

Bye- Laws of the Mutually Aided Cooperative Thrift and Credit Society Ltd.



Telangana State Cooperative Union Ltd.
Gunfoundry, Hyderabad - 500001.

Approved by Commissioner for Cooperation and Registrar of Cooperative Societies, Hyderabad
vide Rc.No. 3499/2017/Legal, dt.30-10-2017

Bye- Laws of the Mutually Aided Cooperative Thrift and Credit Society Ltd.



1. Number, name and
Address of the Society
2. Date of Registration
3. Starting date of the society
4. Date of affiliated to
The Bank and Name
Of the Bank
5. Date of Affiliation to the
Telangana Sate Coop Union.
6. If affiliated to any other
Societies with dates
7. Area of operation of The society.

Mutually Aided Cooperative Thrift and Credit Society Ltd.

BYELAWS

1. NAME, ADDRESS & AREA OF OPERATION :

a. The Name of the cooperative society shall be _____
_____ registered
under the Telangana Mutually Aided Cooperative Societies Act, 1995.

b. The Address of the society shall be _____

c. The area of operation of the Society extends to _____

2. DEFINITIONS :

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

- A) ACT means the Telangana Mutually Aided Cooperative Societies Act, 1995 ;
- B) BOARD Means the Board of Directors of the society;
- C) GENERAL BODY Means the body of all members of the Society;
- D) "MEMBER" means a member of the society;
- E) REGISTRAR means the Registrar within the meaning of the Telangana Mutually Aided Cooperative Societies Act, 1995;
- F) SECRETARY means the person appointed for looking after the day to day administration of the society;
- G) "SOCIETY" means _____ mutually Aided Cooperative Thrift & Credit Society Ltd.

3. **OBJECTIVE :**

The objective of the society is to promote economic and social betterment of its members through thrift, self-help, mutual aid in accordance with the principles of cooperation as enunciated in Section 3 of the Telangana MACS Act 1995.

4. **ACTIVITIES & SERVICES :**

In furtherance of its objective, either by itself or in collaboration with other cooperatives, financial and development organisations, the society will,

- a) Offer credit and non-credit services in pursuit of person's development;
- b) Assist, encourage and afford all facilities and programmes meant for enhancing the economic productivity and income of persons and asset formation in the name of persons.
- c) Encourage and assist activities and programmes promoting persons' self-employment, income generation, health, education etc.;
- d) Promote, assist and undertake cottage and small scale industries, group production activities; for gainful employment of persons.
- e) Arrange for technical and vocational training for persons;
- f) Procure, pool, purchase, store, utilise and distribute inputs required for persons' income generating activities and consumer articles and durables needed for household requirements;
- g) Arrange for storage, grading, processing, value addition, packing, transportation and sale of the produce of the members and the society;
- h) Encourage and afford all facilities for cultivating the habit of thrift and savings among members ;
- i) Receive all types of short, medium and long term deposits and in particular thrift, recurring, fixed and other deposits from its members ;
- j) Lend, advance, and grant short-term, medium term, long-term and other types of loans to the members with or without security for consumption, productive

and asset formation purpose;

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

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

5. MEMBERSHIP :

Any person who has completed 18 years of age and of sound mind and is a permanent resident of the area of operation of the society, and who is committed to the principles of the society as envisaged in the Telangana MACS Act and to subscribe regularly to thrift deposits and to repay the loans taken in time as per the repayment schedule and abide by the code of conduct, if any as may be evolved by the society from time to time and willing to accept responsibilities of membership is eligible to become a member of the society.

5A DISQUALIFICATIONS FOR MEMBERSHIP :

A person who

- a) is adjudged by a court as insolvent, or is an un-discharged insolvent, or
- b) has been sentenced for any offence involving moral turpitude, or
- c) a person who is already a member of any other society with the same or similar objects registered under AP MACS Act 1995 or APCS Act 1964 and who avails him-self of the services of such other society shall not be entitled to similar services by the society, or
- d) is a member who resigned and a period of three years has not elapsed from such date, or
- e) is an employee of the society shall not be eligible for membership of the society.

