

**BYE - LAWS  
OF  
OM BHOO VIKAS CREDIT CO-OPERATIVE SOCIETY LIMITED**

**1. Name of the Society:**

The society shall be called Om Bhoo Vikas Credit Co-operative Society Limited.

**2. Principle Place of Business and Registered office:**

- (i) The Society shall have a principal place of business which shall be the registered office of the society. The Headquarter of the society shall be at "Kadambari Nagar Near Mahima Hospital, Durg, Chhattisgarh, PIN - 491001."
- (ii) Any change in 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 Coop. Societies Act 2002.

**3. Area of Operation:**

The area of operation of the society shall be confined to the states of Chhattisgarh & Madhya Pradesh.

**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:

- (a) "Act" or "MSCS Act" means the Multi-State Cooperative Societies Act, 2002 as amended from time to time.
- (b) "Rules" means the Multi-State Cooperative Societies Rules, 2002 made under this Act, and amended from time to time.
- (c) "Central Registrar" means the Central Registrar of Cooperative Societies appointed under the provisions of the Multi State Cooperative Society Act, 2002.
- (d) "Bye-laws" means the Bye-laws of the Om Bhoo Vikas Credit Co-operative Society Limited for the time being in force which have been duly registered or deemed to have been registered under this Act and includes amendments thereto which have been duly registered or deemed to have been registered under MSCS Act, 2002;
- (e) "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 authorised by the Board of the member society to represent the society in General body of the society of which the society is a member.
- (f) "General Body" means all the members of the society.
- (g) "Board" means the Board of Directors of the Society.



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- (h) "General Meeting" means a meeting of the general body of the society and includes special general meeting;
- (i) "Chief Executive" means the Chief Executive of the Om Bhoo Vikas Credit Co-operative Society Limited appointed under section 51 of MSCS Act, 2002;
- (j) "Officer" means a President, Vice-President, Chief Executive, Secretary, Treasurer, Director, Members of the Board, Liquidator and Administrator appointed under Section 123 and includes any other person empowered under Multi State Cooperative Societies Act or the rules or the Bye-laws to give direction in regard to business of the Multi State Cooperative Society.
- (k) "Member" means a person joining in the application for the registration of a Multi-State Co-operative society and includes a person admitted to membership after such registration in accordance with the provisions of MSCS Act, the rules and the bye-laws;
- (l) "Nominal" member means a person who has been admitted as a nominal member or associate member under the bye-law of the society.
- (m) Society means the "Om Bhoo Vikas Credit Co-operative Society Limited", a cooperative society registered or deemed to be registered under the Multi-State Cooperative Societies Act, 2002;
- (n) "Reserve Bank" means the Reserve Bank of India constituted under the RBI Act 1934 -(2 of 1934);
- (o) "Defaulter" means a member who has defaulted in payment of any kind of dues payable to the society;
- (p) "Cooperative Year" means the period from 1<sup>st</sup> of April to 31<sup>st</sup> March;
- (q) "Area of Operation" means the area from which the persons are admitted as members of the society;
- (r) "Prescribed" means prescribed by rules;
- (s) "Cooperative Principles" means the cooperative principles as specified in the first schedule of the Multi-State Cooperative Societies Act, 2002.

## 5. Objects and Functions:

### a) Objects:

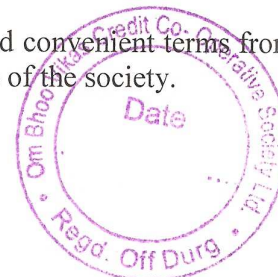
- (i) The principal object of the society will be to promote the interests of all its members to attain their social and economic betterment through self-help and mutual aid in accordance with the cooperative principles.
- (ii) To encourage thrift and savings amongst its members by offering suitable facilities.
- (iii) To accept money as deposit from the members of the Society for the purposes of lending and investment in accordance with the Act.
- (iv) To provide credit facilities to its members for personal loan, home loan, small business loan and other necessary purposes.
- (v) To provide loan to members of the society for self employment and income generation.
- (vi) To arrange facilities for availing loans on easy and convenient terms from banks and other financial institutions for members of the society.



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**b) Functions:**

In furtherance of the above objects, the society may undertake any or all the following activities:-

- (i) To ensure compliance of the cooperative principles and to undertake measures to impart knowledge of cooperative principles and practices to its members.
- (ii) To provide specialized training, education and data-based information and promote harmonious relations amongst members;
- (iii) To organize conferences, conventions, training programs and seminars to promote the objects and to facilitate the growth of the business of the Society.
- (iv) To open branches / service centers of the society in the States of its operation for the purposes of providing services to the members of the Society.
- (v) To undertake welfare activities for members, employees and their children for the promotion of their moral, educational and physical improvement.
- (vi) To provide management development services on behalf of its members and assist them in organizing self-help.
- (vii) To purchase and take on lease lands, building or any movable or immovable property necessary for the business of the society.

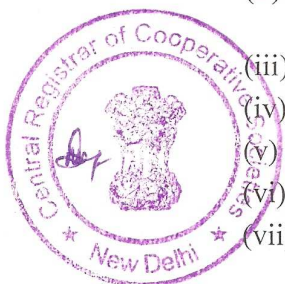
**6. Society to be a Body Corporate:**

(As per section 9 of MSCS Act, 2002)

The registration of the society shall render it a body corporate having perpetual succession and with power to acquire, hold and dispose of property, both moveable and immoveable, enter into contract, institute and defend suits and other legal proceedings and to do all things necessary for the purpose for which it is constituted and shall by the said name, sue or be sued.

