

AccountAble™

Regulation of Societies: Rajasthan – T. Nadu

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It has proved very difficult to get the latest amendments for each state.

Therefore, please re-confirm the information in this circular before taking any important decisions.



Rajasthan

[Rajasthan Societies Registration Act, 1958]



Registration: By filing Memorandum of Association and certified copy of Rules and Regulations along with a fee of Rs.50/- (Sec. 3). All documents to be filed with the Registrar of Societies.

Alteration: You are allowed to alter the objects of the society, or merge with another society. For this, you have to convene two special general body meetings¹ and two-thirds (66%) of the members have to approve the change (Sec. 12).

You can also change the name of the society with the consent of at least two-thirds of its members by a resolution passed at special general meeting (Sec. 12-A). Every change in name should be

¹ At an interval of one month

sent² to the Registrar within 15 days of passing the resolution (Sec. 12-B).

A copy of the alteration made in the rules and regulations of the society should also be sent to the Registrar within 15 days of making the alteration (Sec. 4-A).

List of Governing Body Members: To be filed every year within fourteen days of annual general meeting. This should be filed in January, if general meetings are not held (Sec. 4). A statement showing changes in the governing body³ should be sent to the registrar along with the above list (Sec. 4-A).

Accounts: No specific provisions.

Dissolution: At least two-thirds of the general body members have to vote for dissolution of the society at a special meeting (Sec. 13). Government's consent is required for dissolving the society, if it is a member or a contributor or interested in the society. However, the government can neither dissolve a society on its own, nor can it take over the society.

Disposal of property upon dissolution: A society's property cannot be distributed among its members⁴. Two-thirds of the members present at the time of dissolution can decide to give the property (left after satisfaction of all debts and liabilities) to another society or to the State Government (Sec. 14 & 14-A).

² Signed by the secretary and seven members of the society

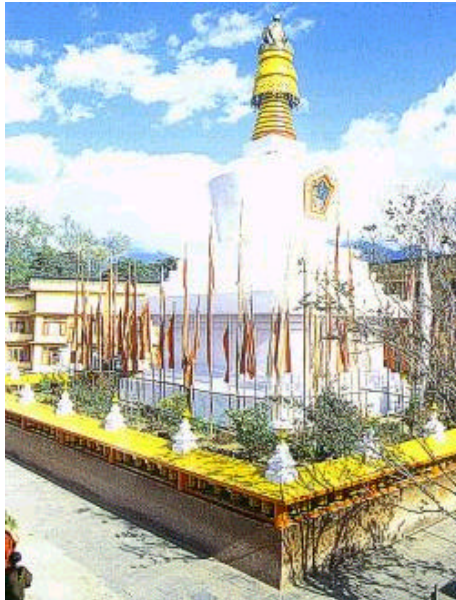
³ Called by any other name such as council of governors, directors, trustees, etc.

⁴ This clause does not apply to any society established by the contributions of shareholders in the nature of a Joint Stock Company. Currently, Joint Stock Company can be formed only under Companies Act, 1956. Therefore, this provision has become irrelevant.

Others: All documents of the society are open to public for inspection on payment of Re.1. Copies can be taken and can also be certified by Registrar (Sec. 19).

Sikkim

[Societies Registration Act, 1860. Not amended by the State]



Registration: By filing Memorandum of Association and certified copy of Rules and Regulations along with a fee of Rs.50/- (Sec. 3). All documents to be filed with the Registrar of Joint Stock Companies⁵.

Alteration: You are allowed to alter the objects of the society, or merge with another society. For this, you have to convene two general body meetings⁶ and three-fifths (60%) of the members have to approve the change (Sec. 12).

List of Governing Body Members: To be filed every year within fourteen days of annual general meeting. This should be filed in January, if general meetings are not held (Sec. 4).

Accounts: No specific provisions.

⁵ Location not known to us

⁶ At an interval of one month

Dissolution: At least three-fifths (60%) of the general body members have to vote for dissolution of the society at a special meeting (Sec. 13). Government's consent is required for dissolving the society, if it is a member or a contributor or interested in the society. However, the government can neither dissolve a society on its own, nor can it take over the society.

Disposal of property upon dissolution:

A society's property cannot be distributed among its members⁷. Three-fifths (60%) of the members present at the time of dissolution can decide to give the property (left after satisfaction of all debts and liabilities) to another society (Sec. 14).

