

# **THE INDIAN NAVY CIVIL EMPLOYEES' CO-OPSOCIETY LTD.,**

REGD.NO: B-1107, NAVAL BASE , VISAKHAPATNAM.

## **BYE LAWS**

### **1. Name, Constitution and Address:**

The Indian Navy Civil Employees' Co-Operative Society Limited, No.B-1107 is registered as a Cooperative Society under the A.P.C.S. Act 7 of 1964. Its address shall be The Indian Navy Civil Employees' Co-Operative Society Limited, Naval Base, Visakhapatnam - 530 014. Its area of operation shall be confined to the limits of Eastern Naval Command, Visakhapatnam District.

### **1 (a) Definitions :**

The definitions of Registrar, Act, Rules, Committee, Cooperative year, Dividend, General Body, General Meeting, Officer, Rebate, Tribunal, Default, Defaulter, Benami Loan may be read as defined in sec 4 of the APCS Act 1964.

### **2 OBJECTS :**

The objects shall be

- i) To borrow funds from members or others to be utilized for loans to members for useful purposes.
- ii) Generally, to encourage thrift, self-help and Co-operation among the members.
- iii) To undertake such other business activity or trade not being inconsistent with Co-operative principles for economic betterment of the members.
- iv) To Promote or pay insurance cover to the members of the Society such as Accident policy and Medical and Health policies for the betterment of the members.

**2 (a) Co-operative Principles:**

1. Voluntary and open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation among Cooperatives
7. Concern for community

**2 (b) Cooperative Values:**

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality and solidarity. In the tradition of their founders, members of Cooperative Societies believe in the ethical values of honesty, openness, Social responsibility and caring for others.

**3. MEMBERSHIP :**

Member means, a member of the Society and the Government, Any unit of Eastern Naval Command are also eligible for admission as a member. Any person who is regular or continuously employed in Indian Navy, SBC, DGNP and Indian Navy Canteen Services and having more than 7 years of service remaining, residing within the area of operations contained in Bye law no. 1 may become a member and continue as per the act and rules. As such provided that no person can claim admission as a matter of right. When such Qualification cease to exist, the member shall cease to be member. No person who is already a member of any other Cooperative Credit Society whether Limited or Unlimited except Consumer Stores, House Building Society shall be admitted as the member of the Society.

**Note:** Employees who are having less than 7 years of service remaining may be allowed for membership, if he agrees that he will not claim for the benefits of D.C.R.B.

**3 a)** Membership is also allowed to employees of the units mentioned in 3 (a) who are the members of the society by the time of their retirement and defence personal working in Eastern Naval Command for the purpose of opening any category of deposit account by paying share capital and admission fee.

**4. Application for Membership :**

Application for admission as a member and allotment of shares shall be made to the Secretary in the form prescribed. The application shall be submitted duly recommended by the Personal Manager/Administrative Officer. Every member shall pay an admission fee of Rs. 10/- and a minimum Share capital. A maximum Share Capital of Rs.10,000/- consisting of 1,000 shares may be allotted to the member with the permission of Board of Management depending on the Loan sanctioned to him. The admission fee of Rs. 10/- shall not be payable to nominees or Heirs of deceased members for shares claimed by them either by nomination or by succession.

**5. Admission to Membership :**

The Society shall admit a person as a member subject to the condition that the society is in a position to extend its services to such individual and when a person is admitted to membership, the General Body shall indicate in the resolution

the number of shares allotted to him. The General Body shall not without sufficient cause refuse admission to membership to any person duly qualified under byelaw No. 3 & 3a While refusing admission, it shall record the reasons for such refusal. Where admission is so refused, the decision with the reasons therefore shall be communicated to such persons by the society as provided in the Act. Persons so admitted shall pay the share capital for the number of shares allotted and also admission fees as provided in byelaw After payments are made, his name and other particulars shall be entered in the admission register of the society.

- (b) An appeal shall lie to the Coop. Tribunal under the Act against refusal of admission to the membership within 60 days from the date of communication of the refusal to the applicant.

**6. Register of Members :**

Every member shall write or get written his / her name in the register of members along with the description and his / her address and shall sign a declaration that he will be bound by the existing bye-laws of the Society. That may legally be effected during the period of his membership. Thereupon he acquires all the rights and obligations and responsibilities of a member, subject to other provisions of the Act, the Rules and the byelaws.

**7. Nomination :**

- 1) If a member dies his membership cease lpsco-facto.
- 2) (a) Every member may nominate any person or persons to whom in the event of his death the value of his share of interest

in the profits or assets of the society or any other money due to him shall be transferred or paid. Such Nomination shall in the event of the death of the member given effect by the Board of Management provided.

- i) The Nomination was signed by the deceased in the presence of two witnesses attesting the same.
  - ii) The Nomination has been registered in the books of the Society for the purpose.
- (b) The Legal heir declared by the state authorities.

