



**JANSEVA**

**Making Money Moral**

جن سیوا کوآپریٹیو

کریڈیٹ سوسائٹی لمیٹڈ

जनसेवा कोऑपरेटिव्ह

क्रेडिट सोसाईटी लि .

**Bye-Laws**

**Janseva Cooperative Credit Society Ltd.**

(Registered under Multi State Cooperative Societies Act 2002 vide No.: **MSCS/CR/335/2010**)

Regd. Off. : AICMEU, 1 Floor, Vazir Building, 179,

I. R. Road, Mumbai - 400 003 Tel.: 23476497

Website : [www.janseva.in](http://www.janseva.in) Mail Id : jansevasociety@gmail.com

By Registered post

No. L11015/19/2009-L&M  
Government of India  
Ministry of Agriculture  
Department of Agriculture & Cooperation

OFFICE OF THE CENTRAL REGISTRAR OF COOPERATIVE SOCIETIES

Krishi Bhavan, New Delhi.

**CERTIFICATE OF REGISTRATION**

In pursuance of the provisions of the Multi State Cooperative Societies Act, 2002, a Society by the name of **Janseva Cooperative Credit Society Ltd., AICMEU, Vazir Building, 1<sup>st</sup> floor, 179, I.R Road, Mumbai-400003 , Maharashtra** has been registered as a Multi State Cooperative Society under section 7 of the Multi State Cooperative Societies Act, 2002. (39 of 2002) and the rules framed there under. The Registration Number of the Society is **MSCS/CR/ 335/2010**. The area of operation of the Society shall be confined to the States of **Maharashtra, karnataka, Madhya Pradesh, Chattishgarh, Orissa, Andhra Pradesh, Tamil Nadu, Rajasthan, Delhi, Uttar Pradesh , Bihar & West Bengal.**

The Bye-laws filed by the Society have also been registered.

Given under my hand and seal this the 15<sup>th</sup> day of March,2010



(Rajendra Kumar Tiwari)  
Joint Secretary to the Government of India  
&  
Central Registrar of Cooperative Societies.

To

The Chief Promoter  
Janseva Cooperative Credit Society Ltd.,  
AICMEU, Vazir Building, 1<sup>st</sup> floor, 179, I.R Road,  
Mumbai-400003  
Maharashtra

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**BYE-LAWS OF**

**JANSEVA CO-OPERATIVE CREDIT SOCIETY LTD.**

***(A MULTI STATE CO-OPERATIVE SOCIETY)***

**1. NAME AND AREA OF OPERATION: As per section 2(a) of MSCS Act 2002 (model bye laws)**

The name of the Society shall be **JANSEVA Co-operative Credit Society Ltd.**

**2. PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE**

(As per rule 8 of MSCS Rules 2002) (MODEL BYE LAWS) Page 1

The Principal Place of business and the Registered Office of the Society shall be situated at **AICMEU, 1<sup>st</sup> Floor, Vazir Building, 179, I. R. Road, Mumbai – 400003.** Any change in the address shall be notified to the Central Registrar within 15 days of its change and also published in local newspaper and shall be made by an amendment of its bye-laws after following the procedures laid down in Sec.11 of the Multi State Co-operative Societies Act, 2002.

**3. AREA OF OPERATION**

The area of operation of the Society shall be confined to the States of *Maharashtra, Karnataka, Madhya Pradesh, Chattisgarh, Orissa, Andhra Pradesh, Tamil Nadu, Rajasthan, Delhi, Uttar Pradesh, Bihar, and West Bengal.*

3.1 The society is body corporate which sue and be sued in its name.

**3.2 COMMON SEAL: As per model bye laws page 1 (3)**

The Society shall have a common Seal. The Common Seal shall be kept in the safe custody of the Officer authorized by the Board and shall be used on the authority of a resolution of the Board constituted under the bye-laws of the society.

**4. DEFINITIONS: As per section 3 of MSCS Act 2002**

The words/expressions appearing in these bye-laws shall have the following meaning unless otherwise provided:

4.1 "Area of operation" means the State of *Maharashtra, Madhya Pradesh, Chattisgarh, Orissa, Karnataka, Andhra Pradesh, Tamil Nadu, Rajasthan, Delhi, Uttar Pradesh, Bihar, and West Bengal,* from which the persons are admitted as members.

- 4.2 "board" means the board of directors or the governing body of **JANSEVA Cooperative Credit Society Ltd.** to which the direction and control of the management of the affairs of the society is entrusted.
- 4.3 "Bye-laws" means the Bye-laws of the **JANSEVA Cooperative Credit Society Ltd.** for the time being in force which have been duly registered or deemed to have been registered under the Multi State Co-operative Societies Act in force and includes amendments thereto which have been duly registered or deemed to have been registered under this Act;
- 4.4 'Central; Registrar' means the Central registrar of Co-operative Societies appointed under sub-section (1) of section 4 and includes any officer empowered to exercise the powers of the Central Registrar under sub-section (2) of that section.
- 4.5 'Chief Executive' means a Chief Executive of **JANSEVA Cooperative Credit Society Ltd.** appointed under section 51.
- 4.6 "Co-operative Principles" means the co-operative principles as specified in the first schedule of the Multi-State Co-operative Societies Act, 2002.
- 4.7 "Co-operative Society" means **JANSEVA Co-operative Credit Society Ltd.** Deemed to be registered under MSCS Act & Rules 2002
- 4.8 'co-operative year', in relation to **JANSEVA Co-operative Credit Society Ltd.,** means the year ending on the 31st Day of March of the year and where the accounts with the previous sanction of the Central Registrar, balanced on any other day, the year ending on such day the period from 1<sup>st</sup> April to 31<sup>st</sup> march of the year.
- 4.9 'Deposit Insurance Corporation' means the Deposit Insurance and Credit Guarantee Corporation established under Sec. 3 of the Deposit Insurance Corporation Act, 1961 (47 of 1961).
- 4.10 "Federal Co-operative" means a federation of co-operative societies registered under this Act and whose membership is available only to a co-operative society or a multi-state co-operative society;
- 4.11 'general body' in relation to **JANSEVA Co-operative Credit Society Ltd.** means all the members of that society and in relation to a national co-operative society or a federal co-operative means all the delegates of member co-operative societies or delegates of multi-state co-operative societies and includes a body constituted under the first proviso to sub-section (i) of section 38.

- 4.12 "general meeting" means a meeting of the general body of **JANSEVA Co-operative Credit Society Ltd.** and includes special general meeting called by CEO under directives issued by Board.
- 4.13 'Member' means a person joining in the application for the registration of **JANSEVA Cooperative Credit Society Ltd.** and includes a person admitted in membership after such registration in accordance with the provisions of this Act, the rules and the bye-laws.
- 4.14 'Nominal or associate member' means a person who has been admitted as a nominal member or associate member as per the Bye-laws of Janseva Cooperative Credit Society Ltd.
- 4.15 'Multi-State co-operative society' means **JANSEVA Co-operative Credit Society Ltd.** Registered or deemed to be registered under Multi state Co- operative society LTD Act – 2002
- 4.16 'Multi-State co-operative society with limited liability' means **JANSEVA Co-operative Credit Society Ltd.** having the liability of its members limited by its bye-laws to the amount, if any, unpaid on the shares, respectively, held by them or to such amount they may, respectively, thereby undertake to contribute to the assets of the society, in the event of its being wound up.
- 4.17 “National Co-operative Society” means a Multi-State Cooperative Society specified in the second schedule to the Multi State Cooperative Society act 2002.
- 4.18 'Notification' means a notification published in the Official Gazette.
- 4.19 'Officer' means President, Vice-President, Chairperson, Vice-chairperson, Managing Director, Secretary, Manager, Members of the Board, Treasurer, Liquidator, an Administrator appointed under Sec. 123 and includes any other person empowered under this Act or the rules or the Bye-laws to give direction in regard to business of **JANSEVA Co-operative Credit Society Ltd.**
- 4.20 'prescribed', means prescribed by rules.
- 4.21 'Reserve Bank' means the Reserve Bank of India constituted under the RBI Act, 1934 (2 of 1934);
- 4.22 “ Act means the Multi State cooperative societies Act 2002 amended time to time
- 4.23 “Rules means the state cooperative Society Rule- 2002 made under Multi state Cooperative societies Act 2002 and as amended time to time.
- 4.24 “Section” means section of the Multi State Cooperative Society Act – 2002.
- 4.25 “Delegate “means a person who is duly appointed / elected by the members of the society or part thereof in accordance with its bye laws as its representatives to the General Body of the society or a person who is duly authorized by the board of the member society.



4.26 “Person“ means an adult individual proprietary concern partnership firm duly registered under the Indian partnership Act–1932, company, or any other body corporate constituted under the law for time being in force, society registered under the societies registration Act of 1960. State government and Public Trust registered under any law for the time being in force for registration of such trusts subject to amendment in the Act.

## **5. AIMS AND OBJECTIVES: As per section 5 (a) of MSCS Act 2002**

The following are the objectives and functions of the Society:-

- 5.1 Promote social and economic betterment of members through the habits of thrift self help and mutual aid in accordance with co-operative principles specified in the First Schedule of the act,
- 5.2 To accept deposits from members on terms and conditions mutually agreed upon.
- 5.3 To make fund available to the members without interest for establishing business ,trading activities , social domestic and religious requirement . The fund is available for members, nominal members and member society.
- 5.4 To do all efforts for enhancing status of members – socially, morally and economically.
- 5.5 The society shall be empowered to raise loan, accept grants, subsidies, assistance and concessions or any kind of financial help from any of the financial institution. The board of directors shall be empowered to make any security, create charge and can authorize any of society employees and any director for this purpose.
- 5.6 The society shall specifically admit younger generation as members to become entrepreneurs for establishing industry, trade, business and will guide, assist, help and counsel for establishing such business units and may make necessary arrangements from financial institution, banks and other institution.
- 5.7 To introduce consultancy services in micro credit, rural development and small business for the benefit of members.

- 5.8 To purchase and /or acquire a land and building/ premises for the society's office and/or guesthouse and such other assets as may be considered necessary for the working of the society.
- 5.9 To provide services for establishment of experimental farms, animal husbandry seed propagation and production units, bio-organic farming experiments and tissue culture units at various places in operational area.
- 5.10 To establish support centers for enhancing productivity by providing equipment and machineries by way of sale, on lease, and on hire, and to provide credit to members for concerned operation, assets development, marketing, meeting unforeseen social obligations and personal needs like child education, marriage and other social requirements through own centers or by way of networking, association with similar other reputed organizations.
- 5.11 To establish e-chaupal hubs for disseminating information on all aspects of entrepreneurship, practices, methods, and new regulation applicable nationally and internationally and marketing of goods produced or crops belonging to members or SHG groups through regular trade channels or through commerce or through future market established in the country.
- 5.12 To undertake purchase and supply to the members, of articles of domestic use and consumption and articles to start and facilitate small trades and professions on hire and/or hire purchase basis, or on such other basis and in accordance with such rules as may be framed by the Board of Directors.
- 5.13 To do all other things as are incidental or conducive to the promotion and advancement of the activities of the society.
- 5.14 To manage an investment fund, to be operative on National Stock Exchange and Bombay Stock Exchange.

5.15 To indulge in participative business with an individual or a group of peoples societies, partnership firms, companies, co-operative societies etc.

5.16 To provide legal aid/advice and counseling on the matters relating to its members.

5.17 To make available the information regarding the various schemes of state / central government for the benefit of its members belonging to minority community & backward class, and help/assist them to complete the required formalities prescribed by the government authorities.

## **6. RAISING OF FUNDS: as per section 10 (b) of MSCS Act 2002**

6.1 The funds of the society shall be raised in the following manner:

6.1.1 Share capital,

6.1.2 Admission fees,

6.1.3 Subscription,

6.1.4 Deposits,

6.1.5 Loans, Cash Credits, Overdrafts from any financial institutions

6.1.6 Donations, grants and subsidies.

6.1.7 Contributions

6.1.8 Profit

6.1.9 Reserves

6.2.0 The funds of the Society shall be applied to achieve the objectives of the Society.

## **7. MAXIMUM BORROWING LIMIT: As per section 67 of MSCS Act 2002**

The multi-State co-operative Society shall be eligible to receive deposits and loans from members and other upto 10 times of its paid to share capital plus accumulated reserves minus any losses.

## **8. Authorized Share Capital:**

The authorized Share Capital of the Society shall be Rs. 10,00,00,000/- which shall comprise of 10,00,000 shares of the face value of Rs. 100/- each. .

## **9. MEMBERSHIP: As per section 25 and Rule 11 of MSCS Act 2002**

The Society shall have two categories of membership.