5B CESSATION OF MEMBERSHIP :

The membership of an individual in the society shall cease

- a) On resignation from membership after satisfying all obligations and dues outstanding on own account and as guarantor; or

- b) on acquiring any of the disqualifications mentioned in this Bye-law No.
- c) on becoming defaulter of thrift deposit contribution either consecutively for 6 months or for six months during the accounting year of the society; or
- d) on becoming defaulter of amount due to the society beyond 180 days; or
- e) on death, or
- f) on not attending the annual general meetings consecutively for three years, without leave of absence, or
- g) on expulsion from membership by the general body for activities detrimental to the interests of the society.
- h) Should a member cease to be eligible for membership, the society shall remove his name from the list of members and shall pay back within reasonable period to such member the share capital already paid by him, with dividend declared if any after deducting there from the money, if any, due from him to the society either as principal debtor or as surety.
- i) In the case of withdrawal/termination/cessation of membership, the balance standing to the credit of such member after deducting all dues and liabilities shall be paid to them or to his/ her nominees/legal heirs in case of his/her death, in accordance with the rules of business and administration of the society. The Board shall take all actions to recover the dues outstanding from any member, irrespective of original due dates and other conditions, in case of cessation of membership. In case of expulsion of a member for the activities detrimental to the interests of the society/members the society may forfeit the amounts standing to their credit in the society.

6A WITHDRAWAL FOR MEMBERSHIP :

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

6B TERMINATION OF MEMBERSHIP :

A member for his activities detrimental to the interest of the society may be

terminated from membership, duly giving him an opportunity of making his representation, by the general body at its meeting by a majority of not less than 2/3rd members present and voting.

7. OBTAINING OF MEMBERSHIP :

The board of directors may admit members provided the Society is in a position to provide services to such members.

A person who has fulfilled the eligibility criteria as specified in these bye-laws may apply for membership in such form as may be prescribed by the board and submit it to the president who will in turn place it before the board for approval. The decision of the board in this matter is final subject to the provisions of the Act. The application for membership shall be disposed of within 90 days from the date of application and the decision together with reasons shall be communicated to the applicants.

On admission the name of every member shall be entered in the admission register of the society and the member shall be given a photo identity card. The duplicate identity card shall be kept in the office of the society.

8. NOMINATION

- a. every member may nominate any persons to whom the money due to him shall be transferred or paid. The number of persons so nominated shall not exceed the number of shares held by the member. If a member nominates more than one person and in respect of any shares held by him he shall as far as possible specify the amount to be paid or transferred to each nominee in terms of a whole share.
- b. A nomination made by the member or any variation or revocation thereof shall not be valid and shall not in the event of the death of the member have effect unless.
 - 1) It is made in writing and signed by the member in the presence of at least two witnesses; and
 - 2) It is entered in the books of the Society kept for the purpose.
- c. If no nomination has been made by a member the Society shall on the death of the member by a notice exhibited at the office of the society inviting claims or

objections for the transfer or payment of the share or interest of the deceased member to an heir or legal representative with the time specified in the notice. After considering the objections or claims if any received in this behalf and after making such enquiries as the Board of Directors considered necessary shall decide as to the person who in its opinion is the heir or legal representative of the deceased member and to proceed to transfer the share or interest of the deceased members to such person only.

- d. In case of payment of the value of the share or interest of other money due to the deceased member, the Board shall obtain sureties for the amounts involved in such payments from two members of the society.

9. **NATURE AND EXTENT OF LIABILITY OF MEMBER & PAST MEMBERS ETC:**

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

10. **MINIMUM PERFORMANCE OF THE MEMBER :**

Every member shall pay regularly the loans, maintenance charges and other dues and attend all general meetings, special meetings called on to discuss the issues specified in the notice.

11. **PENALTY FOR NOT REACHING MINIMUM PERFORMANCE LEVEL :**

If a member is irregular in payment of loans installments for a period of six months and absents himself for two consecutive general body meetings without leave of absence from the President will lose his voting right.

Members who have not satisfied the criteria mentioned in bye-law and who has not been a voting member of the society for the last two years, as on the date of notification of election, on the date of meeting as the case may be, shall not be eligible to exercise the rights of membership including the right to vote on any matter and contest in election as director.

12. **RIGHTS OF MEMBERS :**

Every member on his admission as member shall be entitled to the services available to the members of the society and services shall, subject to availability, be rendered to him on his application to the committee and also have the right to attend general body meeting, and the right to vote, the right to receive annual reports and audited statements of accounts subject to the condition as laid down in these Bye-laws.

