

THE  
JADAVPUR CO-OPERATIVE LAND  
AND  
HOUSING SOCIETY LTD.

*(Registered under the Bengal Co-operative Societies Act, 1940)*

BYE-LAWS

Preliminary

1. In these bye-laws, unless there is anything repugnant in the subject or context,—

- (a) "Act" means the Bengal Co-operative Societies Act, 1940 ;
- (b) "Rules" means the Bengal Co-operative Societies Rules, 1942 ;
- (c) "Society" means The Jadavpur Co-operative Land and Housing Society Limited ;
- (d) "Registrar" means a person appointed under the Act to perform the duties of a Registrar of Co-operative Societies ;
- (e) "Committee" means the Committee of Management of The Jadavpur Co-operative Land and Housing Society Limited ;
- (f) Words and expressions defined in the Act and the Rules shall have the meanings assigned to them in the Act and the Rules.

Name

2. The name of the Society is "The Jadavpur Co-operative Land and Housing Society Limited."

Registered Office

3. The registered office of the Society shall be at the Jadavpur University Calcutta-32. In the event of any change of the registered office, notice thereof shall be



sent to the Registrar, and to the members of the Society within thirty days of such change and in the manner as laid down in Sub-Rule (2) of Rule 53.

#### Objects of the Society

4. (i) The object of the Society shall be primarily—
- (a) to establish on co-operative basis, settlement for persons with moderate income, by affording each settled, facilities for owning a flat/house and ultimately to develop, as far as practicable, the settlements so established into self-sufficient communities.

In furtherance of the above object the society shall in conformity with the Act, rules and bye-laws have the power to raise funds ; to procure lands on purchase, hire or lease ; to develop, to sell, leave or let out such lands ; to purchase or erect buildings to purchase, hold, sell, exchange mortgage, rent, lease, sub-lease, surrender accept surrenders of and otherwise deal with lands or its tenants and buildings thereon and to foster growth of social recreative, educational, business, and other institutions contributing to the material and moral welfare of its members and generally to do all such other things as are incidental or conducive to the attainment of the above object of the society ;

- (b) to establish colonies in suitable places within the area of operation and to help the members to build houses either independently or in collaboration with, or with the help of Government or any Municipality, Corporation, Improvement Trust or any other local body with a view to removing housing problem of the persons of limited means ;

- (c) to promote economic interests of the members in every respect in accordance with co-operative principles ;

- (d) to establish and carry on social services, recreative and educational work or institutions for the benefit of its members, tenants and, at the discretion of the Society, others.

(ii) In furtherance of its objects the Society shall in conformity with the Act, the Rules and the Bye-Laws have power to do all things it deems necessary including the powers to construct, make, maintain, improve, purchase, hire, lease or otherwise acquire—

- (a) lands of any tenure, buildings, implements and easements and other interests in real estates ;

- (b) personal estates and effects ;

- (c) roads, landing stages, godowns, storsheds, huts, cooly lines or other buildings ; and to hold, sell, exchange, lease, sub-lease, surrender, accept surrender of, and deal with all or any of them in any manner or on any terms or conditions ;

- (d) to provide and maintain water supply, drainage, lighting, sewerage and conservancy systems, parks, gardens, gymnasium, public halls, markets, dispensaries, hospitals, transport services, schools, libraries and other facilities of common interest ;

- (e) to receive money by way of loans, deposits, or otherwise, from members, non-members or any other source and to secure repayment thereof either by mortgaging, assigning or pledging the properties of the society or otherwise.



disposition the forfeiture may be cancelled on such terms as the Committee think fit.

(v) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the society all moneys which at the date of forfeiture were presently payable by him to the Society.

#### Membership

12. (i) Individuals of over 18 years of age who are competent to contract and of good character shall be admitted as members.

(ii) All persons who shall sign the application for the registration of the society shall be original members; other members shall be elected by the Committee hereafter in accordance with these bye-laws.

(iii) Every member must hold at least one share in the society and pay Rs. 5/- as admission fee and sign the Register of Members in token of his acceptance of these bye-laws, otherwise he shall not be permitted to exercise the rights of a member.

#### Election of Members & Allotment of Shares

13. Application for admission as a member and for allotment of shares shall be made in the form as may be prescribed by the Committee for the purpose. Such applications shall be dealt with by the Committee who shall have power to grant admission or refuse it. In the case of rejection the applicant shall have a right of appeal to the General Meeting following such refusal.

#### Appointment of Nominee by a Member

14. A member may, by writing under his hand and deposited with the society during his lifetime, or by a statement made in any book kept thereat, nominate a person or persons to whom, under the provisions of the Act, the Rules and these bye-laws his share or interest in

the Society or so much thereof as is specified in such nomination shall be transferred or paid at his decease.

A nomination so made and registered by the Society may be revoked or varied by any similar writing or statement under the hand of the nominator and deposited or made as aforesaid and similarly registered.

A nomination made at the time of applying for membership shall be recorded free of charge. But for the recording of every nomination subsequently made or of a revocation or variation thereof, a fee of Re. 1 shall be paid to the Society.

A member shall report to the Society the death of a nominee and make a fresh nomination in place of the deceased, where necessary.