9.1 Ordinary members

9.2 Nominal / Associate members.

**9.1 ORDINARY MEMBERS: As per section 25 and Rule 11 of MSCS Act 2002**

Any person who resides within the area of operation of the society and who genuinely need the services provided by the society and whose interest does not conflict with the interest of the society.

**No person shall be admitted as a member of the Society except the following, namely:-**

9.1.1 An individual, competent to contract under section 11 of the Indian Contract Act, 1872 (9 of 1872)

9.1.2 Any multi-State co-operative society or any co-operative societies;

9.1.3 The central Government;

9.1.4 The State Government;

9.1.5 The National Co-operative Development Corporation established under the National Co-operative Development Corporation Act, 1962;

9.1.6 Any other Corporation owned or controlled by the Government;

9.1.7 Any Government company as defined in section 617 of the Companies Act, 1956;

9.1.8 Such class or classes of persons or associations of person may be permitted by the Central Registrar having regard to the nature and activities of a multi- state co-operative society;

**10. CONDITIONS FOR ORDINARY MEMBERSHIP: As per section 25 and Rule 11 of MSCS Act 2002**

10.1 An applicant will be enrolled as ordinary member upon fulfilling the following condition;

10.1.1 He has applied in writing in the prescribed form.

10.1.2 He has paid admission fee Rs.10/- and acquired at least one share of the Society.

10.1.3 He has given a declaration that he is not a member of any other similar co-operative society.

10.1.4 He has fulfilled all other conditions laid down in the acts, the rules and the bye-laws.

10.1.5 The Board of Directors of the Society approves the application to admit as a member.

10.1.6 He should be the resident / having occupation in the area of operation of the society.

10.2 No person shall be eligible for admission as a member of the society if he –

10.2.1 has not attained the age of 18 years;

10.2.2 has been adjudged by a competent court to be an insolvent or an undischarged insolvent;

10.2.3 has been sentenced for any offence, other than offence of a political character or an offence not involving moral turpitude and dishonesty and a period of five years has not elapsed from the date of expiry of the Sentence.

10.2.4 If he is doing the same business that the society is doing.

#### **11. APPLICATION FOR MEMBERSHIP: As per Rule 11 (a) and rule 11(C) of MSCS Rules 2002**

The application for membership of the Society shall be submitted by the applicant to the Chief Executive Officer of the Society in the prescribed form, accompanied by admission fee of Rs.10/- . An applicant shall also subscribe at least one fully paid share at the time of application.

##### **11.1 DISPOSAL: As per rule 11(b) 25 (4) of MSCS Rules 2002**

11.2 The application for membership of the Society found complete in all respects shall be disposed of within a period of four months from the date of receipt of the application by the society and the same shall be communicated to the applicant within fifteen days of the decision.

#### **12. VOTES OF MEMBERS AND MANNER OF VOTING: As per section 31 of MSCS Act 2002**

Every member of the multi-state co-operative Society, including a member who is an employee of such society, shall have one vote in the affairs of the society. Provided that –

A member who is an employee of such society shall not be entitled to vote.

- i. At the election of a member of the board of the society;

ii. In any general meeting convened for forming the bye-laws of such society or any amendments thereto;

12.1 Every member of the Society shall have one vote in the affairs of the society.

12.2 In case of equality of votes, the Chairperson shall have a casting vote.

12.3 Every member of the Society shall exercise his vote in person and no member shall be permitted to vote in proxy.

12.4 Individual share holder members shall vote in person, while a firm or a company or any other body corporate constituted under any law for the time being in force, which is a share holder member may appoint one of its partner, director or officer to participate in the meeting and to exercise the right of vote.

12.5 No member will exercise the voting right if :-

12.6 He has lost the right of membership in accordance with the bye-laws No. 11.2

12.7 He has been a member for less than one year.

**13. RIGHTS AND DUTIES OF MEMBERS: As per section 31 of MSCS Act 2002 (model bye laws page 8)**

The members shall have the following rights and duties:-

13.1 A member shall be entitled to exercise his right to vote as a member from the date of admission as a member, from the date of completion of one year as a member.

13.2 to receive notice of general body meetings as per the bye-laws of the Society;

13.3 to attend and take active part in the proceedings of the general body meeting;

13.4 to take part in elections and contest for any post as per provision of the Act, Rules and Bye-laws of the Society:

13.5 to inspect member registers, books of accounts or any other record and obtain certified copies of the resolutions or documents on a payment of fee as may be prescribed by the Board of Directors from time to time.

**14. DISQUALIFICATIONS FOR MEMBERSHIP: As per section 29 of MSCS Act 2002**

No person shall be eligible for being or continuing as a member of the Society if:-

14.1 His/her business is in conflict or competitive with the business of the society;

14.2 Has defaulted in payment of any dues including contributions, loan, subscriptions if any from him for the period relating to election financial year. However the member will be given a 15 days notice to repay the dues, before debarring him from exercising his right of vote.

- 14.3 Have not attended three consecutive general body meetings of the society and such absence has not been condoned by the members in the general body meeting of the society.
- 14.4 He has not used for two consecutive years any of the services of the Society, if a member has not availed any facility, i.e. deposits / Loans within two years of his becoming a member will disqualify himself for membership.
- 14.5 He did not make annual transactions of the value of at least Rs. 10,000/- for continuously 2 years.

**15. WITHDRAWAL AND RESIGNATION OF A MEMBER: As per Model Bye-Laws- Page 07**

- 15.1 A member may withdraw and resign his membership after two years and giving at least 3 months notice in writing and withdraw his share capital with the approval of the Board of Directors. The approval shall not be given when such a member is indebted, to the society. During any co-operative year, the aggregate withdrawals shall not exceed 10% of the total paid-up share capital as at 31<sup>st</sup> March of the preceding year.
- 15.2 A member who withdraws and resigns his membership will not be allowed to become a member again for a period of one year from the date of his resignation unless he repays the amount withdrawn by him from the Society.

**16. EXPULSION OF A MEMBER: As per section 30 of MSCS Act 2002/**

- 16.1 Society may pass a resolution by a majority of not less than two third of the members present and voting at a general meeting held for the purpose, expel a member or members for acts found to be detrimental for the proper working of the Society:
- 16.2 On expulsion from the Society, in accordance with the provisions of the Act and the Rules, a person will cease to be a member. Such expulsion may involve forfeiture of Shares at the sole discretion of the Society, Provided that the member concerned shall not be expelled unless he has been given a reasonable opportunity of making representation in the matter.
- 16.3 No member of the society who has been expelled shall be eligible for re-admission as a member of the society for a period of one year from the date of such expulsion.

**17. CESSATION OF MEMBERSHIP: As per section 29 of MSCS Act 2002**

The membership of the Society may cease in case of:-

- 17.1 Resignation of member duly approved by the Board or death of the member;
- 17.2 Cancellation of registration of the member society (By rule 16).
- 17.3 Transfer of all the shares to another member of the society
- 17.4 Expulsion of member by the general body (By rule 17).

17.5 Incurring any of the disqualifications of membership (By rule 15).

**18. NOMINAL / ASSOCIATE MEMBER: As per section 26 of MSCS Act 2002**

The Society in the interest of promotion of its business may admit a person on payment of a non refundable fee of Rs.10/- or as may be prescribed by the Board from time to time provided that no such nominal/associate member shall be entitled to subscribe to the shares of the society or have any interest in the management thereof including right to vote, be elected as a director of the board or participate in the general body meetings.

**19. SHARE CERTIFICATE: As per section 34, 35 of MSCS Act 2002**

- 19.1 Every person admitted as a member of the society shall be entitled to receive in gratis a Share Certificate stating the number of share/ shares and their distinctive number/ numbers and the value thereof. The Chairperson or any Director duly authorized and the Chief Executive shall sign the share certificates. The Share Certificate shall bear the Society's seal.
- 19.2 If any certificate is worn out, defaced, mutilated, destroyed or lost, new share certificate/s may be issued in lieu thereof on payment of a fee as prescribed by the Board per share certificate and upon the delivery of the worn out or defaced original for cancellation and in the case of destruction or loss of the original, upon production of proof thereof to the satisfaction of the Board and on giving indemnity to the Board of Directors may deem require and upon such terms and conditions as the Board of Directors may think fit.
- 19.3 Shares may be purchased in the names of more than one person jointly.
- 19.4 On death of a Joint-holder, the surviving person/ persons shall be recognized as Joint Shareholder/s.
- 19.5 The Joint-holder of any share shall be liable severally as well as jointly for all payments which are to be made in respect of such share or shares.
- 19.6 The person whose name stands first written on the share certificate shall enjoy all the rights of a member and be responsible for all the liabilities of a member. He shall be entitled to receive the annual dividend and notice of General Meeting.
- 19.7 Where a share of the society is held jointly by more than one person, the person whose name stands first in the share certificate if present shall have the right to vote. But in his absence the person whose name stands second, and in absence of both, the person whose name stand next, and likewise in the absence of preceding persons, the person whose name is next on the share certificate who is present and who is not a minor, shall have right to vote.



## **19.8 SHARES : As per Section 33 of MSCS Act 2002**

- 19.8.1 The authorized Share Capital of the Society is Rs. 10.00 Crores divide into 10, 00,000 shares of Rs. 100/- each.
- 19.8.2 Money on shares shall be paid in full at one time and Share Certificates shall be issued on realization of the full amount subscribed for.
- 19.8.3 The Society at its General Meeting, may from time to time, increase the authorized share capital by creation of new shares of such number and amount as may be deemed expedient with prior approval of the Central Registrar.
- 19.8.4 No member other than the authorities referred to in clauses (c) to (g) of sub section 1 of section 25 of Act shall hold more than 1/5<sup>th</sup> of the total share capital of the society.

## **20. NOMINATION: As per rule 14 of MSCS Rules 2002**

- 20.1 A member may nominate a person to receive the member's interest in the Society after his/her death. Nomination shall be made in the prescribed form and entered in the register kept by the Society for the purpose. Prior approval of the Board shall be necessary if the person to be nominated is an employee of the Society.
- 20.2 Nomination can be revoked and fresh nomination be made at number of times after due intimation in writing to the Society and on payment of prescribed fee as may be determined by the Board of Directors from time to time for every subsequent nomination.

## **21. DEATH OF A MEMBER: As per Model Bye-Laws Page 10**

On death of a member, the Society may pay to the person or persons nominated a sum representing the value of the member's interest in the Society within six months from the death of the member. In the absence of nomination, the society may pay to such person or persons as may appear to the Board of Directors to be entitled to receive the same as heir or legal representative of the deceased member on his or their executing an appropriate deed of indemnity in favor of the society.

## **22. LIABILITY OF A MEMBER: As per section 36 of MSCS Act 2002**

- 22.1 Liability of members for any deficit in the assets of the society shall be limited to the amount of share capital subscribed by them.
- 22.2 Liability of every member would continue for period of two years from the date of ceasing to be member of the society.

**23. LIABILITIES OF PAST MEMBERS AND ESTATE OF A DECEASED MEMBER: As per section 37 of MSCS Act 2002**

23.1 The liability of a past member or of the estate of a deceased member of the Society for the debts of the Society as they existed,

23.1.1 In the case of a past member, on the date on which he ceased to be a member;

23.1.2 In the case of a deceased member, on the date of his death shall continue for a period of two years from such date

23.2 However, where the society is ordered to be wound up under Section 86 of the Act, the liability of a past member who ceased to be a member or of the estate of a deceased member who died within two years immediately preceding the date of the order of winding up, shall continue until the entire liquidation proceedings are completed, but such liability shall extend only to the debts of the society as they existed on the date of cessation of membership or death, as the case may be.

**24. LIEN ON SHARES, DIVIDENDS AND DEPOSITS: As per section 37 of MSCS Act 2002**

The Society shall have the first and paramount lien or charge upon all the shares, dividends and deposits of any member or past member for all dues from him/her to the Society from time to time. The Society may set off any sum credited by or payable to the member of past member against payment of any liability of such member as past member.

**25. TRANSFER OF SHARES: As per section 36 of MSCS Act 2002**

A member may transfer his share or shares after holding them for not less than one year to the member. The Board of Directors may approve such transfer of shares from the existing members on compliance of such terms and conditions as may be fixed by the Board of Directors.

25.1 The transfer is not complete, until the name of the transferee has been duly entered, in the register of members and the transfer fee per share fixed/decided by the Board of Directors, has been paid by transferee.

**26. FIRST GENERAL MEETING & INTERIM BOARD: As per section 38, 39, 40 of MSCS Act 2002 and rule 13 to 18 of MSCS Rule 2002**

- (i) The interim board selected by the promoters / applicants for the registration of a multi-state co-operative society shall hold office till the regular board is elected.
- (ii) The promoter / member shall call the General Meeting of the Society within six months from the date of the Registration of the society for the election of the board of directors and to transact the following business:-

- 26.1 To elect the Chairman for the meeting.
- 26.2 To admit the new members.
- 26.3 To accept balance sheets and report of the all transactions made by the promoters during 14 days before the meeting.
- 26.4 To elect the Board of Directors to transact the day-to-day business of society.
- 26.5 To decide the limit of loan from outside.
- 26.6 Any other matter, which has been specifically mentioned in the bye-laws.

