

**BHEEMUNIPATNAM MUTUALLY AIDED COOPERATIVE
BUILDING SOCIETY Ltd., 2443
BHEEMUNIPATNAM - 531 163.**

BYE - LAWS

BHEEMUNIPATNAM - 531163.

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1. GENERAL

1.1. CONSTITUTION:-

- 1.1. The Society shall be named as the “Bheemunipatnam Mutually Aided Cooperative Building Society Ltd”, Bheemunipatnam.
- 1.2. The Society shall be registered under the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995 with limited liability and shall be a corporate body with perpetual succession, common seal and with powers to hold property, to enter into contracts, to sue and to be sued.
- 1.3. It shall have its Registered Office at Bheemunipatnam with the following address: - Door No: - 12-24-4, Main Road, Bheemunipatnam - 531163.
- 1.4. The Change of address, if any, shall be notified and informed to the concerned, within 30 days of such a change.

1.2. The Object of the Society:-

- 1.2.1. The objects of the Society shall be to undertake activities for the benefit of its members, such as the trade of acquiring, buying, selling, hiring, letting and developing land in accordance with Co-operative principles and to allot plots, give loans to members for construction of new dwelling houses and other related activities beneficial to the members.

1.3. Activities and Services:

- 1.3.1. Broadly, the activities of the Society and the Services that will be rendered by It shall be as under:
 - To buy or acquire lands by purchase, mortgage, lease, or exchange or otherwise.
 - To develop the land as a layout to meet the requirements in the shape of providing basic amenities such as roads, power, water supply and common utilities for social, recreational, religions purposes.

- To provide house sites for the benefit of the members of the Society and to allot them to its members on such terms and conditions as may be fixed by the Society.
- To construct or cause to be constructed buildings for common utility of the Society.
- To build or cause to be built residential Houses or Apartments for the members.
- To hold, sell, mortgage, lease out or on hire purchase system or otherwise lease of land, houses, house sites, buildings and all other properties, movable or immovable necessary for carrying out the objectives of the Society.
- To establish and maintain social, recreational, educational religious, public health, or medical institutions for the benefit of the members.
- To raise funds required for the business of the Society through deposits or other means.
- To associate and promote banks or financial institutions to mobilize and raise the required funds for development purposes.
- To enlarge and diversify the activities of the Society, in time with the technology and time, necessary for the accomplishment of the objects and for the comfort, convenience and good of the members.
- To adopt the directions issued by the Commissioner for Cooperation and Registrar of Co-Operative Societies., Andhra Pradesh, Hyderabad from time to time.

1.4. Area of Operation:-

1.4.1. It shall extend to the District of Visakhapatnam, Vizianagaram and Srikakulam.

1.5. Definitions:-

1.5.1. Words and expressions appearing in these Bylaws shall have the following meaning unless the context otherwise specifies.

- i) The word “ACT” means A.P. Mutually Aided Co-operative Societies Act, 1995.
- ii) “GOVERNMENT” means the Government of Andhra Pradesh.

- iii) “REGISTRAR” means the Registrar of Mutually Aided Cooperative Societies, or any person on whom the powers of Registrar are conferred under the Act.
- iv) “MEMBER” means person admitted as a member of the Society.
- v) “SOCIETY” means The Bheemunipatnam Mutually Aided Cooperative Building Society Ltd., Bheemunipatnam.
- vi) ‘BYELAWS’ means the registered Bylaws of the Society under APMACS Act 1995 as originally framed or as altered from time to time in pursuance of the Act.
- vii) BOARD” means the Management Board (MB) of the Society.
- viii) “DIRECTOR” means a Director of the Management Board.
- ix) “General Body (GB)” in relation to the Cooperative Society means all the eligible members of the Cooperative Society including the representative general body referred to in Section 20 of the Act.
- x) “General Meeting” means a meeting of the General Body.
- xi) “OFFICE BEARERS” means an individual elected by the General Body or Board of the Society to any office of it in accordance with The Byelaws.
- xii) The “OFFICE” means the organizational set up established at the Registered Office of the Society for its day to day Administration.
- xiii) “OFFICE IN CHARGE “means the paid employee designated to supervise and administer the work of the office.
- xix) “Chief Executive Officer (EO)” means the officer appointed by the Board to be in charge of the Office, if any.
- xv) “CO-OPERATIVE PRINCIPLES” means the Cooperative principles specified in section 3 of the Act.
- xvi) “LIMITED LIABILITY” means the limit of the liability of member of the Society for the debts of this Society in the event of its being wound up is limited.
- xvii) “COOPERATIVE TRIBUNAL” means the Tribunal constituted under Section 32 of the Act 1995.
- xviii) “Delegate” means a member nominated by a Cooperative Society to represent its interest in a federation.