**8. Withdrawal of Membership and Share Capital :**

No member is entitled to withdraw from membership of the Society and claim refund of his/her shares partly or wholly within a period of two years from the date of his / her admission. After the expiry of such period a member may with the sanction of the Board of Management after giving one months notice to the society withdraw from membership and his/her full paidup share if he/she is not directly or indirectly, indebted to the society either as a principal debtor or as surety. The Managing Committee shall refund the value of fully paid up share within 1 year from the date of decision.

**9. Cessation of Membership :**

1. **The Membership of the society shall cease in cases of:-**
- a) Dismissal from service
  - b) Expulsion from society
  - c) Resignation from service
  - d) Resignation from society ( if accepted by the committee)
  - e) Insanity
  - f) Bankruptcy
  - g) Retirement from approved service
  - h) on death. And
  - i) during the period in which his pay is attached by the court;
  - j) Due to failure to transact such minimum business or utilize minimum services or facilities in a year as may be specified in the byelaws .

k) Due to failure to attend two consecutive general body meetings in two years without leave of absence; or l) Due to failure to give information relevant to him to the society as specified in the byelaws; m) In all these cases the accounts will be adjusted as decided by the general body in accordance with Act, Rules and byelaws and circulars of the Registrar. n) A disqualified member shall be removed by the General Body on its own motion. Or on a representation made to it by any member of a society or its federal society or its financing bank after following the procedure laid down the Act and Rules.

**10. Expulsion of a Member :**

- a) Any member who has acted adversely to the interests of the society shall be expelled upon a resolution of the General Body passed at its meeting following the procedure laid down in the Act. For the following reasons among others as may be decided by General Body.
- b) Dishonesty in his/her dealings with the society or acting contrary to its interests;
- c) Conviction for criminal offence involving moral turpitude.
- d) All the expelled member are returned within six months the paid up value of the shares without dividend or interest after deduction of any sum due by them to the society either as principal debtor or surety.

**11. Share Capital :**

The Share Capital of the Society shall for the present be Rs. 10,00,00,000/- made up of 1,00,00,000/- Shares of Rs.10/- each. The value of each share shall be paid in lumpsum on allotment. A maximum Share capital of Rs.10,000c consisting of 1,000 shares may be allotted to the member with the permission of the Board of Management.

**12. Thrift Deposit :**

Member of the Society shall pay the Thrift Deposit every month through salary to a minimum of Rs. 200/- and maximum as decided by the Board of Management from time to time depending on the Basic Pay / General Loan availed by the member. And also can deposit Thrift of any amount voluntarily. The rules and regulations to operate this will be decided by the Board of Management from time to time.

**13. Death cum Retirement Benefit Fund :**

Every member of the Society shall contribute every month towards DRBF. The monthly contribution shall be decided by the board of management from time to time. The amount payable in the event of the death of a member or retirement, superannuation, voluntary retirement, resignation will be decided by the Board of Management depending on the availability of Funds. Necessary rules and guidelines will be framed by the Board of Management. The Society may pay full or part of the premium for Loan Insurance, Personnel accident policy, for members and staff from the Society funds depending on the Financial viability of the Society

**14. Deposits :**

- i) Fixed Deposits, Recurring Deposits, School Recurring Deposits can be taken from all the members of the society and persons working in Eastern Naval Command and their families on payment of interest as may be decided by the Board of Management from time to time and which should not be more than the interest charged on loans issued to members..
- ii) Deposits can also be taken from the funds of establishments covered in Eastern Naval Command in the interest of the society on payment of interest as decided by the Board of Management from time to time.

**15. Other Borrowings :**

Board of Management shall be competent to Borrow funds from institutions Registered under Cooperative Societies act., Commercial Banks and other financial institutions to meet the requirements of the members. The bonds shall be executed by any one among the president, secretary Asst. secretary or Treasurer and two other directors.

**15 a). Borrowings :**

The maximum Borrowing power of the Society shall be 50 times of the Share capital, Thrift Deposits and Reserves.

**16. Managing Committee :**

The Managing Committee shall consist of 15 members including the President, Vice-President, Secretary, Asst. Secretary and Treasurer. The members of the committee shall be elected by the general body in accordance with in provisions of the byelaws as amended from time to time. The President, vice-President, Secretary, Asst. Secretary and Treasurer will be elected by and among the committee members. The term of the members of the managing Committee shall be for a period of five years. The term of the Managing Committee commences from the date of assumption of charge by the Committee and end by 5 years from that date. All the members of the Managing Committee shall be elected at one and the same time for the specified period of five years. Any casual or interim vacancy or vacancies shall be filled up by Cooption by the remaining members of the committee at a meeting. The members of the committee coopted in any casual vacancy shall vacate office on the day on which the term of the office of the committee expires. It shall be open to the General Body to remove at any time any member and elect another member in his place and the member so elected will hold office only for the unexpired period of the original term. The proceeding of the Managing Committee shall not be

invalidated on account of any vacancy or vacancies in the committee. The resignation letters tendered by the members of the committee including the President may be processed as per the provisions of A.P.C.S Rules.

