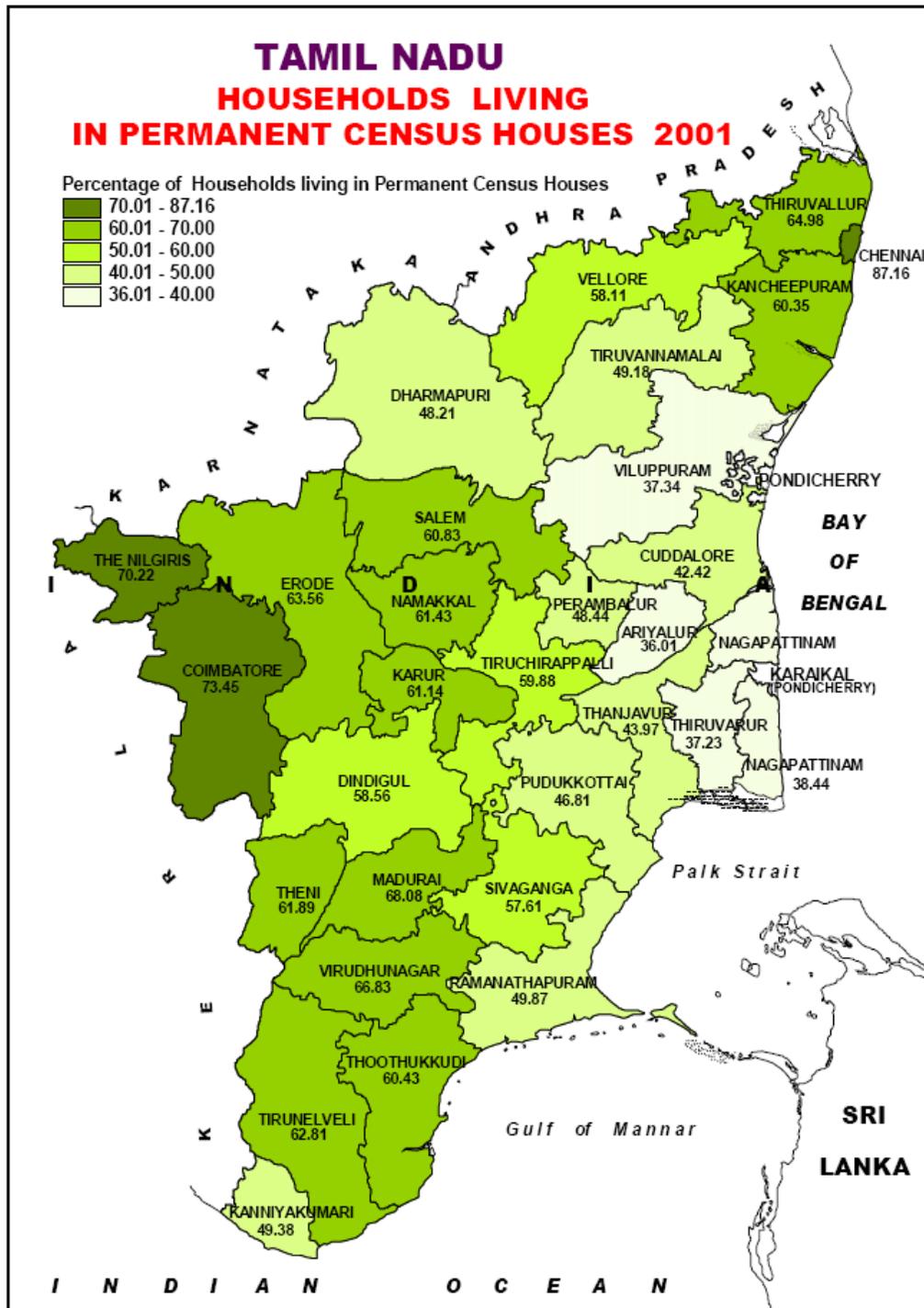


FIGURE A13
Households living in Semi Permanent Census Houses, 2001

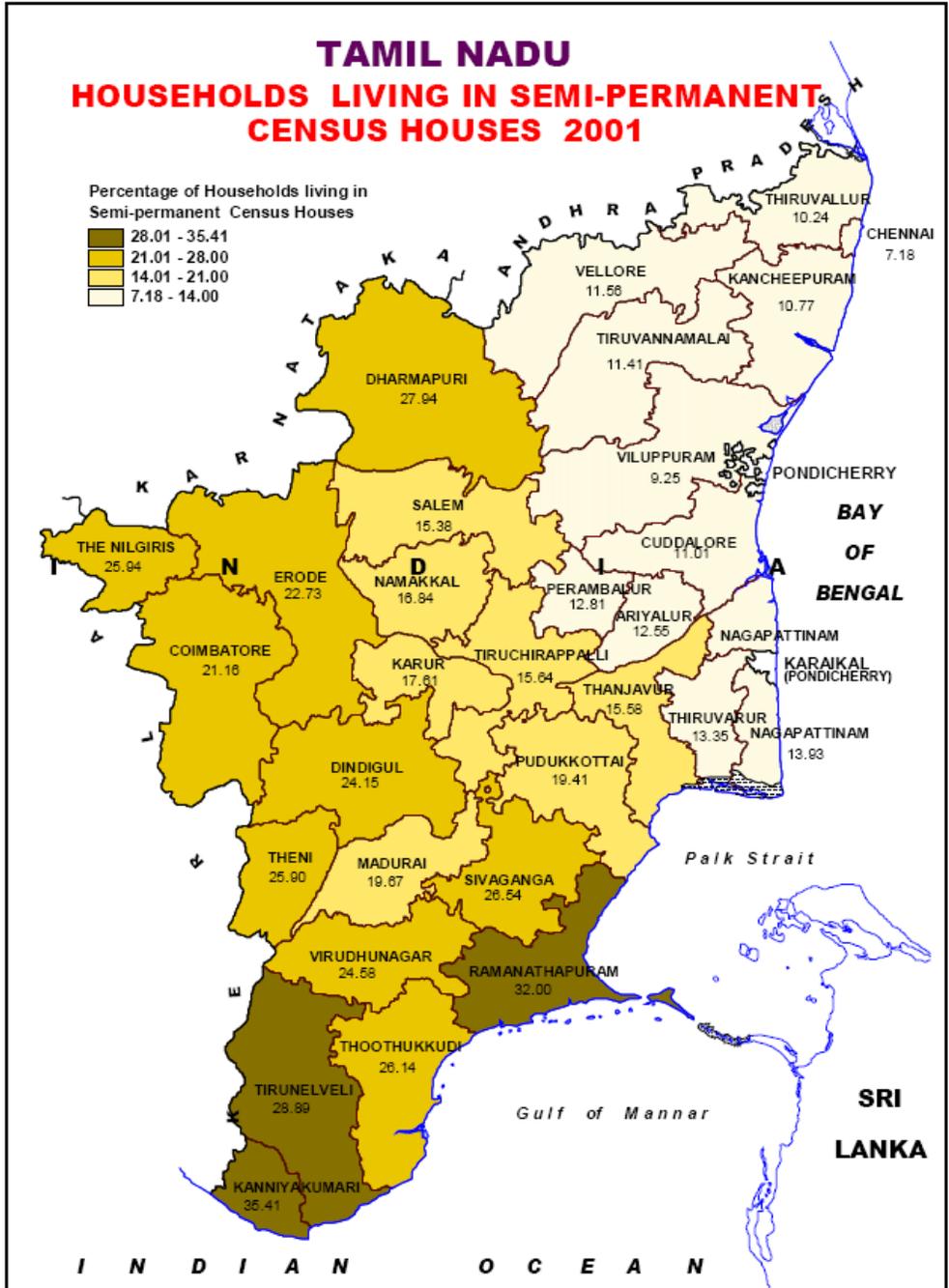


FIGURE A14
Households living in Temporary Census Houses, 2001

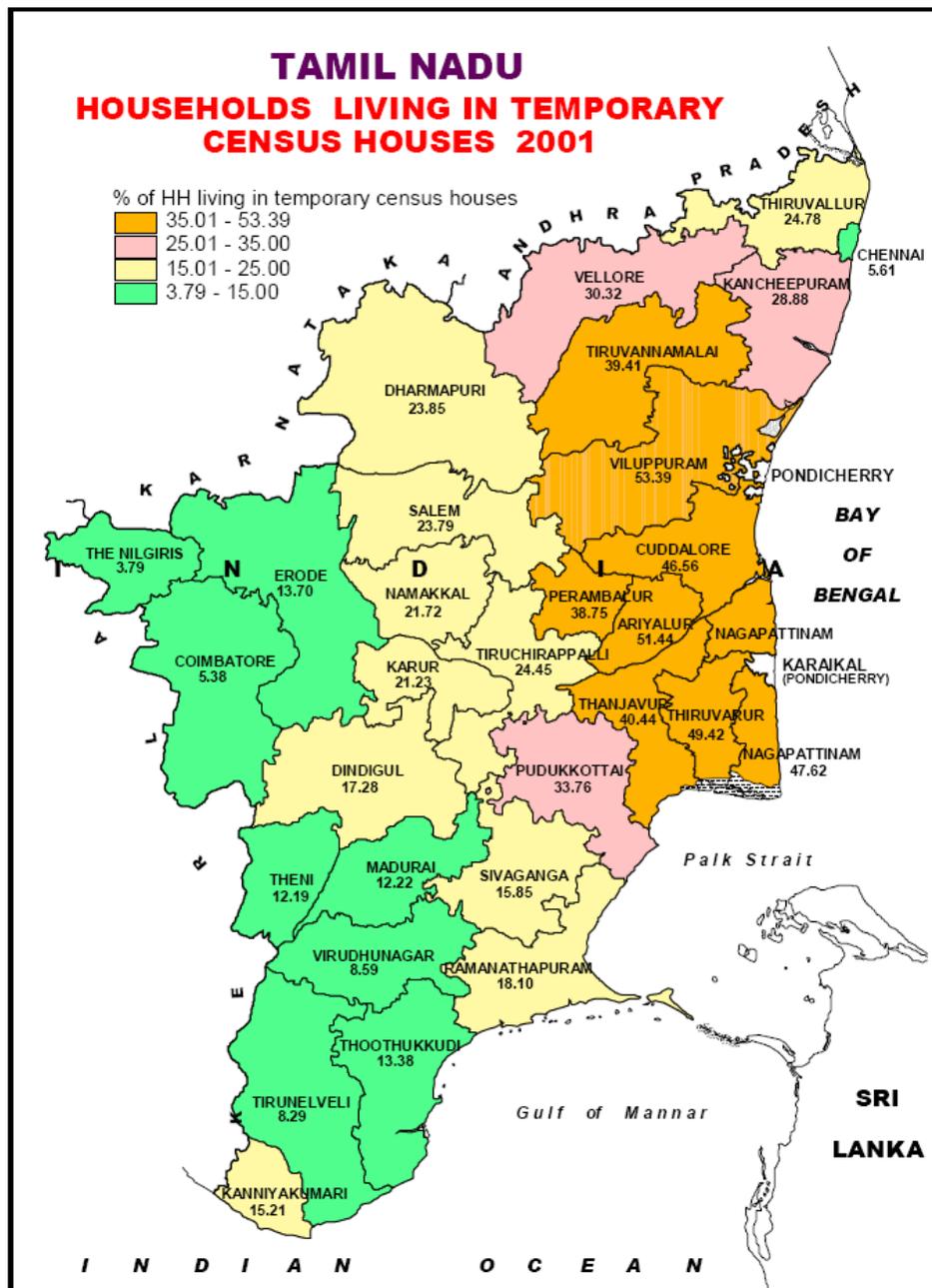


TABLE A14**Physical and Financial achievement during the Tenth Five Year Plan**

Agency	Achievement	
	Physical (houses)	Financial (Rs. in crore)
TN Housing Board	1838*	135.91
TN Slum Clearance Board	41864	205.02
TN Co-operative Housing Finance	51195	453.04
TN Police Housing Co-operation	6816	226.39
Others		57.54
Total	101713	1077.89

*(Due to existence of large number of unsold stock of plots/houses/flats, Tamil Nadu Government has consciously decided not to take up new housing schemes and thrust is given in disposing all the unsold stock of plots/houses/flats)

Source: Quoted from Tamilnadu Planning Commission 11th V year Plan. Chapter 8. Page No: 324.
http://www.tn.gov.in/spc/english/Cb_8.pdf

Figure 1.5 and 1.6 gives us a glimpse of Government of Tamilnadu's progress through various Housing Schemes. Figure 1.5 shows physical and financial achievement during 10th Five Year plan. Around 50 percent of houses were constructed under TN Co-operative Housing Federation with a financial outlay of Rs.453.04 out of a total Rs. 1,077.89. Figure 1.6 depicts the Housing Plan Government proposes in 11th Five Year plan. The outlay has increased from Rs. 1,077.889 crores in 10th Five Year plan to Rs. 2,045. 24 in 11th Five Year plan. Major funding is in the form of loan especially for Tsunami Rehabilitation either through World Bank or by Government of India to Tamilnadu Slum Clearance Board (TNSCB). In addition TNSCB will also receive substantial money (Rs. 300 Crores) for Jawaharlal Nehru National Urban Renewable Mission (JNNURM).

TABLE A15

Financial Outlay of Eleventh Five Year Plan		
Sl. No.	Schemes	Outlay (Rs. in crore)
	Tamil Nadu Housing Board	
1.	Tamilnadu Government Rental Housing scheme	13.50
2.	Residential quarters at SAF village	12.00
3.	Capital programme of TNHB	7.00
4.	Computerisation programme of TNHB	2.44
	Total	34.94
	Tamil Nadu Slum Clearance Board	
5	JNNURM-BSUP	300.00
6	Integrated Housing & Slum Development Programme	240.00
7	TNSCB- Integrated Housing & Slum Development Programme (SCSP)	60.00
8	Capital programme of TNSCB	5.00
9	World Bank assisted schemes under ETRP- Housing scheme	300.00
10	Rajiv Gandhi Tsunami rehabilitation works – Housing scheme	216.00
11	12 th Finance Commission Grant	250.00
	Total	1371.00
	Tamil Nadu Police Housing Corporation	
12	Loans and Capital grant to TNPHC for construction of houses to Police personnel	515.00
	Total	515.00
	Municipal Administration Department	
13	Loans to employees of Municipal Council & Township committee	3.00
	Total	3.00
	Housing & Urban Development Department	
14	Loans to Government servants	100.00
	Total	100.00
	Other Departments	
15	PWD Housing scheme	19.60
16	Law Department- Housing scheme	1.70
	Total	21.30
17	Rural housing scheme	Included in the Rural Development sector
	Grand Total-Housing	2045.24

Source: Quoted from Tamilnadu Planning Commission 11th V year Plan. Chapter 8. Page No: 330.

As shown in Figure 1.7 and 1.8 Government of Tamilnadu with Central Government support so far has provided 2, 10,280 new houses in 10th V year plan spending Rs. 712.56 crores under Indira Awaas Yogna (IAY) scheme. For IAY Kutcha Houses it has spent Rs.106.65 crores with a physical achievement of 92,603.

TABLE A16

**Providing Shelter Security (IAY) : Tenth Plan
Achievement
IAY New Houses**

Year	Physical achievement	Allocation		Expenditure (Rs. in crore)
		Total	Central Share	
2002-03	39,757	124.82	57.87	124.82
2003-04	37,488	100.42	56.07	100.42
2004-05	38,724	151.68	72.21	151.68
2005-06	44,461	152.33	78.15	152.33
2006-07	49,850	183.31	93.44	183.31
Total	2,10,280	712.56	357.74	712.56

Source: Working Group Report and Departmental Notes

TABLE A17

IAY Kutcha Houses

Year	Physical achievement	Allocation (Rs. in crore)		Expenditure (Rs. in crore)
		Total	Central Share	
2002-03	20361	19.14	14.36	19.38
2003-04	19581	18.68	14.02	19.46
2004-05	19925	24.07	18.05	24.45
2005-06	21659	27.50	19.54	29.51
2006-07	11077	13.85	10.39	13.85
Total	92603	103.24	76.36	106.65

Source: Working Group Report and Departmental Notes

Source: Quoted from Tamilnadu Planning Commission 11th V year Plan, Chapter 7, Page No:292.

TABLE A18**Tamil Nadu - Housing Demand Projection**

(in lakh)

Housing Demand	2001	2006	2011	2016	2021	2026
Shortage	6.95	15.07	23.82	33.07	42.83	53.16
Vacancy	0.70	0.77	0.82	0.86	0.91	0.96
Replacement of old buildings @ 50%	1.47	1.55	1.63	1.72	1.82	1.92
Total	9.11	17.39	26.27	35.65	45.57	56.05

Source: Report of the Working Group on "Housing" Constituted by the Government of Tamil Nadu

Source : Taken from Tamilnadu Planning Commission 11th V year Plan. Chapter 8. Page No: 318.

In 2001, out of the total housing shortage of 6.95 lakh units, nearly 5.97 lakh units were in the urban areas, accounting for about 85% of the shortage in housing. With a current rate of urbanisation in Tamilnadu compared to the all India level demand for housing in urban areas will continue. By the year 2011, the total housing demand is estimated at 23.82 lakh units, with the average annual demand working out to roughly 2 lakh each year.

2. SIVAGANGA DISTRICT PROFILE

Sivaganga District, earlier known as Pasumpon Muthuramalinga Thevar District came into existence on 15 March 1985 when the Ramanathapuram District was trifurcated. Presently it is bounded by the Ramanathapuram District on the East and South, Madurai District on the West, Virudhunagar District on the Southwest and Tiruchirapalli and Pudukottai Districts on the North. The District shares 3.1% of the geographical area of the State and 1.9% of the State's total population. Sivaganga is the District Head Quarters situated 45 k.ms South East of Madurai and 17 k.ms North of Manamadurai. Administratively, the District is divided into 6 Taluks, 12 Blocks and 431 Panchayat Villages. The District is basically agrarian in nature absorbing nearly 77% of its work force in agriculture. Dairy and sheep rearing are the major allied activities. The district is industrially backward with 9 blocks classified as backward of which 2 blocks are industrially most backward. (Source: Potential Linked Credit Plan, X Five year Plan Period 2002-2007, NABARD).

FIGURE A2.1

Figure not to scale

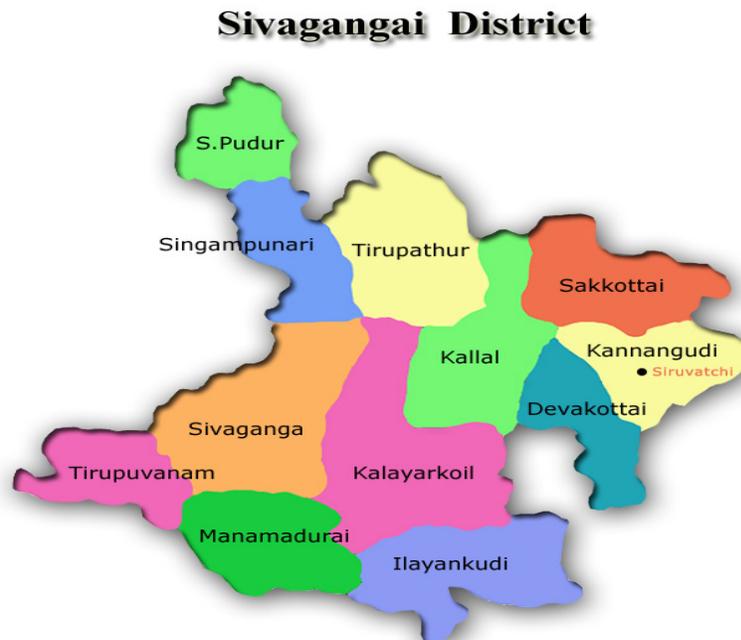


TABLE A2.1
Administrative Structure

Number of Blocks		12	
Number of Panchayat Villages		431	
Block	Panchayat Villages	Block	Panchayat Villages
Devakottai	42	Ilaiyankudi	55
Kalayarkoil	43	Kallal	44
Kannankudi	17	Manamadurai	39
Sakkottai	26	Singampunari	30
Sivaganga	43	S Pudur	21
Tiruppattur	40	Tiruppuvanam	45

The details of the name of the taluks with the district and area have been shown in the following Table A2.1 and Table A2.2. It shows that Ilaiyankudi Block is having 55 Panchayats villages the highest number in the District. It is closely followed by Tiruppuvanam, Kallal, Sivagangai, Kalayarkoil, Devakottai and Tiruppattur.

TABLE A2.2
Taluk Details

S.No.	Name of Taluks	Area in Sq. Km.
1	Sivagangai	1007.42
2	Manamadurai	658.52
3	Ilaiyankudi	449.01
4	Devakottai	428.62
5	Karaikudi	1191.93
6	Thiruppathur	732.61
District Total		4468.11

2.1. Socio-E conomic Developments

- Low density of population: The overall density of population has increased from 192 persons /sq.km. in 1981 to 285 persons / sq.km. in 1996. Then dipped to 266 per square kilometre recently (*Source: Potential Linked Credit Plan, X Five year Plan Period 2002-2007, NABARD*).
- The population of Sivaganga district has grown from 581594 in 1961 to 1078190 in 1991. In Percentage the population had increased by 24.62% during the period 1971-1991. There has been a significant increase in its growth during the 1981-91 decade

with the average growth rate being 9.78%. Decadal growth rate indicates that there is a considerable increase in growth over the previous decade in the municipalities and town Panchayats of the district. Karaikudi municipality and Thirupathur town Panchayats have registered the maximum growth rate between 1961 and 1996.