#### Proceedings on Death of a Member

15. (a) On receiving satisfactory proof of the death of a member the society may transfer the share or interest of that member to the person or persons nominated in accordance with bye-law 14, or if there is no person so nominated to such person as may appear to the Committee to be the heir or legal representative of the deceased member, or pay to such nominee, heir or legal representative a sum representing the value of such member's share or interest as ascertained in accordance with the Act, Rules and the bye-laws, after deducting all sums due to the society from the member. Provided that the transfer of the share or interest of the member to such nominee, heir or legal representative, as the case may be, shall be subject to his being qualified in accordance with these bye-laws for membership of the society and to his being admitted to such membership by the Committee.

(b) The society may pay all other moneys due to the member from the society to such nominee, heir or legal representative, as the case may be.

(c) All transfers and payments made by the Society in accordance with these bye-laws shall be valid and



**Area of Operation**

5. The area of operation of the society shall be the area lying within the Corporation of Calcutta and the district of 24-Parganas.

**Share Capital**

6. The authorised share capital of the Society shall be Rs. 20,00,000 divided into 20,000 shares of Rs. 100 each.

**Payment on Share**

7. The value of each share shall be paid in full on allotment.

**Liability**

8. The liability of the members for the debts of the society shall be limited to the nominal value of the shares held by them.

**Share Certificate**

9. A member shall be entitled to a share certificate under the common seal of the Society specifying the share or shares held by him. Such share certificates shall be signed by the Chairman, the Vice-Chairman and the Secretary. If such a certificate is worn out, lost or defaced, it may be renewed on payment of a fee of Re. 1 only.

**Transfer of Share**

10. (i) A share may, with the approval of the Committee, by an instrument in writing and in such form as the Committee may determine, be transferred to another member or to a non-member, who is eligible for membership and whom the Committee is agreeable to admit as a member ;

Provided that no member shall be permitted to alienate his share while he is indebted to the society except for the purpose of liquidating his liability to the society.

(ii) The transfer shall not be complete, and the transferer shall be deemed to remain the holder of the share,

until the transferee is admitted to membership and his name is entered in the Register of Members.

(iii) Upon each transfer of share there shall be paid to the Society a fee of Re. 1.

(iv) The Committee shall keep a share register in which there shall be entered the name, occupation and address of the member to whom each share was originally allotted and of each successive holder of the share with the dates of transfer, forfeiture, adjustment or cancellation thereof.

**Forfeiture of Shares**

11. (i) If a member fails to pay any call on or before the day appointed for payment thereof the Committee may at any time thereafter during such time as the call remains unpaid, serve a notice on him to pay the same together with any interest that may have accrued and any expenses that may have been incurred by the Society by reason of such non-payment.

(ii) The notice shall name a further date (not earlier than thirty days from the date of the notice) on or before which the payment required by the notice is to be made and shall state that in the event of non-payment on or before the date appointed, the shares in respect of which the call was made will be liable to be forfeited.

(iii) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Committee to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.

(iv) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Committee may think fit ; and at any time before sale or



effectual against any demand made upon the society by any other person thereafter.

**Withdrawal from Membership**

16. A member, if he is not in debt to the society or otherwise liable to it, may withdraw from the society after giving in writing one month's notice to the Secretary.

**Removal of a Member**

17. A member who has lost any of the qualifications for membership may be removed by the Committee from the Society.

**Suspension and Expulsion of a Member**

18. (i) The Managing Committee may, after due investigation into the conduct of a member and after taking such evidence as may be necessary and by the vote of not less than two-thirds of the members present at its meeting suspend and expel him if in the opinion of the meeting such member has :—

- (a) been a persistent defaulter or/and
- (b) wilfully deceived the Society by false statements, or/and
- (c) intentionally done any act likely to injure the credit of the Society, or/and
- (d) damaged or otherwise misused the dwelling rented to him by the Society or habitually acted in it in a disgraceful manner or in a manner which has caused serious offence to his neighbour, or/and
- (e) wilfully disobeyed any decision of the Committee or any properly appointed officer of the Society or has been guilty of wilful contravention of the Act, the Rules and Bye-Laws of the Society, or/and
- (f) without the previous written permission of the Managing Committee let or sub-let or given

on care taker or lease or license basis or used for accommodating pay-guests or disposed of in any other manner any portion of the dwelling accommodation/shop/godown/garages, etc.

Provided that all cases of suspension, expulsion or removal shall be reviewed by the next General Meeting which may either confirm, modify or cancel the decision of the Committee.

(ii) The Committee shall give the member 15 clear days' written notice of the proposal to expel him.

(iii) A member suspended shall not be entitled to exercise any of the rights of membership during the period of suspension.

(iv) A member suspended or expelled may appeal to the General Meeting against the order of the Managing Committee within one month from the date of communication of the order of punishment.

(v) The Managing Committee on receipt of the appeal shall convene a special General Meeting within three months of its receipt for disposal of the appeal provided, however, if an ordinary General Meeting is held within this period, a special General Meeting shall be held to consider the appeal immediately before the ordinary General Meeting is held.

