

CHAPTER - V

FINDINGS AND SUGGESTIONS.

A. Findings.

B. Suggestions.

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CHAPTER -V

FINDINGS AND SUGGESTIONS

(A) FINDINGS:

The findings are based on the collected data and information given in Chapter No. IV.

Based on my research I have made certain useful suggestions with a view to be improvement^{and} better functioning of the housing co-operatives in general and Kolhapur in particular. If the suggestions are taken seriously and followed sincerely, I am sure the co-operative housing societies will be benefited and they will progress satisfactorily.

(I) General:

(1) There were nearly 75% co-operative housing societies of plot type. There were 24% co-operative housing societies of flat type and 1% belong to house mortgage society.

(2) It is found that size of housing society is small, mostly nearly 20 or 50 members.

(II) Members:

(a) General:-

(1) It is found from the table of occupation and profession that 75% members are servicemen. The

Percentage of business group is 20%. There are 4% household members. The percentage of advocate and agriculturist group is 2%.

(2) The percentage of lower income group (Rs.1-10000) is less as compared to middle income group (Rs.10001 to 20000)

(3) It is observed in the sample survey that selected 100 members belong to various castes, Hindu, Jain, Muslim. The percentage of Hindu members is 85%.

(4) The percentage of age group of members of the the age group 41 to 50(Yrs) is 42%. The percentage of age group 61 to 70 (Yrs) is 23%. Generally man builds his house between the age group 40 to 70(Yrs).

(5) This sample survey indicates that 70% members built their house below 1000 Sq.Ft.

(6) There were 339 male members ~~with~~ compared to 311 female members. There ~~are~~ 327 married members with compared to 323 unmarried members.

(7) There are 96 members are educated and 4 members are uneducated. It means that almost all members from the sample are educated.

(b) Finance:

(1) It can be concluded that nearly 13% members require 100% savings for house construction. It may be from their own savings as finance from forefathers property.

(2) It is found that 85% members require loan for house construction. There are two members who have not built their plots. The housing finance corporation gives loan, 80% total cost or 45 times of members salary or up to Rs.50,000/- whichever is less. The present study shows that nearly 61% members get loan less than 80% of their cost.

(3) Members have to depend on other sources of loan e.g. Bank, apex housing finance society, provident fund, L.I.C., Relatives and friends, Government, etc. Members mainly depend upon housing finance corporation. This number of members is 51 including house mortgage society. The house mortgage society received loan from housing finance corporation.

(4) There are 25% members of the housing societies can not pay their instalment regularly. They can not pay their instalment regularly because, they have got financial, domestic and personal difficulties.

(5) It is observed that nearly $\frac{1}{4}$ members from the plot type societies rent their house to others.

(c) Construction:

(1) Members of the co-operative housing societies build their own houses. This percentage is 54%. They desire to build their own house because choice of plan, adjustment, decorations, contractors etc. All flat type societies have to construct their flats through the society. Few societies have undertaken construction activity except house mortgage society.

(d) Society:

(1) Nearly, 97% members (almost all) attend society's meetings, only 3 members can not attend society's meeting because of difference of opinions.

(2) It is concluded that 90% members are satisfied with the society's work.

(3) There are 10% of members who have got dispute with the society regarding quality of construction, financial matter and current repairs.

(4) There are 11 members who have not expressed their opinion regarding society's working and 2 members are not satisfied. There are 87 members are satisfied for the society's working. They have expressed their opinions in the various degrees e.g. good, better, best, normal satisfactory and quite satisfactory.

(5) The tendency to sell the house is very limited. It is 5% only.

(6) The tendency to desolve the society is only 7%.

(e) Members:

(1) Members have their relations to with other members. One member has not responded other remaining 99 members have good and friendly, corgial relations with the other members.

(2) In general, 95% means almost-all members of the opinion that their society should be cosmopolitan. There are 5% members of the the opinion that there is no scope for new member because all plots are engaged and also for - particular community e.g. Kumbhar Samaj.

(f) Miscellaneous:

(1) In general, majority of members are afraid of robbery and gundas.