- In the District 90, 277 (38.4 %) families are living Below Poverty Line (BPL). This category is resource-poor in terms of assets, skills and credit availability which results in low productivity. Majority of BPL families did not own a single piece of land. Out of total landless BPL families 32.58% belong to SC categories and 56.24% and 11.16% OBC and others, respectively. (*Source: Annual Employment Report of Sivaganga District (AERD), 2006-2007*)
- Income wise 78.73% of SC –BPL families earned less than Rs.500 per month and 78.78% in case of OBC-BPL families and 66.29% from other BPL families. Around 15,461 families earned less than Rs.250 per month and 8,329 families earned anywhere between Rs.500-Rs.1, 500. (*Source: Annual Employment Report of Sivaganga District (AERD), 2006-2007*)
- Sivaganga District has been declared as an ‘Industrially Backward’ district in the State by District Industries Centre. Within the District Kannangudi and S. Pudur blocks are declared as ‘Most Backward’. Seven other blocks viz. Devakkottai, Illayangudi, Kallal, Kalayarkoil, Ingampuneri, Sivaganga and Thiruppathur are declared as backward. Low level of entrepreneurship within the district.
- Primary Economic activities include cultivation of sugarcane, paddy, pulses and chillies, dairying, sheep and goat rearing. So the tertiary sector revolves around these agricultural activities which include transportation of rural produce and people, repairs and maintenance of agricultural implements etc.
- Despite the availability of rich mineral resources viz. Graphite (1.5 MT), Baryte (12999 MT), Limestone (4 MT) and Rough Stone, the benefits of value-added products are not retained within the district. Major economic activities revolve around Agriculture in addition to Spinning Mills, Cotton Fabric making, Rice Mills in Illayangudi, Chamber/Country bricks in Manamadurai and traditional activity of making Brass Vessels, Lamps, Stainless Utensils in Karaikudi are some of the important enterprises in the district. (*Source: Potential Linked Credit Plan, X Five year Plan Period 2002-2007, NABARD*).
- Since there are no major industrial activities in the district it results in low economic and consumable activities. One of the reasons for less industrialisation is non capitalisation of SIPCOT in Manamadurai which could have resulted in greater revenue generator for the district like in Pudukottai District.

FIGURE A2.2
Basic Data on Sivaganga District

Basic Data Sheet			
District Sivaganga (23), Tamil Nadu (33)			
<i>(Source: Census of India 2001)</i>			
Population:			
Persons	1,155,356	Number of households	267,888
Males	566,947	Household size (per household)	4
Females	588,409		
Growth (1991 - 2001)	4.32	Sex ratio (females per 1000 males)	1,038
Rural	829,272	Sex ratio (0-6 years)	952
Urban	326,084		
Scheduled Caste population	188,857	Scheduled Tribe population	1,083
Percentage to total population	16.35	Percentage to total population	0.09
Literacy and Educational level			
<i>Literates</i>		<i>Educational Level attained</i>	
Persons	738,000	Total	738,000
Males	414,755	Without level	36,875
Females	323,245	Below primary	114,524
<i>Literacy rate</i>		Primary	234,589
Persons	72.18	Middle	150,263
Males	83.14	Matric/Higher Secondary/Diploma	165,137
Females	61.74	Graduate and above	36,606
Workers			
Total workers	513,502	Age groups	
Main workers	408,015	0 - 4 years	93,911
Marginal workers	105,487	5 - 14 years	216,856
Non-workers	641,854	15 - 59 years	721,268
		60 years and above (Incl. A.N.S.)	123,321
Scheduled Castes (Largest three)			
1.Pallan	95,008	Scheduled Tribes (Largest three)	
2.Paraiyan etc.	72,775	1.Kattunayakan	641
3.Chakkiliyan	10,151	2.Malakkuravan	149
		3.Malai Vedan	83
Religions (Largest three)			
1.Hindus	1,026,580	Amenities and infrastructural facilities	
2.Christians	67,739	Total inhabited villages	
3.Muslims	59,642	511	
Important Towns (Largest three)			
	Population	Amenities available in villages	
1.Karaikkudi (M)	86,596		No. of villages
2.Devakottai (M)	40,497	Drinking water facilities	511
3.Sivaganga (M)	40,220	Safe Drinking water	510
		Electricity (Power Supply)	511
		Electricity (domestic)	173
		Electricity (Agriculture)	121
		Primary school	456
		Middle schools	207
		Secondary/Sr Secondary schools	150
		College	12
		Medical facility	375
		Primary Health Centre	41
		Primary Health Sub-Centre	182
		Post, telegraph and telephone facility	483
		Bus services	472
		Paved approach road	499
		Mud approach road	477
House Type			
Type of house (% of households occupying)			
Permanent	57.6		
Semi-permanent	26.5		
Temporary	15.8		

3. HOUSING SITUATION IN SIVAGANGA DISTRICT

In this section housing position in Sivaganga District is analysed. First the households occupied in Sivaganga District are compared with Tamil Nadu and All India data using Census 2001. Secondly, proportion of urban population and Inter District variations are analysed. Finally, Block wise BPL list is presented and houses distributed to different communities by District Administration are presented.

TABLE A3.1
Distribution of Households by Type of Census
Houses Occupied, 2001

Housing Category	Census 2001 (Sivaganga)	Census 2001 (Tamil Nadu)	Census 2001 (All India)
Total Households (Nos.)	280,607	14,173,626	191,963,935
Permanent (%)	57.61	58.52	51.80
Semi-Permanent (%)	26.54	18.15	30.04
Temporary (%)	15.85	23.31	18.14

According to Census 2001 the district is in better position than All India figure and on par with the State situation in Permanent household category. There is a potential in housing finance in Semi- Permanent and in Temporary category since it constitutes 26.54 per cent and 15.85 per cent. These two categories which constitute 42.39 per cent can be targeted for housing finance apart from regular Government schemes.

The Census data for housing position in Sivaganga District is analyzed by dividing the district in to 7 sub districts. The Table A3.2 shows that the sub district of Sivaganga stands first (57,516) in number of households followed by Kariakkudi (56,714) and Tirupattur (56,543). The difference is quite striking if we analyze the urban and rural households in these sub districts. For instance, the number of rural households in Sivaganga and Tirupattur Sub Districts are around 4.5 times higher than the urban household. It also shows that in Kariakkudi the urban households stand higher than the rural household. Urban household is more than 10,000 in numbers barring two Sub District divisions namely Ilayangudi and Devakottai.

TABLE A3.2
Urban Rural Housing Position

Sivaganga District Housing Position												
Sub District s	URBAN				RURAL				TOTAL			
	<i>No of House holds</i>	<i>Persons</i>	<i>Males</i>	<i>Females</i>	<i>No of Households</i>	<i>Persons</i>	<i>Males</i>	<i>Females</i>	<i>No of House holds</i>	<i>Persons</i>	<i>Males</i>	<i>Females</i>
Devakottai	9,094	40,497	19,910	20,587	22,166	95,880	45,562	50,318	31,260	136,377	65,472	70,905
Ilayangudi	4,084	19,116	9,100	10,016	19,475	80,360	38,688	41,672	23,559	99,476	47,788	51,688
Kariakudi	29,071	125,717	62,479	63,238	27,643	117,958	57,780	60,178	56,714	243,675	120,259	123,416
Manamadurai	10,804	47,842	24,130	23,712	31,492	136,923	68,762	68,161	42,296	184,765	92,892	91,873
Sivaganga	10,870	46,806	23,429	23,377	46,646	203,541	99,528	104,013	57,516	250,347	122,957	127,390
Tirupattur	10,481	46,106	22,806	23,300	46,062	194,610	94,773	99,837	56,543	240,716	117,579	123,137
GRAND TOTAL	74,404	326,084	161,854	164,230	193,484	829,272	405,093	424,179	267,888	1155,356	566,947	588,409

Source: Census 2001.

TABLE A3.3
Percentage of Urban Population

<i>S.No</i>	<i>Taluks</i>	<i>Proportion of Urban Population</i>
1	Devakottai	29.7
2	Ilayangudi	19.2
3	Kariakkudi	51.6
4	Manamadurai	25.9
5	Sivaganga	18.7
6	Tirupattur	19.2
Sivaganga District		28.2
Tamil Nadu		44.0
India		27.8

Source: Census, 2001

Urbanisation in Sivaganga District is less than the State average except in Kariakkudi Taluk and similar to India figure. Table A3.3 too states that more households live in Kariakkudi than other parts of the District. This may be due to the presence of Higher education institutions and some Industries in Kariakkudi which has increased economic activity. Total number of people living in some important towns is Kariakkudi 86,596; Devakottai 40,497 and Sivaganga 40,220. This shows that the district is agriculture based and industrial potential in the district yet to reach exponential growth except for Karaikkudi.

TABLE A3.4
Domestic Consumption of Electricity

Years 	2004	2005	2006	2007
Domestic Consumption of Electricity (in m.u. Kwh)	112.12	117.73	136.60	135.01

**Statistical Handbook, Sivaganga District, 2004-2007.*

Substantial increase recorded in the domestic consumption of electricity between 2005 and 2006 which is shown in Table A3.4. But there is no drastic increase in the consumption of electricity from 2006 and 2007. Less construction activity due to escalation of material cost as shared by different builders, contractors and members of Engineers' Association might be the reason for this stagnation.

3.1 INCOME GROUP WISE HOUSING SITUATION IN THE DISTRICT.

TABLE A3.5
Income wise Household Details in Sivaganga District.

SLNo	Block Name	Total No of Households	APL Households		BPL Households	
			Nos.	Per cent	Nos.	Per cent
1	Sivaganga	25977	16182	62.2	9795	37.8
2	Kalayarkoil	30651	20123	65.6	10528	34.4
3	Manamadurai	19478	10820	55.5	8658	45.5
4	Tiruppuvanam	22013	13495	61.3	8518	38.7
5	Ilayankudi	26715	16748	62.7	9967	37.3
6	Devakottai	17947	10222	57.0	7725	43.0
7	Kannankudi	7388	4244	57.4	3144	42.6
8	Kallal	21557	14773	68.5	6784	31.5
9	Sakkottai	16663	10352	62.1	6311	37.9
10	Tiruppattur	19960	13298	66.6	662	35.4
11	Singampunari	16134	9854	61.0	6280	39.0
12	S Pudur	10821	4916	45.4	5905	54.6
	TOTAL	235304	145027	61.6	90277	38.4

Source: DRDA, Sivaganga District.

As shown in Table A3.5 a Block wise analysis might give clearer picture on the number of households living in the District. Percentage of Households living in Above Poverty Line (APL) in the district as shown in Table A3.5 is 61.6 per cent. A closer look at the Table reveals that S.Pudur is having higher percentage (54.6) of Below Poverty Line (BPL) households in the district compared to the district average of 38.4 percent. Interestingly Bank penetration (Refer Table A5.1) in this block is least compared to other blocks in the district. Whereas in terms of absolute numbers Kalayarkoil stands first numbering 10, 528 closely followed by Ilayankudi 9, 967 and Sivaganga 9, 795.

TABLE A3.6
Houses and House Sites distributed to Communities

NAME OF THE COMMUNITY	SC	ST	BC	DC & MBC	OTHERS	TOTAL
2004	548	Nil	1352	451	43	2394
2005	NA	NA	NA	NA	NA	2535
2006	493	Nil	1616	288	20	2417
2007	282	Nil	741	315	89	1427

NA- Not Available

Source: Statistical Handbook, Sivaganga District, 2004-2007.

Table A3.6 depicts the progress made in Government Schemes for the marginalised communities from 2004-2007. It shows declining trend in the distribution of houses and housing sites over the years from 2394 in 2004 to 1427 in 2007. Housing benefit to Scheduled Caste Communities and Backward Communities was reduced by half compared to the previous year in the reference period of 2006 and 2007.

4. ASSESSMENT AND PERFORMANCE OF VARIOUS HOUSING SCHEMES.

4.1 INDIRA AWAAS YOJANA

In this section issues relating to Indira Awaas Yojana (IAY) scheme is discussed in brief. Problems of inadequate funding due to escalating material cost, beneficiary selection based on Below Poverty Line (BPL) list, late payment to the beneficiaries and absence of specific communication on loan benefits which supplements IAY allocation were emerged as the key issues when people and officials were interviewed about IAY scheme.

4.1.1 IAY Allotment

Keeping in view the higher cost of construction of houses, the Union Government enhanced the subsidy per unit in respect of the new houses sanctioned after 1st April 2008 from Rs. 25,000/- to Rs. 35,000/- in plain areas and Rs.27,500/- to Rs. 38,500/- in hilly / difficult areas for the construction of new houses for the poor through the IAY as a part of Bharat Nirman Programme. While presenting the Budget proposals for the year 2008-09, the Honourable Finance Minister informed that the subsidy for upgradation of houses will be increased from Rs. 12,500/- per unit to Rs. 15,000/-. Admitting that a beneficiary will still need own funds to complete the house, the Public Sector Banks are advised to support it through loan. It is advised that the Banks will lend up to Rs. 20,000/ per unit at an interest rate of 4 percent for IAY houses under the differential rate of interest scheme. The subsidy provided by the State Government has also been increased from Rs.12,000 to Rs.20,000 per beneficiary. Thus, the total subsidy available under IAY scheme in Rs.55,000 per beneficiary in Tamil Nadu.

If one analyses Sivaganga District, 60 % of the IAY beneficiaries belong to Scheduled Caste population and 40 % to Other Caste Groups. “ around 1800 families got benefited through IAY scheme” said the Additional Collector, Sivaganga District. The grant by the Government and the Banks are given in stages to construct houses under IAY scheme. Under IAY scheme last year alone Manamadurai Block sanctioned 241

houses. Unlike previous years in which a particular village got maximum number of houses, District Rural Development Agency (DRDA) now follows a roster system in which all the 39 Panchayats come under Manamadurai Block get equal chances of getting sanction.



Unreached People Beneficiaries

Though the number above looks quite impressive and has helped people to have house of their own still many deserving poor people need to be benefited under the Scheme. The officials implementing IAY scheme do admit that in a village, coolie workers and elderly were not covered whereas the better off got selected. One of the major reasons they point out is the mismatch between real beneficiary and the allotted since the allotment is based on BPL survey 2002.

4.1.2. Bank Loan procedure for IAY beneficiaries

The beneficiary can approach the nearby Bank soon after receiving the communication from the District Administration by presenting the following evidences

1. A Patta in his/ her name for the land
2. Ration Card
3. Letter of Communication

These documents are to be submitted to Block Development Office (BDO) since loans are routed through this Office. After the application is endorsed by BDO office, the Public Sector Banks (PSBs) give Rs. 20,000 as Housing Loan to the IAY beneficiaries. The Bank loan is given in two instalments. The first instalment is made if 50 % of the construction is completed and the final payment during completion stage. All beneficiaries have to do is to start Savings Bank (SB) account at a designated Bank.

Cheque is issued and credited in their account. No security is demanded from the beneficiaries except copy of the ration card and land tax receipt which should be submitted along with the application.

The rate of interest is 4% with a compulsory insurance from Life Insurance Corporation (LIC). The borrower has to pay Rs. 500 every month for a maximum repayment period of 7 years. All the eligible people belong to Below Poverty Line people are asked to form into groups 4 to 5 in a group. If the group consist of 5 beneficiaries the other four members will guarantee the borrower under the name of Joint Liability Group (JLG). Initial payment of Rs.10, 000 is released when the basement is constructed and the final amount Rs.10, 000 when the roofing is done.

4.1.3. Granting Money

1. To start the Basement work: Bank loan of Rs. 10, 000 is given
2. When the work is finished up to Lintel Level: 20 bags of cement and Rs.17, 000 from Government is granted.
3. If the work finished up to Roof level final instalment of Rs.10, 000 is given by the Bank.
4. When the house is in the finishing stage the rest of Government money and 30 bags of cement is provided.¹

4.1.4. Construction Cost

Government supplies 150 kg steel and 52 bags of cement (Rs. 185 per bag) to each beneficiary. These 52 bags are supplied at a subsidy rate with a ration calculation of 1(cement) : 8(Sand) whereas people prefer to go for 1 : 5 ratio. Government supplies Pit and Pan along with Rs.1,200 under Total Sanitation Programme. However, feedback from the beneficiaries is that the subsidy provided by the Government is not enough due to cost escalation. People have to spend a minimum of Rs.25,000 in addition to the materials and money given by Government to construct 10 x 10 foot house. Based on the interaction with the beneficiaries and personnel in Block Development Office in the district, the cost estimate including human resource and materials are given in the Table A4.1 below.

¹ If people are getting steel from the Government, subsidy is deducted accordingly. Government Subsidy of Rs. 55,000 includes steel and cement.

TABLE A4.1

Cost Estimation to Construct 10 x 10 Floor Space House

S.NO	Materials needed/ Human Resource	Quantity	Cost (in rupees)
1	Bricks	300 Nos	11,000
2	Stones	1 lorry load	5,000
3	Mason	1 person (Rs.250- 300 per day)	10,000
4	Mason Helper	1 (Rs.200 per day)	7,000
5	Cement Bags	70-80 (Govt. supplies only 52 bags)	7,000
TOTAL			40,000

Note: Estimation excludes Government grant

4.15. Quality House determines Quality of Life

A village in Tirupattur Block consist of 40 % Dalit families and 25% of other castes. There are 100 houses in this village. Houses in the colony were constructed way back in 1984-85. Within some years of construction, most of these houses had become inhabitable. Subsequently some houses were totally damaged and Government rebuilt those completely damaged houses with a single-brick-roof method (*called as KULUMAI VEEDU in Tamil*). Families who got houses 25 years back have their sons and grandchildren live together in a house which is in poor state. People in this colony are desperate to get the Government their names in IAY Scheme since they are coolies hoping for a small dwelling unit. However, recently out of these 28 families only 4 got the Government sanction.



IAY Beneficiary

TABLE A4.2**Progress report on Indira Awaas Yojana**

(Rs. In lacs)

APPLICATIONS							
S. No	Bank	Received	Sanctioned	Amt	Disbursed	Amt	Retd
1.	IOB	615	588	117.60	588	117.60	27
2.	SBI	202	187	37.40	187	37.40	15
3.	IB	418	390	78.00	390	78.00	28
4.	CB	129	112	22.40	112	22.40	17
5.	BOB	99	85	17.00	85	17.00	14
6.	BOI	47	47	9.40	47	9.40	--
7.	UCO	73	69	13.80	69	13.80	4
8.	SYB	36	28	5.60	28	5.60	8
9.	ICICI	125	45	9.00	17	1.70	-
10	UBI	14	14	2.80	14	2.80	-
11	VIB	20	15	3.00	15	3.00	5
	Total	1778	1580	316.00	1552	308.70	118

Source: Indian Overseas Bank, Lead Bank Office - Sivaganga

4.1.6. General Observation about IAY scheme

1. Completion of houses among Backward Classes is higher compared to Scheduled Caste under IAY scheme. This may be due to the supporting mechanisms Backward Community people get from their relatives and friends.
2. Loan for Rs.20,000 given by banks is helpful to the people. Compared to previous years we could see houses completed this year due to this help. Banks may also provide additional loan amount at market rates after assessment of the repayment capacity for which NHB refinance is available.
3. BDO office does not verify the land and Patta details since the Panchayat President vouched for the beneficiary.
4. Information flow about the Scheme needs improvement. Transparency and sharing of information about the Scheme would reduce wastage of time, energy

and money (daily labour) of the beneficiaries. Non Governmental Organisations (NGOs) in the district could play a catalyst role in making the Scheme reach the beneficiaries quickly.

4.2. VOLUNTARY ORGANISATION S INITIATIVE

4.2.1. The Case of TRUPA

Tirupattur Rural Upliftment Project Association's (TRUPA) ensuring rural housing among the poor is enhancing its success over the past 2 decades. Mr. Sekar, Project Co-ordinator, put forth TRUPA's main aim on rural housing by quoting a



Tamil proverb *Yeli valaiyannalum thanee valai vendum* which means "Even a rat has its own dwelling unit".

In 1990's TRUPA started its Food For Community Development (FFCD) in which wheat was supplied to the poorest of the poor with a help of Church's Auxiliary for Social Action (CASA). These people were just subsisting living in those houses with thatched roofs touching the ground. The houses neither had walls nor doors and windows. TRUPA helped these people to construct 5 to 6 feet mud wall with provisions for windows and door. Around 15 houses were rebuilt through this intervention in Kovilpatti village, Vanjini patty Panchayat of Tirupattur Block.