**27. GENERAL BODY: As per section 38 of MSCS Act 2002**

- 27.1 The General Body of the Society shall consist of all members of the Society.
- 27.2 Subject to the provisions of the Act, the Rules and the bye-laws, the ultimate authority of the Society shall vest in the General Body.
- 27.3 The General Body Meeting shall be of two kinds –
  - 27.3.1 Annual General Body Meeting
  - 27.3.2 Special General Body Meeting.

**28. POWERS AND FUNCTIONS OF THE GENERAL BODY: As per section 39 of MSCS Act 2002 and rule 20 of MSCS Rule 2002**

The Final authority of the Society shall vest in the general body. The Board of the Society under a resolution shall within six months, after the close of the corresponding year call the Annual General Meeting at the principal place of business of the society for the purpose of

- 28.1 consideration of the audited statement of accounts;
- 28.2 considerations of the audit report and annual report;
- 28.3 consideration of audit compliance report;
- 28.4 disposals of net profits;
- 28.5 review of operational deficit, if any;
- 28.6 creations of specific reserves and other funds;
- 28.7 approval of the annual budget;
- 28.8 review of actual utilization of reserve and other funds;
- 28.9 approvals of the long-term perspective plan and the annual operational plan;
- 28.10 review of annual report and accounts of subsidiary institution, if any;
- 28.11 expulsions of members;
- 28.12 list of employees who are relatives of members of the board or of the Chief Executive;
- 28.13 amendments of bye-laws, if any;
- 28.14 formulation of code of conduct for the members of the board and officers;

- 28.15 election and removal of members of the board, if any;
- 28.16 approvals for appointment of Auditors & fixation of remuneration.
- 28.17 At every general meeting of the society, the board shall lay before the society a statement showing the details of the loans or goods on credit, if any, given to any of the board or to the spouse or a son or daughter or any near relatives of a member of the board during the preceding year or outstanding against him or against spouse, son or daughter of the member of the board.
- 28.18 any other matter to be laid before it by the Board of Directors.

**29. SPECIAL GENERAL BODY MEETING: As per section 40 of MSCS Act 2002**

- 29.1 The Chief Executive may at anytime, on the direction of the board, or the receipt of requisition from the Central Registrar, or if 1/5th of the total numbers of members of the society request so shall convene a Special General Body meeting of the society and shall call such meeting within one month after the receipt of requisition.
- 29.2 Notice of the Annual General Meeting together with the agenda shall be published in the daily news paper at least 15 days prior to the date of meeting.
- 29.3 Notice calling the meeting shall disclose the business the business contained in the notice of requisition and shall be the only agenda for the meeting. Notice shall be published in the daily news paper at least 15 days prior to the date of meeting.
- 29.4 Notice of the Annual General Meeting shall state the place, date and time of meeting.
- 29.5 Notice of the meeting shall be signed by Chief Executive Officer.

**30. NOTICE FOR ANNUAL GENERAL BODY MEETING AND THE SPECIAL GENERAL BODY MEETING: As per rule 13 to 18 of MSCS Rules 2002**

- 30.1 Annual General Meeting of the Society may be called by giving not less than 14 days notice in writing to all the members of the Society.
- 30.2 Special General meeting of the Society may be called by giving not less than 7 days notice in writing to all the members of the society;
- 30.3 The notice of the Annual General Meeting shall be accompanied by a copy of each of the audited balance-sheet, profit and loss account together with the auditors report relating to the preceding year and the report of the Board of Directors thereon, notice of election to the Board of Directors, if any and amendment to bye-laws, if any.
- 30.4 The notice of the general meeting shall be sent to members by any of the following modes namely:-

- i. by local delivery; or
- ii. under postal certificate; or
- iii. By publishing in the news papers having wide circulation.
- iv. Or by electronic modes like SMS, Email, Blogs, society website etc.
- v. Notice of the general meeting shall also be affixed on the notice board of society and its branches, if any.

### **31. QUORUM OF THE GENERAL BODY MEETING: As per rule 16 of MSCS Rule 2002**

- 31.1 The quorum for the general meeting shall be 1/5<sup>th</sup> of the total number of members or 500 members, whichever is less;
- 31.2 No business shall be transacted at any general meeting unless there is a quorum at the time when the business of the meeting is due to commence;
- 31.3 If within half an hour from the time appointed for the meeting, quorum is not present, the meeting shall stand adjourned and would be held after half an hour at which the quorum will not be required.
- 31.4 If at any time during the meeting sufficient number of members are not present to form the quorum, the Chairperson or the member presiding over the meeting on his own, or on his attention being drawn to this fact, shall adjourn the meeting and the business that remain to be transacted at this meeting, if any, shall be disposed off in the usual manner at the adjourned meeting;
- 31.5 Where a meeting is adjourned under sub-clause 31.3 or 31.4 the adjourned meeting shall be held either on the same day or on such date, time and place as may be decided by the Chairperson or the member presiding over the meeting; but within seven days of the adjourned meeting.
- 31.6 No business shall be transacted at any adjourned meeting other than the business on the agenda of the adjourned meeting;
- 31.7 The adjourned meeting will transact its regular business even without the quorum being present at the meeting.

### **32. CHAIRPERSON OF THE GENERAL BODY MEETING**

The Chairman of the Board of Directors shall preside over the General Body Meeting. In his absence, the Vice Chairman and in their absence the members of the Board of Directors shall elect one of the members to preside the general body meeting.

**33. RESOLUTIONS: As per rule 17 of MSCS Rules 2002**

Unless otherwise specifically provided in the Act, Rules and the Bye-laws, resolutions shall be carried by a majority of votes. Votes shall be taken by show of hands unless 250 members demand poll in which case a poll shall be taken. However, election to the Board of Directors shall be held by secret ballot as per the procedure mentioned in the election schedule annexed to MSCS Rules 2002.

**34. MINUTES OF THE GENERAL BODY MEETING: As per section 110 of MSCS Act 2002, and rule 18 of MSCS Rules 2002**

Minutes of the General Body Meeting shall be entered, in the minutes book kept for the purpose within thirty days of the conclusion of the meeting and shall be signed by the Chairman and Chief Executive of the meeting. The minutes so signed, shall be an evidence of the correct proceedings of that meeting.

**35. PROCEDURE FOR THE CONDUCT OF ELECTION TO THE BOARD OF JANSEVA Co-operative Credit Society Ltd.: As per Schedule 1 of MSCS Rules 2002**

35.1 The Board of Directors in office shall meet, at least, sixty clear days in advance of the date of expiration of its terms and by resolution determine the date, time and place for conveying a general body meeting for the conduct of the election of its successor board. The provision will also apply mutatis mutandis to such multi-State co-operative societies as are under the charge of the administration appointed under sub-section (1) of section 123. The board of directors in this meeting shall also appoint a returning officer.

35.2 A copy of the decision referred to in paragraph 35.1 shall forthwith be sent to the Central Registrar.

35.3 The returning officer appointed under paragraph 35.1 shall, send intimation by local delivery or under postal certificate, about the date, time and place of the general meeting to each of the members of the multi-State co-operative society. Where other co-operative societies or multi-State co-operative societies are members, the returning officer shall call on such societies to send the name of their Chairperson or President or the Chief Executive or a duly authorized member of the board of such co-operative society or other multi-State co-operative society as a representative (hereinafter referred to as the delegate) in accordance with the provisions contained in sub-section (3) of section 38 together with the resolution of the board of the society and the specimen signature of the Chairperson or President or the Chief Executive or duly authorized member of the board, duly attested and bearing the seal of the society so as to reach him at least twenty-one clear days prior to the date fixed for the general meeting. Where there is no board of such co-operative society or other multi-State co-operative society, the administrator, or duly authorized administrator if there are more than one administrators, by whatever name called, shall intimate the returning officer in writing under his signature at least twenty-one clear days prior to the date fixed for the general meeting that he or the Chief Executive shall represent such society in the general meeting. Where no such

resolution or communication intimating the name of delegate is received by the date fixed or where any intimation changing the name of the delegate is received after such date, it shall not be accepted for inclusion in the list of members or delegates of member societies. Fresh resolution shall be required for every general meeting at which the election shall be held.

- 35.4 It shall be the duty of the board of directors in office, or the administrator, as the case may be to bring up-to-date the register of members and such other registers, as the returning officer may require and hand over such records, register or registers to the returning officer thirty days prior to the date fixed for the general meeting for the purpose of election.
- 35.5 The election shall be held at a general meeting of the society convened for the purpose, of which not less than fourteen days notice shall be given to the members. Such elections shall take place after all the other matters included in the agenda have been considered. For the conduct of elections, the returning officer shall preside over the meeting.
- 35.6 The notice of the general meeting shall be sent to the members as prescribed in clause 30.4 of the bye laws of the society.
- 35.7 Notice of the general meeting shall also be affixed on the notice board of the multi-State co-operative society and its branches, if any. The notice shall contain information regarding.
- (i) The number of vacancies to be filled by election;
  - (ii) The area of the constituency (specified in the bye-laws) from which the members are to be elected;
  - (iii) The qualifications, if any, specified in the bye-laws for eligibility for membership on the board;
  - (iv) the name of the returning officer, date, place and hours between which nomination paper shall be filed by the members, such date being not less than one clear day before the date fixed for election or if that happens to be a holiday the day preceding which is not a public holiday.

**Explanation**

For the purpose of the sub-paragraph the term 'public holiday' means any day which is declared as a public holiday under section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) or any day which has been notified by the Central Government, or as the case may be, the State Government to be a public holiday for the offices of the Central Government or the State Government;

- (v) The date on which and the time and place at which the nomination papers will be taken up for scrutiny;
- (vi) The date and time of which, the place at which and the time between which polling will take place.

### **35.2.0 PREPARATION OF LIST OF MEMBERS / DELEGATES:**

35.2.1 The returning officer shall prepare a list of members eligible to vote as it stood on that date, thirty days prior to the date fixed for the poll and publish copies of the list by affixing them on the notice board, at the principal place of business of the society and all its branches, if any, not less than fifteen days prior to the date fixed for election. The list shall specify:-

- (i) The admission number and name of the member, the name of the father or husband, and the address of such member in the case of an individual member; and
- (ii) The admission number, the name of the society, name of the delegate proposed to represent the society, in the case of a member society;
- (iii) The admission number, the name of the society, name of the delegate and the name of the constituency proposed to represent in the case of a member society and the admission number, the name of the delegate and the name of the constituency where a smaller body has been constituted under proviso to sub-section (1) of section 38.

35.2.2 A copy of the list shall be supplied by the society to any member on payment of such fee as may be specified by the board. Where no fees has been specified, the person authorized as per bye-laws of the society shall supply such list on payment of an amount of rupees ten.

35.2.3 The returning officer shall also prepare an election programme specifying the date and time of receipt of nominations, scrutiny of nominations, withdrawal of nominations, the poll, if required and declaration of results. The election programme shall be displayed on the notice board of the society and also to publish in the local newspaper at least fifteen days prior to the date of election.

### **35.3.0 NOMINATION OF CANDIDATES**

35.3.1 Nomination of the candidate for election shall be made in Form III, which on application shall be supplied by the returning officer or any other officer authorized by him on his behalf, to any member free of cost.

35.3.2 Every nomination paper shall be signed by two members whose names are included in the list of the members or delegates. One of the members shall sign the form as proposer and the other as seconder for the nomination. The nomination paper shall also contain a declaration signed by the candidate, expressing his willingness to stand for election.



35.3.3 Every nomination paper shall be presented in person or sent by registered post with acknowledgement due, by the candidate himself to the Returning Officer or any other person authorized by him on his behalf, so as to reach him before the date and time specified for the election programme. The returning officer or any officer authorized by him who receives the nomination paper shall enter on the nomination paper its serial number and certify the date and time at which the nomination paper has been received by him and shall immediately give a written acknowledgment for the receipt of the nomination papers if presented in person, which shall also bear the seal of the society. The returning officer shall, at the close of the time fixed for the receipt of nomination papers, prepare and display on the notice board of the society, a list of nominations received by him. Any nomination paper which is not delivered or received on or before the date and time fixed for its receipt shall be rejected.

35.3.4 No person shall be nominated as a candidate for election to fill a seat on the board if he;

- (i) is ineligible to vote;
- (ii) is disqualified to be the member or delegate or a member of the board under the provisions of the Act and these rules; and
- (iii) does not possess the necessary qualifications specified in the bye-laws of the society for election as member of the board.

