Meaning of CP&G Society

With the progress of civilization the benevolent acts gained more and more importance and the device known as ‘Society’ was evolved to fulfill the need of an institution of non-commercial nature for the promotion of numerous charitable activities and they work on non-profit basis. The term ‘Society’ has been described as an of association of persons united together by mutual consent to deliberate, determine and act jointly for some common purpose.

The CP&G Societies are the voluntary consumer organizations formed by groups of consumer activists to promote the consumer movement of the state. The various legislations made by the government are not a conclusive proof for the consumer protection movement. A collective effort on the part of all categories of people is always necessary for the success of the movement.

Formation of CP&G Society.

For the formation of a society there should be a minimum of seven or more persons who have the eligibility of entering in to a contract. Further, they should be
willing to subscribe their names to the Memorandum of Association. The memorandum of association is the charter of the society. It is a document depicting and describing the objects of its existence and its operation. It defines the permitted range of enterprise. Generally, the memorandum of association should contain the matters such as name of the society, principal place of the office, objects for which the society is established, names, addresses and occupation of governing body members, names, address and full signatures of the subscribers to the memorandum of association (signature of the subscribers should be duly witnessed and attested) and copy of the rules and regulations of the society certified to be correct by not less than three of the members of the governing body.

**Registration of CP&G Societies in Kerala.**

Registration of voluntary consumer organization is not compulsory. But registration brings a lot of benefits such as legal status and recognition at all forums, lawful vesting of the various properties of the society, getting grants from various authorities including government, getting approval as per Income Tax Act and opening bank accounts. With a view to enjoying these benefits, majority of CP&G Societies seek registration either under the Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955 or The Societies Registration Act, 1860.

The Travancore-Cochin Literary, Scientific and Charitable Societies Registration Act, 1955, provides for the registration of literacy, scientific and charitable societies in the state of Kerala excluding the Malabar Districts. In Kerala majority of the CP&G Societies are formed and registered on the basis of this Act. The Act was enacted for improving the legal condition of societies established for
the promotion of literature, science. or the fine arts, or for the diffusion of useful knowledge or for charitable purposes.

The Societies Registration Act, 1860, (Central Act), lays down the procedure for registration of societies for bonafide purposes stated in the Act. The Act also aims at improving the legal conditions of societies formed for the promotion of charitable purpose, literature, science, fine arts, diffusion of useful knowledge and culture.

After the filing of memorandum of association along with the certified copies of rules and regulations of the society and remitting a fee of one hundred rupees or such smaller fee as prescribed by the government, the registrar after verification of the documents if satisfied, will grant the registration. When the society is registered, it and its members become bound to the same extent, as if each member had signed the memorandum of association. After the registration the objects of the society as are inconsistent with the provisions of the Act will become inoperative. A registered society becomes a legal person and it gets the capacity to acquire and hold property and can sue and be sued. In the absence of registration, all the trustees in charge of the funds have alone a legal status and the society has no legal status, and, therefore, it cannot sue and be sued. A non-registered society may exist in fact but not in law.

Restrictions regarding the selection of name.

A CP&G Society is known by its name. The following points are considered while selecting the name for the proposed CP&G Society. The suggested name should not reflect indecency or obscenity. Name should not be likely to promote disharmony or feeling of enmity or ill-will between different religions, racial or regional groups.
or castes or communities. The name should not be one, which attracts the provisions of Emblems and Names (Prevention of Improper Use) Act, 1950. Name should not be identical or nearly resemble with the name of existing registered society. The proposed name should not suggest or be calculated to suggest the patronage of Government of India or connection with local authority or any corporation or body constituted by the Government under any law for the time being in force. Any name, emblem, official seals, colourable imitation thereof as specified in Emblems and Names (prevention of improper use) Act, 1950 should not be used without prior permission of the Government. The Registrar has the power to refuse registration if the name is inconsistent with above stated guidelines.