In 1995's with 75% subsidy from Church of Sweden it constructed 50 houses in Maruthvakudi patti of Mahibalan Patti Panchayat and Idayan patti of Nerkuppai Town Panchayat.. By 2003 TRUPA's partnership grew from Voluntary sector, to Banks and finally to Government. TRUPA worked in close quarters with Sivaganga District Rural Development Agency which gave Rs.10,000 as subsidy. Around 55 houses were built

under this Credit Cum Subsidy Scheme with a unit cost of Rs.40,000. The Scheme from FFCD continued even in the Government supported project too. People were able to produce bricks and other construction materials from nearby locality. This enormously reduced the construction cost.

Mr. Sekar, Project Co-ordinator, TRUPA felt that subsidy combined with partnership with people is an important motivational factor for people to construct houses and to make the Scheme successful. In 2005-2006 TRUPA was not able to get subsidy for subsequent housing schemes. Hence it decided to continue the subsidy with a help of an overseas donor partner. The Church of Sweden agreed to give Rs. 10,000 per house totalling Rs.4, 50,000 every year on Housing Subsidy since 2005-2006. Totally 80 houses are proposed to be constructed by TRUPA in Tirupattur Block out of which, 25 houses were constructed in Tirupattur Town. TRUPA all these years focussed on people living BPL and brought together people in the form of SHGs, gave a special thrust on housing apart from livelihood programmes.



TRUPA through various models has successfully intervened and enhanced the lives of poor when no one dared to step in to this terrain. House reconstruction and repair were the main focus of housing. Models were created to suit the local needs and to maximise the benefit. TRUPA

could sustain such benefit through partnership. For instance, People's Resource-finance, materials and manual labour were tapped to the fullest extent. All the interventions are done through team work. The group prioritise the type of intervention for its members. Priority is given to people who don't have house and whose house is in a dilapidated condition. Type of intervention is decided by the group members. This democratic decision making process created space for people's involvement.

Preparation of bricks and construction work is done collectively. Since the work is shared construction cost for each house comes down substantially. Additional support is given by the agency in the form of subsidy from Government and International agencies, Food for Work and loans from Banks and even from Commercial Banks.

Based on the Observation, Inspection of houses and interaction with TRUPA beneficiaries it can be concluded that TRUPA has contributed significantly by focussing on housing quality and coverage of the beneficiaries. Beneficiaries are of the opinion that TRUPA's model helped them to better their lives. In some villages people preferred TRUPA's model over IAY scheme. TRUPA has successfully developed housing schemes through their field experience in the course of implementation. Some of them are described below.

TABLE A4.3

Various Models Developed by TRUPA

	<i>Reference period</i>	<i>Total cost of the house</i>	<i>Contribution1</i>	<i>Contribution 2</i>	<i>Contribution3</i>
TYPE 1 <i>Food For Community Development (FFCD)</i>	1982-1990	Rs. 1 lakh	Rs. 75,000 TRUPA	---	Rs. 25,000 Beneficiary
TYPE 2 <i>Credit Cum Subsidy Scheme (CCSS)</i>	2003	Rs. 40,000	Rs. 10,000 Subsidy by DRDA	Rs.30,000 Bank loan	---
TYPE 3 <i>Kutch House Improvement Programme</i>	2004	Rs.10, 000	Rs. 2,500 Subsidy by DRDA	Rs.7, 000 Bank loan	Rs. 500

Source: Field Visits

4.2.2. Assessment of TRUPA s initiative

Across 10 villages people were benefited from TRUPA's housing model. People expressed that houses constructed under TRUPA are spacious and cost effective. Some of the salient features are

- Viable Housing model by involving Rural Poor
- Ownership: making the beneficiaries to work for their own house
- Sound Planning and No Advertisement
- Presently working in close co-ordination with Banks to avail housing loans to the SHG members. So work as a bridge between Bank and the SHG members.
- The most important reason for TRUPA's success is SHG groups under TRUPA umbrella run Brick Kiln which helped to cut down the cost for both TYPE 2 & 3 models. For example, almost Rs.60, 000 rupees got saved in *Credit Cum Subsidy Scheme (CCSS)* since beneficiaries produce Bricks and arranged wood from local sources. TRUPA provided 5 Kg wheat per head for those families who were involved in housing construction.

4.3. ASSEFA

The Association of Sarva Seva Farms (ASSEFA) started in 1978 grew out of the Gandhian–Sarvodaya tradition in Tamil Nadu. Initially it began with as a cooperative vision for landless people who were voluntarily given land under the Bhoodan movement. From the mid-1970s onward, ASSEFA began shifting its focus to Integrated Rural Development based on Village Associations (Gram Sabhas). In each Gram Sabha, ASSEFA promoted small activity groups around agriculture, veterinary care, dairy, health, education, small business, women's development and housing. From the 1980s onwards, ASSEFA began working intensively with Government programs in the field of Primary Health Care, and Primary school children and Adult education. By 1997,

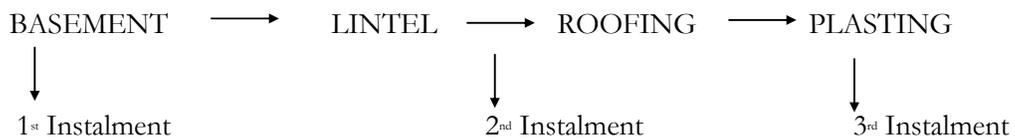
ASSEFA had more than 45 projects in six States, but its main work was concentrated in Tamil Nadu.²

4.3.1. ASSEFA Housing Finance- 3 types.

1. **Group Housing:** ASSEFA borrowed funds from Housing Finance Companies and lent it for Group Housing during the period 1995-2000. Around 500 houses were constructed during the period with a prototype design consisting of 250 square feet house with Hall, Kitchen and Store room.
2. **ASSEFA Housing Promotion Fund:** Done through ASSEFA Housing Promotion Limited. This Fund was utilised for financing repair work. Finance was provided for roofing, plastering mud wall and flooring. Funds were made available for electrification of Semi-Pucca houses, construction of toilets and bathroom facilities. The reason to focus on these aspects is due to the fact that not all Banks were ready to support or fund house repair work. Moreover Banks demand collateral from the borrowers. In Sivaganga District ASSEFA is funding such type of work for the past 25 years. The Fund is mainly rooted through ASSEFA motivated Self Help Groups. Presently the minimum amount sanctioned under this Scheme is Rs.10, 000.
3. **Credit –Cum- Subsidy Programme:** Under this programme new homes are being built, since 2001-2002. Around 200 houses were constructed in Sivaganga Block for a period of 5 years and unit cost of the house is Rs.40,000. ASSEFA is tied up with a Nationalised Bank. (TRUPA constructed 100 houses under the same scheme in other localities of Sivaganga District). This scheme was implemented through a tripartite partnership model with Beneficiaries (Rs. 10,000 – 20,000) + Bank (Rs. 20,000) + ASSEFA (Rs.20, 000). The fund is lent to the group which is then

² Peter Uvin, Pankaj S. Jain & L. David Brown (2000)Scaling Up NGO Programs in India: Strategies and Debates, IDR Reports Volume 16, Number 6, Institute for Development Research, Boston. www.jsi.com/idr

transferred/disbursed to the group member. Only Government prepared BPL households living in rural areas are eligible for this scheme. Land should be registered in female member of the family (wife). At the time of application if the land is not registered in wife's name the fund will not be transferred. Since the fund is transferred to the SHG, all the members of SHG are expected to construct up to basement level. If only they could show the progress collectively first instalment is released. The benefit for such collective effort is that cost, materials and labour are shared.



4.3.2 ASSEFA s experience in housing

- **Preference:** People have their preferences in construction design
- **Repayment Problem:** Some beneficiaries of Group housing funded by housing finance company couldn't repay the amount due to their financial inability. So ASSEFA has to repay.

TABLE A4.5

Comparison between schemes implemented by Government and NGOs.

S.No	Particular	IAY	TRUPA	ASSEFA
1	Work Execution	Contractor Driven	Beneficiary Participation	NGO and Beneficiary Participation
2	Credit	Government Subsidy and loan is arranged.	Subsidy and Loan is calculated and met based on group's assessment on individual borrower	Fewer Subsidies. Mostly Banks are linked
3	Type of House	Very little floor space	Spacious	Less Spacious
4	Model of the house	Have to follow Government specification- Government Engineer plans	Individuals own choice	ASSEFA's model
5	Cost	Determined by market rate and contractor	Cost effective since beneficiary involves in providing raw materials and human resource	Cost depends on the market.

6	Quality of House	Quality cannot be ensured since contract driven	Excellent quality maintained	To an extent if beneficiary fully involved themselves
7	Volume of houses	Thousands	Hundreds	Hundreds
8	Social Consciousness	Allotment is made based on a nuclear family	Housing project maintains the existing Family System based on beneficiaries preference	Joint families are divided into nuclear families
9	Bank s obligation	Provides the minimum loan of Rs.20000/- at DRI rates to meet the targets.	NGO tie up with Bank and banks are advised to suit beneficiary needs	Less or no linkage. NGO acts as a creditor and takes the repayment risk.
10	Beneficiary contribution	Less contribution except margin money	Contribution in terms of supply of raw materials and human resource	Beneficiaries' financial contribution is significant. Repayment is done for long years

Source: Field Visits

4.4. SUGGESTIONS

1. Experience of NGOs who have initiated Credit Based Housing Programme need to be capitalised and can be replicated through out the District. Analysis and impact assessment need to be done to know its manner of implementing housing programmes, reasons for success, causes for default, social benefits of the beneficiary, pattern of money distributed among the beneficiaries, methods to reduce repayment risk etc.

2. According to one ASSEFA functionary 40 % houses in Sivaganga District are yet to become Semi- Pucca and the rest 60 % are in safe shelter category.
3. Additional Collector, Sivaganga District opined that NHB can make two interventions for Housing Finance. They are
 - a. Focussing on current IAY beneficiaries who avail Bank loan. In addition they mobilise additional loan from money lenders for higher interest. Government money is not adequate for them to construct a decent house. So they naturally approach to a money lender who offers money at their door step.
 - b. It can be routed through Federation of SHGs. The members can be motivated to avail such a scheme. In this direction NHB has already launched its rural Housing Micro Finance initiative in the district through Micro Finance Institutions (MFIs) whereby more than 200 beneficiaries will be benefited.
4. The present market rate for construction materials escalated the cost. As per IAY scheme Government subsidy is not sufficient to complete construction even though bank loan Rs.20000/-. Accordingly, Central and State Government may consider enhancing the subsidy from the present Rs.35,000 and Rs.20,000 to Rs.55,000 and Rs.25,000, respectively.

5. MAPPING INSTITUTIONS PROVIDING CREDIT FOR HOUSING

5.1 INFORMAL CREDIT DELIVERY SYSTEM IN SIVAGANGA DISTRICT

Due to not so good performance of existing formal Co-operative Financial Institutions and despite the presence of many formal Banking structures, the rural poor continue to be in the clutches of money lenders. Government institutions like NABARD started contemplating alternative models to reach the poor and targeted the 'unserved' and 'under-served' segments in society. Since then there is a phenomenal growth in lending to these Self Help Groups (SHGs). Both the number of groups and lending doubled between 1992-93 and 2002-03 in India. In recent years the concept of Informal Credit Delivery assumes greater significance in the present rural economic scenario along with the growing number of NGOs promoting SHGs. With the introduction of the income recognition and asset classification norms, Banks have reservations in meeting the credit needs of the small borrowers. So the concept of SHG proved to be an effective alternative credit delivery mechanism to reach the poor, who were hitherto excluded from institutionalised credit. SHGs have comparative advantages of being voluntary and democratic in nature, promoting thrift and savings, self and mutual help during emergency and demonstrate good recovery and lesser transaction cost as SHGs resort to group financing, better recovery, etc.

A report produced by Andhra Pradesh Mahila Abhivruddhi Society (APMAS) on SHG Federations in India records that there has been 'exponential growth in SHG-Bank linkage model' over the past decade focusing heavily on their economic upliftment. Though SHGs are expected to work for non-financial services to members many have moved into financial operative part. Non-Financial Service includes acting as implementing agencies of Government and Donor agencies programs. On the other hand increasingly SHG federations work as an as Community Based Microfinance Institutions (CBMFIs) and "Mahila Banks" (women's banks). Additionally it can focus on the Housing Sector which can make a long lasting effect on the lives of people.

Out of an estimated 68,903 SHG federations in the country, 61,287 are in South India. These federations are said to work mostly among women to bring down poverty and empower them through financial inclusion. The overwhelming majority of federations are primary level federations - that is, their members are SHGs. The size of federations varies significantly across the country. The variations range from less than 10 to over 1,000 SHGs.¹

TABLE A5.1
Progress of SHG Bank linkage program in India.

Year	No. SHGs linked	% change over previous year	Loan amount in Rs. Cr.	Change over previous year in Rs. Cr.	% change over previous year
1992-03	255	--	--	--	--
1993-04	620	143	--	--	100
1994-05	2,122	242	--	--	290
1995-06	4,757	124	--	--	132
1996-07	8,598	81	--	--	84
1997-08	14,317	67	--	--	92
1998-09	32,995	130	57	--	112
1999-00	114,775	248	193	136	239
2000-01	263,825	130	481	288	149
2001-02	461,478	75	1,026	545	113
2002-03	717,360	55	2,049	1,023	100
2003-04	1,079,091	50	3,904	1,855	91
2004-05	1,618,456	50	6,900	2,996	77
2005-06	2,238,565	38	11,398	4,498	65
2006-07	2,924,973	31	18,041	6,643	58

Source: NABARD annual reports and SHG bank linkage data for different years

¹ SHG Federations in India. APMAS, First Edition: October 2007. Page no. xiii.
www.apmas.org/pdf/SHGfinalbook.pdf

5.2. FORMAL LENDING INSTITUTIONS IN SIVAGANGA DISTRICT

The District is having a good network of Bank branches covering 7313 persons per Branch as against State average of 10482 persons per branch. (Source: Annual Credit Plan 2007- 2008, Sivaganga). Block wise Bank details are provided in the Table A5.2. It shows that Pandyan Grama Bank (PGB) is having highest numbers 26 branches in the District, followed by Sivaganga District Central CO-operative Bank 24 and ICICI 24. Pandyan Grama Bank's presence is in all the Blocks also Sivaganga District Central Co-operative Bank, except in Kannangudi Block. Nationalised Banks and SBI's presence is distributed throughout the District whereas Private Banks such as ICICI have branches close to towns. No Banks except PGB have a branch in Kannangudi block.

TABLE A5.2

List of Bank Branches Blockwise in Sivaganga District

S.No	Banks	Blocks											TOTAL	
		Devakottai	Ilayangudi	Kalayankoil	Kallal	Kannangudi	Manamadurai	Sakkottai	Singampunari	Sivaganga	S. Pudur	Tiruppathur		Tiruppuvanam
1	SBI	1	1	1	1	1	3	2	1	1	-	1	1	14
2	IOB	2	1	2	4	2	-	5	-	2	2	2	2	24
3	INDIAN BANK	1	1	3	3	-	-	3	2	2	1	3	-	19
4	CANARA BANK	1	-	-	-	1	1	2	-	-	-	-	1	6
5	SYNDICATE BANK	1	-	-	1	1	-	1	-	-	-	-	-	4
6	UCO BANK	-	-	-	-	-	-	2	1	-	-	-	-	3

7	BANK OF BARODA	-	-	-	-	-	-	2	-	-	-	-	-	2
8	BANK OF INDIA	-	-	-	1	-	1	1	-	1	-	-	-	4
9	CENTRAL BANK OF INDIA	-	-	-	-	-	1	1	-	-	-	1	-	3
10	UNION BANK OF INDIA	-	-	-	-	-	-	1	-	1	-	-	-	2
11	PUNJAB NATIONAL BANK	-	-	-	1	-	-	1	-	-	-	-	-	2
12	ALLAHABAD BANK	-	-	-	-	-	-	1	-	-	-	-	-	1
13	ANDHRA BANK	-	1	-	-	-	-	1	-	-	-	-	-	2
14	ICICI	2	-	3	2	1	-	8	3	2	-	5	-	26
15	LAKSHMI VILAS BANK LTD	-	-	-	-	-	-	1	-	-	-	-	-	1
16	CITY UNION BANK LTD	1	-	-	-	1	-	1	-	1	-	-	-	4
17	TAMILNADU MERCANTILE BANK	-	-	-	-	-	-	1	-	1	-	-	-	2
18	VIJAYA BANK	1	-	-	1	1	-	2	-	-	-	-	-	5
19	KARUR VISYA BANK	-	-	-	-	-	-	1	-	-	-	-	-	1
20	PANDYAN GRAMA BANK	2	2	3	3	2	3	3	1	3	1	1	4	28
21	SVGA. DIST. CENT. CO-OP. BANK	2	2	1	3	2	2	6	2	5	1	3	2	31
22	PARDBANK Ltd.	1	1	1	2	1	1	1	1	1	1	1	1	13
23	IDBI	-	-	-	-	-	-	1	-	1	-	-	-	2

24	ORIENTAL BANK OF COMMERCE	-	-	-	-	-	-	-	1	-	-	-	-	1
25	CORPORATIO N BANK	-	-	-	-	-	-	-	-	1	-	-	-	1
	TOTAL	15	9	14	22	13	12	48	12	22	6	17	11	201

**Annual Credit Plan, 2008-2009. Sivaganga District.*

TABLE A5.3

Trends in Co-operative Societies

Types of Co-operative Banks	N o. of Societies	
	2005	2006
Co-operative Apex Banks (TNSC)	Nil	Nil
District Central Co-operative Banks	28	28
Housing Co-operative Societies	31	25
Employees Co-operative Societies	70	69
Other Co-op Societies	308	156

Source: Statistical Handbook, Sivaganga District, 2005-2006.

Table A5.3 shows that there is no growth in Co-operative Societies in Sivaganga District. There is stagnation and downward trend in the number of Co-operative societies operating in Housing and closing down of other co-operative Societies and totals which fell from 308 to 156. This may be due to nil membership drive for the past few years.

TABLE A5.4**Profile of Micro Finance in Sivaganga District**

Total number of Blocks in the district	12
Number of Blocks where SHGs exist	12
Total number of Blocks with SHG Credit Link	12
Number of NGOs in the district	20
Number of NGOs participating in Linkage	12
Number of additional NGOs to be roped in during the year	5
Total number of Branches in the district	CBs – 85; RRB – 27; DCCB – 28
Of which number of Branches are participating in the Linkage Programme	CBs – 28; RRB – 15; DCCB – 0
Number of additional Branches proposed to be roped in	CBs – 15; RRB – 10; DCCB – 5
Number of Government/ other agencies	3
Number of Government/ other agencies likely to participate	2

Source: IOB, Lead Bank, Sivaganga

TABLE A5.5**Broad Sector-Wise and Year-Wise Break up of Credit Outlay for the 10th Plan period for Sivaganga District**

(Rs. crore)

SECTOR	2002-03	2003-04	2004-05	2005-06	2006-07	TOTAL
Agriculture	192.63	208.66	227.42	246.90	267.66	1143.27
Non Farm Sector	37.00	40.70	44.77	49.25	54.17	225.89
Other Priority Sector	0	80.00	90.00	100.00	100.00	450.00
TOTAL	309.63	329.36	362.20	396.15	421.82	1819.16

Source: Annual Credit Plan 2007-2008, Sivaganga District.

Table A5.5 shows the sector wise credit availability from 2003 to 2007. Allocation for Agriculture shares the major portion (62 %) in all these years compared to Non Farm Sector and Other Priority Sector. This shows that Sivaganga District is predominantly agriculture based.

6. PERFORMANCE OF LENDING INSTITUTIONS FOR HOUSING.

6.1 BANKS

Housing loans offered by Banks are based on a certain set of norms and guidelines which the rural borrower, particularly the poor is unable to access due to factors like non-availability of clear title, irregular cash flows, absence of income proof etc. So even in rural areas, people in organised sector and income-tax assesses are the ones to predominantly obtain a bank loan without much hassle. In this context, Regional Rural Banks and Cooperative Sector can play an important role in addressing the shelter needs of rural poor. However, housing credit to these segments is in a nascent stage, and if taken place, has been in a sporadic manner.