- xix) "Federation" means a mutually aided Cooperative Society registered under Section 4 of the Act, whose members are Mutually Aided Cooperative Societies.
- xx) "DEFICIT" means the net excess of expenditure over income.
- xxi) "Surplus" means the net excess of the income over the expenditure.
- xxii) "FINANCIAL or ACCOUNTING YEAR" means the period of 12 months as provided in the Byelaws of the Society.

2. MEMBERSHIP

2. 1. Eligibility for membership:-

2.1.1. Every citizen of India and opt ultimately settle down in the area of operation of the Society shall be eligible to be admitted as a member of the Society provided that person is not a minor, not a member of a similar Society and sound in mind. The individual shall agree to the conditions laid down in the byelaws of the Society.

2.2. Ineligibility for Membership:-

2.2.1. An applicant to the membership of the Society shall not be eligible to be admitted as a member in case he / she

- adjudicated as insolvent or an undischarged insolvent,
- sentenced for an offence,
- expelled from membership of another Society.

2.3. Admission:-

2.3.1. The Person desiring to be a member of the Society shall apply for membership on the prescribed Application Form of the Society along with a Demand Draft for such amounts as specified.

2.3.2. The Society office shall receive such applications, in case admission for membership is open, and scrutinize it for its admissibility. In case the Application is in order, it shall recommend it for consideration of the Management Board.

2.3.3. The Management Board shall examine these applications at its meeting and declare the applicant as admitted or not admitted.

2.3.4. In case an applicant not admitted, the Board shall specify the reasons for non - admission and inform the applicant within 60 days from the date of the Application.

2.3.5. The Governing Body shall decide when to admit new members to the Society from time to time.

2.4. Share Holders:-

2.4.1. Every member shall take at least three shares of the Society and no member shall take not more than 1/10th of the total authorized Share Capital of the Society.

2.4.2. Every member shall be entitled to increase the number of shares, with the permission of the Management Board, from time to time so as not to exceed limit of share holding laid down in the byelaws of the Society.

2.4.3. The members who do not wish to continue membership in the Society after conversion of this Society from the provisions of APCS Act 7 of 1964 to APMACS Act 1995 will take a right to withdraw their share capital deposits etc., and their claims will be settled within 30 days subject to discharge their liabilities if any to the Society.

2.5. Authorised Share Capital:-

2.5.1. The authorized share capital of the Society, for present, shall be Rs. 25 (Twenty Five) Lakhs consisting of 25,000 shares, each share with a face value of Rs. 100/-.

2.5.2. The General Body shall decide the quantum of the authorized share capital of the Society as deemed necessary from time to time as per the provisions of Section 10 of APMACS Act 1995.

2.6. Share Certificates:-

2.6.1. Share certificate duly signed by the President of the Society and with the seal of the Society shall be issued to every member for the number of Share subscribed by him/her after he/she makes full payment to the society for the value of such shares.

2.6.2. In case a 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, it will be considered by the Management Board, whose decision in this regard shall be final.

2.6.3. In case a certificate is torn out or damaged, the Board may order the same to be cancelled and issue a duplicate certificate in lieu thereof on surrendering the worn out or damaged certificate.

2.6.4. For every duplicate certificate issued under this Bye-Law a fee of Rs. 500/- shall be collected.

2.7. Transfer of Shares:-

2.7.1. If a member dies, his membership shall cease ipso-facto. Every member may nominate a person or persons to whom in the event of death, the value of his share of interest in the profits of assets of the Society or any other money due to him shall be transferred or paid to the nominees.

2.7.2. When a member nominates more than one person in respect of share held by him/her, shall, as far as possible, specify the number of shares, in whole number to be transferred or paid to each nominee.

2.7.3. A nomination made by a member or any variation or revocation thereof shall not be valid and shall not, on 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 at least two witnesses.
- ii) It is entered in the Books of the Society kept for the purpose.
- iii) The member indebted or is liable as surety to another member who is indebted to the Society.
- iv) The transferee does not fulfill the conditions prescribed under the bye-laws.

2.8. Death of a Share Holder:-

2.8.1. On death of a shareholder, the Society pay to the person or person nominated a sum representing the value of the share holders interest in the Society within 2 months from date of receipt of claim by the nominee or nominees of the deceased share holder. In the absence of any nomination, the legal heirs, of the deceased are entitled to get the benefits and share amount of the deceased.

2.8.2. Each such Claim shall be entertained in case it is made within 5 (five) years from the date of demise of the members. The unclaimed amounts shall be credited to the Society funds.

