

C H A P T E R - V

FINDINGS AND SUGGESTIONS

5.1 FINDINGS

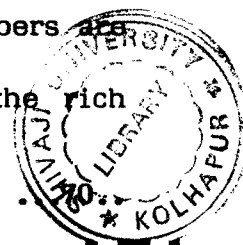
5.2 SUGGESTIONS

Chapter V
FINDINGS AND SUGGESTIONS

5.1 FINDINGS

Housing is the basic need of human being. Being as a basic need, we purposively select the development of housing co-operatives in Osmanabad city. At the aggregate level due to the economic and industrial backwardness of Osmanabad city the progress of housing co-operatives is very slow. At the micro level our findings are based on the collected data. In our survey analysis, it is observed that like economic and industrial backwardness of city other different factors are responsible for its poor performance.

- 1) Though housing co-operatives are classified into different groups; in Osmanabad city only two types of housing co-operatives i.e. Tenant ownership (Grih-Nirman) and House Mortgage (Grih-Taran) are existed. Among these, 75 percent housing co-operatives are from the group of Tenant ownership (i.e. Grih Nirman)
- 2) It is our important finding that, the businessmen, professionals are not attracted towards the housing co-operatives. The housing co-operatives are mostly organised by the servicemens.
3. It is observed that among its members 80 percent members are from the low income group category. It indicates the rich



peoples had met their housing arrangements individually.

4. It is our important finding that, the members had completed their construction work whose own contribution is high in the total construction cost. The members who are unable to buy their own resources their construction work remain incomplete.
5. It is observed that, among the different financial agencies, the members borrowed loans from M.S.C.H.F.C.
6. From our micro level analysis, it is observed, though there are different means of informations most of the members get the information through persuasion. It indicates the backwardness of the city.
7. It is our important observation, though the progress of co-operative housing in Osmanabad is slow but among the existing societies 82 percent members paid their loan instalments regularly.
8. Housing co-operatives are the organisations of houseless people. From our analysis it is found that, 70 percent members are using their houses for their own residence purpose.
9. It is observed that, the housing co-operatives are applying the principle of democracy in practice, because 88 percent members answered that they are happy about the societies work, no dispute with the society, timely audit work of the society and well services from the society.

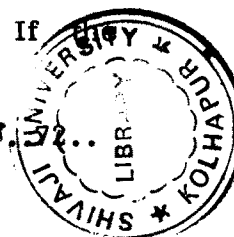
10. It is observed that, the housing co-operatives formed by the employees in District Central Co-operative Bank, Maharashtra Stata Electricity Board, Collector Office are getting the benefit of concessional rate of interest.
11. Our important finding is that, M.S.C.H.F.C. is the main agency providing loans for the costruction of housing co-operatives. But due to the lengthy office procedure and non-availability of funds the members are not getting loan facility in time.

5.2 SUGGESTIONS

After study of the working of housing co-operatives in Osmanabad city, let us now turn to the important part of the study i.e. Suggestions. The micro level analysis indicates that the progress of housing co-operatives in Osmanabad city is very slow. At the aggregate level the economic and industrial backwardness of Osmanabad city is responsible for its slow progress. At the micro level we found different factors are responsible for the slow progress of housing co-operatives in Osmanabad. On the basis of micro level analysis, we made some important suggestions for the development of housing co-operatives in osmanabad city. We hope these suggestions are helpful for improving the working of housing co-operatives and its progress.

1. The development of housing co-operatives is depends upon the economic and industrial development of the city. If

MR. BALASAHEB KHARDEKAR LIBRARY
SHIVAJI UNIVERSITY, KOLHAPUR



industries are developed, there is more scope for the development of housing co-operatives. It is suggested that the District Industries Centre should avoid the industrial backwardness of Osmanabad city which is helpful for the development of the housing co-operatives.

2. The housing co-operatives are classified into four groups such as :

1. Tenant ownership co-operative housing society
2. Tenant co-partnership co-operative housing society
3. House mortgage societies
4. House building construction societies,

In Osmanabad all of the housing societies are registered under Tenant Ownership category (Grih Nirman) and House Mortgage Societies (Grih Taran). There is more scope for the development of housing co-operatives under different groups. It is suggested that the Registrars role is important in development the housing co-operatives under different groups.

