

**BYE-LAWS OF THE BHEEMUNIPATNAM COOPERATIVE BUILDING SOCIETY LIMITED
NO..B1435**

NAME CONSTITUTION AND ADDRESS:

The Bheemunipatnam Cooperative Building Society Ltd., No. B1435 is registered as a co-operative Society under the A.P.C.S Act 7 of 1964. Its address shall for the present be Bheemunipatnam post Bheemunipatnam taluq Visakhapatnam District. Its operations shall be confined to the limits of Bheemunipatnam Municipal. It shall be referred to in the bye-laws briefly as "The society." Any change in the address in the society shall be notified to the Registrar within 30 days of the change and shall be given wide Publicity.

2. OBJECTS:

The objects of the society shall be to carry on for the benefit of its members, the trade of building and of buying selling, hiring letting and developing land in accordance with co-operative principles and to give loans to members for construction of new dwelling houses.

3. LIABILITY OF MEMBERS:

The liability of the members of the society shall be limited to the share capital subscribed by them.

4. SHARE CAPITAL:

The capital of the society shall for the present be Rs.5,00,000/- made up of shares of Rs. 10/- (Ten) each.

5. MEMBERSHIP ELIGIBILITY:

Any person who has attained majority and who is competent to contract and of sound mind and who is not a member of another building society working in the same area shall be eligible for admission as a member. Minors may also be.

Such associate members whoever shall not be eligible to vote or have share in profits.

6.A. APPLICATION FOR MEMBERSHIP:

Application for admission as a member and for allotment of share shall be made to the Secretary in the form, if any, prescribed by the society for the purpose. Such Applicant should disclose in writing the information regarding the Society or societies in which he is already a member with dates of admission and share capital etc., held by him. He should also declare the details and extent of services already availed of by him in such other society or societies as on the date of his application.

Every such application shall be disposed of by the Board of Directors who shall have power to grant admission and allot shares or to refuse it after assigning reasons for such refusal. If the Board of Directors decides to refuse admission it shall record reasons for such refusal.

Where admission is so refused the decision with the reasons therefore shall be communicated by registered post to such person within 15 days of the date of decision or within 60 days

from the date of application for the membership whichever is earlier. If no such decision is communicated to such applicant within 60 days from the date of application for the membership,

the society shall be deemed to have admitted such applicant as a member on the date of expiration of 60 days from the date of application and the Secretary shall give effect to such admission. The name of every person either admitted as a member under sub-section (3) of section 19 of A.P. C.S. Act or deemed to have been admitted as a member by virtue of the proviso to the said section, shall be entered in the admission register by the Secretary of the Society within thirty days from the date of the resolution passed by the competent authorities to admit such person as a member or from the date on which such person is deemed to have become a member as the case may be".

(B) An appeal shall lie to the Registrar under sub-section

(2) of section 76 of the Act against refusal of admission to

the membership within 60 days from the date of communication of the refusal to the applicant.

NOTE: The Secretary shall maintain a register to record the admission to membership in the form prescribed.

7. ELIGIBILITY FOR SERVICES BY THE SOCIETY:

A person who is already a member of any other society with the same or similar objects as of this society and who avails himself of the services of such other society shall not be entitled to similar services by this society except with the permission in writing of the REGISTRAR.

8. DISQUALIFICATIONS FOR MEMBERSHIP:

No person shall be qualified for being admitted as and for being a member if he :

- i) is an applicant to be adjudicated an insolvent or if he is an undischarged insolvent ;
- ii) has been sentenced for any offence involving moral turpitude such sentence not having been reversed and a period of 3 years has not been elapsed from the date of expiration of the sentence ;
- iii) is he paid employee of its financing bank or of any society for which it is the financing bank ;

iv) has been expelled from membership under A.P.C.S. Act 7 of 1964 and a period of one year has not elapsed from the date of such expulsion ;

9. MAXIMUM SHARE HOLDING LIMIT AND ENTERANCE FEES :

Every Member Shall Take Atleast One Share but no member shall take more than 1/10th of the share capital of the society or 5000 rupees whichever is less, it shall however, be open to members to utilise the dividend earned by them in the purchase of additional shares.

Every member on admission shall pay to the society an entrance fees of Rs 0.50 per share and every transferee of a share shall pay a like fees per share subject to a maximum Rupees Ten in either case. However entrance fees shall not be payable by nominees or heirs of deceased members for shares claimed by them either by nomination or by succession.

10. SHARE CERTIFICATES :

The society shall issue a share certificate dully signed by the president and the secretary of the society together with the seal of the society with the seal of the society to every member for the shares taken by him after he completely paid to the society the full due of such shares.

(b) When share certificate is lost or destroyed, a duplicate certificate may be issued after giving such publicity of the facts as may be considered necessary by the Board of Directors. In case any objection is raised will be gone into by the Board of Directors whose decision in this regard will be final. If certificate is worn-out or damage, the Board may order the same to be cancelled and issue a duplicate certificate in lieu thereof on surrendering such worn-out damaged certificate. A fee of Rs 0.60 shall be collected for every duplicate certificate issued under this bye-law.

11. TRANSFER OF SHARES OR INTEREST OF A MEMBER.

(a) No member shall be permitted to transfer any share or interest held by him unless :

- i) the member has held such share or interest for not less than one co-operative year ; and
- ii) transfer is made to the person who has been admitted as member by the Board of Directors of the society ; and

(b) The transfer shall not be operative unless and until

- i) it is sanctioned by the Board of Directors ; and
- ii) Until the name of the transferee has been entered in the share transfer register.

NOTE : Every endorsement upon the share certificate for transfer shall be signed by the president and secretary or any other officer authorised by the Board of Directors in this behalf.

12. WITHDRAWAL OF SHARE CAPITAL :

No member shall be permitted to withdraw any of the shares held by him in the society or resign his membership within 3 years from the date on which he was admitted as a member. After such period he may withdraw any of his shares with the consent of the Board of Directors or resign his membership provided that there are no debts or any amounts due from him to the society. A member whose liability to the society has been reduced to an amount less than his paid up share capital may also be permitted to withdraw such portion of his share capital and as is in excess of his liability, but in either case the share capital of the society after withdrawal plus the value of the sites and buildings of the remaining members according to the calculation made on behalf of the Government as on June 30th preceding should be atleast 50 per cent in excess of the outside liabilities of the society (including liability to Government) on the date of withdrawal.

13. NOMINATION :

(1) If a member dies his membership shall ipso facts cease. Every member may nominate any person or persons to whom in the event of his death the value of his share or interest in the profits or assets of the society or any other money due to him shall 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 the amount to be transferred or paid to each nominee in terms of whole shares.

