



# Tamil Nadu Infrastructure Fund Management Corporation Ltd

CASE STUDY

## Revitalizing Working Women's Hostels in Tamil Nadu

*From Welfare Accommodation to  
Sustainable Social Infrastructure*



Before



After

Prepared by:



Tamil Nadu  
Shelter  
Fund

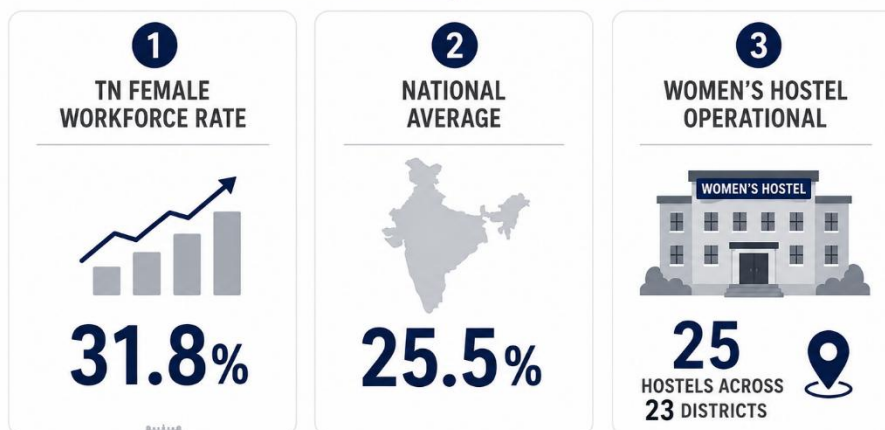
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## 1. Background: Tamil Nadu's Working Women and the Housing Gap

### TAMIL NADU – EMPOWERING WOMEN, BUILDING A STRONGER WORKFORCE



Higher female workforce participation (31.8% vs 25.5% national average) but limited supply of only 25 working women's hostels shows strong demand for safe women accommodation in Tamil Nadu.

### KEY URBAN MIGRATION CENTRES



Rapid industrialisation and expansion of service-sector employment led to increased migration of women from rural and semi-urban areas to urban centres. Access to safe, affordable rental accommodation for single working women remained limited particularly for those migrating to cities for employment.

#### HOSTEL UNDERUTILISATION – STATE-WISE:

Existing government-supported working women's hostels across India show underutilisation, with occupancy levels ranging between 30%–45% across major states.

## WOMEN'S HOSTEL UTILISATION ACROSS STATES

State	No. of hostels	Occupancy rate	Status
Tamil Nadu	65	31%	Under-utilised
Maharashtra	71	38%	Under-utilised
Karnataka	42	45%	Under-utilised
Kerala	114	39%	Under-utilised
Rajasthan	14	<30%	Under-utilised

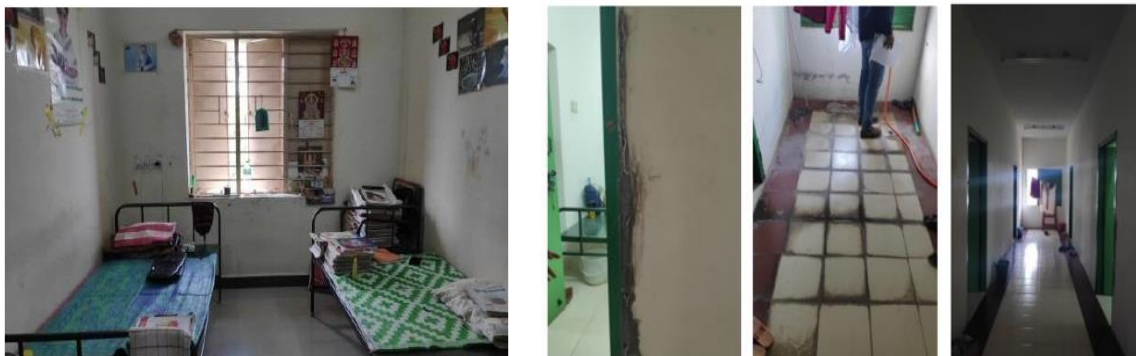
Source: Ministry of Women and Child Development, Parliamentary Reply (Lok Sabha), February 4, 2022.



