

Bye - Laws of the Mutually Aided Cooperative House Building Society Limited.

1. Number, Name and
Address of the Society :

2. Date of Registration :

3. Starting date of the
Society

4. Date of affiliated to
the bank and Name :
the Bank

5. Date of Affiliation to the
A.P. State Coop Union :

6. If affiliated to any other
Societies with dates

7. Area of operations of :
the Society

**THE _____ MUTUALLY AIDED
COOPERATIVE HOUSE BUILDING
SOCIETY LIMITED**

BYELAWS

1. The Name of the cooperative society shall be _____

_____.

In Telugu it shall be known as _____
_____.

it shall be a Cooperative House Building Society registered under the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995.

2. The head office of the society shall be situated in Hyderabad and the address of the society for the time being shall be in the _____
_____.

AREA OF OPERATION AND CORPORATE STATUS :

3. The society shall be a corporate body with perpetual succession and common seal and with powers to hold property, to enter into contracts, to sue and to be sued. The geographical area of operation of the society extends to the entire state of Andhra Pradesh.

DEFINITIONS :

4. Words and expressions appearing in these byelaws shall have the following meaning unless the context otherwise requires :

- A) ACT means the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995;
B) BOARD Means the Board of Directors of the society;
C) GENERAL BODY Means the body of all members of the Society;
D) MEMBERS means full - fledged members of the society;
E) REGISTRAR means the Registrar within the meaning of the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995;
F) SECRETARY means the person appointed for looking after the day to day administration of the society;
G) SOCIETY means The Andhra Pradesh Commissioner and Director of Municipal Administration Employees Mutually Aided House Building Society Limited;

OBJECTIVE :

5. The objective of the society is to promote economic and social betterment of its members through thrift, self-help and mutual aid in accordance with the principles of cooperation as enunciated in Section 3 of the Act.

ACTIVITIES & SERVICES :

6. In furtherance of its objective, either by itself or in collaboration with other cooperative, financial and development organisations, the society will.
- a) offer housing services in pursuit of providing housing facilities to members ;
- b) assist, encourage and afford all facilities and programmes meant for enhancing the economic productivity and income of persons and asset formation in the name of persons and provide housing facilities;

- c) Encourage and assist activities and programmes promoting persons' self-employment, income generation, health, education etc.;
- d) Promote, assist and undertake cottage and small-scale industries, group production activities, for gainful employment of persons;
- e) Arrange for technical and vocational training for persons;
- f) Procure, pool, purchase, store, utilize and distribute inputs required for persons housing activities and consumer articles and durables needed for societies' requirements;
- g) Arrange for storage, grading, processing, value addition, packing, transportation and sale of housing material to the members of the society;
- h) Encourage and afford all facilities for cultivating the habit of thrift and savings among members;
- i) Receive all types of short, medium and long term deposits and in particular thrift, recurring, fixed and other deposit; from its members;
- j) Lend, advance, grant short-term, medium-term, long-term and other types of loans to the members with or without security for housing facilities productive and asset formation purpose;
- k) Formulate and implement such relief, benevolent, mutual aid and welfare schemes for the economic and social betterment of the past and present members and their families;
- l) Offer financial and development counseling and implement necessary programmes for the overall welfare and development of the members and their community;

- m) Liaise with related agencies such as governments, regulatory authorities, financial institutions, banks, national and international development agencies, federal cooperatives, local bodies etc., for obtaining any benefit or promoting the interests of the members and the society;
- n) Lobby for more supportive legislation, government policy and public support for augmenting the interests of thrift and credit societies and their members;
- o) Publish and distribute educational, training and management material of interest to members;
- p) Prepare projects on behalf of its members for financial and technical assistance from other organizations, and implement them;
- q) Enter into arrangements with any government, state, Municipal, Local or any authority or with any local national and international development agencies and to obtain any advantage for the society or for its past and present members and their families;
- r) Subscribe or contribute or otherwise to assist or to guarantee money to charitable, educational, health, benevolent, scientific, cultural, and public utility institutions or such objects and purposes having relations to the development and welfare of members and the society;
- s) Invest its resources including surplus funds in shares and securities, movable and immovable properties in nonspeculative manner for the advantage of the society and furtherance of its aim;
- t) Collaborate with cooperative, financial and development organizations in financial and technical terms and promote subsidiary or new organizations, if necessary;