(2) A nomination made by a 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 and signed by the member in the presence of atleast two witnesses ; and

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

(3) If no nomination has been made by a member to a person who is qualified in accordance with the bye-laws for membership of the society the society shall on the death of the member by a notice exhibited at the office of the society invite claims or objection for the transfer or payment of the amount or interest of the deceased member to a heir or legal representative within 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 Board of Directors considers necessary it shall decide as to the person who, in its opinion is the heir or the legal representative of the deceased member, and proceed to transfer or pay the share capital or interest of the deceased member to such person, such person shall be admitted as a member before the trans-fer of shares in his name is given effect to.

(4) In case of payment of value of share or interest or other moneys due to the deceased member, the Board of Directors shal obtain sureties for the amounts involved in such payments from the members of the society.

14. 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 a reasonable period to such members 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.

15. LIABILITY OF PAST MEMBER AND HIS ESTATE:

(a) A past member shall be liable as provided in bye-law No. 3 for the debts due by the society as they existed on the date when he ceased to be a member for a period of two years from such date. The estate of a deceased member shall be liable as provided in bye law No.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) Notwithstanding anything contained in clause (a) when the society is wound-up under section 64 of the A.P.C.S Act 7 of 1964, 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.

16. EXPULSION OF A MEMBER:

(1) If a member deceives the society in any way, or if 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 interest 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 number of members 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 moneys due to him from the society, after deducting therefrom any money due from him to 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 No.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.

(2) No member shall be expelled under clause (1) until the resolution referred to therein is approved by the REGISTRAR.

17. The society will ordinarily obtain funds from the following sources:

- (1) Share capital from members:
- (2) Loans from sources other than Government:
- (3) Deposits from members and other non members:
- (4) Entrance and other fees.

18. One fourth of the value of each share shall be paid along with the application for allotment of shares and the balance shall be paid in one lump-sum within 30 days after the allotment of shares by the Board. If the balance is not paid on the due date or before the date up to which the Board may grant extension, the member will be debarred from exercising the privilege of membership and the Board may proceed to re-allot his shares to others. When the value of such re-allotted shares is paid into the society, the name of the defaulting member shall be removed from the books of the society and the share capital due to him paid back.

He shall not be entitled to any dividend on the partly paid-up shares.

OR

When a member owns a site of his own at the time of his admission through the society, he may be permitted to mortgage the site in favour of the society for the amount of share capital to be paid by him provided that the site is unnumbered and is situated within the area of operation of the society and that the amount secured does not exceed 80% of the cost price of the site. The sum thus secured shall be treated as loan to the member and the interest charged at the rate specified in the bye-law 56.

19. BORROWINGS:

Subject to the provisions of bye-law No. 17 the society may borrow all the money it requires from Government at such rates and on such terms as the Board of Directors may settle. There is, however, no objection to the Board of Directors obtaining deposits from members provided that such deposits are repaid as soon as the loan from Government is received.

20. MAXIMUM BORROWING LIMIT:

The total borrowings of a society both by way of deposits or otherwise and whether from members or others shall not at any time exceed four times the paid up share capital.

21. MANAGEMENT:

Subject to such resolutions as the General Body may from time to time pass the executive management of the affairs of the society shall vest in a Board of Directors which shall consist of not

more than nine members including two persons to be nominated by the Registrar.

22. TERM OF THE MANAGING COMMITTEE:

The member of the Board of Directors except those who are nominated shall be elected by the General Body in accordance with the provisions of the A.P.C.S. Rules, 1964 as amended from time to time. The term of the members of the Board of Directors shall be for a period of three years. For the period of office of the members of the Board of Directors the year shall commence from 1st October and end with 30th September. All the members of the Board of Directors shall vacate their office on the 30th September of the year in which their term of office expires, unless the period is extended by the Registrar under the provisions of A.P.C.S. Act 7 of 1964. All the members of the Board of Directors except those nominated shall be elected at one and the same time for the specified period of three years. Any casual vacancy or vacancies shall be filled up by cooption by the remaining members of the Board of Directors at a meeting. All the members of the Board including those coopted in casual vacancies shall also vacate their office on the 30th September of the year in which the term of the office of the Board expires. It shall be open to the General Body to remove at any time any elected member of the Board of Directors and elect another member in his place and the member in his place and the member so elected will hold office only for the unexpired period of the original term. The proceedings of the Board of Directors shall not be invalidated on account of any vacancy or vacancies on the Board which may remain unfilled. Any member of the Board of Directors may at any time resign from his office by sending a letter of resignation to the Secretary of the society but such resignation shall take effect only from the date on which it is accepted by the Board of Directors.

TRANSITORY BYE-LAW NO 22 - A:-

Notwithstanding anything contained in the bye law the first set of Board of Directors (including the president and the vice-president) shall be nominated by the Registrar for a period of 5 years. It shall be open to the Registrar to nominate the members of the Board of Directors for a further period not exceeding 2 years if in his opinion such a course is considered necessary in the interests of the society. The Registrar may at any time terminate the nomination of any director and nominate another in his place. Any vacancy that may arise in the nominated Board of Directors shall be filled up by the Registrar by nomination for the rest of the period.

23. ELECTION OF OFFICE BEARERS:

The elected members of the Board of Directors shall elect from among themselves a President, Vice-President and a Secretary.

24. MANAGING COMMITTEE MEETING:

The Board of Directors shall meet atleast once in a month or oftener for the conduct of the affairs of the Society. The quorum for the meeting of the Board of Directors shall be five. All questions before the Board of Directors shall be decided by majority of votes. In the case of equality of votes, the President, Vice-President or other presiding member at the meeting shall have second or casting vote. No member of th Board of Directors shall be present at any meeting of the Board when any matter in which he is personally interested is being discussed.

In case of urgency, where they may not be sufficient time to convene a meeting of the Board of Directors and in all cases in which such a procedure may from time to time prescribed by the Board of Directors, the Secretary may obtain the orders of the Board of Directors by circulation of papers among the members of the Board of Directors. Such decisions arrived at by circulation shall be placed before the next meeting of the Board of Directors for ratification. Should a difference of opinion arise in the course of such circulation, the matter shall not be decided by circulation but shall be placed before a meeting of the Board of Directors.

25. The Secretary of the society shall with the prior approval of the President call for a meeting of the Board of Directors. He shall however call a meeting of the Board of Directors within 15 days of the date of requisition in writing from atleast 1/3rd members of the Board of the financing bank a federal society to which it is indebted or affiliated or from the meeting of the Board of Directors.

