

Raising of Corpus Fund and its utilization by Society.

A co-operative Housing Society can constitute and raised fund as per the Bye-laws of such society. As per the recently amended Bye-laws two important changes have been effected. In effect premium on transfer of a occupancy right has to be as per the Government resolution in that regard. As per the Government Resolution No.....dated 09.08.2001 issued by Joint Secretary Government of Maharashtra Department of co-operation and textile. As per that order the maximum premium has been capped at Rs. 25,000/- for Municipal corporation and Area Development Board, For Class A, B and C Nagarpalika the premium has been capped at Rs. 20,000/-, Rs. 15,000/- and Rs. 10,000/- respectively.

Another amendment is effected by inserting clause J in Bye-laws no.7. as per this amendment a society can constitute a corpus fund as per the Resolutions to be passed in General Body of the society. The General Body of the society can make Rules and Regulations for creation of the fund and its utilization.

This source of fund can be from Developer for redevelopment of Society. It has been specifically made clear in the amendment that for this fund money cannot be taken while transferring Flat / Shares, and right in the capital/ property of the society.

The creation of the fund can be very useful at the time of redevelopment of the property of the society to compensate against increased property tax liability in the redeveloped property.