- u) Undertake an activity and provide necessary services for the welfare of its employees;
- v) Undertake any other activity which is incidental and essential for attainment of its aim;

MEMBERSHIP :

7. Any permanent employee of Commissioner and Director of Municipal Administration, Hyderabad, who has completed 18 years of age and of sound mind and is a permanent resident of the area of operation of the society, and who is committed to the principles of the society as envisaged in the bye-laws and repay the loans taken on time as per the repayment schedule and abide by the code of conduct, if any as may be evolved by the society from time to time and willing to accept responsibilities of membership is eligible to become a full-fledged member of the society.
8. A person who (a) has completed 60 years of age, or (b) is adjudged by a court as insolvent, or is an undischarged insolvent, or (c) has been sentenced for any offence involving moral turpitude, or (d) a person who is already a member of any other society with the same or similar object of the society and who avails himself of the services of such other society shall not be entitled to similar services by the society, (e) is a member who resigned and a period of three years has not elapsed from such date or (f) is an employee of the society shall not be eligible for becoming a full-fledged member of the society.
9. The applicants have to apply for membership in such form as required and specified by the Board and submit it to the president who will in turn place it before the Board for approval. The decision of the Board on this matter is final, subject to the provisions of the Act. The applications for membership shall

be disposed within 90 days from the date of application and the decision together with reasons shall be communicated to the applicants. In case it is decided to admit the applicant as full-fledged member of the society, the applicant has to remit atleast the value of one share amount and an entrance fee of Rs. 10/- only.

10. Any person/organization who wishes to subscribe deposits other than regular thrift deposits and avail such other services may enrolled as nominal members of the society on submission of an application in the specified format and on payment of Rs 10/- as entrance fee, confirming to the guidelines and procedures as set out in the rules of business and administration by the Board in this regard. The enrollment of nominal members shall be ratified in the subsequent Board meeting.

WITHDRAWAL AND CESSATION OF MEMBERSHIP :

11. A member may voluntarily withdraw from membership by submitting an application in the specified format, after satisfying all obligations and dues outstanding on own account and as guarantor; or
12. The membership of an individual in the society shall cease
 - a) On resignation from membership after satisfying all obligations and dues outstanding on own account and as guarantor; or
 - b) on acquiring any of the disqualifications mentioned above in Bye-law No.8; or
 - c) on becoming defaulter of amounts due to the society beyond 180 days; or
 - d) on death, or
 - e) on not attending the annual general meetings consecutively for three years, without the permission of the President/Secretary; or

f) on expulsion from membership by the general body/ representative general body of society as the case may be for activities detrimental to the interests of the society

13. In the case of withdrawal/termination/cessation of membership, the plot allotted to of member be allotted to his/her nominees/legal heirs in case of his/her death, in accordance with the rules of business and administration of the society. The Board shall take all actions to recover the dues outstanding from any member, irrespective of original due dates and other conditions, in case of cessation of membership. In case of expulsion of a member for the activities detrimental to the interests of the society/members the society may forfeit the amounts standing to their credit in the society.

Nomination :

14. (1) If a member dies his membership shall ipso facto cease;

(2) every member may nominate any person or persons to whom the profits or assets of the society or any other money due to him shall be transferred or paid. The number of persons so nominated shall not exceed the number of shares held by the member. When a member nominates more than one person in respect of shares held by him he shall as far as possible specify of whole shares.

(3) A nomination made by the member or any variation or revocation thereof shall not be valid and shall not in the event of the death of the member have effect unless.

(i) It is made in writing in Form-I and signed by the member in the presence of at least two witnesses; and

(ii) It is entered in the books of the Society kept for the purpose.

(4) If no nomination has been made by a member the Society shall on the death of the member by a notice exhibited at the office of the society invite claims or objections for the transfer or payment of the share or interest of the deceased member to a her or legal representative with the time specified in the notice. After considering the objections or claims if any received in this behalf and after making such enquiries as the Managing Committee considers necessary shall decide to the person is the he or the legal representatives of the deceased member to such person he shall be admitted as a member before the transfer of share in his name is given effect to.

(5) In case of payment of value of share or interest of other money due to the deceased member, the Managing Committee shall obtain sureties for the amounts involved in such payments from two members of the society.