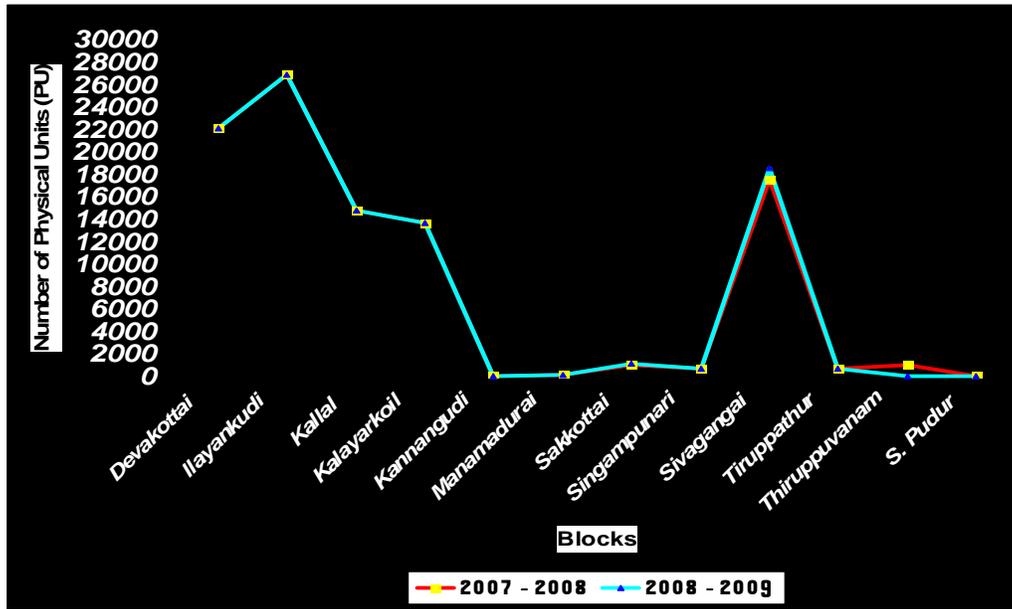
As far as RRBs are concerned Pandiyan Grama Bank has its presence in the State. As on 2007, Pandiyan Grama Bank (PGB) has a total of 170 branches covering 8 districts of which 102 were in rural areas and 63 in semi-urban areas. In Sivaganga District, Pandiyan Grama Bank have 26 branches in almost all the Blocks like Sivaganga District Central Co-operative Bank which has 31 branches. Yet in terms of housing credit is negligible from these two institutions. These two banks are ideally located to address the housing needs of the rural poor, which currently is fairly low. On the other hand Public Sector Banks and Commercial Banks are mainly concentrated in the urban areas as depicted in Table A5.2.

The following Figure A6.1 and Table A6.1 show the physical unit progress in Priority Sector Housing loans by the Banks in the District. Ilayankudi and Devakottai have a combined share of close to 50 per cent of the physical units in the District (Ilayankudi: 27000 & Devakottai: 22000). Even though S.Pudur has a higher percentage 54.6 of BPL households in the district compared to the district average of 38.4 percent, focus on increasing physical units of housing in this Block is minimal.

Though Ilayankudi and Devakottai share 50 per cent of the allotted physical unit in the District in terms of the money allotted, Sakkottai tops the list with a figure of Rs. 1,47,990 and Rs. 1,88,607 compared to the District total of Rs. 5, 77,640 and Rs. 6, 57,959 in 2007-2008 and 2008-2009 respectively. Tirupathur and Sakkottai put together has a little over 50 per cent of the total allocation in the District.

FIGURE A6.1

Number of Physical Units in Housing loans, Priority Sector (77): 2007-2009.



Source: Annual Credit Plans, 2007-2008 & 2008-2009, Sivaganga District

TABLE A6.1

Number of Physical Units in Housing loans, Priority Sector (77): 2007-2009

(Nos. in

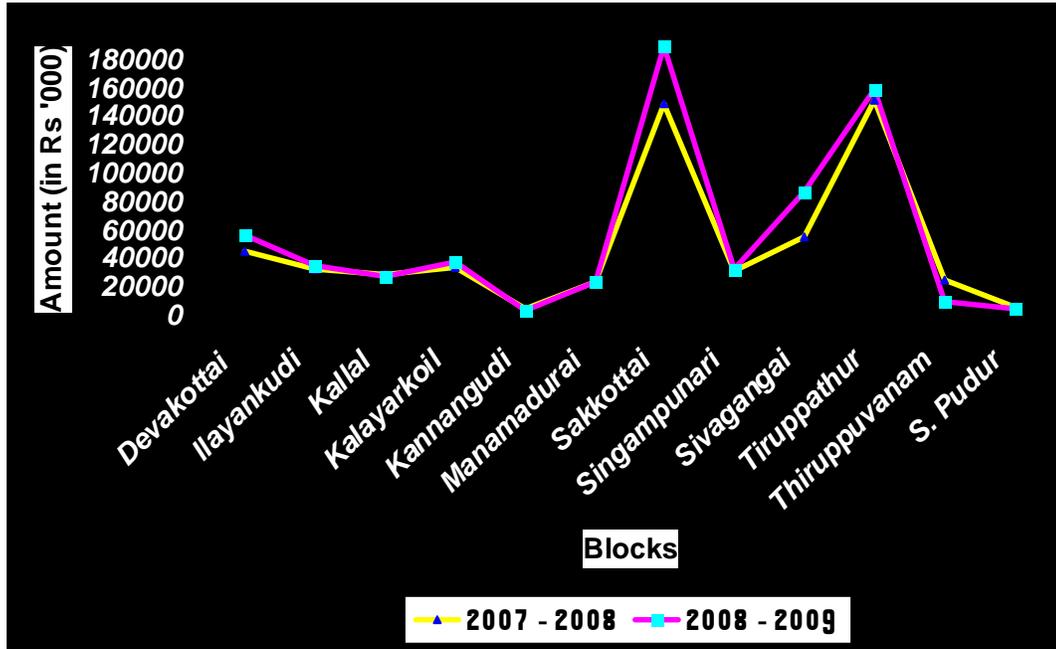
Unit)

Reference Year	Devakottai	L.layankudi	Kallal	Kalayarkoil	Kamangudi	Manamadurai	Sakkottai	Singampunari	Sivaganga	Tiruppathur	Thiruppuvanam	S. Pudur	Total
2007 - 2008	22062	26922	14814	13664	26	67	1035	683	17509	634	1038	14	98468
2008 - 2009	22087	26912	14796	13664	16	63	1129	688	18542	614	35	6	98552

Source: Annual Credit Plans, 2007-2008 & 2008-2009, Sivaganga District

FIGURE A6.2

Amount granted for Housing loans, Priority Sector (77): 2007-2009.



Source: Annual Credit Plans, 2007-2008 & 2008-2009, Sivaganga District

TABLE A6.2

Amount granted for Housing loans, Priority Sector (77): 2007-2009

Amount in Rs. '000

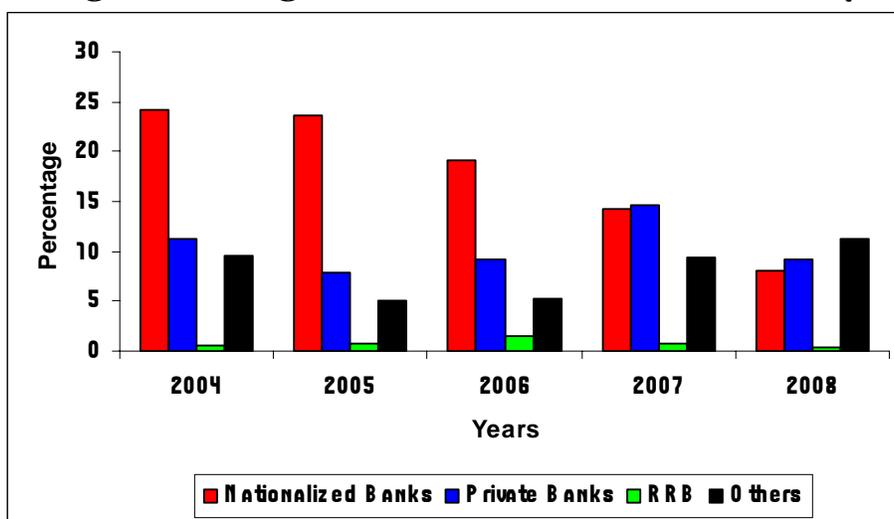
Reference Year	Devakottai	Ilayankudi	Kallal	Kalayarkoil	Kannangudi	Manamadurai	Sakkottai	Singampunari	Sivaganga	Tiruppathur	Thiruppuvanam	S. Pudur	Total
2007 - 2008	44800	32200	27760	33200	4200	22610	147990	30300	54500	150730	24150	5200	577640
2008 - 2009	56179	34633	26375	36853	2442	23380	188607	32178	86206	158434	9062	3610	657959

Source: Annual Credit Plans, 2007-2008 & 2008-2009, Sivaganga District

Figure A6.3 and Table A6.3 represents the percentage of Housing Finance to Weaker Section in the Priority Sector. It shows that Nationalized Banks contribute the maximum share yet its share over the years is in a downward trend and in the year 2007 both Nationalised banks and Private Banks are in the same position. During the year 2008 both Nationalized Banks and Private Banks dip further to single digit status in their allocation of money to the Weaker Section. The contribution of Regional Rural Bank is under 1 per cent and others contribute between 4-9 per cent.

FIGURE A6.3

Percentage of Housing Finance to Weaker Section in Priority Sector



Source: Annual Credit Plans, 2007-2008 & 2008-2009, Sivaganga District

TABLE A6.3

Percentage of Housing Finance to Weaker Sections in Priority Sector

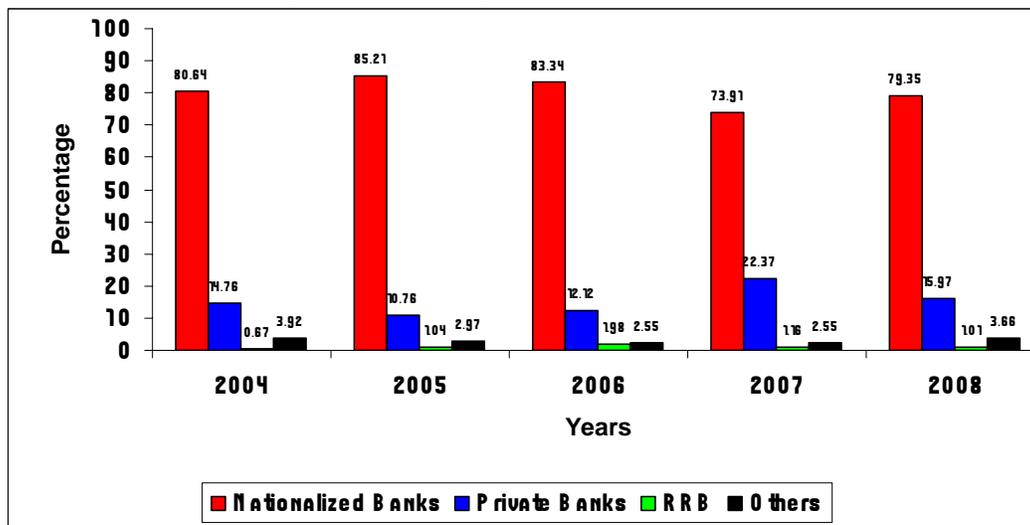
Year	Percentage of Housing Finance to Weaker Section out of Priority Sector				
	Nationalized Banks	Private Banks	Cooperatives	Regional Rural Bank	Others
2004	24.16	11.32	0	0.6	9.61
2005	23.66	7.86	0	0.81	4.98
2006	19.19	9.14	0	1.42	5.17
2007	14.2	14.63	0	0.76	9.37
2008	8.01	9.27	0	0.38	11.28

Source: Annual Credit Plans, 2007-2008 & 2008-2009, Sivaganga District

Figure A6.4 and Table A6.4 represents the Bank wise percentage of Housing Finance to the Weaker Sections in the period between 2004-2008. It shows that Nationalized Banks contribute the maximum share yet its share over the years is in a downward trend. Private Banks contribute between 12-22 per cent in the above mentioned reference period. Whereas the contribution of Cooperatives is nil, Regional Rural Bank is around 1 per cent and others contribute between 2-4 per cent.

FIGURE A6.4

Bank wise Percentage for Housing Finance to Weaker Section 2004 - 2008



Source: Annual Credit Plans, 2007-2008 & 2008-2009, Sivaganga District

TABLE A6.4

Bank wise Percentage for Housing Finance to Weaker Section 2004 - 2008

Year	Bank wise % for housing finance to weaker section 2004 - 2008				
	Nationalized Banks	Private Banks	Cooperatives	Regional Rural Bank	Others
2004	80.64	14.76	0	0.67	3.92
2005	85.21	10.76	0	1.04	2.97
2006	83.34	12.12	0	1.98	2.55
2007	73.91	22.37	0	1.16	2.55
2008	79.35	15.97	0	1.01	3.66

Source: Annual Credit Plans, 2007-2008 & 2008-2009, Sivaganga District

6.2. CO-OPERATIVE SECTOR

Although there are few Housing Societies functioning in Sivaganga District, for the past 7- 8 years Co-operative Sector did not approve any loans and there was no increase in membership base which resulted in less repayment. One of the major reasons for such stagnation is due to the absence of adequate and timely support given by the Government to Co-operative Societies. For example, announcements from the Government at regular intervals on Loan Waiver, creates uncertainty in the minds of borrowers, particularly the regular re-payers. In addition society's effective functioning is hampered by multiple forces. The same was echoed by one of the bearers of Urban Co-operative society. He is of the opinion that less importance given to the Co-operatives has affected its effective functioning in the following ways.

1. No transaction done for the past 6-7 years.
2. Issue of fresh loans by Co-operative Societies stopped.
3. Societies getting returns from its members are getting increasingly lesser.
4. Unable to sell properties or initiate Public Auction of Properties of members whose interest overdue accumulates to more than Principal Amount. Since there is a provision in the Bye-law that if a person repays a minimum amount even Rs.1000 - 2000 the property cannot be auctioned. They write a Report stating that the person paid some amount and has given an undertaking in writing to repay the amount within 6 months. Therefore, in general and members in particular think that land or the property will never come to auction in such cases.
5. Regular repaying members feel there is no incentive or programs for their regularity. Whereas only defaulters get benefit since their loans are written off.

LOAN PROCESS IN CO-OPERATIVE SOCIETY

As soon as they register as a member in the society individuals can apply for loan in the Society. The Society considers them as individual borrowers and all the necessary Legal documents are obtained for processing the application. All individually collected legal documents are pooled together into a group consisting of 10- 20 members to be sent to the Head Office. The individual applicants are joined together in to a specific group thereby becoming Group Borrowers. Though in the Local Office it is an individual who applies for a housing loan, in the Sanctioning Authority's view, it is a Group which borrowed money.



The sanction is made by the Head Office for the Group and not for the individual borrower. Only if all the Group Members pay their due - loan amount and the interest - the Legal Documents are returned to the borrowers. Even if one or some members of the Group have dues, the documents will not be returned to all the Group Members. If all the members repaid the money the Head Office takes at least 1 month to 3 months to return the documents.

6.2.1. Problems Faced by Housing Co-operatives

- The role of the Primary Society which is in touch with the borrowers includes continually update on the happenings at the Society to their members. However, sufficient information is not shared to them on time. Further, after the borrowers pay their monthly- instalment, the Primary Society is unable to issue receipt as only the Head Office can issue a Receipt. The receipt reaches the Primary Society only after 6 months of the payment. So keeping track of those payments all along results in tedious and avoidable work, for the Primary Society.
- For the past 5 years there are Deputy Registrars appointed by the Government as Officers 'In-charge'. In general regular permanent Officers are not being

appointed. Regular Officers may be able to address the problems faced by the Co-operatives and provide the much needed thrust.

- Delay due to administrative procedure could be reduced and members could avail loans early if administrative delay is reduced - 3 tier systems (Local, Zonal and Head Office) - system in granting Housing Loan.
- Co-operative Banks need to give more importance and representation to women in decision making process. This might pave way for better administration and corruption free environment.
- No new funds allocated for many years since the overdue is very high.
- Over the years the primary payment is less. So there is no target fixed for many years. They only concentrate on collecting overdue amount. Between 1996- 2000 housing co-operatives showed profit to the Government.
- SHG movement caused a shift in the focus of administration/banks/financial institutions and this led to further down fall of the co-operatives.

On the positive side, the reason for people to prefer Co-operative Societies for Housing Finance is that the procedures are simpler and norms easier to comply with when compared to Scheduled Commercial Banks. Further, the interest rate is comparatively lower. Although compared to Banks, people have easy access to Co-operative Societies' but procedural delay still exists in obtaining loan and in getting receipts and documents after repayment of loan.

6.3. Housing Finance Companies

Housing Loan market in India was dominated by HFCs. The HFCs are a diverse group of finance institutions, with some focusing on regional areas in India and others targeting specific consumer segments. All HFCs are regulated by the National Housing Bank (NHB). The mortgage market in India today comprises HFCs and Commercial Banks including Public Sector Banks. There are currently 43 HFCs that have obtained certificate of registration from NHB.

In the State of Tamilnadu there are 3 Housing Finance Companies namely Repco Home Finance Limited, Sundaram BNP Paribas Home Finance Limited and National Trust Housing Finance Limited have Registered Offices. Other major housing companies operate through its branches in the State. Yet they predominately cater to the urban sector and the credit demand for rural housing particularly in unorganised sector is not adequately addressed.

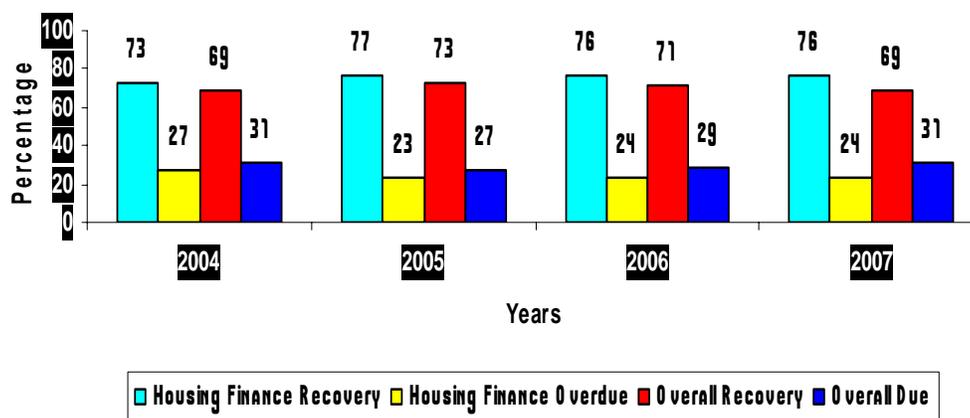
7. ASSESSMENT OF INDEBTEDNESS AND REPAYMENT CAPABILITIES

7.1 Housing Finance to Weaker Section Vs Overall Disbursement 2004-2007

The FIGURE 7.1 below shows the trend in Housing Finance recovery by Banks to Weaker Sections in comparison with the overall recovery to all Sectors put together. In Figure 7.1 it is depicted in percentage. The same is presented by amount in Table A7.1. The figure shows that the housing recovery level is higher compared to overall recovery level over the years.

FIGURE A7.1

Overall Finance Recovery Status



Source: Annual Credit Plans, 2007-2008 & 2008-2009, Sivaganga District

TABLE A7.1

Formal Institutions Finance Position

(Rs. in '000)

CATEGORY		2004	2005	2006	2007
HOUSING FINANCE	Demand	99452	228683	241298	251510
	Collection	73004	177121	182531	191035
	Overdue	26448	51562	58767	60475
OVERALL	Demand	2292585	2702353	2867063	2937055
	Collection	1582223	1964345	2046499	2027230
	Overdue	710362	738008	820564	909825

Source: Annual Credit Plans, 2007-2008 & 2008-2009, Sivaganga District

TABLE A7.2
Scheme wise - Details of Recovery and Overdue Position (2004-2006)

S. No	Year	Total Demand		Total Collection		% of Rec.	OVERDUES								% of Amt over dues
							1 Year or less than 1 year		Up to 3 years		More than 3 years		Total		
		A/C	Amt.	A/C	Amt.		A/C	Amt.	A/C	Amt.	A/C	Amt.	A/C	Amt.	
1	2004	1054	99452	872	73004	73	111	9234	71	5851	68	11363	250	26448	27
2	2005	2171	228683	1795	177121	77	395	43823	61	2936	29	4803	464	51562	23
3	2006	4287	241298	3047	182531	76	524	53011	162	3743	14	2013	1296	58767	24

Source: Computed from different Annual Credit Plans, Sivaganga District

Compared to other Sectors like Agriculture and Small Scale Industries, recovery percentage for Housing is on par with Sectors like Personal Loans but still lagging behind Retail Trade and Small Business Loans. Table A7.1 shows the percentage of recovery over the years has a positive trend.

7.2 LOAN

IAY beneficiaries said that Loans given by Banks in addition to the Government Subsidy helped them to construct and complete the houses. Even some Officials opined that the number of completed houses has increased substantially compared to previous years due to this intervention. This may be due to people's less dependency on individual money lenders who charge high interest rate. Yet debt continues to haunt people as they were promised Government Grant which makes them to take loans from money-lenders for a higher rate. Sometimes the offer comes straight the from money lender. After getting news that IAY allotment is sanctioned to a particular individual the money lender offers him loan. Allured with promises, the borrower gets money for higher interest rate and this result in debt. At times people also get money from varied sources to start construction. It was difficult to identify individual indebtedness the respondents were not forthcoming to reveal the correct details. Moreover almost all the beneficiaries shared their experiences as a single group. So getting a specific response about individual indebtedness was not feasible.

