

# Seminar on

- **Members**
- **Elections**
- **Managing Committee – Role & Responsibility**



CA Chandrashekar Iyer

- ❖ **WHO CAN BECOME A MEMBER  
(Eligibility)**
- ❖ **CLASSES OF MEMBERS**
- ❖ **CONDITIONS FOR MEMBERSHIP**
- ❖ **RIGHTS**
- ❖ **RESIGNATION OF MEMBERSHIP**
- ❖ **EXPULSION**
- ❖ **RULES & RESPONSIBILITIES**
- ❖ **TRANSFER & TRANSMISSION**

# **Definition – Member**

**Section 2(19) / BL 3(xxiv)**

Member means a person joining in an application for the registration of a Co-operative society which is subsequently registered, or a person duly admitted to membership of a society after registration and includes a nominal or associate member and who holds right , title and interest in the property individually or jointly

# 1. Who can become a member – Eligibility

[Section 22/BL No 17a]

- An individual who is competent to contract.
- Firm or Company or Body Corporate
- Society Registered
- State Government or Central Government
- Local Authority
- Public Trust registered under any law

2. Can a minor or person of unsound mind be admitted to membership of society ?

3. Any Additional conditions applicable to Firms / company or Body corporate?



# **Membership of Corporate Bodies in Cooperative Housing Societies, terms and Conditions**

**(Circular No CHS – 1791 /CR -148 /14C dated 9<sup>th</sup> November 1993)**

- 1.The application should be made as provided in Rule 19 of MCS Rules and should Be signed by the person duly authorized in that behalf.**
- 2.Head office of the firm should be within the area of operation**

3.The firm or company should be carrying on its business within the area of operation

4.The firm or company should purchase atleast 20 shares of the said society

5.The aims and objects should not be contrary to those of the society

6.The firm or company should give an undertaking to the society that it shall not

Allow any of its employees to occupy or continue to occupy any tenement unless

The employee is a nominal member

7. Number of firms or companies should not exceed 50% of the total membership

8. The number of tenements allotted should not exceed 50% of the total number of Tenements

9. The management of the society shall consist of not more than 25% of members

Of firms or companies and remaining shall be individual members

## Type/Class of Members:[BL No 16]

Associate member- BL 3(xxiv)(b)

Means a member who holds the right , title and interest in property individually or jointly with others , but whose name does not stand first in the share certificate.

Nominal member - BL 3(xxiv)(c)

Means a person who does not hold the right , title and interest in the property individually or jointly but is admitted to membership as such after registration



1. Condition for Membership for
  - Individual - BL - 19(a)
  - Firm , Company or Body Corporates – BL -19(c)
2. Condition for Nominal Membership – (Section 24(2), BL No 20)
3. Procedure for disposal of application for Membership – (BL No 21)(BL – 63 a to g)
4. Refusal of Membership by society - (Section 23, Rule 19)
5. Restriction on transfer or charge of share or interest - (Section 29)
6. Transfer of interest on death of member -(Section 30/ BL no 34-37)

## 1. Rights of Members - Section 26/ BL No 22

✓ Payment for membership and acquired interest in the society and procedure for increase in share capital – BL No 22

✓ Active Member

✓ Non Active Member

✓ Right for inspection of records/books-  
Section 32/BL No 23a

✓ Occupation of Flats – BL No 24

✓ Restrictions on Rights of Associate/  
Nominal Member – Section 27(2)/BL No 25

✓ Voting Rights of member Section 27/BL No 105

✓ Restriction of holding shares – Section 28

# Resignation of membership BL Nos 27-31

- ◆ Member
- ◆ Associate Member
- ◆ Nominal Member occupying on behalf of a Body Corporate
- ◆ Nominal member who is a sub lettee, licensee, caretaker

# Cessation (Section 25 / BL No 55 -59)

- ◆ Member
- ◆ Associate Member
- ◆ Nominal Member on behalf of a firm/company /body corporate
- ◆ Nominal member who is a sub lettee, caretaker, licensee
- ◆ Action of Committee in case of cessation of membership of the society