#### **35.4.0 SCRUTINY OF NOMINATION PAPERS –**

35.4.1(i) On the day fixed for the scrutiny of nomination papers, the returning officer shall, at the appointed hours, take up the scrutiny of nomination papers. The candidate or the proposer or seconder of each of the candidate may be present at the time and place when nomination papers are scrutinized.

(ii) The returning officer shall examine the nomination papers and shall decide all objections which may be made by any candidate or his proposer or seconder in respect of any nomination and may, either on such objection, or on his own motion and after such summary enquiry, if any, as he thinks necessary, either accept or reject any nomination.

**Provided that** the nomination of a candidate shall not be rejected namely on the ground of an incorrect description of his name or the name of his proposer or seconder or of any other particulars relating to the candidate or his proposer or seconder, as entered in the list of members referred to in paragraph 35.4.1 if the identity of the candidate, proposer or seconder, as the case may be, is established beyond reasonable doubt.

(iii) The returning officer shall endorse on each nomination paper his decision accepting or rejecting the same as the case may be, and if the nomination paper is rejected, he shall record in writing a brief statement of his reasons for such rejection.

- (iv) The returning officer shall not allow any adjournment of the proceedings except when proceedings are interrupted or obstructed by riot or affray or by causes beyond his control.
- (v) The list of valid nominations as decided by the returning officer shall be published on the notice board of the society containing the names in the alphabetical order in English and address of the candidate as given in the nomination paper on the same day on which the scrutiny of the nomination paper is completed.

**35.4.2** Any candidate may withdraw his candidature by notice in writing signed by him and delivered in person or by the person duly authorized by him at any time after the presentation of the nomination papers but before the date and time specified in the election programme for such withdrawal. A notice of withdrawal of candidate once given shall be irrevocable.

### **35.5.0 VOTING**

35.5.1 If for any area or constituency for which election is to be held, the number of candidates whose nomination papers have been declared valid, does not exceed the number of candidates to be elected for that area or constituency, the returning officer shall at the general meeting convened for the purpose of the election, declare them to have been duly elected to the board. If the number of candidate whose nominations are valid exceeds the number to be elected for any area or constituency, the returning officer shall arrange for conducting a poll on the date and time fixed for the purpose. The returning officer may appoint as many polling officers as may be necessary for conducting the poll.

35.5.2 A candidate contesting the election may, by a letter, in Form IV, to the returning officer, appoint an agent to represent him where polling is held, to identify the voters and to watch the recording of votes. Such letter shall contain the consent in writing of the agent concerned.

35.5.3 Canvassing of votes by any person at the place where election is to be conducted shall be prohibited.

35.5.4 Immediately before the commencement of the poll, the returning officer shall show the empty ballot box to such persons as may be present at the time and shall then lock it up and affix his seal in such manner as to prevent from being opened without breaking the seal. The candidate or his agent may also affix his own seal, if he so desires.

35.5.5 Every member or delegate who desires to exercise his right of vote shall be supplied with a ballot paper containing the names of contesting candidates arranged in alphabetical order either printed, typewritten or cyclostyled accordance to convenience, on the ballot paper. The ballot paper shall also bear the seal of the society and also the initials of the returning officer on reverse of the ballot paper and further contain a column, for the voter to inscribe mark 'x' against the name or names of the persons to whom he wants to vote.

- 35.5.6 Each polling station and where there is more than one polling booth at a station, each such booth shall contain a separate compartment in which the members or delegates can record their votes in secrecy.
- 35.5.7 Every member who desires to exercise his votes shall enter the polling station with an identity card, given to him by the society. The polling officer shall identify the member by putting questions to him with reference to the list of members or delegates eligible to vote in the polling station, furnished to him. If the polling officer is satisfied about the identity of the member and if there is no objection from any candidate or his polling agent present at the polling station, he shall issue a ballot paper to him after obtaining signature or thumb-impression of the member or delegate counterfoil perforated with the ballot paper. The counterfoil shall bear the serial number and other details of the ballot paper. On receipt of such ballot paper, the member shall proceed to the polling compartment set apart for the purpose and indicate the person or persons in whose favor he exercises his vote by inscribing a mark 'x' against the name of the candidate or candidates, as the case may be, and put the ballot paper in the ballot box kept for the purpose with utmost secrecy. If owing to blindness or other physical infirmity or illiteracy a member is unable to inscribe the mark on the ballot paper the polling officer, and where no such polling officer is appointed the returning officer shall ascertain from him the candidate or candidates, in whose favor he desires to vote, inscribe the mark 'x' on his behalf and put the ballot paper in the ballot box.
- 35.5.8 (i) Every member whose name is entered in the list of members/delegates eligible to vote, furnished to the polling officer, is entitled to poll his vote, unless there is a challenge by the candidate or his agent against his identity. If there is such a challenge about the identity of a member or if the polling officer feels any reasonable doubt, he shall then refer the matter to the returning officer who shall make a summary inquiry and decide the question with reference to the books of the society.
- (ii) The returning officer shall not entertain any challenge by a candidate or his polling agent, of a member's identity until the person who challenges pays a fee of Rs. 5 (Rupees Five only) for every such vote, in cash. The returning officer shall thereafter entertain the challenge and ask the member who has come to poll the vote to affix his thumb impression or signature, as the case may be, on a declaration describing his identity. If he refuses to do so, the member shall not be allowed to vote. If, on the other hand, as a result of such summary enquiry the identity of the member is established to the satisfaction of the returning officer, the polling officer shall issue ballot paper, and the member shall then be allowed to vote. In such cases the challenge fees paid shall be forfeited. At the end of the poll, the returning officer, shall render an account of challenge fees collected, fees refunded to the persons who challenged and the fees forfeited to the society together with a brief note on the decision arrived at by him after the summary inquiry in each case.

- 35.5.9 (a) If at any stage of the polling, the proceedings are interrupted or obstructed by any riot or affray or if at such election it is not possible to conduct poll for any sufficient cause, the returning officer shall have power to cancel the polling after recording his reasons for such action.
- (b) Where the poll is stopped under clause (A) or where counting of vote is rendered impossible on account of destruction or loss of ballot boxes or any other sufficient reason, the returning officer shall cancel the polling after recording the reasons for such action in the minute's book of the society.
- 35.5.10 No voter shall be admitted after the time has been fixed for the polling; but a voter who enters the premises where ballot papers are being issued before the close of the polling time shall be issued the ballot paper and allowed to vote.
- 35.5.11 The counting of votes shall take place immediately after the close of the poll. If this is not possible for reasons beyond the control of the returning officer, the Ballot box shall be sealed with the seal of the returning officer and of the contesting candidates or of their agents, if they so desire, and deposited with the society for safe custody. The returning officer shall then announce and also intimate in writing to the candidates or their agents present the time and place at which the counting shall commence next day. Votes shall be counted by or under the supervision of the returning officer. Each candidate and his authorized agent shall have a right to be present at the time of counting. But the absence of any candidate or his agent at the time of counting shall not vitiate counting or announcement of results by the returning officer.

### **35.6.0 GENERAL**

- 35.6.1 A ballot paper shall be rejected by the returning officer, if,
- (i) It bears any mark or writing by which the member who voted can be identified; or
  - (ii) it does not bear the seal of the society or the initial of the returning officer; or
  - (iii) the mark indicating the vote thereon is placed in such manner as to make it doubtful to which candidate the vote has been cast; or
  - (iv) is so damaged or mutilated that its identity as a genuine ballot paper cannot be established.
- 35.6.2 If after the counting of the votes is completed, an equality of votes is found to exist between any candidates and the addition of one vote will entail any of those candidates to be declared elected, the returning officer shall forthwith decide between these candidates by lot and proceed as if the candidate on whom the lot falls had received an additional vote and declare him elected.

35.6.3 After the returning officer has completed the counting of votes, he shall prepare a return of the results of the polling and shall forthwith declare the results. The returning officer shall immediately thereafter record the proceedings of the election in a comprehensive report which shall form part of the records of the society and shall be bindings on all. The returning officer shall immediately also furnish a copy of such a report together with a copy of the return of the results of polling, to the society for onward transmission to the Central Registrar. The society shall immediately forward such report and return of the results furnished by the returning officer to the Central Registrar.

#### **35.7.0 ELECTION OF OFFICE BEARERS:**

35.7.1 As soon as the members of the board have been elected the returning officer shall, notwithstanding anything contained in the bye-laws of the multi-State co-operative society, convene a meeting of the newly constituted board for the purpose of election of the President or Chairperson, Vice-President or Vice-Chairperson or other elected office bearers of the society, by whatever name they are called. Such a meeting of the board shall not be conducted unless a majority of the number of members of newly constituted board, as per bye-laws are present.

35.7.2 At the meeting so convened by the Returning Officer, he shall preside over the meeting for the purpose of election of the office bearers. The election of office bearers of the multi-State co-operative society shall be by secret ballot.

35.7.3 The returning officer shall announce the schedule of election of office bearers, stating the number of vacancies to be filled by election, date, place and time between which nomination papers shall be filled by the members, the date on which and the time and place at which the nomination papers will be taken up for scrutiny, the date and time of withdrawal, and the date on which and the place at which the polling, if required, will take place. The returning officer shall intimate the schedule of election to all the newly elected or nominated members of the board. The nomination, in Form V, shall be made to the Returning Officer at such a meeting. The returning officer shall decide the objections if any, which may be made at the time, to any nomination and after making such summary inquiry, as he thinks necessary, announce the name of valid nominations.

35.7.4 If for any office for which elections are be held, the number of candidates in respect of whom valid nominations have been announced, does not exceed the number of candidates to be elected for that office, the candidates for whom valid nominations have been announced shall be deemed to have been elected for that office and the returning officer shall make a declaration to that effect if the number of candidates in respect of whom valid nominations have been announced for any office exceeds the number of candidates to be elected by a poll by secret ballot shall be taken by the returning officer. The returning officer shall thereafter, announce the number of votes secured by each candidate and the result of the election.

35.7.5 The returning officer, shall immediately thereafter record the proceedings of the election in a comprehensive report which shall form part of the records of the society and shall be binding on all. The returning officer shall immediately also furnish a copy of such a report together with a copy of the return of the results of polling, to the society for onward transmission to the Central Registrar. The society shall immediately forward such report and return of the results furnished by the returning officer to the Central Registrar.

### **35.8.0 CUSTODY OF RECORD OF ELECTION CONDUCTED**

After declaration of the result of election, the returning officer shall hand over the ballot papers and records relating to the election of the members of the board of directors and the office bearers to the chief executive of the multi-State co-operative society in a sealed cover. These shall safely, be preserved by the chief executive of the society for a period of six months from the date of election or till such time a dispute regarding elections, if any, filed is disposed of, whichever is later, and shall thereafter be destroyed.

### **36. CONSTITUTION OF THE BOARD OF DIRECTORS: As per section 41, 43, 44, 45, 47 of MSCS Act 2002**

36.1 The affairs of the Society shall be managed by the Board of Directors consisting of the following:

- a) The Board of Directors of the Society shall be 15 excluding functional directors and co-opted directors.
- b) Directors are to be elected by the members in the general body, provided that the maximum number of Directors in no case shall exceed twenty one.
- c) The Chief Executive is the ex-officio member of the Board of Directors.
- d) Two eminent persons may be co-opted by the Board of Directors.

36.2 All the directors except the Chief Executive shall be elected by the members in the General Body Meeting by secret Ballot in the manner prescribe in the bye law.

36.3 The elected Directors shall hold office for a period of five years from the date of election, (As per section 45(5) of MSCS Act 2002)

36.4 Notwithstanding, anything concerned in these Byelaws, the period of the provisional Board of Directors elected in the first General Meeting after the registration of the society shall not exceed one year.

Prior to the expiry of its period, the Provisional Board of Directors shall make an arrangement of the election for the new Board of Directors.

36.5 The elected members of the board shall be eligible for the election..

**37. POWERS AND FUNCTIONS OF THE BOARD OF DIRECTORS: As per section 49 of MSCS Act 2002**

- 37.1 The Board of Directors may exercise all such power as may be necessary or expedient for the purpose of carrying out its function under the act.
- 37.2 Without prejudice to the generality of the foregoing powers, such powers shall include the following powers;-
- 37.2.1 To admit members;
- 37.2.2 To interpret the organizational objectives and set up specific goals to be achieved towards these objectives;
- 37.2.3 To make periodic appraisal of operations;
- 37.2.4 To appoint, suspend and remove a Chief Executive Officer or other employees of the Society as may be prescribed.
- 37.2.5 To make provisions for regulating the appointment of employees of the Society and the scales of pay, allowances and other conditions of service of, including disciplinary action against, such employees;
- 37.2.6 To place the annual report, annual financial statements, annual plan and budget for the approval of the general body;
- 37.2.7 To consider audit and compliance report and place the same before the general body;
- 37.2.8 To acquire or dispose of immovable property;
- 38.2.9 To review membership in other co-operatives;
- 37.2.10 To approve annual and supplementary budget;
- 37.2.11 To raise funds;
- 37.2.12 To sanction loans to the members; and others.
- 37.2.13 To make such other measures or to do such other acts as may be prescribed or required under this Act or the bye-laws or as may be delegated by the general body.
- 37.2.14 To next listen to the complaints and to dispose them off.
- 37.2.15 To enquire about the arrears and take legal action for recovery.
- 37.2.16 To raise loan and receive the deposits as per the conditions decided.