13. **LIABILITY OF MEMBERS :**

The liability of members is limited to the share capital held by them. In the event of the society incurs loss in any cooperative year the same shall be met from out of the deficit cover fund constituted for the purpose, and if any amount left uncovered by the fund the same shall be debited to the account of the member in proportion to the services they have availed or were expected to avail of from the society as decided by general body at its meeting.

14. **MAXIMUM BORROWING POWER OF AN INDIVIDUAL MEMBER:**

The maximum borrowing limit of an individual member from the society on account of all types of loans and advances shall not exceed a sum as may be specified by the Board from time to time.

15. **SHARE CAPITAL :**

- a. The authorised share capital of the society shall be of Rs..... made up of shares of Rs. 100/- each. Every member shall pay an amount of Rs.as admission fee per share on allotment of shares subject to a maximum of Rs.100/-. Transfer of shares shall be allowed among the members only.
- b. No member shall hold more than 1/10th of authorised share capital of the society.
- c. Every member shall be issued share certificates for the amount and shares held by them.
- d. The general body of the Society may decide to pay interest on share capital, which does not exceed the maximum interest payable by Scheduled banks on

fixed deposits.

- e. No member shall be permitted to withdraw or transfer the share capital held by him within 3 years from the date of his admission. After such period he may withdraw or transfer any of his shares with the consent of the board of directors or resign from his membership. Provided that, there are no debts or any amounts due from him to the society.
- f. A member may be paid the share capital held with the society after cessation or termination of his membership for his actions detrimental to the interests of the society, if he was not indebted or any amounts due from him to the society.

16. FUNDS OF THE SOCIETY :

The resources to support the activities of society shall consist of:

- a) Fees, subscriptions, donations, contributions, share capital, regular thrift and other types of deposits, loans etc from its members ;
- b) Grants, donations, deposits, loans, guarantees and other contributions from Government, banks and other financial institutions, cooperatives, corporate bodies, national and international development agencies and individuals for general, as well as specific purposes; and
- c) Returns and receipts arising from the regular course of business and investment of trust, capital and endowed funds.

17. MAXIMUM BORROWING POWER OF THE SOCIETY :

The maximum borrowing power of the society by all means at any given date shall not exceed a sum oftimes of the sum of the paid up share capital and thrift deposits paid by members and accumulated reserves minus any losses or the deficit cover fund as the case may be.

18. THRIFT DEPOSITS :

Each individual member of the society shall contribute to thrift deposits at such regular intervals and at such rate as specified by the Board from time to time. The society shall pay interest on such deposits not exceeding the rate of interest paid by a Scheduled bank on long term deposits or as decided by the board from time

to time.

19. GENERAL BODY:

The general body of the society shall consist all members of the society. The general body shall exercise all powers as specified below:

- a. Election and removal of directors,
- b. Amendments to Bye-laws,
- c. Consideration of:
 - i. The long term perspective plan and budget.
 - ii. Annual operational plan and budget.
 - iii. The Annual report of activities for being filed with the registrar.
 - iv. The auditor's report and the annual audited statement of accounts for being filed with the registrar.
 - v. Special audit report or enquiry report if any.
 - vi. Compliance report relating to audit, special audit and enquiry report if any.
- d. Approval of appointment and removal of auditors.
- e. Disposal of surplus.
- f. Management of deficit.
- g. Creation of specific resources and other funds.
- h. Review of the chief executive's report on the attendance at meetings by the directors and review of the business done with the cooperative society by the directors.
- i. Appointment, re-constitution and disbanding of the representative general body.
- j. Review of actual utilisation of resources and other funds.
- k. Remuneration payable to any director or internal auditor in connection with his

duties in that capacity or his attendance at related meetings.

I Membership of the Cooperative society in Federation.

- m. Collaboration with other organisation and review,
- n. Promotion of subsidiary organisation and review,
- o. Dissolution of the Cooperative Society.
- p. all other matters as are necessary and incidental to be taken up by the general body.

20. MEETINGS:

- a. The general body meeting shall be conducted by the Board of Directors at least once in a year and the Board of Directors shall meet at least once in three months.
- b. The President of the Society shall preside over both the meetings. In the absence of the President the Vice-President shall preside over such meetings. If both were absent a member from the general body shall be elected to preside in such meetings only.
- c. It shall be the responsibility of the board to convene the requisitioned general meeting within 30 days of the requisition . If the board fails to convene such meeting within the time specified, it shall be competent for the registrar to convene such requisitioned general body meeting or annual general meeting as the case may be.