# Expulsion of Members - Section 35/BL No 49-54

- ◆ Grounds on which member can be expelled
- ◆ Procedure for expulsion
- ◆ Forfeiture of shares of expelled member
- ◆ Effect of expulsion on membership
- ◆ Handing over of vacant possession of flat by the expelled member
- ◆ Acquisition of the shares and interest of expelled member
- ◆ Eligibility of expelled member for re-admission to membership



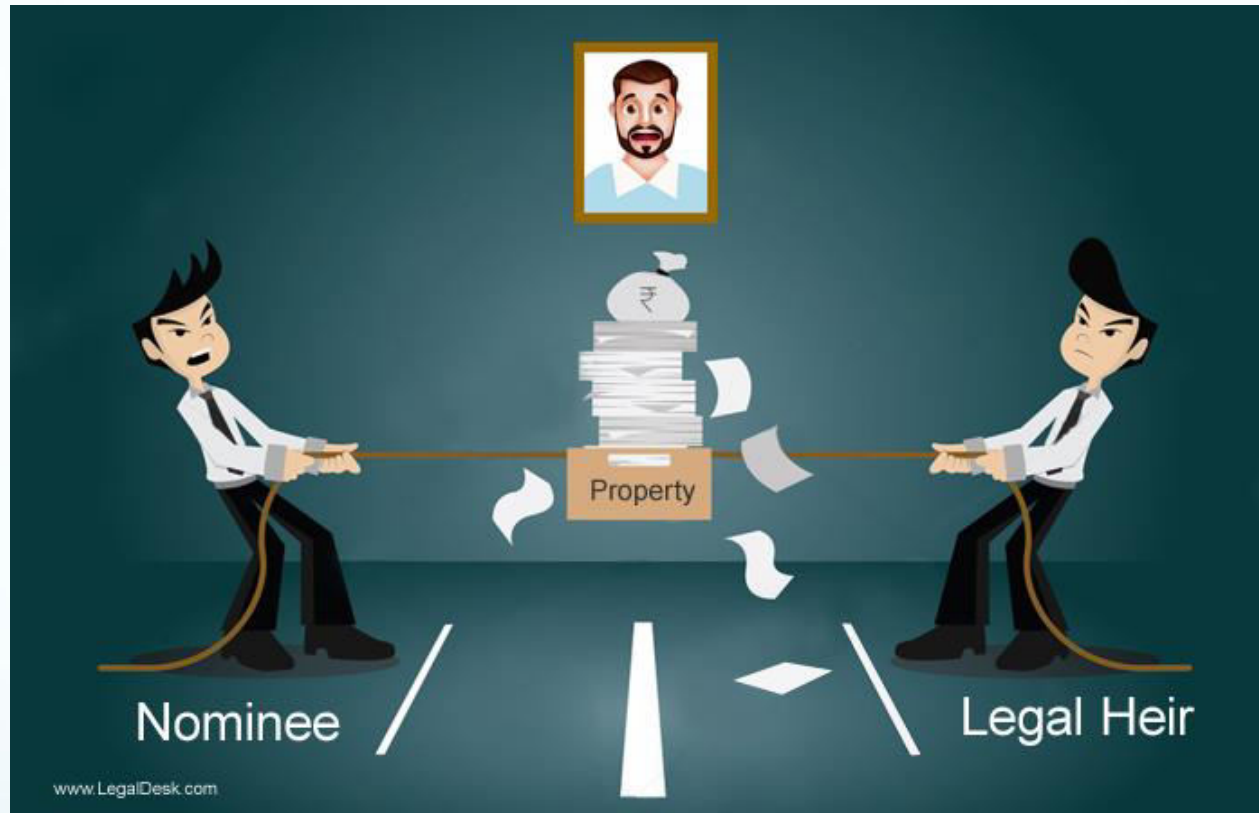
# Payment of value of share and interest of member or past member – Section 33/BL No 64

1. Share to the extent paid by the member
  2. Value of interest in property :
    - a. Valuation by Govt Approved valuer
    - b. Advertise in two local newspapers having wide circulation inviting offers for price proposed to be paid (amount of offer cannot be less than value determined Above.
    - c. Accept offer of highest bidder
    - d. Invite highest bidder to be member of society in prescribed form , demand draft for Value offered , 10 shares and entrance fees
    - e. On realisation of demand draft and within one month of becoming a member  
The society shall pay the amount to the
      - (i) Resigned member
      - (ii) Expelled member
      - (iii) Nominees / legal heirs of deceased member who have demanded value of Interest in property of society.
- Payment shall be made after deducting any amount due to the society , cost of Advertisement and other charges if any.