2.9. Withdrawal and cessation of membership:

2.9.1. A member may voluntarily withdraw from the membership by submitting an application in the specified form, after satisfying all obligations and dues outstanding on his own account and as a guarantor.

2.9.2. In case, a member ceases to be eligible for membership of the Society, his or her name shall be deleted from the list of members and shall pay back, within a reasonable period, to such member, the share capital already paid by him/her, with dividend declared, if any, after deducting dues to the Society if any.

2.9.3. The members who are allotted plot/house shall not be entitled to withdraw from membership within 10 years of their admission as member. However, may withdraw with prior permission of the Board of Management. Further, if they transfer / lease out / or convey their land or house under a contract to any other member or any outsider or to the Society itself on mutually agreed terms and conditions, they may withdraw their membership after prior approval of the Board on payment of a prescribed fee.

2.9.4. A member who fails to remit the contributions due to the Society and becomes a defaulter for more than 3 years in spite of repeated reminders shall automatically cease to be a member of the Society in case the member does not comply with this provision even after being given an opportunity to pay.

2.10. Disqualification of a Member:-

2.10.1. A member who fails to adhere to the minimum performance norm or defaults payment of dues within time shall be disqualified as a member till the payment of dues in a specified period and adhere to the norm of minimum performance.

2.10.2. A disqualified member shall not be eligible to contest or vote till Disqualification is revoked.

2.11. Expulsion of a Member:

2.11.1. The Board of Directors or General Body by a simple majority, shall be empowered to decide to Expulsion of a member who indulge in activities harmful to the Society particularly of those working against the directions of the General Body and causing damage to the creditability of the Society by a simple majority duly giving an opportunity to defend his/her case. However, such decision of the Board of Directors shall be reported to the General Body for its ratification by a simple majority at the succeeding General Body Meeting.

2.12. Nomination:-

2.12.1. A member may nominate a person or persons to receive the member's interest in the Society after his death. Nomination shall be made in the prescribed form and entered in the special register kept at the registered office of the Society.

2.12.2. Nomination can be revoked and fresh nomination made any number of time after giving due intimation in writing to the Society and on payment of prescribed fee of Rs. 25/- for every subsequent nomination.

2.13. Liability of Member:

2.13.1. The liability of a share holder shall be limited to the capital represented by the share or share of which such share holder is the registered shareholder. The liability of a past share holder to the extent of shares as they existed at the time when he ceased to be a shareholder, shall continue for a period of one year from the date of receipt of notice by the Society. The liability of a deceased shareholder shall remain liable to the extent of sums due for a period of one year.

2.14. Lien of Shares, Interest on Shares, Patronage Dividend and Deposits:

2.14.1. The Society shall have the first and paramount lien on charge upon all the shares, interest on shares, patronage dividend and deposits of any member or past member for all money due from him to the Society or as a surety guarantor on behalf of any borrower. The Society may at any time set off any sum credited by or payable by a member or past member

towards payment of any liability of such member or past member or borrower.

2.15. Rights of Members:

2.15.1. Every member shall have the following rights provided if he / she satisfies the other conditions as specified in the byelaws.

a) Right to vote and contest in the Elections are per the provisions of APMACS Act-1995.

a) To receive interest on share capital and patronage dividend. If any, to be paid on the basis of his / her transactions with the Society.

b) To receive share certificate.

c) Right to participate, and vote in General Body Meeting.

d) Right to see his/her own accounts and not to reveal the personal details of a member to other members or anyone else except to the authorities entitled for such data and subject to the provisions of RTI Act, 2005 and other Acts.

e) Right to receive Annual Statement of Accounts.

2.16. MINIMUM PERFORMANCE BY A MEMBER:

2.16.1. Every member shall ensure a minimum performance of service by regularly attending the meeting of the Society, promptly arranging the payments, participate in its services and contributing a minimum of Rs. 250/- per annum towards a thrift Scheme.

2.17. Register of members:-

2.17.1. The Society shall maintain a Register or a computer file of all the members of the Society, as on date.

2.18. Eligibility to Vote:-

2.18.1. Every member not declared as ineligible or disqualified shall have the right to vote provided the member conform to the minimum performance norm, not a defaulter of dues and in possession of the photo identity card issued by the Society.

2.19. Services by Members:-

2.19.1. The services of the members when called for or accepting to serve the Society as an office bearer of the Society shall be, normally, GRATUITIOUS.

2.19.2. However, the office bearers or the member accepting specific assignments shall be entitled to TA / DA as applicable by the rules of the Society.