26. Should a member of the Board of Directors excluding the nominated members absent himself from 3 consecutive meetings of the Board, he shall cease to be a member of the Board but it shall be open to the Board of Directors to reinstate him on a written requisition from him explaining his reasons for such absence. Provided that he shall not be so reinstated more than the term of the Board.

27. DISQUALIFICATION FOR BEING A COMMITTEE MEMBERS:

No person shall be eligible for being chosen as, and for being, a member of the Board if he:-

- (a) is or become 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 a 3 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 a work being done for the society;
- (e) is of unsound mind and stands so declared by a competent court, a deaf, mute or a leper;
- (f) is appearing as a legal practitioner on behalf of the society or against any other society.

(g) is a paid employee.

(28) Without prejudice to the general powers conferred by these bye-laws, the following powers shall be exercised by the Board of Directors.

(a) to pay the preliminary expenses incurred in the promotion and registration of the society;

(b) subject to the budget allotment sanctioned by the general body it shall be competent to the Board of Directors to prescribe

from time to time the strength of the establishment of the society and scales of pay and allowances admissible to each member thereof;

(c) to raise or borrow such sums of money by way of loans or otherwise as may be required from time to time for the purpose of the society;

(d) to admit members and allot shares;

(e) to appoint sub-committees and special committees pertaining to the business of the society;

(f) to establish and maintain provident and other funds for the employees as laid down in the bye-laws;

(g) to enter into contracts on behalf of the society, settle the terms thereof and to authorise an officer to execute all deeds, agreements, documents and to issue receipts in connection with the business of the society;

(h) to institute, conduct, defend, compound or compromise any legal proceedings by or against the society;

- (i) To authorize the society or one or more members to the employees to endorse, sell, transfer or otherwise deal with shares and government and other securities on behalf of the society and to issue receipts for the amounts received in connection with the business of the society.
- (ii) to authorize the secretary or one or more members of the committee to operate on the bank accounts;
- (iii) To frame subsidiary regulations FOR THE CONDUCT OF the business of the society with the approval of the Registrar.

29. POWERS OF THE PRESIDENT, VICE-PRESIDENT AND SECRETARY:

Subject to such resolutions as the Board of Directors may from time to time pass, the several officers of the society shall have the following powers: -

- (a) The president of the society have general control over all the affairs of the society and shall be ex-officio Treasurer of the society and shall have the custody of all the properties of the society. Subject to the provisions of bye-law 28 (b) . He shall also have power to appoint the members of the establishment.
- (b) The vice-President of the society shall exercise all the powers of the President whenever the latter is absent and when such powers have been delegated to him in writing.
- (c) The secretary shall be responsible for the executive administration of the society and shall be subject to the control of the President and he shall exercise such powers as may be delegated to him from time to time by the Board of Directors.

He shall also have power:

- (i) To operation the accounts of the society within the limits prescribed by the Board of Directors.
- (ii) To carry on the correspondence of the society to maintain its books of accounts and registers and to arrange their safe custody;
- (iii) To dispose of the business of the society with reference to the subsidiary regulations;
- (iv) To receive the deposits, issue deposit certificates in accordance with the regulations framed in this behalf and to arrange their payment on maturity with interest;
- (v) To incur expenditure on contingencies within the budget allotment and within the limits prescribed by the Board of Directors in respect of each item;
- (vi) To receive applications for membership of the society to maintain record for them, place them before the Board of Directors and communicate to the applicants of the decision of the Board of Directors within the time prescribed in section 19 (3) of the Andhra Pradesh Cooperative Societies Act 7 of 1964 and also to enter the name in the admission register as required in bylaw No.6.A
- (vii) To issue, on authorization by the Board receipts for all the moneys paid into the society, provided however that for all borrowings, the receipts and the bonds etc., executed on

behalf of the society shall be signed by its secretary and two other members of the Board of Directors of whom the president or the Vice-President shall be one, and

(viii) To prepare all vouchers, receipts, balance sheet and other documents or statements required for the transaction of the business of the society or by the REGISTRAR

(b) The Secretary shall be the officer to sue or be sued on behalf of the society and all bonds shall be in the name of the Secretary;

(c) Should be the Secretary required relief from work it shall be competent to the President to grant such relief making suitable arrangements for the conduct of work by one or more of the members of establishment.

30. FRAMING OF SUBSIDIARY REGULATIONS:

It shall be competent to the Board of Directors of the society to frame subsidiary regulations for the conduct of the business of the society consistent with the Act, Rule and the bye-laws. Such subsidiary regulation shall be entered in the minute book of the society and they shall be reported to the Registrar for approval. These subsidiary regulations shall take effect not only after they are approved by the Registrar.

31. SERVICES OF THE MANAGING COMMITTEE MEMBERS SHALL BE GRATUITIONS:

The services of the members of the Board of Directors shall be gratuitous. The members of the Board of Directors and other sub-committees if any constituted by the Board of Directors under the bye-laws shall be eligible for T.A and D.A as may be decided by the Board of Directors with the previous approval of the Registrar. Provided however, they shall not be entitled to claim T.A. and other allowances from any other cooperative institution or institutions for journey made for the meeting or meetings for such institutions held on or about the same date of the meeting of the society. The persons claiming T.A should furnish a certificate to the effect that they have not drawn T.A or D.A for the same journeys from any other institution.

32. SERVICE CONDITIONS OF EMPLOYEES:

The method of recruitment conditions of service authority competent to fix revise he scales of pay or regulate the pay and allowances of the paid officer or employees of the society and the procedure to be followed in the disposal of disciplinary cases against them shall be governed by the special bye-laws framed for the purpose and registered by the REGISTRAR.

33. No person shall be appointed as paid officer or employee in any category of service in the society unless he possesses the required qualifications and without obtaining from him security in such form and according to such standard as the Registrar of Cooperative Societies may fix for such category of service in the society or for the class of societies to which it belongs.

(2) No paid officer or employee shall be retained in any category of service in the society if he does not acquire the required qualifications within the time limit fixed by the Registrar or furnish within such time as the Registrar may direct security in such form and according to such standard as the Registrar

may fix for the category of service in which he serves in the society or for the class of societies to which it belongs;

34. It shall be the duty of the Board of Directors to maintain such accounts and registers as are prescribed by Rule 59 of the Andhra Pradesh Cooperative Societies Rules and by the Registrar from time to time to place before a general body meeting of the members the Registrar's notes of or audit or inspection within one month from the date of receipt to correspond with the Registrar and to do all other business relating to the society.