# Rules & Responsibilities

- ◆ Maintenance of flats of members - BL No 45 to 48
- ◆ Restriction on holding more than one flat - BL No 60
- ◆ Liability of member & Past member - BL No 61-62

# Nomination for Transfer / Transmission of Property after death of the member



**Nomination – BL No 32-34**  
**Legal heir**  
**Succession certificate**

<b>Sr. No</b>	<b>Details</b>	<b>Appendix No</b>
1	In case of Individuals	
a)	First Sale	2, 3, 4
b)	2 <sup>nd</sup> Sale onwards	20(1), 20(2), 21, 23, 25(1) & 25(2)
c)	No. of shares	10 of Rs. 50/- each totaling to Rs. 500/-
2.	In case of Body Corporates	
a)	First Sale	2, 3, 4
b)	2 <sup>nd</sup> Sale onwards	20(1), 20(2), 22, 24, 25(1) & 25(2)
c)	No. of shares	10 of Rs. 50/- each totaling to Rs. 500/-

<b>Sr. No</b>	<b>Details</b>	<b>Appendix No</b>
3.	Membership for Minors	1
4	Membership through Nomination	15, 18
5	Membership if no Nomination	17,19
6	Associate Member – Individual	5
7	Associate Member – Body Corporate	6
8.	Nominal Member	11
9	Nomination	14
10	Intimation from Society to transferee about his rights of membership	26
11	Form for holding more than 1 flat	27



*Thank You*



# **Co-operative Society Election Rules 2014**

For this purpose Societies are divided in to 4 types.

- Housing society having 200 or more members and industrial estate are covered under Type “C”
- Housing societies having less than 200 members are covered under Type “D”

All Dy. Registrar / Asst. Registrar of the respective Wards, have been additionally designated as District Co-operative Election Officer or Taluka or Ward Co-operative Election Officer, as the case may be

# Process for election by CHS

1. The committee of the society shall deliver a report in Form 'E-2' to the District Co-operative Election Officer or Taluka or Ward Co-operative Election Officer, as the case may be, six months before the expiry of the period of the Committee of the society
2. Provisional list of voters for co-operative societies having individuals as members:— (1) A provisional list of voters shall be prepared by every society in the year in which the election of such society is due to be held. The member who is an active member shall be included in the provisional list. { For the first time election under these rules, all the members are deemed Active members ].

**3.** Four copies of the authenticated provisional lists of voters in print as well as preferably in digital form shall be delivered by the committee of the society to the District Co-operative Election Officer or Taluka or Ward Co-operative Election Officer, or as directed by the SCEA, one hundred and twenty days before the date of expiry of the term of committee alongwith the Panchnama. Copies of such lists shall be displayed on the notice board of the society. The District Co-operative Election Officer or Taluka or Ward Co-operative Election Officer within ten days from its receipt shall invite claims and objections from the members of the society.

**4.** The provisional list of voters in case of individual shareholders, shall contain the surname, name, father's or husband's name (in alphabetical order), if any, with address as recorded in the register of members in Form 'E-3' of every person entitled to be registered as voter with such other particulars as may be necessary to identify him

**5.** When the provisional list of voters is published for inviting claims and objections, any omission or error in respect of name or address or other particulars in the list may be brought to the notice of the concerned District Co-operative Election officer or Taluka or Ward Co-operative Election Officer in writing by any member of the society during office hours within ten days



**6.** The District Co-operative Election Officer or Taluka or Ward Co-operative Election Officer shall, or as directed by the SCEA, after making such enquiries as deem necessary in this behalf, consider each claim or objection, and give his decision thereon in writing to the persons concerned within ten days from the last date prescribed for receiving the claims and objections. Thereafter final voters list should be published within the period of fifteen days from the last date prescribed for receiving the claims and objections. The list finalized by the election officer after deciding all claims and objection shall be final list of voters.