(vi) The expelled member shall not be readmitted except by a vote of two-thirds of the members present and voting at any General Meeting on a motion of which notice has been given provided that no expelled member shall be readmitted after one year from the date of his expulsion.

**Cessation of Membership**

19. A member shall cease to be such when he has, subject to the bye-laws—

- (a) transferred all the shares held by him ;



- (b) lost the qualifications for membership.
- (c) resigned his membership (or withdrawn from the Society) ;
- (d) been expelled or removed ;
- (e) been dead ; and
- (f) been adjudged by a competent court to be insolvent or of unsound mind.

**Payment in respect of Share or Interests of Expelled, Resigned or Insane Member**

20. Subject to the provisions of the Act, the Rules, and these bye-laws, a member withdrawing, removed or expelled from the Society or when he becomes insane, shall be entitled to repayment without interest within two years of any money paid by him or his predecessors in interest towards the purchase of the shares from the Society.

**Participation of Members in Projects**

21. The Society may take up more than one project. A member shall have option to participate or not to participate in any or all of the projects undertaken by the Society. In case the number of members who intend to participate in a Project is more than the number that can be accommodated in it the selection shall be made in the order of their membership number. Option for choosing plots in an area developed under a Project shall also be exercised in the order of the membership number. When a member exercises option to participate in a project he shall, on his option being accepted by the Committee, buy 4 more shares within 30 days from the date of notice of such acceptance. He shall also pay such further sums from time to time on account of cost of the Project as he may be called upon to do by the Committee.

**Funds, Investments and Borrowing**

22. (i) Subject to the provisions of the Act, the Rules and these bye-laws, the funds of the Society may be raised by—

- (a) issuing shares ;
- (b) obtaining grants, donations, subsidie and financial assistance in any other form from Government and other source.
- (c) demanding payment towards the cost of land from members and tenants ;
- (d) receiving Selami and Premium :

Provided that the total amount under (a) and (b) shall not exceed Rs. 50,00,000 without the sanction of a General Meeting of the Society and the approval of the Registrar, and that the total amount obtained under (b) shall not at any one time exceed 10 times the paid up share capital plus the Reserve Fund of the Society separately invested.

(ii) Subject to the provisions hereinbefore stated, the Committee may, from time to time, obtain advances of money for the requirements of the society from any person, whether a member of the Society or not, with or without security, upon such terms and conditions as they may think fit, provided the rate of interest does not exceed 7% per annum, without the sanction of the General Meeting and also provided that the borrowing limit from non-members be fixed in a General Meeting and approved by the Registrar.

(iii) A separate register shall be kept for all mortgages and charges on each project of the Society.

(iv) Any bond of the society may be made a specific charge upon any land or property of the Society specified therein or in any schedule annexed thereto.

(v) Financial help from Government—The Committee shall be competent to negotiate with, or apply to, and receive



financial assistance from, Government in such manner as may be prescribed in the Act and the Rules or otherwise on such terms and conditions as may be deemed necessary.

(vi) Investment of Funds—The funds of the Society not used in the business may be invested or deposited—

- (a) in a Government Savings Bank ; or
- (b) in the State Bank of India with the prior approval of Registrar.

#### Employment of Funds

23. The funds of the society may be applied in—

- (a) purchasing or otherwise acquiring lands, buildings and other immovable and movable properties and for other purposes specified in bye-law 4 and also for erection of buildings for office and other purposes necessary for the proper conduct of business of the society ;
- (b) paying the establishment, contingent, interest, audit fee and all other usual working and incidental charges ;
- (c) creation of “reserve”, “bad-debt reserve”, “provident funds” and other funds, and in payment of dividend, bonus remuneration ;
- (d) granting loans to the members for construction of buildings on the area developed by the society on such terms and conditions as may be decided by the society ; and
- (e) any other purposes incidental of conducive to the furtherance of all or any of the objects of the society.

#### Charges and Set off in respect of Shares Deposits and other Assets of a Member in the Society against his dues to it

24. The Society shall have a charge upon the share or interest in the capital and on the deposits of a member

or past member and upon any dividend, rebate, bonus or profits payable to a member or past member in respect of any debt due from such member or past member to the society and may set off any sum credited or payable to a member or past member in or towards the payment of such debts (the term debt shall include rent due on lease as well as rates, taxes and revenues etc.)

No dividend or interest on deposit etc., shall be paid in cash to a member who is indebted to the Society. Any such amount payable to him shall be credited to his loan account.

#### Protection of Buildings against Fire

25. Buildings mortgaged to, or let out, by the Society may be required by the Committee to be insured against loss by fire and the premiums thereof shall in that case be payable by, and recovered from, the borrowers and the lessees.

#### Custody of Deeds and Securities

26. All securities held by, and investments on account of, and all mortgage deeds and other documents belonging to, the society shall be deposited and kept for safe custody with the society at its registered office or such other place or places as shall be directed by the Committee, whose authority shall be competent to take all steps that may be considered necessary in the interest of the Society.

#### Annual General Meeting

27. (i) The Annual General Meeting of the Society shall be held at least once in every co-operative year as provided in Section 21 of the Act.

(ii) The first annual general meeting of the Society shall be held within fifteen months from the date of registration.