**Registered office of the CP&G Society**

CP&G Society shall have a registered office to which all communications and notices may be served. Notice of the situation of the registered office and of any change therein shall be given by the governing body of the society, within twenty one days after the date of registration of the society or of the change, as the case may be to the Registrar who shall record the same. A society, already registered and in existence at the commencement of this Act, shall, within twenty one days of the date of coming into force of this Act, have a registered office and its Governing body, shall give notice of the situation of the registered office or of any change therein within twenty one days from the commencement of this Act or the change, as the case may be, to the Registrar. If the governing body of a society fails to comply with the requirement of this section, every member of the governing body is liable to a fine not exceeding five rupees for every day during which the non-compliance continues.
Objects of CP&G Society

Object clause is an important part of Memorandum of association of the society. The society once formed will have to act within the boundary of the objects clause. Any action of the society outside the scope of the object clause may be declared ultra vires and null and void. So utmost care should be taken while drafting the object clause. The present and future requirements also should be considered while framing the object clause. The object clause has a direct bearing on the aims of the CP&G Society, which the subscribers to the Memorandum intend to achieve.

Governing Body of CP&G Society

The Memorandum of Association should contain the name, address and occupation of governing body members such as President, Vice President, Secretary, Joint Secretary, Treasurer and Committee members. Whether a member is called a Governor or Director or President, it does not affect his status. These office bearers have distinct existence from individual member. The administration and management of the CP&G Society is entrusted to them jointly. The committee of governing body may give powers to such office bearers to act individually. Since these office bearers have important role to play and fulfill the requirements of law as applicable to society, the Registrar of societies requires their names and addresses so that they can be identified and communications and notices can be addressed to them only.

General meetings and minutes of proceedings of such meetings

Within 18 months from the date of registration of the society the governing body shall convene the first general meeting of the society and there after once at
least in every calendar year and not more than 15 months after the holding of the last preceding meeting. Election of members to the governing body shall be made as provided for in the rules and regulations of the society at the annual general meeting so held provided the minimum number of persons in the governing body shall be three. With in fourteen days from the date of registration of the society a list of members of the first governing body of the society shall be filed with the Registrar. Similarly a list of the governing body members shall be filed with the Registrar within fourteen days after each Annual General Meeting.

The minutes of all the proceedings of the general meetings shall be entered in the books kept for that purpose. The chairman of the meeting shall sign the minutes at which the proceedings were held. If default is made in holding the annual general meeting, filing the list of governing body or recording the minutes of proceedings of general meetings, the society and every member of its governing body who is willfully in default, shall be liable to a fine not exceeding one hundred rupees.

**Meeting of the general body**

The general body shall meet whenever necessary, but at least once in a year. The managing committee before the Annual General Body Meeting for its approval shall place an annual report and audited balance sheet and income and expenditure account of the preceding financial year. Not less than 15 days’ clear notice shall be given to all members for the general body meeting. The general body shall appoint an auditor for the current year. The quorum for all general body meeting shall be 60%. The Managing Committee may convene an extraordinary general body meeting to transact some special business of urgent nature. At least 10 clear days notice
specifying clearly the objects of such meeting shall be given to the members and only the business so specified shall be discussed at such meeting. The President or in his absence the Vice-President or in the absence of both any member voted to the Chair by the Members present shall preside over the meeting of the general body. If one fifth of the active members make a written requisition specifying the purpose to the President or Secretary to convene an extraordinary general meeting the President or Secretary shall be bound to call such meeting of general body.

Powers and duties of the Managing Committee

The Managing Committee has the powers such as taking appropriate steps to carry out the objects of the society, purchasing or otherwise acquire property rights or privileges at such prices and under such terms and conditions as the Managing Committee thinks fit, investing or dealing with funds in such a manner as beneficial to the society and its members; disposing of application for membership from those eligible under the rules and bye-laws of the society; controlling the finance of the society, enforcing the rules and bye-laws of the society; appointing officers, clerks and servants of the society or any other person that the committee feels may be necessary for the society and to remove, demote, dispense with or dismiss them or vary or alter the conditions of service from time to time in such manner as it thinks fit; taking disciplinary action against any member; entering into contract with others for the benefit of the society; convening extra ordinary general meeting of the society; representing the society in any legal proceedings; determining the manner in which bill, notes, receipts, acceptance, endorsements, cheques, releases, contracts and documents shall be signed or executed by or on behalf of the society; appointing sub committees for any specific purpose; filling up casual vacancies in the managing
committee co-opting any other eligible member to fill up the vacancy; borrowing or otherwise raise funds on behalf and for the benefit of the society; deciding in what manner and who should represent the society at meetings, sporting events, delegation, cultural activities etc. at which the society may participate; amending or making bye-laws as may be deemed necessary from time to time for the more efficient working of the society; interpreting the rules and bye-laws of the society and to decide matters not covered by these rules and regulations; taking such other steps as may be necessary for the exercise of any of its powers or for the discharge of any of its duties.