15. Should a member cease to be eligible for membership the society shall remove his name from the list of members and shall pay back within responsible period to such member the share capital already paid by him, with dividend declared if any after deducting there from the money, if any, due from him to the society either as principal debtor or as surety.

LIABILITY OF PAST MEMBER AND ESTATE OF DECEASED MEMBER :

16. (a) A past member shall be liable as provided in bye-law 3 for the debts due by the society, as it existed on the date when he ceased to be a member for a period two years from such date. The date of a deceased member shall be liable as provided in bye-law 3 for the debts due by the society as they existed on the date of decease for a period of two years after his death.

(b) The liability of a past member who ceased to be a member or the estate of the deceased member who died within two years immediately preceding the date of the order of

winding-up shall continue until completion of liquidation proceedings; but such liability shall be limited only to the debts of the society as they existed on the date of cessation of membership or death, as the case may be.

EXPULSION OF A MEMBER :

16. (1) If a member deceives the society in any way or in he has acted adversely to the interest of the society or if his general conduct is such as to render his removal necessary in the interests of the society it shall be competent to the general body by a resolution at its meeting by the votes of not less than 2/3rd of the numbers present and voting at the General Meeting to expel a member after giving him an opportunity to make his representation if any. An expelled member shall be paid all monies due to him from the society. A member who drives the society to court to recover the money due from him shall for that reason be expelled from membership. An expelled member shall be liable as provided in bye-law 3 for the debts due by the society as they stood on the date of his expulsion for a period of two years after such expulsion.

MINIMUM PERFORMANCE OF MEMBER :

17. Each full-fledged member of the society shall pay the necessary fees, charges etc and shall not default any other sum to the society beyond 180 days during an year on demand for payment to be made for providing housing facilities.
18. Members who have not satisfied the criteria mentioned in byelaw no. 14 and who have not been a member of the society for the last one year as on the date of notificaton of election or the date of meeting as the case may be, shall not be eligible to exercise any of the rights of membership including the right to vote on any matter and contest in elections as Delegates/Directors.

19. Without prejudice to the rights and privileges conferred on members by the Act, each full-fledged member shall be entitled to
- a) Receive receipts and certificates for the deposit and loan amounts he/she paid;
 - b) Participate in the general body meetings of the society in person;
 - c) Participate in elections if he/she has the right to vote;
 - d) Verify the byelaws, Act, minutes book pertaining to the general body meetings, reports and compliance reports and audit, special audit and inquiry, voters lists and such accounts as relate to her, during business hours on payment of fee as decided by the Board from time to time.
 - e) Receive all services on satisfying the required criteria; and
 - f) Receive interest on capital and patronage rebate when the society earns surplus.
20. The nominal members shall be eligible only to avail such services and benefits offered by the Board to that category, but not entitled either to participate in any of the generator meetings or to vote on any matter, or to be elected as directors of the Board or for any share in the profits, or assets or liabilities of the society.

NATURE AND EXTENT OF LIABILITY OF MEMBER & PAST MEMBERS ETC :

21. The liability of the members, past members and office bearers to the debts contracted by the society shall be limited to the share capital paid by them in the society. The liability of a past member for the debts of the society as they existed, on the date of cessation of their membership shall continue for a period of two years from such date.

POWERS AND FUNCTIONS OF GENERAL BODY/ REPRESENTATIVE GENERAL BODY :

22. The General Body shall comprise of all full-fledged members of the Society.
23. The General Body is the ultimate authority on the affairs of the society, It shall control all its affairs and deal with all the matters as specified in Section 20 of the Act.
 - a) Constitution reconstitution and disbanding of the Representative General Body;
 - b) Alteration any provision in the byelaws relating to the Representative General Body;
 - c) Promotion of subsidiary and new organization; and
 - d) Amalgamation, liquidation and dissolution of the society

FREQUENCY AND QUORUM FOR GENERAL BODY :

24. The meeting of the General Body/Representative General Body will be of two types :
 - (a) Annual General Meeting, and (b) Special General Meeting
25. The Annual General Meeting of the General Body shall convened by the Board at least once in every year, before end of July.
26. The Board may, at any time call a special general body meeting of the society as the case may be. It shall call such meeting within thirty days after receipt of requisition in writing from atleast 1/10 of the total number of members or at the request of the Registrar or at the request of the Federation to which the society is affiliated. A requisition for a special General Meeting shall state the purpose of the meeting and such meeting transact only the subjects specified in the notice.

