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Assistant Registrar,  
Co-operative Societies, Union Territory  
Chandigarh (exercising the Powers  
of the Registrar, Co-operative Societies,  
U.T. Chandigarh.)

# THE BYE-LAWS

OF

The Singh Co-operative Transport  
Society Limited

NAME, ADDRESS AREA OF OPERATION

1. The society shall be called the.....  
Co-operative Transport Society Limited. It shall be referred to here-in-after  
as the society.

2. The registered address of the society shall be Butaria.....  
Chandigarh Post Office.....  
Tehsil..... District.....

3. The area of operation of the society shall cover the following :—

## OBJECTS

4. The object of the society shall be :—

- (i) to provide facilities for operating passenger buses, goods trucks  
taxies, auto rickshaws and other public conveyances and for  
that purpose to obtain licence from the State Government or  
any other competent authority ;
- (ii) to purchase, sell and hire vehicals and other allied equipment  
and to maintain them in proper order ;
- (iii) to arrange for the insurance of the society's vehicle, buildings  
persons and stock against fire, accidents and other risks ;
- (iv) to establish workshops for overhaul, repairs and servicing of  
vehicles ;
- (v) to open branches, agencies and out stations where necessary,  
and to operate any stands or bus stops entrusted to the  
society ;



- (vi) to acquire by purchase, or otherwise or take on lease or rent laid, buildings workshops, godowns, office premises etc., as may be necessary ;
- (vii) to enter into any agreement with the Government or any other authority of supply for transport vehicles on hire or otherwise and to obtain all rights, concessions and privileges to reform ;
- (viii) to act as out agencies to railway stations and to take contracts for carrying students to and from school and to manage tourist traffic, picnic and for carrying goods of firms institutions and Government etc.
- (ix) to afford facilities to the members for training as drivers and machine and in other technical jobs with the society ;
- (x) to undertake such other measures to spread knowledge of co-operative principles and practices ; and
- (xi) to undertake other activities as are incidental and conducive to the attainment of the above objects.

#### MEMBERSHIP

5. Subject to the provisions of bye-laws 6, any individual shall be eligible for admission as member of the society, if he is :—

- (i) over 18 years in age and of sound mind ;
- (ii) ordinarily resident in the area of operation of the society ;
- (iii) of good character ;
- (iv) a worker in a transport concern or carrying on the vocation of motor driver, conductor, cleaner, agent, mechanic, fitter or employed by the society in operating the transport business or running the workshops, and,
- (v) any other person connected with transport business provided that the Number of such persons shall not at any time exceed 20% of the total membership of the society.

6. No individual shall be eligible for admission as members of the society, if :—

- (i) he has applied for bankruptcy.

Or



- (ii) he has been declared as an insolvent.
- (iii) he has been sentenced for any offence involving dishonesty of moral turpitude within 5 years preceeding the date of his admission as a member :

7. Application for admission as members shall be disposed of by the managing committee subject to the approval of General Body. If the managing committee or the General Body refuses to admit a person, it shall record its reasons for such refusal and communicate them to the person, concerned. Any person, who has been refused admission, shall have the right of an appeal to the Registrar within one month of the date of communication of refusal. The decision of the Registrar on such appeal shall be binding on the society and the appellant.

8. No member shall be admitted during 15 days preceding the date fixed for any general body meeting of the society at which office-bearers are to be elected.

9. Every member on admission shall sign his name or make his thumb-mark in the register of members and shall pay an admission fee of Rs. 1- (one) *Rs. 1- (one)*

10. (i) Every member of the society shall nominate a person or persons or whom his share or interest or such sum out of share or interest may be specified by the member, shall on the death of the member be transferred or paid as laid down in these bye-laws.

(ii) Such nominations may, from time to time, be revoked or modified by the member.

(iii) The number of persons who may be nominated by a member shall not exceed the number of shares held by the member.

(iv) When a member of the society nominates more than one person, he shall as far as practicable, specify the amount to be paid or transferred to each nominee in the terms of whole shares and the interest accruing thereon.

(v) The record of nomination shall be kept by the society in such manner as may be laid down by the Registrar from time to time.

(vi) The value of the share or interest transferred or paid to a nominee or nominees shall be determined on the basis of the sum actually paid by the member to acquire such share of interest.



11. No share shall be withdrawn, but shares may be transferred to a member or to a person duly qualified for membership and approved by the managing committee.

