

## Introduction

The laws governing the societies are “The co-operative societies act, 1912” which is a central Act formed by the Union with the liberty to the concerned states to form their State Act governing the societies to suit their local conditions but the condition being that it should not be in derogation to the central Act. Many states have enacted their own co-operative society Act and rules there under but more or less the requirements to be met by persons who want to form the society remains the same.

Different Co-operative Societies Acts functional in different states are:

- Maharashtra Co-operative Societies Act, 1960,
  - Pondicherry Co-operative Societies Act, 1972,
  - Karnataka Co-operative Societies Act, 1959,
  - Delhi Co-operative Societies Act, 1972,
  - Kerala Co-operative Societies Act etc.
- A. When the area of operation is restricted to one state, the State Co-operative Act & Rules, under which the society is registered will be applicable. In a particular state, if Co-operative Act and Rules is not enacted, the Central Act which is known as The Co-operative Act, 1912 and its rules will be applicable. When the area of operation of Society is spread in two or more states. The Multi-State Co-operative Societies Act, 2002 and its rules shall be applicable.
- B. Co-operative Societies Rules A set of rules is also framed under the respective State Co-operative Act for procedural aspects.
- C. Bye-laws Each society also registered with the bye-laws for internal management of the societies duly approved by the registrar at the time of registration of the society. The bye-laws of a society constitute a contract

## Laws Applicable to Co-Operative Society

The Cooperative Societies Act, 1912 expanded the sphere of cooperation between its members and provided for supervision by central organization. A cooperative society, which has its object the promotion of the economic interests of its members in accordance with the co-operative principles may be registered with limited or unlimited liability by filing application to the registering authority with requisite documents to be submitted by them.

**A Co-operative Society has to conduct itself as per the following listed below:**

- Co-operative Societies Act under which the same is registered whether it be under state Act or Central Act.
- Co-operative Societies rules made there under whether it be central or state rules
- Bye-laws approved by the registrar at the time of registration and amendments made from time to time and approved by the registrar, these bye-laws have to be formed by the concerned members themselves and present it to the registration authority for its approval.
- Notification and Orders by the concerned Government

**The following steps have to be followed while forming a Co-operative society, they are:**

Step 1: Ten Individuals together who are desirous of forming a Society

To form a society, law mandates that 10 members minimum must show intention to be part of the society having same aim and objective to be achieved through the society for their mutual benefit and thereby be desirous to be part of it.

Step 2: Provisional Committee to select Chief Promoter

Once a group of individuals have a desire to form a society the next step should be there must be a provisional committee of which everyone is part of and all of them should by mutual consent or by majority whichever they prefer must choose a person who will be a chief promoter of the society which is going to be formed by them.

Step 3: A Name for the Society has to be selected

Thereafter once a chief promoter is selected by set of individuals among them, they have to select a name for the co-operative society which they wish to form

#### Step 4: Application has to be made to the Registration Authority

Once the name of the society is selected by the members then they have to make a application to the registration authority stating that they have a intention to form a society and the name of the society has to be given to the authority for its approval and registering authority has to confirm that name is in conformity with laws and issue a confirmation certificate to the members. Then when the members get their name approval from the authority it is valid for 3 months from the date of approval.

#### Step 5: entrance fees and share capital

Thereafter once name approval comes from the concerned authority, the entrance fee and the share capital must be collected from the concerned prospective members to meet the statutory requirements under law and it can be prescribed by the members themselves or society act mandates certain fees to be paid by them.

#### Step 6: Bank Account

Thereafter once the prescribed fee and share capital is collect from the prospective members, then as per the directions of the registering authority promoter has to open a bank account in the name of the society and deposit the said fees and share capital in that account and a certificate has to be obtained from the bank to that effect

#### Step 7: Application for registration

Once the bank formalities are completed then the promoter has to apply for the society formation to the registration authority and it has to be accompanied with set of documents, they are

Form No. A in quadruplicate signed by 90% of the promoter members

1. List of promoter members
2. Bank Certificate
3. Detailed explanation of working of the society.
4. Four copies of proposed bye-laws of the society.
5. Proof of payment of registration charges.

6. Other documents such as affidavits, indemnity bonds, any documents specified by the Registrar also have to be submitted.

All these documents have to be submitted at the time of applying for registration of the society to the registering authority and the authority after it is satisfied with the documents submitted to it has to apply its mind to whether or not to register the said society.

#### Step 8: Registrar has to acknowledge

After the submission of the said documents has mentioned in step 7, the registrar of that municipal ward has to enter the particulars in the book called the "register of Application" which is generally specified in form B and give it a serial number to the application. Thereafter the registrar has to issue a receipt to that effect and give it to prospective members to know the status of the application when it is pending.

Then the registrar after perusal of the records submitted to him/her has to make a decision whether has to issue a certificate of registration or not and if there are any discrepancies noticed then he/she has to inform the members of the same and get it rectified if any.

#### Step 9: Registration

Last step is that the registering authority after being satisfied with the documents meeting the legal requirements will notify the registration of the society in the official gazette mentioned by the state or central government and should issue the registration certificate of the society and give it to the members of the society.