- 37.2.17 To file legal cases on the behalf of the society, to handle the cases as defended and compromise in the matter.
- 37.2.18 To transfer the shares, government security bonds in the name of others, to sale transfer or transact by other methods in this matter. The power in this respect should be given to two directors of the board of directors.
- 37.2.19 To decide the limit of cash balance to be kept by the Manager/Accountant and make them responsible in this matter.
- 37.2.20 To see whether the amount received by the society is regularly deposited or not in the bank.
- 37.2.21 To allot the work according to the requirement among the office bearers and put on them the responsibilities in that matter.
- 37.2.22 To decide the guarantor and the amount of guarantee from the employee as per the General or Special directives of the Registrar or by taking prior permission of the Registrar considering the changes in said order.
- 37.2.23 To appoint committees and sub-committees and to give them powers as the board of directors finds them suitable.
- 37.2.24 To enhance the growth of the society's business by opening branches.
- 37.2.25 To decide value of the possible bad debt and suspected loan.
- 37.2.26 Officer is disqualified on account of / due the lacunas in the constitution of the society, or the constitution of the board of directors or the appointment of the officer, or the findings of the election, however any act done in good faith by the board of directors or any officer shall not be considered illegal for this reason.
- 37.2.27 To decide the rate of return on the deposit and service charge / debt cost on loans.
- 37.2.28 To appoint on contract basis for the transaction of the society expert consultants, legal advisor and inquiry officer or an institute doing such work and to give them honorarium.
- 37.2.29 To purchase land, building or to take it on rental basis or on lease.
- 37.2.30 To hold elections of the new Board of Directors and to make preparation to conduct elections of the new Board of Directors before the period of the board of directors in existence comes to end.
- 37.2.31 As and when required to depute representatives to attend the Annual General Meeting of other society and also to participate in the discussions at different level and seminars.



- 37.2.32 To examine legal documents at the time of the disbursement of loan.
- 37.2.33 Subject to the approval of General Meeting to prepare rules, to modify them, to cancel them or change them as regards the matters of the society.
- 37.2.34 To authorize to sign the important documents such as an agreement/ Promissory note / Bonds etc. This joint authority to sign shall be given to the Chairman / Manager / Secretary and one director. Three of them shall sign the document jointly.
- 37.2.35 To create vacancies as per requirement to decide their qualifications to appoint on the post a suitable person to decide salary and other allowances.
- 37.2.36 To decide the date, time, place and agenda for the general meeting.
- 37.2.37 To look after the transactions of the society.
- 37.2.38 To take the policies of insurance for the cash balance for movable and immovable property and for cash while taking it from one place to another. All these should be covered by insurance.
- 37.2.39 Boards of Directors shall evolve and approve policy and plan for expansion of branches and fix norms for a branch opening in the sates of operation area covered by the society.
- 37.2.40 Appropriation of profits as per provision of section 62 & 63 of the multi-State Co-operative Societies Act, 2002 (Act No. 39 of 2002).
- 37.2.41 To frame regulations for the election of delegate to the general body, members to the board of directors and for the conduct of the meeting of the general body and the board of directors as per the provision of the act.

**38. DISQUALIFICATION FOR BEING A MEMBER OF THE BOARD: As per section 43 of MSCS Act 2002**

- 38.1 A member of the Society shall be ineligible for being elected as, or for being a member of the Board, if such member-
  - 38.1.1 Has been adjudged by a competent Court to be insolvent or of unsound mind;
  - 38.1.2 is concerned or participates in the profits of any contract with the society;
  - 38.1.3 Has been convicted for an offence involving moral turpitude;
  - 38.1.4 Holds any office or place of profit under the society;
  - 38.1.5 Provided that the Chief Executive or such full-time employee of the Society as may be notified by the Central Government from time to time or a person elected by the employees of such Society to represent them on the board of such Society shall be eligible for being chosen as, or for being, a member of such board;

38.1.6 If he acquires any disqualification prescribed in the Act and rules framed there under.

38.1.7 Has interest in any business of the kind carried on by the Society of which he is member.

38.1.8 has taken loan or goods on credit from the Society of which he is a member, or is otherwise indebted to such Society and after the receipt of a notice of default issued to him by such Society, has defaulted;

a) in repayment of such loan or debt or in payment of the price of the goods taken on credit, as the case may be, within the date fixed for such repayment or payment or where such date is extended, which in no case shall exceed six months, within the date so extended, or

b) When such loan or debt or the price of goods taken on credit is to be paid in installments, in payment of any installment, and the amount in default or any part thereof has remained unpaid on the expiry of six months from the date of such default:

Provided that a member of the board who has ceased to hold office as such under this clause shall not eligible, for a period of one year, from the date on which he ceased to hold office for re-election as a member of the board of Multi-State Co-operative Society of which he was a member or for the election to the board of any other Multi-State Co-operative Society;

38.1.9 is a person against whom any amount due under a decree, decision or order is pending recovery under this Act;

39.1.10 is retained or employed as a legal practitioner on behalf of or against the Multi-State Co-operative Society, or on behalf of or against any other Multi-State Co-operative Society which is a member of the former Society. Explanation-For the purposes of this clause, “legal practitioner” has the same meaning as in Clause (i) of sub-section (1) of section 2 of the Advocates Act, 1961 (25 of 1961);

38.1.11 has been convicted for any offence under this Act;

38.1.12 is disqualified for being a member under Section 29;

38.1.13 has been expelled as a member under Section 30;

38.1.14 absents himself from three consecutive board meetings and such absence has not been condoned by the board;

38.1.15 absents himself from three consecutive general body meetings and such absence has not been condoned by the members in the general body.

38.1.16 A share-holder member shall not be eligible to be elected as director unless he is a share-holder member of the society for at least five continuous years prior to dated election.

38.1.17 A shareholder member shall not be eligible to be elected as director if he is on any profitable post in a political party, a member in Panchayat Samiti, state government and in central government.

38.2 A person shall not be eligible for being elected as member of Board of the Society for a period of five years if, the Board fails:

38.2.1 to conduct election of the Board under Section 45 of the Act; or

38.2.2 to call the general body meeting under Section 39 of the Act; or

38.2.3 to prepare the financial statement and present the same in the annual general meeting.

**39. REMOVAL OF THE ELECTED MEMBER OF THE BOARD BY THE GENERAL BODY: As per section 47 of MSCS Act 2002**

An elected member of a board, who has acted adversely to the interests of the Society, may on the basis of a report of the Central Registrar or otherwise be removed from the board upon a resolution of the general body passed at its meeting by a majority of not less than two-third of the members present and voting at the meeting:

Provided that the member concerned shall not be removed unless he has been given a reasonable opportunity of making a representation in the matter.

**40. VACANCY IN THE BOARD OF DIRECTORS: As per section 50 of MSCS Act 2002 and rule 23 of MSCS Rules 2002**

If any vacancy arises in the Board of Directors, it shall be filled by election by the members of the General Body for the remaining un-expired term of the Board.

**41. MEETINGS OF THE BOARD OF DIRECTORS: As per section 50 of MSCS Act 2002**

41.1 The majority shall decide any question brought forward for discussion at the meeting of the Board of Directors. In case of equality of votes, the Chairman shall have a casting vote.

41.2 The proceedings of the meetings of the Board shall be recorded in the minute book to be kept for the purpose.

- 41.3 The Chief Executive shall convene the meeting of the board at the instance of the Chairman of the Society.
- 41.4 The Board of Directors shall meet at least once in every quarter;
- 41.5 The meetings of the Board of Directors shall normally be held at the registered office of the society. In exceptional cases, the meetings of the Board may be held at any other place as decided by the Board but within the area of operation of the society.
- 41.6 The meetings of the Board of Directors shall be presided over by the Chairman or in his absence by the Vice Chairman and in the absence of both Chairman & Vice Chairman, the Directors present in the Meeting shall elect a Chairperson for the Meeting from among themselves;
- 41.7 Fourteen days notice shall ordinarily be necessary for the meeting of the Board of Directors;
- 41.8 The quorum of the Board Meeting shall consist of five elected directors.

#### **42. COMMITTEES OF THE BOARD: As per section 53 of MSCS Act 2002**

The Board of Directors shall constitute an Executive Committee and other committee or subcommittee as the case may be considered necessary. Provide that other committee and subcommittee, other than Executive committee and Local Caretakers/Managing Boards appointed for the local branches shall not exceed three at a given point of time.

#### **43. CHAIRMAN AND VICE CHAIRMAN: As per Model bye-laws (Page 19)**

There shall be a Chairman and a Vice-Chairman elected by the Board of Directors from among themselves. The Chairman and in his absence the Vice-Chairman shall preside over the Meeting of the General Body. The terms of office of the Chairman and Vice-Chairman shall be coterminous with the term of the elected Members of the Board unless Chairman or Vice-Chairman ceases to be a Director earlier. In case of any vacancy within this period, the Board shall fill up the vacancy through re-election for the unexpired term of the Board among themselves.

#### **44. POWERS AND FUNCTIONS OF THE CHAIRMAN & VICE CHAIRMAN As per Model bye-laws (Page 19)**

- 44.1 The Chairman shall have the following powers and functions:
- 44.1.1 He shall preside over the meeting of the general body, Board of Directors, executive committee and any other committees
- 44.1.2 The Chairman shall sign the proceedings of all the meetings presided over by him;

44.1.3 In the event of equality of votes on a resolution the Chairman shall have an additional casting vote in the meeting;

44.1.4 To convene the meeting of the Board of Directors, Executive Committee and other committees of which he is the Chairman;

44.1.5 The Chairman may delegate any of his powers and functions to the Vice-Chairman;

44.1.6 The Chairman may take decisions as of an urgent and emergent nature affecting the policy of the Society on behalf of the Board of Directors, Executive Committee or any other committees. The matter will be placed before the next meeting of the concerned committee for ratification.

44.2 In the absence of the chairman the Vice-Chairman shall look after the work of Chairman.

**45. PROHIBITION TO HOLD OFFICE OF CHAIRMAN OR VICE-CHAIRMAN IN CERTAIN CASES: As per section 44 of MSCS Act 2002**

45.1 No member of the Board shall be eligible to be elected as Chairman or Vice-Chairman of the Society if-

45.2 he is a minister in the Central or State Government ;

45.3 at the same time, he is holding the position of Chairman or Vice-chairman of the Board of more than two Multi-State Co-operative Societies.

45.4 No member of the Board shall be eligible to be elected as Chairman of the Society if he has held office during two consecutive terms whether full or part.

**46. MINUTES OF PROCEEDINGS OF GENERAL MEETING & OF BOARD OF DIRECTORS AND OTHER MEETINGS: As per section 110 of MSCS Act 2002**

46.1 Every multi-state co-operative society shall cause minutes of all proceedings of every general meeting and of all proceedings of every meeting of its board or of every committee of the board, to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.

46.2 Each page of each such book shall be initialed and signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed.

46.2.1 In the case of minutes of proceedings of a meeting or the board or of a committee thereof by the chairperson of the said meeting of the chairperson of the next succeeding meeting.

46.2.2 In the case of minutes of proceeding of a meeting by the chairperson of the same meeting within the aforesaid period of 30 days or in the event of death or inability of that chairperson within that period by a member of the board duly authorized by the board for the purpose.

- 46.2.3 The minutes of proceedings of a meeting shall be attached to any such books by pasting or otherwise.
- 46.2.4 All appointments of officers made at any of the meeting shall be included in the minutes of the meeting.
- 46.3 the case of a meeting of the board or of a committee of the board, the minutes shall also contain –
- 46.3.1 The names of the members of the board present at the meeting; and
- 46.3.2 In the case of every resolution passed in the meeting, the name(s) of the members of the board, if any, dissenting from, or not concurring in, the resolution.
- 46.4 Nothing contain in sub-section (1) to (4) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the chairperson of the meeting –
- 46.4.1 Is or could reasonably be regarded as, defamatory of any person;
- 46.4.2 Is irrelevant or immaterial to the proceedings; or
- 46.4.3 Is detrimental to the interest of the Janseva Co-operative Credit Society Ltd.