(iii) The business of annual general meeting shall be—

- (a) to consider the report of the Committee ;



- (b) to consider the audit report and the audited statements of accounts ;
- (c) to fix the maximum amount of borrowing subject to bye-laws 21 ;
- (d) to distribute the profits ;
- (e) to pass the annual budget ;
- (f) to elect directors and such other officers, excepting those whose appointments are vested in the Committee, as the meeting may think fit ; and
- (g) to transact any other business that may be laid before the meeting by the Committee.

#### Special General Meeting

28. (i) Special General Meeting may be held as often as may be necessary by the Committee and shall be held on the requisition of the members, or at the instance of the Registrar, in accordance with the provisions of the Act and the Rules in this behalf.

(ii) A requisition for a general meeting by the members shall state the object of the meeting and be signed by the requisitionists and presented at or sent to the registered office of the Society by any one of them.

(iii) At a special general meeting no subject other than subject notified shall be considered.

#### Notice of General Meeting

29. (i) A notice of the general meeting stating the place, date and hour of the meeting together with a statement of the business to be transacted thereat shall be sent to the members at least 15 clear days before the date of the meeting.

(ii) In the case of a meeting called on the requisition of members a copy of the requisition shall be sent along with the notice of the meeting.

(iii) Any accidental omission to give notice to a member or the non-receipt of the notice by any member shall not invalidate the proceedings of any meeting.

#### Chairman of General Meeting

30. The Chairman or in his absence the Vice-Chairman shall preside over the general meeting of the Society till the general meeting elects its own Chairman. In the absence of the Chairman and the Vice-Chairman, the members present shall elect one from amongst themselves to be the Chairman of the meeting.

The Chairman of the meeting shall maintain order in the meeting and shall control and conduct the proceedings in such manner as may be conducive to the expeditious and satisfactory disposal of business. He shall decide all points of order and his decision upon such points shall be final.

The Chairman of the meeting may direct any member to withdraw for disorderly conduct and the member so ordered shall forthwith withdraw and, unless otherwise directed by the Chairman, shall remain absent during the remaining period of the meeting and shall not be entitled to vote.

In the event of any disorder arising, the Chairman of the meeting may suspend the meeting and adjourn it to such other date or time as he may think fit.

#### Quorum of General Meeting

31. (i) The quorum for a general meeting shall be one-fifth of the total number of members of the society as on the date of the notice of the meeting subject to a minimum of 40 members.

(ii) Except as provided hereinafter, no business shall be transacted at any meeting unless a quorum of members is present at the time when the meeting proceeds to business.



(iii) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, at such adjourned meeting if a quorum is still not present within half an hour from the time appointed for the meeting, the members present shall be a quorum and be competent to transact the business of the meeting.

(iv) If at any time during a meeting, other than an adjourned meeting, after it has commenced with a quorum the number of members present fall below the number required for a quorum, the Chairman of the meeting, on his attention being drawn to this fact, shall adjourn the meeting to such other convenient date, time and place as he thinks fit and the business remaining to be transacted at the meeting shall be disposed of in the usual manner at the adjourned meeting even if no quorum is then present.

(v) The Chairman may with the consent of any meeting at which a quorum is present adjourn the meeting from time to time and from place to place, but no such adjournment shall be made for a period exceeding forty-five days.

(vi) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(vii) When a meeting is adjourned for more than three weeks, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### Voting in General Meeting

32. (i) Every resolution at a general meeting shall be decided by a majority of votes of members. In case of an equality of votes, whether on a show of hands or on a poll

the Chairman of the meeting at which the show of hands take place or at which the poll is demanded, shall be entitled to a second or Casting Vote.

(ii) A resolution which is put to the vote of the meeting shall be decided on a show of hands, unless a poll is demanded by at least 10 members either before or immediately after the declaration of the result of the show of hands, and agreed to by the Chairman; and if no poll is demanded a declaration by the Chairman of such meeting that a resolution has on the show of hands been carried or lost shall be final and, an entry to that effect shall be made in the minutes.

(iii) A member may, while voting by show of hands, demand to have his name recorded as voting for or against any resolution.

(iv) If a poll is duly demanded and agreed to by the Chairman it shall be taken in such manner and at such time as the Chairman may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

(v) (a) A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith.

(b) When a poll is taken, the number of members voting for or against a resolution shall be recorded in the minutes.

#### Minutes of General Meeting

33. (i) The society shall cause the minutes of the proceedings of general meetings to be entered in a book kept for that purpose and such minutes shall be laid in the next ensuing general meeting.

(ii) Unless the minutes are drawn up and duly signed by the Chairman of the meeting immediately on the termination of the meeting, the minutes, free from all alterations or corrections, shall be drawn up and signed by



the Chairman of the meeting within 72 hours from the time when the meeting terminated. The minutes so signed shall be evidence of the proceedings of that meeting.

#### Committee

34. The business of the society shall be carried on and managed by a Committee who may pay all expenses incurred in getting up and registering the society and may exercise all such powers and do all such acts and things as may be exercised or done by the society, and are not hereby or by statute expressly required to be done or exercised by the Society in a general meeting, but subject nevertheless to the provisions of the Act, the Rule and these bye-laws and to any regulations made from time to time in a general meeting and in force for the time being. The Committee shall enter into all such agreements make all such arrangements, take all such proceedings and do all such acts and things as may be necessary and proper for the due management of the affairs of the society and for carrying out the objects for which it has been established and for securing and furthering its interests in every way.

