

# **Bye-Laws of the Mutually Aided Co-operative Thrift Society Ltd.,**

**Under Andhra Pradesh Mutually Aided Cooperative  
Societies Act 1995  
(ACT 30 of 1995)**

**As Approved by Govt. of A.P. Agriculture and  
Cooperation (Coop.IV) Department  
as G.O.Ms.No. 405 Dated 27-5-1995**

**As Approved by the Commissioner for Cooperation  
and  
Registrar of Cooperative Societies A.P. Hyd.**

**Regd. No. 27939/95  
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**2007**



**THE A.P. MUTUALLY AIDED COOPERATIVE  
.....SOCIETY LTD.,  
BYELAWS**

**NAME AND ADDRESS:**

1. The Name of the cooperative society shall be-----  
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In Telugu it shall be known as -----  
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It shall be a cooperative society registered under the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995.

2. The head office of the society shall be situated in -----  
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----- The address of the society for the time being shall be -----  
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**AREA OF OPERATION AND CORPORATE STATUS :**

3. The society shall be a corporate body with perpetual succession and common seal and with powers to hold property, to enter into contracts, to sue and to be used. The geographical area of operation of the society extends to the entire state of Andhra Pradesh.

**DEFINITIONS :**

4. Words and expressions appearing in these byelaws shall have the following meaning unless the context otherwise requires:
- a) ACT means the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995;
  - b) BOARD means the Board of Directors of the society;



- c) DELEGATE means a member elected or selected by a constituency of individual members to represent them at the representative general body meetings of the society;
- d) GENERAL BODY means the body of all members of the Society;
- e) MEMBER means full-fledged member of the society;
- f) REGISTRAR means the Registrar within the meaning of the Andhra Pradesh Mutually Aided Cooperative Societies Act, 1995;
- g) REPRESENTATIVE GENERAL BODY means the body of delegates of members constituted by the General Body;
- h) SECRETARY means the person appointed for looking after the day to day administration of the society;
- i) SOCIETY means -----  
----- Mutually Aided Cooperative -----  
----- Society Ltd.,

#### OBJECTIVE.

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

#### ACTIVITIES & SERVICES:

- 6. In furtherance of its objective, either by itself or in collaboration with other cooperative, financial and development organisations, the society will,
  - a) offer credit and non-credit services in pursuit of persons' 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 ect.,
- 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 deposit; from its members;
- j) lend, advance, 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 purposes;
- 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 counselling and implement necessary programmes for the overall welfare and development of the members and their community;
- m) liaise with related agencies such as governments, 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 organisations, 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 relation 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 organisations in financial and technical terms and promote subsidiary or new organisations, 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;

#### **MEMBERSHIP:**

7. 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 subscribe regularly to thrift deposits and

repay the loans taken on 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 full-fledged member of the society

#### **8. A person who**

- (a) has completed 60 years of age, or
- (b) is adjudged by a court as insolvent, or is an undischarged insolvent, or
- (c) has been sentenced for any offence involving moral turpitude, or
- (d) is carrying on money lending or chit fund business or activity of such kind which is in conflict with the objects and interests of the society, or
- (e) is a member of any other similar society,
- (f) is a member who resigned and a period of three years has not elapsed from such date, or
- (g) is an employee of the society shall not be eligible for becoming a full-fledged member of the society.

9. The applicants have to apply for membership in such form as required and specified 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 on this matter is final, subject to the provisions of the Act. The applications for membership shall be disposed within 90 days from the date of application and the decision together with reasons shall be communicated to the applicants. In case it is decided to admit the applicant as full-fledged member of the society, the applicant has to remit atleast the value of one share amount and an entrance fee of Rs.5 only.

10. Any person/ organisation who wishes to subscribe deposits other



than regular thrift deposits and avail such other services may be enrolled as nominal members of the society on submission of an application in the specified format and on payment of Rs. 5 as entrance fee, confirming to the guidelines and procedures as set out in the rules of business and administration by the Board in this regard. The enrollement of nominal members shall be ratified in the subsequent Board meeting.

#### **WITHDRAWAL AND CESSATION OF MEMBERSHIP:**

11. A member may voluntarily withdraw from membership by submitting an application in the specified format, after satisfying all obligations and dues outstanding on own account and as guarantor.
12. 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 above in Bye-law No. 8; or
  - c) on becoming defaulter of thrift deposit contribution either consecutively for 6 months or for 6 months during the accounting year of the society; or
  - d) on becoming defaulter of loan repayments beyond 180 days; or
  - e) on death; or
  - f) on not attending the annual general meetings consecutively for three years, without the permission of the President/Secretary; or
  - g) on expulsion from membership by the general body/ representative general body of society as the case may be for activities detrimental to the interests of the society.
13. 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.