#### **47. CHIEF EXECUTIVE: As per section 51 of MSCS Act 2002**

CEO is called the Chief Executive of the Society and he shall be appointed by the Board of Directors. He shall be a full time employee of the Society and he shall aid and assist the Board of Directors in their functions. The Chief-Executive shall also be the ex-officio member of the Board of Directors and of the executive committee and such other committee or sub-committees as may be constituted under sub section (1) of section 53 of the Act..

#### **48. POWERS AND FUNCTIONS OF THE CEO: As per section 52 of MSCS Act 2002**

The Chief Executive shall, under the general superintendence, direction and control of the Board, exercises the powers and discharge the functions specified below, namely:

- 48.1 day-to-day management of the business of the Society;
- 48.2 operating the accounts of the Society and be responsible for making arrangements for safe custody of cash;
- 48.3 signing on the documents for and on behalf of the Society;
- 48.4 making arrangements for the proper maintenance of various books and records of the Society and for the correct preparation, timely submission of periodical statements and

returns in accordance with the provisions of this Act, the rules and the bye-laws;

- 48.5 convening meetings of the general body of the Society, the Board and the Executive Committee and other committees or sub-committees constituted under sub-section (1) of Section 53 of the Act and maintaining proper records for such meetings;
- 48.6 making appointments to the posts in the Society as may be approved by the board of directors;
- 48.7 assisting the Board in the formulation of policies, objectives and planning;
- 48.8 furnishing to the Board periodical information necessary for appraising the operations and functions of the Society;
- 48.9 appoint the person to sue or be sued on behalf of the Society;
- 48.10 present the draft annual report and financial statements for the approval of the Board within thirty days of closure of the financial year;
- 48.11 performing such other duties and exercising such other powers, as may be specified in the bye-laws of the Society.
- 48.12 To do all the work of correspondence of the society and to keep all the papers and books of accounts in order.
- 48.13 To make arrangement to receive all kinds of deposits and to give receipts and pass book in respect of such deposits.
- 48.14 To receive the applications for loan and withdrawal of deposits and place them before the Board of Directors for approval and prepare receipt and other vouchers and to give share certificate to the members.
- 48.15 To receive the amount under instructions from the Board of Directors for expenditure. To be responsible for the cash, to implement, resolutions adapted from time to time by the Board of Directors.
- 48.16 To appoint employees as directed by the Board of Directors.
- 48.17 To do entire work under the powers, given by the Board of Directors.
- 48.18 To allot the work load to the employees, to give them the work, to supervise their working and to transfer employees as per the requirements.
- 48.19 To take action against the employees to maintain discipline as per the directives / service rules and regulations.

- 48.20 To sanction the leave applications, bills of traveling, allowance bills, medical bills and bills for other matters of the employees already granted.
- 48.21 To represent the society for legal action.
- 48.22 To do the other work assigned by the Board of Directors.
- 48.23 To send in time and information demanded by the Co-operative Department.
- 48.24 To complete the work of documentation before the disbursement of loan.
- 48.25 To sanctioned contingent expenditure up to the extent of the amount to be fixed /decided by the Board.
- 48.26 He shall be member of all the committees, sub-committees and Board of Directors as ex-officio.
- 48.27 He will ensure growth of participative business.
- 48.28 To maintain a list of members correct and up to date;
- 48.29 To sanction contingent expenditure in so far as the amount involved is up to Rs. 50,000.
- 48.30 To perform all duties entrusted to him and to exercise such other powers as may be delegated to him by the board of Directors, executive committee and chairman from time to time.

**49. DEPOSITS: As Model Bye-Laws (Page 22)**

- 49.1 Deposits may be received at any time within the limits determined under the Cooperative Societies Act and Rules, on such rates of interest / return and subject to such rules and regulations as may be fixed by the Board of Directors and also subject to the directives issued by the Reserve Bank of India in this behalf from time to time.
- 49.2 Deposits may be received on current, savings, fixed, recurring, and cumulative and under any other special schemes.

**50. LOANS AND ADVANCES: As per Model Bye-Laws (Page 22)**

- 50.1 Loans, cash credits and/or overdrafts on current accounts may be granted to members on security mentioned below or other security or securities approved by the Board of Directors or without security subject of the directive issued by the Board of Directors / Central Registrar of Co-operative Societies New Delhi, from time to time relating to the loan and advances of the society:-



- 50.1.1 Personal security and/or Surety/sureties of other member/members.
- 50.1.2 Collateral security of movable and immovable property
- 50.1.3 Industrial, mercantile, agricultural and other marketable commodities or machinery under pledge hypothecation or charge of the Society.
- 50.1.4 Pledge of government, trustee securities, and shares of approved companies, debentures and fixed deposit with the society.
- 50.1.5 Insurance policies assigned to the Society within the surrender value.
- 50.1.6 Warehouse receipts.
- 50.1.7 Gold and silver ornaments
- 50.1.8 Any other tangible security
- 50.1.9 The Board may frame detailed loan rules / regulations prescribing proportion of unsecured loans and advances, proper terms and conditions to total loans and the nature of securities acceptable for loan and advances for different purposes in the light of directives / policies framed by Central Registrar of Co-operative Societies New Delhi.
- 50.2 Short-term loans will be for period up to 15 months, medium term loans for 16 month to 5 years and long-term loans over 5 years.

**51. LINKING OF SHAREHOLDING WITH LOAN LIMITS: As per RBI letter No. ACD/Plan/1087/PR-7 (Gen.) 77/78 dt. 10.09.1977**

- 51.1 A borrower should hold at least 5% per cent if such borrowings if such borrowing are on an unsecured basis, i.e. in the form of clean overdrafts, loans against one or two personal securities an purchase / discount of clean bills and cheques
- 51.2 A borrower against tangible securities should hold shares of the society or equal amount fixed deposit with the society to the extent of at least 2½ % of his borrowings from the Society.
- 51.3 In case of loans for small scale industrial units and SHG's, the linking of share capital might be fixed initially at 1% of the borrowings, to be raised in the course of the next 2 years to 2½%. The total amount of share capital held by a member will, however, have to be within the limits laid down under the Co-operative Societies Act.
- 51.4 No linking of share holding with loan limits will be applicable in case of participative banking.

## **52. DISPOSAL OF NET PROFIT: As per section 63 of MSCS Act 2002**

Subject to the provisions of the Act and Rules framed there under, the General Body on the recommendations of the Board of Directors may appropriate the net profit in the following manner:

- 52.1 transfer net profit to the reserve fund up to the upper limit of 25%.
- 52.2 credit one percent of its net profit to the co-operative education fund maintained by the National Co-operative Union of India;
- 52.3 An amount of up to 10% of the Net profit shall be transferred to the reserve fund for meeting unforeseen losses.
- 52.4 **Utilization of Net Profit: As per Section 63 of MSCS Act 2002**
  - 52.4.1 The balance of the net profit may be utilized for all or any of the following purposes:-
  - 52.4.2 Payment of dividend to members on their paid up capital to be decided in annual general body meeting at an appropriate rate on the recommendations of board of directors. However such payments shall be paid only out of net profit and in no case from the capital or reserve.
  - 52.4.3 General Body will decide the quantum of fund to be transferred to the education fund at the recommendation of Board of Directors.
  - 52.4.4 Donation for the development of the cooperative movement or charitable purpose as defined in section 2 of the Charitable Endowment Act, 1890 not exceeding 5%.
  - 52.4.5 Transfer to welfare fund not exceeding 5% of the net profit.
  - 52.4.6 Transfer to building fund not exceeding 5% of the net profit.
  - 52.4.7 The remaining net profit, if any, shall be credited to the Reserve Fund.
  - 52.4.8 Section 62 and 63 of the multi-State Co-operative Society shall be binding on the board for disposal of net profit.
  - 52.4.9 Payment of ex-gratia amount to employees as approved by the board of the directors.

## **53. INVESTMENTS OF FUNDS: As per section 64 of MSCS Act 2002**

The Society may invest or deposit its funds in:

- 53.1 co-operative banks;
- 53.2 securities specified in section 20 of the Indian Trust Act 1882 (2 of 1882)

- 53.3 shares and securities of any other co-operative society/subsidiary institutions;
- 53.4 any other Scheduled bank/Nationalized bank / Private Bank.
- 53.5 Any other mode duly approved by the board of directors or as provided in the bye-laws.

**54. RESERVE FUNDS: As per section 63 of MSCS Act 2002**

- 54.1 In addition to the sum prescribed under the Act, Rules and Bye-laws, all admissions fees, entrance fees, nominal membership fees, amount of forfeited dividend and donations if any shall be carried to the Reserve Fund.
- 54.2 The Reserve Fund shall be separately invested in Government and trustee securities or any other approved securities or in fixed deposits with any nationalized Bank, or any other Central Co-operative Banks.
- 54.3 The Reserve Fund to meet unforeseen losses shall be available for use by resolution of the General body Meeting to cover deficiencies, which may arise from unforeseen losses.
- 54.4 Any loss occurring as the net result of the year's working shall be recovered from the profits of the next ensuing year or years.

**55. DIVIDEND: As per section 63 of MSCS Act 2002**

- 55.1 The Dividend declared shall be paid to the person whose name stands first as the registered shareholder in the books of the Society on the last day of the Co-operative year to which the dividend relates.
- 55.2 Any Dividend remaining unclaimed for three years after having been declared may be forfeited by the Board of Directors and shall be carried to the Reserve Fund of the Society.
- 55.3 Unpaid Dividend shall be payable on application provided the same has not been forfeited.
- 55.4 Dividend shall be proportionate to the amount paid on shares and the period in whole months for which the amount stood to the credit of the shareholder.

**56. ACCOUNTS AND RECORDS: As per section 109 of MSCS Act 2002**

Accounts and records shall be maintained in forms prescribed under the Act, Rules and Bye-laws and approved by the Central Registrar with such additions as the Board of Directors consider necessary. Any member of the Society may inspect during office hours any of the registers or records in so far as it relates to his own business transaction.

**57. AUDIT: As per section 70 & 71 of MSCS Act 2002**

57.1 The Accounts of the Society shall be audited by an Auditor appointed from the panel of auditors approved by the Central Registrar or from a panel of auditors, if any prepared by the Society at least once in each year and the remuneration of auditors shall be fixed by the Central Registrar or the Society as the case may be, as per the provisions of Section 70 of the Act.

57.2 The appointment of the auditor and his remuneration shall be approved in the General Body Meeting of the Society. The qualifications/ disqualifications, powers, rights and duties of the auditor shall be as prescribed under the Act.

**58. ASSOCIATION OF EMPLOYEES IN THE MANAGEMENT DECISION MAKING PROCESS: As per section 42 of MSCS Act 2002**

The society shall devise such procedure through administrative instructions for the association of employees in the management decision making process.

**59. AMENDMENT TO BYE-LAWS: As per section 11(2) of MSCS Act 2002 (model bye-Laws 14)**

The amendment to the bye-laws of the society shall only be passed by a resolution of the meeting of the general body in which quorum is present by a vote of not less than two thirds of the members present there at and not less than 15 clear days' notice for the considering of such amendment has been previously given to members.

**60. CASH BALANCE**

60.1 Maximum cash to be handled at one and the same time and person authorized for that shall be in accordance to the policy decided by the Board.

60.2 In this matter society secretary or salaried employee authorized by the resolution of the committee can handle cash or keep it with him up to the limit given below and deposit additional amount within three days in the authorized bank. The society shall be responsible for the branch wise insurance of the Cash Balance.

60.3 Urban Co-operative Societies (Branch wise) Rs. 2,00,000/-.

60.4 The Secretary / Manager shall sign the ledger. Manager / Secretary and authorized director shall be responsible jointly or severally for the cash balance. They should record in the cash book the amount of cash balance in words and figures.

**61. EDUCATIONAL COURSE FOR MEMBERS: As per section 27 of MSCS Act 2002**

The Society shall organize co-operative educational programmes for its members, directors and employees and sufficient funds in this regard shall be earmarked as per the requirement.

**62. SETTLEMENT OF DISPUTE: As per section 84 & 85 of MSCS Act 2002**

62.1 All the disputes shall be referred to Arbitration in accordance with the provisions of the Act and Rules,

62.2 The limitation period in disputes shall be as per the provisions of the Act.

**63. PROVIDENT FUND: As per section 69 of MSCS Act 2002**

The Society shall maintain a Contributory Provident Fund for the benefits of its employees in accordance with the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952.

**64. SERVICE RULES: As per Section 49 (2-e) of MSCS Act 2002**

The Society shall have Service Rules for regulating the appointment of employees of the society and the scale of pay, allowances & other conditions of service of, including disciplinary action against such employees, as formulated and amended by the Board from time to time.