Provided the requisition for conduct of a special general body meeting shall be in writing specifying the purpose and signed by at least 2/5th total number of members on rolls.

- d. The resolutions of the Board meetings and General body meetings shall be recorded in the minute book and shall be communicated to all persons invited for the meeting within 30 days from the date of meeting. The minutes so recorded shall be signed by the person who chaired the said meeting.
- e. The notice along with agenda for the general meeting shall be signed by the president and shall be sent at least 15 days prior to the date of meeting and the

notice along with agenda for the board meeting shall be signed by the President / Chief Executive and shall be sent at least 7 days prior to the date of meeting.

- f. The notice may be sent either by certificate of post or by hand delivery or by publication in local news papers. The quorum for any General Body meeting shall be 1/3rd of the total number of members or _____ members, whichever is less and the quorum for the board meeting shall be more than half.

21. MANNER OF CONDUCTING ELECTIONS :

- a. The term of office of the board shall be three years and the total strength of the board shall be 9 members, 3 Directors will retire in each year.
- b. The first board shall be elected at once and their terms shall be staggered by drawl of lots specifying different terms.
- c. It shall be the responsibility of the incumbent board to conduct the elections before the expiry of the term of office of the outgoing directors.
- d. The elections of the board of directors shall be by secret ballot. The board of directors of the society may appoint a person who is impartial having got no interest in participating in elections as a candidate for directorship or may request the Registrar to conduct the elections.
- e. Director's whose term comes to an end may also eligible for re-election.
- f. If for any reason, there was any vacancy in the board, the board may coopt an eligible member to fill the vacancy only till the next annual general meeting is held.

During the election it shall be clearly mentioned that the term of vacancy shall be for the remaining term of ex director who was the cause of the vacancy.

22. ELIGIBILITY FOR DIRECTORSHIP :

- i. A member may be eligible for being elected as a director, if he
 - a. has the right to vote in the affairs of the cooperative society continuously for a period of two years, and
 - b. has attended the last two general meetings held before the elections now due, and

- c. has patronised the services of the cooperative during the previous financial year to the extent and in the manner specified in the bye-laws, and
- d. has no interest in any subsisting contracts made with or work being done for the cooperative except as otherwise specified in the bye-laws.

ii. In addition to the above criteria a person shall be ineligible for being chosen as a director, if such person,

- a. has at any time lost the right to vote as a member or to continue as a director or incurs any other disqualification mentioned in these bye-laws or the Act.

iii. A director may cease to be a director if he

- a. absents himself from three consecutive board meetings without leave of absence.
- b. absents himself from general body meetings without leave of absence.
- c. is penalised under this Act.

iv. Further, board of directors shall incur disqualification for a period of three years for being chosen as director and shall be ineligible to continue as directors of any cooperative society, if during their term as directors.

- a. did not conduct elections within the time specified in the by-laws and before the expiry of the term.
- b. did not conduct annual general body meeting within six months of closure of the cooperative accounting year or a requisitioned general body within the time specified.
- c. Did not place the audited accounts for the preceding financial year along with the report of the auditors before the general body at its annual general meeting.

23. REMOVAL OF DIRECTORS :

- a. A director may cease to be a director of non fulfillment of one or more duties / conditions imposed on him/her by the act and or the bye-laws. Where a person cease to be a director because of nonfulfillment of statutory conditions, it shall be the responsibility of the chief executive to inform the director of the same,

and to place this matter before the board at its very next meeting. The board shall, if the report is correct, place on record the cessation from directorship of the person concerned and the chief executive / President shall inform him/her of the same. The director concerned may be given an opportunity to make his/her representation before removing him/her from his/her office by the board.

- b. A director who has acted against the interests of the cooperative or taken undue advantage because of access to information as a director, may be removed from office by a vote of no confidence moved by at least 20% members at a general meeting and that the board shall arrange for such no confidence motion against the directors. Provided the members moving the motion had requested the board to call for a general meeting to discuss the same, or to include this matter in the agenda a month before a regular general meeting.
- c. The criteria for being chosen as Director and for continuing as Director shall be as per the provisions of section 21 of the Act. A Director shall cease to be Director if he/she ceases to be a Member/Delegate or if he/she absents himself/herself at three Board meetings consecutively without the permission of the president.
- d. The board shall elect from among its Directors immediately after its election a President or Vice-President for a period of one year. The retiring office bearers are eligible for re-election. The Board has the right to remove President, Vice-President at any time during their tenure and elect new one from among them.