35. The Board of Directors shall have power to incur such expenditure as may be necessary for the management of the society with reference to the scale and within the budget allotment sanctioned by the General body for each year.

36. The ultimate authority in all matters relating to the administration of the society shall vest in the General Body. Its meetings shall be convened by the Board of Directors at least once in a co-operative year to conduct the business of the society. The General Body shall not however interfere with the powers of the Board of Directors in respect of matters delegated to it, in the bye-laws. The following among other matters shall be dealt with by the General Body.

- (i) Election and Removal of member of Committee;
- (ii) Annual report to the Registrar;
- (iii) Consideration of the Audit report and the annual report and review of the financial position of the society;
- (iv) Disposal of the net profits;
- (v) Amendment to bye-laws;
- (vi) Expulsion of a member;
- (vii) Approval of the Annual budget of income and expenditure;
- (viii) Affiliation of the society to the financing Bank or other societies;
- (ix) Election of delegates to the financing bank or other societies; and
- (x) The consideration of any complaint which any individual member may prefer against the Board of Directors.

Provided that the General Body may delegate by a resolution to the Board its powers in respect of item (viii) and (ix) or withdraw by resolution such powers at any time.

37. GENERAL BODY MEETING:

- (a) The Board of Directors may, at any time, call a general meeting of the society for the conduct of business but such meeting shall be held at least once in a co-operative year.
- (b) The General body meeting shall consist of all the members of the society.
- (c) The Board of Directors shall call a General meeting of the society within 30 days from the date of receipt of requisition in writing from 2/3rds if the total number of members, the financing bank to which it is indebted or a federal society to which the society is affiliated, the Registrar or any person authorized by him.
- (d) A notice of the meetings of the General Body shall be issued specifying time place and date of the meeting at least 15 clear days in advance. Such notice shall be sent to the member by any of the following modes namely:-

- (i) By local delivery; or
 - (ii) By post under certificate of posting;
- (e) The quorum for the General meeting shall be 25 or 1/3rd of the total number of members on rolls which ever is less;
- (f) The President or the Vice-President or in the absence of both any number elected by the general body shall preside (member) at the general meeting. Every member present shall have one vote. All questions except those mentioned in bye-laws No.16 shall be decided by a majority of votes of the members present and voting.

Provided that in a general meeting convened for the purpose of election of the members to the Board of Directors, the Election Officer under Rule 22 of the Andhra Pradesh Cooperative Societies Rules, 1964 shall preside over the and conduct the proceedings.

- (g) In case of equality of votes, the Chairman of the meeting except the election officer under Rule 22 shall have casting vote as a second vote;
- (h) The General Body shall be convened by a resolution of the Board of Directors.

38. The proceedings of the General Body, Managing Committee Board of Directors or any sub-committee shall be recorded in the minute's book of the society and signed by the Chairman of the meeting concerned at the close of the proceedings.

39. The Board of Director shall maintain a list of members on the rolls of the society who were qualified to vote at general body meetings and shall bring such list up to date thirty days prior to the date fixed for each meeting of the general body. It shall be the duty of Secretary to supply copies of such list to such of the members as may desire to have them, on payment of Rs. 5/- or such of fees as may be prescribed by the Board of Directors in this behalf. No society shall admit members or transfer shares within 30 days prior to the date fixed for any general meeting of the society. Provided that in case of election to the committee of the society the Election Officer shall prepare a list of members eligible to vote at such meetings and supply copies thereof in accordance with Rule 22(3) of the A.P.C.S. Rules.

40. The society may be affiliated to the Co-op financing agency having jurisdiction over the area of operation of the society.

41. PURCHASE OF LAND AND CONSTRUCTION OF HOUSES:

Subject to such resolutions as the General Body may from time to time pass, the Board of Directors shall have full power to do all things which they deem necessary or expedient for the accomplishment of the objects specified in bye-law 2 including power to purchase, hold, sell, exchange mortgage, sue mortgage, rent lease, sub-lease, surrender, and accept surrenders of land or houses and construct houses.

42. A. PURCHASE OF LAND:

It shall be competent for the Board of Directors:

- (1) To buy lands either from or through Government or otherwise;
- (2) To render the lands so purchased fit for habitation.
- (3) To lay down streets, roads and parcel out of the lands as house-sites;
- (4) To sell or others on such terms as the may determine; and

(5) To provide and maintain facilities for water-supply drainage, lighting and similar works of common utility;

42. B. REGULATIONS GOVERNING PROCEDURE FOR ALLOTMENT OF PLOTS TO MEMBERS:

(1) The society shall, before taking up the proposal for acquiring site at any time, call for applications for plots from its members ,who are not, already provided with or allotted plots by this or any other co-operative society.

(2) The society shall maintain a register of applications and enter therein in a chronological order the particulars of applications, 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 in the order of receipt of applications after the layout is approved;

(4) The society shall, as far as possible endeavor to acquire an extant of site sufficient to meet the entire demand of the members. The society shall sub-divide and demarcate the site into plots to suit the needs of the Applicants,

(5) When the total number of plots is equal to the total number of applications from members, the plots drawn by the Board of Directors at a meeting convened for the purpose after due intimation to all the applicants. Mutual exchange of plots between members may be allowed by the Board of Directors. 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 allotment of plots. Among such allottees', the allocation of plots shall be decided by lots. 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 a 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 other member of his joint family has been allotted a plot either by this or any other co-operative society;

(9) Persons who are already owing house plots or house either in their names or in the name of any member of their families in the town or the area covered by the society 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 the Town Planning Department within a period of one year from the date of allotment of the Plot. If he requires any loan from the

society under Low Income Group Housing Scheme or Middle 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 deserving cases where the Board, is satisfied, extension of time not exceeding six months, may be granted, when the site allotter proposes to construct the house within the period stipulated, the society may resume the site and allot it to another member. The amount paid by the member, from whom the site has been resumed shall be paid back to him.

(11) Every member shall pay the cost of the plot allotted to him within a period of 90 days from the date of allotment. Betterment levy as charge by the society shall also be paid by the member, within the time prescribed 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, legal fee, Registration charge, betterment charges, etc., Before the society executes the sale deed, the member shall also execute an agreement undertaking to pay to the society any additional levy that may be made by the society to meet any such future charges as it 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, to a member or any other person without the prior approval of the Board of Directors of the society.