### The Challenge: Underperformance of the Tamil Nadu hostels

Despite strong demand for safe accommodation among working women, many hostels were underutilized and poorly maintained, as evidenced by visible physical deterioration; dilapidated infrastructure and limited facility upgrades; dormitory-heavy layouts not aligned with modern user preferences; a lack of essential safety and hygiene systems; minimal maintenance characterized by reactive operations; and the pervasive absence of professional facility management.

#### *Hostel Condition Prior to Retrofitting*



As a result, several hostels operated at 30-50% occupancy, limiting their ability to fulfil the intended social objective of supporting working women.

The operational failures were less visible but arguably more consequential. Maintenance was reactive, things were fixed when they broke. There was no standardised process for admitting residents, no digital record-keeping, no formal mechanism for residents to raise complaints, and no professional facility management. The result was a self-reinforcing cycle: poor conditions drove down occupancy, lower occupancy reduced the revenue that might have funded improvements, and lower revenue made it easier to deprioritise maintenance.

## 2. The Role of Tamil Nadu Shelter Fund

Recognizing the potential of these underutilized public assets, TNSF played a catalytic role in redefining the approach to working women’s accommodation. Instead of developing new hostels which would have cost multiples of the retrofit price and taken years to deliver, the initiative focused on revitalizing existing government-owned infrastructure through structured retrofitting and improved operational systems.

THE CHALLENGE	THE SHIFT IN APPROACH	THE SUSTAINABLE MODEL
<ul style="list-style-type: none"> <li>• Dilapidated</li> <li>• Poorly maintained</li> <li>• Under-utilized</li> </ul> <div style="border: 1px solid #ccc; background-color: #e6f2ff; padding: 5px; margin-top: 10px; text-align: center;"> <b>Social objective not fully achieved</b> </div>	<p><b>Who It Serves</b></p> <ul style="list-style-type: none"> <li>• Not limited to govt. employees</li> <li>• Supports private sector (IT, Mfg., Health)</li> </ul> <hr/> <p><b>What Changed</b></p> <ul style="list-style-type: none"> <li>• Greenfield &amp; structured retrofitting</li> <li>• Safety, hygiene, dignity by design</li> </ul> <hr/> <p><b>What Women Get</b></p> <p>24x7 Security   AC / Eco Options   Food &amp; Amenities</p>	<ul style="list-style-type: none"> <li>• High Occupancy (90%)</li> <li>• Affordable Rents</li> <li>• User charge fund O&amp;M Cost</li> </ul> <div style="border: 1px solid #ccc; background-color: #e6f2ff; padding: 5px; margin-top: 10px; text-align: center;"> <b>Financing viable social housing</b> </div>

**CRITICAL ENABLER – TAMIL NADU SHELTER FUND:**

HOSTEL FINANCING STRUCTURE

## Capital Grants + Long-Term Debt

Enabling sustainable Working Women’s Hostels across Tamil Nadu

CAPITAL GRANTS	LONG-TERM DEBT
Govt / CSR / scheme funding	Extended repayment horizons
Non-repayable · Policy-backed	Low annual debt servicing
	25 Years



OUTCOME

### Reduced Upfront Cost = Affordability

Lower bed-cost per resident · Viable hostel rents · Financially self-sustaining operations

**Bridged Social Goals with Financial Discipline**

This structure ensures Working Women’s Hostels are not just socially impactful – they are financially disciplined. Grants absorb the policy cost of affordable rents; structured long-term debt instils repayment accountability. Together, they make the hostel mandate operationally sustainable.

