**Society123 Support Services Pvt.Ltd.**
706, Sunshine Bldg; T-39, Shastri Nagar,Andheri (West),Mumbai: 400 053
Phone: 022-4202 0123 Mob: 7400405959
Email: info@society123.com
www.societywiki.com | www.society123.com

ODate: 10th July 2026

**To: Managing Committees of All Associated Housing Societies**

**Sub: Statutory Transition to Rule 106C Series (Effective June 18, 2026)**

The government of Maharashtra has officially enacted the Maharashtra Co-operative Societies (Amendment) Rules, 2026, coming into legal effect on June 18, 2026. This specialized Rule 106C Series completely replaces the archaic, generalized 1961 framework for housing cooperatives. To ensure structural protection and prevent the dismissal of debt recovery petitions, all associated managing committees must execute the immediate compliance modifications detailed below.

## 1. Financial Framework & Billing Discipline

Societies must immediately audit and reconfigure their billing software to align with the new statutory mandates:

- **Service Charges (Rule 106C-12(1)(a)):** Must be distributed equally and uniformly across all units, entirely independent of flat square footage or layout size.
- **Water Utilities (Rule 106C-12(1)(c)):** Billing must shift away from lump-sum municipal pooling. Charges must be computed strictly via a physical tap-count inventory and inlet-size audit of each flat.
- **Non-Occupancy Charges (Rule 106C-12(1)(h)):** Strictly capped at a maximum of 10% of the standard service charge component alone (not the total invoice amount).
- **Default Penalty Interest (Rule 106C-12(1)(f)):** Interest on maintenance defaults is firmly capped at 12% simple interest per annum. Monthly or quarterly compounding interest and discretionary administrative penalties are explicitly prohibited.
- **Mandatory Structural Reserves (Rule 106C-11(2) & (3)):** Collections must be indexed against the architect-certified original construction cost, remaining fixed throughout the lifecycle:
  - *Sinking Fund:* Minimum 0.25% per annum.
  - *Repair Fund:* Minimum 0.75% per annum.

***Legal Consequence:*** *Societies may only levy explicitly authorized charges. Levying unauthorized charges invalidates debt recovery actions under Section 154B-29; defaulting members can challenge the entire recovery petition.*

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**Recommendation:**

In view of the Maharashtra Co-operative Societies (Amendment) Rules, 2026, effective from 18 June 2026, the Managing Committee should review the Society's existing maintenance billing structure and identify the changes required to ensure statutory compliance.

As any revision in the methodology of levying maintenance charges or other billing components affects the financial obligations of members, such changes should not be implemented solely by the Managing Committee. The proposed revisions should be placed before the General Body for consideration and approval by passing an appropriate resolution before implementation, wherever required under the Act, Rules, and the Society's Bye-laws.

Upon obtaining the necessary approval, the Society should update its billing system and implement the revised billing methodology prospectively in accordance with the applicable statutory provisions.

Please treat this implementation process as a matter of highest priority to ensure legal compliance and prevent future member grievances.

**2. General Body 106C-13(3)**

The participation of members in a general body meeting may be either in person or through video conferencing or other audio visual means, to be provided by the society, which are capable of recording and recognising the participation of the members and storing the proceedings of such meeting along with date and time.

**3. Managing Committee Spending Ceilings (Rule 106C-13(5)(b)):**

Single-transaction maintenance disbursements are restricted by society size. Any expenditure exceeding these tiers requires a mandatory Special General Body Meeting (SGBM) financial sanction:

Upto 25 units / members the cap is Rs.1,00,000/-
Upto 26 to 50 members the cap is Rs.2,00,000/-
Upto 51 to 100 members the cap is Rs.3,00,000/-
For societies having 101 to 1000 members Rs.4,00,000/-
Beyond 1001 it is Rs.5,00,000/-

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**4. Statutory Rights & Redevelopment Frameworks:**

- Expanded Credit Capacity (Rule 106C-10): For self-redevelopment projects, societies are now legally empowered to secure institutional credit lines up to 10 times the total value of the entire land parcel

(validated via a Government-Approved Valuer certificate), removing the old constraint tied to nominal share capital.
- Prohibition of Ultra Vires Levies (Rule 106C-12(1)(m)): Transfer premiums beyond statutory limits and forced "voluntary" donations for building festivals are strictly prohibited. The presence of an unauthorized charge line item invalidates summary debt recovery petitions.
- Virtual Redevelopment Assemblies (Rule 106C-13(3)(b)): Special general body meetings for developer selection may now be conducted via Video Conferencing. This requires a mandatory two-thirds (2/3\text{rd}) quorum verification check via digital login logs and complete, tamper-proof video archiving filed with the Assistant Registrar.

**5. Administrative Restructuring & Governance:**

- **Universal Suffrage:** The controversial "Active Member" distinction has been repealed. Every flat owner now holds automatic voting and contestation rights, regardless of past general body meeting attendance records.
- **Provisional Nominee Membership (Rule 106C-6(1)(a)):** Upon a member's demise, the society must grant the registered nominee immediate provisional membership with full voting rights upon submission of Form Y-4 and an Indemnity Bond.
- **Intestate Succession Protocol (Rule 106C-6(1)(b)):** If a member dies without a nomination, the committee must publish a formal succession notice in at least two local daily newspapers. If family disputes surface during this notice window, the transfer must be frozen until claimants provide a court-issued Succession Certificate.
- **Fast-Track Debt Recovery (Section 154B-29):** Societies can bypass civil court delays by applying directly to the Registrar via Form Y-6. Ex-parte Recovery Certificates (Form Y-7) are executable as land revenue arrears within a statutory 3-month target window.
- **Form Overhaul & Training:** Forms J-1, J-2, and M-series, along with Rules 20A and 20B, are completely deleted. Master membership records must be maintained in the revised Form J, and all further filings must use the updated Y-Series formats. Managing committees are also legally required to undergo annual governance training via state-notified cooperative institutes.

**Immediate Action Item:** Managing committees must table a formal General Body resolution to adopt these amended terms, update billing ledger structures, and migrate to Y-series compliance templates.

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**Disclaimer / Recommendation :**
The Maharashtra Co-operative Societies Rules, 2026 have come into force with effect from **18.06.2026**. The amended Rules introduce significant changes relating to the financial framework, maintenance billing, statutory rights, redevelopment, governance, administrative restructuring, and other operational matters applicable to Co-operative Housing Societies.

It is recommended that the Managing Committee place an agenda before the forthcoming General Body Meeting for discussion of the financial framework and billing-related provisions, wherever General Body approval is required for implementation.

A copy of the Maharashtra Co-operative Societies Rules, 2026 shall be kept at the Society Office for inspection by members during office hours. Members may be requested to refer to the same for information regarding the other amended provisions.

**For Society123 Support Services Pvt. Ltd.**

**Authorized Signatory**

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