27. A meeting of the General Body may be convened by the Boards as and when necessary by giving a clear 30 days notice through the President. The notice may be sent either by post or by hand delivery or by publication in local news papers. The quorum for any General Body meeting is 1/3rd of the total number of members or 100 members, whichever is less.

BOARD OF DIRECTORS :

28. The Representative General Body where it exists, or in the absence of Representative General Body, The General Body shall at its annual general meeting shall elect three directors from among its constituents every year, for a period of five years, such that there are fifteen directors on the Board at any given point of time, provided that at the first election all the Directors shall be elected that at the first election all the Directors shall be elected at once and their terms staggered by drawl of lots specifying different terms. The retiring Directors are eligible for re-election. In case of any vacancies arising on the Board, the Board may fill those vacancies by cooption from eligible members or delegates as the case may be till the next elections are conducted. The vacancy should be notified in the next election and the member elected against the vacancy shall have the remaining period of the term on account of whom the casual vacancy arises
29. The criteria for being chosen as Director and for continuing as Director shall be as per the provisions of section 21 of the Act, A Director shall cease to be Director if he/she ceases to be a Member/Delegate or if he/she absents himself/herself at three Board meetings consecutively without the permission of the president.
30. The board shall elect from among its Directors immediately after its election a president and Vice-President for a period of one year. The retiring office bearers are eligible for re-election.

The Board has the right to remove a President Vice-President at any time during their tenure and elect new once from among them.

31. The Board shall meet atleast once in three months
32. A Board meeting shall be convened by the President by giving a clear 7 days notice sent by post or by hand delivety to all directors. An emergency meeting may be convened with a shorter notice, whenever the Registrar or a Federation to which the society is affiliated requests, or on the request of three Directors. A requisition for emergency meeting shall state the purpose of the meeting and such meeting shall transact only the subject specified in the notice.
33. The quorum for a Board Meeting shall be atleast Eight Directors. Every decision will be taken by a simple majority. The president shall have only a casting vote in case of equality of votes. Any Director absent at three consecutive Board Meetings without leave of absence or who ceases to be a Delegate/Member as the case may be shall cease to be Director of the society.

POWERS OF BOARD :

34. In addition to the functions specified under the provision of the Act, and the Byelaws the Board shall.
 - a) admit members and terminate membership;
 - b) interpret the organizational objectives and set up specified goals to be achieved towards these objectives;
 - c) make periodic appraisal of operations and plan and budget;
 - d) formulate rules of business and administration and policies governing the deposits, loans and advance invest-

ment of funds, borrowing, benevolent, relief and welfare schemes admission of members, settlement of accounts and disputes, maintenance of accounts, office procedures authorization of accounts, acquisition, maintenance and sale of assets, staff, etc and arranges for carrying, on the business and administration of the society as per the byelaws, and the rules made there under;

- e) raise funds for society and control all financial affairs and review the accounts of the society;
- f) appoint attorneys, agents, etc, for society to defend and institute legal proceedings on its behalf;
- g) acquire, purchase, own, lease, mortgage, hypothecate dispose off any movable and immovable assets for attaining the aim of the society.
- h) Formulate policies on all staff matters including recruitment, selection, appointment, promotion, disciplinary action, suspension removal, remunertion etc.,
- i) Appoint a secretary for looking after the day to day administration of the society.
- j) Fix fees, subscriptions, contributions, etc to be paid by members to society, for specific purposes as per the criteria laid down;
- k) Open branches and /or regional offices for the efficient conduct of business and administrative convenience and greater member participation;
- l) Appoint branch management committees and such other committees with specific functions, powers, tenure, remuneration etc., and reconstitute the same or remove any or all the committee members at any time;
- m) Make policies on utilization and investment of funds of the society;

- n) Fill up the vacancies on the Board, if any, by cooption for the period remaining in the term of the vacating Director as per the provisions of Byelaw no. 35;
- o) Arrange for audit and submit the report and accounts to the general body/representative general body;
- p) Appoint internal auditors with specific functions, powers, tenure, remuneration etc, and reconstitute the same or remove any or all of them at any time;
- q) Authorize/designate officers for operation of accounts with banks and other organizations;
- r) Authorize / nominate its Directors/ Staff to represent it at Federations and other forums;
- s) Elect and remove President and vice President;

POWERS OF PRESIDENT & VICE- PRESIDENT

- 35. The President shall have overall supervision and control over the affairs of the society. The president shall preside over all the Board and General Body meeting. The president shall be one of the signatories on all legal documents executed by the society.
- 36. The vice-President shall discharge the duties, perform the functions and exercise the powers of the President during the vacancy in the office of president, or in the absence of the president for more than one month.