#### Qualifications and Disqualifications of the Members of the Committee

35. (1) Subject to the provisions of the Act, the Rules and these bye-laws every member of the society above the age of 21 years shall be qualified to be elected or appointed as a director ( a member of the Committee).

(2) A member shall not be eligible for election or appointment as a director if he —

- (a) has been adjudged by a competent court to be insolvent or of unsound mind ; or
- (b) is concerned or participates in the profits of any contract with the society ; or
- (c) has been punished with imprisonment for an offence involving moral turpitude ; or

- (d) holds any office or place of profit under the society ; or
- (e) has been a member of the society for less than twelve months immediately preceding the date of such election or appointment.

#### Constitution of the Committee

36. (i) The Committee shall consist of 12 elected Directors, but the first Committee may consist of 9 members.

(ii) The managing committee of the society shall be constituted by—

- (a) election from amongst members at the annual general meeting ; or
- (b) election from amongst members at the annual general meeting and appointed by the Registrar when he decides to appoint in the manner, as provided in rule 32.

(iii) The managing committee so constituted shall, immediately after the general meeting, elect a Chairman and a Vice-Chairman and other office bearers necessary from among themselves.

(iv) The Directors shall be elected by open vote at the annual general meeting.

(v) The Directors of the society shall retire annually from office and shall be eligible for re-election :

Provided that no Director, who has held office for more than three consecutive years, shall be eligible for re-election within a shorter interval than two years from the date of his retirement without the previous permission of the Registrar.

(vi) The vacancies caused by the retirement of the Directors shall be filled up by election at the general meeting at which they retire.



(vii) A casual vacancy in the office of an elected Director shall be filled up by co-option by the remaining Directors of the committee within six weeks from the date of vacancy and the director so co-opted shall retire at the next annual general meeting and the vacancy thus caused shall be filled up at such meeting by the election of a Director for the remainder of the term of office of the Director in whose place the vacancy originally occurred.

(viii) The Chairman or any other Director or any office bearer may be removed from office at any time by a resolution of Special General meeting which may thereupon proceed to fill his place by a resolution carried by a majority of the votes given thereon.

#### **Powers and Duties of the Committee**

37. Without prejudice to and not so as to limit or restrict any of the powers by these presents, or by the statutes conferred upon them, it is hereby expressly declared that the committee shall have the following powers :—

- (a) To purchase or otherwise acquire on behalf of the Society property, rights, privileges or things which the society may acquire at such price and generally on such terms and conditions as they may think fit.
- (b) To buy, sell, hire, mortgage, let out and develop land and buildings and other properties of the society and decide terms thereof and to make such arrangements as may be necessary for their upkeep, safety, periodical repairs and payment of rates, taxes and premiums, etc.
- (c) To enter into any arrangement with any company corporation, firm or person carrying on any business similar to that of this society for mutual connections or for any joint working

or combination or for any pooling of business or profits that may seem desirable, and carry the same into effect.

- (d) Subject to the approval of the General meeting to give or to allow any pension, gratuity, bonus or compensation to any employee or employees of the society or its predecessors in business or his widow or children that may appear to the Committee just or proper, whether such employee his widow or children have or have not a legal claim upon the society.
- (e) To commence and carry on or defend, abandon or compromise any legal proceedings whatsoever including proceedings of insolvency on behalf of the society or refer any claim or demands by or against the society to arbitration and to observe and perform the awards and to accept compensation from or give time to any debtor or contributory owing money or alleged to owe money to the society.
- (f) To give receipts, releases and discharges on behalf of the society,
- (g) Subject to the bye-laws, the Act and the Rules, invest and deal with any of the monies of the society not immediately required for the purpose of its business in such manner as they may think fit, and to vary such investments or release the amount invested therein.
- (h) Subject to the approval of the General meeting to give indemnities to any member of the society or other person who has undertaken or is about to undertake any liability on behalf of the society and to secure such member or other person against loss by giving him a mortgage or charge upon the whole or any of



- the property of the society (present and future) by way of security.
- (i) To remunerate any person rendering service to the society whether in its regular emolument or not in such manner as may seem fit whether by cash, salary, bonus, commission or fees either in any particular transaction or generally or howsoever otherwise.
  - (j) To enter into all such negotiation and contracts and rescind and vary all such contracts and execute and do all such acts deeds and things in the name and on behalf of the society as they may consider expedient in relation to any of the matter aforesaid or otherwise for the purposes of the society.
  - (k) To engage, fix and pay the remuneration of and dismiss or discharge all managers, solicitors, lawyers, consulting-engineers, architects, surveyors, accountants, brokers actuaries clerks, organisers, servants and other persons employed or to be employed in or in connection with the society's business.
  - (l) To appoint any person or persons to be the Attorney or Attorneys of the society for such purpose and with such powers, authorities and discretions not exceeding those vested in or exercisable by the Committee and for such period and subject to such conditions as the Committee may from time to time think fit.
  - (m) Subject to the bye-laws, to raise or borrow any sum or sums of money for the purpose of the society and from any persons, societies, firms, banks, companies to secure the payment of such monies in such manner and upon such terms and conditions as they may deem fit and proper.

