

Transfer of Shares in case of Sale, Gift or Exchange of Flat/ Unit/ Gala in Co-operative Housing Society. [Under Maharashtra Co-operative Societies Act, 1960]

In a Co-operative Housing Societies, a person who is having an interest in the property of the Society can become Member. The persons who are eligible to become Members are individuals who are competent to contract and the corporate bodies, which are either partnerships, constituted under Indian Partnership Act, 1932, companies constituted under Companies Act, 1956, other entities registered under Societies Registration Act such as Trust, Associations, etc., Co-operative Societies registered under Co-operative Societies Act.

Interest in the property can be acquired by sale, gift, exchange, mortgage, lease, etc. Byelaws of Co-operative Housing Societies provide for procedure to be followed for transfer of shares. A person having acquired interest in the property of the Society should first be admitted as Member and then the shares are either allotted or transferred to such Members and Share Certificate is issued or endorsed to such person.

The requirement includes the followings:

1. Advanced notice of intention to transfer the shares and interest by the proposed transferor [20(1)].
2. Consent of the proposed transferee [20(2)].
3. Application for Transfer of shares by the transferor [Form 21 by Individuals & Form 22 by Corporate Bodies].
4. Applications for Membership of Society by proposed transferee [Form 23 by Individuals & Form 24 by Corporate Bodies].
5. Resignation by outgoing Member.
6. Stamp duty paid and registered documents of transfer.
7. Payment of transfer fees by the transferor, entrance fees by the proposed transferee and transfer premium.

8. Undertaking in the prescribed format to use the flat for the purpose for which it is allotted on which Stamp duty of Rs. 100/- is payable.

On receipt of the intimation of intention by the proposed transferor and proposed transferee, the Secretary shall place the same before the Managing Committee and point out whether the member is prime-facie eligible to transfer the shares. If Member is not eligible because of restrictions under the Maharashtra Co-operative Societies Act, 1960, the secretary will communicate the same to the Member else NOC is not required.

The application will be considered by the Managing Committee. If the society fails to communicate within 90 days of receipt of the valid application for transfer the applicant if he has complied with all the requirements under the Maharashtra Co-operative Societies Act, 1960 and Maharashtra Co-operative Societies Rules, 1961 shall be deemed to be Member. In such cases the applicant shall approach the Registrar for necessary order.

There is separate Article about Transfer of Share in case of Exchange of Flat under the Tab Articles in this website.