17. The members of the Board of Directors shall be elected by the general body for a period of five years for each of the following constituencies from among the members.

Constituency No: 1 All civilian employees those who are working in INHS Kalyani, Station Health Organisation, INS Virbahu, INS Sathavahana, INS Eksila, Fleet Maintenance Unit, Base Supply Office, Naval Coast Battery, INS Kalinga etc. 1 Director

Constituency No: 2 All Civilian Employees Those who are working in CT pool, INS Circar, Head Quarters Eastern Naval Command, DGNP, Russian Hostel, COMCEN, INCS and other Establishments working in Naval Base, Visakhapatnam. 1 Director

Constituency No: 3 All civilian employees those who are working in Naval Dockyard as Non Industrial employees i.e. Civilian gazetted officers, civilian technical officers, supervisory staff, Ministerial staff, M.T.Drivers, Firemen, Safaiwalas and Canteen Staff Yard Craft personal etc. 2 Directors

Constituency No. 4 All civilian Employees those who are working in Naval Dockyard as Industrial Employees. 7 Directors.

Constituency No.5 All categories of civilian employees those who are working in Ship Building Centre. North Yard Complex, MTC Coast gaurdetc. 1 Director.

Constituency No.6 All categories of Employees those who are working in Material Organisation(v),NAD,CINA, DSC Platoons and establishment situated in adjacent areas. 2 Directors.

Constituency No. 7 All categories of civilian employees those who are working in Base Victualling Yard, Command Transport Workshop, Weapon Equipment Dept. and INS Dega. 1 Director.

18. The Managing Committee meet once in a month or often if necessary to conduct the affairs of the Society. The quorum for a meeting of the Managing Committee shall be majority of total strength of Members irrespective of a vacancy in the office of the Managing Committee Members. All questions before the Managing Committee shall be decided by a majority of votes and should there be a equality of votes, the President or other Presiding member shall have a casting vote. No member of the Managing Committee shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency where there may not be sufficient time to convene a meeting of the Managing Committee and in all cases in which such a procedure may, from time to time, as prescribed by the Managing Committee, the Secretary may obtain the orders of the Managing Committee by circulation of papers among the members. Such decisions arrived at by circulation shall be placed before the next meeting of the Managing Committee for their ratification. Should a difference of opinion arise in the course of such circulation, the matter shall be placed before the meeting of the Managing Committee.

**19. Cessation of membership of the committee for not attending committee meetings and reinstatement:**

Should a member of the Managing Committee absent himself / herself from three consecutive meetings of the committee. He / She shall cease to be a member of the Managing Committee, but it shall be open to the Managing Committee to reinstate him / her on a written requisition from him explaining the reasons for such absence.

Provided that he / she shall not be reinstated more than once during the term of the committee.

**20. Powers of the Managing Committee :**

The Committee of a society shall subject to the provisions of the Act, Rules, byelaws and resolutions of the General Body, exercise the following powers and functions, namely

- (1) Recommend the admission of members to General Body.
- (2) Recommend on allotment of shares to members and transfer of shares to general body.
- (3) Recommend removal of the members disqualified under provisions of act. to the General Body.
- (4) Recommend removal of any of the committee members disqualified under the provisions of the act. and reinstatement of a committee member who ceased to be such member of the committee and place the reports before the general body.
- (5) Raise funds in the form of loans or deposits and invest them.
- (6) Provide services or facilities including sanction of loans and advances to the members on specific recommendation of the chief executive officer on the basis of the date of admission of such members.
- (7) Sanction expenditure which is necessary for the business of the society subject to the provisions of the annual budget.

- (8) Conduct elections in the manner specified in the byelaws to the office of the members of the committee before the expiry of the term; for this purpose to frame subsidiary regulations which shall be approved by General Body and the Registrar. The Committee shall appoint Election Officer if the society is not in receipt of state aid as laid down in the Act.
- (9) Conduct general meetings as prescribed in the Act.
- (10) Cause the audit of the accounts of the society within the time prescribed and place the audit report before the general body.
- (11) Decide matters connected with the day to day management of the society.
- (12) Fix the staffing pattern, qualifications, pay scales and other allowances to the employees of the society subject to availability of the administrative and contingent fund and approval of the general body and Registrar.
- (13) Place the reports of inquiry under section: 51 or inspection under section:52 or under section:53 special audit report under section:50 together with the findings of the Registrar before the general body within the time prescribed.
- (14) Rectify the defects noted in the reports of audit under section:50 or inquiry under section:51 or inspection under sections 52 or 53.
- (15) Suspend any officer or servant of the society under provisions of act and rules.
- (16) Initiate action for prosecution of any person who may have incurred criminal liability under the provisions of the Act or any other law for the time being in force.
- (17) Prepare the list of defaulters and publish the same as prescribed and place before the general body.
- (18) To proceed against defaulting members on the directions of the financing bank given under section 63 of the Act.

