

**BYE-LAWS OF THE THRIFT AND CREDIT CO-OP. SOCIETY LTD.**

1. The name of the Society shall be CDS Thrifts and Credits Coop. Society Ltd.
2. Address of the Society shall be CDS Office Bethel Area Dorcas Veng.
3. The area of operation of the society shall be confined to Bethel Area Dorcas Veng, Lanka only

**4. OBJECTIVES :**

- a) To encourage thrift, self help and co-operation among the members.
- b) To raise fund from members/non-members for carrying on the business of the society.
- c) To borrow funds from members or from financing banks or from Government for advancement of loans to members and acceptance of deposits from members and from Co-operative Banks etc.
- d) To acquire or hire land and building for institution for running office, opening thrift counter etc.
- e) To collect loans from the members with interest for timely repayment.
- f) To arrange for opening consumer store for distribution of day to day necessary commodities to members/non-members with the permission of the Government.

**5. The capital shall be composed of --**

- a) Share capital.
- b) Deposits from members and non-members.
- c) Borrowing from banks and other recognized institutions.
- d) Loans or grants from the Govt.
- e) By donation and entrance fees.
- f) Miscellaneous receipts.

Provided that the acceptance of deposits and loans from members and non-members shall be subject to any restriction which the registrar may impose.

**6. AUTHORISED SHARE CAPITAL:**

The authorized share capital to be raised by sale of shares shall not exceed Rs. 7,50,000/- (Rupees Seven lakhs fifty thousand.) only comprising of 7 share "A" Class shares of the value of Rs. 500/- (Rupees five hundred) only each payable in one installment along with application. "B" Class share of the value of Rs. 250/- each "B" Class share shall only be extended to State Govt.

7. Every member shall subscribe at least one share and no members shall hold more than one fifth of the total share capital. This will not apply in the case of the Govt.
8. Deposits other than compulsory thrift deposits of the members and loans may be received for fixed period or a current account with the permission of the Registrar Co-operative Societies, Manipur at such rates of interests and to such an amount as may be determined by the Managing Committee provide that the total of loans and deposits shall never exceed ten times the paid up share capitals plus the reserve fund.
9. The funds of the society when not employed in the business shall be deposited or invested as required under section 70 of the act.

**10. LIABILITIES :**

The liabilities of a member of any deficit in the assets of the society shall be limited to the share subscribed.

**11. MEMBERSHIP:**

No person shall be a member unless -

- a) He is an inhabitant of the area covered by the society.
- b) His written application for membership has been approved by an absolute majority of the Managing Committee/Board of Directors.
- c) He has paid an entrance fee of Rs. 100/- only
- d) He has purchased at least one share.
- e) He gives in writing for acceptance the terms and conditions drawn by the society.

12. A member of the another co-op. Credit society whether limited or unlimited, other than the Manipur State Co-operative Bank or the Land Mortgage Bank or the Imphal Urban Co-op. Bank shall not be eligible for admission in this society without prior permission of the Registrar Co-operative Societies.

13. Every duly elected member shall sign his name in the list of members undertaking thereby to abide by the bye-laws of the society without previous permission of the Registrar Co-operative Societies.

14. Any member may withdraw from the society at any time after giving one month's notice to the Managing Committee provided that he is not indebted to the society or surety for another member who is in debt to it.

Provided that in any one year the refund of share capital shall not exceed 10 percent of the aggregate paid up share capital of the society as it stood on 31<sup>st</sup> March preceding.

15. A member of the society may be expelled by a vote of general meeting.

- a) If he is a persistent defaulter.
- b) If he willfully deceives the society by false statements.
- c) If he is bankrupt or legally disabled.
- d) If he criminally convicted.
- e) If he intentionally does any act likely to injure the credit of the society.



16. A member from whom the recovery of loan has been effected by coercive process i.e. but having an award totally executed shall cease to be a member of the society, unless he is liable as surety for loans in which case he may be continued as a member on the clear understanding that he will not be entitled to any fresh loan. The society shall maintain a list of such members in ineligible for loans in future. For any loans given in contravention of this bye-law the members of the Managing Committee shall be personally liable.