**7. Eligibility for Obtaining Ordinary Membership:**

- (1) An applicant shall be eligible to become ordinary member of the society if he fulfills following condition;
  - (i) He has applied in writing in the prescribed form.
  - (ii) He has given declaration that he is not a member of any other similar co-operative society.
  - (iii) His application is approved by the board of the society.
  - (iv) He resides within the area of operation.
  - (v) His interest does not conflict with the interest of the society.
  - (vi) He has attained the age of 18 years.
  - (vii) He has paid admission fee and purchased minimum one share and paid the value thereof in full.
  - (viii) He has fulfilled all other conditions laid down in the Act, the rules and the bye-laws.



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- (2) No person shall be eligible for admission as a member of the society if:
- (i) He has been adjudged by a competent court to be a insolvent or a undercharged insolvent and genuinely need the services provided by the society.
  - (ii) He 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.

**8. Membership & Admission Fees:**

The society shall have the following membership & their Admission fees;

- (i) Ordinary Members : Rs. 50/- only
- (ii) Nominal or Associate Members : Rs. 20/- only

**9. Ordinary Members:**

The following persons can be admitted as ordinary members of the society:

- (i) An adult individual competent to contract under section 11 of the Indian Contract Act, 1872.
- (ii) Any multi-state co-operative society or any co-operative society; (except similar type of cooperative society)
- (iii) The Central Government;
- (iv) A State Government;
- (v) The National Co-operative Development Corporation established under the National Co-operative Development Corporation Act, 1962;
- (vi) Any other corporation owned or controlled by the Government;
- (vii) Any Government company as defined in section 617 of the Companies Act, 1956;
- (viii) Such class or classes of persons or association of persons as may be permitted by the Central Registrar having regard to the nature and activities of the society.

**10. Nominal Members:**

(As per section 26 of MSCS Act, 2002)

The society may, in the interest of promotion of the business, admit a person as nominal member or associate member on payment of fee of Rupees 20/- only provided that such member will neither be entitled to subscribe to the share capital of the society nor allowed to have any interest in the management of the society including right to vote, contest election as director of the board or participate in the board or general body meeting of the society.

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**11. Procedure for Obtaining Ordinary Membership:**  
As per Rule 11(a) & Rule 11(c) of MSCS Rules 2002)

The application for Ordinary membership of the society shall be submitted by an applicant to the Chief Executive of the society in prescribed form along with full payment of admission/membership fee of Rs 50/- and value of minimum one share of Rs 100/- at the time of submission of application.

**Disposal:**

The applications for ordinary membership of the society found complete in all respects shall be disposed of within the period of four months from the date of receipt of the application by the society. The same shall be communicated to the applicant within fifteen days of the decision by Registered Post.

The admission fee/ membership fee shall not be refundable in any case.

**12. Procedure for withdrawal or resignation from Membership:**

- (i) Any member of the society may withdraw from membership of the society only after one year by giving at least three months notice and duly approved by the Board of the society.
- (ii) A member who withdraws or resigns from the membership of the society shall not be eligible for re-admission as a member of the society, for a period of one year from the date of his withdrawal or resignation from membership.

**13. Procedure for expulsion from membership:**  
(As per Section 30 of MSCS Act, 2002)

- (i) The society may, by resolution passed by a majority of not less than two-thirds of the members present and voting at a general meeting of members held for the purpose, expel a member for acts which are detrimental to the proper working of the society.  
Provided the member concerned shall not be expelled unless he has been given a reasonable opportunity of making representation in the matter.
- (ii) No member of the society who has been expelled under sub-section (i) shall be eligible for re-admission as a member of the society, for a period of one year from the date of such expulsion.

**14. Disqualifications for Member of the Society:**  
(As per Section 29 of MSCS Act, 2002)

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

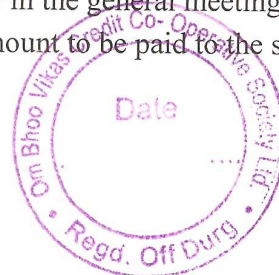
- (i) His business is in conflict or competitive with the business of the society;
- (ii) He used for two consecutive years the services below Rupees 1000/- per year; or
- (iii) He has not attended three consecutive general meeting of the society and such absence has not been condoned by the member in the general meeting; or
- (iv) He has made any default in payment of any amount to be paid to the society under the bye laws of the society.



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**15. Notice to defaulters before disqualifying them:**

The defaulters may be given reasonable opportunity of making representation in the matter before disqualifying them from membership of the society by serving them notice before 15 days that why their membership may not be terminated.

**16. Cessation of Membership:**

The membership of the society may cease in case of:

- (i) Resignation or death of the member.
- (ii) Cancellation of registration of the society;
- (iii) All the shares are transferred to other members;
- (iv) Expelled by the general body;
- (v) Incurring any of the disqualifications of membership.

**17. Liability of Members:**

(As per Section 16 of MSCS Act, 2002)

- (i) Liability of the members shall be limited to the share capital subscribed by them;
- (ii) Liability of every member would continue for period of two years from the date of ceasing to be member of the society.

**18. Rights and Duties of the Members:**

- (a) A member of the society shall exercise the rights of a member if he has paid the membership fee and purchased minimum one share as specified in the bye laws.
- (b) Right to receive notice of general body meetings as per bye-laws of the society;
- (c) A member of the society shall have one vote in the affairs of the society.
- (d) A member of the society shall exercise his vote in person and he shall not be permitted to vote by proxy.
- (e) A member of the society shall have right to attend and take active part in the proceedings of the general body meeting;
- (f) A member of the society shall have right to take part in elections and contest for any post as per provision of the Act, Rules and Bye-Laws of the society;
- (g) A member of the society shall have right to inspect members register, books of accounts or any other record and obtain certified copies of the documents.
- (h) A member of the society should not be indulged in activities which are detrimental to proper working of the society.