- (19) To review all outstanding loans and ensure coverage of legal action on all overdue loans and advances.
- (20) To act upon the decision or orders issued under section 62 of the Act.
- (21) To give information on the affairs of the society to the supervisory council, the Registrar, Financing Bank and the federal society to which the society is affiliated.
- (22) Place the report on the loans sanctioned to and the business done by the members of the committee or their near relatives with the society, defaults there of and action to recover them before the general body.
- (23) To arrange preparation of and to place annual report annual financial statements, annual plans and budget before the general body.
- (24) Ensure cooperative education of the members, officers and the employees of the society.
- (25) To deliver possession of records and properties of the society to the incoming elected committee or Person-in-charge Committee, Special Officers committee Liquidator or official assignee appointed by the Registrar.
- (26) Prepare and place before the general body, information or reports or statements relating to
  - a) Disposal of properties
  - b) Deficits in cash or stocks
  - c) proposal for appropriation of net profits including creation of reserves and other funds
  - d) write off bad debts
  - e) Removal of membership.
  - F) Contribution to cooperative education fund and administrative and contingent fund
  - g) Expulsion of members who have acted adversely to the interests of the society
  - h) affiliation of the society to the financing bank or other societies
  - I) elections of delegates to the financing bank or other societies.
  - J) appointment of supervisory council and internal auditors and consideration of their reports and follow up action.

- (27) To pay preliminary expenses incurred in the promotion and registration of the society.
- (28) To institute, conduct, defend, compound or compromise any legal proceedings by or against the society.
- (29) To enter into contracts on behalf of the society, settle the terms thereof and to authorize an officer to execute all deeds, agreements documents and to issue receipts in connection with the business of the society
- (30) To authorize the Secretary or one or more members of the Committee to operate on the bank accounts.
- (31) To make arrangements for the maintenance of the accounts and registers as are prescribed by the A.P.C.S Rules, 1964 and by the Registrar from time to time.
- (32) To transact any other business of the society in accordance with these byelaws.

**21. Powers of the President, Vice-President ,Secretary Asst. Secretary and Treasurer :** Subject to such resolutions as the managing committee may from time to time pass, and subject to the provisions of the Act & Rules and other byelaws the office bearers of the society shall have the following powers.

**(1) President**

- (a) To preside over all general body meeting and meetings of the managing committee, and the Supervisory council.
- (b) To sign share certificates
- (c) To exercise overall control of the affairs of the society
- (d) The chief executive officer and the president of the society jointly and severally or the president of the society if there is no such chief executive officer for the society, shall be

bound to keep, maintain or cause to maintain, sign and authenticate such accounts and books relating to the society and shall be responsible for the correct and up-to-date maintenance and authentication of such accounts and maintenance and authentication of such accounts and books and for producing or causing production of the same when called for in connection with audit, inquiry, inspection or election.

- (e) If there is no chief executive to the society, the president shall be the custodian of all books of accounts of the society and shall personally and severally alongwith the Managing Committee Members responsible for the handing over of records to the incoming elected committee or persons appointed under section 32 (7) (a) Special Officers appointed under Section 34 and or liquidator appointed under Section 65 and official assignee under Section-9-C of the Act.

**(2) Vice-President :**

- i) To preside over every General Body Meeting or meetings of the Committee and supervisory council in the absence of the President, subject to the provisions of APCS Rules, 1964.
- ii) To perform all duties of president in his absence and when such powers have been delegated to him however subject to the provisions of A.P.C.S. Rules, 1964.

**(3) Secretary :**

- a) To operate the bank accounts of the society within the limits prescribed by the Managing Committee
- b) To summon and attend all general body meetings and meetings of the Managing Committee

- c) To record the proceedings of such meetings then and there and get them signed by the President or Vice-President or the Managing Committee member presiding in the meeting
- d) To supply all necessary information to members and the departmental officers and to carry on correspondence on behalf of the society.
- e) To carry on the correspondence of the society, to maintain its books or accounts and registers and to arrange their safe custody.
- f) To receive deposits, issue deposit certificates in accordance with the regulations framed in this behalf and to arrange for their payment on maturity with interest.
- g) To receive applications for membership of the society to maintain record of them place them before the Managing Committee and General Body and communicate to the applicants of the decision of the General Body within the time prescribed in the APCS, Act 1964 and also to arrange to enter the names in the admission register, after Share Capital and admission fees are paid.
- h) The Secretary shall be officer to sue or to be sued on behalf of the society and all bonds in favour of the society shall be in the name of the Secretary. He is the convenor for all the committee meetings and also act as the Chief Executive Officer of the society.
- i) To prepare the annual statements and also any other statements reports called for by the Registrar or the Managing Committee
- j) Society Shall disburse amounts to any of its members exceeding Rs.1,000/- or making any cash payments for expenses that more than Rs.10,000/- or limit exceeding in the Income Tax Act Sec.40A(3) invariably by way of net banking, cheque or a negotiable instrument such as a draft.