**Functions of President and Vice-President**

The general control of the society is vested in the hands of the President. The secretary convenes the meeting on the direction of the President. The president can appoint in consultation with the Secretary and with the approval of committee such person as they think fit to perform the functions of the society for a special purpose. The President shall execute all documents on behalf of the society. He shall generally perform such duties as appropriate to the office of the President. If the President is absent the Vice-President shall perform the duties of the President.

**Duties of Secretary**

The administrative executive of the Managing Committee is the Secretary. He is having the duties such as preparing the agenda for the meeting, keeping the documents and records of the society, taking appropriate steps to carry out the objects of the society, convening meetings of the Managing Committee as well as general body in consultation with the President, representing the society in all legal
proceedings connected with the society, keeping of a reserve of Rs. 500 to meet day-to-day expenses, keeping minutes book to record the proceedings of the meetings of the Committee as well as the General Body, receiving all applications for membership in the society and place them before the Managing Committee for its consideration and disposal, placing before the Managing Committee all-important correspondence up to the date of the meeting, controlling of the affairs of the office as administrative head, taking all such steps that are necessary to fulfill the aims and objects of the society.

Functions of the Treasurer

As the sole custodian of all the funds and accounts of the society, the Treasurer shall perform the functions such as getting the annual accounts audited by the auditor, looking after and safeguarding the financial interest of the society to the best of his ability, operating the bank account jointly with the president or the secretary, giving effect to all directions and decisions of the society in general meetings or the managing committee, receiving entrance fees, subscriptions, donations and other moneys payable to the society and issue of proper receipts, keeping regular accounts of receipts and payments and submit every month an abstract showing the financial position of the society for the inspection of Managing Committee.

Meeting of the Managing Committee.

All the decisions of the Managing Committee shall be decided by a majority of the members. The President or in his absence Vice-President or in the absence of
both any member voted to the chair shall preside over the meeting. The Managing Committee shall meet whenever necessary but shall meet at least once in two months. The matters before the managing committee shall be decided by majority of votes and when votes are equal the President shall have a casting vote. One third of the total number of members of the Committee or 1/8th whichever is lower shall be the quorum. In case of equality of votes the Chairman shall have a casting vote.

Voting

Every member of a registered society is entitled to vote in all the annual and special general meetings. No member shall be eligible to vote unless he had paid membership subscription up-to-date. Members who do not pay yearly subscription for three years shall automatically cease to be member.

Procedure for meetings

The President is the chairman of the meeting. In his absence the Vice-President shall preside as chairman at the meeting. If both of them are absent any member voted to the chair by the members themselves shall preside over the meeting. The chairman may, with the assent of the majority of the members present adjourn the meeting. In the meeting so adjourned no business shall be transacted other than the business left unfinished. The Secretary in consultation with the President shall fix a day for the adjourned meeting. Notice for such adjourned meeting need be only put on the notice board of the society.
Amendments

For altering, modifying, amending or repealing the rules and regulations of the society a special resolution should be passed by not less than 2/3rd majority of the votes of the members of the General Body present. The proposed amendment shall be notified in the agenda for the meeting.

Vesting of the property of the CP&G Society

If the property of the CP&G Society whether movable or immovable is not vested in trustees, the same shall be deemed to be vested for the time being in the governing body of such society. For all legal matters it may be described as the property of the governing body of such society by their proper title.

Litigations for and against CP&G Society

CP&G Society is a legal entity separate from its members and, therefore, is capable of filing suits against any person or any member. Similarly the suits can also be brought against the society. The society may sue or be sued in the name of the President, Chairman or Members of the Governing Body, Secretary or Trustees, as shall be determined by the rules and regulations of the society and in default of such determination, in the name of such person as shall be appointed by the governing body for the occasion. Any person may sue the society through its President, Chairman or Secretary or the Trustee, if upon an application made to the governing body, some other officer or person be not nominated to be the defendant.
No suit or proceeding in any civil court abates or discontinues by reason of the person by or against whom such suit or proceedings have been brought or continued, upon the death of such person or his ceasing to fill the character in the name in which he has sued or been sued and the same suit or proceedings continue in the name of or against the successor of such person. The decree or judgment passed against any person or officer of the society who represents the society in the legal proceedings, cannot be enforced against the personal property of such person or officer. The property of the society shall only be liable to pay for the decree or judgment passed against the society.