43. CONSTRUCTION OF HOUSES:

The construction of houses shall ordinarily be undertaken by the society at the expense and risk of the members and the society shall in no way be responsible for any loss occurring in the course of such construction. When the Board of Directors undertakes construction of houses it shall require the members concerned to pay into the society in advance the whole of the estimated cost whether in one lump-sum or in such installments as the Board of Directors may require. If a building is to be constructed out of a loan or loans taken from the society, the borrower concerned shall execute the necessary bond or bonds and authorize the Board of Directors to draw the money from the society from time to time as the work progresses.

44. All houses shall be constructed according to the plans approved by the Board of Directors.

45. The construction of building for which a loan is given to a member shall be commenced within three months, and completed within 16 months, from the date of the disbursement of the first installment of the loan. If any member fails to commence or complete the construction within the specified time, the Board of Directors may take the construction in its own hands and complete it, debiting the expenditure to the loan account of the member concerned.

46. Every member receiving a loan or loans from the society for the construction of a house or houses shall agree to an inspection of the house or houses during the progress of construction and a valuation thereof immediately on completion. He shall similarly agree to an annual inspection to assess the security of the loan outstanding.

47. No member shall alienate any house-site bought or house constructed with the help of a loan taken from the society except to a person who is a member of the society or is one whom the Board of Directors has admitted as a member. The approval of the Registrar shall be obtained before such alienation is permitted by the Board of Directors.

48. Every building shall until the amount due thereon to the society is paid in full, be kept up in good repair by the owner and insured with the general Insurance Department of L.I.C. of India, against fire, floods, lightning etc., as required under the rules governing sanction of Govt. loan. The Board of Directors shall have power to cause any repair to be carried out if they are of opinion that for want of such repair the society is likely to suffer loss and shall debit the amount to the loan account of the member concerned.

49. Where the members construct houses individually for themselves, the Board of Directors, may if the members so desire arrange for joint labour, joint purchase and joint manufacture of building materials, the society acting only as the agent of the members and being in no way responsible for any loss in the transaction;

50. Where the Board of Directors arrange for the supply of water, lightning, drainage and scavenging, etc., they may levy such fees as are necessary from members.

51. Loans shall be given only to members, but no member shall claim a loan as a matter of right. Application for loans shall be disposed of by the Board of Directors.

52. All applications for loans shall be made to the Secretary in the forms if any, prescribed for the purpose and shall be placed before the Board of Directors.

53. No loan shall be given except for the construction of a new dwelling house.

54. Should the Board of Directors be of 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 or the expiry of the period for which the loan has been granted.

55. No member shall at any time be indebted to the society by way of principle to the extent of more than five times his paid up share capital on account of any loan or loans for the construction of a house on free-hold property or more than four times his share capital on account of any loan or loans for the construction of a house on land under lease-hold tenure.

56. Interest on loans granted by the society shall, for the present, be charged at not more than one percent over the borrowing rate, the first month being reckoned from the date on which the loan is paid to the corresponding date of the next.

57. (1) Loans shall be given on the security of the site belonging to the borrower together with any building or other appurtenances thereon whether they exist at the time of the loans or are constructed during the currency of the loan. Where necessary the Board of Directors shall take additional security either in the form of sureties or other immovable property.

(2) In the case of loans granted for construction of houses on a piece of land held under lease-hold tenure, the term of the lease must be such that it will expire not less than 10 years after the period of loans sanctioned expire, and the lease should provide a condition that there is no objection to the lessee putting up houses on such lease hold lands and that the leaser should pay adequate compensation to the lessee for the improvements effected to the property including houses constructed etc. , when he takes back the land.

58. Loans granted construction of new houses shall be disbursed only in installments as the work of construction progress. The second and subsequent installments shall be paid only after the Board of Directors has satisfied itself that the installment or installments already drawn have been properly utilized, that the work actually done together with the value of the land brought up to date represents expenditure exceeding by at least 25 percent of the actual amount already drawn by the society from the Government loan sanctioned for the work.

59. BY-LAW GOVERNING THE ISSUE OF LOANS UNDER THE LOW-INCOME GROUP HOUSING SCHEME:

Notwithstanding anything contained in the bye-laws the loans sanctioned under the low-income group housing scheme of the Government of India, shall be governed by the following conditions:

- (1) The full market value of the site as approved by the Dy. Registrar may be adjusted towards the share capital and the site value so adjusted shall be treated as a loan. Such loans need not be repaid in installments but shall be adjusted towards the loan when the balance of the loan becomes equal to the share capital. The share capital collected by adjustment of site value shall not carry any dividend. No interest need be charged on such share capital loan.
- (2) All houses shall be constructed according to plans and estimates approved by the Board of Directors and the Registrar.
- (3) The construction of the buildings for which a loan is given shall be commenced within three months from the date of withdrawal of the first installment, and be completed within one year of such withdrawal. Extension of time limit may be granted up to six months by the Registrar in cases where the work is delayed beyond the control of the loanee.
- (4) The construction of a building for which a loan is given shall be commenced within three months and if there is no substantial progress in six months after the date of disbursement of the first installment of the loan, or if the progress made has no relation to the amount of money advanced the loan may be withdrawn or suitably curtailed at the discretion of the Government or the Registrar.
- (5) Interest on loans granted by the society shall for the percent be charged at a rate not more than $\frac{3}{4}$ % per annum, over the borrowing rate. The first month will be reckoned from the date on which the loan is paid, to the corresponding date of next month.
- (6) Every member who has taken a loan, shall repay the amount together with interest due thereon in equated monthly installments, the first of such installment shall be payable on the expiry of 12 months from the date of withdrawal of the first installment of the loan. The monthly payments shall be made on or before the 15th of the subsequent month to which it relates. Interest at 1 $\frac{1}{2}$ times normal rate of interest or at such rate of interest or at such rates, as the Government may prescribe from time to time, shall be levied on all overdue installments. The maximum period of repayment shall in no case exceed 30 years.

Note: - If the due date for repayment of a loan or installment of a loan falls on a holiday the next working day shall be deemed to be the due date for the repayment of such loan or installment of loan.

- (7) The interest accrued or the loan shall be payable in lump sum on the expiry of one year from the date of disbursement of the first installment of loan failing which penal interest at 1 ½ times to normal rate of interest shall be charged on the amount overdue. There shall, however, be no objection to a member paying in advance the interest monthly commencing from the month succeeding that in which the first installment of loan was disbursed. If a borrowed is in arrears for a sum equal to or greater than three monthly installments of either principle or interest or both, the whole outstanding loan becomes recoverable.

60. BY-LAW GOVERNING THE ISSUE OF LOANS UNDER THE MIDDLE INCOME GROUP HOUSING SCHEME:

Notwithstanding anything contained in the bye-laws the loans sanctioned under the Middle Income Group Housing Scheme shall be governed by the following conditions.