A person removed from membership under the above clause shall not be eligible for re-admission to the society except with the special permission of the Registrar.

17. A person ceases to be a member -

- a) On death.
- b) When his resignation is accepted by the Managing Committee.
- c) On expulsion.
- d) On the transfer or forfeiture of all the shares held by him.

18. Every member shall be required to pay the society a monthly thrift deposit out of his income on the fixed amount as decided by the General Body from time to time on or before 10th of every month a sum of Rs. 50/- per month. In exchange for each payment he will receive a printed receipt.

19. A member may transfer his share or shares after holding them for one year to another member with the approval of the Managing Committee. The transfer is not complete until the name of the transferee has been entered in the share transfer register and such fee as the Managing Committee may prescribe has been paid.

20. A share certificate bearing a distinctive number shall be issued for share subscribed.
21. In the event of membership ceasing under this bye-laws No.14,17 the per value of the shares held by a member after deducting any amount due by him to the society shall be paid to him within six months from the date of cessation of membership.
22. Any member of the society may be writing under his hand deposited with the society nominate any person (other than a servant or officer of the society) to whom the whole or any part of his interest.
23. On the death of a member the amount standing in his credit by way shares or dividends or subscriptions shall subject to deduction on account of his liabilities, be paid to his heir nominated by him, or in the absence of such nominee, to such person as may appear to the committee to be entitled to receive the amount as heir or legal representative of the deceased member of his executing a deed of indemnity to the society. The deposits of the deceased may be withdrawn by such heir only if the period of deposit has expired.

**24. GENERAL MEETING:**

The annual general meeting shall be held within a period of three months from the date of the closing of the year fixed under the Manipur Co-operative Societies Act & Rules.



**25. The functions of the General meetings are –**

- 1) To elect the managing committee/Board of Director for the ensuing year consisting of 9 members.
- 2) To elect the President, Vice President, Cashier and other office bearers.
- 3) To appoint internal auditors to audit the accounts of the society during the ensuing year and to fix their remuneration.
  - a) Notwithstanding anything contained in these bye/laws, the election of the office bearers, including the members of the Managing Committee shall be by show of hands and shall be governed by model election rules framed by the Registrar from time to time or by any other election rule approved by the Registrar.
  - b) Notwithstanding anything contained in these bye-laws no member in unauthorized areas of this society or in any other society operating in the area of operation of this society or who is connected of criminal offence or offences shall be eligible for being elected as an office bearer of this society or who is convicted of criminal offence or offences shall be eligible for being elected as an office bearer or continue to be an office bearer of this society.
- 4) To receive from the Managing Committee the Balance sheet of the last year and to sanction the distribution of the profit.
- 5) To consider any communication or credit memorandum that may have been received from the Registrar of any other business duly brought.
- 6) To consider appeals against the orders of the Managing Committee and generally to exercise the Supreme authority in any matter relating to the working of the society.

**26. NOTICE:**

The notice of the General meeting should be given by communication of delivered or posted to each member or by publication in the daily news paper. It should also be posted to the office Notice Board. Non receipt of any such notice by any member should not invalidate the proceedings of a general meeting, whether general or special, unless the right of a large number of members are prejudiced thereby, in which circumstances the Registrar shall decide about the validity of the General meeting.

27. A special general meeting can be summoned by the President in consultation with the Secretary or a majority of the Managing Committee or on requisition from the Registrar or on requisition made in writing from one fifth of the total members of members or twenty five members whichever is less. It shall be the duty of the present to call such a meeting through Secretary/Manager. In case the president is not available the Secretary/Manager shall call such a meeting.