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**19. Transfer of interest on death of members:**

(As per Section 36 of MSCS Act, 2002)

- (i) On death of a member, the society may pay to the person or persons nominated a sum representing the value of the shareholder's interest in the society within six months from the death of the shareholder or if there is no nomination the society may pay to such person or persons as may appear to the Board to be entitled to receive the same as heir or legal representative of the deceased shareholder on his or their executing an appropriate deed of indemnity in favour of the society unless prevented by an order of a competent court.

Provided that no such transfer or payment shall be made except with the consent of the nominee, heir or legal representative, as the case may be.

- (ii) All transfers and payments made by the society in accordance with the provisions of this section shall be valid and effectual against any demand made upon the society by other person.

**20. Nomination:**

- (a) A member may nominate a person to receive the member's interest in the society after his death. Nomination shall be made in the prescribed form and entered in the special register kept at the society's registered office. Prior approval of the Board shall be necessary if the person to be nominated is an employee of the society.
- (b) 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 determined by the Board from time to time for every subsequent nomination.

**21. Liability of Past Members and Estate of a Deceased Member:**

- (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,
- (a) In the case of a past member, on the date on which he ceased to be a member,
- (b) In the case of a deceased member, on the date of his death shall continue for a period of two years from such date.
- (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.

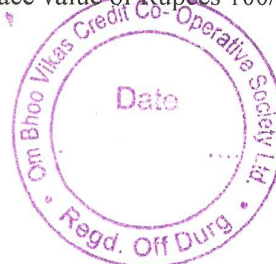
**22. Authorized Share Capital:**

The authorized share capital of the society shall be Rupees 250000000/- (Twenty Five Crore Only) which shall comprise of Twenty Five Lakh shares of the face value of Rupees 100/- each.

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## 23. Joint Shareholders

Shares may be purchased in the names of more than one person jointly.

- (i) On death of a joint-holder, the surviving person/ persons shall be recognized as joint shareholder/holders
- (ii) 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.
- (iii) 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 the General Meeting.
- (iv) 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 the absence of both, the person whose name stands 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.

## 24. Share Certificate:

- (i) Every member shall be entitled to receive a share certificate gratis stating the number of shares and their distinctive numbers. The share certificates shall be signed by the Chief Executive and any Director authorized by the Board and bear the seal of the society.
- (ii) If any certificate be worn out, defaced, destroyed or lost, a new share certificate may be issued in lieu thereof on payment of a fee of Rupees 10/- per share. It shall, however, be necessary to produce evidence to the satisfaction of the Board that the share certificates were worn out, defaced, destroyed or lost, or in absence of such evidence, on such indemnity as the Board may deem sufficient.

## 25. Maximum holding of shares:

No member other than the authorities referred to in clause (c) to (g) of sub section (1) of section 25 of the Act shall hold more than 1/5<sup>th</sup> of the total share capital of the society.

## 26. Transfer of Shares:

- (i) A member may transfer his share or shares after holding them for not less than one year to another member duly approved by the Board of Directors. The transfer is not complete until the name of the transferee has been duly entered in the register of members and the transfer fee of Rupees 10/- per share is paid.
- (ii) The transfer, allotment and redemption of shares shall be on the face value of the shares.

## 27. Lien on Shares, Dividends and Deposits:

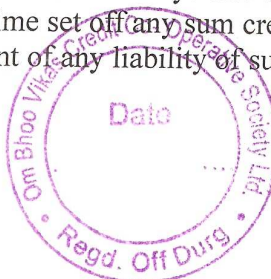
The society shall have the first and paramount lien or charge upon all the shares, dividends and deposits of any member or past member for all moneys due from him to the society from time to time. The society may at any time set off any sum credited by or payable to the member or past member towards payment of any liability of such member as past-member.



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President





**28. Sources of Funds:**

The society may receive funds from any or all the following sources:

- (i) Admission fee;
- (ii) Share capital;
- (iii) Loans and deposits;
- (iv) Grants-in-aid;
- (v) Donations;
- (vi) Contributions;
- (vii) Subscriptions;
- (viii) Profit.

**29. Deposits:**

- (i) Deposits may be received from members of the society only at any time within the limits determined under the MSCS Act and Rules, 2002 on such rates of interest 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.
- (ii) Deposits may be received from members of the society only on current, savings, fixed, recurring, and cumulative and under any other special scheme/s.

**30. Restrictions on Borrowing:**

(Section 67 of MSCS Act, 2002)

The society may receive deposits, raise loans and receive grants from external sources to such extent that the total amount of deposits, loans and grants received during any financial year shall not exceed ten times of the sum of subscribed share capital and accumulated reserves minus accumulated losses.

**31. Constitution of the Board of Directors:**

(As per Section 41 of MSCS Act, 2002)

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

- (i) The Board of Directors shall consist of Eight Director including Chief Executive.
- (ii) Chief Executive shall be the ex-officio member of the Board who shall be appointed by the Board of Directors.
- (iii) Seven Directors to be elected by the members in the General Body meeting.
- (iv) The Maximum numbers of Directors in no case shall exceed twenty one.

**32. Term of the Board of Directors:**

(As per Section 45(5) of MSCS Act, 2002)

The term of the office of the elected Members of the Board of Directors shall be five years from the date of election.

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**33. Elections of members of the board:**  
(As per Section 45 of MSCS Act, 2002)

- (i) The election of the members of the board shall be held in the general body meeting of the members of the society by secret ballot.
- (ii) Where the board fails to conduct election of the members of board, the Central Registrar shall hold the election within a period of ninety days from the date when such election became due.
- (iii) No person shall be eligible to be elected as a member of the board of the society unless he is a member of the general body of the society.
- (iv) The expenses for holding election by the Central Registrar shall be borne by the society.
- (v) The Central Government may take rules generally to provide for or do regulate matters in respect of election of members of the board.