- (n) To enlist new members and to deal with applications from them.
- (o) To co-opt new members of the committee and to fill up any casual vacancy thereof.
- (p) To consider applications from members for registration, change or cancellation of nominees.
- (q) To deal with the cases of arrears of dues to the society and failure to observe obligations undertaken.
- (r) To receive and disburse monies as may be required.
- (s) To transact all other business expressly assigned to it by the general meeting incidental to the management of the society.
- (t) To make arrangement for the safe custody of cash and documents.
- (u) To appoint special sub-committees of members and non-members experts, if necessary, in furtherance of the objects of the society and to do all such acts and things as are incidental, or which the committee may think conducive to the attainment of the objects of the society or any of them.
- (v) To grant loans to the members of the Society for construction of buildings on the area developed by the Society on terms and conditions approved by the General meeting.

All acts done by the committee shall, notwithstanding that it shall be afterwards discovered that there was any defect in the appointment or qualification of any member or members thereof, be valid as if every member had been duly appointed or was duly qualified so long as he was not removed from the office by the general meeting or by the Committee.



**Duties of the Committee**

38. In conduct of the affairs of the society, the Committee shall exercise the prudence and diligence of a man of business and shall observe in all their transactions the Act the Rules and these bye-laws and shall be responsible for any loss sustained by the society through their acts contrary to them.

The committee shall also, subject to any direction of the general meeting cause—

- (a) to receive and disburse monies ;
- (b) to specify which of the officers shall keep books of accounts, keep other books and registers, shall prepare returns and statements, and shall keep cash ;
- (c) to enter the accounts of the society in proper books timely and regularly ;
- (d) to maintain true accounts of the monies received and expended and the accounts of the assets and the liabilities ;
- (e) to prepare and submit to the annual general meeting an annual report, the annual statements of accounts, the proposal for distribution of profit, if any, and the annual budget estimate ;
- (f) to prepare the statements of accounts in due time for audit and to place them before the auditors ;
- (g) to prepare and submit in due time all statements, accounts and returns required under the provisions of the Act and in such other forms as may be required by the Registrar with regard to the business of the Society ;
- (h) to maintain such registers and books as may be required under the Act, the Rules and these bye-laws.

- (i) to facilitate inspection of books and accounts by those entitled to inspect them ;
- (j) to convene general meetings on requisition ;
- (k) to convene the annual general meeting in due time ;
- (l) to examine and take prompt action in cases of all arrears and defaults in payment of charges payable by a member or non-member.
- (m) to remove and rectify all defects and irregularities pointed out at audit.

**Meeting of the Committee**

39. The Committee shall meet for the transaction of the business of the society at least once in a month and more often, if necessary ;

Provided that if there be no business to be laid before the committee, the Secretary with the approval of the Chairman instead of calling the meeting shall give notice of the fact to each director.

Notice of a meeting in writing shall be sent to every director specifying the place, date and hour of the meeting with a statement of business to be transacted thereat at least ten days before the date of the meeting.

The Chairman of the society shall preside over all meetings at which he is present. In the absence of the Chairman, the Vice-Chairman shall take the chair or in his absence the directors present shall elect one of them to be the chairman of the meeting.

The quorum at a meeting shall be one-third of the total number of the directors.

Every resolution at a meeting shall be decided by a majority of votes and if the votes be equal the chairman shall have a second or casting vote.

Any three directors may requisition a special meeting of the committee by giving seven clear days notice. The



requisition shall specify the object of the meeting and shall be signed by the requisitionists and delivered at the office of the society.

At such special meeting no business other than that specified in the notice shall be transacted.

Minute, in which shall be recorded the names of the directors present at, and the proceedings of each meeting of the committee, shall be drawn up and fairly entered in a book to be kept for that purpose, and shall be laid before the next ensuing meeting of the Committee and signed at such meeting by the Chairman thereof.

If the Registrar so direct a copy of the minute of the proceedings shall be forwarded to him within ten days from the date on which the minutes of the proceedings of such meeting is signed by the Chairman as aforesaid.

Every director present at any meeting shall sign his name in a book to be kept for that purpose.

#### The Chairman and the Vice-Chairman

40. The committee shall elect every year a chairman and a vice-chairman and such other office bearers from amongst themselves as may be required.

If a casual vacancy occurs in the office of the Chairman or the Vice-Chairman the Committee shall elect a director to fill such vacancy, and the Chairman or the Vice-chairman so appointed shall continue in office so long only as the person in whose place he is appointed would have been entitled to continue in office.

#### Powers and duties of the Chairman and the Vice-Chairman.

41. The Chairman or the Vice-Chairman in the absence of the Chairman shall exercise such powers and perform such duties as are conferred or imposed on them by the Act, the Rules and these bye-laws and may from time to time be conferred or required by the General meeting or the committee. All orders passed and all acts

done by the Chairman or the Vice-Chairman in the absence of the Chairman, in cases of urgency shall be placed before the committee in the next meeting immediately following such passing of orders or performance of duties :

Provided that the Chairman or the Vice-Chairman as the case may be, shall not act in opposition to or in contravention of any order given or decision taken by the committee at a meeting or exercise any power or perform any duty which is expressly required to be exercised or performed by the committee in a meeting.