7.3 REPAYMENT OPTIONS

NGO promoted SHG Federations collect the member fee, annual fee and collect service fees for specific services like bank linkage, training, book keeping, audit, etc., from their constituents. It is generally observed that at the SHG level, there is over 90% repayment of external borrowings i.e., loans from Banks and other Financial Institutions. Loans from Federations are seen more as internal loans, and usually are given a second priority in the case of repayment.¹ Registered SHG Federations according to RBI could act as either a Business Facilitator or Business Correspondent of a Bank to provide last-mile connectivity to Banks to provide a full range of Banking Services². As shown in the Table A5.1 there is an increase in the linkages between SHGs and Banks over the years in India. This phenomenon is seen in Sivaganga District too and can be capitalised by NHB to meet Housing needs of the District. Also the RBI requires all Commercial Banks, Regional Rural Banks (RRB) and Cooperatives to allocate 40% of their total advances to the Priority Sector (agriculture, small and micro-enterprises, housing loans and microfinance loans). Such steps need regular monitoring and follow up to check if RBI requirements are adhered to.

¹ SHG Federations in India. APMAS, First Edition: October 2007. page no. xvii

² *ibid* page xviii

8. HOUSING SHORTAGE & PROJECTION IN SIVAGANGA DISTRICT

8.1 HOUSEHOLDS DENSITY

Census 2001 shows that the total number of households in Sivaganga District is 267,888 out of which 193,484 are in rural area and 74,404 are in urban area. Sub district of Sivaganga stands first 57,516 in terms of the number of households followed by Kariakkudi 56,714 and Tirupattur 56,543 as shown in chapter 3 (Table A3.2). If one looks at the Census 2001 data on the number of rural and urban households, it is evident that in the Sub Districts of Sivaganga and Tirupattur the rural household is around 4.5 times higher than the urban household whereas, in Kariakkudi the urban households stand higher than the rural households. Except for Kariakkudi Taluk (51.6%) urbanisation in Sivaganga District (28.2 %) is less than that of the State average (44.0%). This may be due to the presence of Higher Education Institutions in Kariakkudi which has increased economic activity. The number of persons living in some important towns in the District is as follows Kariakkudi 86,596; Devakottai 40,497 and Sivaganga 40,220.

Houses in Semi- Permanent and in Temporary category constitutes 26.54 per cent and 15.85 per cent respectively (Source: Census 2001). In terms of numbers it is 2, 80,607 households of which 1, 18,978 are living in semi and temporary houses. National Family Health Survey (1998-99), puts the figure slightly higher. It reports that about one-third of the houses in Tamil Nadu were Kutcha, while Semi-Pucca houses accounted for 38.4% percent and the Pucca houses 27.6 percent. The proportion of Kutcha houses is relatively higher in rural areas as compared to 16.7 percent in urban areas. These two categories can be targeted for Housing Finance apart from regular Government Schemes.

BPL survey details provided by District Rural Development Agency put it as 2, 35,304 out of which 1, 45,027 (61.6%) are in Above Poverty Line group which includes Semi Permanent houses too and 90,277 (38.4%) belong to Below Poverty Line groups who mostly own Katcha or temporary houses.

8.2 HOUSING SHORTAGE

Field level sample survey done during the period under study, Census 2001 and BPL survey are used for calculating Housing need in the District. The number of physical units approved by Banks in Priority Sector Housing Loan and Non Priority Sector were analysed. Also estimates shared informally by representatives from Credit Agencies were used. Overall projection is calculated by extrapolating the information given in Field Interviews by Builders Association and Housing Finance Agents.

Census 2001 positions Sivaganga District better than All India status and on par with the State in Permanent Household category. But there is a potential for improvement in Semi- Permanent and in Temporary category in the district since it constitutes 26.54 per cent and 15.85 per cent respectively. These Housing needs of two categories which constitute 42.39 per cent need to be addressed i.e, nearly 1,14,000 (rounded off) households in Sivaganga districts were required upgradation to 'pucca' houses. Amongst these, according too DRDA, more than 90,000 households were in the BPL category. For example in Banking Sector Loans, around 8,500 physical units in Priority Sector Housing and 11,100 in Non Priority Sector were sanctioned during 2007-2008. This includes repairing of houses too.

8.3. HOUSING POTENTIAL

Urban growth in the district is fast catching up in Kariakkudi, Devakottai, Sivaganga and Manamadurai. Establishment of a new Medical College and full utilisation of the Graphite by creating Graphite Industrial Unit as envisaged in the State Government Budget, will trigger housing demand in Sivaganga Town in forthcoming years. In addition, Builders mentioned the future successful implementation of Sethu Canal Project and creation of Government Industrial Training Institute as announced in the State Budget¹. The industrial potential in the district needs to be tapped which will create exponential growth in the heavily Agriculture based district.

¹ Tamilnadu Government has announced in 07-08 budget on establishing industrial training unit and the need to capitalise graphite deposits close to Sivaganga Town through State Govt. owned Tamil Nadu Minerals Limited http://www.tn.gov.in/budget/archives/budsp07_08_2.htm.

Also People prefer to construct houses in places like Manamadurai and Karaikudi for different reasons such as presence of vacant land and low capital investment for construction material. For instance in Manamadurai, sand is procured at a cheaper rate since it is available in close proximity, bricks can be ordered at cheaper rate since small, medium and large brick kilns are available in close proximity and wood prices on par with city Madurai. Availability of raw materials nearer to the construction site results in substantial cost reduction.

Presence of many Education Institutions and small and medium enterprises result in substantial increase in housing construction in Karaikudi and people here have adapted to the apartment system unlike in other places in the district. Also small towns like Devakottai and Kalayarkoil too have good potential for housing because of remittance from migrants for purposes such as housing.

Field Interviews with Housing Finance Companies, contractors, NGOs, bankers and District Administration revealed the following scenario (approximate) in Sivaganga District.

- In Sivaganga Municipality alone the Housing shortage is around 20-25 per cent and in Panchayats it would be around 40 percent.
- In terms of numbers, presently around 100 houses are constructed in a year in Karaikudi town. Rough estimation in other small towns in the district is as follows Sivaganga, Devakottai and Tirupattur 60-70, Manamadurai 40-50. The same can be extrapolated in other Municipalities too except for Kariakkudi.
- Although around 100 families intended to construct houses only 50 houses are constructed every year in Manamadurai. Estimated 30-35 houses are constructed through housing finance and the rest solely by individuals' contribution.
- Around 1000 houses are being constructed every year in Sivaganga District through various housing loans.

Total Households for the State of Tamilnadu in 2001 is 1, 41, 73,626 and the Housing shortage is 1.98 million (Rural 0.44 million and urban 1.54 million)² . If we extrapolate the State figure in to the District which has 2, 35,304 households, the housing shortage stands around 20,000 in the reference year.

TABLE A8.1

Housing Shortage In Tamilnadu for the Years 2001 & 2011

(in thousands)

District	2001			2011		
	<i>Minimum housing estimated (M)</i>	<i>Replacement demand estimated (R)</i>	<i>Housing shortage estimated (M+R)</i>	<i>Minimum housing estimated</i>	<i>Replacement demand estimated</i>	<i>Housing shortage estimated (M+R)</i>
Sivaganga	11	28	39	24	30	54
Total						
Rural	8	24	32	18	25	43
Urban	3	4	7	6	5	11
Tamil Nadu	793	1391	2184	1428	1495	2923
Total						
Rural	450	1103	1553	908	1149	2057
Urban	343	288	631	520	346	866

*Source: Quoted in Tamilnadu Human Development Report, 2003. Page No: 195-196. Originally taken from : Population: 1981 and 1991 Census data and RGI Expert Group Projected population for 2001 and 2011. **Households:** For 2001 presumed household size of 4.2 for rural and 4.4 for urban and for the year 2011, 4.0 for rural and 4.2 for urban. **Housing units:** For 2001 and 2011 projected by regression method using 1981, 1991 Census data. **Replacement demand:** Used NSS 49th Round, 1993 Results on percentage of Housing.*

² Taken from NBO report. These estimates have been arrived at by utilizing the data released by RGI on the basis of Census of India, 2001.

On the basis of the above data, Field level Interviews and of Housing position of Tamil Nadu as on 2001, the Housing shortage in Sivaganga District estimated is given below for the reference year:

TABLE A8.2

Housing Potential in Sivaganga District

1	Total Households in district	2,67,888
2	No. of BPL families in the districts (38.4%)	1,02,869
3	Households in Semi-permanent and Temporary shelter (Need for Repairs/Upgradation)	1,14,000 units
4	Housing Shortage, requiring fresh Construction	20,000 units

Accordingly, the Housing Credit Plan for the reference year to address the above Housing shortage is estimated below:

114000 households x Rs.25, 000 (average)	=	Rs.285.00 crores
20000 households x Rs.1, 25,000	=	Rs.250.00 crores
Total	=	Rs.535.00 crores

8.4. SANITATION

The issue of sanitation has been recognized widely and according to a study by National Family Health Survey (NFHS), all India coverage of sanitation is 44.6%. NFHS III shows that in Tamil Nadu fifty-seven percent of households have no toilet facilities, down from 66 percent at the time of NFHS-2. In rural areas, 83 percent of households do not have toilet facilities.

The following Table A8.3 reflects the state of sanitation facilities in Tamil Nadu as per a survey conducted from June to November 2004,

TABLE A8.3
Sanitation Position

<i>Place</i>	<i>Percentage of households having water closet facility</i>	<i>Percentage of houses not having latrines</i>
India (National Average)	18.02	63.59
Districts		
Ariyalur	6.15	89.58
Perambalur	6.18	88.12
Villupuram	8.24	85.30
Sivaganga	17.26	74.23
Dharmapuri	10.92	81.24
Dindigul	14.75	75.75
Namakkal	15.55	74.87
Karur	16.32	75.86
Salem	16.51	73.02
Ramanathapuram	14.08	76.93
Pudukottai	11.91	80.41
Theni	16.18	72.99
Virudhunagar	13.36	77.40

Source: 'Frontline' Magazine - Issue : Sept 22 2006

In Sivaganga District, about 75% of the households require sanitation facilities. The people need to be motivated to buy and use toilet. NGOs in the district can play a pivotal role. The main factors which need to be made understood include convenience, privacy, health benefits and its correlation etc. Considering a large amount of population in the district being BPL families, it may be difficult to convince them to buy a toilet, which is not seen as income generating activity. However, there have been instances in Tamil Nadu where MFIs have implemented credit based sanitation programmes. Some MFIs have coupled the 'Total Sanitation Campaign' offered by the Government with credit from banks. It is estimated that 2, 00,000 houses (75% of total households) in Sivaganga District will be requiring toilet facilities. Accordingly, the total fund requirement for sanitation programme in the district would be Rs.6000 x 200000 = Rs.120 crores.

8.5. ALTERNATIVE MODELS PROPOSED

- Rural Housing Finance exposure for Regional Rural Banks is very minimal. This is in spite of their presence in all the districts in rural areas where there is a considerable demand. The sources of funds are available at a concessional Rate of Interest from the refinance facility of NHB, through Rural Housing Fund, where the interest rate ranges from 7% to 8%. Slab wise refinance can be arranged as mentioned here (Upto Rs. 2 Lakh: 7%, Rs.2 Lakh- Rs. 5 Lakh: 7.5%, & Rs.5 Lakh-15Lakh: 8%).
- Co-operative can be tapped by NHB to channelize housing credit. For instance, housing finance can be channelized through (a) TN State Apex Cooperative Bank Limited to District Level Cooperative Banks since share holders are Dist. level co-operative banks and (b) Tamil Nadu Co-operative Housing Federation Ltd (TNCHF). However, the recovery rate of the Primary Co-operative Banks and primary housing co-operative societies have been deteriorating over the last few years which restricts the infusion of institutionalized credit to the sector. State Government may consider initiating suitable steps to enforce recovery of loans and increase the financial health of these co-operative banks.
- Housing finance can be routed through Federation of SHGs as well. The members can be motivated to avail such a scheme. To implement the scheme NGOs who have initiated credit based housing programme can be tapped. This will give an idea of the nature of housing programme already in place, pitfalls if any and strategies for the success.
- NHB can also consider including a financing model to channelize its funds through Panchayat Bodies at the APEX level. This will help people to fulfill their Housing need since Panchayat Bodies are localized democratic institutions work closely with the people.
- Sensitising the Bankers, NGO representatives and SHG Leaders on the working nature and implementation of Housing Microfinance should be taken up in a systematic and sustained basis. This will encourage flow of low cost institutionalised funds for housing microfinance and create a favourable climate for sustainable growth, which is currently restricted only to Income Generation and Economic Activity of members.

PART III

PUDUKOTTAI

DISTRICT

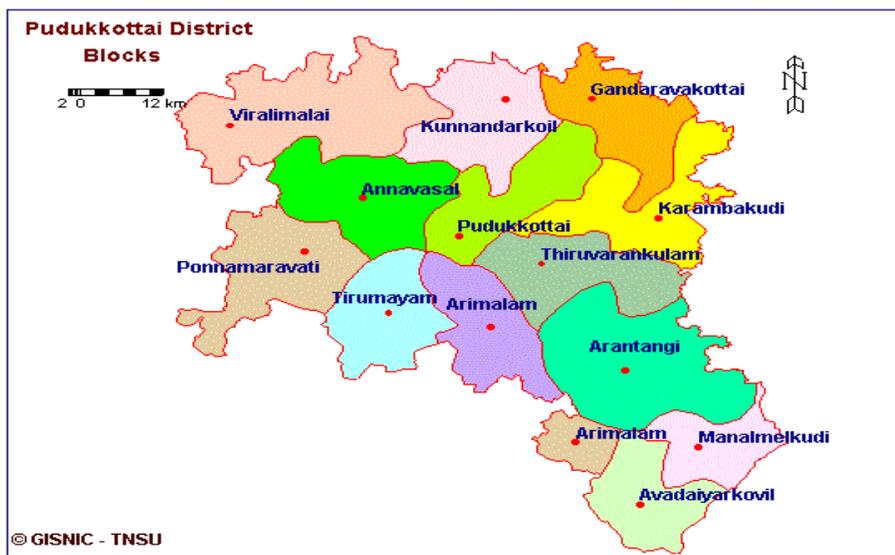
PUDUKOTTAI DISTRICT PROFILE

Pudukkottai District was created by carving out Tiruchirappalli and Thanjavur districts in 1974. The District is bounded by Tiruchirappalli district in the North and West, Sivagangai district in the South, Bay of Bengal in the East and Thanjavur district in the North East. It has an area of 4663 Sq. Km. with a coast line of 39 Kms.

Figure B11 Pudukottai Taluk Map



Figure B12 Pudukottai Block Map



Pudukkottai District consists of Two Revenue Divisions namely Pudukkottai and Aranthangi which are further divided into 9 Taluks and 765 Revenue Villages as depicted in Table 1.2. On the basis of Development the District is arranged with 2 Municipalities, 8 Town Panchayats and 13 Panchayat Unions with 498 village Panchayats as shown in Table B1.2 and B1.3.

Table B1.1 Administrative Structure

Development Wing		Revenue Wing	
			
Pudukkottai Division	Aranthangi Division	Pudukkottai Division	Aranthangi Division
(Blocks)	(Blocks)	(Taluks)	(Taluks)
1. Annavasal	1. Aranthangi	1. Pudukkottai	1. Aranthangi
2. Arimalam	2. Avudayerkoil	2. Alangudi	2. Avudayarkoil
3. Kunnaandarkoil	3. Karambakudi	3. Thirumayam	3. Manamelkudi
4. Ponnamaravathi	4. Manamelkudi	4. Keeranur	
5. Pudukkottai	5. Thiruvarankulam	5. Gandarvakkottai	
6. Thirumayam		6. Illuppur	
7. Viralimalai			
8. Gandarvakkottai			

Source: Annual Credit Plan, 2007-2008.IOB, Pudukkottai

Table B1.2 Taluk Details

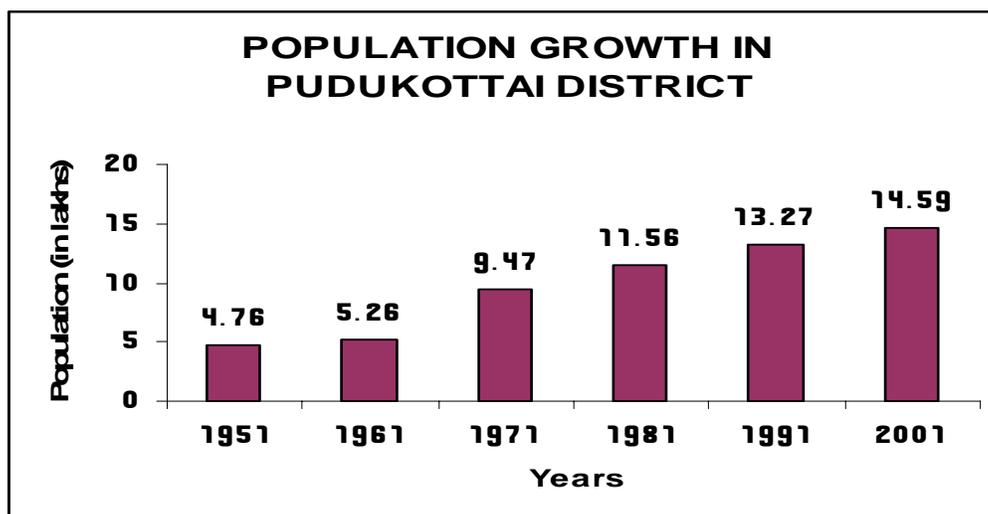
S. No.	Taluk	R.Village	Town Panchayats	Municipality
1	Alangudi	122	3	
2	Gandharvakottai	37		
3	Kulathur	74	3	
4	Illuppur	87		
5	Pudukkottai	39		1
6	Thirumayam	130	2	
7	Aranthangi	101		1
8	Avudaiyarkoil	97		
9	Manamelkudi	72		
	TOTAL	759	8	2

Source: <http://www.pudukkottai.tn.nic.in/taluks.htm>. & Environmental Profile of Pudukkottai District, Directorate of Environment, 1995-96. Table 1.

Table B1.3 Block-wise Panchayat Details

S. No.	Blocks	Panchayats
1	Annavasal	42
2	Arimalam	32
3	Kunnandarkoil	37
4	Ponnamaravathi	43
5	Pudukkottai	28
6	Thirumayam	33
7	Viralimalai	45
8	Aranthangi	52
9	Avudaiyarkoil	35
10	Gandarvakottai	36
11	Karambakudi	39
12	Manamelkudi	28
13	Thiruvarankulam	48
	TOTAL	498

According to Census 2001 the total population of the District stands as 14,59,601 of which 7,24,300 are males and 7,35,301 are females. Pudukkottai district has experienced an average decadal growth rate of 31 % during the period 1951-2001. The total population for the district in 1951 census was only 4.8 lakhs and it doubled in 1971 with the growth of 9.47 lakhs. According to Census 1991 it stood as 13.3 lakhs and by 2001 it reached 14.59 lakhs as shown in Figure 1.3.

Figure B1.3 Population Growth in Pudukottai District

Source: Census 1951-2001.

Table 1.4 below shows decennial growth in the District population. It indicates that the percentage variation between urban and rural areas is significant. Population increased on an average of 29 percent in urban areas than 13 percent in rural areas from 1971 to 2001. This may be due to the fact that the primary source of livelihood for people of Pudukottai District is Agriculture and allied activities.

Table B1.4 Decennial Growth of Population, Pudukottai District

Period (Subject to the period of availability) (1)	Population			Percentage Variation Since previous Census		
	Rural	Urban	Total	Rural	Urban	Total
1971	832372	114979	947351			
1981	1003145	153668	1156813	20	33	22
1991	1136645	190503	1327148	13	23	14
2001	1211217	248384	1459601	6.56	30.38	9.98

Source: Census 2001. Quoted from District Statistical Handbook 2005-2006, Table No.1

FIGURE B1.4
Basic Data on Pudukottai District

Basic Data Sheet			
District Pudukkottai (22), Tamil Nadu (33)			
<i>(Source: Census of India 2001)</i>			
Population:			
Persons	1,459,601	Number of households	311,567
Males	724,300	Household size (per household)	5
Females	735,301		
Growth (1991 - 2001)	9.43	Sex ratio (females per 1000 males)	1,015
Rural	1,211,217	Sex ratio (0-6 years)	955
Urban	248,384		
Scheduled Caste population	249,471	Scheduled Tribe population	792
Percentage to total population	17.09	Percentage to total population	0.05
Literacy and Educational level			
<i>Literates</i>		<i>Educational Level attained</i>	
Persons	907,376	Total	907,376
Males	520,281	Without level	137,241
Females	387,095	Below primary	160,851
<i>Literacy rate</i>		Primary	274,368
Persons	71.12	Middle	150,638
Males	82.55	Matric/Higher Secondary/Diploma	160,456
Females	59.97	Graduate and above	23,817
Workers			
Total workers	678,289	Age groups	
Main workers	530,282	0 - 4 years	133,540
Marginal workers	148,007	5 - 14 years	281,062
Non-workers	781,312	15 - 59 years	919,007
		60 years and above (Incl. A.N.S.)	125,992
Scheduled Castes (Largest three)			
1.Paraiyan etc.	125,066	Scheduled Tribes (Largest three)	
2.Pallan	94,169	1.Kattunayakan	334
3.Adi Dravida	17,974	2.Adiyan	113
		3.Malakkuravan	110
Religions (Largest three)			
1.Hindus	1,294,101	Amenities and infrastructural facilities	
2.Muslims	97,723	Total inhabited villages	
3.Christians	66,432	736	
Important Towns (Largest three)			
	Population	Amenities available in villages	
1.Pudukkottai (M)	109,217	No. of villages	
2.Aranthangi (M)	34,134	Drinking water facilities	735
3.Pudukkottai (CT)	17,607	Safe Drinking water	734
		Electricity (Power Supply)	735
		Electricity (domestic)	165
		Electricity (Agriculture)	141
		Primary school	615
		Middle schools	260
		Secondary/Sr Secondary schools	164
		College	5
		Medical facility	587
		Primary Health Centre	61
		Primary Health Sub-Centre	163
		Post, telegraph and telephone facility	585
		Bus services	603
		Paved approach road	657
		Mud approach road	183
House Type			
Type of house (% of households occupying)			
Permanent	46.8		
Semi-permanent	19.4		
Temporary	33.8		

HOUSING STATUS OF PUDUKOTTAI DISTRICT

The housing status of families living in Pudukottai District is presented in this Chapter. Information related to Density of population, Urbanisation pattern, Block wise APL and BPL population status and Number of Households in the District and Household stocks are given in this chapter.