**34. Removal of elected members of Board by 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 the member concerned shall not be removed unless he has been given a reasonable opportunity of making a representation in the matter.

**35. Filling up of vacancy on the board:**

If any vacancy arises in the board of Directors, it shall be filled up by election in the general body meeting for the remaining unexpired term of the board of the society.

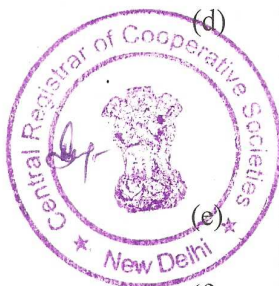
**36. Disqualifications for being a member of board:**  
(As per Section 43 of MSCS Act, 2002)

- (1) No member of the society shall be eligible for being chosen as a member of the board of the Om Bhoo Vikas Credit Co-operative Society Limited, if such member:

- (a) has been adjudged by a competent court to be insolvent or of unsound mind;
- (b) is concerned or participates in the profits of any contract with the society;
- (c) has been convicted for an offence involving moral turpitude;
- (d) holds any office or place of profit under the society;

Provided that the Chief Executive or other full-time employees of the society as may be notified by the Central Government from time to time or a person elected by the employees of the society to represent them on the board of the society shall be eligible for being chosen as, or for being, a member of the board;

- (e) has been a member of the society for less than twelve months immediately preceding the date of such election or appointment;
- (f) has interest in any business of the kind carried on by the society of which he is a member.



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- (g) has taken loan or goods on credit from the society of which he is a member, or is otherwise indebted to the society and after the receipt of a notice of default issued to him by the society, has defaulted:
- 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
  - 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 be 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 the society of which he was a member of for the election to the board of any other society;

- (h) is a person against whom any amount due under a decree, decision or order is pending recovery under this Act, 2002;
- (i) is retained or employed as a legal practitioner on behalf of or against the 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);

- (j) has been convicted for any offence under this Act;
- (k) is disqualified for being a member under section 29;
- (l) has been expelled as a member under section 30;
- (m) absents himself from three consecutive board meetings and such absence has not been condoned to by the board;
- (n) absents himself from three consecutive general body meetings and such absence has not been condoned by the members in the general body.

- (2) A person shall not be eligible for being elected as member of a board of society for a period of five years if the board of such society fails:

- to conduct elections of the board under section 45 of MSCS Act, 2002; or
- to call the annual general meeting under section 39 of MSCS Act, 2002; or
- to prepare the financial statement and present the same in the annual general meeting.

### 37. Powers & Functions of Board:

(As per Section 49 of MSCS Act, 2002)

- The board may exercise all such powers as may be necessary or expedient for the purpose of carrying out its functions under this Act.
- Without prejudice to the generality of the foregoing powers, such powers shall include the powers-
  - To admit members;

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- (b) To interpret the organizational objectives and set up specified goals to be achieved towards these objectives;
- (c) To make periodic appraisal of operations;
- (d) To appoint and remove a Chief Executive and such other employees of the society as are not required to be appointed by the Chief Executive;
- (e) 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;
- (f) To place the annual report, annual financial statements, annual plan and budget for the approval of the general body;
- (g) To consider audit and compliance report and place the same before the general body;
- (h) To acquire or dispose of the immoveable property;
- (i) To review membership in other co-operatives;
- (j) To approve annual and supplementary budget;
- (k) To raise funds;
- (l) To sanction loans to the members; and
- (m) To take 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.

**38. Meetings of Board of Directors:**

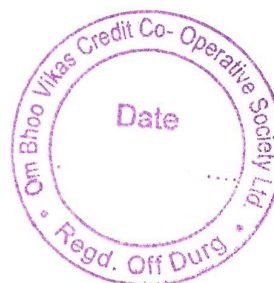
(As per Section 50 of MSCS Act, 2002)

- (i) The Chief Executive shall convene the meetings of board at the instance of the President of the society.
- (ii) The total number of meetings of the board in a year shall be four and the Board of Directors shall meet at least once in every quarter;
- (iii) 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;
- (iv) The meetings of the Board of Directors shall be presided over by the President or in his absence by the Vice President and in the absence of both President and Vice-President, the Directors present in the meeting shall elect a President for the meeting from among themselves to preside.
- (v) Fourteen days notice shall ordinarily be necessary for the meeting of the Board of Directors;
- (vi) The Quorum for the board meeting of the Board of Directors shall be 2/3<sup>rd</sup> members of the board of the society.

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President





**39. Minutes of the Meeting of Board of Directors:**

The minutes of meeting of the Board of Directors shall be recorded in the Minute Book kept for the purpose within thirty days of the meeting and the pages of which shall be duly numbered. The President of the meeting and Chief Executive of the Society shall sign the minutes of the meeting.

**40. Committee of Board:**

(As per Section 53 of MSCS Act, 2002)

- (i) The Board may constitute an Executive Committee and other committees or sub-committees as may be considered necessary:  
Provided committees or sub-committees other than the Executive Committee shall not exceed three.
- (ii) The Executive Committee or other committee or sub-committee referred to in sub-section (i) shall perform such functions as are assigned to it by the board.

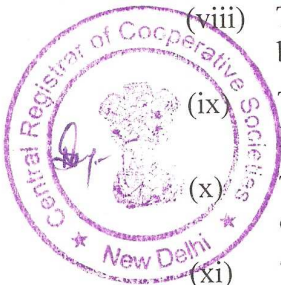
**40 A. Executive Committee:**

The Executive Committee shall constitute following:

- (i) President.
- (ii) Vice President.
- (iii) One Director from the area of operation of each State.
- (iv) Chief Executive.