(2) Majority of the members are satisfied with the various facilities provided by the society, e.g. Light, road, water, school, library, garden, hall etc. This percentage is 86% They desire improvement in these facilities.

(III) Society:-

(a) General:

(1) The information is given by office bearers of the society. Among them, 9 office-bearers are Chairman and one is ex-chairman, and one is accountant. There are 11 secretaries who have given the information.

(2) Few societies require additional land. The 33% societies are under construction. They need finance more land and building material. There are two co-operative housing societies who possess more plots than members. In another case there are some societies having more members than the plots/flats.

(b) Organization:

(1) There are 77% co-operative housing societies are promoted by persuasion. Other remaining co-operatives are promoted by advertisement and reputation.

(2) There are 1178 members and number of plots/flats is 1114. The number of associate members is 82. There are 693 plots/flats have completed their construction.

(3) In general, it is observed that the meetings of the managing committee are held regularly.

(4) It is observed that 82% co-operative housing societies require special general meetings. for loan, change the bye-laws, distribution of plots and construction.

(5) In case of 19 co-operative housing societies audit is regularly held. In case of 3 co-operative housing societies audit is irregular due to shortage of audit staff, and procedure of audit done by ex-departmental panel of auditors.

(6) In the year 1979-80, 6 Co-operative housing societies have 'A' grade, 9 Co-operative housing societies 'B' grade, 'C' and 'D' grade for 2 co-operative housing societies each, and 2 societies are not audited and data is not available in case of 1 society. In the coming years (1980-81 and 1981-82) 'A' grade is declining. 'B' grade is fluctuating, 'C' and 'D' grades are stable. However numbers of not audited societies are increasing.

(7) Nearly 1/3 co-operative housing societies are getting profits and other 1/3 co-operative housing societies are at loss and data is not available in case of remaining societies. The audit reports are not available because, auditor has not given intime.

(c) Finance:

(1) There were 17 co-operative housing societies have taken one rupee as an entrance fee. Three societies have taken five rupees as an entrance fee. Other two societies have taken Rs. 10 and 11. There is no uniformity in case of entrance fee.

(2) The amount of shares also differs from one society to another society. It differs from Rs. 50 to Rs.1500/-

(3) There are two co-operative housing societies have not taken loan. The amount of loan up to Rs.20/- lakh.

(4) There is no single co-operative housing society has taken deposits, donations and grants are taken for transfer of plot/flat. The Co-operative housing societies have taken cost of land and cost of house from the members.

(5) It is concluded that majority of the housing societies have created reserve fund. There is no uniformity in creation of other funds.

(6) There are 16 co-operative housing societies have taken loan from apex housing society. One society has taken loan from Bank. In case of two scheduled castes and one Nomadic tribe societies they have taken loan from Government

also. There are two co-operative housing societies have not taken loan. One of them is flat type society. Due to technical difficulty the loan is not received.

(7) There are three co-operative housing societies (schedule Caste and Nomadic Tribes) have received concessional rate of interest.

(8) It is concluded that nearly 50% co-operative housing societies received loan with delay. The causes for delay in documents, mortgages, faults in documents and lengthy office procedure.

(9) It is found that nearly 50% co-operative housing societies can not repay their loan regularly because delay of payment by members, total cost is more than estimated. Non-cooperation of dishonest members and few societies desire that the Government will free the loans.

(10) There are 539 members who have no loan to their accounts and 154 members have overdues. There are 693 members have cleared their loans. In general it can be said that there is same name to the loan account and plot/flat.

(11) In conclusion, it can be said that 16 societies were benefited by stamp duty and registration Charges.

.. 97/-

There were 4 co-operative housing societies received benefits under urban land (ceiling and Regulation) Act. There was not a single society benefited with other taxes.

(d) Construction:

(1) In case of 12 Co-operative housing societies land is free hold and in case of 9 societies it is lease hold. There are 4 co-operative housing societies possess agricultural land and other 17 co-operative housing societies possess non-agricultural land. There are 6 co-operative housing societies who have developed land and other 15 co-operative housing societies have undeveloped land. There are 8 co-operative housing societies have to pay tax to Government and data is not available in case of one society.