As per the 2001 Census, Tamil Nadu's rural population was 3.62 crores, amounting to 58% of the total population. On analysis of the District wise rural population in Tamil Nadu, Ariyalur District (88.6%) stands first followed by Villupuram (85.5%), Dharmapuri (84.9%) and Pudukottai (84.6%). Table 2.1 shows the density per square kilometre in Pudukottai District. Pudukottai Taluk has the highest number of people living within one square kilometre. The Density per Kilometre here is 709 whereas Aranthangi Taluk which comes next to Pudukottai Taluk the Census shows that the density per kilometre is far below (i.e. 401). Overall it is evident that out of the nine taluks in this district, the density per square kilometre is higher than District average in four taluks. The percentage of Schedule Caste population across Taluks is Gandarva kottai (27.2 %), Iluppur (20.8 %), Alangudi (19.1%) and Avudaiyarkoil (18.7). The above mentioned Taluks have high percentage of SCs than the District average (17.1 %).

Table B2.1 Census 2001—Taluk wise Distribution

Sl. No.	Name of the Taluk	Density per Sq.Km.	Females per 1000 males	Literacy rate among		S.C. Population in %	S.T. Population in %
				Male (%)	Female (%)		
1	ILUPPUR	277	1020	75.0	50.9	20.8	0.1
2	KULATHUR	229	989	78.2	54.3	15.6	0.0
3	GANDARVA KOTTAI	241	999	76.6	50.9	27.2	0.0
4	PUDUKKOTTAI	709	1002	88.4	71.9	15.5	0.0
5	THIRUMAYAM	272	1052	81.0	55.6	16.8	0.0
6	ALANGUDI	359	996	84.8	61.1	19.1	0.0
7	ARANTHANGI	401	1029	86.2	65.0	10.5	0.1
8	MANAMELKUDI	332	1006	86.6	67.3	13.0	0.1
9	AVUDAIYARKOIL	191	1033	83.9	61.2	18.7	0.1
TOTAL		313	1015	82.5	60.0	17.1	0.1

Source: Census 2001. Taken from District Statistical Handbook 2005-2006, Table No.1.6

2.1 URBANISATION

Pudukottai is also slowly progressing towards a process of urbanisation. With 2 Municipalities, 8 Town Panchayats and 12 Urban Units already established it seems to be catching up slowly to the increased pace of urban life. Yet the level of urbanisation in the District is less (16.93%) along the sides of other backward districts like Dharmapuri, Thiruvannamalai, Villupuram, Ariyalur and Thiruvarur out of 30 Districts mentioned in the table. In these Districts the level of urbanisation is less than 20 per cent compared the State average of 43.86 per cent.

Table B.2 District-wise Urbanization Level

District	Municipal Corporation	Municipalities	Town Panchayats	Urban Units	Level of Urbanisation
Thiruvallur		6	10	32	54.48
Chennai	1	7	-	1	100.00
Kancheepuram		-	28	56	53.48
Vellore		9	27	49	37.85
Dharmapuri		3	17	21	15.77
Thiruvannamalai		4	0	16	18.36
Villupuram		2	16	18	14.49
Salem	1	3	34	45	46.35
Namakkal		4	20	28	36.75
Erode		5	59	67	46.20
Nilgiris		3	13	18	59.51
Coimbatore	1	4	59	79	66.03
Dindigul		3	24	29	35.02
Karur	1	2	13	15	33.19
Tiruchirappally		2	18	25	46.65
Perambalur		-	5	5	14.54
Ariyalur		-	4	4	11.38
Cuddalore		5	16	23	33.00
Nagapatinam		3	9	12	22.15
Thiruvarur		4	19	11	20.24
Thanjavur		3	22	29	33.92
Pudukottai		2	8	12	16.93
Sivagangai		3	12	15	28.18
Madurai	1	3	15	25	55.94
Theni		5	23	28	54.10
Virudhunagar		6	10	27	44.38
Ramanathapuram		2	9	11	25.34
Thoothukudi		2	20	26	42.28
Tirunelveli	I	5	38	45	46.48
Kanyakumarai		4	56	60	65.10
Total	6	104	611	832	43.86

Source: Census of India, 2001.

2.2. HOUSEHOLD STATUS

Table 2.3 points out the number of Households in Tamilnadu vis-à-vis other Districts including Pudukottai. Number of households in Tamilnadu is 1, 46, 65,983 out of which Pudukottai District constitutes only 3, 11,567 households (2.12 %). Of this 3, 11,567 households 2, 57,796 live in rural and 53,771 are in urban. This shows that in Pudukottai District more households live in rural areas.

Table B2.3 Number of Households in Tamilnadu

<i>District</i>	<i>Number of Households</i>		
	<i>Total</i>	<i>Rural</i>	<i>Urban</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
1. Chennai	962213	-	962213
2. Kancheepuram	653241	302497	350744
3. Thiruvallur	633033	289593	343440
4. Cuddalore	511400	348113	163287
5. Villupuram	635210	544609	90601
6. Vellore	756365	483383	272982
7. Thiruvannamalai	489055	403794	85261
8. Salem	736562	405123	331439
9. Namakkal	394378	255827	138551
10. Dharmapuri	638305	536698	101607
11. Erode	698405	383467	314938
12. Coimbatore	1095354	387696	707658
13. The Nilgiris	182682	76543	106139
14. Tiruchirappalli	569487	307602	261885
15. Karur	237716	158856	78860
16. Perambalur	121176	102834	18342
17. Ariyalur	165569	148019	17550
18. Pudukottai	311567	257796	53771
19. Thanjavur	501890	334288	167602
20. Nagapattinam	343613	271827	71786
21. Thiruvarur	275395	222615	52780
22. Madurai	613475	277380	336095
23. Dindigul	465179	305862	159317
24. Theni	272033	126951	145082
25. Ramanathapuram	266200	202265	63935
26. Virudhunagar	447889	249950	197939
27. Sivagangai	267888	193484	74404
28. Tirunelveli	661944	351878	310066
29. Thoothukudi	382260	224613	157647
30. Kanyakumari	376499	130820	245679
STATE	14665983	8284383	6381600

Source: Census of India 2001

Taken from Tamil Nadu Human Development Report 2003.

To understand the socio-economic considerations involved in housing it is also essential to know the total number of Households and Income-group wise distribution of population as explained in Table 2.4. There are 23,763 Scheduled Caste and Backward Caste families living in Pudukottai District. Of these 8,604 families live Below the Poverty Line and hence while looking into the housing matrix it is essential to consider these complexities.

Table B2.4 Block-wise BPL-APL Families

Sl. No	Name of the Block	Total			Below Poverty			% BPL Family	Above Poverty		
		SC	BC	Total	SC	BC	Total		SC	BC	Total
1	Annavasal	8028	23038	31066	3159	7843	11002	35.41	4869	15195	20064
2	Arimalam	5379	14277	19656	2177	4268	6445	32.79	3202	10009	13211
3	Kunnandarkoil	3474	15996	19470	2338	4345	6683	34.32	1136	11651	12787
4	Ponnamaravathi	4151	18583	22734	2138	5965	8103	35.64	2013	12618	14631
5	Pudukkottai	5498	18265	23763	2786	5818	8604	36.21	2712	12447	15159
6	Thirumayam	5112	16971	22083	2113	5368	7481	33.88	2999	11603	14602
7	Viralimalai	5846	23085	28931	3912	5678	9590	33.15	1934	17407	19341
8	Aranthangi	5429	32474	37903	2696	10880	13576	35.82	2733	21594	24327
9	Avudayarkoil	5351	17516	22867	3058	4687	7745	33.87	2293	12829	15122
10	Gandarvakottai	6795	15577	22372	4061	3808	7869	35.17	2734	11769	14503
11	Karambakudi	8198	16094	24292	3460	5674	9134	37.60	4738	10420	15158
12	Manamelkudi	3871	14505	18376	2604	4102	6706	36.49	1267	10403	11670
13	Thiruvarangulam	8961	32817	41778	3128	11312	14440	34.56	5833	21505	27338
	TOTAL	76093	259198	335291	37630	79748	117378	35.01	38463	179450	217913

Source: Revised BPL Survey 2002. Page No.11, Quoted in Annual Employment Report of Pudukkottai District in the State of Tamil Nadu for the Year: 2006-07 District Rural Development Agency - Pudukkottai

The following, Table 2.5 depicts the performance of Government in distribution of Houses to various communities for the reference year 2005 and 2006 under various Government Schemes. Thirumayam Taluk has got about one fifth of the houses distributed in the District. In terms of numbers 905 free Houses and Housing Sites (182 for SCs and 573 for BCs) were distributed to various deprived communities in this Taluk out of 5000 in the District.

Table B2.5 Free Houses and House sites distributed to Communities

Name of the Taluk 1.	House distributed					
	S.C.	S.T.	B.C.	D.C.& MBC	Others	Total
	2.	3.	4.	5.	6.	7.
Pudukkottai	30		73	174		277
Thirumayam	182		573	150		905
Kulathur	86		417	149		652
Gandarvakottai	76		195	138		409
Aranthangi	146		260	94		500
Alangudi	25		375	250		650
Avudayarkoil	68		347	55		470
Illuppur	142		354	191		687
Manamelkudi	122		251	77		450
Total	877		2845	1278		5000

Source: Spl. Tahsildar (Lands), Collectorate E2 Section (2005-2006). Adapted from Table 37.5 District Statistical Handbook 2005-2006.

ASSESSMENT OF PERFORMANCE OF VARIOUS HOUSING SCHEMES

3.1 KUTCHA RENEWAL SCHEME

Aim: The Government of India intended to remove kutcha huts through this Scheme.

Scheme Details: To reconstruct House under the Kutcha Renewal Scheme Government allots Rs. 2,500/- as subsidy, the bank provides Rs.7, 000/- as Loan and members contribute Rs.500/- ; totalling Rs.10, 000/-. With this money they repair the houses such as building new walls and changing the roof.

Conditions for Eligibility: (1) Those who have applied for Katcha House must have a document for that house (patta) or else they should have House-tax receipt for ten years for the same house. (2) The loan received from the Bank Rs.7, 000/- has to be repaid in 70 months with a monthly payment of Rs.105/-.

Observations: Though official records show that urbanisation phenomena is lesser in many districts, people migrated to cities, built coconut thatched house in Government *Nattam Porampoku*¹ land and lived there expecting Government to give “patta”. This may be due to their uncertainty in job and difficulty in accessing Credit. According to Voluntary Agencies working in Pudukottai District, 75 out of 100 migrated people are living in the *porampoku* land and building on their own.

So the aim of getting rid of huts could not be achieved in its fullest. This may be due to various conditions such as poor grant for this scheme, repayment options, the place where people live, and the existing policy gap to address migrant issues.

Table B3.1 Housing Scheme for SC/ ST Households

Benefits	Eligibility	Whom to be approached
House sites are provided at free of cost 3 cents in rural areas, 1.5 cents in Municipal areas and 1 cent in corporation areas.	AD / ST families who do not own a house or house sites. Annual income ceiling Rs.12,000/-.	District Adi Dravidar and Tribal Welfare Officer/Special Tahsildar (Adi Dravidar Welfare).
Encroachments will be regularized for issue of pattas, if they are not objectionable.	AD / ST families who do not own a house or house sites. Annual income ceiling Rs.12,000/-	Tahsildar of the Taluk concerned.
Houses are constructed and given to Adi Dravidars and Scheduled Tribes at free of cost under Indira Awas Yojana scheme.	Adi Dravidar and Scheduled Tribes who do not own a house and has house site patta.	Panchayat Union Commissioner concerned Project Officer, DRDA.

Source: <http://www.pudukkottai.tn.nic.in/dadno.htm>. Accessed on 25th April '09.

¹ *poramboke lands*" means the lands which is not assessed to revenue records and it is outside the revenue accounts. *Natham land* is described in Tamil lexicon published under the authority of University of Madras to the effect that it is a residential portion of a village; or portion of a village inhabited by the non brahmins; or land reserved as house sites; etc

3.2. INDIRA AWAAS YOJANA

Aim: Construction of free Houses to members of the Scheduled Castes/Scheduled Tribes, freed Bonded Labourers in rural areas and also to non SC/ST Rural poor people living Below the Poverty Line.

Scheme Details: Indira Awaas Yojana, which used to be a component of Jawahar Rozgar Yojana, became an independent Scheme from 1997-98 onwards. New houses as well as upgradation of kutchha houses are being taken up under the Scheme. It is funded by the Centre and the State in the ratio of 75:25.

The unit cost of a new House was earlier fixed as Rs. 25,000 for ordinary soil and Rs.27,500 for difficult soil. From February, 2008 the amount was increased by Rs.10,000/- and the unit cost rose to Rs.35,000/- for ordinary soil and Rs.37,500/- for difficult soil. In addition, in Tamilnadu the State Government is providing an additional amount of Rs. 20,000 per house for RCC roofing cost. The minimum plinth area of a house should be 20 square meters. A further subsidy of Rs.1,200 (Now Rs. 2,200) out of Total Sanitation Fund is dovetailed to enable each beneficiary to construct a toilet in the IAY house. This, along with the increase in unit cost as announced by the Central Government raised the total cost of an IAY House from existing Rs.37,000 and Rs.39,500 to Rs.55,000 and Rs.57,500 for ordinary soil and difficult soil respectively.

Conditions for Eligibility: Beneficiaries are selected from the Below Poverty Line (BPL) list approved by the Grama Sabha. At least 60% of the total IAY allocation during a financial year should be utilized for construction/upgradation of dwelling units for SC/ST BPL households. A maximum 40% of allocation is for non-SC/ST BPL rural households and 3% should be allocated for physically and mentally challenged persons. Government of India has also asked the States to earmark 15% of the beneficiaries from amongst the Minorities.

Observations: In principle beneficiaries acknowledge the benefits of “Indira Awaas Yojana” (IAY). Yet issues such as selection of beneficiaries, inadequate funding to construct the House and delayed payment figured during the Field Visit. The following are the excerpts of the beneficiaries on IAY scheme.

(1) Firstly, the scheme becomes more beneficial if payments are delivered immediately after the beneficiaries are selected and at regular intervals as and when the work is completed. Generally after getting the formal letter in the month of June beneficiaries start the work and would get their first installment by September once the initial construction is completed. The second installment is normally given only at the end of March before the Financial Year end. The persons receiving the Grant should have finished their constructions within the Budget period.

(2) Secondly, if a person starts to construct a house the size of 18²/11¹ as instructed by the Government the cost extends to Rs. 76,000 to Rs.90, 000. This indicates that Rs.55, 000/- or Rs.57, 000 is insufficient to build the house. Also the amount which is being provided to build toilet (Rs.1, 200 at the time of interview and increased now to Rs. 2,200) is also very low. Before constructing a toilet beneficiaries have to build a 10mts septic tank and close it with a cement slab. Then there is need for 700 bricks, asbestos or Tiles for roof which cost Rs 3,000/- to Rs. 3,500/-. Since the construction becomes expensive it forces the beneficiaries to approach informal Credit Lenders for 3% to 5 % loan as there are no formal credit institutions such as Banks to provide them loans. Over a period of time, beneficiaries are not able to pay back their debts with high interest and forced to sell their cattle, houses or pledge their houses.

(3) Thirdly, this Scheme aims to benefit 60% of people Below Poverty Line and 40% of SC/ST through its implementation. For example, in the district many of them are migrants it becomes difficult for identifying the beneficiaries as per criteria. Absence of transparent process, rigid criteria in selecting beneficiaries coupled with favoritism, leaves out many people especially migrants who are in need of house.

(4) Fourthly, according to the Scheme, only people with *Patta*, are eligible to be beneficiaries; this excludes people who did not own *Patta* land. Also the field study reveals that those who have *Patta* for the land transfer their land to the would be beneficiary to get Government approval. Once the construction is completed they get the house for a payment of Rs.10, 000/- or Rs.20,000/- from the allotted beneficiaries. .

(5) Fifthly, though the Government has issued orders that a family once benefited under the IAY should reside there for 10 years, this practice is neither monitored nor checked. Officials' estimate 70% of the allotment under this scheme is transferred to other individuals.

Recommendations:

- (1) This Scheme should give priority for people who have no homes and homeless elderly couples must be given priority in housing over others.
- (2) The list of people living Below the Poverty Line need to be prepared afresh.
- (3) The installment amount must be given to the beneficiaries as soon as possible without delay.
- (4) The Government should disburse/ release (stage wise) the Housing Loans immediately after the houses are completely constructed.

3.3. REPCO FOUNDATION FOR MICRO CREDIT (RFMC)

Scheme Details: REPCO Foundation for Micro Credit has recently out of the financial assistance extended by NHB provided housing micro finance loans to the SHG members in the district. The loan is utilised to construct new houses/ repairs, renovations and up gradation and/or construction of toilets. The loan ranges from Rs. 25,000 to Rs.1.25 lakh. The interest rate charged to the beneficiaries is 12 % p.a (reducing balance) which is one of the lowest in housing micro finance sector. Table 3.1 gives the details of repayment structure of this particular scheme. The beneficiaries who were interviewed had completed construction of houses/ toilets and informed that this model needs to be replicated to other districts or blocks etc.

Conditions for Eligibility: (1) Documents of the Land to evidence title. (2) House Tax Bill/ Receipt. (3) Electricity Bill/ Receipt. (4) Ration Card. (5) Bank Account. (6) Photos-2. (9) Minimum 2 years of Bank account by SHG.

Table B3.2 Repayment Structure in RFMC
(Figures in rupees)

Years	Debt	Monthly Repayment	To Pay (Rs.)	Interest
2 nd year	25,000	1171.00	28,104	3104
3 rd year	25,000	824.00	29,664	4664
4 th year	25,000	652.00	31,296	6296
5 th year	25,000	550.00	33,000	8000

3.4. PANDYAN GRAMA BANK

Scheme Details: This bank was started its services in Thirumayam Block from 2005 onwards. It provides Housing Loan to group members especially SHGs. Each individual is eligible to get a housing loan of Rs. 7,000. PGB in Thirumayam Block so far provided loans up to Rs.10, 92,500 for 18 Women Self Help Groups over the past years.

Conditions for Eligibility: (1) The village should be within the boundary of the Pandian Grama Bank. (2) The beneficiaries should not have got loan from other Banks. (3) Land Patta. (4) Income Certificate. (5) Legal Agreement. (6) Income rules. (7) Small trades. (8) Savings Account Pass Book.

Assessment: This Bank caters to the needs of the community very efficiently. It has successfully provided loans to Women SHGs in the area for agriculture, housing and business. Loan details are provided by an easy visit to the Bank, making it user-friendly. The Bank maintains good customer relations and hence is becoming popular in this area.

Recommendations: (1) PGB has the potential to increase its rural housing portfolio due to higher demand from beneficiaries. Also absence of any other major formal sector institutions catering to the shelter needs of rural areas can boost its operations. (2) The Bank can utilise the National Housing Bank's expertise in expanding its activities.

3.5. SUMMARY

- The public mostly are not aware of the Welfare Schemes implemented by the Government or the programmes routed through Banks. Hence, the Government announced Schemes could not get its fullest benefit and suffers non performance.
- Intentions of regular loans re-payers to Credit Agencies are lost due to waiver announcements. So some incentives or cash benefits can be promoted for regular re-payers.
- Availability of institutional credit from formal sector institutions, particularly RRBs and Housing Co-operatives is considered crucial to address the housing shortage in rural areas. These institutions which operates at the grass root level can better understand the local problems and different types of shelter needs in rural areas.

INSTITUTIONS LENDING CREDIT FOR HOUSING¹

4.1 PRESENCE OF COMMERCIAL BANKS

Performance of Banks in Pudukottai District is presented in Table 4.1. In Pudukottai district there are 124 Bank Branches comprises of Nationalized Banks, RRBs, Co-operative and Private Commercial Banks (Table 4.2). Out of Rs. 1093.53 crores advances made up to March 2007 only Rs. 55.92 is advanced to housing finance.