3. GENERAL BODY

3.1. COMPOSITION:-

3.1.1. The General Body shall comprise of the entire set of members admitted to the Society and eligible to vote. In other words, all the members of the Society on its rolls at the time shall be the General Body of the time. Thus, its strength varies from time to time and the Supreme Authority to decide and steer the activities of the Society within the framework of the Act.

3.2. GENERAL BODY MEETING:-

3.2.1. It shall be two types, one called as the Annual General Body meeting convened once in a year, preferably on the last Sunday of the month of September of the year and others called as General Body Meetings convened for periodical review and specific purposes with specified agenda.

3.2.2. The Annual General Body convened, annually, shall interalia transact the following matters:-

a) amendments to the bylaws;

b) consideration of :-

i) the long term perspective plan and budget

ii) the annual operational plan and budget

iii) the annual report of activities of the Society during the year

iv) the auditor's report and the annual audited statement of accounts.

v) special audit's report or inquiry report, if any

- vi) compliance report relating to audit, special audit and /or inquiry, if any
- c) ratification of appointment and removal of auditors;
- d) disposal of surplus
- e) management of deficit
- f) creation of specific reserves and other funds
- g) review of actual utilization of reserves and other funds
- h) review of the report on the attendance at meetings by directors and review of the business done with the Cooperative Society by the director
- i) appointment, reconstitution and disbanding of the representative General Body
- j) remuneration payable to any director or internal auditor in connection with his duties in that capacity or his attendance at related meetings
- k) membership of the Cooperative Society in federation
- l) collaboration with other organizations and its review
- m) promotion of subsidiary organizations and review
- n) dissolution of the Cooperative Society; and
- o) all other functions expected of the General Body under the other provisions of this Act.

3.3. Minutes of the General Body:-

- 3.3.1. The proceedings of the Annual General Body as well as other meetings of the General Body shall be minuted and circulated to the members by appending them to the Annual Report of the Society.

3.4. Quorum:-

- 3.4.1. The minimum attendance at a General Body meeting shall be 1/5th of members on the rolls of the Society on the days of the meeting or a minimum of 250 whichever is lower.

3.5. VOTING:-

- 3.5.1. Each member shall be entitled to have only one vote irrespective of the number of shares held by the member,

- 3.5.2. All questions before the General Body shall be decided by simple majority,
- 3.5.3. No Votes by proxy shall be allowed
- 3.5.4. In case of equal votes, the President shall have a casting vote.
- 3.5.5. The decision by the President shall be final and binding on all the members.

3.6. Adjournment of Annual General Meeting :-

- 3.6.1. In the absence of quorum, within half an hour after the time appointed time for holding of a general meeting, the meeting shall be adjourned to a date to be specified.
- 3.6.2. No business other than that business for which a general meeting was called shall be transacted at an adjourned meeting.
- 3.6.3. In the absence of quorum within the time fixed for holding an adjourned general meeting the share holder members present and entitled to vote shall form the quorum.
- 3.6.4. If, within half hour after the time appointed for holding a special general meeting, convened on requisition by shareholder members, a quorum is not present, the meeting shall be dissolved.

3.7. Periodicity of General Body Meetings:-

- 3.7.1. There shall be no limit on the number of the General Body Meetings to be convened. These shall be as per the requirements to be decided by the Management Board or Members. However, it shall be mandatory to convene at least one General Body Meeting in a Calendar year (from 1st January to 31st December of the year).

3.8. Notice for the Meeting:-

- 3.8.1. The notice for the General Body Meeting shall be issued to each eligible member by certificate of posting besides publishing in Newspapers atleast 15 days before the Scheduled date of Meeting and posting it on the Website of the Society, if any.

4. MANAGEMENT BOARD

4.1. THE BOARD:-

4.1.1. There shall be a Management Board with executive powers to translate, Implement and executive the policy directions of the General Body and ensure fulfillment of the aspirations of the members of the Society. In other word, it shall be to the body to manage the affairs of the Society.

4.1.2. Broadly, the main functions of the Board shall be as under;

- a) elect the office bearers
- b) remove the office bearers
- c) appoint and remove the Chief executive, if any
- d) fix staff strength
- e) frame policies concerning
 - i) organization and provision of services to members
 - ii) recruitment and conditions of service of the staff at the Cooperative Society.
 - iii) mode of custody and investment of funds
 - iv) manner of keeping accounts
 - v) mobilization, utilization and investment of various funds
 - vi) monitoring and management information systems including statutory returns to be filed; and
 - vii) formulating plans and programs for purchase of land, development of layouts, award of works, allotment of plots, building of houses etc.