3. The small sized housing co-operative societies (i.e. the societies whose membership is small) can not appoint the full time salarised person. It is suggested that two or more than two small housing co-operatives should come together and appoint salarised person, which will helpful for improving the functioning of housing co-operative society.

4. It is suggested that for the development of housing co-

operatives the different type of concessions and facilities should be given to the lower income group people or weaker sections. In our analysis Table No. 5 clearly indicates 81 percent members from our sample comes in the annual income group of Rs. 70,000/- Due to low income these members had not completed their construction work. For completing the construction work and developing the housing societies of lower income group people more facilities should be given to these people like cheap land, raw material at concessional rate and finance on long term basis. The provision of these facilities surely helps the development of housing co-operatives of lower income group.

5. Construction of housing is a headache to the individual members, because it is very difficult to collect all the resources and manage the construction work. Individual construction is costly than collective action. Table No. 17 indicates 60 percent houses are constructed by individual members. It is suggested that, if the co-operative housing society construct the houses, it may reduce the cost of construction due to group action. If the societies takes construction work, it purchase the equipments and materials on larg scale at resonable rates, in group action full utilisation of resources is possible. All this leads to reduce the cost of construction.

6. From our analysis it is clarified that among the different financial agencies M.S.C.H.F.C. is advancing loans to the majority of housing co-operatives. It is suggested that other financial agencies should take an active interest in advancing loans to the construction of housing co-operatives. This will definitely help the development of housing co-operatives in Osmanabad city.
7. Table No. 22 shows that the members of housing co-operatives are not getting loan in time. There is a delay in documents, faults in documents, lengthy office procedure etc. It is suggested that to get finance as early as possible a delay in documents should be avoided by giving proper guidance. The lengthy office procedure should be minimised. This may definitely help in avoiding the delay of loans.
8. The problem of repayment of loan is important. In our study it is observed that 75 member societies are making repayment of loans regularly. Only 25 percent member societies are not repaying the loan instalments regularly. It is suggested that, education and counselling may help in increasing the percentage of repayment of loan.
9. The members of housing co-operative society are not getting loan facilities in time. The Table No. 24 clearly shows that only 20 percent societies had completed the construction work. The construction work of 80 percent housing societies is incomplete due to financial problems. It is suggested that,, the proper

guidance should be given to the members societies regarding the different financing agencies, their loan procedures etc.

10. For making the housing society financially viable, society should increase its funds by way of deposits from the members. It is observed from Table No. 19 majority of housing societies created reserve fund. Only one society had created repairs fund, and no repayment fund had been created by any society. It is suggested that, for timely repayment of loans, every society should create repayment fund. Society should also create repairs fund and building fund. These funds are helpful for making the housing societies financially viable.
11. We strongly suggest that, for developing the housing societies in industrially and economically backward city like Osmanabad, the finance at concessional rate should be made available. Among our sample societies 45 percent societies are getting the benefit of concessional rate of interest. If such type of benefit of concessional rate of interest is made available, it is surely helpful for the development of housing co-operatives in backward region like Osmanabad.
12. In order to construct the work in time, there should be proper link between the various stages of building construction, such as plan of building construction, plan of availability of finance, supply of building materials, availability of skilled personal and co-ordination among all these. Such type of link

at the different stages of construction will help for completing the construction in time.

13. For proper functioning of the co-operative housing society, timely audit is mostly needed. From our sampled societies 80 percent societies are maintaining the accounts properly and their accounts are audited in time. In House Mortgage System (i.e. Grih Taran) all the societies had audited; but in Tenant ownership housing (i.e. Grih Nirman) 20 percent societies are not keeping their accounts properly and not auditing their accounts in time. It is suggested that Registrar's Office should be particular about the audit work of housing co-operatives.
14. The housing co-operatives in Osmanabad are facing the problem of resignation of membership. In our sample in 60 percent housing societies, members resign their membership. This resignation creates a number of problems in the working of housing co-operatives. So for avoiding the problems, it is suggested that resignation should be restricted.
15. It is observed that, the majority of the housing co-operative society are not conducting the Special General Meetings and managing committees meetings. In practice some societies are completing their proceeding without conducting meeting. It is suggested that for the application of democratic principle housing societies should conduct their special general meetings and managing committees meetings as per Co-operative Societies Act.