- (1) Members owing sites within the municipal limits, whose income exceeds Rs. 7201/- per annum but does not exceed Rs.15000/- per annum will be eligible for a loan from Government under this scheme. The applicant for a loan should not already own a house within the territorial jurisdiction of the State either in his own name or in the name of his wife or minor children. The Registrar will however, have discretion to relax the provision in exceptional cases where he is satisfied that the house proposed to be built under this scheme is required for bonafide to residence of the applicant and that it will be impossible for the applicant to reside in his existing house for reasons other than of its having already been let out on rent or being situated at a place other than the place of his word or business. The question whether a particular member is eligible for assistance under this scheme be decided by the Registrar of Cooperative Societies, Andhra Pradesh, Hyderabad and his decision shall be final.
- (2) Every member can hold shares up to the value of Rs.5000/- each.
- (3) No loan shall be given to a member except for the construction of a new dwelling house, and the amount of loan admissible will not exceed 80% of the estimated cost of the house inclusive of the value of the developed land subject to a maximum of Rs.25,000/-.

Note: - (i) An advance (out of the approved loan for house building) may be permitted by the Registrar to the applicant, for the purpose of completing the purchase of a developed plot of land (for the construction of a house) provided that he has already paid 50% of its costs from his own resources. The applicant should also produce, legal opinion obtained from Govt. pleader, or advocate approved by the Registrar for the purpose regarding the soundness and validity of the title of the vendor to the site and binding nature of the agreement entered into for disposal of the site in question.

The amounts so paid by the applicant towards 50%of the costs of the plot could not be less than 25%of the total loan for house, building sanction by the Govt.

(II) In considering any piece of land as a developed plot of land suitable for constructing the house the decision of the Registrar shall be final.

- (4) The total cost of the construction (exclusive of land) of any house proposed to be built under the scheme shall not exceed Rs.35,000/-
- (5) The applicant should be in a position to invest at least 25% of the estimated cost of the house (inclusive of developed land) from his own resources and to furnish such security as may be demanded by the Registrar for repayment of the loan.
- (6) The floor area of the house proposed to be built shall not be less than 400 sq.ft.

(7) The building, for which a loan from Government has been obtained shall be commenced within one month after withdrawal of advance for completing purchase of site and be completed within 13 months of such withdrawal.

(7)(a) Extension of time limit may be granted by the Registrar up to one year, in cases whenever work is delayed due to reasons beyond the control of the loaner.

(8) The rate of interest charge by government on all loans granted under the scheme to building societies shall not be more than $\frac{1}{2}$ % over the rate payable by them to the Life Insurance Corporation. This rate is liable to be revised from year to year. A penal rate of $1\frac{1}{2}$ times the normal rate or such rate as may be prescribed by Govt. from time to time will be charged on all overdue installments of principal, or interest from the due date to the date of actual payment.

(9) The period within which a building society formed on individual ownership system, must repay any loan or loans made by the Government shall not exceed 25 years. This period eludes the time taken for completing the building as fixed in condition No.7 and the period of 18 months referred to in No.13.

(10) Disbursement of loan for construction of houses:-

(i) 20% of the loan sanctioned will be payable to the applicant on his mortgaging in favour of Government the land purchased by him along with the house to be built thereon where such mortgage is permissible by the term of sale. The first installment is restricted to 80% of the cost of the site to be mortgaged to the society.

ii) 50% of the loan sanctioned will be payable to the applicant when the construction of the house reaches the plinth level.

iii) The remaining 30% of the sanctioned loan together with the balance of the first instalment remaining undisbursed in cases where 80% of the site value is less than 20% of the loan sanctioned will be payable to the applicant, when the construction of the house reaches roof level and after the applicant invests on the construction of the house the amount of his/her contribution required to complete the house in all respects.

(11) The first installment should be released only on mortgaging plot of land, the subsequent installment of loan shall be released on the basis of valuation certificate given by the officers of the Public Works Department or the Municipalities concerned of rank not lower than the rank of an Assistant Engineer.

(12) A society which has taken a loan from the Government shall repay the amount together with the interest due thereon by equated annual installments.

(13) Repayment of the first, installment of every loan made by Government to a society under these rules will fall due to the expiry of 12 months after the date on which the first installment is disbursed. The interest accrued up to the date of completion of the buildings for which loans are granted shall be payable in a lump sum on the completion of the buildings or on the expiry of 18 months from the date of disbursement of the first installment of the loans whichever may be earlier, failing which a penal interest at $1\frac{1}{2}$ times the normal rate of interest monthly commencing from the month succeeding, that in which, the first installment of the loan, was disbursed. If a borrower is in arrears for a sum equal to or greater than three monthly installments either by way of principal or interest, or both, the whole outstanding loan shall become overdue.

(14) 80% of the market value of the site as approved by the Deputy Registrar may be adjusted towards the share capital and the value of the site so adjusted shall be treated as a loan. Such loans need not be repaid in installments but shall be adjusted towards the loan when the balance of the loan becomes equal to the share capital. The share capital collected by adjustment of site value shall not carry any dividend. No interest need be charged on such share capital loan.

(15) All houses shall be constructed according to plans and estimates approved by the Board of Directors and the Registrar of Co-operative Societies.

(16) Houses constructed shall be kept free from all encumbrances.

(17) The houses must be maintained in good repair at the loaner's cost and he shall continue to pay all municipal taxes until the loan is repaid.

(18) Loans shall not be granted for repayment of loans nor advances be given for completion of houses in process of construction.

(19) Houses built with the aid of loans sanctioned under this scheme should be got insured against fire, etc., with the general Insurance Dept. of Life Insurance Corporation for an amount not less than the Government loan outstanding against each building at the end of the cooperative year and the policy should continue to be in force till the Government loan is cleared. Such insurance policy should be kept in the society and made available to the inspecting officers for perusal whenever demanded. Failure to do so will entail for closure of the loan.

(20) The society and the member shall be bound to abide by the conditions and rules that may be framed by the Government of India or the State Government or the Registrar of Cooperative Societies from time to time and in the event of non-compliance or breach of any of the conditions by the borrower the whole sum then remaining due to the Government on account of the said loan and interest thereon shall become immediately payable.

(21) Before disbursing the last installment of loan to the loaner building the house, the Engineer will ensure completion of the building in all its aspects and the development of the site (provision) of water supply, street lighting, drainage, sewage laying of roads etc.,) has been completed in accordance with the standards normally prevailing at the station at which the house is built.