- viii) such other subjects and matters necessary for the effective performance of the Society.
- f) Finalize long term perspective plan and the annual plan and budget; and direct the affairs of the Co-operative Society in accordance with the plan and budget as approved by the General body.
- g) place the annual report, annual financial statements, annual plan and budget for the Society to the General Body.
- h) consider audit and compliance reports and place these before the General Body
- i) review membership in other Cooperatives; and
- j) undertake such other functions as may be delegated by the General Body.

4.2. ITS COMPOSITION :-

- 4.2.1. It shall consist of 10 Directors duly elected by the General Body for the specified periods.
- 4.2.2. Out of the ten Directors, two posts shall be reserved to women members.
- 4.2.3. The President and the Directors shall be eligible members of the Society.

4.3. TENURE:-

- 4.3.1. Generally, the tenure of the President shall be for five years.
- 4.3.2. However, in case of resignation, disqualification or demise of a President, the Vice - President shall assume the charge of the President for the remaining period only.
- 4.3.3. The tenure of a Director shall be for five years except in the case of the first batch of Directors since the Directorship shall be on a rotation basis.
- 4.3.4. Accordingly, every year two of the Directors complete their tenure and new Directors elected against three vacancies.
- 4.3.5. The tenure period of the first batch of Directors shall be by drawing lots in the presence of the ten elected Directors and President. This shall be final and indisputable.

- 4.3.6. In case a Director abstains, without leave of absence, for three consecutive meetings, the Directorship shall cease, automatically and a new Director Co opted for the remaining period.
- 4.3.7. In case, the post of a Director falls vacant, for whatever may be the reason, the Board shall Co-opt a Director for the remaining period only.
- 4.3.8. The maximum number of terms either the President or Directors can hold the positions shall be two. In other words, no member can continue for more than ten years as the President or Director of the Board.
- 4.3.9. This period shall be counted from the time the first Management Board formed only. It shall not be applicable to the earlier periods.

4.4. The Office Bearers:-

- 4.4.1. There shall be four office bearers. These shall be the President, the Vice - President, the Secretary and the Joint Secretary.
- 4.4.2. The office bearers, shall be elected by the Board from among themselves.
- 4.4.3. Their term shall be limited to their term as a Director.
- 4.4.4. The President shall be the overall incharge of the activities of the Society and responsible to the General Body and Board for the health and progress of the Society.
- 4.4.5. Broadly, the functions and responsibilities of the President shall be as under;
- Preside over the General Body and Management Board Meetings.
 - Overall in charge of the day to day activities of the Society.
 - Appoint the staff against the sanctioned posts as per the resolutions of the Board.
 - Ensure Discipline and take disciplinary actions.
 - Deployment of staff and allocation of work among the employees.
 - Decide the Investment of funds of the Society in consultation with the Board.
 - Exercise the cheque power as per delegation by the Board.
 - Ensure execution of the policy directions and decisions of the General Body as well as the Board.
 - To sue the concerned if necessary.

4.4.6. The Vice - President steps in only in the absence of the President.

4.4.7. The functions of the Secretary, broadly, shall be as under;

- Ensure the maintenances of the account records and sign the periodical compilation of the accounts
- Convene the Board meetings with the Approval of the President
- Attend to legal matters including to sue and to be sued.
- Minutes the proceedings of the General Body and Management Board Meetings.

4.4.8. The Joint Secretary shall attend to those functions delegated to him by the President.

4.4.9. Notwithstanding these provisions, the President shall have the right to allocate and assign the works pertaining to the office among the office bearers as deemed necessary from time to time, with the approval of the Board of Directors, without violating the provisions of APMACS Act 1995 and Bye laws of the Society.

4.5. Disqualification for being a Director:-

4.5.1. In addition to the stipulations under section 21(7), no member shall be eligible for being chosen as, and for being a Director of the Board if he or she

- a) is a family member 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 3 months.
- c) is a person against whom any amount due pending for recovery under a award or order
- 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 authority
- f) is appearing as a legal practitioner on behalf of the Society
- g) is a paid employee of the Society.
- h) is acquiring any other disqualification as specified in Section 20 of APMACS Act 1995.

4.6. NO CONFIDENCE:-

- 4.6.1. A No Confidence motion against a Director can be moved in the Board of Directors meeting and decided by simple majority.
- 4.6.2. A no confidence motion against the President may be mooted by the Board of Directors and decided by simple majority by the General Body convened for the purpose.
- 4.6.3. A special meeting of the General Body shall be convened by the Board within 21 days from the date of such a requisition.
- 4.6.4. The members of the General Body shall be given at least 15 days notice of this meeting by informing the members about this meeting by certificate of posting and advertisement in the leading Dailies of the area.