Table B4.1 Performance of Banks in Pudukottai District as on March 2007 (Amt in '000)

<i>S.No</i>	<i>Name of the Bank</i>	<i>Deposits</i>	<i>Advances</i>	<i>Credit Deposit Ratio</i>	<i>Housing Finance</i>
State Bank Group					
1	SBI	1863734	1698080	91	82957
Nationalised Banks					
1	IOB	2510108	2258083	90	127474
2	IB	1935757	1035888	54	99456
3	CB	607978	507191	83	30610
4	CBI	310235	267104	86	17517
5	PNB	284150	148144	53	32160
6	BOI	29665	87089	294	7876
7	UNION BANK	103506	92543	90	11565
8	UCO BANK	236543	127119	54	0
9	SYN.BANK	59306	106903	180	8138

¹ General description about practice of informal credit practice and SHG linkage in India can be found in Chapter 5 of Sivaganga District Report

10	VIJAYA BANK	17744	3155	18	0
11	BOB	35461	3389	10	0
Private Sector Banks					
1	ICICI	1426860	1651965	116	121250
2	CUBL	384316	229558	60	3294
3	KVBL	46750	57899	124	0
4	LVBL	74286	40180	54	245
5	TMBL	172499	166494	97	11633
Regional Rural Banks					
1	PGB	89751	99819	111	981
Co-operative Banks					
1	PCC BL	1725682	2099423	122	4023
2	TNCSARD	0	94810	0	0
State Financial Institutions					
1	TIIC	0	160462	0	0
TOTAL		11914331	10935298	92	559179

Source: Lead Bank, I.O.B., Pudukottai District. Page No:62

Banks in Pudukottai District have evenly distributed their Branches so as to cover all the blocks. Indian Overseas Bank has the most number of branches, 22, in the district, followed closely by ICICI Bank and Indian Bank. Table 4.2 shows the Block-wise distribution of Bank Branches in the District.

Table B4.2 List of Bank Branches Block-wise in Pudukottai District

S.No	Blocks Banks	Annavasal	Arantangi	Arimalam	Avudayarkoil	Gandarvakottai	Karambakkudi	Kunnandarkoil	Manamelkudi	Ponnamaravathy	Pudukkottai	Thiruvarankulam	Thirumayam	Viralmalai	TOTAL
1	SBI	1	2	-	1	-	-	-	1	1	1	1	1	1	10
2	IOB	3	4	2	1	-	2	1	-	2	2	3	-	2	22
3	INDIAN BANK	-	1	2	1	2	1	-	1	1	2	-	1	2	14
4	CANARA BANK	2	-	-	2	-	-	-	-	-	1	1	-	-	6
5	SYNDICATE BANK	-	-	-	-	-	-	-	-	-	1	-	-	-	1
6	UCO BANK	-	-	-	-	-	-	-	-	-	1	-	-	-	1
7	BANK OF BARODA	-	1	-	-	-	-	-	-	-	-	-	-	-	1
8	BANK OF INDIA	-	-	-	-	-	-	1	-	-	-	-	-	-	1
9	CENTRAL BANK OF INDIA	-	-	-	-	2	-	-	1	-	1	-	-	-	4
10	UNION BANK OF INDIA	-	-	-	-	-	-	-	-	-	1	-	-	-	1
11	PUNJAB NATIONAL BANK	-	-	-	-	-	1	-	-	-	1	-	1	-	3
12	ICICI	-	1	2	-	-	-	1	1	4	1	1	7	-	18
13	LAKSHMI VILAS BANK	-	1	-	-	-	-	-	-	-	-	-	-	-	1
14	CITY UNION BANK LTD	-	1	-	-	-	-	1	-	-	2	-	-	-	4
15	TAMILNADU MERCANTILE	-	1	-	-	-	-	-	-	-	1	-	-	-	2
16	VIJAYA BANK	-	-	-	-	-	-	-	-	-	1	-	-	-	1
17	KARUR VISYA BANK	-	-	-	-	-	-	-	-	-	-	1	-	-	1

18	PANDYAN GRAMA BANK	-	-	1	-	-	-	-	-	-	-	-	2	-	3
19	PUDU. DIST. CENT. CO-OP. BANK	20													20
20	TAMILNADU CO OP AGRI RURAL DEVELOP BANK	9													9
	BHARAT OVERSEAS BANK LTD.	1	-	-	-	-	-	-	-	-	-	-	-	-	1
	TOTAL	7	1 2	7	5	4	4	4	4	8	16	7	12	5	12 4

Source: Annual Credit Plan, 2007-2008. Pudukottai District.

4.2. CO-OPERATIVE SOCIETIES

There are 175 Co-operative Societies which function in the District (Table 4.3). Since the District is primarily agriculture based, Co-operative Societies too focus on agriculture lending, the largest being Pudukottai Agricultural Co-operative Bank with its 128 Societies with a membership of 304067.

Table B4.3 **Details of Co-operative Societies**

Year 2005-2006 (Rs. In lakhs)

Sl. No	Type of Societies	No. of Societies	Membership	Share Capital/ Working Capital	Working Capitals	Loans Advanced	Loans Outstanding	Overdue	No. of Employees
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Employees Credit Society	35	13449	800.82	4549.66	763.15	4487.46	316.25	55
2	Co-op Primary Agri & RD Bank	9	49926	232.61	2896.17	83.53	3217.85	1984.82	37
3	PACB	128	304067	1293.03	21175.54	10572.37	15275.60	1924.01	940
4	Central Co-op Bank	1	248	1068.29	29244.93	27661.29	24303.37	3275.08	149
5	Urban Banks	2	26207	115.3	2576.93	1943.75	1636.81	334.66	18

Source: Joint Registrar of Co-op. Societies, Pudukottai.

ASSESSMENT OF LENDING INSTITUTIONS FOR HOUSING

5.1 BANK LOAN FOR PRIORITY SECTOR HOUSING

5.1.1 Number of Physical units supported by Banks in Priority Sector

There has been a decrease in number of Housing Loans provided by the Banks under the Priority Sector in Pudukottai District and this figure has been reducing over the last few years. Significant decrease is noticed in the number of loans provided in blocks such as Annavasal, Aranthangi, Gandarvakottai, Karambakudi, Kunnandarkoil and Ponnamaravathy. In 2003-2004 as shown in Table 5.1, there were 68,068 Housing Loans sanctioned and in the year 2007-2008 only half the numbers (i.e. 32146 loans) were sanctioned. Only in Thirumayam Block the number of Housing Loans has increased from 10 in 2003-2004 to 310 in 2007-2008.

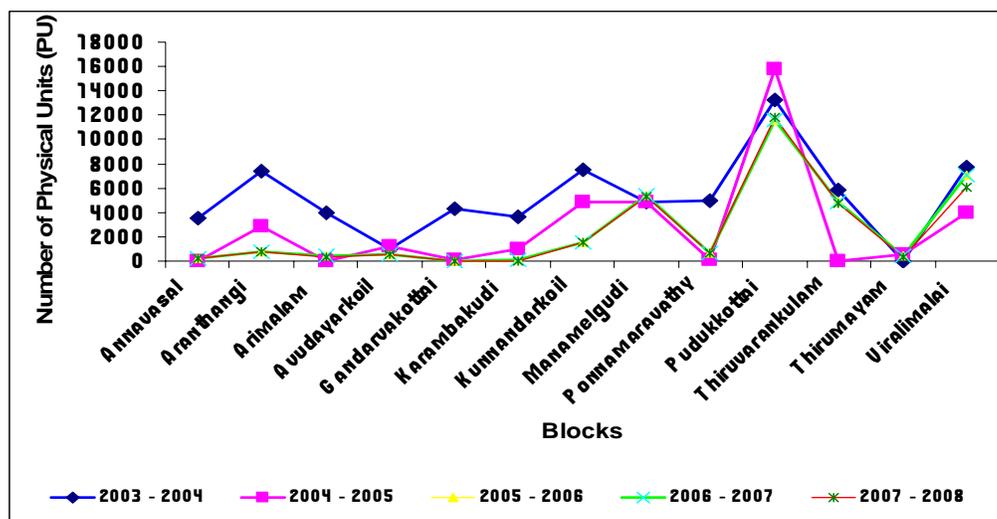
Table B5.1 Number of Housing Loans in Priority Sector

Reference Year	Annavasal	Aranthangi	Arimalam	Avudayarcoil	Gandarvakottai	Karambakudi	Kunnandarkoil	Maramelgudi	Ponnamaravathy	Pudukkottai	Thiruvankulam	Thirumayam	Viralimalai	Total
2003 - 2004	3518	7379	4017	1036	4309	3672	7504	4900	4939	13218	5828	10	7738	68068
2004 - 2005	43	2892	21	1268	71	1021	4912	4860	72	15749	28	500	4011	35448
2005 - 2006	233	728	410	504	14	145	1540	5390	659	11610	4826	415	7091	33565
2006 - 2007	233	728	410	504	14	145	1540	5390	659	11610	4826	415	7091	33565
2007 - 2008	221	728	310	505	12	30	1538	5290	609	11790	4722	314	6077	32146

Computed from Annual Credit Plans, 2003-'04, '04-'05, '05-'06, '06-07, '07-'08. Pudukottai District.

Figure B5.1 Number of Housing Loans in Priority Sector

(2003-2008)



Computed from Annual Credit Plans, 2003-'04, '04-'05, '05-'06, '06-07, '07-'08. Pudukottai District.

5.1.2. Loan Amount granted by Banks in Priority Sector

Loan Amount in Priority Sector by the Banks in the District dropped substantially over the years in all the Blocks as shown in Table 5.2. Though the number of physical units did not drop significantly in Pudukottai Block the money sanctioned for Pudukottai Block reduced substantially over the years compared to other blocks. In Ponnamaravathy Block too the sanctioned amount is low compared to previous years. Physical units sanctioned in Priority Sector show a significant drop in Blocks such as Aranthangi, Arimalam, Karambakudi, Kunnandarkoil yet the sanctioned loan amount did not show any decrease compared to previous years. The amount sanctioned in Aranthangi, Arimalam, Karambakudi, Kunnandarkoil Blocks over the years did not show huge variation compared to other Blocks.

Table B5.2 Amount sanctioned for Housing loans in Priority Sector

(Amt in '000)

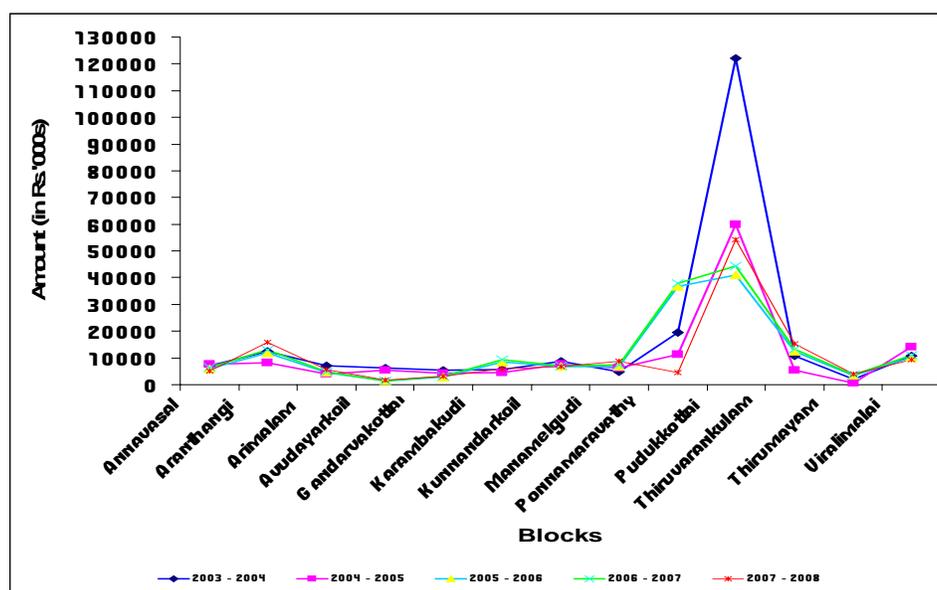
Reference Year	Annavasal	Aranthangi	Arinalam	Avudayarkoil	Gandaryakottai	Karambakudi	Kunmandarkoil	Manamelgudi	Ponnamaravathy	Pudukkottai	Thiruvankulam	Thirumayam	Viralimalai	Total
2003 - 2004	7100	12500	7150	6100	5455	5760	8700	4900	19400	122195	10700	2000	10700	211960
2004 - 2005	7500	8180	4000	5245	4305	4450	7700	6150	11400	60050	5300	500	14217	138997
2005 - 2006	5890	12000	4400	1300	2790	8550	6645	6800	36800	40990	12400	3300	10272	152137
2006 - 2007	6361	12960	4752	1404	3014	9234	7176	7342	37744	44271	13392	3564	11093	162307
2007 - 2008	5154	15811	5666	1816	3151	5864	6879	8827	4613	54158	15155	4086	9449	140629

Computed from Annual Credit Plans, 2003-'04, '04-'05, '05-'06, '06-07, '07-'08. Pudukkottai District.

Figure B5.2 Amount granted for Housing loans in Priority Sector

(2003-2008)

(Amt in '000)



Computed from Annual Credit Plans, 2003-'04, '04-'05, '05-'06, '06-07, '07-'08. Pudukkottai District.

5.2. HOUSING LOAN FOR NON PRIORITY SECTOR

5.2.1 Number of Physical units supported by Banks in Non Priority Sector

In the Non-Priority sector, number of physical units sanctioned in all the Blocks for reference years between 2005 and 2008 is around 5000. For the financial year 2003-2004 and 2004-2005 total physical units supported was 17655 and 71124 respectively. Urbanised Pudukkottai Block got maximum share in all the years and there was nil or meagre coverage in other blocks of the District.

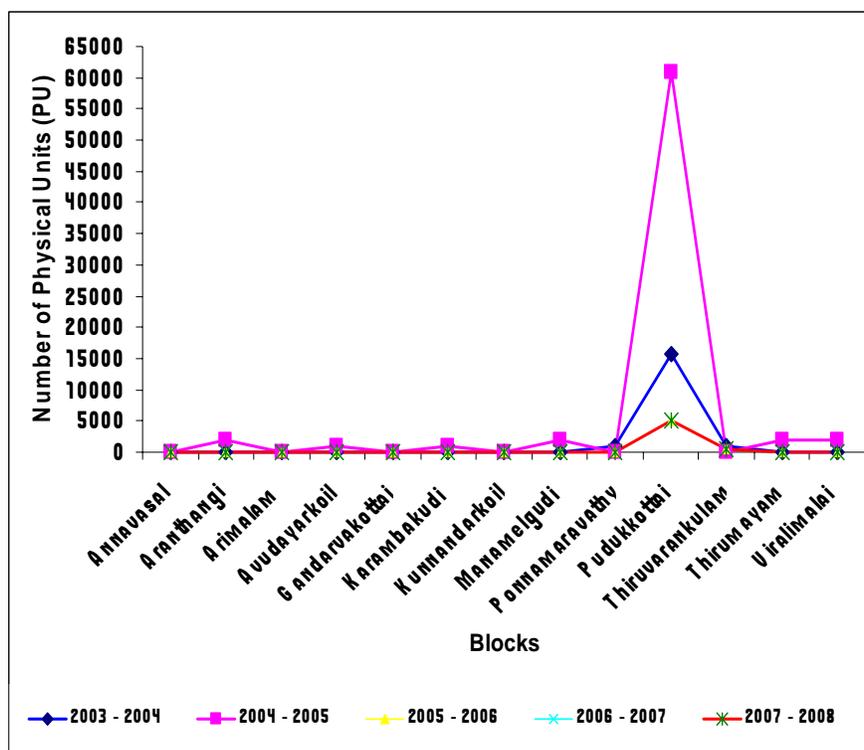
Table B5.3 Number of Housing Loans in Non-Priority Sector

Reference Year	Annavasal	Aranthangi	Arimalam	Avudayarcoil	Gandayarvakkottai	Karambakudi	Kunmandarkoil	Marameelgudi	Ponnamaravathy	Pudukkottai	Thiruvarakulam	Thirumayam	Viralimalai	Total
2003 – 2004	0	19	0	0	0	4	0	4	1000	15612	1016	0	0	17655
2004 – 2005	25	2026	25	970	0	1020	0	2002	68	60983	5	2000	2000	71124
2005 – 2006	1	34	0	2	0	0	0	3	0	4982	409	0	0	5431
2006 – 2007	1	34	0	2	0	0	0	3	0	4982	409	0	0	5431
2007 – 2008	1	34	0	2	0	0	0	2	0	4982	409	0	0	5430

Computed from Annual Credit Plans, 2003-'04, '04-'05, '05-'06, '06-07, '07-'08. Pudukkottai District.

Figure B5.3 Number of Housing Loans in Non-Priority Sector

(2003-2008)



Computed from Annual Credit Plans, 2003-'04, '04-'05, '05-'06, '06-07, '07-'08. Pudukottai District.

5.2.2. Loan Amount sanctioned by Banks in Priority Sector

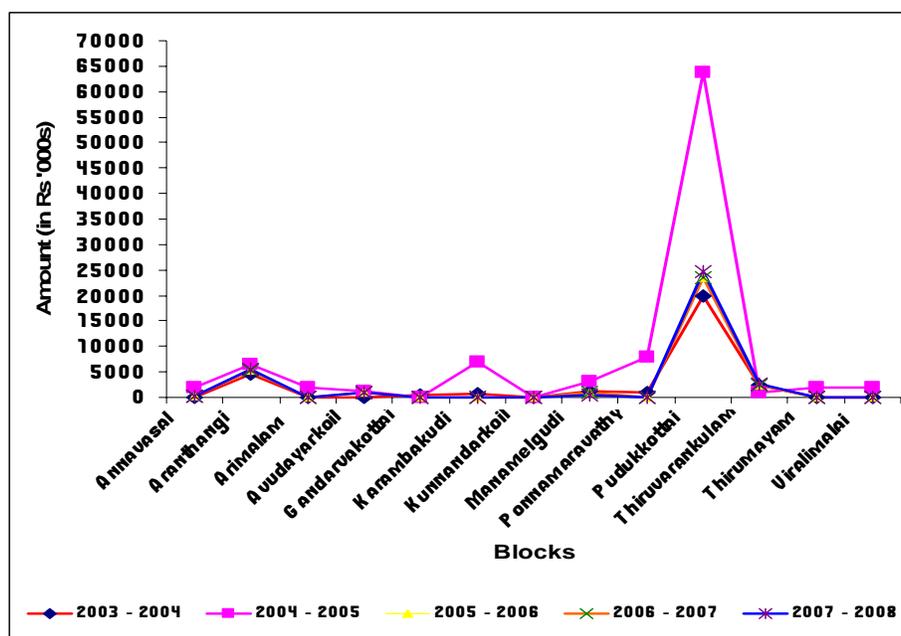
As shown in Table 5.4 funding for Non- Priority Sector is primarily focused on Pudukottai and Thiruvarankulam Blocks. Table 5.3 shows that the number of physical units in Aranthatangi Block was less than Thiruvarankulam Block in the reference year 2005-2008 whereas the sanctioned amount was higher in Aranthatangi Block than in Thiruvarankulam Block.

Table B5.4 Amount granted for Housing loans in Non-Priority Sector
(Amt in '000)

Reference Year	Annavasal	Aranthangi	Arimalam	Avudayarkoil	Gandharvakottai	Karambakudi	Kummandarkoil	Manamelgudi	Ponnamaravathy	Pudukkottai	Thiruvankulam	Thirumayam	Viralimalai	Total
2003 – 2004	0	4640	0	0	400	750	0	1200	1000	19977	2500	0	0	30467
2004 – 2005	2000	6540	2000	1170	0	7050	0	3100	8000	63750	1050	2000	2000	98660
2005 – 2006	300	5340	0	1000	0	0	0	960	0	23450	2480	0	0	33530
2006 – 2007	300	5340	0	1000	0	0	0	960	0	23450	2480	0	0	33530
2007 – 2008	315	5608	0	1050	0	0	0	484	0	24623	2605	0	0	34685

Computed from Annual Credit Plans, 2003-'04, '04-'05, '05-'06, '06-'07, '07-'08. Pudukottai District.

Figure B5.4 Amount granted for Housing loans in Non-Priority Sector
(2003-2008) (Amt in '000)



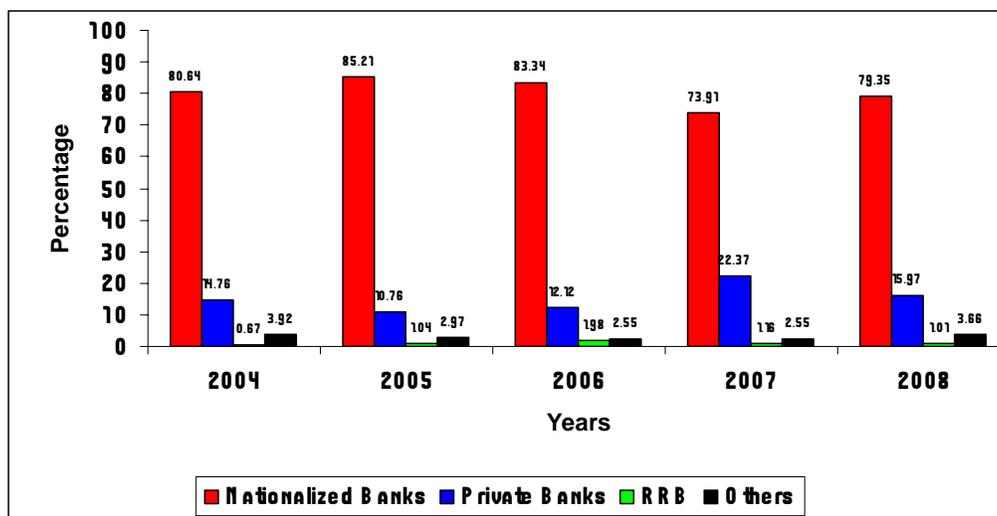
Computed from Annual Credit Plans, 2003-'04, '04-'05, '05-'06, '06-'07, '07-'08. Pudukottai District.

