



**MANAGEMENT OF
COOPERATIVE
SOCIETIES**

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The 7 Co-operative Principles

- ✓ Voluntary and open membership
- ✓ Democratic member control
- ✓ Member economic participation
- ✓ Autonomy and independence
- ✓ Education, training and information
- ✓ Cooperation among cooperatives
- ✓ Concern for community.

MEMBERSHIP

MEMBER : 154B-1(18)

A person joining in an application for the registration of a housing society which is subsequently registered , or a person duly admitted to membership of a society after its registration and includes :

- Associate Member – 154B-1(18)(a)
- Joint Member - 154B-1(18)(b)
- Provisional member -154B-1(18)(c)

Associate Member : 154B-1(18)(a)

Associate Member : Husband, wife, father, mother, brother, sister, son, daughter, son-in-law, daughter in law, nephew ,niece, duly admitted to the membership of society on written recommendation of Member to exercise his rights and duties with his written consent and whose name does not stand in the share certificate.

Joint Member : 154B-1(18)(b)

means a person joining in an application for the registration of a housing society jointly, which is subsequently registered or person admitted to Membership of society after registration and who holds share, right , title and interest in the flat jointly but whose name does not stand first in the share certificate.

Provisional Member : 154B-1(18)(c)

Provisional Member : means a person who is admitted as a member temporarily after death of Member on the basis of nomination till the admission of legal heir or heirs as the member of the society in place of deceased member.

ELIGIBILITY TO MEMBERSHIP

- A.(i) Individual competent to contract under Indian contract Act , 1872.
- (ii) A firm , company or any other body corporate constituted under any law for the time being in force Society registered or deemed to be registered under the Act.
- (iii) Society registered under Societies Registration Act , 1860.
- (iv) State Government or Central Government
- (v) A Local authority
- (vi) A Public Trust registered under any Law for the time being in force for the registration of such trusts.
- B A minor or person of unsound mind inheriting shares and / or interest of the deceased member in the capital/ property of the society or nominated may be admitted through his guardian.

CONDITIONS FOR MEMBERSHIP

- Applicant has fully paid the value of at least Ten shares of the society.
- Applicant has paid entrance fee of Rs 100/-
- Applicant has given the undertaking in the prescribed form to the effect that he shall use the flat / unit for the purpose for which it was purchased by him.
- Applicant has furnished an undertaking in the prescribed form if he / she has no independent source of income.
- Applicant has submitted along with the application for membership of the society , a certified copy of the agreement duly stamped and registered entered into by him /Her/ Them with the Builder or Transferor
- Applicant has furnished such other undertakings / declarations, in the prescribed forms

RESIGNATION OF MEMBERSHIP

A member may resign by :

- Giving 3 months notice to the society
- He has made payment of the charges payable to the society in full.
- Where no charges are payable , the society shall accept the resignation of the member and the secretary shall communicate the same to the member within 3 months from the date of receipt of resignation.
- Where resignation is rejected , the committee shall record the reasons thereof and communicate to the member within 3 months from the date of receipt of resignation.

TRANSFER OF SHARES & INTEREST IN CAPITAL/PROPERTY OF THE SOCIETY.

- Notice to society : 15 days notice to be given to society together with consent of the transferee in prescribed form
- Secretary to place the same in the meeting of Mg.com held next after receipt of notice.
- In the event of ineligibility to transfer the secretary shall intimate the member within 8 days of the decision of the committee
- NOC is not required
- Transferor / transferee shall submit various documents and fulfill compliance

EXPULSION OF A MEMBER – SECTION 35 / BYE LAW NO 49

A member may be expelled from membership of society , if :

- Has persistently failed to pay the charges due to the society.
- Has willfully deceived the society by giving false information
- Has used the flat for immoral purposes or misused it for illegal purposes
- Has been in the habit of committing breaches of any of the provisions of bye laws of the society , which are of serious nature
- Has furnished false information or omitted to furnish material information to the Registering authority at the time of registration of society.