4.7. MEETINGS:-

- 4.7.1. The meeting of the Management Board shall be convened atleast six times in an year and three shall be atleast one meeting in 60 days.
- 4.7.2. The proceedings of the Meeting shall be minuted and signed either by the President or Secretary.
- 4.7.3. Minutes book shall be maintained for the purpose.
- 4.7.4. The minutes shall be circulated among the Directors and confirmed at the next meeting.
- 4.7.5. The Quorum for a meeting shall be 6 members including the President. However, the quorum size shall be reduced, proportionately, in case the number of Directors on roll falls short of ten.
- 4.7.6. In case there is no quorum, the meeting shall be adjourned and in the said adjourned meeting shall be conducted with the same agenda items.

4.8. Liability of the President and Directors:-

- 4.8.1. The President and the Directors, individually, shall be Liable for any loss or discredit to the Society arising out of his / her willful negligence or dishonesty.
- 4.8.2. However, the liability shall be limited to three times of his / her paid up share capital.
- 4.8.3. Further, shall be liable to be expelled from the membership of the Society.

4.9. Election to the Board:-

- 4.9.1. The selection of the Board of Directors shall be through secret ballot to be conducted by an 'Election Council' (EC) formed by the General Body.
- 4.9.2. However, that shall be provision for postal ballot in case of those eligible members who cannot participate in voting at the polling booths due to age or distance or those who apply to opt for postal ballot at any time.
- 4.9.3. The Election council shall have a Chairman and two or four members as decided by the General Body.
- 4.9.4. The Chairman to the Election Council shall be a member of the Society or an outsider with good standing.
- 4.9.5. The Election council may consist at least two in case of three member council or three in case of a five member council from among the members of the Society.
- 4.9.6. The tenure of the Election council shall be three years.
- 4.9.7. The Election council thus formed, shall organize and conduct the Elections to the posts of Directors of the Management Board through secret ballot in a prescribed manner.
- 4.9.8. The Election council shall follow the procedure and guidelines for election to the Cooperative Societies, if any, and amendments as approved by the General Body.
- 4.9.9. It shall conduct the elections to the first Board of Directors and install it within 75 days from the date of the conversion of the Society to the 1995 Act. Thereafter, the Management Board (MB) shall provide the administrative and logistic support to the Election council to conduct the elections from year to year.
- 4.9.10. The Election Council shall ensure that the elections held in a transparent and impartial manner as per the Election Schedule.
- 4.9.11. Broadly, the election process shall consist of
 - invitation of applications from members of the Society desiring to contest
 - scrutiny and selection of contestants by the council.
 - notification of the contestants and issue of secured ballot papers

- receipt and counting of the ballot papers
- declaration of the results
- installation of the first set of elected Board of Directors

- 4.9.12. The Election Council shall deploy the staff required by engaging them, on payment.
- 4.9.13. A period of 15 clear days shall be allowed for the nominated Candidates to campaign.
- 4.9.14. The expenses on the elections including TA / DA payable to the members of Election Council and remuneration to the staff deployed shall be borne by the Society.
- 4.9.15. The settlement of disputes, if any, in this respect shall be as per the provisions of the Act in this regard.
- 4.9.16. A member who contested for the post of a Director and not elected on two occasions shall not be eligible to contest for a third time for the post of Director or any other position in the Management of the Society for the next ten years from the date of losing the last contest.
- 4.9.17. A member who resigns or removed from the position through a no-confidence motion or disqualified as a Director shall not be eligible to sit on the Board or any other committee of the Society for the next five years from the date of resignation or removal or disqualification.

5. FINANCES

5.1. SOURCES OF FUNDS:-

5.1.1. The Management Board is competent to raise or borrow money by following methods.

- i) Share Capital from members.
- ii) Deposits from members
- iii) Loans/Cash Credit and advances from Financing Agencies or Banks.
- iv) Subscription etc., from members.
- v) Reserves and other welfare funds administered by the management from time to time.
- vi) To accept financial aid from generous people's representatives.

5.2.1. The funds of the Society shall be used for the furtherance of the objects of the Society and in the general interests of its members and their families as decided by the Board.

5.2. Disposal of Net Surplus:-

5.2.1. The net surplus shall be disposed as follows:

An amount not less than

- a) 20% to General Reserve Funds
- b) 5% bad Debts Reserve
- c) 10% to the Building Fund
- d) 10% to the Education Fund to be operated by the Society.
- e) 20% to patronage Rebate fund
- f) 5% to staff welfare fund
- g) 10% Community welfare fund, and

5.2.2. Remaining shall be utilized as decided by the General Body of the Society.

5.3. Reserve Fund:-

5.3.1. 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 on it.

5.3.2. The Reserve Fund of the Society shall not be invested or deposited except in one or more of the modes stipulated by the Act.