24. POWERS AND DUTIES OF THE BOARD :

The Board shall be the authority to

- a) Admit and terminate membership.
- b) Interpret the organizational objectives and set up specified goals to be achieved towards these objectives ;
- c) Make periodic appraisal of operations and plan and budget;
- d) formulate rules of business and administration and policies governing the deposits, loans and advances, investment of funds, borrowings, benevolent, relief and welfare schemes, settlement of accounts and disputes, maintenance of accounts, office procedures, authorisation of accounts,

acquisition, maintenance and sale of assets, staff, etc and arrangements for carrying on the business and administration of the society as per the bye-laws.

- e) Raise funds for society and control of all financial affairs and review the accounts of the society;
- f) Appoint attorneys, agents, etc, for society to defend and institute legal proceedings on its behalf;
- g) Acquire, purchase, own, lease, mortgage, and hypothecate, dispose off any movable and immovable assets for attaining the aim of the society.
- h) Formulate policies on all staff matters including recruitment, selection, appointment, promotion, disciplinary action, suspension, removal, remuneration etc.,
- i) Appoint a Chief Executive for looking after the day to day administration of the society.
- j) Fix fees, subscriptions, contributions, etc to be paid by members to the society, for specific purposes as per the criteria laid down;
- k) Appoint committees with specific functions, powers, tenure, remuneration etc., and reconstitute the same or remove any or all the committee members at any time;
- l) Make policies on utilization and investment of funds of the society;
- m) Fill up the vacancies on the Board, if any, by co-option for the period remaining in the term of the vacating Director.
- n) Arrange for audit and submit the report and accounts to the general body.
- o) Appoint internal auditors with specific functions, powers, tenure, remuneration etc, and reconstitute the same or remove any or all of them at any time;
- p) Authorize/designate officers for operation of accounts with banks and other organizations;
- q) Authorize/nominate its Directors to represent it at Federations and other forums;
- r) Open branches and/or regional offices for the efficient conduct of business

and administrative convenience and effective member participation.

Every Director while performing functions, discharging responsibilities and exercising powers shall:

- a. Act honestly and in good faith and in the best interests of the cooperative and
- b. exercise such due care, diligence and skill as a reasonably prudent person would exercise in similar circumstances.

25. POWERS OF PRESIDENT AND VICE-PRESIDENT

- a. The President shall have overall supervision and control over the affairs of the society. The president shall preside over all the Board and General Body meetings. The president shall be one of the signatories on all legal documents executed by the society.
- b. The vice-President shall discharge the duties, perform the functions and exercise the powers of the President during the vacancy in the office of president, or in the absence of the president for more than one month.
- c. In the event of equality of votes the President presiding over, all board and general meetings, shall have one additional vote.

26. POWERS OF CHIEF EXECUTIVE :

The Chief Executive shall have the following powers functions and responsibilities.

- a) Convene the meetings of general body, Board and other committees and take actions for implementation of the resolution;
- b) Maintain the records and properties;
- c) Manage the funds and maintain the accounts, and the day to day management of the business;
- d) Exercise administrative control on all employees;
- e) Operate the accounts of society with banks and other institutions, endorse, sign, encash cheques; and endorse, transfer, negotiate promissory notes, securities and other instruments on behalf of society, along with such officers as the Board may resolve;

- f) Sign on behalf of society and carry out its correspondence
- g) Furnish the Board with periodical information necessary for appraisal of operation and assist the Board in formulation of policies and planning;
- h) Be a member on all committees by the Board except on committees where his/her personal matter is involved;
- i) Perform all functions assigned by the General Body, Board and the President.
- j) The Chief Executive shall be the officer to sue or be sued on behalf of the society.
- k) The Chief Executive may delegate any of his/her functions to any of his subordinate officer of the society with the approval of the Board.

27. **TRANSACTION WITH NON-MEMBERS:**

The transactions of society with non-members i.e. who are neither a member nor nominal members, shall be, as per the stipulations as specified by the Board in the rules of Business and Administration from time to time.