CESSATION OF MEMBERSHIP

A member shall cease to be member of the society :

- On his resignation
- On transfer of all his shares and interest in capital / property of society
- On his death
- On his expulsion
- On being adjudged insolvent
- If the whereabouts of a member are not known for continuous period of 7 years and if the interest in capital / property is not claimed by anybody else.
- On cessation of right / title and interest of a member in the property of the society by way of legal attachment or sale.
- Transfer is void as per Bye law no 39.

MEETING



First Constituted Meeting

Annual General Meeting

Special General Meeting

MANAGING COMMITTEE

The management of the affairs of the society vests with the managing committee duly elected in accordance with the Act, Rules and bye laws.

The members of the committee are jointly and severally responsible for all the decisions taken by the committee during its term relating to the business of the society.

However in case a member express his dissenting opinion which shall be recorded in the proceeding of the meeting, such member shall NOT BE responsible for the decision embodied in the said resolution.

Any member who is not present in the meeting in which the business of the society is transacted and who has not subsequently confirmed the proceeding of the meeting also shall not be held responsible for the business transacted in the meeting of the society.

CONSTITUTION OF COMMITTEE: MCS ACT SECTION 73AAA /154B – 19; BL NO 114

Committee shall consist of such number of members as may be provided in the bye laws.

Committee may co-opt expert directors relating to the objects and activities undertaken by the society. However, such expert directors shall not have right to vote at a election of the society or eligible to be elected as officers of the society.

Term of the committee and its office bearers shall be 5 years from the date of election.

Any casual vacancy in the committee shall be filled in from amongst members belonging to the same category in respect of which the casual vacancy has arisen.

Reservation of certain seats on committees of societies and election – MCS Act Section 73B/154B-20; BL No 114

Notwithstanding anything contained in the Act or in the Rules made thereunder or in any Bye laws of any society , on the committee of such society or class of societies as the State Government , may by general or special order , direct , three seats shall be reserved for

- One member belonging to SC or ST
- One member belonging to OBC
- One member belonging to De – notified tribes, Sp Backward class, Nomadic tribes.

*Reservation for women : MCS Act Section 73C /154B-21;
BL No 114*

Notwithstanding anything contained in the Act or in the Rules made thereunder or in any Bye laws of any society , there shall be two seats reserved for women on the committee of each society consisting of individuals as members and having members from such class or category of persons to represent the women.

DISQUALIFICATION OF COMMITTEE AND ITS MEMBERS :MCS ACT SECTION 73CA/154B-23 ; MCS RULE 58; BL NO 117

No person shall be eligible to be appointed , nominated, elected, co-opted or for being a member of the committee if he

1. Is a defaulter in the society;
2. If he carries on business of letting , subletting and selling f flats in the housing society of which he is a Member , or
3. Has been held responsible under section 79 or 88 or 154B-8(2) or 154B-27or has been held responsible for payment of costs of inquiry under section 85 Or
4. If he has incurred any disqualification under this Act, Rules made thereunder
5. Is held guilty for any offence under section 146 and convicted under section 147
6. Has more than 2 children
7. Is convicted with imprisonment of not less than one year for an offence under the provision of any law for the time being in force.

**DISQUALIFICATION OF COMMITTEE AND ITS
MEMBERS :MCS ACT SECTION 73CA/154B-
23 ; MCS RULE 58; BL NO 117**

Once the member is disqualified, he

1. Ceases to be a member of the committee and his seat shall thereupon be deemed to be vacant.
2. Shall not be eligible to be re-elected, re-co-opted or re-nominated as a member of the committee till the expiry of the period of the NEXT TERM of 5 years of the committee from the date on which he has ceased to be a member of the committee.
3. He shall be eligible to be re-nominated, re-co-opted or re-elected as a member of the committee as soon as such disqualification ceases to exist.

Motion of No Confidence against officers of societies – MCS Act Section 731D /154B-24 ; MCS Rules 57A; BL No 125b

An officer shall cease to remain such officer if a motion of no confidence is passed at a meeting of the committee members where two third majority of the total members who are entitled to vote at the election of such officer and his office shall thereupon be deemed to be vacant.