  
**↓ Bed Cost**  
Per Resident

  
**Viable Rents**  
For Working Women

  
**Social + Fiscal**  
In Balance

TNSF helped introduce a more sustainable and professionally managed model, enabling improvements in infrastructure quality, safety standards, and service delivery. To operationalise this, a Special Purpose Vehicle – Tamil Nadu Working Women’s Hostels Corporation Limited (TNWWHCL) was incorporated with TNSF as the capital partner. The objective shifted from welfare provisioning to affordable, safe, professionally managed, financially sustainable rental housing. Eight hostels were selected for targeted intervention based on their location, infrastructure potential, and surrounding employment demand.

### 3. The Retrofit Intervention: What Changed

The retrofit focused on upgrading both physical infrastructure and operational management to improve safety, comfort, and usability.

Infrastructure Upgrades	Operational Upgrades
<ul style="list-style-type: none"><li>✓ <b>Improved</b> room layouts with better furniture and storage</li><li>✓ <b>Study</b> tables and fitted cupboards for residents</li><li>✓ <b>Curtains</b> Sand mosquito mesh on all windows</li><li>✓ <b>RO</b> drinking water systems installed</li><li>✓ <b>CCTV</b> surveillance systems throughout</li><li>✓ <b>LED</b> lighting and full electrical upgrades</li><li>✓ <b>Backup</b> power provision</li><li>✓ <b>Waste</b> segregation infrastructure</li></ul>	<ul style="list-style-type: none"><li>✓ <b>24×7</b> trained security personnel deployed</li><li>✓ <b>Dedicated</b> professional housekeeping services</li><li>✓ <b>Centralised</b> SPV monitoring dashboard</li><li>✓ <b>Digital</b> registration and payment systems</li><li>✓ <b>Structured</b> grievance redressal mechanism</li><li>✓ <b>SLA</b>-governed proactive maintenance schedule</li><li>✓ <b>Performance</b>-linked financial discipline via SPV</li></ul>

These improvements significantly enhanced the quality of living standards and safety for residents.



Hostel Building – Exterior: Pre- and Post-Retrofit

**BEFORE RETROFIT**



*Exterior before retrofit: overgrown grounds, unmaintained façade*

**AFTER RETROFIT**



*Exterior after retrofit: freshly painted, landscaped, and secured*

*Dormitory rooms – Pre and Post Retrofit*

**BEFORE RETROFIT**



*Before: bare metal cots, no storage, no privacy, poor lighting*

**AFTER RETROFIT**



*After: proper beds with linen, curtains, fitted cupboards, LED lighting*

*Common Areas: Pre- and post-retrofit*

**BEFORE RETROFIT**



*Before: bare, empty common space with no furniture or facilities*

**AFTER RETROFIT**



*After: furnished dining and study area with tables, chairs, and TV*

#### 4. Implementation: The Standard Operating Process

A structured Standard Operating Process (SOP) governed each phase of the programme, from site assessment and design through procurement, construction, handover, and ongoing management. This ensured consistency and quality across all eight hostel retrofits and established the institutional discipline required for the SPV to operate as a professionally managed portfolio rather than a collection of independently administered facilities.

##### Retrofit Standard Operating Process – Implementation Flow

A structured approach to revive under-utilised hostels through technical assessment, demand analysis, product reconfiguration, infrastructure upgrades, and establishment of efficient operational systems to improve occupancy and financial sustainability.



#### 5. Impact Created



##### IMPACT HIGHLIGHTS



## RESIDENT BENEFITS

- Safer living environments
- Improved sanitation & hygiene
- Better privacy & comfort
- Structured management systems

## WORKFORCE PARTICIPATION LINK

Safe accommodation is a critical enabling factor for women migrating for employment. The upgraded hostels directly remove this barrier — supporting greater participation of women in the workforce across Tamil Nadu.