28. In the case of an Annual General Meeting, 14 clear days notice and in the case of a Special General meeting 7 days clear notice shall be given and in the case of Committee meeting 5 clear days notice shall be given. The notice shall specify the date, hour and place of the meeting and the business to be transacted. In case of emergency meeting of the committee, the committee meeting shall be held by circulation of notice in order to fulfill the present needs.
29. No resolution unless so ordered by the Registrar can be brought at a general meeting (1) disturbing the election of the office bearer within a month from the date of such election, (2) for canceling a previous resolution of the general body unless six clear months have expired after the passing of the general body resolution.
30. With the permission of the two thirds of the members present at a General meeting any member may bring forward a proposal not mentioned in the notice converting the meeting that such proposal does related to the expulsion of a member/members or the alteration of a bye-law/amendment of bye-laws of the society.
31. The President of the society shall preside the meeting and in his absence the Vice President shall preside the meeting or if both are absent one of the members present may preside the meeting with the permission of the General Body members.
32. The President of the meeting shall have a casting vote, in case of tie, in addition to his ordinary vote.
33. Every member shall have one vote only, irrespective of the number of shares held by him.
34. One fifth of the total members or 35 (twenty five) whichever is less shall form a quorum at a general meeting. If there be no quorum meeting shall be adjourned at least seven days and in the adjourned meeting the business of the original meeting shall be disposed whether there is a quorum or not.
35. **MANAGING COMMITTEE:**  
The management of the society shall be carried out by a Managing Committee consisting of 9 members i.e. 6 (six) elected members from among the members at the annual general meeting and one nominee from financing bank and nominee from the Registrar Co-operative Societies, Manipur. A defaulter in respect of loan outstanding shall not be eligible for election to the Managing Committee.
36. Subject to the Bye-laws and the resolutions passed at General meeting, the Managing Committee shall have authority to carry on the business of the society. It shall meet for the transaction of the business not less than once a month. Two thirds of the members present as the case may be shall form a quorum of the meeting.
37. A Managing Committee member shall be deemed to have vacated his office even before the expiry of his normal life, if –
- i) He resigns by notice in writing.
  - ii) He is removed by a majority of votes at a General Meeting.
  - iii) After receiving a notice of the date of meeting of the Committee he absents himself 4 successive meeting without taking prior leave of absence for reasons which in the opinion of the committee are satisfactory.
  - iv) He became a defaulter during the term of his committee membership.
  - v) He accepts any place or position of profit remuneration from the society except in his professional capacity as a pleader.



38. Vacancies among the elected members of the Managing Committee from death or any other cause may be filled up by the Managing Committee members by co-option. Such a committee member shall hold office till the expiry of the term of the committee.
39. A committee minute Book shall be maintained by the Secretary/Manager in which the members present and the proceedings at each meeting shall be recorded. It shall open to the inspection of all members.
40. No member shall be present or vote in any matter in which he has personal interest.
41. The power of the Managing Committee shall be –
  - a) To admit new members.
  - b) To appoint Manager who will be Ex-officio member of the Managing Committee and to fix his remuneration (He may be a member of the society or not. The Manager shall be included in the operation of the Bank account of the society).
  - c) To appoint, suspend, fine, or dismiss all salaried servants of the society, subject to an appeal to the General Meeting.
  - d) To appoint sub-treasurers for collecting subscriptions at local centers.
  - e) To hear and deal with complaints.
  - f) To deal with applications for loans.
  - g) Supervise the check the accounts.
  - h) To enquire into and take action in cases of default.
  - i) To raise loans and deposits on such terms as may be decided upon.
  - j) To institute, defend, or compromise legal proceedings.
  - k) Generally to conduct the business of the society.
  - l) And to endorse, sell, transfer or otherwise deal with shares and Government and other securities on behalf of the society and to delegate powers in this respect of two or more members of the committee.
42. An appeal shall lie from decisions of the Managing Committee to the General meeting.
43. It shall be the duty of the auditors, appointed under this bye-law 25(3) to audit the accounts and documents of the society quarterly and of the Managing Committee to produce all the requisite books for their inspection. This audit shall be in addition to the audit made by the regular staff of the Registrar Co-operative Societies.
44. The services of all the members of the Committee shall be gratuitous.
45. The Managing Committee shall control the Manager, whose duties shall be –
  - i) To carry on the correspondences of the society and to maintain all its books, accounts and registers.
  - ii) To received applications for loans, withdrawals of deposits etc. and to lay them before the Managing Committee and to prepare, receipts and vouchers.
  - iii) To receive and disburse money on behalf of the society under the orders of the Managing Committee.
  - iv) To attend to all other business entrusted to him by the Managing Committee.
  - v) To convene Managing Committee meeting on the advice of the President and the Managing Committee.
46. All acts done in good faith by the Managing Committee on any person acting as a Committee member shall not withstanding that it is afterwards recovered there was some defects in the appointment of such person had been duly appointed.