The requisition of special meeting shall be signed by not less than one third of the total members of the committee who are entitled to elect the officer of the committee and shall be delivered to the Registrar. This requisition shall be made in a form in the manner prescribed.

Registrar shall within 7 days from the date of receipt of the requisition convene a special meeting of the committee. The meeting shall be held not later than 15 days from the date of issue of the notice of such meeting.

The meeting shall be presided by the Registrar or such officers not below the rank of Assistant Registrar of Coop Soc. This person has the same power like the President or Chairman when presiding over the committee meeting but shall NOT have the right to vote.

This meeting called cannot be adjourned for any reason.

The names of committee members voting for and against the motion shall be read in the meeting and recorded in the minute book.

If the motion of no confidence is rejected, NO fresh motion of no confidence shall be brought before the committee within a period of ONE Year from the date of such rejection.

**THE SOCIETY'S OBLIGATION TO FILE
RETURNS AND STATEMENTS AND
REGISTRAR'S POWER TO ENFORCE
PERFORMANCE OF SUCH OBLIGATIONS:
MCS ACT SECTION 79, MCS RULES 66, BL NO
146**

1.The Registrar may direct any society or class of societies, to keep proper books of accounts (in such form including electronic or any other form prescribed) with respect to collections, and expenses, sales and purchases of goods and the assets and liabilities of the society, and to furnish such statements and returns and to produce such records as he may require from time to time; and the officer or officers of the society shall be bound to comply with his order within the period specified therein.

a) Every society has to file its return within 6 months from the close of the financial year The returns shall contain the following:

- ✓ Annual report of its activities
- ✓ Audited statement of accounts
- ✓ Plan for disposal of surplus
- ✓ List of amendments made in the bye laws, if any
- ✓ Declaration regarding date of holding its AGM and conduct of elections when due
- ✓ Any other information required by the Registrar in pursuance of any of its provisions of this Act

2. Every society is required to take action (including filing of return) under this Act, the rules or the bye laws or to comply with an order made under the (foregoing subsections) and such action is not taken

a) Within the period of time provided in this act, the rules or the bye laws or the order as the case may be or

b) Where no time is so provided within such time having regard to the nature and extend of the action to be taken as the Registrar may specify by notice in writing.

The Registrar may himself, or through a person authorised by him, take such action at the expense of the society; and such expense shall be recoverable from the society as if it were an arrear of land revenue.

3. Where the Registrar takes action under sub-section (2), the Registrar may call upon the officer or officers of the society whom he considers to be responsible for not complying with the provisions of this Act, the rules or the bye-laws, or the order made under sub-section (1), and, after giving such officer or officers an opportunity of being heard, may require him or them to pay to the society the expenses paid or payable by it to the State Government as a result of their failure to take action, and to pay to the assets of the society such sum not exceeding Rs 100/- as the Registrar may think fit for each day until the Registrar's directions are carried out.

4. The Registrar or the authorized person on his behalf shall scrutinize the returns and information so received and take further necessary action, if required.

ELECTIONS FOR LESS THAN 250 MEMBERS

Appointment of Returning Officer – Rule 76B

A Returning Officer shall be appointed by the Managing Committee before 60 days of the expiry of the term of the existing committee.

The Returning officer has to be

- a) From the panel of Returning officer approved by SCEA and maintained by the Divisional Joint Registrar
- b) From amongst the members of the society who are not desirous to contest the election and have undergone training related to election from any District Housing Federation or any training institute notified by the State Government from time to time.

Every appointment of the Returning Officer has to be communicated to the Registrar immediately on his appointment.

If the Committee fails to appoint the Returning officer, then the Registrar has to power to suo-moto appoint the Returning Officer from the panel approved by SCEA and maintained by Divisional Joint Registrar

Following persons CANNOT be appointed as Returning Officer

- Auditor the such society
- An employee of the society
- Any outgoing committee member of the society

The Returning Officer shall provide a written consent cum declaration for his appointment to the Managing Committee

It shall be the general duty of the Returning Officer at any elections to do all such acts and things as may be necessary for effectively conduct of elections in the manner provided in the Election Rules.