**65. WINDING UP: As per section 87 of MSCS Act 2002**

If winding up is necessary, it will be done as per the provisions of the Act.

**66. PROCEDURE IN EXECUTION OF DECREES, ORDERS AND DECISION: As per section 36 of MSCS Act 2002**

66.1 Any decree-holder requiring the provisions of clause (c) of section 94 to be applied, shall apply to the recovery officer in whose jurisdiction the cause of action arose and shall deposit the necessary costs as fixed by the Central Registrar, if the judgment-debtor resides, or the property to be proceeded against is situated, outside the jurisdiction of such recovery officer, the recovery officer shall transfer the application to the recovery officer in whose jurisdiction the judgment-debtor resides or the property is situated.

66.2 Every such application shall be made in the form specified by the Central Registrar and shall be signed by the decree-holder. The decree-holder may indicate whether he wishes to proceed against the immovable property mortgaged to the decree-holder or other

immovable property or to secure the attachment of movable property.

- 66.3 On receipt of such application, the recovery officer shall verify the correctness and genuineness of the particulars set forth in the application with the records, if any, in the office of Central Registrar and prepare a demand notice in writing in duplicate in the form specified by the Central Registrar, setting forth the name of the judgment debtor and the amount due and forward it to the Sale Officer.
- 66.4 Unless the decree-holder has expressed a desire that proceedings should be taken in a particular order as laid down in sub-rule (2), execution shall ordinarily be taken in the following manner, namely:-
- (a) movable property of the defaulter shall be first proceeded against, but shall not preclude the immovable property being proceeded against simultaneously in case of necessity.
  - (b) if there is no movable property, or if the sale proceeds of the movable property, or properties attached and sold are insufficient to meet in full the demand of the decree-holder, the immovable property mortgaged to the decree-holder, or other immovable property belonging to the judgment-debtor may be proceeded against.
- 66.5 In the attachment and sale of movable property, the following rules shall be observed, namely:-
- (a) The Sale Officer, shall after giving previous notice to the decree-holder, proceed to the village or place where the judgment-debtor resides or the property to be distained is situated and serve a demand notice upon the judgment-debtor if he is present. If the amount due together with the expenses be not at once paid, the Sale Officer shall immediately deliver to the judgment-debtor a list or inventory of the property distained and an intimation of place and day and hour at which the distained property will be brought to sale if the amount due are not previously discharged. If the judgment-debtor is absent, the Sale Officer shall serve the demand notice on some adult male member of his family, or on his authorized agent, or when the service cannot be effected, shall affix a copy of the demand notice on some conspicuous part of his residence. He shall then proceed to make the distress and shall fix the list of property attached on the usual place of residence of the judgment debtor, endorsing thereon the place where the property may be lodged or kept and an intimation of the place, day and hour of sale.
  - (b) After the distress is made, the Sale Officer may arrange for the custody of the property attached with the decree-holder or otherwise. If the Sale Officer requires the decree-holder to undertake the custody of the property he shall be bound to do so and any loss incurred owing to his negligence shall be made good by the decree-holder. If the attached property is live-stock, the decree-holder shall be responsible for providing the necessary food therefore. The Sale Officer may, at the instance of the judgment-debtor or of any person claiming an interest in such property, leave it in the village or, place where it was attached, in the charge of such judgment-debtor or person, if he gives a bond in the form specified by the Central Registrar with one or more sufficient sureties for the production of the property as and when called for.

- (c) The distress shall be made after sunrise and before sunset and not at any other time.
- (d) The distress levied shall not be excessive, that is to say, the property distained shall be as nearly as possible proportionate to the sum due by the defaulter together with interest and all expenses incidental to the distained, detention and sale.
- (e) If crops or ungathered products of the land belonging to a judgment debtor are attached, the Sale Officer may cause them to be sold when fit for reaping or gathering, or at his option may cause them to be reaped or gathered in due season and stored in proper place until sold. In the latter case, the expense of reaping or gathering and storing such crops or products shall be defrayed by the owner upon his redeeming the property or from the proceeds of the sale in the event of its being sold.
- (f) The Sale Officer shall not work the bullocks or cattle, or make use of the goods or effect distained, and he shall provide the necessary food for the cattle or livestock, the expense attending which shall be defrayed by the owner upon his redeeming the property or from the proceeds of the sale in the event of its being sold.
- (g) It shall be lawful for the Sale Officer to force open any stable, cow house, granary, godown, out-house or other building and he may also enter any dwelling house, the outer door of which may be open and may break open the door of any room in such dwelling house for the purpose of attaching property belonging to a defaulter and lodged therein, provided always that it shall not be lawful for the officer to break open or enter apartment in such dwelling house appropriate for the zenana or residence of women except as hereinafter provided.
- (h) Where the Sale Officer may have reason to suppose that the property of a defaulter is lodged within a dwelling house the outer door of which may be shut or within any apartments appropriated to women which by custom or usage are considered private, the Sale Officer shall represent the fact to the officer in charge of the nearest police station. On such representation, the officer-in-charge of the said station shall send a police officer to the spot in the presence of whom the Sale Officer may force open the outer door of such dwelling house, like manner as he may break open the door of any room within the house except the zenana. The Sale Officer may also, in the presence of a police officer, after due notice given for the removal of women within a zenana and, after furnishing means for their removal in a suitable manner if they be women of rank who, according to the custom of usage cannot appear in public, enter the zenana apartments for the purpose of distaining the judgment-debtor's property, if any, deposited therein, but such property, if found, shall be immediately removed from such apartments after which they shall be left free to the former occupants.

- (i) The Sale Officer shall on the day previous to and on the day of sale cause proclamation of the time and place of the intended sale to be made by beat of drum in the village or place in which the judgment debtor resides on two consecutive days previous to the date of sale and on the day of sale prior to the commencement of sale and in such other place or places as the officer may consider necessary to give due publicity to the sale. No sale shall take place until after the expiration of the period of fifteen days from the date on which the sale notice has been served or affixed in the manner prescribed in clause (a) of this sub rule:

**Provided that** where the property seized is subject to speedy or natural decay, or where the expense of keeping it in custody is likely to exceed its value, the Sale Officer may sell it at anytime before the expiry of the said period of fifteen days, unless the amount due is sooner paid.

- (j) At the appointed time the property shall be put up in one or more lots, as the Sale Officer may consider advisable and shall be disposed of to the highest bidder:

**Provided further** that the Sale Officer may, in his discretion, adjourn the sale to a specified date and time recording his reasons for such adjournment. Where a sale is so adjourned for a longer period than seven days, a fresh proclamation under clause (i) shall be made unless the judgment-debtor consents to waive it.

- (k) The property shall be paid for in cash at the time of sale or as soon thereafter as the officer holding the sale shall appoint, and the purchaser shall not be permitted to carry away any part of the property until he has paid for it in full. Where the purchaser may fail in payment of purchase money, the property shall be resold.
- (l) Where any property which has been attached under these rules has been forcibly or clandestinely removed by any person, the Sale Officer may apply to a Civil Court having jurisdiction for restoration of such property. Where the Court is satisfied about the truth of the facts, as alleged in the application, it may order forthwith such property to be restored to the Sale Officer.
- (m) Where prior to the day fixed for sale, the defaulter or any person acting on his behalf or any person claiming an interest in the property attached, pays the full amount due including interest, batta and other costs incurred in attaching the property, the Sale Officer shall cancel the order of attachment and release the property forthwith.



(n) The movable property mentioned, as exempt from attachment in the proviso to section 60 of the Code of Civil Procedure, 1908 (5 of 1908), shall not be liable to the attachment or sale under these rules.

66.6 Where the movable property to be attached is the salary or allowance or wages of a public servant or a servant of a local authority or a firm or a company, the recovery officer may, on receiving a report from the Sale Officer, order that the amount shall subject to the provisions of section 60 of the Code of Civil Procedure, 1908 (5 of 1908) be withheld from such salary or allowances or wages either in one payment or by monthly installment as the recovery officer may direct and upon receipt of the order, the officer or other person whose duty it is to disburse such salary or allowance or wages shall withhold and remit to the Sale Officer, the amount due under the order or the monthly installment, as the case may be.

66.7 (i) Where the property to be attached consists of the share or interest of the defaulter in movable property belonging to him and another as co-owners, the attachment shall be made by a notice to the defaulter, prohibiting him from transferring the share or interest or charging it in any way.

(ii) Where the property to be attached is negotiable instrument not deposited in a Court, nor in the custody of a public officer, the attachment, shall be made by actual seizure and the instrument shall be brought to the office of the recovery officer ordering the attachment and be held subject to his further orders.

(iii) Where the property to be attached is in the custody of any Court or public officer, the attachment shall be made by a notice to such Court or officer, requesting that such property and any interest or dividend becoming payable thereon may be held subject to further orders of the recovery officer issuing the notice.

**Provided that** where such property is in the custody of a Court or recovery officer of another district, any question of title or priority arising between the decree holder and any other person not being the judgment debtor claiming to be interested in such property by virtue of any assignment, attachment or otherwise shall be determined by such Court or recovery officer.

66.8 (i) Where the property to be attached is a decree either for the payment of money or for sale in enforcement of a mortgage or charge, the attachment shall be made if the decree sought to be attached was passed by the Central Registrar or any other person authorized by him.

(ii) Where the Central Registrar makes an order under clause (i) he shall on the application of the decree holder who has attached the decree, proceed to execute the attached decree and apply the net proceeds in satisfaction of the decree sought to be executed.

(iii) The holder of a decree sought to be executed by the attachment of another decree of the nature specified in clause (i), shall be deemed to be the representative of the holder of the attached decree and to be entitled to execute such attached decree in any manner for the holder thereof.

- (iv) Where the property to be attached in execution of a decree is a decree other than a decree of the nature referred to in clause (i), the attachment shall be made by the issue of a notice by the recovery officer to the holder of such decree prohibiting him from transferring or charging the same in any way.
- (v) The holder of a decree attached under this sub-rule shall give the recovery officer executing the decree such information and aid as may be reasonably be required.
- (vi) On the application of the holder of a decree sought to be executed by the attachment of another decree, the recovery officer making an order of attachment under this sub-rule shall give notice of such order to the judgment-debtor bound by the decree attached; and no payment or adjustment of the attached decree made by the judgment-debtor in contravention of such order after receipt of notice thereof either through the said recovery officer or otherwise, shall be recognized so long as the attachment remains in force.

66.9 Where the movable property to be attached is;

- (a) a debt due to the judgment-debtor in question.
- (b) a share in the capital of a corporation or a deposit invested therein, or
- (c) other movable property not in the possession of the judgment-debtor, except property deposited in or in the custody of any civil court, the attachment shall be made by written order signed by the recovery officer prohibiting :-
  - (i) in the case of a debt, the creditor from recovering the debt and the debtor from making payment thereof.
  - (ii) in the case of a share or deposit, the person in whose name the share or the deposit may be standing, from transferring the share or deposit or receiving any dividend or interest thereon; and
  - (iii) in the case of any other movable property, the person in possession of it from giving it over to the judgment debtor.

A copy of such order shall be sent in the case of the debt to the debtor, in the case of the share or deposit, to the proper officer of the corporation and in the case of the other movable property to the person in possession of such property. As soon as the debt referred to in clause (a) or the deposit referred to in clause (b) matures, the recovery officer may direct the person concerned to pay the amount to him. Where the share is not withdrawable, the recovery officer shall arrange for its sale through a broker. Where the share is withdrawable, its value shall be paid to the recovery officer or to the party referred to in clause (c). In case of other movable property referred to in sub-clause (iii) of clause (c) the person concerned shall place it in the hands of the recovery officer when it becomes deliverable to the defaulter.

66.10 immovable property shall not be sold in execution of a decree unless such property has been previously attached.

**Provided that** where the decree has been obtained on the basis of a mortgage of such property it shall not be necessary to attach it.

66.11 In the attachment and sale, or sale without attachment of immovable property, the following rules shall be observed, namely:-

(a) the application presented under sub-rule (2) shall contain a description of the immovable property to be proceeded against, sufficient for its identification and in case such property can be identified by boundaries or numbers in a record of settlement or survey, the specification of such boundaries or numbers and the specification of the defaulter's share or interest in such property to the best of the belief of the decree holder and so far as he has been able to ascertain it.

(b) The demand notice issued by the recovery officer under sub-rule (3) shall contain the name of the judgment-debtor, the amount due, including the expenses, if any, and the batta to be paid to the person who shall serve the demand notice, the time allowed for payment and in case of non-payment, the particulars of the properties to be attached and sold or to be sold without attachment, as the case may be. After receiving the demand notice, the Sale Officer shall serve or cause to be served a copy of the demand notice upon the judgment debtor or upon some adult male member of his family at his usual place of residence, or upon his authorised agent or if such personal service is not possible, shall affix a copy thereof on some conspicuous part of such immovable property to be attached and sold or sold without attachment, as the case may be:

**Provided that** where the recovery officer is satisfied that a judgment-debtor with intent to defeat or delay, the execution proceedings against him is about to dispose of whole or any part of his property, the demand notice issued by the recovery officer under sub-rule (3) shall not allow any time to the judgment-debtor for payment of the amount due by him and the property of the judgment-debtor shall be attached forthwith.

