

Summary of Statutory Obligations of society

Every society is required to follow byelaws of housing society. Byelaws are rules and regulations framed for smooth functioning of the society. These laws are applicable to managing committee members as well as to members. Important information is given in the byelaw book which every managing committee member should be well versed with it. Let us see in short the statutory obligations given in Model byelaws which every society should follow –

1. Objects of formation of society – After registration of society the objects of the society shall be to obtain conveyance, to administer the property of the society, to raise funds from the members to maintain the society, to provide Cooperative education and training to develop cooperative skill among the members, committee members and employees of the society.
2. Affiliation to District Cooperative Housing Federation – Byelaw no. 6 specifies that the society immediately after its registration shall become member of the cooperative Housing Federation of the district/ward/taluka and the District Central Cooperative Bank.
3. Issue of share certificate - Model Byelaw no. 9 deals with issue of share certificate to the member of the society. Byelaw clearly mentions that society should issue share certificate for the shares subscribed by him within a period of six months of the allotment of shares.
4. Creation of funds – Model Byelaw no. 13 states that society shall create various funds by collecting contribution from members at the rate mentioned in the byelaws. Funds like – Repair and maintenance fund, Major repair fund, sinking fund, education and training fund.
5. Utilisation of funds – Byelaw no. 14 specifies that the Funds created by society can be utilised for the specific purpose with the prior permission of the general body.
6. First General Body meeting – The First General Body Meeting will be held with a period of three months of the date of registration of society. It shall be the responsibility of chief promoter to convene such meeting.

7. Provisional managing committee - In the first general body meeting Provisional managing committee should be constituted to look after all the affairs of the society until regular elections are held under byelaws of the society.
8. Notice and agenda for various meetings – Byelaws have specified notice period for various types of meetings.
 - a. For First General Body meeting 14 clear days notice shall be given to all the promoters who have signed the Application for Registration of society.
 - b. For Special General Body meeting 5 clear days notice shall be issued to all the members. In emergency SGM can also be called at shorter duration notice. But when SGM is called for adoption of model byelaws and for Redevelopment then 14 clear days notice is essential.
 - c. In case of Annual General Body meeting 14 clear days notice of the meeting shall be given to all the members.
 - d. In case of managing committee meeting 3 clear days notice shall be given to managing committee members.
9. Holding of Annual General Body meeting – Byelaw no. 94 states that the Annual General Body meeting of the society shall be held on or before 30th September of each year. Default in calling AGM shall attract disqualification and action as provided under Section 75(5) of the Act.
10. Finalisation of Accounts – Within 45 days of the close of every cooperative year i.e. by 15th May of each year, the Secretary of the society shall finalise the accounts of the proceeding cooperative year.
11. To appoint statutory auditor in the AGM for financial year in progress, from the panel approved by State Government and to issue appointment letter for the same and to get consent from him.
12. Cash in hand – Byelaw no. 144 provides limit for maintaining cash in hand. The Secretary of the society or any one authorised by the committee in that behalf may retain in his personal custody at the close of every day a sum not exceeding Rs. 5000/- for petty expenses. If due to

unavoidable circumstances the cash in hand is exceeded the above limit, the excess cash shall be credited into the bank within the next 3 days by the Secretary or any other person authorised by the committee to keep cash in hand.

13. Payment by means of crossed cheque – All payment in excess of Rs. 1500/- shall be compulsorily made by crossed cheque only.
14. Maintenance of accounts book and registers – As prescribed in Byelaw no. 141 the society shall maintain various statutory registers, books of accounts of each year and various records.
15. Maintain separate files for various matters – As per byelaw no. 142 society shall maintain separate files for nomination forms, application for membership, associate membership and nominal membership, application for transfer of shares, etc.
16. Structural Audit (Model Byelaw no. 76 (a)– The society shall cause to undertake structural audit of the building through approved Engineers from Corporation Panel.
17. The society shall also undertake periodical fire audit and inspection of lifts and maintain record.
18. Letter of Allotment of flat to members – The Secretary of the society shall issue letter of allotment of flats in prescribed form (Refer Appendix no. 12) to the members and obtain confirmation letter from them.
19. Reply to the applications – The committee shall ensure that all the applications received by the Secretary of the society are disposed off within a maximum period of 3 months.
20. Election of the committee – Election of managing committee members will be held once in 5 years in accordance with the provisions of Section 73 CB of the Acts and Rules / procedure framed under. It shall be the duty of the committee to intimate the Registrar office for holding of election in the society before expiry of the term. On failure, the Committee members shall cease to hold office after expiry and attract action by the Registrar under section 77 A.

21. Building insurance – Byelaw no. 160 (a) specifies that the society shall insure its building necessarily against risk of natural calamities, fire, flood and earthquake.
22. Steps against Child labour practice – The office bearers of the society shall ensure that no member of the society / contractor has employed child labour. If employed than shall inform the office of Labour Commissioner / nearest Police station/ concerned voluntary organisation. The Managing committee shall ensure that the society is totally free from child labour practice.
23. Justice to widow – As per byelaw no. 160 (d) - The managing committee of the society shall take necessary steps to see that no injustice is done to the widow of the housing society.
24. Preservation of trees – No member of the society shall destroy, deface or cut down any trees in the compound of the society.
25. Notice Board – The society shall have its Notice Board fixed at the noticeable part of in all the buildings of the society. It shall exhibit all notices and communicate resolutions or the decisions to the member.