The Returning Officer shall verify the number of seats to be elected as per the strength of the society and also verify the reserved categories required.

It is the duty of the Returning Officer to check and verify the members to whom the voting rights are given as per I, J Register, Register of Associate and Register of Provisional members.

Provisional list of Voters:

The Secretary shall prepare and publish the provisional list of voters at least 60 days before the election for any claims, objection and corrections. The Returning Officer shall check the provisional list prepared by the Secretary.

Voting Rights – Rule 76F

1. Any member of the society shall submit a written consent regarding transfer of his voting rights to an Associate member or Joint member, if any within 10 days from the date of publication of provisional list of voters.
2. Any authorized Director of a company, Authorized member of Association, any Partners as appointed by the Firm, any person appointed by body Corporate, local authority, shall submit the name of the representative duly authorized to vote at the election on its behalf to the Returning Officer within a period of 10 days form publication of provisional list of voters.

Claims, Objections or Corrections – Rule 76E

1. Any member, Associate member ,Provisional member or Joint member may within 10 days from publication of provisional list of voters bring to the notice of the Returning Officer in writing any claims, objections or corrections along with grounds on which the claim is based or objection is raised.
2. The Returning officer shall make such enquiries of the claim, objection or corrections received and give his decision in writing to the concerned person within 10 days from the last date of receiving such claims or objection.

Claims, Objections or Corrections – Rule 76E

3. The Returning Officer after deciding on all claims, objection or corrections received shall publish the final list of voters in Form E3 (1) within 10 days from the last date prescribed for receiving such claims.

4. The final list of voters shall be displayed in the notice board within 2 days after its preparation.

Election Program– Rule 76G to 76O

The election program shall be announced by the Returning Officer within 7 days of the display of the final list of voters.

This program will be published electronically / as hard copy to the members / by registered post/courier along with the notice for Special General body Meeting with date, time and venue in which the elections will be conducted and the number of vacancies to be filled by election and also the number of reserved seats as per the Act, Bye Laws.

The election process is given in the next slide onwards.

Sr. No	Particulars	Duration
01	Candidate may fill nominations in the prescribed form and the deposit	Within 5 days of declaration of election program
02	Returning Officer to publish the list of nominations received inviting claims and objections	Immediate as and when received but not later than 5 days from declaration of election program
03	Scrutiny of nominations by Returning Officer	Immediately or next day of the last date of making nominations
04	Publish of list of valid nominations by Returning officer	Immediately on the next day of completion of scrutiny

Sr. No	Particulars	Duration
05	Candidate may withdraw their respective nominations	Within 15 days form publication of valid nominations
06	Returning officer to prepare a list of candidates who have withdrawn the nomination and publish the final list of contesting candidates	Immediately on the next day of the last date for withdrawal of nominations
07	Returning officer shall make allotment of symbols to the contesting candidates and shall publish the notice for Special General Body meeting , date, time and venue for conducting the poll	The Special General Body meeting shall not be fixed earlier than 7 days and not later than 15 days from the date of publication of final list of contesting candidates.

Sr. No	Particulars	Duration
08	The Returning Officer shall conduct the poll, count the votes	Within 3 days from the date on which the poll was conducted.
09	The Returning Officer shall submit the election result to the Registrar and publish the same in the notice board of the society	Within 2 days from declaration of results
10	The Registrar shall then constitute the committee	Within 15 days from the receipt of the results in Form E-17

In case of uncontested Elections, the results shall be declared in the Special General Body Meeting as declared by the Returning Officer.

Records of Election – Rule 76P

All records shall be preserved in the society office for 6 months

Election of Officer Bearers – Rule 76Q

The Returning officer shall call a meeting of the elected members for electing the officer bearers. A notice for such meeting will be given 7 days before the meeting in writing and with an acknowledgment. This notice shall contain

- a) The number of officers to be elected
- b) Date, place and time of meeting
- c) The minutes of this meeting will be communicated to the Registrar.
- d) The deposits of the candidates shall be refunded as soon as the results of the elections are published.

THANK YOU



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