#### **MINIMUM PERFORMANCE OF MEMBER :**

14. Each full-fledged member of the society shall contribute to regular thrift deposits atleast once in a month and shall not default any other sum to the society beyond 180 days during the year.
15. Members who have not satisfied the criteria mentioned in byelaw no.14 and who have not been a member of the society for the last one year as on the date of notification of election or the date of meeting as the case may be; shall not be eligible to exercise any of the rights of membership including the right to vote on any matter and contest in elections as Delegates/ Directors.
16. Without prejudice to the rights and privileges conferred on members by the Act, each full-fledged member shall be entitled to
  - a) receive receipts and certificates for the deposit and loans amounts he/she paid;
  - b) participate in the general body meetings of the society in person;
  - c) Participate in elections if he/she has the right to vote;
  - d) verify the byelaws, Act, minutes book pertaining to the general body meetings, reports and compliance reports of audit, special audit and inquiry, voters lists and such accounts as relate to him/her, during business hours on payment of fee as decided by the Board from time to time;
  - e) receive all services on satisfying the required criteria; and



- f) receive interest on capital and patronage rebate when the society earns surplus
17. The nominal members shall be eligible only to avail such services and benefits offered by the Board to that category, but not entitled either to participate in any of the general meetings or to vote on any matter or to be elected as directors of the Board or for any share in the profits, or assets or liabilities of the Society.

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

18. 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.

#### **POWERS AND FUNCTIONS OF GENERAL BODY/ REPRESENTATIVE GENERAL BODY**

19. The General Body shall comprise of all full-fledged members of the Society. However, in the event of the membership of the society exceeding 3000, the General Body may constitute a Representative General Body consisting of Delegates of individual members for a period of three years and once in three years with a view to facilitate more effective decision making.
20. The General Body in the ultimate authority on the affairs of the Society. It shall control all its affairs and deal with all the matters as specified in Section 20 of the Act, till the time it constitutes a Representative General Body. The Representative General Body upon its constitution shall deal with all the matters as specified in Section 20 of the Act, provided that it shall not be competent to deal with the following matters, and such matters shall be dealt with by the General Body only.

- a) constitution reconstitution, and disbanding of the Representative General Body;
  - b) alteration of any provision in the byelaws relating to the Representative General Body;
  - c) promotion of subsidiary and new organisation; and
  - d) amalgamation, liquidation and dissolution of the Society.
21. Each mandal or municipality shall be one constituency for the purpose of electing the Delegates of individual members for constitution of Representative General Body.
22. The individual members in a constituency will elect one Delegate for each 50 members and major part thereof. The Board shall have powers to carve out small constituencies wherever circumstances warrant, i.e., where membership is less than 50.
23. The election of Delegates may be by secret ballot or by show of hands.
24. The notification for election of Delegates shall be issued by the Board 30 clear days prior to the date of election. The Board shall also approve the lists of voting members constituency wise, and the lists of eligible members to contest as Delegates. The Board shall also announce the election programme as part of the election notification specifying the dates of filing nominations and withdrawal of nominations and dates and places of polling each constituency wise.
25. In case of a constituency where number of candidates are contesting, the candidates who have polled higher number of votes in descending order shall be considered as elected. In case of a tie, result will be declared by drawal of lots. A three member team from voting members who are not interested in contesting for Delegateship shall be appointed as observers by the Board. The Board may at its discretion decide on repolling in any centre/booth of a constituency either on the recommendations of the observers



or if it considers it essential due the written complaints received from atleast 25% of the voting members of that centre/booth

26. The term of office of the delegates shall be on par with the term of office of the Board of Directors of the society. The delegates shall be elected in the election General body of the society before their term expires.

#### **FREQUENCY AND QUORUM FOR GENERAL BODY/ REPRESENTATIVE GENERAL BODY:**

27. The meetings of the General Body/Representative General Body will be of two types:
- a) Annual General Meeting, and (b) Special General Meeting
- 28) The Annual General Meeting of the General Body where Representative General Body is not constituted or the Representative General Body where it exists shall be convened by the Board at least once in every year, before end of July.
29. The Board may, at any time call a special general body meeting/ special representative general body meeting of the society as the case may be. It shall call such meeting within thirty days after receipt of requisition in writing from atleast 1/10th of the total number of members or 1/10th of the total number of Delegates as the case may be, or at the request of the Registrar or at the request of the Federation to which the society is affiliated. A requisition for a Special General meeting shall state the purpose of the meeting and such meeting shall transact only the subjects specified in the notice.
30. A meeting of the General Body may be convened by the Board as and when necessary by giving a clear 30 days notice through the President. The notice may be sent either by post or by hand delivery or by publication in local news papers. The quorum for any General Body meeting is 1/3rd of the total number of members or 100 members, whichever is less.