(22) Plans specifications and layout once approved must not be departed from, without the prior concurrence of the Engineers or Director of Town Planning as the case may be.

(23) If there is no substantial progress in the construction of the house in nine months after the date of disbursement of the installment of the loan or if the progress made has no relation to the amount of money advanced, the loan may be withdrawn or suitably curtailed at the discretion of the Government or the Registrar.

(24) (a) The rate of interest charged by Government on all loans granted under the scheme to building societies shall not be more than $\frac{1}{2}\%$ over the rate payable by them to the Life Insurance Corporation. This rate is liable to be revised from year to year. A penal rate of $1\frac{1}{2}$ times the normal rate of interest will be charged on all overdue installments of principal.

(b) Interest on loans granted by the society shall for the present be charged at a rate not more than $\frac{1}{2}\%$ per annum over the rate at which the Life Insurance Corporation lends. The first month will be reckoned from the date on which the loan is paid to the corresponding date of the next month.

(c) (i) Every member who has taken a loan for the construction of a house shall repay the amount together with interest due thereon in equated monthly installments, the first of such installment shall be payable on the expiry of twelve months from the date of withdrawal of the first installment

of the loan. The monthly payments shall be made on or before the 15th of the subsequent month to which it relates. Interest at 1 ½ times the normal rate or at such rates as the Government from time to time may fix shall be levied on all overdue installments. The maximum period of repayment of loan shall in no case exceed 25 years.

(ii) If the due date for repayment of a loan installment of a loan falls on a holiday, the next working day shall be deemed to be the due date for the repayment of such loan or installment of loan.

61. (i) Every member who has taken a loan from the society shall repay the amount together with the interest due thereon by equated monthly installments interest being calculated monthly installments, on the amount outstanding from time to time. The monthly payments shall be made on or before the 15th of the month succeeding that to which it relates. Interest at 1 ½ times the normal rate of interest shall be levied on all overdue installments. The maximum period of repayments shall in no case exceed 25 years.

(ii) If the due date for repayment of a loan or installment of a loan falls on a holiday the next working day shall be deemed to be the due date for the repayment of such loan or installment of loan.

62. It shall be open to a borrower to repay at any time a larger sum than the prescribed monthly installment or to discharge the whole loan taken by him in a single payment. Repayments other than those made on the due date of the prescribed monthly installment will be classed as follows:-

(i) Payment on the due date of a sum in excess of the equated payment: - such excess payment shall at once be credited in reduction of principal but no postponement of any future installments will be allowed nor the amount of subsequent installments reduced.

(ii) Payment before the due date:-

Any sum paid before the due date shall first be credited towards the interest which has accrued up to the date of payment and the balance if any shall be credited towards principal, the member being required to pay on the due date, the balance of interest due for the month or year and also the balance of principal, if any, due for the year. If the amount paid before the due date is in excess of the annual payment the number of future installments should be correspondingly reduced but no postponement of such installment will be allowed nor the amount of subsequent installment reduced.

When a member is in default either in respect of an installment of principal or in respect of interest, any sum paid shall be appropriated in the following order:-

(1) Penalty (2) Interest (3) Principal

63. REPAYMENT OF LOANS:

(1) The repayment of the first monthly installment of every loan given for the construction of a new house will fall due on the expiry of one month from the date of which the building, for the construction of which the loan is granted, is finished or of seventeen months from the date of disbursement of the first installment of the loan, whichever is earlier. The interest accrued up to the date of completion of the buildings for which a loan is granted shall be payable in a lump sum on completion of the buildings or on the expiry of 16 months from the date of the disbursement of the first installment of the loan, whichever is a earlier, failing which interest at the rate of 1 1/5 per rupee per mensem shall be levied on the amount overdue. This rate shall not however be less than 1½ times the normal rate. There is, however no objection to a member paying in advance the interest monthly commencing from the month succeeding that

in which the first installment of the loan was disbursed. Should a borrower be unable to pay a prescribed installment of principal, the Board of Directors may for satisfactory reasons, suspend the payment of that installment by the grant of an extension for the amount. , If a borrower is in arrears for a sum of money equal to or greater than three monthly installments of either principal or interest or both and the Board of Directors does not see it necessary to grant an extension, the whole outstanding loan becomes recoverable.

- (2) A society which has drawn loans from the Government shall repay the amount together with the interest due thereon by equated annual installments.
- (3) Repayment of the first installment of every loan made by Government to a Society under these rules will fall due on the expiry of 12 months after the date on which the first installment is disbursed.

64. CHARGE OF SHARE CAPITAL DEPOSIT ETC., OF THE MEMBER:

The society shall have a charge upon the paid-up share capital deposit and any other money to the credit of a member or a past or deceased member in respect of any debt due to the society from such member or past member or the estate of such deceased member and the society may set off any sum credited or payable to a member or past or deceased member of the estate of deceased member or towards payment of any such debt.

65. APPROPRIATION OF FUNDS:

When a member from whom money is due, pays due pays any sum, it shall be appropriated in the following orders:-

Firstly, to fees, fines, postal, registration and other miscellaneous charges due by him;

Secondly, to interest; and

Thirdly, to principal.

66. CLOSURE OF LOANS:

When a loan is cancelled by the Board of Directors under bye-laws No.54 on account of its misapplication, the loan account shall be closed. When an account is so closed or closed under the bye-law No.53 the Board of Directors shall inform the borrower of the fact and of the amount outstanding against him including interest up to the date of closing the loan account. On the total amount so found due, the borrower shall be charged interest at 1 1/5 pies per rupee per mensem from the date of closing the loan account to the date of recovery and steps shall be taken without delay to recover the amount. This rate shall not however be less than 1 1/2 times the normal rate.

However, where a loan is closed, under bye-law, the Board of Directors on the payment by the borrower of the arrear installment or installments with interest at pies per rupee per mensem, permit him to repay the balance due in installments as originally fixed in executed by the borrower in renewal of the original mortgage deed. But before the Board of Directors so permits the renewal of the Loan, it shall obtain the approval of the Registrar.

67. Should a member be expelled under by-law 16, the loan account if any of the member concerned shall at once be closed without reference to the terms for which the loan had been granted and action shall be taken to recover from the borrower the amount outstanding against him, including interest up

to the date of closing the loan account. Interest shall be charged at 1 1/5 pies per rupee per mensom on the amount so found outstanding from the date of closing the loan account to the date of recovery. This rate shall not however be less than 1 ½ times the normal rate.