Records to be kept by the CP&G Society

The general body of a society shall cause to keep proper records with respect to Minutes book, File of rules and regulations and the certificates, Membership Register, Receipt Books, Receipts and Payments Book, Stock Register, Assets and Liabilities Register, Pass Books and Cheque Books, Register of Investments, Income and Expenditure Statements, Business Report etc, Notice Book, Correspondence File, Inward Register, Outward Register, Stamp Account Book and Unit/Taluk Files. In case of failure in complying with these requirements, every member of the governing body who has knowingly by his act or omission, been the cause of such default shall be liable to a fine not exceeding one hundred rupees.

Balance Sheet and Audit of Accounts

The governing body of every society shall at some date not later than eighteen months after the registration of the society and subsequently once at least in every calendar year lay before the society in general meeting a Balance Sheet and Income
and Expenditure Accounts for the period, in the case of the first account since the registration of the society and in any other case since the preceding account made up to a date not earlier than the date of the meeting by more than six months. The balance sheet and income and expenditure account shall be audited in the case of the first balance sheet and account, by an auditor appointed by the governing body and in the case of subsequent balance sheet and account, by an auditor appointed by the general meeting. The balance sheet and income and expenditure account shall be signed by at least three members of the governing body when the number of the governing body exceeds three and by all the members when the number is three.

After the balance sheet and income and expenditure account have been laid before the society at the general meeting, a copy of the balance sheet certified by at least two members of the governing body, shall be filed with the Registrar within twenty one days from the date of the general meeting. If the requirements or this section are not complied with the Society and every member of its governing body, which knowingly and willfully authorizes or permits the default, shall be liable to a fine not exceeding one hundred rupees.

Membership of CP&G Society

When a society is registered, the society and its members become bound to same extent as if each member had signed memorandum of association of the society. The society and its members have only such rights as the law recognizes. They no doubt, are separate entities. If a wrong is done to the society it alone can assert and vindicate its rights, and its individual members cannot do so. A suit can be brought to redress it, only by persons representing the society and not by individual members in their individual capacity.
**Membership fees**

The following amounts or the fees fixed according to the rules of the society are levied from the members towards entrance fees and annual subscription.

<table>
<thead>
<tr>
<th>Class of Members</th>
<th>Entrance Fees</th>
<th>Annual Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Patrons/Life members</td>
<td>Rs. 1000</td>
<td>Rs. 10</td>
</tr>
<tr>
<td>B. Ordinary members</td>
<td>Rs. 100</td>
<td>Rs. 25</td>
</tr>
<tr>
<td>C. Institution Members</td>
<td>Rs. 1000</td>
<td>Rs. 100</td>
</tr>
</tbody>
</table>

The annual subscription falls due on the first of April of every year. The entrance fee collected from the members shall be deposited in a separate account in a Nationalized Bank and shall be utilized by committee only for capital investment with the prior permission from the managing committee.

**Register of members**

A member of a society is one who is admitted to the society according to its rules and regulations, has paid subscription provided in the rules, has signed the roll or list of members of the society and has not resigned in accordance with the rules and regulations of the society. It should be noted that no one could claim admission to a society as a matter of right on payment of subscription. The discretion of the governing body is final concerning grant or refusal of admission to a person. A register of members should be kept in the society containing information such as name and addresses and the occupation, if any, of the members, the date on which
each person becomes a member and the date on which any person ceased to be a member.

Rights of members

A member has rights such as receiving notice of all the annual and special general meetings, voting in all annual and special general meetings, moving the District Court for resolving any dispute arising among the members of the Managing Committee or the members of the society, recovering the costs of an unsuccessful suit filed against him by the society or other proceedings brought against him.

Liabilities of members

The members are not free from liabilities. They can be sued as strangers in the matters such as recovery of arrears of subscription, which they are bound to pay according to the rules of the society, recovery of damages where the member is in possession himself or has detained any property of the society in a manner or for a time contrary to the rules and regulations of the society, remedying injury or destruction of the property of the society when the members have injured or destroyed any property of the society.