**LOANS**

47. Any member wishing to obtain a loan shall forward to the Secretary an application, stating amount required, purpose, surety or security offered and period of repayment desired.
48. A loan may be granted to any member up to ten times the value of his paid up shares, subject to a maximum limit fixed at the discretion of the committee.  
 Provided that it shall be at the discretion of the Managing Committee to lend once only, a sum which in the opinion of the committee will suffice to pay or an existing debt contracted prior to admission to the society.
49. Loan shall ordinarily be repayable in 24 monthly installments. But the committee has authority to extent repayment over a long period limited up to 36 months, if necessary, meanwhile the usual monthly thrift deposits must be paid in addition to the installments.
50. Loans shall be made on the personal security of the member borrowing and that of two other sureties who shall be members or on security of Gold or other valuable ornaments or any movable or immovable property if acceptable to the Managing Committee or on the surrender value of an Insurance policy the surrender value of which covers the loans with one surety provided that the loan is less than Rs. \_\_\_\_\_ of the surety.
51. The rate of interest of loans shall be such rate as fixed by the first annual general meeting. Loans taken on or before the 24<sup>th</sup> of a month will bear interest for full month and on or after the 25<sup>th</sup> interest shall be charged for half of that month.
52. When a member takes a loan from this society or becomes a surety under this bye-law he shall undertake not to shift his residence outside the area of operation of the society until his liability is discharged.
53. It is the duty of the Managing Committee to take action for the recovery of overdue loans. The committee shall be liable jointly and severally for any loss befalling the society on account of any loan or installment which has been overdue for more than six months without its permission unless in that period a suit has been filed on the case referred to arbitration.
54. Without reference to the term for which a loan has been granted the Managing Committee shall have the power to call in the loan any time from the borrower.
- i) If he fails to pay two or more consecutive installments.
  - ii) If he utilize the loan for a purpose other than that for which it was applied and granted.
  - iii) If he ceases to be a member of the society as per bye-laws No. 15 or 17.
  - iv) If he becomes or remains a member of any other credit society or societies is dispensing credit in contravention of the provisions contained in this bye-laws.
55. Where a person who has stood as surety for a loan dues, or becomes in the Committee's opinion, unfit to remain a surety, the committee may require the borrower to find another surety within 15 days. If the borrower fails to find another surety when so required the loan shall become immediately repayable with interest up to the date of payment. In any case of loanee member of the society dies, his loan shall be adjusted with his share, dividend and other deposits and subscriptions and the remaining loan due amount shall be repaid by his nominee to the society, or it may be considered by the Managing Committee for warning such due loan or not and it shall be considered under bye-laws No.23.



**DEPOSIT**

56. Deposits may be received at any time either in current account or saving account or for a fixed period. A pass book shall be supplied to each depositor, in which interest shall be credited on production, of pass book, half yearly on 1<sup>st</sup> April and 1<sup>st</sup> October for each year.

57. After the period of fixed deposit has expired interest shall not be paid on it unless the deposit has been accepted by the committee for a further fixed period.

**DISTRIBUTION OF PROFITS**

58. At the annual general meeting the gross profit earned for the year shall be announced and the following deductions shall be made –

- i) Interest payable on loan and deposits.
- ii) Working expenses.
- iii) Losses or expenses.
- iv) Depreciation of buildings, furniture and other costing assets. The balance remaining after deductions shall be treated as the net profits.
- v) Audit fee payable.