(2) The cost of land is differs from Rs. 0 to Rs.6, and cost of land development is 1 paisa to Rs.1.50. The land is purchased from private land holder and Government. In one case of flat type society land is purchased from mother society. The cost of non-agriculture per sq.ft e.g. .002 paisa.

(3) The house construction activity is done by members, society contractor, and professional builders, Whenever necessary, tenders are invited for construction from the contractor.

(4) With the help of sample survey it can be said that $\frac{1}{4}$ co-operative housing societies have purchased building material from the co-operative societies.

(5) It is observed from the study that only 4 co-operative housing societies have paid extra money to purchase building material.

(6) There are 20% co-operative housing societies have completed construction in time. The cause of late construction are as follows e.g. shortage of finance, delay in finance, shortage of building material, contractors delay, permission from local authority, personal difficulties and rise in costs etc.

(7) It is concluded that nearly $\frac{1}{10}$ co-operative housing societies required less amount for construction ~~for~~ than estimated cost, and nearly $\frac{1}{2}$ co-operative housing societies required more actual cost than the estimated cost.

(e) Miscellaneous:

(1) There are various facilities provided by the society e.g. library, training to members and officials, school, chowkikdar, lectures, and recreation hall, These facilities were provided by plot, S.C.plot and Flat type societies.

(2) In almost all societies, relations with society and members are good viz. Good-20, Better-1, Best-1,.

(3) It is found with the helped sample survey that, the percentage to sell plot/flat is 8.5%.

(4) It is concluded that majority of housing societies conduct elections.

(5) It is observed from the sample survey that nearly 73% co-operative housing societies pay their office bearers.

(B) SUGGESTIONS:

(I) General:

(1) If the size of the housing society is small (i.e. no. of members 11) cannot appoint full time clerk. So it is suggested that, two or more than two societies should come together and appoint one clerk on the contract basis which will help to improving the working of the societies.

(II) Members:

(a) General:

In the sample survey 96% members are educated and

4% members are uneducated. In India 36% members are educated. So, this movement should serve for uneducated persons also.

(2) There is a need to develop all round and healthy development of housing co-operatives for all members coming from various occupations.

(3) For the benefit of lower income group people or weaker sections more facilities should be given to these people like free land, and raw material at concessional rate and finance on long term basis. The Government should reserve land for backward societies, and income limit should be extended in order to meet increasing expenditure due to inflation.

(b) Finance:

(1) Finance is backbone of house construction activity. The apex housing finance society advances loans according to level of income and size of house, subject to 80% of total cost or 45 times of salary or maximum Rs.50,000/- whichever is less. So it is suggested that taking in to consideration price index of cost of building material and land, this limit should be extended. If the limit of loan is extended by the housing finance corporation members will less depend upon other sources of loan like provident fund, relatives and friends, and banks etc.

(2) The members should minimize ^{which?} their costs and they should pay their instalments regularly. The salary getting members should give undertaking to deduct the housing loan from their salary. The society should take strong action against the members, who have overdues.

(3) If the member is in need of money he can only give the part of his house to tenant on rent. But when difficulty is over he should not rent the house. He should take prior permission to rent the house from the managing committee for a period of time.

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(c) Construction:

(1) If the co-operative housing society takes construction, activity, it may reduce cost of construction due to benefits of economies of scale.

(d) Society:

(1) There are 10% members, who have got dispute with the society, regarding loans, rate of interest, accounts and quality of work. The society should keep watch on quality of construction. The members should get clear idea of calculating penal interest-rate. The society should do current repairs with the reasonable charges from the members.

(2) The tendency among the members to sell the plot/flat was very limited. It was up to 5%. If the members is in financial difficulty he may be allowed to sell plot/flat. The managing committee may permit the member to sell the house if the committee ^{is} satisfied with the genuine difficulties like need of finance, to get larger accommodation and change of place. This tendency can be minimized by way of education also.

(3) The tendency among the members ~~desolve~~ the society should be avoided. It can be done with the help of ideal working of housing society and educating the principles of co-operation to the members.