28. **APPLICATION OF FUNDS:**

The funds of the society including its reserves shall be spent for the purpose for which they are specifically meant for and for carrying on the activities and services mentioned in these byelaws and for attainment of its aims.

29. **RATE OF INTEREST PAYABLE:**

The rates of interest payable on thrift deposits, saving deposits, recurring deposits, fixed and other deposits, method of calculation of interest, incentives and other terms and conditions governing these deposits shall be followed by a Scheduled Bank or as per rules of business and administration as decided by the Board of Directors from time to time.

30. **APPLICATION FOR LOAN :**

An individual member who wants to take a loan from the society shall make an application in the specified format and provide any other information as required by the society. The member shall also furnish the guarantee and sign a promissory

note and other documents as specified by the society. The borrower may be asked to provide such other collateral security in case of necessity.

31. **POWER OF BOARD OF DIRECTORS TO FIX THE RATE OF INTEREST:**

The rates of interest on various types of loans, documentation, surety and other terms and conditions shall be as decided by the Board of Directors from time to time.

32. **DISPOSAL OF SURPLUS :**

The net surplus shall be disposed as follows:

- a) an amount equivalent to 10% to Deficit Cover Fund ;
- b) 20% to General Reserve Fund ;
- c) 20% to dividend.
- d) 10% to the Education Fund to be operated by the Society;
- e) 20% to Patronage Rebate Fund;
- f) 10% to Community Development Fund;
- g) 10% to Staff Welfare Fund;

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

33. **AUDIT:**

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

34. **APPROPRIATION OF RECEIPTS :**

The receipts from members shall be appropriated in the following order;

- a) Firstly, to fees, fine, other charges;

- b) Secondly to penal interest; and then to interest;
- c) Thirdly to loan principal and the remainder to thrift deposits.

35. **FIRST CHARGE :**

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

36. **ACCOUNTING YEAR :**

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

37. **PROCEDURES :**

The provisions of the Telangana Mutually Aided Cooperative Societies Act, 1995, the Bye-laws and Rules of business and administration of the Society shall be applied and adhered to in respect of procedures of the following matters.

- a) Amendment of byelaws;
- b) mobilisation and investment of funds;
- c) Settlement of disputes; and revisions;
- d) Maintenance of books of accounts and records;
- e) Audit of accounts;
- f) Attachment and recovery of debts, execution of decrees;
- g) Rights and privileges of society;
- h) Liquidation, amalgamation and division.

38. **SETTLEMENT OF DISPUTES :**

The General Body shall appoint various committees to deal with various issues including settlement of disputes concerning the affairs of the society, and a supervisory committee from active patronising members to undertake performance and policy audit of the society.

39. **DISSOLUTION :**

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

40. **OTHERS :**

- a. The office bearers, staff, board and general body shall discharge their functions in accordance with the Act, byelaws and rules of business and administration and without prejudice to the specific functions assigned to others.
- b. The Board of Directors shall be competent to interpret the byelaws and to remove difficulties in a suitable manner that may arise in day to day affairs of the society.
- c. The first set of Board of Directors as selected by the promoters shall be competent to manage the affairs of the society till elections are held and the new Board assumes charge i.e, upto 60 days of registration of the society.

Certified that the proposed bye-laws are adopted by us at our meeting held on.

Signature of Promoters

- | | |
|----|-----|
| 1. | 6. |
| 2. | 7. |
| 3. | 8. |
| 4. | 9. |
| 5. | 10. |

Co-operative Principles :-

A Co-operative is an association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically controlled enterprise.

Basic Co-operative principles are :

Voluntary and Open Membership :- Co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic Member Control :- Co-operative are democratic organisations controlled by their members, who actively, participate in their policies and making decisions. Men and women serving as elected representatives are accountable to the membership.

Member Economic Participation :- Members contribute equitably to, and democratically control, the capital of their cooperative.

Autonomy and Independence :- Co-operatives are autonomous, self-help organisations controlled by their members.

Education, Training and Information :- Co-operatives provide education and training for their members, elected representatives, managers, and employees so that they can contribute effectively to the development of their cooperatives.

Co-operation Among Co-operatives :- Co-operatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

Concern for Community :- Co-operatives work for the sustainable development of their communities through policies approved by their members.

Values : Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others.