POWERS OF SECRETARY :

- 37. The Secretary shall have the following powers functions and responsibilities.
 - a) Convene the meetings of general body. Board and other committees and take actions for implementation of the resolution;

- b) Maintain the records and properties;
- c) Manage the funds and maintain the accounts, and the day to day management of the business;
- d) Appoint staff, determine power functions responsibilities and remuneration of the employees;
- e) Exercise administrative control on all employees;
- f) Operate the accounts of society with banks and other institutions, endorse, sign, encash cheques; and endorse, transfer, negotiate promissory notes, securities and other instruments on behalf of society, along with such officer as the Board may resolve;
- g) Sign on behalf of society and carry out its correspondence
- h) Furnish the Board with periodical information necessary for appraisal of operation and assist the Board in formulation of policies and in planning;
- i) Be a member on all committees by the Board except on committees where his/her personal matter are involved;
- j) Perform all functions assigned by the General Body/Representative General Body, Board and the resident.

- 38. The Secretary shall be the officer to sue or be sued on behalf of the society.
- 39. The Secretary may delegate any of his/her functions to any of his subordinate officer of the society with the approval of the Board.

POWERS OF TREASURER :

- 40. The Treasurer shall take charge of all nominees received by the Society and shall make disbursements in accordance with the directions of the Managing Committee secretary and Presi-

dent. On cash book he shall sign in correctness and produce the cash balance whenever called upon to do so by any member of the committee or registrar or any other officer authorized by the Registrar by the Central or special order for the purpose and may retain in his personal custody a sum not exceeding the limit fixed by the managing committee from time to time.

SHARE CAPITAL :

41. The authorised share capital of the society shall be Fifty thousand Rupees made up of Five hundred shares of One hundred Rupees each (500*Rs.100)

SHARE HOLDING OF A MEMBER :

42. Each member shall hold atleast five shares. No member of the society should be given shares exceeding one fifth of the total authorised share capital of the society share certificate shall be issued to the members for the value of the shares paid.
43. No member shall be permitted to withdraw any of the share held by him in the society or resign his membership within 3 years from the date on which he was admitted as a member. Ater such period he may withdraw any of his shares with consent of the Managing Committee or resign his membership provided that there are no dabts or any amounts due from him to the society. A member whose liability to the society have been reduced to an amount less than his paid up share capital may also be permitted to withdraw such portion of the share capital as is in excess of his liability, but in either case the share capital of the society after withdrawal plus the value of sites and buildings of the remaining members according to the calculation made on behalf of the Government as on June 30th proceeding should be at least 50 percent in excess of the outside liabilities of the of the society including liability to Government on the date withdrawal.

SOURCES, TYPES AND EXTENT OF FUNDS :

44. The resources to support the activities of society shall consist of :
- a) fees, subscriptions, donations, contributions, share capital, regualr thrift and other types of deposits loans etc from its members;
 - b) Grants, donations, deposits, loans, guarantees and other contributions from governments, banks and other financial instructions, cooperative, corporate bodies national and international development agencies and individual for general, as well as specific purposes; and
 - c) returns and receipts arising from the regualr course of business and investment of trust, capital and endowed funds.
45. The maximum borrowings of the society by all means shall not exceed a sum of ten times of the sum of the paid up share capital and thrift deposits paid by members and accumulated reserves minus any losses.
46. Each individual member of the society shall contribute to thrift deposits at such regualr intervals and at such rate as specified by the Board from time to time. The thrift depositors shall contributed by the member as long as he/she continuance to be the member of the society.