**7.** The copies of the final list of voters shall be displayed on the notice board of the District Co-operative Election Officer and also on the notice board of the society at least ten days before the declaration of the election programme and in no case later than fifteen days from the finalization of claims and objections. The District Co-operative Election Officer may also cause it to be published on the official website of the SCEA, if any.

**8.** In case of C type society, election is done by Ballot and in D type, members are elected in the Special General body meeting presided over the officer authorized by SCEA.

**9.** Election of office bearers - As soon as the members of the committee are elected, the election of office bearers of any such society shall be held within the period of fifteen days from the declaration of the result as provided in its bye-laws. The meeting of the committee for this purpose shall be presided over by officer authorized by the SCEA where the office bearers shall also be elected.

**10.** Forms for elections

Form No	Details	Submitted by and to
Intimation letter for conduct of election to SCEA	Mention about elections and the details of cheque to be paid	Secretary of the Society
E1	<ol style="list-style-type: none"> <li>1. details of society such as Division/district/taluka where soc is located.</li> <li>2. Name, &amp; Registration No and address</li> <li>3. Bye law no for no. of MC members to be elected</li> <li>4. Classification of MC members to be elected</li> <li>5. Last election held date</li> <li>6. Expiry date of the term of MC</li> <li>7. Approval of New Model Bye law</li> <li>8. Classification of society</li> <li>9. Date of provisional member list</li> <li>10. Date of Final member list</li> <li>11. Amount paid along with cheque no</li> <li>12. Total number of members of the society</li> <li>13. Remarks</li> </ol>	Registering authority to SCEA

Form No	Details	Submitted by and to
E2 FORM E2 [See Rule 5(2)]	Name & Registration No and address Last election held date Expiry date of the term of MC Name of constituencies as per bye law No of MC member to be elected against each constituency Remarks, Declaration by the Secretary	Secretary of the society to SCEA with cc to Dy Registrar
FORM E3 Provisional list of voters (See Rule 7 and 10)	Name, address, registration no of society Total members as per provisional list Total member eligible to Vote Sr. No, Name of Member, Membership no, Age, Gender, address	Secretary of the soc to SCEA with cc to Dy Registrar
Panchnama	The first provisional list of voters for election of the managing committee of ___ Cooperative Housing Society Ld, ___ has been published today, _____. Any discrepancies' in the published list to be intimated in writing to the society's office before __. Please note, no changes will be made in the list of voters after _____. Present To be signed by min. 5 members of the MC.	After publishing the 1 <sup>st</sup> voters list.

## **Election charges to be paid for conducting the Election for Housing Societies :**

<b>Members</b>	<b>Amount</b>
Less than 25	2,500/-
26 to 50	4,000/-
51 to 100	5,000/-
101 to 199	7,500/-
200 & above	20,000/-

The Contribution to the Election fund need be deposited into the account of the SCEA .

... The Remuneration to the Authorised Officer who will conduct the First Meeting of the Elected members of the Committee [ to be held within 15 days of declaration of the result of the election ] shall be Rs 250/-.

# • **Managing Committee – Role & Responsibility**

## **General body meeting to be the supreme authority – BL No 110**

Subjects to the provisions of the Act, the Rules and the Bye-laws of the Society, the final authority of the Society shall vest in its General Body Meeting, summoned in such manner as is specified in these Bye-laws.

## **Management of the Society to vest in the Committee. - BL No 111**

The Management of the affairs of the Society shall vest in the Committee duly constituted in accordance with the provisions of the Act, the Rules and the Bye-laws of the Society.

## **Exercise of powers by the Committee - BL No 112**

Subject to the direction given or regulation made by a Meeting of The General Body of the Society, the Committee shall exercise all powers, expressly conferred on it and discharge all functions entrusted to it under the bye-law No. 138.