31. A Representative General Body Meeting may be convened by the Board by giving 30 clear days notice. The President shall send the notice to all the delegates either by post or by hand delivery or by publication in local news papers. The quorum for any representative general body meeting shall be the presence of 1/3rd of the total number of delegates or 50 delegates, whichever is less.
32. A Delegate who is in default of payment of thrift deposit contributions once in a month or loan instalments or any other sum beyond 60 days as on the date of the notification of election or the date of the representative general body meeting as the case may be, shall not be entitled to vote on any matter, or to contest for election as director. Such person shall cease to be a Delegee if he / she is a defaulter consecutively for period of 90 days.
33. In case where the representative general body is constituted with delegates in the manner as specified above, such delegate shall conduct a meeting with the members in his/her constituency, before attending the representative general body meeting and seek their opinion on the matters give in the agenda so as to enable him/her to voice the opinion of individual members. Similarly, the delegate shall also conduct a meeting within ten days after the representative general body meeting to convey the proceedings to the members.
34. Each Member/Delegate/Director shall have only one vote. All the decisions and resolutions in the respective meetings shall be made by a simple majority unless the matter requires otherwise by the provisions of the Act and byelaws. The Member/Delegate/Director is not entitled to send proxys to participate in meetings on their behalf.

#### **BOARD OF DIRECTORS :**

35. The Representative General Body where it exists, or in the absence of Representative General Body, the General Body, shall at its annual general meeting shall elect two directors from among



its constituents every year, for a period of three years, such that there are six directors on the Board at any given point of time, provided that at the first election all the Directors shall be elected at once and their terms staggered by deawal of lots specifying different terms. The retiring Directors are eligible for re-election. In case of any vacancies arising on the Board, the Board may fill those vacancies by co-option from eligible members or delegates as the case may be till the next elections are conducted. The vacancy should be notified in the next election and the member elected against the vacancy shall have the remaining period of the term on account of whom the casual vacancy arises.

36. 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.
37. The Board shall elect from among its Directors immediately after its election, a President and Vice-President for a period of one year. The retiring office bearers are eligible for re-election. The Board has the right to remove a President/ Vice-President at any time during their tenure and elect new ones from among them.
38. The Board shall meet atleast once in three months.
39. A Board Meeting shall be convened by the President by giving a clear 7 days notice sent by post or by hand delivery to all Directors. An emergency meeting may be convened with a shorter notice, whenever the Registrar or a Federation to which the society is affiliated requests, or on the request of three Directors. A requisition for emergency meeting shall state the purpose of the meeting and such meeting shall transact only the subject specified in the notice.
40. The quorum for a Board Meeting shall be atleast Four Directors.

Every decision will be taken by a simple majority. The President shall have only a casting vote in case of equality of votes. Any Director absent at three consecutive Board Meetings without leave of absence or who ceases to be a Delegate / Member as the case may be shall cease to be a Director of the Society.

#### POWERS OF BOARD:

- 41). In addition to the functions specified under the provisions of the Act, and the Byelaws, the Board shall
  - a) admit members and terminate membership;
  - b) interpret the organisational objectives and set up specific 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, admission of members, settlement of accounts and disputes, maintenance of accounts, office procedures, authorisation of accounts, acquisition, maintenance and sale of assets, staff; etc and arrange for carrying on the business and administration of the society as per the byelaws and the rules made there under;
  - e) raise funds for society and control all financial affairs and review the accounts of the society;
  - f) appoint attornees, agents, etc, for society to defend and institute legal proceedings on its behalf;
  - g) acquire, purchase, own, lease, mortgage, 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.



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.

#### **DISSOLUTION:**

66. The society may be dissolved or liquidated in accordance with the provisions of the Andhra Pradesh mutually Aided Cooperative Societies Act. 1995.
67. In the event of liquidation of the society, any funds remaining after the fulfilment 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 the settlement of members is taken up.
68. 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

#### **OTHERS:**

69. The office bearers, staff, board and general body shall discharge their functions in accordance with Act, byelaws and rules of business and administration and without prejudice to the specific functions assigned to others.
70. 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.
71. 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. within 60 days of registration of the society. However, the term of office of the new Board shall be deemed to have been commenced from 1 march 1997.

Certified that the proposed byelaws are adopted by us at our meeting held on