PURCHASE OF LAND FOR CONSTRUCTION OF HOUSES :

47. a) Subject to such resolutions as the General Body may from time to time pass, the Managing Committee shall have full power to do all things which they dream necessary or expandent for the accomplishment of all the objects specified in bye-law 2 including power to purchase, hold sell, exchange, mortgage, submortgage, rent, lease, sub lease, and surrender and accept surrenders of land or houses and to construct houses.

PURCHASE OF LAND :

- b) It shall be competent for the Managing Committee.
 - 1. To buy lands only after the approval of the Collector of the District and completion of the formalities;
 - 2. To render the lands so purchased fit for habitation;
 - 3. To lay down streets, roads and parcels out the land as house-sites;
 - 4. To sell or lease or otherwise deal with the sites to members and others on such terms as they may determine;
 - 5. To provide and maintain facilities for water supply drainage, lighting & similar works of common utility.

PROCEDURE GOVERNING ALLOTMENT OF PLOTS TO MEMBERS :

- 48.
 - 1. The Society shall, before taking up [- the proposal for plots from its members who are not already provided with or allowed plots by this of any other co-operative society;
 - 2. The society shall maintain a register for applications and enter therein in a chronological order the particulars of applicant, dates of receipt of applications type or area of the plots required and the amounts deposited towards cost of the plots and such other particulars as may be prescribed;
 - 3. Plots shall be allotted strictly on receipt on receipt of applications after the layout is approved;
 - 4. The society shall, as far as possible, endeavor to acquire an extent of site sufficient to meet the entire demand of the members the society and shall subdivide and demarcate the site into plots or suit the needs of the applicants;
 - 5. When the total number of plots is equal to the total number of applications from the member by means of plots drawn

by the Managing Committee at a meeting convened for the purpose after due intimation to all the applicants. Mutual exchange of plots may be allowed by the Managing Committee. The choice of the applicants for particular plots shall, however, be considered by the society if there is no competition for the same;

- 6. If the total number of plots is not sufficient to meet the needs of all the applicants for plots, then the allotment shall be made in the order of admission to membership of the applicants. Provided that all such applicants have remitted necessary deposits and are otherwise eligible for the allotment of plots. Among such allottees the allocation of plots shall be decided by plots. If the total number of plots is more than the number of applicants at the time, the surplus plots should be reserved for future applicants;
- 7. No member shall be allotted more than one plot;
- 8. In the case of joint family one person, as may be decided by the members of such family shall alone be considered for allotment of a plot on behalf of the entire joint family. A certificate shall be obtained by the society from each member that no member of the joint family has been allotted a plot either by or any other co-operative society.
- 9. Persons who are already owning house plots or houses either in their names or in the name of any member of their families in the town or the area covered by shall not be eligible for allotment of plots by the society. A suitable declaration should be obtained from each applicant.
- 10. Every member to whom a plot has been allotted shall construct a residential house in accordance with the plans and designs approved by the society and all Town Planning Department. As such other competent authority within a period of one year from the date of allotment of the plot. If he requires any load from the society under low-income-

group housing scheme he may, however construct the house after the loan is sanctioned but the application for loan shall be made within a period of six months from the date of conveyance of the site. In the deserving casts.

Where the committee is satisfied, extension of time, not exceeding six months, may be granted, when site allottees propose to construct his house with his funds . If a member fails to construct the house within the period stipulated the society may, with the permission of the registrar, resume the site and allot is to another member. The amount of the plot paid by the member, from whom the site has been resume, shall be paid back to him to him on its allotment to another member.

11. Every member shall pay the cost of the plot allotted to him within a period of 90 days, from the date of allotment and betterment levy as charged by the society shall also be paid by the member within the time presented by the society.
12. The society shall execute the sale-deed for the plot allotted to a member on payment of all costs and fees in full such costs shall include the cost of the land, the legal fee registration charge and betterment etc., Before the society executes the sale-deed, the member shall also execute an agreement undertaking to pay to the society an additional levy that may be made by the society to meet any such further charges at to may have to incur in connection with the plot allotted to the member.
13. No person to whom a plot has been allotted shall alienate the same, with or without construction thereon a member or any other person without the prior approval of the Managing Committee of the Society.