5.3.3. On winding - up of the Society, the Reserve Fund together with other funds constituted by the Society in accordance with the bye - laws, shall be applied by the liquidator to the discharge of such liabilities of the Society as may remain, undischarged out of the assests of the Society in the following manner:

- the debt 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 winding up of the Society.

5.3.4. Any surplus funds remaining after the payments mentioned in the bye - laws shall be utilized as per the provisions of the Act.

5.4. Deficit Management:-

5.4.1. In case, the Society ends with a deficit in a particular year, the Management Board shall place this fact before the General Body, at the first available instance, with specific proposal to meet the deficit.

5.4.2. The General Body shall decide the mode of its management.

5.5. Borrowings:-

5.5.1. The Society shall arrange to meet the requirements for funds by resorting to borrowing either as a deposit collection from members as a loan from the commercial institutions as deemed necessary by the Management Board.

5.5.2. However, there shall be a limit to these borrowings with reference to repayment capacity of the Society.

5.6. Filling of Returns:

5.6.1. Every year within thirty days of the conduct of annual general body meetings, the Society shall file the following returns with the Registrar.

- a) Annual report of the activities
- b) Annual Audited statements or account with auditors report
- c) List of members as at the close of the year under reporting with services provided to each member.
- d) Statement on the disposal of surplus or the allocation of deficit
- e) List of names of directors their address and the terms of office
- f) Compliance report relating to audit inquiry special audit if any
- g) Other information as per prescribed forms communicated by the Registrar.

5.7. Compilation of Accounts:-

5.7.1. The Accounts (receipts, deposits, expenditure etc.,) shall be compiled, on daily basis and the relevant records such as the receipt / voucher list, the cash book etc., prepared and stored within 24 hours of these daily transactions completion and verified by the office in charge.

5.7.2. Similarly, the accounts for each month compiled at the completion of the month concerned by 20th of the next month and duly certified by the office in charge.

5.7.3. This process shall be extended to compilation of the quarterly, half - yearly and annual accounts.

5.7.4. The accounts, thus, complied periodically shall be verified and certified by the Secretary of the Society.

5.8. AUDIT:-

5.8.1. There shall be an Annual Audit, invariably, by a certified chartered Accountant approved by the General Body and the Audit report submitted before 1st September of the year.

5.8.2. Further, there shall be provision for special Audit, as per the provisions of Section 28 of APMACS Act 1995.

5.8.3. The special Audit shall be undertaken by the designated authority and the report submitted within the specified period to the authority ordering the special Audit.

5.8.4. In addition, the Management Board may design appropriate procedures for internal audit.

5.8.5. The fee to the Auditors shall be decided by the General Body.

5.8.6. No Auditor or Auditing firm shall continue to Audit the accounts of the Society for more than 3 years continuously.

5.9. Accounting or Financial year:-

5.9.1. It shall be from 1st April of the year to 31st of March of the next year.

6. MANPOWER

6.1. Organization:-

6.1.1. The required organization and its strength under each designation shall be Decided by the Management Board from time to time.

6.2. Recruitment:-

6.2.1. The Management Board shall frame the recruitment rules and procedure for recruitment, within the frame work of the regulations by the Government on the subject.

6.2.2. In the recruitment, first preference shall be accorded to the residents of Bheemunipatnam or its neighborhood.

6.3. Discipline:-

6.3.1. The conduct rules shall be decided by the Management Board and ensured by the President.

6.4. Resignation and Termination:-

6.4.1. There shall be specific regulations as approved by the Management Board for implementation by the office.

6.5. Reporting:-

6.5.1. The employees of the Society shall report to the office incharge of the office under the overall control of the President.

7. OTHERS

7.1. The Seal:-

7.1.1. The Society shall have a common seal which will remain under the custody of the President and be affixed in the presence of the President under his signature.

7.2. Inquiry:-

7.2.1. An inquiry into the affairs of the Society to be made into specific matter or matters as per the provisions made under sections 29, and 30 of the Act.

7.3. Settlement of Disputes:-

7.3.1. Without prejudice to the statutory arrangement made in the Act for the settlement of disputes, the General Body acts as a representative general body until a representative general body is constituted touching the business and management of the Society. An appeal shall lie with the General Body as the case may be in the first instance.

7.3.2. All the dispute mentioned in Section 37 of the Act other than the election disputes shall be referred to a separate committee constituted for this purpose by the General Body comprising of members other than the Board of Directors of the Society from among members of the Society or distinguished persons from the public who have not stood for election to the Board in the previous five (5) years for decision, provided that where every matter of personal interest of any member of such committee is involved in the dispute the concerned members sitting in the committee

should avoid participation in the committee deliberation or decision making.