**40 B. The Executive Committee shall have the following Powers and Functions:**

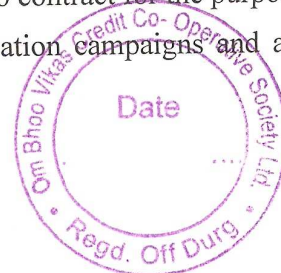
- (i) To maintain true and accurate accounts of all money received and spent.
- (ii) To keep true account of assets and liabilities of the Society.
- (iii) To arrange for internal checking of the accounts at least once in a quarter.
- (iv) To examine the accounts, sanction contingent expenditure and supervise the maintenance of the prescribed register.
- (v) To fix the limit of cash balance to be kept by various officers and branches and for incurring contingent expenditure by them.
- (vi) To arrange for the recovery of share money and annual subscription, if any.
- (vii) To decide the terms or the periods on which loans and advances are to be received, and to arrange for the payment of such loans and advances.
- (viii) To decide the terms of period for and the rate of interest in which deposits are to be received and to arrange for payment of such deposits.
- (ix) To acquire shares in cooperatives or other Institutions as may be decided by the Board of Directors.
- (x) To take on hire buildings, stores or other properties considered necessary for carrying out the business of the society and enter into contract for the purpose.
- (xi) To undertake propaganda by advertising and education campaigns and arrange training of employees of the society.



Om Bhoo Vikas Credit Co-Operative Society Ltd.

*Jahu*

President



- (xii) To transact all other business incidental to and necessary for the management of the Society.
- (xiii) To exercise any other power delegated by the Board of Directors from time to time.
- (xiv) To delegate its power to such officers of the society, as it may deem fit.

**40 C. Meetings of the executive committee:**

- (i) The Executive Committee may meet as often as necessary but at least once in a quarter and preferably one day preceding the meeting of the Board of Directors. All business discussed or decided at the meeting of the committee shall be recorded in a proceeding book in the meeting itself which shall be signed by the President and Chief Executive.
- (ii) 1/3<sup>rd</sup> members subject to a minimum of four members shall form a quorum in the meeting of the Executive Committee. The meeting of the Executive Committee shall be presided over by the President, and in his absence the Vice-President and in their absence, one of the members present in the meeting will preside over the meeting.
- (iii) Generally 14 days notice in writing will be required for calling a meeting of the executive committee.

**40 D. State Committee:**

Each State which comes under the area of operation of the Society will have a State Committee constituted by the Board of Directors of the Society.

The Board of Directors shall constitute from amongst the members of the concerned state, a state Committee as under:

- (i) President
- (ii) Vice-President
- (iii) Chief Executive
- (iv) Four Directors from the area of operation of the State.

**40 E. Powers of State Committee:**

- (i) The State Committee shall lay down the general policy about the overall business of the same state and shall prescribe such terms and limits as it may deem fit from time to time. It shall also review the progress made in the State once in every quarter.
- (ii) To administer the affairs of the State as the Board of Directors of the society administer the affairs of whole society.
- (iii) Any other power delegated by the Board of Directors.

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President





**40F. Meeting of State Committee:**

- (i) The State Committee may meet as often as necessary but at least once in a quarter. All business and policies discussed or decided at the meeting of the Committee shall be recorded in a proceedings book in the meeting itself which shall be signed by the President and Chief Executive.
- (ii) 14 days notice in writing is required for calling a meeting of the State committee.
- (iii) 1/3<sup>rd</sup> members subject to a minimum of three members shall form a quorum in the meeting of the State Committee. The meeting shall be presided over by the President and in his absence the Vice-President and in their absence one of the members shall be elected as President from amongst the members present in the meeting who will preside over the meeting.

**41. General Body:**

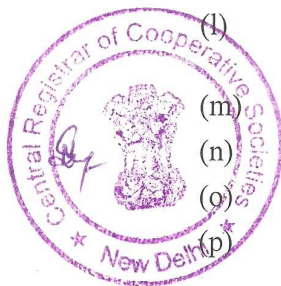
- (i) The general body of the society shall consist of all members of the society.
- (ii) The final authority of the society shall vest in the general body subject to the provisions of the MSCS Act & Rules.

**42. Annual General Body Meeting:**

(As per Section 39 of MSCS Act, 2002)

The society shall hold the annual general meeting of its members at the principal place of the society not later than a period of six months after the close of co-operative year for the purpose of:

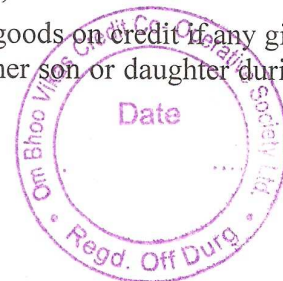
- (a) Consideration of the audited statement of accounts;
- (b) Consideration of the audit report and annual report;
- (c) Consideration of audit compliance report;
- (d) Disposal of net profits;
- (e) Review of operational deficit, if any;
- (f) Creation of specific reserves and other funds;
- (g) Approval of the annual budget;
- (h) Review of actual utilisation of reserve and other funds;
- (i) Approval of the long-term perspective plan and the annual operational plan;
- (j) Review of annual report and accounts of subsidiary institution, if any;
- (k) Expulsion of members;
- (l) List of employees who are relatives of members of the board or of the Chief Executive;
- (m) Amendment of bye-laws, if any;
- (n) Formulation of code of conduct for the members of the board and officers;
- (o) Election & removal of members of the board, if any;
- (p) Consider the statement showing details of loans or goods on credit if any given to any director or to the spouse of the director or his/her son or daughter during the preceding year or outstanding against any of them;



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President



- (q) Approval for appointment of Auditors & fixation of remuneration;
- (r) Any other matter laid before it by the Board of Directors.