#### Secretary

42. The Committee shall appoint a proper person to be the Secretary of the Society for the conduct of its affairs. The Committee may appoint a part-time Secretary until the business of the Society so expands that a whole-time Secretary is felt necessary.

#### Powers and Duties of the Secretary

43. Subject to the general direction of the committee the Secretary shall conduct the business of the Society and for the purpose he shall exercise such powers and perform such duties as may be conferred and imposed on him by the Committee from time to time under the guidance of the Chairman.

#### Removal of an Officer

44. (1) Any officer appointed by the general meeting may be removed from his office by a resolution of a general meeting (specially convened) for the purpose.

(2) Any director who fails to attend six consecutive meetings without previous permission of the Chairman obtained in writing may be removed from his office by the Committee.

#### Cessation of Membership of the Committee

45. A director shall cease to hold office if—  
(a) he becomes subject to any disqualification as



to membership of the Society ; or any disqualification mentioned in Rule 35 ; or

- (b) he resigns his office ; or
- (c) he dies.

#### Disposal of Profits

46. (1) Subject to the provisions of the Act and the Rules, the net profits of the Society shall be distributed in the following order, namely—

- (a) twenty-five per centum or such higher proportion as the general meeting may decide shall be carried to the reserve fund ;
- (b) five per centum of the balance of the net profit, after allocation to the Reserve Fund or one half per centum of the gross earning of the Society or Rs. 5000, whichever is lowest, shall be contributed to the Co-operative Development Fund.

(2) The balance may subject to the provisions of the Act and the Rules and in accordance with the decision of the General Meeting, be applied to all or any of the following purposes, namely—

- (a) payment of a dividend on shares, which shall not exceed 9 per centum ;
- (b) contribution to the "Provident Fund of Members and Employees" at a rate not exceeding the amount of contribution made by the members of the employees ;
- (c) for remunerating any body for any specific service rendered to the society ; for payment of bonus to the member or employees at such rates, not exceeding  $6\frac{1}{4}$  per centum of the net profits, as may be recommended by the committee and approved by the general meeting ;
- (d) for any charitable purpose permitted by the Act and the Rules ; and

- (e) for carrying forward to next year's account or to such special fund as may be determined by the general meeting.

#### Reserve Fund

47. (1) The Society shall maintain a reserve fund in respect of the profits, if any, derived from its transactions.

(2) The reserve fund shall consist of—

- (a) not less than twenty-five per centum or such higher proportion of the net profits annually carried to the fund ;
- (b) admission fees after deducting preliminary expenses incurred in constituting the society ;
- (c) the value of forfeited shares ;
- (d) the lapsed dividends and fines ;
- (e) any other amount that may be allocated by the society out of its profits.

(3) The reserve fund shall belong to the society and shall be indivisible and no member shall have any claim to a specific share in it :

Provided that in case of division of the society into two or more new societies, the reserve fund may, with the sanction of the Registrar, be distributed equitably amongst the new societies.

(4) The reserve fund, with the previous sanction of the Registrar, shall be available for all or any of the following purposes :—

- (a) to cover any loss, such drawings upon it being re-imbursed from the profit ;
- (b) to meet any call on the society which cannot be met otherwise, such payments being reimbursed when fresh collections are made ; and
- (c) to serve as security for loans which the Society may contract.



(5) The society may, in special cases, if the Registrar so permits, draw on the reserve fund without being required to reimburse the same from the next accruing profit.

#### Use of Reserve Fund in the Business of the Society

48. The society may, subject to such conditions, if any as the Registrar may impose, use in its business

- (a) up to one-fourth of its reserve fund when the owned capital is less than the borrowed capital ;
- (b) up to one-half of its reserve fund when the owned capital is equal to or exceeds the borrowed capital, and
- (c) the entire reserve fund when there is no borrowed capital.

#### Investment of Reserve Fund.

49. The reserve fund not used in the business of the society shall be invested or deposited—

- (a) in the Government Savings Bank ; or
- (b) in any of the securities specified in section 20 of the Indian Trust Act, 1882, other than those specified in clause (e) of that Section ;
- (c) in any other bank approved by the Registrar.

#### Dividend

50. (1) The Society may, subject to the approval of the general meeting, declare dividend ; but no dividend shall exceed the amount recommended by the committee.

(2) No dividend shall be paid otherwise than out of net profits actually realised and certified as such by the auditor.

(3) All dividends shall be declared and paid according to the amounts paid on the shares. A period less than a month as well as paise may be neglected while calculating dividend.

(4) All dividends remaining unclaimed for three years after the declaration thereof may, at the discretion of the committee, be adjusted against the dues outstanding, if any, against the members concerned or, be forfeited to the society and all claims thereto shall in that case be extinguished.

#### Supply of Bye-Laws to Members and Publication of Balance Sheet

51. (a) Every member shall be supplied with a copy of these bye-laws on payment of rupee one only.
- (b) The Society shall publish every year its balance sheet in the manner prescribed in the Rules.