**(4) Asst. Secretary:**

The Asst. Secretary shall help the Secretary and carry out the duties of the Secretary in his absence . Should the Secretary or the Asst. Secretary require relief from work it shall be competent to the President to grant such relief making suitable arrangements for the conduct of work.

**(5) Treasurer:**

The Treasurer shall help the Secretary in maintaining the Accounts, cash and will be one of the Authorized signatories.

**22. Subsidiary Rules :**

Services rules and conditions to employees of the society, procedures for loans and deposits DRBF that to be implemented shall be decided by board of management from time to time.

**23. Disqualification for being a Committee Member :**

No person shall be eligible of being choosen, as and for being a member of the committee if he;

- a) Is or becomes a near relative of a paid employee of the society or its financing bank.
- b) Is in default in the payment of any amount due in cash or kind to the society or any other society for a period exceeding three months.
- c) Is a person against whom any amount due under decree, decision, award or order is pending recovery.
- d) Acquires any interest in any subsisting contract made with or work being done for the society.
- e) Is of unsound mind and stands so declared by a competent court, a deaf or mute.

- f) Is appearing as a legal practitioner on behalf of the society or against any other society.
- g) Is a paid employee of the society or a financing bank.
- h) Is carrying on business of such kind as the Registrar may, by general or special order, declare to be a business which is in conflict with the objects or interests of the society.
- i) Has been sentenced to imprisonment for an offence under the protection of civil rights Act 1955.
- j) Is a Village Administration Officer or an employee of the State or Central Government or an employee of any institution receiving aid from the funds of the State or Central Government or an employee of any undertaking owned and controlled by the State or Central Government. Provided that this clauses shall not apply for being a member of the committee of any society formed by and for the benefit of the concerned class of the employees specified in this clause.
- k) Is convicted by a criminal court for an offence involving moral delinquency; Provided that the disqualification under this clause shall subsist for a period of five years from the date of conviction or where he is sentenced to imprisonment while undergoing sentence and for a period of five years from the date of expiration thereof.

**24. Cessation of Committee Membership :**

A member of the Committee shall cease to hold office for with as such for the residue of his term of office and shall also be ineligible for election or co-option as a member of the committee for the residue of his term of office, if

- i) On an enquiry under the Act he is found guilty of misuse of the property of the society for the personal gain
- ii) He is found responsible for making any appointment to any post in the society in contravention of the relevant service

rules and regulations.

- iii) He is member of the committee found responsible for willfully or knowingly sanctioning benami loans or against whom an order of surcharge is issued under section: 60 shall cease to hold office and should be ineligible to be elected as member of the committee for a period of six years from the date of cessation.
- iv) Where a society incurs loss in any cooperative year as a result of mis-use or misapplication of share capital, the President and the Secretary of such society shall cease to hold office as such.
- v) Where the committee fails to prescribe and submit or cause to be prepared and submitted within the period specified in the Act of the annual accounts of the society to the chief auditor or Chartered Accountant appointed by the General Body of the Society, in case the Society comes under the classification of unaided societies the members of the committee shall on the expiration of the period aforesaid cease to hold such office.
- vi) Where the committee of a society fails to place the inquiry report under section:51 or inspection report under section :52 or Section:53 or special audit report under section:50 of the Act along with the finding of the Registrar before the general body within a period of thirty days from the date of the receipt of the report by the society, along with the findings of the Registrar, the members of the committee shall on the expiration of the said period, cease to hold such office.
- vii) Where the committee fails to initiate action for prosecution of any member or employee of a society who may have

incurred criminal liability under the provisions of the Act of any other law for the time being in force, the members of the committee shall cease to hold such office.

**25. General Body :**

The ultimate authority in all matters relating to the administration of the society shall vest in the general body. Subject to the provisions of the Act, the rules and the byelaws the meetings of the General Body shall be convened by the managing committee not less than two times in a cooperative year.

Provided that one meeting shall be held in each half year. The general body shall not however interfere with the powers of the managing committee in respect of matters delegated to it in the byelaws. The following among other matters shall be dealt with by the general body.

The president of the society will preside over the general body meeting and in his absence the vice-president and in the absence of both, any other member elected as chairman of the meeting shall preside.