Similarly members are punishable as strangers for the offences such as stealing, purloining or embezzling any money or other property of the society, willfully and maliciously destroying or injuring any property of the society, forging any deed, bond, security or money receipt or other instrument exposing funds of the society to loss.
Termination of Membership

The membership of any member shall be terminated in circumstances such as resigning himself from the society, failure of the member to pay the subscription for a period of three years, acting against the objects and interests of the society and failure to obey the instructions of the society. Before terminating the membership except in resignation, the member shall be given 10 days notice in writing asking to show cause as to why his membership shall not be terminated. If he fails to submit any explanation without any reasonable cause or if his explanation is not satisfactory, the Managing Committee shall terminate his membership.

Alteration, Extension or Abridgement of the ‘Purpose’ of the society

Whenever it appears to the governing body of the society that, it is advisable to alter, extend or abridge such purpose of the society within the meaning of this Act, or to amalgamate such society, either wholly or partially with any other society, such governing body may submit the proposition to the members of the society in a written or printed report and may convene a special meeting for considering of the matter, according to the regulations of the society. But no such proposition shall be carried into effect unless such report has been delivered or sent by post to every member of the society, ten days previous to the special meeting convened by the governing body for the consideration thereof, nor unless such proposition shall have been agreed to by the votes of three-fifth of the members delivered in person or by proxy, and a second special meeting convened by that governing body at an interval of one month after the former meeting.
Power to call for the accounts and inspection of books by State Government

The state government may at any time call upon the governing body of any society to submit periodically, accounts of income and expenditure and of the assets and liabilities of the society. Registrar shall examine the accounts and other books of the society periodically or any other officer authorized by the state government. The concerned officer shall submit to the government a report on the result of such inspection. It shall be the duty of the governing body and of all persons who are or have been servants of the society to produce before the officer so deputed all books and documents in their custody or power relating to the society and to answer any question relating to the affairs of the society. Thus societies are accountable to the Government also.

If with sufficient reason the Inspecting Officer believes that the accounts and other books and documents of the society are withheld without sufficient reasons, he may after recording the reasons and grounds of his belief, enter and search or cause to be searched any place or may seize any such accounts books or documents. The state government may for the efficient and better management of the society, review the report submitted under sub-section (1) and pass such orders as they deem fit other than those referred to in clause (a) to (c) of sub section (1) of section 25.

Power of the State Government to fine any member of the governing body or servant of the society

The state government may fine any member of the governing body or servant of the society who willfully or contumaciously disobeys any order passed by them.
under Section 19 in an amount not exceeding fifty rupees for each act of disobedience. If the said member or servant fails to carry out the said order imposing the fine, the state government may dismiss him.

The governing body of the society shall be bound to give effect to the order passed by the state government under this section and any failure on their part to give effect to such order shall be deemed disobedience within the meaning of this section.

A person dismissed under sub-section (1) shall be disqualified to be elected or nominated as a member of the governing body for a period of 5 years from the date of such removal unless the state government removes the disqualification. In case in which a member of the governing body is removed or dismissed under Section 20, the vacancy shall be filled up in accordance with the rules and regulations of the society.

**Amendments to memorandum of association or the rules and regulations of a society**

When any amendment is made in the provisions of the memorandum of association or the rules and regulations of a society, a copy of the resolution effecting the amendment, certified to be a correct copy by not less than three members of the governing body shall be filed with the registrar within fourteen days from the date of the general meeting at which the resolution was passed. If delay is made in so filing with the registrar a copy of the resolution mentioned in sub-section (1) of this section the society and every member of its governing body shall be
liable to a fine not exceeding ten rupees for every day during which the default continues.

Dissolution of societies and adjustment of their affairs

Any number not less than three fourths of the members of any society may determine that the society shall be dissolved and thereupon it shall be dissolved forthwith or at the time then agreed upon, and all necessary steps shall be taken for the disposal and settlement of the property of the society, its claim and liabilities according to the rules of the said society applicable there to, if any, and if not, then as the governing body shall find expedient.

In the event of any dispute arising among the said governing body or the members of the society, the adjustments of its affairs shall be referred to the principal court of original civil jurisdiction of the district in which the registered office of the society is situated and the court shall make such order in the matter as it shall deem requisite. It is further provided that no society shall be dissolved unless three fourths of the members shall have expressed a wish for such dissolution, by their votes delivered in person, or by proxy, at a general meeting convened for the purpose. It has further provided that whenever the state government is a member of or a contributor to, or otherwise interested in any society, such society shall not be dissolved without the consent of the state government.