68. DISTRIBUTION OF NET PROFITS:

The net profits of the society as declared by the Chief Auditor or any person authorized by him, after issue of the audit certificate may be utilized for distribution as follows:-

- (i) Twenty five percent of the net profits shall be carried to the Reserve Fund ;
- (ii) Ten percent of the profits shall be set apart to an audit fund, if the society does not meet the cost of audit or does not have its accounts audited at its own expenses;
- (iii) One percent of the net profits subject to a maximum of Rs.2,500/- shall be credit to the Cooperative Education to Fund to be administered by the A.P. State Cooperative Union.

Out of the reminder:-

- a) Divided on shares may be paid to members on the share capital standing on their account on the 30th June, of the preceding year at a rate not exceeding 6 ¼ %. The dividend declared shall not actually be disbursed to the members as long as any loan is outstanding against them, the amount found due to each member shall be credited to his loan account;
- b) A sum not exceeding two months salary may, at the discretion of the General Body paid as bonus to the members of the establishment of the society, on the recommendation of the Board of Directors;
- c) A sum not exceeding 5% of the net profits shall be taken to the common good fund to utilized for the purpose defined in selection 2 of the Charitable Endowments Act, 1890.

Any profits not appropriated in manner specified above and undisbursed and indivisible profits shall be added to the Reserve Fund of the society.

69. RESERVE FUND:

- (i) The Reserve Fund shall belong to the society as a whole and is intended to meet unforeseen losses. No member shall have any claim to a share in it.
- (ii) The Reserve Fund of the society shall not be invested or deposited except in one or more of the modes mentioned in section 46 of the A.P.C.S Act 7 of 1964.
- (iii) On winding-up of the society the Reserve Fund together with other funds constituted by the society in accordance with the bye-law, shall be applied by the liquidator to the discharge of such liabilities of the society as may remain undischarged out of the assets of the society in the following manner:-

- (a) The dept of the society;
The paid up share capital; and
Any claim relating to the dividend upon the paid up share capital of the members on the date of withdrawing up of the society.

(iv) Any surplus funds remaining after the payments mentioned in clause (iii) of this bye-law shall be utilized as per the provisions of the A.P.C.S. Rules. 1964.

70. MISCELLANEOUS:

No amendment to, alteration in, or cancellation of a bye-law not the enactment of a new bye-law shall be made except at a general meeting of the members or shall be deemed to have been passed unless a majority of the members present vote for it or shall take effect until it shall have been approved and registered by the Registrar;

The notice of the meeting shall be sent to each of the member as provided in the bye-law (37) which shall also give the members a reasonably clear idea of the nature of amendment proposed. The amendment so carried out shall be sent to the Registrar within 30 day from the date of the meeting for registration.

Provided that if in the opinion of the Registrar, an amendment of the bye-laws of the society is necessary or desirable in the interests of the society or of the Cooperative Movement he may call upon the society to make an amendment in the manner prescribed in the A.P.C.S. Rules. If the society fails to make such amendment to the bye-laws within the time specified by the Registrar he may after giving the society an opportunity of making its representation, register, such amendments and forward to the society by registered post a copy of the amendment together with a certificate signed by him. Such certificate shall be conclusive evidence that the amendment has been duly registered and shall have the same effect as an amendment of any bye-law made by the society.

71. (1) The society shall keep a copy of the A.P.C.S. Act 7 of 1964, Andhra Pradesh Coop. Societies Rules, 1964, the bye-laws of the society, the last audited annual balance sheet, the profit and loss account and list of the members and of the committee, open to inspection by its members free of charge at all reasonable times at its registered office. It shall also permit every member to inspect such portion of the books and records in which transactions relating to him have been recorded.

(2) The society shall also furnish to a member on request in writing and on the document mentioned in the foresaid bye-law or extracting of the transactions relating to him with the society within 30 days from the date of payment of such fees.

72. (1) The society shall prepare annually in such forms as may be prescribed by the Registrar:-

- (a) Statement showing receipt and disbursement for the year
- (b) A profit and loss account;
- (c) A balance sheet; and
- (d) Such other statements as may be prescribed by the Registrar from time to time.

These statements shall be made up to 30th June, of every year a copy of each shall be sent to the Registrar within 15 days after the close of the cooperative year ending 30th June.

(3) After the Chief Auditor or any person authorized by him verified the statements and granted the audit certificate the society shall publish such of the prescribed statements as he may direct in the manner prescribed by him.

73. The society shall not use, or allow to be used any premises or portion thereof which is intended for its business for any purpose other than such business or other co-operative activity.

74. If any dispute touching the business of the society other than a dispute regarding election to the Committee or dispute regarding disciplinary action taken by the society or its committee against a paid employee of the society arises:-

- a) Amongst members, past members and persons claiming, through members or deceased members or
- b) Between a member, past member or person claiming through a member, past member or deceased member and the society, its committee, or any officer, agent or servant of the society, or
- c) Between the society or its committee and any past committee any officer, agents or servant any past officer, past agent or past servant or the nominee, heirs or legal representatives of any deceased officer, deceased agent or deceased servants of society, or
- d) Between the society and any other registered society; such dispute shall be referred to the Registrar for decision;
- e) The Registrar may, on receipt of such reference;
 - (i) Elect to decide the dispute himself, or
 - (ii) Transfer it for disposal to any person who has been invested by the State Government with powers in that behalf; or
 - (iii) Refer it for disposal to an arbitrator.

The decision or award of the Registrar or the person to whom the reference was transferred or by the arbitrator to whom it was referred shall be final, subject to the provisions of sub-section referred shall be final, subject to the provisions of sub-section.

- (1) Of section 76 of the A.P.C.S. Act and it may be enforced in any of the following way, namely:-
 - (a) By an application to the Registrar of the district in which the cause of action arose, for the enforcement of the decision or award as provided in section 70 of A.P.C.S. Act 1964 and Rule 52 of the A.P.C.D. Rules, 1964 or
 - (b) On a requisition to the collector of the district or to any person authorized by him in this behalf made by the Registrar of Cooperative Societies, all sums recoverable under the decision shall be recovered in the same manner as arrears of land revenues, or
 - (c) By an application to the civil court having jurisdiction over the subject matter of the decision or award that court shall enforce the decision as if it were a decree of that court;

75. Should any sum or property belonging to the society be either stolen or otherwise lost, and found irrecoverable, it shall be open to the General Body to write off such amount or the value of property after obtaining the sanction of the REGISTRAR.

76. No money shall be contributed towards the expenses of any cooperative conference unless such conference is held under the auspices of a society which is authorized by its bye-laws, to undertake the holding of such conference.

77. 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.

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