### 6. Rental Tariff—Post Retrofit

The tariff is not just a pricing question it is the proof that the retrofit model works. Government hostels charged near-zero rent for decades, deteriorated, and became financially unviable. Post-retrofit under TNWWHCL, the same assets now charge market-linked rents yet remain significantly more affordable than private alternatives. This is the transformation.

BEFORE RETROFIT	AFTER RETROFIT
<p><b>Rs.200</b> per month</p> <hr/> <p>Social Welfare Dept. (1970s rates, never revised)</p>	<p><b>Rs.2,000–Rs.2,800</b> per month</p> <hr/> <p>TNWWHCL post-retrofit tariff</p>
→	
<p><b>10× – 15× TARIFF INCREASE POST-RETROFIT</b></p> <hr/> <p>From Rs.200 → Rs.2,000–Rs.2,800/month. Same government-owned asset. Same resident profile. Transformed infrastructure and management.</p>	

### What Changed — Before vs. After Retrofit

Parameter	Before Retrofit	After Retrofit
<b>Monthly Rent</b>	Rs.200/month (1970s Social Welfare rate)	Rs.2,000–Rs.10,620/month (TNWWHCL market-linked tariff)
<b>Occupancy</b>	30–50% (beds lying empty)	85–90%
<b>Infrastructure</b>	Dilapidated, bare metal cots, no storage, poor lighting	Upgraded rooms, fitted cupboards, LED lighting, RO water, CCTV
<b>Management</b>	No professional oversight, reactive maintenance only	SPV-managed, SLA-governed, 24×7 security + housekeeping
<b>Administration</b>	Manual, paper-based, no grievance mechanism	Digital registration, online booking, structured grievance redressal
<b>Revenue to Operator</b>	Near zero — asset a liability	Self-sustaining per World Bank — no O&M subsidy required
<b>Resident Experience</b>	Bare minimum — "pay Rs.200, accept poor conditions"	Modern amenities — WiFi, geyser, creche, biometrics, pantry



## 7. The Replication Thesis:

The TNWWHCL retrofit-and-manage model is not sector-specific. The same underutilisation problem – aging government-owned infrastructure, zero revenue, reactive maintenance, no professional management – exists across two distinct hostel typologies. The model replicates directly.

TYPE 1 Government Student Hostels	TYPE 2 CSR-Built Hostels
<p><b>Governing Dept</b> BC Welfare / ADW / MBC Welfare Departments – separate budget heads</p> <p><b>Current State</b> 1,350 BC/MBC hostels + 550 ADW hostels in TN. Most 10–30 years old. Reactive maintenance only.</p> <p><b>Revenue Model</b> Zero. Free to students. Government spends Rs.11–14L/hostel/year – gets zero revenue.</p> <p><b>Retrofit Status</b> OPPORTUNITY – no structured retrofit programme exists yet</p>	<p><b>Governing Dept</b> No single owner – NGO / Trust / Government grantee. Corporate CSR funds construction, then walks away.</p> <p><b>Current State</b> 150–200 CSR-built/renovated hostel facilities in TN. Pattern: built → handed over → deteriorates in 5–7 years.</p> <p><b>Revenue Model</b> Zero sustained revenue. One-time CSR capital with no O&amp;M commitment post-handover.</p> <p><b>Retrofit Status</b> OPPORTUNITY – CSR renewal spend is a natural funding source for re-retrofit</p>

**Total Addressable Market-TN:****TOTAL ADDRESSABLE MARKET – TN**

Segment	Hostel Count	Bed Capacity (est.)	Source
BC/MBC/DNC/ Minority Welfare Hostels	<b>1,350</b>	<b>67,500</b>	BC Welfare Dept. official website
ADW / SC / ST Welfare Hostels	<b>550</b>	<b>27,500</b>	BJRCY scheme data + district data
CSR-Built / Renovated Hostels (est.)	<b>150</b>	<b>7,500</b>	TN CSR report + L&T MBDA example
<b>TOTAL – Tamil Nadu</b>	<b>2,050</b>	<b>1,02,500</b>	