- i) Admission of members and allotment of shares to them and also refusal of membership
- ii) Election and removal of members of the committee and members.
- iii) Annual report to the Registrar
- iv) Consideration of the audit report and the annual report;
- v) Disposal of the net profits;
- vi) Amendment to bye laws;
- vii) Expulsion of a member

- viii) Approval of the annual budget of income and expenditure;
- ix) Affiliation of the society to the financing bank, or other societies
- x) Election of delegates to the financing bank or other societies
- xi) Review of the loans and advances sanctioned, to and the business done with the society by the members of the committee or their such any relatives and report to the Registrar about any default in the recovery of the amounts due to the society. Provided that the general body may delegate by a resolution to the committee, its powers in respect of items no.8 and 9 or withdraw by a resolution such powers at any time.
- xii) Appointment of two internal auditors from among members other than the members of the committee.
- xiii) Consideration of the report of the internal auditors appointed by it
- xiv) Contribution to cooperative education fund
- xv) Consideration of report of inquiry under section 51 or inspection under section:52 or under section:53 or special report of audit under section:50
- xvi) Decision on bad debts considered irrecoverable
- xvii) Management of deficits in stocks or cash
- xviii) Appointment of members of supervisory council, entrustment of duties to the supervisory council and consideration of its report
- xix) Decision on transfer of assets and liabilities or division or amalgamation.

- xx) Review of attendance of committee members.
- xxi) Review of membership.
- xxii) Review of the report on the disqualification of the members and the committee members.
- xxiii) Review of all overdue loans and defaulters.
- xxiv) Approval of the staffing pattern, pay and other allowances of the employees of the society and contingencies subject to the availability of administrative and contingent fund and approval of the Registrar.
- xxv) Appeal preferred by any paid officer or employee against any punishment awarded by the Committee against him on the conclusion of disciplinary proceedings subject to a provision in the service conditions.
- xxvi) Arrangement of audit of accounts by Chartered Accountants or by others, if the Society is unaided as per provisions of the Act.

**26. Representative General Body :**

Representative General Body can be conducted in place of a general body with the Representatives elected representing 25 members each. Representative will be elected as per the procedures decided by the Board of Management. Representative General Body can perform all the functions of a general body except electing the board of management.

**27. Votes :**

1. All questions before the general body or special General Body meeting shall be decided by majority of votes subject to the provisions of the Act, the Rules and other provisions of byelaws.
2. No member of a society shall have the right to stand as a candidate or to vote in any election to the society unless he is a civilian employee in the units as prescribed in Byelaw No.3

Transacts the minimum value of business or utilize the minimum value of services or facilities as prescribed in the byelaws during a cooperative year. Provided that a member of the society shall be eligible to exercise the right to vote only if he.

- a) Subscribed a minimum share capital of Rs. 300/-
- b) Contributed minimum Thrift of Rs.200/- in a year or as may be enhanced in the byelaws from time to time.
- c) Is a member of the society for a continuous period of 12 months.
- d) Is not in default of any amount due in cash or kind to the society for a period exceeding three months. No voting by proxy shall be allowed.

**28. General Meeting :**

The general meetings shall be of two kinds i.e. ordinary and special. The ordinary general meetings shall be held once in every six months so that the ordinary general body meetings are held before 30th September of a year and another meeting before 31st March of the succeeding year. A special general meeting may be called if requisitioned by 1/5th of the total members.

**29. Notice of General Meeting :**

Notice of annual ordinary general meeting shall be send to all the members of the society at least fifteen clear days before the meeting and notice of special general meetings shall be sent to all the members standing on the roles on the day of issue of notice at least seven clear days before the date fixed for such meeting and or may be advertised through local news papers in the above specified time.

The notice of annual ordinary general meeting and special meeting shall contain the date, place, time and the agenda. The non-receipt of such notice to a member shall not disqualify the proceedings of the meetings. Such notice shall be sent to the members by any one of the following modes

namely.

i) By advertising in one or more local news papers ii) Through circulation of circulars iii) By local delivery : or (iv) by post under certificate of posting. Provided that the notice for the General Body meeting in which amendments to the byelaws of the society are put for discussion and approval, shall also contain the details of byelaws proposed to be amended including the proposed byelaws and the reasons for amendment.

**30. Agenda for Geneneral Meeting :**

In addition to the specified matters to be dealt with by the general body, the following matters shall also be in agenda compulsorily

- i) Proceedings of the supervisory council
- ii) Report on the disqualification of members, Managing committee members and the entire managing committee as the case may be
- iii) Consideration of defaulters lists and measures to be carried out in the matter.
- iv) Utilization of cooperative education fund retained at the society level
- v) Any directions issued by the Registrar or Reserve Bank of India, National Bank for agriculture and Rural Development or the Financing Bank

**31. Quorum for General Meeting :**

- a) No general meeting shall be held or proceeded with unless there is a quorum of 1/5 of the total members present as on the date notice has been issued or as prescribed in the act and rules.
- b) If in the meeting called in pursuance of the requisition, there is no quorum the requisition shall lapse.
- c) If in any general meeting of the society called by the Registrar

himself, there is no quorum, the meeting shall stand adjourned to such other date and time as the Registrar may determine. If at the adjourned general body meeting called by the Registrar there is no quorum of holding the meeting, members present shall constitute the quorum and the meeting may be proceeded with. Provided that the quorum for the meeting in which specific items are put for consideration, it shall be as per the provisions of the concerned sections of the Act.