7.3.3. Any disputes pending between the members and managing committee of the Society including the allotment of the plots shall continue even after the conversion of the Society from the provisions of APCS Act 7 of 1964 to APMACS Act 1995 and the any decisions on such disputes shall bind on the concerned members and the Society.

7.4. Offences and Penalties:-

7.4.1. It shall be an offence under the Act, if the Society fails to:

- a) do or allow to be done any such act which this Society is by this Act or under its bye - laws required to do or allow to be done;
- b) willfully neglects or refuses to do such acts;
- c) If it makes a return or willfully furnishes information in any respect false or insufficient

7.4.2. It shall be an offence under the Act if a member / director / staff of the Society contravenes the provisions of the Act or the Bye- laws.

7.4.3. Any such offence shall be deemed to have been committed by such member / director / staff of the Society unless such member / director / staff proves to have attempted to prevent the commission of the offence.

7.4.5. An offence under this Section shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to ten thousand rupees or both.

7.5. Procedures:-

7.5.1. The provisions of the Andhra Pradesh Mutually Aided Co-operative Societies Act, 1995 the Byelaws and Rules of business and administration of the Society shall be applied and adhered to in respect in procedures of the following matters and in respect of any matters which was not specifically mentioned in Bylaws:

- a) Admission and termination of membership
- b) Amendment of Bylaws
- c) Mobilization and investment of funds
- d) Settlement of disputes, appeals and revisions

- e) Maintenance of books of accounts and records
- f) Audit of accounts
- g) Attachment and recovery of debts, execution of decree
- h) Rights and privileges of Society
- i) Liquidation, amalgamation, division, merger and transfer of the Assets and Liabilities.
- j) Penalties for acting against the interest of the Society and for non fulfillment of duties by members / directors / officers / staff.

7.6. Execution of Decisions:-

7.6.1. All the decisions, decrees and orders shall be executed as per the provisions of chapter X of A.P.C.S. Act, 1964 as per Section 36 of APMACS Act 1995.

7.7. Miscellaneous:-

7.7.1. These bye - laws shall conform and fall within the preview of the provisions of the Acts governing the Society. In other words, the Bye - laws shall be subject to the provisions of the Acts concerned such as Bonus Act, minimum wages Act, Provident Fund Act etc., within are applicable to the Society and any other directions issued by the Commissioner for Cooperation and Registrar of Cooperative Societies, AP, Hyderabad from time to time.

7.7.2. The amendments to the Acts by the Government from time to time shall be automatically, applicable and the Bye - laws stand amended to that extent.

7.7.3. In addition, the Society shall have the freedom to amend theses bye - laws from time to time to cope with the changed situations or requirements provided the amendments made as per the provisions and procedures prescribed by the Act for such acts.

7.7.4. The Society shall assure to settle the claims of those creditors and members who dissent to the conversion and opt to leave the Society with in a period of 60 days from the date of making the claim by them.

- 7.7.5. The Election Council shall ensure, to the extent possible, to re nominate the members of the present Managing Committee of the Society as President and Directors of the first Management Board till the expiry of term of present managing committee for continuity and smooth transit to the converted Society. This provision shall be transitory and strictly applicable to the formation of the first Management Board only.
- 7.7.6. Further, the present incumbent Managing Committee shall act as the ad-hoc Management Board from the date of the conversion till the first elected Management Board installed.
- 7.7.7. In case either money or property or other assests of the Society one stolen or lost and established as irrevocable, it shall be open for the General Body to write off such amounts or value of the amount.
- 7.7.8. In case of amounts due by the Society and remain unclaimed beyond the period stipulated by Law of Limitation, it shall be added to the Reserve Fund.
- 7.7.9. All the properties of the Society both moveable and immoveable shall be Continued in the Society after its conversion from the provisions of APCS Act 7 of 1964 to APMACS Act 1995.
- 7.7.10. All the taxation Liabilities and contractual obligations of the Society as existing are to be continued after its conversion from the provisions of APCS Act 7 of 1964 to APMACS Act 1995.
- 7.7.11. All the existing court cases and statutory actions will be continued even after its conversion from the provisions of APCS Act 7 of 1964 to APMACS Act 1995 and bind on the Society.
- 7.7.12. The jurisdiction in case of matters related to courts or co-operative tribunal or the Apex bodies shall be that of the courts at Bheemunipatnam or Visakhapatnam or Hyderabad as the case may be.

Sd/-
(K.V. HARINATH)

President
The Bheemunipatnam Mutually Aided
Cooperative Building Society Ltd.,
Bheemunipatnam