**43. Special General Body Meeting:**

(As per section 40 of MSCS Act, 2002)

1. The Chief Executive may, at any time, on the direction of the board, call a special general meeting of the society and shall call such meeting within one month after the receipt of a requisition in writing from the Central Registrar or 1/5<sup>th</sup> of the total number of members of the society to transact the business as stated in notice of the meeting.
2. If a special general meeting of a multi-State co-operative society is not called in accordance with the requisition referred to in sub-section (1), the Central Registrar or any person authorised by him in this behalf shall have the power to call such meeting and that meeting shall be deemed to be a meeting called by the Chief Executive in accordance with the provisions of that sub-section and the Central Registrar may order that the expenditure incurred in calling such meeting shall be paid out of the funds of the society or by such person or persons who, in the opinion of the Central Registrar, was or were responsible for the refusal or failure to convene the special general meeting.

**44. Notice for the Annual General Body Meeting and Special General Body Meetings:**

(As per Rule 15(1) & 15(5) of MSCS Rules, 2002)

- (a) 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, 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, amendment of bye-laws, if any and election of members of the board, if any.

(As per Rule 15(2) of MSCS Rules, 2002)

- (b) 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.
- (c) The notice of annual general body meeting and special general meeting shall be sent to members by any of the following mode:
  - (i) By Local delivery
  - (ii) Under Postal Certificate
  - (iii) By Speed Post
  - (iv) By Registered Post

Notice of the general body meeting shall also be affixed on the notice board of the registered office and by publication in the news paper having wide circulation.

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President





**45. Quorum at a General Meeting:**  
(As per Rule 16 of MSCS Rules, 2002)

- (i) The quorum for the general meeting shall be one fifth of the total number of members of the general body of the society.
- (ii) 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;
- (iii) 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.
- (iv) If at any time during the meeting sufficient number of members are not present to form the quorum, the President 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 remains to be transacted at this meeting, if any, shall be disposed off in the usual manner at the adjourned meeting;
- (v) Where a meeting is adjourned under sub-clause (iii) or (iv) the adjourned meeting shall be held either on the same day or on such date, time and place as may be decided by the President or the member presiding over the meeting, but within seven days from the date of adjourned meeting.
- (vi) No business shall be transacted at any adjourned meeting other than the business on the agenda of the adjourned meeting under sub-rule (iii) or sub-rule (iv);
- (vii) No quorum shall be necessary in respect of an adjourned general meeting.

**46. Minutes of General Body Meeting:**

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 President and Chief Executive of the meeting. The minutes so signed shall be an evidence of the correct proceedings of that meeting.

**47. Vote of Member & Manner of Exercising Vote:**  
(As per section 31 & 32 of MSCS Act, 2002)

- (i) Every member of the society shall have one vote in the affairs of the society;
- (ii) In the case of an equality of votes, the President shall have a casting vote;
- (iii) Every member of the society shall exercise his vote in person and no member shall be permitted to vote by proxy.

**48. Chief Executive:**  
(As per Section 51 of MSCS Act, 2002)

The Chief Executive of the Society shall be full time employee of the society and appointed by the Board. He shall be ex-officio member of the Board and a member of all the committees and sub-committees of the Board as may be constituted and aid and assist the Board of Directors in its functions.

Om Bhoo Vikas Credit Co-Operative Society Ltd.

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President



**49. Powers and functions of Chief Executive:**

(As per Section 52 of MSCS Act, 2002)

The Chief Executive shall under the general superintendent, direction and control of the board, exercise the powers and discharge the functions specified below, namely:-

- (a) Day-to-day management of the business of the multi-state co-operative society;
- (b) Operating the accounts of the multi-state co-operative society and be responsible for making arrangements for safe custody of cash;
- (c) Signing on the documents for and all on behalf of the multi-state co-operative society;
- (d) Making arrangement for the proper maintenance of various books and records of the multi-state co-operative 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.
- (e) Convening meeting of the general body of the multi-state co-operative society, the board and the Executive Committee and other committees or sub-committees constituted under sub-section (1) of section 53 and maintaining proper records for such meetings;
- (f) Making appointments to the posts in the multi-state co-operative society in accordance with bye laws;
- (g) Assisting the board in the formulation of policies, objectives and planning;
- (h) Furnishing to the board periodical information necessary for appraising the operations and functions of the multi-state co-operative society;
- (i) Appoint the person to sue or be sued on behalf of the multi-state co-operative society;
- (j) Present the draft annual report and financial statement for the approval of the board within thirty days of closure of the financial year.

**50. President and Vice-President:**

There shall be a President and a Vice-President elected by the Board of Directors from among themselves. The President and in his absence, the Vice-President shall preside over the meeting of the General Body and the Board of Directors.

The term of office of the President and Vice-President shall be co-terminus with the term of the elected members of the Board unless President or Vice-President ceases to be a Director earlier.

**51. Prohibition to hold office of President or Vice-President in certain cases:**

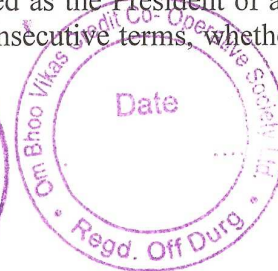
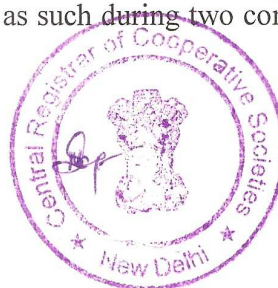
(As per Section 44 of MSCS Act, 2002)

- (i) No member of board shall be eligible to be elected as the President or Vice-President of the society if such member is a Minister in the Central Government or a State Government.
- (ii) No member of board shall be eligible to be elected as the President of a society, after he has held the office as such during two consecutive terms, whether full or part.