**32. Method of voting at General Meetings :**

- i) All matters that may be brought before the General Body meeting shall be decided by majority of votes taken by show of hands. Where a poll is demanded by members, the voting shall be taken in such manner as the chairman may direct;
- ii) The proceedings of the general body shall be recorded in the minutes book of the society and signed by the Chairman of the meeting concerned at the close of the proceedings. Then and there.
- iii) The General Body shall be convened by a resolution of the Managing Committee

**33. Supervisory Council :**

The general body shall constitute supervisory council to ensure that the affairs of the society are conducted in accordance with the principles of cooperation, provisions of the Act, rules, byelaws and resolutions of the general body.

1. The Supervisory council shall comprise of three members from general body, other than Managing Committee members and three other experts who may not be members of the society and who shall be chosen by general body from amongst the following:
  - a) Chartered accountants
  - b) Persons with banking experience or legal background

- c) Veteran Cooperators
- d) Experts connected with the business of the society
- 2. **The president of the society shall be chairman of the council;** The supervisory council shall aid and assist the general body in general and exercise the following powers and functions;
  - a) Review of functioning of the society according to the cooperative principles;
  - b) Review of implementation of general body resolutions
  - c) Review the functioning of the society conforming to the prudent financial and business management practices;
- 3. Secretary of the society shall be the convener of the meetings and he shall maintain record of deliberations and recommendations of the council and place them before the managing committee and general body for their consideration;
- 4. Supervisory council can request any managing committee member to attend meetings;
- 5. The supervisory council will act in an honorary capacity;
- 6. The supervisory council may also invite financial institutions or apex level federations/Non-Governmental organizations or Government departments.
- 7. The expert members of the supervisory council are entitled for traveling allowance/daily allowance to be fixed by the general body;
- 8. The council shall meet once in three months in the head office of the society;
- 9. No present or past employee of the society shall be a member of supervisory council;

**34. Loans :**

Loans except on Fixed Deposits shall be given only to Salary earning members. No person can claim a loan as a matter of right. Application for loans shall be made to the Secretary in the prescribed Form duly counter signed by the pay disbursing officer of the concerned unit and shall be disposed off by the Board of Management. However Loans in case of emergency can be granted either by President or Secretary which should be ratified by the Board of Directors in the next Board Meeting.

**34.(a)** Loan can be issued for special purpose like Children education, House construction, House repairs, House site purchase, Gold and jewellery purchase, Consumer items, Two and four wheelers. And also can operate Mortgage loans on Gold, House etc., The terms and conditions will be decided by the Board of Management from time to time.

**35.** Should the Board of management be half opinion that a loan granted by the society has been misapplied it shall at once take steps to recover the loan with interest without waiting for the expiry of the period for which it has been granted.

**36.** The Individual maximum Borrowing power of the member shall not exceed 40 times of his / her gross salary. The Loan shall be granted according to the Basic pay of the member which will be decided by the Board of Management from time to time. A Loan Thrift not less than 5% will be recovered from the loan amount. A uniform and impartial procedure to be followed in respect of all the members. The Loan may be recovered in a maximum of 10 years and the Loan can be given after the repayment of 1/15th of the amount or after completion of 10 monthly

installments. A minimum of Two members should stand as sureties. The members who stand as sureties for the latest loan will be responsible for the total outstanding amount of loan of the member to whom they stood as sureties. The decision of the Board of Management is final in Validating/Allowing the Surities. .If any member is in default of repayment of the instalments of the loan availed by him by more than three months, the recovery will be effected to the salary of the surities or recovered any payment due by the society to the Surities or Borrower.

37. No loan to be granted to any member whose service is less than 3 years. If any loan is granted to such member His/Her carry home pay ,his/her Assets in the society,his/her past recovery history are to be considered and it has to be recovered within the period of his retirement/ superannuation.
38. The rate of interest to be charged on Loans issued by the society will be decided by the Board of Management with a condition that the rate of interest on Loans shall not be less than the interest paid on Deposits. If any member is overdue by principal or interest an overdue interest to a maximum of 6% along with lending interest shall be charged. This has to be implemented impartially by the Board of Management to all the members.
39. The amount recovered from the Monthly Salary of a member has to be credited in the following order. a) DRBF b) Insurance c) Interest d) Principle e) Others.
40. When a surety expires , ceases to be a member or Gets transferred to any Unit outside the purview of the society, the principal borrower shall inform the society of the fact and either repay immediately the loan due with interest to the

society or execute a fresh bond duly signed by fresh surety acceptable to the Board of Management.

**40a.** If a member expires all his dues payable to the society shall be recovered from his DCRB, gratuity GPF or any other terminal benefits payable by the employer.