(e) Members :

(1) Majority of the members have good relations with others. According to their opinions society should be cosmopolitan, in nature. There are non backward class members societies. So it is suggested that every member should get chance to work with others without making a difference on race, religion, caste, and creed.

(f) Miscellaneous:

(1) It is suggested that housing society should keep a watchman. The members should form a body of few members for patrolling whenever they desire. There is a need of Police station in the vicinity of housing society.

(2) The society should take keen interest in developments like Bank, hall, market place, medical stores, consumer stores. The members of the co-operative housing society should solve common difficulties ~~community~~.

(III) Society:

(a) General:

(1) There were 33% co-operative housing societies ~~were~~ under construction. They need ^a finance and building material etc. This should be made available to implement the programme of construction as early as possible.

(b) Organization:

(1) The housing society should call special general meeting whenever required. The housing society may call special general meeting for the purpose of to change the ~~bye-laws~~ plot distribution, loan policy, overdues, construction of building etc. ?

(2) Every society shall within a period of three months next after the date fixed for drawing up its accounts for the year call a general meeting of its members. For this there is an urgent need of regular co-operative audit. The

audit staff should be sufficient to audit the co-operative housing societies. At present, audit is done by co-operative department and panel of auditors suggested by the co-operative department, some auditors ask for remove all documents from society's office to premises of the auditors, so it is suggested that audit should be done by the co-operative department prior to after three months from June (i.e. accounting year)

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(3) It is suggested that auditor should send copy of audit report as early as possible. The subject should make efforts to minimize losses.

(c) Finance:

(1) The society should increase its fund by way of deposits from the members.

at interest?

(2) For timely repayment of loan every society should create repayment fund.

(3) It is suggested that to get finance as early as possible delay in documents should be avoided by proper guidance from concerned authority. The lengthy office procedure like duplication of valueor's reports should be avoided. The housing finance corporation should not deduct the instalments of the defaulters from the next instalment of loan.



(4) There is one flat type society. The land of that society belongs to another society. The type of that society is "Land Married with building". The building belongs to co-operative co-partner housing society (flat). That society does not possess land, so that society could not received loan from housing finance corporation. In such case the ownership of land should be handed over to housing society. Then only that society will get loan from housing finance corporation.

(5) The problem of repayment of loan is of crucial importance before the co-operative housing societies. The housing finance corporation should advance more loan on long term basis. If the period of loan repayment is more he may regularly. The amount of instalment should be within the reach of his sources of income. It is found that a machinery is provided for recovery of dues from members of certain types of societies such as agricultural credit societies, Lift irrigation societies, crop protection societies etc. by issue of a certificate by the Registrar under section 101 of the M.C.S.Act, 1960. If the dues of the co-operative housing societies are also brought within the purview of the said section it would help to increase speedy recovery of dues of the co-operative housing societies. To finalise cases in the co-operative courts there is a need to increase the strength of co-operative Courts.



commensurate with the number of cases filed. The office bearers should take keen interest in loan recovery.

(6) The members of house mortgage society have to pay double stamp duty. This should be avoided. The co-operative housing societies should be exempted from all the types of stamp duty.

(7) It is necessary that the Government should declare that all instruments executed by and in favour of co-operative housing societies are totally exempted from the payment of registration charges. By special provision, the compulsory registration of document executed by borrowing members in favour of land development bank has been exempted. Similar provision can also be made in respect of registration of document of mortgages of primary co-operative housing societies in favour of apex housing society.

(8) The Municipal Corporation acts should be amended to give concession to co-operative housing societies in general tax. The municipal authorities should provide necessary facilities immediately after the amount of betterment charges is deposited with them by a co-operative housing society. Municipal authorities should give concession to co-operative housing societies in the case of levy of betterment charges.

(9) As per the provision of the urban land (C.R.) Act, 1976 section 10, co-operative housing societies situated in Urban agglomeration areas are not in a position to purchase any land by private negotiations. Section 21 of the urban land (C.R.) Act should be suitably amended to entitle the co-operative housing societies to purchase lands from the owner possessing vacant land in excess of the ceiling limit prescribed on the condition to utilise 50% of the land purchased for the housing of the weaker sections.