# Power, duties and functions of the Committee BLNo 138

<b>Sr. No.</b>	<b>Items of the powers, functions and duties</b>	<b>The bye-law no. under which the Power, Function or Duties falls</b>
1	To consider acceptance of deposits from Members and raising of funds	11
2	To consider and recommend to the meeting of the general body, the rates of contribution of the Repairs and Maintenance Fund and the Sinking funds	13 (a) and 13 (c)
3	To consider all matter relating to the creation, investment and utilization of the Repairs & maintenance, Reserve Fund and Sinking Fund.	12(b) (i) and (ii), 14(a), (b) and (c) , 15
4	To consider and decide the resignations received from Members, Associate Members & Nominal Members.	27 to 30
5	To ensure that nomination and revocations thereof are recorded in the minutes of the committee meetings	33
6	To take action on the report of the Secretary on inspection of the Flats.	47 (b)



<b>Sr. No.</b>	<b>Items of the powers, functions and duties</b>	<b>The bye-law no. under which the Power, Function or Duties falls</b>
7	To take action on cases of cessation of Membership including associate and nominal Membership	59
8	To consider and decide the applications for various purposes received by the Society	63
9	To Consider and decide cases of refund of shares and interest in the capital/ property of the Society where the shares and interest in the capital and property are acquired by the Society	64
10	To fix the rate of insurance premium in respect of commercial use of flats.	67 (a) (xi)
11	To fix in respect of every flat the Society's charges on the basis of the proportion laid down under the bye-law 67 (a)	67 (b)
12	To review the position of recovery of the charges due to the Society from Members and to initiate action against defaulted charges of the Society	70
13	To verify compliance of the provisions relating to charging of interest in defaulted charges of the Society	70

<b>Sr. No.</b>	<b>Items of the powers, functions and duties</b>	<b>The bye-law no. under which the Power, Function or Duties falls</b>
14	To authorise a Member of the Committee to attest deed of conveyance, share certificates and any other documents to which the seal of the Society is affixed.	73
15	To issue letters of allotment of flats to those who have purchased flats from the Promoter (Builder)	75
16	To make available papers of the Society for perusal if asked for by the Members	23
17	To ensure holding of every annual meeting of the general body are kept on the agenda of the meeting	94
18	To ensure that all matters required to be considered at an annual meeting of the general body are kept on the agenda of the meeting	94
19	To call a Special meeting of the General body when required	96
20	To arrange for election of a new Committee prior to the expiry of the period of the existing committee	115

<b>Sr. No.</b>	<b>Items of the powers, functions and duties</b>	<b>The bye-law no. under which the Power, Function or Duties falls</b>
21	To ensure that after elections new committee is duly constituted	118
22	To elect office - bearers of the Society	125
23	To ensure that a meeting of the committee is held once in a month	127
24	To all in vacancies of the Committee	128
25	To consider resignation of a Member of the committee	130
26	To consider resignation of an office bearer of the Society	131
27	To obtain securities from the paid employees of the Society	147
28	To approve the audit rectification reports of statutory and internal audits and to forward them to the authorities concerned	153
29	To execute deed of conveyance of the land and building / buildings thereon	154

<b>Sr. No.</b>	<b>Items of the powers, functions and duties</b>	<b>The bye-law no. under which the Power, Function or Duties falls</b>
30	To take steps to maintain the property of the Society in good condition and to carry out repairs to it and renewals thereof	155 and 158
31	To Insure the property of the Society	160
32	To suggest to the general body meeting the rates of penalties for breaches of bye-laws and to issue show cause notices	165
33	To regulate operation of the lift of the Society	167
34	To suggest to the meeting of the general body the games to be allowed to be played in the compound of the Society	168
35	To consider and decide any other matters provided under the MCS Act 1960, the MCS Rules 1961 and the Bye -laws of the Society, but not expressly indicated hereinabove	77 to 84

<b>Sr. No.</b>	<b>Items of the powers, functions and duties</b>	<b>The bye-law no. under which the Power, Function or Duties falls</b>
36	To regulate parking in the Society	78 to 84
37	To ensure that the Society is affiliated to Housing Federation and its subscription is regularly paid.	6
38	To take the decision on the complaint application in the Managing Committee Meeting and inform the concerned Member of its decision accordingly.	173
39	To enter into contract with the Architect of the Society.	157 (f)
40	To scrutinize the tenders, received for construction work and to submit the same along with Committee's report to the meeting of the General Body and to enter into contract with the contractor.	157 (i)



## Bank accounts



Disqualification &  
Cessation of Managing  
Committee Members



No confidence motion  
against committee

## ➤ **Affiliation**

Member of Coop Housing Federation and District Central Coop Bank – Bye Law No 6

## ➤ **Funds – Type, utilization and Investment:**

### ■ **Types of funds –**

Sinking, Reserve, Repair & Maintenance, Major Repair, Education & Training, Any other as desired by the GB.  
Bye law no 12/13

### ■ **Utilization –**

Sinking – only for structural repair with GB approval.