59. a) A sum not less than 25% of the net profits shall first be carried to statutory reserve fund.
- b) Of the remaining net profit a sum shall be set aside sufficient to pay the holders dividend not exceeding 9% (inclusive of bonus, if any) with the previous written approval of the Registrar for that year on the paid up share capital standing in the name of the members.

A sum not exceeding two percent on the paid up share capital may then be credited in that year to a fund called "The Dividend Equalization Fund" until the total amount in such amount to 7.50% of the paid up share capital. Except for the purpose of paying a dividend, not withdrawal from the fund shall be made without the previous sanction of the Registrar Co-operative Societies.

- c) Not more than 10% and not less than 6.50% of the net profits, shall be spent on propaganda of co-operative education through a fund to be created as "Co-operative Development Fund" as per Act and Rules.
- d) The balance of the net profits that then remains shall except with the permission of the Registrar be divided as follows –
- i) 50% shall be distributed at an equal percentage as bonus to all depositors who are members or fixed deposit for a year or over and to all the borrowers in proportion to the total of the interest paid or received by cash on the case may be, in the course of the year provided that no bonus shall be paid to the borrowers who have failed to pay their dues within three days of the date on which the full due.
  - ii) 10% shall be distributed as bonus to employees of the Society.
  - iii) 30% shall be placed at the disposal of the general meeting to use in such a way as it most conducive either to the business of the societies or to the development of co-operation of their charitable purposes subject to the provisions of the Act and Rules.
  - iv) The remaining portion of the Net Profit shall be brought direct to the statutory reserves.

60. The accumulations or reserves so built up may be utilized for other purposes with the previous sanction of the Registrar.

61. If no dividend be claimed for a period of three years from the date of declaration, notice shall be issued by the committee calling upon the member to take the amount within one month from the date of the notice. If the dividend is not claimed, it shall be credited to the Statutory Reserve Fund.

**RESERVE FUND**

62. In addition to the sum prescribed under section 66 of the Act all admission fees and receipts on account of forfeited shares, fines, penal interest and donations shall be credited to Reserve fund.

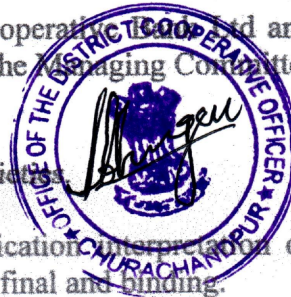
63. Any loss on the year's working may with the previous sanction of the Registrar be made from the Reserve fund.

**ACCOUNT AND RECORDS**

- 64. Accounts and records shall be maintained in the forms prescribed by the Registrar with such additions as the Managing Committee think necessary. The Chairman and the Manager have power jointly to execute documents, grant receipt and sign share certificates on behalf of the society.
- 65. Any member of the society may see any of the registers or records during office hours.
- 66. Before April 15<sup>th</sup> annually the Managing Committee shall draw up statements showing the receipts and expenditure assets and liabilities and profit and loss account for the previous year (i.e. 1<sup>st</sup> April to 31<sup>st</sup> March). A copy of these statements shall be supplied to the Government Auditor/Department Auditors.

**AMENDMENT OF BYE-LAW**

- 67. Subject to the rules framed by the Local Government, Bye-law can be amended, provided that notice of the amendment has been given to the Registrar and members at least ten days prior to the meeting. Amendments take effect after being registered under the Act. The amendment shall be passed by a two third majority of the members attending the General Body meeting.
- 68. The society will take shares in the Manipur State Co-operative Society Ltd and any other society as determined by the General Body as extended power to the Managing Committee for at least one share or as decided by the Apex level societies.
- 69. The society shall also be affiliated to the Apex level societies.
- 70. In case of any difference of opinion about the implication or interpretation of these Bye-laws, the opinion of the Registrar Co-operative Societies shall be final and binding.



*Approved.*

*[Signature]*

President,  
Inaugural General Body Meeting

*[Signature]*  
District Cooperative Officer  
Churachandpur