#### Inspection of Books by Members

52. All books and registers except the registers or ledgers of deposits shall be open to the inspection of members after a week's notice presented to the Secretary, and no member (not being a director) shall have any right of inspecting any account or book or document of the society except as authorised in a general meeting or as hereinbefore provided.

#### Inspection of Books by Public and of supply of copies

53. (1) The society shall keep open to inspection free of charge at all reasonable times at its office—

- (a) a copy of the Act ;
- (b) a copy of the Rules ;
- (c) a copy of these bye-laws ;
- (d) a copy of the (latest audited) Balance Sheet ;
- (e) the Register of Members ; and
- (f) the Register of Directors.

(2) Certified copies of any document which a member of the public has a right to inspect shall, on application, be supplied under such terms and conditions as the



Committee may with the approval of the Registrar determine.

(3) The fees for supply of copies shall be a sum calculated at the rate of 25 paise for each one hundred words of the copy or extract. The minimum fee for any such copy or extract shall be 50 paise irrespective of the number of words contained therein.

#### Settlement of Disputes

54. Any dispute as provided in Chapter IX of the Act which cannot be decided by the committee shall be referred to the Registrar in the manner as prescribed in the Rules.

#### Amendment of Bye-laws

55. Any of these bye-laws may be altered or rescinded or new bye-laws made at a general meeting in accordance with the Rules in this behalf and such amendment will come into force after it has been registered by the Registrar.

#### Accounts

56. (1) The Committee shall cause proper books of accounts to be kept with respect to—

- (a) all sums of money received and expended by the society and the matter in respect of which the receipt or expenditure takes place ;
- (b) the assets and liabilities of the society.

(2) The Committee shall also cause to be kept vouchers, documents, receipts and such other papers and books as may be required to support the entries in the books of accounts.

(3) The books of accounts shall be kept at the registered office of the society, and shall always be open to the inspection of the members of the Committee.

#### Internal Supervision and Audit

57. The Committee may arrange for such internal supervision and audit as it may deem proper and shall

introduce such "Internal Check" as the Registrar may from time to time direct.

#### Representation

58. The Chairman, the Vice-Chairman and the Secretary or the Secretary and two other directors including either the Chairman or the Vice-Chairman shall execute and sign all deeds, documents creating, disposing or otherwise negotiating the properties and funds of the society and in particular shall draw, accept, make, endorse and negotiate all bills of exchange, cheques, drafts, promissory notes, debentures, securities and other documents standing in the name of or held by the Society.

Provided that in the case of cheques and drafts for depositing with the banks of the society and all receipts of money or document by way of acknowledgment, the Secretary or the Cashier or any other officer or employee duly authorised by the Secretary may sign on behalf of the Society.

#### Seal

59. (1) The Committee shall provide a common seal for the purpose of the society. The seal shall be in the personal custody of the Secretary.

(2) The seal shall not be affixed to any instrument or document except under the authority of the committee and in the presence and attestation of the Secretary or such other person as the committee may on an emergency appoint to seal and attest documents in the Secretary's absence.

#### Evidence

60. On the trial or hearing of any dispute or action or suit to be brought by the Society against any member or his representatives to recover any debt or money claimed to be due to the Society in respect of his shares it shall be sufficient to prove that the name of the defendant or of the person whom he represents is or was, when the



claim arose on the register of members of the Society as a holder of the shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Society, and it shall not be necessary to prove the appointment of the committee who made any call or that a quorum of the committee was present at the meeting at which any call was made or that the meeting at which any call was made was duly convened or constituted or any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debts.

#### Notice

61. (1) Any notice required to be served by the Society upon a member shall, subject to the provisions of the Act, Rules and these bye-laws, be given in writing and delivered or sent by post to the registered address of the member.

(2) Where a notice is sent by post, service of the notice shall be deemed to be affected by properly addressing, prepaying and posting a letter containing the notice.

(3) All notices to be given on the part of any member shall be left at or sent through the post to the registered office of the Society.

(4) The non-receipt by a member of any notice shall not affect the validity of the proceedings of any meeting or of the liability attaching to such notice.

(5) Every person, who by operation of law of transfer or other means whatsoever shall become entitled to any share, shall be bound by any and every notice or other documents, which previous to his name and address being entered upon the register in respect of the share, may have been given to the person from whom he derived his title and who is registered.

(6) When any notice or document, in accordance with these bye-laws, is delivered at or sent to the registered

address of a member or to his agent as above provided, then notwithstanding he be then deceased and whether or not the Society has notice of his decease, such service of notice or other documents shall, for all purposes of these bye-laws, be deemed service thereof on his nominee, heirs, executors, administrators or other legal representatives.

#### Dissolution

62. The society may be wound up, with the approval of the Registrar upon a resolution carried by three-fourths of the members present at a special general meeting called for the purpose.

#### General

63. All matters not specifically provided for by these bye-laws shall be decided according to the terms of the Act and the Rules and if there be no provision in the Act or the Rules applicable to such matters, then, subject to these bye-laws and the approval of the Registrar, shall be decided in such manner as the Committee may determine.