Others: All documents of the society are open to public for inspection on payment of Re.1. Copies can be taken and can also be certified by Registrar (Sec. 19).

Tamil Nadu

[Tamil Nadu Societies Registration Act, 1975]

Registration: Registration is compulsory for societies which:

- have 20 or more members; or,
- whose annual gross income or expenditure is Rs.10,000 or more.

Registration is optional for societies formed for promoting religion, athletics or sports.

Other societies, which do not meet above requirements, can be registered optionally, provided they have at least seven members (Sec. 5).

For registration, societies have to file Form no. 1, Memorandum of Association, and certified copy of Rules and Regulations. Filing fee is Rs.100 (Sec. 6). A copy of the Register of Members should also be filed

⁷ This clause does not apply to any society established by the contributions of shareholders in the nature of a Joint Stock Company. Currently, Joint Stock Company can be formed only under Companies Act, 1956. Therefore, this provision has become irrelevant.

[rule 17(1)]. All documents to be filed with the Registrar of the District.



On registration, the Registrar issues a certificate in Form II (Sec. 10, rule 8). If the Registrar cannot register a society, then the reasons must be disclosed to the society in writing (rule 11).

Alteration: You are allowed to change the name of a society, after passing a special resolution. An application should then be made to the registrar, along with the reasons for the change. A society also must change its name if it is similar to the name of another existing society. When a registered society changes its name, the registrar enters new name in the record and issue a fresh certificate with necessary alteration (Sec. 11, rule 12).

List of Governing Body Members: Every society should have a committee⁸ to manage its affairs. Committee's term should not be more than three years⁹. Any change in the committee should be intimated to the registrar within three months in Form VII [Sec. 15, rule 17(2)].

Accounts: Every society must maintain a cash book¹⁰, receipt book, vouchers¹¹ file,

ledgers, and a monthly register of receipts and disbursement (rule 18). Entries in the accounts must be made promptly (rule 19).

Accounts must be audited by a qualified Chartered Accountant. However, for smaller societies¹², the accounts can be audited by two or more members appointed by the society.

A copy of Receipts and Expenditure Account, Balance Sheet, and Audit Report should be filed along with the list of general body members every year. Along with these, a declaration should be filed that the society has been in operation during the financial year.

Dissolution: A society can be amalgamated with another society or it can be divided in to two or more societies. For this, a special resolution and approval of the registrar is required (Sec. 30).

Dissolution can be done by the society or by the registrar. If a society decides to dissolve itself, a special resolution is required (Sec. 41). Government's consent is also required if it is a member, contributor or interested in the society.

The registrar can also cancel¹³ the registration and dissolve the society in the following cases (Sec. 36, 37, 38, 39, 41, 44):

1. Contravention of any provision of the act or rules
2. Insolvency of the society
3. Fraudulent conduct of business
4. Violation of the by-laws or society's objects
5. For carrying on un-lawful activities

¹¹ Numbered serially and filed chronologically

¹² The Income and Expenditure of each of the previous three years should have been less than Rs.10,000.

¹³ After holding an enquiry / giving an opportunity to the society

⁸ With at least three members

⁹ Members are eligible for re-appointment

¹⁰ To be balanced daily

6. Defunct society
7. For not filing annual accounts, etc. for three consecutive financial years

Disposal of property upon dissolution:

A society's property cannot be distributed among its members¹⁴. A special resolution can be passed at the time of dissolution to give the property (left after satisfaction of all debts and liabilities) to another society (Sec. 42).



Others: Any change of general body members should be intimated to the registrar within three months in Form VII [rule 17(2)]. A list of the names, addresses and occupation of general body members should be filed with the registrar within six months of annual general meeting [Sec. 16(3), rule 22].

A copy of every special resolution¹⁵ should be filed with the registrar within three months (Sec. 27, rule 26).

All documents of the society filed with the registrar are open to public for inspection on payment of Rs.10 as fee. A separate application in writing should be made to the registrar, if a copy of any document is required (rule 42).

¹⁴ This clause does not apply to any society established by the contributions of shareholders in the nature of a Joint Stock Company. Currently, Joint Stock Company can be formed only under Companies Act, 1956. Therefore, this provision has become irrelevant.

¹⁵ Signed by an authorized officer

The society cannot make any payment as honorarium or salary, etc. to the president or any other officer of the society for any services [Sec. 25(3)].

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