(c) If the judgment-debtor fails to pay the amount specified in the demand notice within the time allowed, the Sale Officer shall proceed to attach and sell or sell without attachment, as the case may be, the immovable property mentioned in the application in the following manner.

(d) Where the attachment is required before sale, the Sale Officer shall, if possible cause a notice of attachment to be served on the judgment-debtor personally. Where personal service is not possible, the notice shall be affixed in some conspicuous part of the judgment-debtor's last known residence, If any. The Act of attachment shall also be proclaimed by beat of drum or other customary mode at some place on, or adjacent to, such property and at such other place or places as the recovery officer may consider necessary to give due publicity to the sale. The attachment notice shall set forth that, unless the amount due with interest and expenses be paid within the date therein

mentioned, the property will be brought to sale. A copy of attachment notice shall be sent to the decree-holder. Where the Sale Officer so directs the attachment shall also be notified by public proclamation in the Official Gazette.

- (e) Proclamation of sale shall be published by affixing a notice in the office of the recovery officer and the taluka office at least thirty days before the date fixed for the sale and also by beat of drum in the village (on two consecutive days previous to the date of sale prior to the commencement of the sale). Such proclamation shall, where attachment is required before sale, be made after the attachment has been effected. Notice shall also be given to the decree-holder and the judgment-debtor. The proclamation shall state the time and place of sale and specify as fairly and accurately as possible, the following, namely:-
- (i) the property to be sold;
  - (ii) any encumbrances to which the property is liable;
  - (iii) the amount for the recovery of which sale is ordered; and
  - (iv) every other matter which the Sale Officer considers material for a purchaser to know in order to judge the nature and value of the property.
- (f) When any immovable property is sold under these rules, the sale shall be subject to the prior encumbrances on the property, if any. The decree-holder shall, when the amount for the realisation of which the sale is held exceeds rupees one hundred, furnish to the Sale Officer within such time as may be fixed by him or by the recovery officer, an encumbrance certificate from the Registration Department for the period of not less than twelve years prior to the date of attachment of the property sought to be sold, or in cases falling under the proviso to sub-rule (10), prior to the date of the application for execution. The time for production of the encumbrance certificate may be extended at the discretion of the Sale Officer or the recovery officer, as the case may be. The sale shall be by public auction to the highest bidder.

**Provided that** it shall be open to the Sale Officer or decline to accept the highest bidder where the price offered appears to be unduly low or for other adequate reasons.

**Provided further** that the recovery officer or the Sale Officer may in his discretion adjourn the sale to a specified day and hour recording his reason for such adjournment. Where a sale is so adjourned, for a longer period than seven days, a fresh proclamation under clause (e) shall be made, unless the judgment-debtor consents to waive it. The sale shall be held after the expiry of not less than thirty days calculated from the date on which notice of the proclamation was affixed in the office of the recovery officer. The time and place of sale shall be the village where the property to be sold is situated or such adjoining prominent place of public resort as may be fixed by the recovery officer.

**Provided also** that in cases where an encumbrance certificate is not obtainable owing to the destruction of the connected records, an affidavit from the village patwari or

Corresponding officer in regard to the encumbrances known to him supported by a certificate from the Registration Department that the encumbrances certificate cannot be granted owing to the destruction of the connected records, shall be accepted in place of an encumbrance certificate.

- (g) A sum of money equal to fifteen percent of the price of the immovable property shall be deposited by the purchaser in the hands of the Sale Officer at the time of the purchase and in default of such deposit, the property shall forthwith be resold:

**Provided that** where the decree-holder is the purchaser and is entitled to set off the purchase money under clause (k), the Sale Officer shall dispense with the requirement of this clause.

- (h) The remainder of the purchase money and the amount required for the general stamp for the sale certificate shall be paid within fifteen days from the date of sale.

**Provided that** the time for payment of the cost of the stamps may, for good and sufficient reasons, be extended at the discretion of the recovery officer up to thirty days from the date of sale:

**Provided further** that in calculating the amounts to be paid under this clause, the purchaser shall have the advantage of any set off to which he may be entitled under clause (k);

- (i) In default of payment within the period mentioned in clause (h) the deposit may, if the recovery officer thinks fit, after defraying the expenses of sale, be forfeited to the Central Government and the defaulting purchaser shall forfeit all claims to the property or to any part of the sum for which it may subsequently be sold.
- (j) Every resale of immovable property in default of payment of the amount mentioned in clause (h) within the period allowed for such payment, shall be made after the issue of a fresh proclamation in the manner and for the period hereinbefore prescribed for the sale.
- (k) Where a decree-holder purchases the property, the purchase money and the amount due on the decree shall be set off against one another, and the Sale Officer shall enter satisfaction of the decree in whole or in part accordingly.

- 66.12 Where prior to the date fixed for a sale, the defaulter or any person acting on his behalf or any person claiming an interest in the property sought to be sold tenders payment of the full amount due together with interest, batta and other expenses incurred in bringing the property to sale including the expenses of attachment, if any, the Sale Officer shall forthwith release the property after cancelling, where the property has been attached, the order of attachment.

66.13 (a) Where immovable property has been sold by the Sale Officer, any person either owning such property or holding an interest therein by virtue of a title acquired before such sale may apply to have the sale set aside on his depositing with the recovery officer -

- (i) For payment to the purchaser a sum equal to five percent of the purchase money, and
- (ii) For payment to the decree-holder, the amount of arrears specified in the proclamation of sale as that for the recovery of which the sale was ordered together with interest thereon and the expenses of attachment, if any, and sale and other costs due in respect of such amount, less amount if any since the date of such proclamation have been received by the decree-holder.

(b) If such deposit and application are made within thirty days from the date of sale, the recovery officer shall pass an order setting aside the sale and shall repay to the purchaser, the purchase money so far as it has been deposited, together with the five percent deposited by the applicant:

**Provided that** if more than one person have made deposit and application under this sub-rule, the application of the first depositor to the officer authorized to set aside the sale, shall be accepted.

(c) If a person applies under sub-rule (14) to set aside the sale of immovable property, he shall not be entitled to make an application under this sub-rule.

66.14 (i) At any time within thirty days from the date of sale of immovable property, the decree-holder or any person entitled to share in a ratable distribution of the assets or whose interests are effected by the sale, may apply to the recovery officer to set aside the sale on the ground of a material irregularity or mistake or fraud in publishing or conducting it:

**Provided that** no sale shall be set aside on the ground of irregularity or fraud unless the recovery officer is satisfied that the applicant has sustained substantial injury by reasons of such irregularity, mistake or fraud.

(ii) If the application is allowed, the recovery officer shall set aside the sale and may direct a fresh one.

(iii) On the expiration of thirty days from the date of sale if no application to have the sale set aside is made or if such application has been made and rejected, the recovery officer shall make an order confirming the sale.

**Provided that** if he shall have reason to believe that the sale ought to be set aside notwithstanding that no such application has been made or on grounds other than those alleged in any application which has been made and rejected, he may, after recording his reasons in writing, set aside the sale.

- (iv) Whenever the sale of any immovable property is not so confirmed or is set aside, the deposit or the purchase money, as the case may be, shall be returned to the purchaser.
- (v) After the confirmation of any such sale, the recovery officer shall grant a certificate of sale bearing his seal and signature to the purchaser, and such certificate shall state the property sold and the name of the purchaser and it shall be conclusive evidence of the fact of the purchase in all Courts and tribunals, where it may be necessary to prove it and no proof of the seal or signature of the recovery officer shall be necessary unless the authority before whom it is produced shall have reason to doubt its genuineness.
- (vi) An order made under this sub-rule shall be final, and shall not be liable to be questioned in any suit or other legal proceedings.
- 66.15 Where any lawful purchaser of immovable property is resisted and prevented by any person other than a person (not being the judgment-debtor) claiming in good faith to be in possession of the property on his own account from obtaining possession of the immovable property purchased any Court of competent jurisdiction on application, and production of the certificate of sale provided for by sub-rule (14) shall cause the proper process to be issued for the purpose of putting such purchaser in possession, in the same manner as if the immovable property purchased had been decreed to the purchase by a decision of the Court.
- 66.16 It shall be lawful for the Sale Officer to sell the whole or any portion of the immovable property of a judgment debtor in discharge of money due.
- Provided that** so far as may be practicable, no larger section or portion of immovable property shall be sold than may be sufficient to discharge the amount due with interest and expenses of attachment, if any, and sale.
- 66.17 Persons employed in serving notice or in other process under these rules shall be entitled to batta at such rates as may from time to time be fixed by the recovery officer.
- 66.18 Where the cost and charges incurred in connection with the attachment and sale of movable property or the attachment and sale or sale without attachment of immovable property under this rule, exceeds the amount of the cost deposited from the sale proceeds of the property sold or the money paid by judgment debtor, as the case may be, and the balance shall be made available to the decree-holder.
- 66.19 Every person making a payment towards any money due for the recovery of which application has been made under this rule shall be entitled to a receipt for the amount signed by the Sale Officer or other officer empowered by the recovery officer in that behalf; such receipt shall state the name of the person making the payment and the subject matter in respect of which the payment is made.

66.20(a) Where any claim is preferred to, or any objection is made to the property attached under this rule on the ground that such property is not liable to such attachment, the Sale Officer shall investigate the claim or objection and dispose it of on the merits.

**Provided that** no such investigation shall be made when the Sale Officer considers that the claim or objection is frivolous.

(b) Where the property to which the claim or objection relates has been advertised for sale, the Sale Officer may postpone the sale pending the investigation of the claim or objection.

(c) Where a claim or an objection is preferred, the party against whom an order is made may institute a suit to establish the right which the claim to the property in dispute, but, subject to the result of such suit, if any, the order shall be conclusive.

66.21(i) Any deficiency of price which may arise on a resale held under clause (j) of sub-rule (11) by reason of the purchaser's default and all expenses attending such resale shall be certified by the Sale Officer to the recovery officer and shall, at the instance of either the decree-holder or the judgment debtor be recoverable from the defaulting purchaser under the provisions of this rule. The cost, if any, incidental to such recovery shall be borne by the defaulting purchaser.

(ii) Where the property may on the second sale, sell for a higher price than at the first sale, the defaulting purchaser at the first sale, shall have no claim to the difference or increase.

66.22 Where any property has been attached in execution of a decree, but by reason of the decree-holder's default the recovery officer is unable to proceed further with the application for execution, he shall either dismiss the application or for any sufficient reason adjourn the proceedings to a future date. Upon the dismissal of such application, the attachment shall cease.

66.23 Where the assets are held by the Sale Officer and before the receipt of such assets, demand notices in pursuance of application for execution of decree against the same defaulter have been received from more than one decree-holder and the decree-holders have not obtained satisfaction, the assets after deducting the costs or realization shall be ratably distributed by the Sale Officer among all such decree-holders in the manner provided in section 73 of the Code of Civil Procedure, 1908 (5 of 1908).

66.24 Where a defaulter dies before the decree has been fully satisfied, an application under sub-rule (1) may be made against the legal representative of the deceased and thereupon all the provisions of this rule shall, save as otherwise provided in this sub-rule, apply as if such legal representative were the judgment debtor. Where the decree is executed against such legal representative, he shall be liable only to the extent of the property of the deceased which has come to his hands and has not been duly disposed of, and for the purpose of



ascertaining such liability, the recovery officer executing the decree may, of his own motion or on the application of the decree-holder compel such legal representative to produce such accounts as he thinks fit.

**67. MICELLANEOUS: As per section 84, section 94 to 99, Section 104 and 105 of MSCS Act 2002**

67.1 No act of the General Body or the Board of Directors shall be deemed invalid by reason of any defect in the election of a Member thereof or by reason of any vacancy therein not having been filled in.

67.2 If any doubt arises in the interpretation of the bye-laws of the Society, the same shall be referred to the Central Registrar for his advice and his decision shall be final.

67.3 Execution of decree, orders and decisions shall be as per the provisions of the chapter XI of the act.

67.4 Appeals and revisions shall be as per the provisions of chapter XII of the act.

67.5 Offences and penalties shall be as per the provisions of chapter XIV of the act.

67.6 The matters which have not been provided in the above Bye-laws shall be decided in accordance with the provision of Act and Rules.

Date:

Place: Mumbai

Name of Promoter:

Signature:

1. Dr. Rahmatullah

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