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President





**52. Powers and functions of the President:**

The President shall have the following powers and functions:

- (i) He shall preside over the meeting of the general body, Board of Directors and executive committee;
- (ii) The President shall sign the proceedings of all the meetings presided over by him;
- (iii) In the event of equality of votes on a resolution the President shall have a casting vote in the meeting;
- (iv) To convene the meeting of the Board of Directors, Executive Committee and other committees of which he is the President;
- (v) The President may authorise any of his powers and functions to the Vice-President.

**53. Holding of office in the society:**

(As per Section 46 of MSCS Act, 2002)

No person shall be eligible to hold, at the same time, office of a President or Vice-President on the board of more than two multi-state co-operative societies.

**54. Amendment to Bye-Laws:**

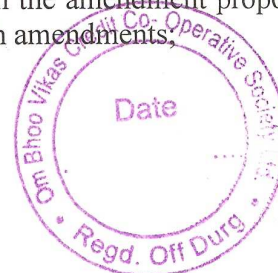
(As per section 11 of MSCS Act, 2002)

- (1) No amendment of any bye-laws of the society shall be valid, unless such amendment has been registered under this Act.
- (2) The amendment to the bye laws of the society shall be made by a resolution passed by a two-third majority of the members present and voting at general meeting of the society.
- (3) No such resolution shall be valid unless fifteen clear days' notice of the proposed amendment has been given to the society.
- (4) In every case in which the society proposes to amend its bye laws, an application to register such amendments shall be made to the Central Registrar together with:
  - (a) a copy of the resolution referred to in sub-section (2);
  - (b) a statement containing the particulars indicating:
    - (i) the date of the general meeting at which the amendments to the bye laws were made;
    - (ii) the number of days' notice given to convene the general meeting;
    - (iii) the total number of members of the society;
    - (iv) the quorum required for such meeting;
    - (v) the number of members present at the meeting;
    - (vi) the number of members who voted in such meeting;
    - (vii) the number of members who voted in favour of such amendments to the bye laws;
  - (c) a copy of the relevant bye laws in force with the amendment proposed to be made together with reasons justifying such amendments.

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President



- (d) four copies of the text of the bye laws incorporating therein the proposed amendments signed by the officer duly authorized in this behalf by the general body;
  - (e) a copy of the notice given to the members and the proposal to amend the bye laws;
  - (f) a certificate signed by the person who presided at the general meeting certifying that the procedure specified in sub sections (2) and (3) and the bye laws, had been followed;
  - (g) any other particular which may be required by the Central Registrar in this behalf.
- (5) Every such application shall be made within sixty days from the date of the general meeting at which such amendment to the bye laws was passed.

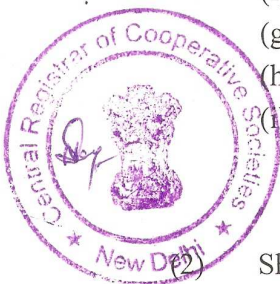
**55. Reserve Fund:**

- (a) In addition to the sum prescribed under the Co-operative Societies Act and Bye-laws, all admission fees, entrance fees, nominal membership fees, amount of forfeited shares and dividends and donations shall be carried to the Reserve Fund.
- (b) Any loss occurring as the net result of the years working is made good from the Reserve Fund or from the profits of the next ensuing year or years with the previous sanction of the Registrar.
- (c) The Reserve Fund shall be separately invested in government and trustee securities or other approved securities or in fixed deposits with the District Central Co-operative Bank or the State Co-operative Bank.

**56. Loans and Advances:**

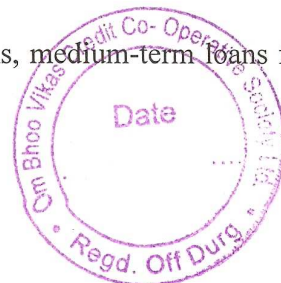
- (1) Loans, cash credits and/or overdrafts on current accounts may be granted to members on any of the securities mentioned below or other securities approved by the Board of Directors or without security.
  - (a) Personal security and/or surety/sureties of other member/members.
  - (b) Collateral security of movable and immovable property.
  - (c) Industrial, mercantile, agricultural and other marketable commodities or machinery under pledge, hypothecation or charge of the Bank.
  - (d) Pledge of government, trustee securities, shares of approved companies, debentures and fixed deposits.
  - (e) Insurance policies assigned to the Bank within the surrender value.
  - (f) Warehouse receipts.
  - (g) Gold and silver ornaments.
  - (h) Any other tangible security.
- (2) The Board may frame detailed loan regulations prescribing proportion of unsecured loans to total loans and advances, proper terms and conditions and the nature of securities acceptable for loans and advances for different purposes.

Short-term loans will be for periods up to 15 months, medium-term loans for 15 months to 5 years and long-term loans over 5 years.



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President





**57. Disposal of Net Profits:**  
(As per Section 63 (1) & (2) of MSCS Act, 2002)

- (i) The society shall out of its net profits in any year:
  - (a) Transfer an amount of not less than 25% of the profit to the reserve fund;
  - (b) Credit one percent of profit to the cooperative education fund maintained by the National Co-operative Union of India Limited, New Delhi;
  - (c) Transfer an amount of not less than ten percent to reserve fund for meeting unforeseen losses.
- (ii) The balance of the net profits may be utilised for all or any of the following purposes:-
  - (a) Payment of dividend to members on their paid-up share capital at a rate as approved by the General Body.
  - (b) Any other privileges to members as decided in the General Body Meeting;
  - (c) Contribution to the education fund at the rate of 5% or more and not exceeding 10%. The fund may be utilised for the education and training of members, directors and employees as approved by the General Body
  - (d) Donation for the development of the cooperative movement or charitable purpose as defined in section 2 of the Charitable Endowment Act, 1890 (6 of 1890) not exceeding 5% of the balance net profits.
  - (e) Payment of ex-gratia amount to employees of the society to the extent and in the manner as approved by the General Body.