**41 . Joint Purchase :**

The Board of Management may Purchase in wholesale the domestic and other requirements of the Members. But in making such a purchase it shall only Act as an agent of the members and shall have no liability for any loss occurring in the transaction. Purchase shall be made only to the extent of the requirements of those members who are able to pay in cash or to whom the society is able to give a Loan for the purpose of payments. Rules for this purpose may be framed by the Board of Management as required.

**42 . Audit :**

The annual General Body Meeting may appoint Co-operative departmental Auditors or Chartered Accountants to audit the accounts of the society and fix the remuneration as per act and rules.

**43. Co-operative Education Fund :**

Every year 1% of gross profit or Rs. One lakh which ever is less based on the annual audit report shall be credited to Cooperative Education Fund out of which 30% of the Fund shall be paid to AP State Cooperative Union 50% shall be used for the training of Managing Committee Members and Members 20% shall be used for the training of Society employees.

**44. Establishment and Contingent Fund :**

An amount of 30% of gross profit or 2% of working capital

whichever is less as per the previous year financial statement shall be utilised for Establishment and Contingent Fund.

**45. Profits :**

The net profits of the society as declared by the Chief Auditor or Chartered Accountant every year shall be disposed off as shown below.

- i) 25% shall be carried to the credit of the Reserve Fund
- ii) Not more than 10% of the net profit may be credited to Bad debts Reserve.
- iii) 1% of the net profit or Rs. One Lakh shall be carried to the Co-operative Education Fund
- iv) A sum not exceeding 10% of the net profit may be taken as Common Good Fund. This as to be spent for social Welfare activities, Health for the Development and encouraging Education Art, Sports and other cultural activities.
- v) With the approval of General Body, dividend on the paid-up value of each share may be paid to the members proportionately to the amount of paid-up share capital held by each and also the period during which the paid-up share capital was so held during the year.
- vi) A sum not less than 10% may be transfer to Building Fund
- vii) The General Body from time to time may pay Bonus to its Employees depending upon the availability of net profits after the statutory allocation to the extent as may be decided by the General Body, however, not less than the minimum Bonus as per Bonus Act.
- viii) A sum not exceeding 10% or balance after statutory allocations shall be taken to Welfare Fund. The purpose of utilization is as decided by the Board of Management from time to time depending on the requirement.

ix) The balance, if any, may be allocated for Dividend Equalization Fund.

**46. Reserve Fund :**

1. The Reserve Fund shall belong to the society as a whole and is intended to meet unforeseen losses; It shall be indivisible and no member shall have any claim of a share in it. It may be drawn upon with the special sanction of the Registrar to meet unforeseen losses.
2. The Reserve Fund of the society shall be invested as per act and rules.
3. On the dissolution of the society the reserve fund together with the other funds constituted by the society in accordance with the Act & Rules and the Bye-laws shall be applied by the Liquidator or official assignee as per the provisions of the A.P. Cooperative Societies Act and Rules.

**47. Amendment of byelaws :**

No amendment to or alteration in or cancellation of a byelaw nor enactment of new byelaw shall be made except of a general meeting of the members unless majority of the total number of members on rolls as on the date of issue of notice of the General Body Meeting vote for the amendment etc. and it shall take effect approval and registration by the Registrar.

**48 Disputes which may be referred to the Cooperative Tribunal and Registrar:**

All disputes referred to in section 61 of the Act excepting election disputes and disputes relating to disciplinary action against the paid officer and employees of the society shall be referred to the Registrar for decision. Monetary disputes may preferably be filed under section 71 of the Act before the Registrar or the persons conferred with powers of the

Registrar under Section 71 of the Act.

The decision or award of the Registrar given in such disputes shall be enforced through the Registrar, civil court or collector in the District as laid down in the Act and the Rules. Disputes relating to election shall be filed before the cooperative Tribunal constituted under section 75 of the Act and having jurisdiction. Appeals against disputes covered by sections 61 and 71 of the Act shall be preferred before Cooperative Tribunal.

- 49 If any sum belongs to the Society is either stolen or otherwise lost and found irrecoverable or if any Loan due to Society is found otherwise irrecoverable either wholly or partly, it shall be open to the General Body to write off such amount as for the procedures laid down in the act and rules.
- 50 Any amount due by the society and not claimed within the period of limitation allowed by the Indian Limitation Act shall be added to the Reserve Fund of the Society.



**Bye laws updated as per:**

1. R.Dis.No:1799/2005 B Dated 07-01-2006
- 2 .R.Dis.No:1530/2007 B Dated 17-12-2007
3. R.Dis.No: 539/2008 B Dated 20-05-2008
4. R.Dis.No:1726/2009 B Dated 22-12-2009
5. R.Dis.No:1929/2010 B Dated 24-11-2010
6. R.C.No:1177/2023 B Dated 06-11-2023

Approved by me on 14/5/2013

DEPUTY REGISTRAR  
of Cooperative Societies  
Visakhapatnam