Reserve & Repair fund – for repairs of the society

Training & Education fund – towards training of members and employees – bye law no 14

■ **Investment –** Section 70 and Bye law no 15

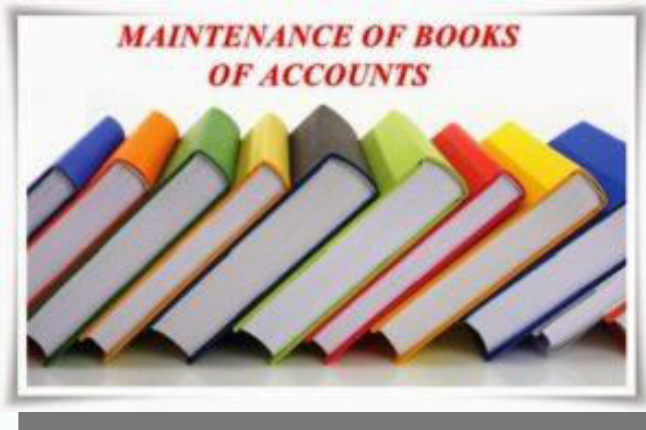


## ➤ **Levy of charges – bye laws no 65 to 71**

To maintain the society, every member should contribute towards various outgoing and establishment of its funds, such as,

- ✓ Sinking Fund
- ✓ Repairs & Maintenance fund
- ✓ Education & Training fund
- ✓ Property Taxes,
- ✓ Water charges,
- ✓ Common electricity charges,
- ✓ Repairs & maintenance of lifts,
- ✓ Interest on defaulted dues
- ✓ Service Charges
- ✓ Election Fund
- ✓ Any other charges as decided by the General body





- ✓ Limits for cash expenses - bye law no 145
- ✓ Limits for hold cash in the society – bye law no 144

✓ Filing of annual return – bye law o 146

✓ Security for holding cash –bye law no 147

✓ Appropriation of profit of the society – bye law no 148 (a) & (b)

✓ Write off of irrecoverable dues – bye law no 149/150



# Compliance – ANNUAL

Area	Section/Rules/Bye Law	Responsibility	Due date
Finalisation of accounts	Rule 61/B. L 146a	Managing Committee	On/Before 15th May
Audit of Accounts	Section 75/Rule 61	Managing Committee	On/Before 31st July
Audit Report	Section 81	Auditor	On/Before 31st August
Uploading of Audit Report in Website	Section 81	Auditor	On/before 31st August or 15th September
Submission of one set of audit report to DSA	-	Auditor	Immediately after submission of Audit report to the society
Preparation of Rectification report	Section 82, BL153(a)	Managing Committee	3months from date of audit report
Uploading of Audit Rectification report	Section 82	Auditor	Immediately after receipt from society and putting his comments

# Compliance - ANNUAL

Area	Section/Rules/Bye Law	Responsibility	Due date
Filing of Society Return (Form Y)	Section 79(1A), BL 146b	Managing Committee	On/Before 30th September
Conduct AGM	Section 75(1), BL 151(b)	Managing Committee	On/Before 30th September
Appointment of Auditor	Section 79B, BL 151(a)	General Body in AGM	On/Before 30th September
Uploading details of auditor & Consent letter in Website	Section 81, 79(1A), BL 146b(viii)	Managing Committee	Within one month from date of AGM
Filing of Income tax Return	-	Managing Committee	On/Before 30th September
Letter of appointment for audit	-	Managing Committee	Immediate after AGM
Consent letter from Auditor	-	Auditor	Immediate on receipt of Appointment
Generation of Audit order by the Auditor	Section 79(1A)	Auditor	On/Before 30th October
Impart training to the members and employees from approved institutions	Section 24A	Managing Committee	Minimum 20% of the members to be trained in one year in order to complete training of all members in 5 years.

*Thank You*