**TOTAL ADDRESSABLE MARKET – INDIA**

Segment	National Estimate	Beds (est.)	Basis
BC/MBC/OBC Welfare Hostels	<b>18,000</b>	<b>9,00,000</b>	TN has 1,350; TN is 6% of India population
SC / ST (ADW) Welfare Hostels	<b>12,000</b>	<b>6,00,000</b>	Central BJRCY scheme funded 4,000+ nationally
CSR-Built Hostels (est.)	<b>2,000</b>	<b>1,00,000</b>	Scaled from TN CSR data + MCA21 reports
<b>TOTAL – National</b>	<b>32,000</b>	<b>16,00,000</b>	





**The Revenue Gap – Government Spend with Zero Return**

Approximately 2,000 (BC/MBC/ADW) are currently zero-revenue welfare facilities. Here is what the government spends with no return:

Cost Head	Per Hostel / Year	For 2,000 Hostels / Year
<b>Food charges (college: Rs.40/day × 50 students × 300 days)</b>	Rs.6 lakh	Rs.1,200 crore
<b>Warden + support staff salaries</b>	Rs.3–4 lakh	Rs.600–800 crore
<b>Utilities (water, electricity)</b>	Rs.1–2 lakh	Rs.200–400 crore
<b>Maintenance</b>	Rs.1–2 lakh	Rs.200–400 crore
<b>TOTAL GOVERNMENT SPEND [14,15]</b>	<b>Rs.11–14 lakh</b>	<b>Rs.2,200–2,800 crore/year</b>

BC Welfare Dept., Govt. of Tamil Nadu – Government Order specifying Rs.40/day food charges for college students, Rs.20/day for school students.

### Key Risks

 <b>HIGH</b>	<p><b>Tariff introduction in free hostels</b></p> <p>BC/MBC/ADW student hostels are free today. Introducing any rent requires political will and may face resistance from welfare activists and opposition parties. This is the single biggest execution risk.</p>
 <b>MEDIUM</b>	<p><b>Tariff-setting authority</b></p> <p>If monthly rents require a Government Order to revise, pricing is at political risk.</p>
 <b>MEDIUM</b>	<p><b>CSR hostel ownership fragmentation</b></p> <p>CSR-built hostels have complex ownership – built by corporate, on government land, managed by NGO. Consolidating this for a retrofit programme requires multi-party alignment.</p>
 <b>LOW</b>	<p><b>Asset ownership risk</b></p> <p>All hostels sit on government-owned land. No land acquisition risk. Lease structure insulates operator from title disputes.</p>

## **8. Conclusion:**

The revitalisation of Working Women's Hostels in Tamil Nadu demonstrates how underperforming government welfare infrastructure can be transformed into high-quality, professionally managed social housing through targeted capital investment and structured operational reform. What began as a welfare asset costing the exchequer Rs.200/month in rent and Rs.12–14 lakh/year in operating support is now a self-sustaining platform generating Rs.2,000–Rs.10,620/month per bed – without a rupee of government O&M subsidy.

**The model does not stop at Working Women's Hostels.** Tamil Nadu has 2000 government-owned hostel facilities across BC/MBC/ADW student welfare hostels and CSR built stock running at a combined annual cost of Rs.2,200–2,800 crore to the exchequer with zero revenue recovery. Every one of them runs the same failure cycle: aging infrastructure, reactive maintenance, no professional management, no tariff. The TNWWHCL retrofit-and-manage model is the structural solution to this cycle proven, replicable, and financially self-sustaining at scale.

**The project also establishes something more enduring:** a replicable institutional architecture for adaptive reuse of public social infrastructure. By improving safety, comfort, and operational standards, it creates dignified and accessible living environments for working women and students across multiple districts – while demonstrating that inclusive urban social infrastructure need not be a fiscal burden. The tariff is the only variable that unlocks the return.

# TNIFMC

## TAMIL NADU **SHELTER FUND**

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