However such payment shall be paid only out of net profit and in no case the capital or the reserve shall be distributed as bonus or dividend.

**58. Investment of funds:**  
(As per Section 64 of MSCS Act, 2002)

The society may invest or deposit its funds in:-

- a) a co-operative bank, State co-operative bank, co-operative land development bank or Central co-operative bank; or
- b) any of the securities specified in section 20 of the Indian Trust Act 1882 (2 of 1882); or
- c) in the shares or securities of any other multi state co-operative society or any co-operative society; or
- d) the shares, securities or assets of a subsidiary institution or any other institution; or
- e) any other bank.

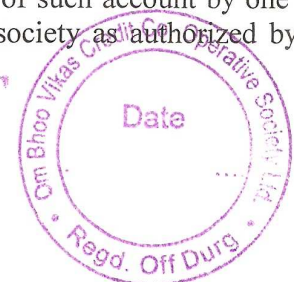
**59. Operation of Bank Accounts:**

To open and operate account in the name of the Society with a Bank or Banks in such number as may be necessary for carrying out the activities of the society and to give instructions to the bank to provide for opening and operation of such account by one or more of the Directors of the Board or by a member of the society as authorized by a resolution of the Board.

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*Jahu*

President



**60. Dividend:**

- (i) The dividend declared shall be paid to the person whose name stands as the registered shareholder in the books of the Society on the last day of the co-operative year to which the dividend relates.
- (ii) 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.
- (iii) Any dividend remaining unclaimed for three years after having been declared shall be forfeited and shall be carried to the Reserve Fund of the society. Unpaid dividend shall be payable on application provided the same has not been forfeited.

**61. Contributory Provident Fund:**

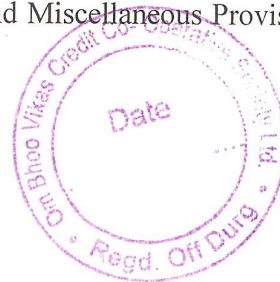
(As per Section 69 of MSCS Act & Rule 26 of MSCS Rules)

- (1) The society shall establish a Contributory Provident Fund for the benefit of its employees in accordance with the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952 (99 of 1952).
- (2) Amount standing to the credit of any contributor fund established by the society shall not –
  - (a) be used in the business of the society;
  - (b) form part of the assets of the society;
  - (c) be liable to attachment or be subject to any other process of any court or other authority.
- (3) The society while creating such a fund shall provide for the following as decided by the Board of Directors:
  - (a) Authority to administer the fund.
  - (b) Amount of contribution to be deducted from the employee's salary.
  - (c) Mode of nomination for payment of the amount of the contributory provident fund in case of employee's death.
  - (d) Purpose for which, the extent to which, and the period after which, advances may be made against the security of such fund and the number of monthly installments in which advance is to be repaid.
  - (e) Refund of employee's contribution and contribution made by the society.
  - (f) Maintenance of accounts of such fund.
- (4) The amount of contribution that can be deducted from the salary of an employee of the society shall not be less than the ceiling provided in the Employees Provident Fund and Miscellaneous Provisions Act, 1952 (19 of 1952).
- (5) The society may make such contribution every year to the employees contributory provident fund as may be approved by the board subject to the maximum ceiling as provided in the Employees Provident Fund and Miscellaneous Provisions Act, 1952 (19 of 1952).

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*Jahu*

President





**62. Audit of Accounts and Auditor:**

- (i) 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.
- (ii) The society shall, at each annual general meeting, appoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting from a panel of auditors approved by the Central Registrar or from a panel of auditors, if any, prepared by the society.
- (iii) Where at an annual general meeting no auditors are appointed or re-appointed, the Central Registrar may appoint a person to fill the vacancy.
- (iv) The qualifications/disqualification, powers, rights and duties of the auditor shall be as per the provision of the Act.

**63. Accounts and Records:**

Accounts and records shall be maintained in forms prescribed under the Act, Rules and Bye laws with such additions as the board of directors consider necessary and approved by the Central Registrar. 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.

**64. Filing of Returns:**

(As per section 120 of MSCS Act, 2002)

Every year within six months of the closure of the accounting year the society shall file the following returns with the Central Registrar, namely:-

- (i) Annual report of the activities;
- (ii) Audited statements of accounts;
- (iii) Plan for surplus disposal as approved by the general body;
- (iv) List of amendments to the bye-laws of the multi-State co-operative society;
- (v) Declaration regarding date of holding of general body meeting and conduct of election where due;
- (vi) Any other information required by the Central Registrar in pursuance of any of the provision of MSCS Act.

**65. Association of Employees in Management Decision Making Process:**

(As per section 42 of MSCS Act, 2002)

The General Body of the society shall devise procedure for the association of the representative of employees of the society in the management decision making process.

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President



**66. Educational Course for Members:**  
(As per section 27 of MSCS Act, 2002)

The society shall organize co-operative education programs for its members, directors and employees and provide funds for it.

**67. Service Rules:**  
(As per section 49 (2) (e) of the MSCS Act, 2002)

The society shall have service rules for regulating the appointment of employees of the society and the scales of pay, allowances and other conditions of service, including explanatory action against such employees;

**68. Settlement of Disputes and Limitation Period:**

- (i) All the disputes shall be referred to Arbitration in accordance with the provisions of the MSCS Act and Rules.
- (ii) The limitation period in disputes shall be as per the provisions of the limitation Act.

**69. Winding up:**  
(As per section 86 of MSCS Act, 2002)

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

**70. Seal of the Society:**

The Society shall have a common seal which 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.

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*Jahu*

President