TRANSACTIONS WITH NON MEMBERS :

49. The transactions of society with non-members i.e. who are neither full-fledged or nominal members shall as per the stipulations as specified by the Board in the rules of Business and Administration from time to time.
50. The funds of the society including its reserves shall be spent for the purpose for which they are specifically meant for and carrying on the activities and services mentioned in byelaws no. 5 and 6 and for attainment of its aim.
51. The maximum borrowing limit of an individual member from the society on account of all types of loans and advances shall not exceed a sum as may be specified by the Board from time to time.
52. The rates of interest payable on thrift deposits, savings deposits, recurring deposits, fixed and other deposited, method of calculation of interest incentives and other terms and conditions governing these deposits shall be as per rules of business and administration as decided by the Board of Directors from time to time.
53. An individual member who wants to take a loan from the society shall make an application in the specified format and provide any other information as required by the society. The member shall also furnish the guarantee and sign a promissory note and other document as specified by the society. The borrower may be asked to provide such other collateral security in case of necessity.
54. The rates of interest of various types of loans, documentation, surety and other terms and conditions as decided by the Board of Directors from time to time.

DISPOSAL OF NET SURPLUS AND CONSTITUTION OF FUNDS :

55. The net surplus shall be disposed as follows:
- a) an amount equivalent to 10% to Deficit Cover Fund;
 - b) 10% to General Reserve Fund;
 - c) 20% to bad Debts Reserve;
 - d) 20% to the Building fund;
 - e) 10% to the Educational Fund to be operated by the Society;
 - f) 10% to Patronage Rebate Fund;
 - g) 10% to Community Development Fund;
 - h) 10% to Staff Welfare Fund;

The funds thus created shall be credited, at the end of every year with an interest at a rate not less than the rate of interest paid by any scheduled bank on one year fixed deposits

AUDIT :

56. The General Body or the Representative General Body as the case may be, shall at its annual general meeting appoint a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949, for conducting its financial audit and fix their powers, tenure and remuneration. It may entrust with the Auditor such other functions as it thinks necessary.

APPROPRIATION OF RECEIPTS :

57. The receipts from a members shall be appropriated in the following order;
- a) Firstly, to fees, fine, other charges;
 - b) Secondly to penal interest; and then to interest;
 - c) Thirdly to loan principal and the remainder to thrift deposits.

FIRST CHARGE :

58. The society shall have first charge on all amounts outstanding to the credit of the member in the society and if may set off any portion or entire amounts, to any liabilities of the member on own account or as guarantor. The society shall also have first charge on the movable and immovable properties of the member towards the debts of the society on own account or as guarantor.

ACCOUNTING YEAR :

59. The accounting year of the society will be 1st April to 31st March of the succeeding year.

PROCEDURES :

60. The provisions of the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995, the Bye-laws and Rules of business and administration of the Society shall be applied and adhered to in respect of procedures of the following matters.
- a) amendment of byelaws;
 - b) mobilisation and investment of funds;
 - c) settlement of disputes; and revisions;
 - d) maintenance of books of accounts and records;
 - e) audit of accounts;
 - f) attachment and recovery of debts, execution of decrees;
 - g) rights and privileges of society; and
 - h) liquidation, amalgamation and division.

SETTLEMENT OF DISPUTES:

61. The General Body shall appoint various committees to deal with various issues including settlement of disputes concern-

ing the affairs of the society, and a supervisory committee from active patronising members to undertake performance and policy audit of the society.

DISSOLUTION :

62. The society may be dissolved or liquidated in accordance with the provisions of the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995.
63. In the event of liquidation of the society, any funds remaining after the fulfillment of all liabilities and the other liabilities shall be disbursed in proportion to the share capital of such members as are not defaulters on the date of the settlement of members is taken up.
64. Any amount that can not be shared with members for whatsoever reason shall be given as a donation to another organisation with similar objectives, with the approval of the General Body.

OTHERS :

65. The office bearers, staff, board and general body shall discharge their functions in accordance with the Act, byelaws and rules of business and administration and without prejudice to the specific functions assigned to others.
66. The Board of Directors shall be competent to interpret the byelaws and to remove difficulties in a suitable manner that may arise in day to day affairs of the society.

67. The first set of Board of Directors as selected by the promoters shall be competent to manage the affairs of the society till elections are held and the new Board assumes charge ie, within 60 days of registration of the society.

Certified that proposed byelaws are adopted by us at our meeting held on.

Signature of Promoter

- 1.
- 2.
- 3.
- 4.