5.3. BANK LOAN FOR WEAKER SECTION HOUSING

The focus on providing Housing Finance to Weaker Sections is getting considerably lesser over the years by the Formal Lending Institutions. Figure 5.5 illustrate no contribution of Cooperatives in Housing Finance for the past 4 years. It also shows the dominant position of Nationalised Banks with a percentage share of 80 per cent. The penetration of Regional Rural Banks in Housing Finance in this district is negligible (1-2 per cent).

As depicted in Table 5.5 there is considerable reduction in providing loans to Weaker Section out of Priority Sector. Nationalised Banks percentage has reduced to a single digit in 2008 and others have increased their lending in to double digits. As mentioned earlier in Chapter 3, many Banks require a clear title over property for granting Loans, absence of which results in rejection. Many Banks are also conservative in providing loans to these sections due to their perceived notion regarding the repayment ability of the segment over a long term.

Figure B5.5 Bank-wise percentage of housing finance to Weaker Sections (WS) in Pudukottai District (2004-2008)



Source: Computed from Annual Credit Plans, 2003-'04, '04-'05, '05-'06, '06-'07, '07-'08. Pudukottai District.

**Table B5.5 Percentage of Housing Finance to
WS out of Priority Sector**

<i>Year</i>	<i>Nationalized Banks</i>	<i>Private Banks</i>	<i>Cooperatives</i>	<i>Regional Rural Bank</i>	<i>Others</i>
2004	24.16	11.32	0	0.6	9.61
2005	23.66	7.86	0	0.81	4.98
2006	19.19	9.14	0	1.42	5.17
2007	14.2	14.63	0	0.76	9.37
2008	8.01	9.27	0	0.38	11.28

Source: Computed from Annual Credit Plans, 2003-'04, '04-'05, '05-'06, '06-'07, '07-'08. Pudukottai District.

ASSESSMENT OF INDEBTNESS AND REPAYMENT CAPABILITIES

Assessment on indebtedness related to housing is analysed in this chapter. Due to paucity of data from informal sector on housing credit, the formal credit sector alone could be analysed with the help of Annual Credit Plans. This is due to the fact that access to data on informal credit agencies transactions and their financial statements are not available.

People feel that Government housing schemes did motivate them to construct a house but number of reasons hamper the effectiveness of the programme. For example, over the years construction cost has escalated whereas Government grant has not increased proportionality. For example, money granted by the Government under IAY scheme put them at the mercy of pawnbrokers since Government grant to the beneficiaries are not reaching at regular intervals as and when the work is completed. This resulted beneficiaries to approach informal credit agencies for a higher interest to construct their houses and became debt¹.

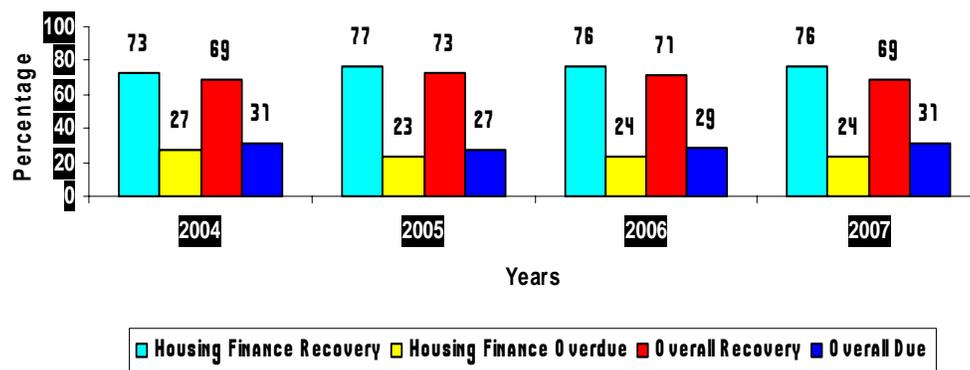
Though banking sector provides housing loan good majority of the people borrow money from informal sector since they could not fulfil the requirements of formal credit system. Analysing on the borrowing from informal sector credit sector it is evident that the people are not willing provide details on their borrowings. They feel that it might weaken their credit availing status from formal sector.

Analysis on the formal credit system shows that over the past 4 years the Recovery Rate for Housing Loan provided by Commercial Banks has remained a stable 76%. This Recovery Rate is better than the overall Recovery Rate i.e 69% in the reference period of 2004- 2007. Even though in Pudukottai District, Co-operative Societies exist in large numbers, there is no fresh Housing Loan given for the past 4 years. This may be due to its overdue position as shown in the Figure below.

¹ Find the details in chapter 3.

Figure B 6.1 Scheme-wise details of Recovery and Over-due Position

(2004-2007)



Source: Computed from Annual Credit Plans, 2004-'05, '05-'06, '06-'07, '07-'08. Pudukottai District.

(Table B 4.3 Reproduced)

(Rs. In lakhs)

Sl. No	Type of Societies	No. of Societies	Membership	Share Capital/ Working Capital	Working Capitals	Loans Advanced	Loans Outstanding	Overdue	No. of Employees
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Employees Credit Society	35	13449	800.82	4549.66	763.15	4487.46	316.25	55
2	Co-op Primary Agri & RD Bank	9	49926	232.61	2896.17	83.53	3217.85	1984.82	37
3	PACB	128	304067	1293.03	21175.54	10572.37	15275.60	1924.01	940
4	Central Co-op Bank	1	248	1068.29	29244.93	27661.29	24303.37	3275.08	149
5	Urban Banks	2	26207	115.3	2576.93	1943.75	1636.81	334.66	18

HOUSING SHORTAGE AND ESTIMATION FOR PUDUKOTTAI DISTRICT

7.1 HOUSING SHORTAGE

Estimation for Housing Shortage is calculated from Field Interviews with various stakeholders in the district along with the existing data such as BPL survey and Census 2001. Overall projection is calculated by extrapolating the information given by Builders Association, interviews with key persons in Housing Societies, District Statistical data and Census 2001. Also Density of population per square kilometre is significant since it determines the situation of Housing needs to plan future programmes.

Pudukottai District constitutes 3, 11,567 households. Of this 2, 57,796 are in rural and 53,771 in urban areas (*Census 2001*). The Below Poverty Line survey done by Government of Tamilnadu records that the number of households in rural areas living in Kutchha and Semi-Pucca houses are 1,45,936 and 98,732 respectively which works out to be 2,44,668 households. (*Source: BPL survey, GoTN*). District Rural Development Agency reports that the district has 35 % of people living Below Poverty Line.

Tamilnadu Human Development Report 2003 analyzed the housing shortages for Tamil Nadu. Though there are some methodological flaws¹ in projecting housing shortage a detailed district wise estimation at present is possible by taking into account two major components under the housing sector viz

(i) Minimum housing need is estimated by arriving at total number of households and total number of housing units both in rural and urban areas based on the projection by Registrar General of India- Expert Group by taking Census as base and

(ii) Replacement demand is taken based on the condition of houses in both rural and urban areas using census data and NSS 49th Report.

According to Census 1991 in Pudukottai District there were 2, 57,796 rural households and only 2, 33,000 (approx.) were occupied residential units. Similarly, in the urban

¹ For details on the methodology check *Tamil Nadu Human Development Report, 2003* (page 196). Limits in the methodology utilizing the exponential regression line to estimate housing shortage in previous Five Year Plans is pointed out by The Technical Group [11th Five Year Plan: 2007-12] on Estimation of Urban Housing Shortage.

setting, while there are 53,771 Households only 37,000 (approx.) were occupied residential units. (Source: *Tamil Nadu Human Development Report, 2003*). The same gap continued in 2001 and the minimum new Housing need was 50,000 out of which 44,000 were in rural and 6,000 in urban areas and the replacement demand is 33,000 totaling the Housing shortage to 83,000. By 2011 the Housing Shortage estimation in the District is 1, 02,000 as shown in Table 7.1.

Table B7.1 Housing Shortage in Tamil Nadu for the years 2001 and 2011 (State & District estimates)

(In thousands)

		2001			2011		
		<i>Minimum House need Estimated</i>	<i>Replacement Demand Estimated</i>	<i>Housing Shortage Estimated</i>	<i>Minimum House need Estimated</i>	<i>Replacement Demand Estimated</i>	<i>Housing Shortage Estimated</i>
Pudukkottai	Total	50	33	83	67	35	102
	Rural	44	30	74	59	32	91
	Urban	6	3	9	8	3	11
TamilNadu	Total	763	1391	2184	1428	1495	2923
	Rural	450	1103	1553	908	1149	2057
	Urban	343	288	631	520	346	866

Source: Quoted in Tamil Nadu Human Development Report, 2003, page 196. (Population: 1981 and 1991 Census data and RGI Expert Group Projected population for 2001 and 2011. Households: For 2001 presumed household size of 4.2 for rural and 4.4 for urban and for the year 2011, 4.0 for rural and 4.2 for urban. Housing units: For 2001 and 2011 projected by regression method using 1981, 1991 Census data. Replacement demand: Used NSS 49th Round, 1993 Results on percentage of Housing).

7.2. POSSIBLE INTERVENTIONS IN HOUSING

1. Population of Pudukkottai District according to Census 1991 stood at 13.3 lakhs and by 2001 it reached 14.59 lakhs. Though the difference between Census 1991 and 2001 is not substantial the percentage variation between urban and rural areas is significant. Population increased on an average of 29 percent in urban areas than 13 percent in rural areas from 1971 to 2001. Since the District stands 3rd in terms of percentage of rural population in the State and the fact that urbanisation is less compared to the other Districts in the State Rural Housing gains importance in this district.
2. Taluk-wise intervention based on the density of population per one square kilometre may be done. The focus can be for Pudukkottai Taluk which has density of 709, well above the District average of 313 (*District Statistical Book 2005-2006*).

Other taluks such as Aranthangi (401), Alangudi (359) and Manamelkudi (332) may also be considered since majority of the population lives in rural places and their primary occupation is Agriculture.

- The immediate intervention could be to focus on 98,732 Semi-Pucca households who need housing finance for shelter-upgradation. The funds can be routed through MFIs, RRBs and/or Housing cooperative societies in a phased manner.

7.3. SANITATION STATUS IN PUDUKOTTAI DISTRICT

The issue of sanitation has been recognized widely, and endorsed by studies conducted by various UN and Government agencies. NHFS III shows that in Tamil Nadu 57 percent of households have no toilet facilities, down from 66 percent at the time of NFHS-2. In rural areas, 83 percent of households do not have any toilet facilities.

Table B7.2 Sanitation Situation, Pudukottai District

S.No	Block Name	Type Of Sanitation						Total
		Open Defection	Group Latrine With Irregular Water Supply	Group Latrine With Regular Water Supply	Clean Group Latrine With Regular Water Supply And Regular Sweeper	Private Latrine	No Response	
1	KUNNANDARKOIL	13222	726	378	201	4938	5	19470
2	ANNAVASAL	19815	1983	4348	3322	1598	0	31066
3	VIRALIMALAI	22625	1324	453	277	4226	26	28931
4	GANDARAVAKOTTAI	15285	1092	964	135	4885	11	22372
5	PUDUKKOTTAI	12358	3862	1353	1038	5121	31	23763
6	THIRUVARANKULAM	24891	3474	3344	5235	4834	0	41778
7	KARAMBAKUDI	14212	1193	1107	1131	6202	447	24292
8	TIRUMAYAM	15123	1486	796	1252	3419	7	22083
9	PONNAMARAVATI	15622	1205	1137	661	2155	138	20918
10	ARIMALAM	13336	1586	1091	1481	2144	18	19656
11	ARANTANGI	27343	1983	2156	1869	4379	11	37741
12	MANALMELKUDI	13949	625	443	189	3139	31	18376
13	AVADAIYARKOVIL	17826	1796	1312	449	1443	36	22862
14		1615	32	89	54	26	0	1816
TOTAL		227222	22367	18971	17294	48509	761	335124

Source: http://bpl.tn.nic.in/TNBPL/bl_rep/bl_sanitation_social.php

The following table reflects the state of sanitation facilities in Tamil Nadu as per a survey conducted from June to November 2004.

Table B7.3 Census 2001 Report on Sanitation

	<i>Percentage of households having water closet facility</i>	<i>Percentage of houses not having latrines</i>
India (National Average)	18.02	63.59
Tamil Nadu	23.22	64.84
Districts		
Ariyalur	6.15	89.58
Perambalur	6.18	88.12
Villupuram	8.24	85.30
Sivaganga	17.26	74.23
Dharmapuri	10.92	81.24
Dindigul	14.75	75.75
Namakkal	15.55	74.87
Karur	16.32	75.86
Salem	16.51	73.02
Ramanathapuram	14.08	76.93
Pudukottai	11.91	80.41
Theni	16.18	72.99
Virudhunagar	13.36	77.40

Source: 'Front line' Magazine – Issue : Sept 22 2006

In Pudukottai District, about 80% households require sanitation facilities compared to 75% in Sivagangai District. Here Community Based Organisations (CBOs) through SHGs in the district need to play a pivotal role as they have demonstrated in Trichy District. Though large amount of population in the district belong to APL category according to DRDA statistics, open defecation continues to be there as shown in Table 7.2. This can be prevented if MFIs intervene in promoting private latrines in addition to the 'Total Sanitation Campaign' which focuses on BPL population by the Government. It is estimated that 2, 00,000 Houses (APL category according to BPL survey) in Pudukottai District will be requiring toilet facilities. Accordingly, the total Fund requirement for Sanitation Programme in the district would be Rs.6,000 x 2,00,000 = Rs.120 crores.

Table 2.4 Block-wise BPL-APL Families (Reproduced)

Sl. No	Name of the Block	Total			Below Poverty			% BPL Family	Above Poverty		
		SC	BC	Total	SC	BC	Total		SC	BC	Total
1	Annavaasal	8028	23038	31066	3159	7843	11002	35.41	4869	15195	20064
2	Arimalam	5379	14277	19656	2177	4268	6445	32.79	3202	10009	13211
3	Kunnandarkoil	3474	15996	19470	2338	4345	6683	34.32	1136	11651	12787
4	Ponnamaravathi	4151	18583	22734	2138	5965	8103	35.64	2013	12618	14631
5	Pudukkottai	5498	18265	23763	2786	5818	8604	36.21	2712	12447	15159
6	Thirumayam	5112	16971	22083	2113	5368	7481	33.88	2999	11603	14602
7	Viralimalai	5846	23085	28931	3912	5678	9590	33.15	1934	17407	19341
8	Aranthangi	5429	32474	37903	2696	10880	13576	35.82	2733	21594	24327
9	Avudayarkoil	5351	17516	22867	3058	4687	7745	33.87	2293	12829	15122
10	Gandarvakottai	6795	15577	22372	4061	3808	7869	35.17	2734	11769	14503
11	Karambakudi	8198	16094	24292	3460	5674	9134	37.60	4738	10420	15158
12	Manamelkudi	3871	14505	18376	2604	4102	6706	36.49	1267	10403	11670
13	Thirumarangulam	8961	32817	41778	3128	11312	14440	34.56	5833	21505	27338
	TOTAL	76093	259198	335291	37630	79748	117378	35.01	38463	179450	217913

Source: Revised BPL Survey 2002. Page No.11, Quoted in Annual Employment Report of Pudukkottai District in the State of Tamil Nadu for the Year: 2006-07 District Rural Development Agency - Pudukkottai

Annexure I.

Questionnaire for the beneficiaries

I. To find out the relationship between the people and Govt. officials.

1. Information sharing about the scheme

- a. How did you come to know about the scheme? Mode of information transmission
 - i. Any pamphlets/ advertisement etc.
- b. How was the information conveyed to you?
 - i. By bank, informers or agents, local leaders/representatives, members of the political parties.
 - ii. At what place-home/ when visiting bank etc
- c. Who did it and what was the demand made in availing the scheme

2. Application

Try to get the linkages between various components starting from receiving the application, processing it and getting approval. Who help them, in what form & any promises made during the process, like if only they accede to go through a particular person their application can be processed?

- a. Do you have an access to the application forms? Explain in detail the experience you had. Focus on
 - i. Any cost involved.
 - ii. Who distributed the application forms?
 1. Agent/ broker
 - 2 Bank official
 3. any other
- b. Who helped in filling the application form?
- c. Any acknowledgement received after application is submitted. Any messenger between the government and the beneficiary? Time period can be probed
- d. Did you get proper reply?
 - i. If no, could you mention any particular cause for that?
 - ii. Have you apply or appeal it again?
- e. Did the Government officials/ bank officials called you again after you have applied for the scheme?
 - i. How many times and what for?
 - ii. If they have done so what was discussed in the meeting?
(Any written document can be checked)

3. Sanctioning Process

- a. Are you aware how the loan/ grant is sanctioned?
- b. Are you being told about the sanctioning process by the bank or government?
 - i. Who shared it
 - ii. What did they say

- c. How much money they sanctioned?
- d. In what mode you are intimated? Written communication or oral confirmation?
- e. Did you money spent any money for getting the sanction for loan/ grant?
- f. Is the sanctioned money enough for you?
 - i. If Yes/ No, specify reason
- g. Where did you arrange for the rest of the money?
 - i) Loan ii) selling land iii) nearby pawn broker for interest iv) any other
- h. Get details about the local money lender? (General environment about the money lenders; their offer to the beneficiary & any mortgage happening)
 - i. How do they operate
 - ii. Visits they make to beneficiary home
 - iii. How do they come to know about the sanction?

4. Rejection

- 1. Are you being told about the rejection? Who shared the information
- 2. Was there any reason given on why they rejected your form?
- 3. What was the promise made?

5. Construction

(Details should be asked in great detail. Who is the contractor, what was the promise made, do beneficiaries have any say in the process)

- a. Who constructed the house?
 - i) Contractor ii) self
 If, contractor
 - i) How much you paid for them?
 If, self
 - i) How could you manage for money?
- b. How long the construction took place
 - a. If delay, reasons given
 - b. Reasons they think

6. General suggestion & satisfaction level:

- a) Are you satisfied with the existing land and the house?
- b) How are the sanitations and water facilities?
- c) Have you applied for any scheme for it?

7. General problem in Housing schemes

- A) What are the major problems in housing schemes?
- b) What is your suggestion to improve the Housing schemes?

Annexure II.

Questionnaire for the Govt. officials

1. In the housing schemes that have been implemented for the past five years

- a) In the district how many schemes are being implemented for housing?
- b) How much money has been sanctioned totally for all the schemes? (2002-2007)
 - a. Year wise breakup
 - b. Block wise
 - c. Community wise list
- c) During the reference period (2002-2007) the number of people applied for various housing schemes.
- d) Community wise list of beneficiaries of all these schemes?
- e) On what basis you select the beneficiary? How the beneficiaries are communicated
 - a. Procedures to be followed
- f) On what basis you reject the beneficiary? Are the rejected communicated?
 - a. Procedures to be followed
- g) Can you give us the rejection details?
- h) What are the methods have you used for spreading information to the public about all the schemes?
- i) How much money is diverted to other schemes or sent back to the government during this reference period?
- j) How many complaints have you received during the reference period?
- k) Majority of the complaint concerns with?
- l) What actions/remedies that you have taken to the complaints?
 - a. Disposal
 - b. Referred to other departments
- m) What are the attitudes of people towards the scheme?
- n) What are the problems that you have undergone while implementing this scheme?

Annexure III.

Questionnaire for the Bank officials

- a) How many schemes have been implemented through banks?
- b) How much money has been sanctioned totally for all the schemes?
 - a. Year wise breakup
 - b. Block wise
 - c. Community wise list
- c) During the reference period (2002-2007) the number of people applied for various housing schemes.
- d) Community wise list of beneficiaries of all these schemes?
- e) What is the process of granting the loan?
 - a. Did you use any community wise criteria for selection and rejection?
- f) On what basis you select the beneficiary? How the beneficiaries are communicated
 - a. Procedures to be followed
- g) On what basis you reject the beneficiary? Are the rejected communicated?
 - a. Procedures to be followed
- h) Can you give us the rejection details?
- i) What are the methods have you used for spreading information to the public about all the schemes?
- j) Can you give us the performance/ status report for each year
- k) How many complaints have been received during the reference period?
- l) Majority of the complaint concerns with?
- m) What actions/remedies that you have taken to the complaints?
 - a. Disposal
 - b. Referred to other departments
- n) What are the attitudes of people towards the scheme?
- o) What are the problems that you have undergone while implementing this scheme?