(10) Housing societies maintaining common amenities should be exempted from the payment of income tax on any income derived from the common amenities.

(d) Construction:

(1) There are few co-operative housing societies. These societies need additional land. The non-availability of land is the problem for co-operative housing societies. It is necessary that the acquisition proceedings are completed as early as possible and lands are made available for co-operative housing societies.

(2) As far as possible, the problem of land should be solved satisfactorily. If there are more plots than the members, the plots should be allotted to new members. If only one plot is left, society should construct its own building or recreation hall. It will give the society another source of income by renting the hall for the functions like marriage or any entertainment programme. If more members are there than the plots/flats, ~~the~~ society should construct flat type houses or additional flats for additional members with the ~~consultation~~ consultation of society's engineer.

(3) The housing society should purchase building material from co-operative stores. The society will get building material at cheaper rate or on credit also. There were various types of co-operatives e.g. labour co-operatives, Mason's co-operatives and Carpenter's co-operative society. The contracts should be given to these societies. It will help to reduce costs and improve quality of construction. It will increase co-operation among the various types of co-operatives.

(4) It is suggested that whenever the permits are given for the cement and steel, preference should be given to co-operatives. When quota of cement is sanctioned the authority should take in to account the number of buildings or flats in the society and their demand and stage of

construction in order to solve the problem of shortage of building material the state level housing finance federation should enter into production of cement and steel. The work production of these units will be fully reserved for the co-operative housing sector.

(5) In order to construct buildings in time there is a need of proper link between the various stages of building construction e.g. plan of building construction, sufficient and timely finance, supply of building material, contractors efficiency and co-operation from the workers and at the end co-ordination among these various stages. The co-operation from the people is utmostly required. There is a need of co-operation from local self Government also.

(6) It is suggested that the proper use of building material will reduce cost of construction. If the co-operative housing societies purchase building material in wholesale market, will help to reduce their cost of construction. They should utilise local available materials for building construction. Reduction in the cost of construction can be also achieved by research in building techniques and materials. The National co-operative housing federation should establish in collaboration with the National building Organisation a cell to promote adoption of cost saving measures in housing construction by co-operative housing societies in the country.

(e) Miscellaneous:

1) There is a need of library facility in every society. It will help to educate the members the principles of co-operation.

2) There is a need of qualified and trained staff in the co-operative housing societies. Housing societies should be given adequate managerial subsidy by the Government for the first five years.

3) Training programme scientifically evolved and seriously implemented will create efficiency both for the apex as well as primaries. This will directly reduce complaints about their working. It will improve the performance of the institutions at all levels in the fields of advances recoveries and profits.

4) It is suggested that the office bearers of the society should be honest and talented and trained enough to keep the accounts clear and systematic. If he is paid worker, he will keep the accounts properly and working of co-operative housing society will be improved

SOME GENERAL SUGGESTIONS

- 1) The limit of annual income for lower income group and for middle income group should be extended.
- 2) Every member should take active participation in the day-to-day working of the society. He should give full co-operation to policies and decisions of the managing committee.
- 3) The General Body should select reliable and honest leaders. Members should take keen interest in its working.
- 4) The relations among the members should be harmonious
- 5) The unusual link between contractor, President and secretary should be avoided. *J.P. Khan.*
- 6) The Managing committee should keep watch on the records kept by the secretary.
- 7) The accounts of the housing society should be properly kept. The defects like delay of final bills and bogus vouchers should be avoided.

- 8) A National Housing loans Bank will be established. It will work as a refinancing agency for the apex housing finance societies. There is a need of three tier structure of co-operative housing finance.

A National housing loans Bank

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Apex housing finance society

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Primary Co-operative housing societies.

- 9) The state Government should not charge any guarantee fee on the guarantee provided for the loans raised by the apex housing finance societies from the Life Insurance Corporation of India.
- 10) There is a need of co-operation from -
co-operative department and social welfare department. *What is the need?*
- 11) The Government of India should frame National Housing policy and should give proper place for co-operative housing.