12. The value of the shares transferred shall in no case be more than the sum received by the society in payment thereof.

13. (a) A member may be expelled for one or more of the following reasons.

- (i) ceasing to reside in the area of operation of the society ;
- (ii) failure to pay the share-money or amounts due from him to the society ;
- (iii) conviction of a criminal offence involving dishonesty or moral turpitude ;
- (iv) application for bankruptcy ;
- (v) an action which may be held by the general Body to be dishonest or contrary to the interests reputation and stated objects of the society.

(b) No member shall be expelled except by a resolution passed by 2/3 majority in the general meeting at which not less than half the members are present and vote. The member so expelled shall have the right of appeal to the Registrar against the decision of the general body within one month of the date of such decision. The order of the Registrar on appeal shall be binding on the society and the appellant.

14. A person shall cease to be a member of the society in one or more of the following circumstances :

- (i) death ;
- (ii) ceasing to hold atleast one share ;
- (iii) withdrawal after six months notice to the secretary of the society provided that the shares/shares held by the member are disposed of in accordance with these bye-law 11 ;
- (iv) permanent insanity ;
- (v) declaration of bankruptcy.

#### LIABILITY

15. The liability of a member for deficit in the assets of the society, in the event of being wound up, shall be limited to five times the value of the share-capital subscribed by him.



## FUNDS

16. The society may raise funds by :—

- (i) issuing of shares of value of Rs. ....each ;
- (ii) acceptance of deposits from members and non-members;
- (iii) raising of deposits and loans from non-members :
- (iv) accumulation of profits.

17. (i) Each member shall take atleast one share of the value of 100/- At the time of admission each member shall pay Rs. 40/- towards the value of share and the rest shall be paid in 12 equal monthly instalments.

- (ii) Nothing in the above sub-clause shall prevent a member from payment of the value of share in lump sum.

18. No member shall hold shares of which the nominal value exceeds Rs. 25,000/- or 1/5th of the total share capital actually subscribed whichever be less. If any member by inheritance or otherwise becomes possessed of more than the maximum holding permitted by this rule, the managing committee shall have power to sell the excess number or buy them on behalf of the society and to hold the proceeds at his disposal.

19. If the payment due on account of shares remains unpaid, for more than 3 months, the managing committee may declare such shares forfeited together with all payments made thereon and the rights of membership attaching to those shares shall thereupon be extinguished. The committee may allow such shares to be restored provided :—

- (i) that all arrears together with such interests as the committee may demand are paid up, and
- (ii) that such payment is made within three months of the date of forfeiture.

## MAXIMUM CREDIT LIMIT

20. The maximum credit limit of the society shall be fixed by the General Body in accordance with the instructions laid down by the Registrar from time to time. The limit thus fixed shall be subject to the approval of the Registrar who may, at any time, reduce it.

21. All the members on a given date shall constitute the general body of the society.

22. The general body of the members shall meet at least once a



year. The general meeting of the Co-operative Society may be called by the committee or by an officer of the Co-operative Society under the directions of the Committee.

A general meeting of a Co-operative Society shall be called by the Committee on the receipt of a requisition for such a meeting from one fifth of the total number of member.

If, on the receipt of the requisition the Committee fails within a reasonable time to call the general meeting the signatories to the requisition may refer the matter to the Registrar, who may, if he thinks fit summon the general meeting.

23. At least a fortnight's notice, specifying the date, place time and agenda of the general meeting, shall be given to all members. The notice of a general meeting may be given in one or more of the following modes.

- (i) Affixing a copy of the notice at the society's office or at some conspicuous place in the area of operation of the society.
- (ii) By circulation of the notice book and getting signatures of members on it.
- (iii) By post
- (iv) By beat of drum.

The quorm for the general meeting shall be one-fourth of the total number of members of 500. Whichever is less. If, at the hour fixed for a general meeting, the quorm is not forthcoming the Chairman of the meeting shall, if the meeting has been called on the requisition of the members, adjourn it and no further general meeting shall be convened on the strength of the requisition. If the general meeting is convened otherwise than on requisition of the Chairman shall postpone the meeting to a further date. A fresh notice for the subsequent general shall be given to all members. The business at the subsequent general meeting may be transacted with the number of members present.

24. The president or, in his absence, the Vice-Peesident shall preside over meetings of the General Body; when both of them are absent the members present shall elect a Chairman for the meeting.

25. Every member of General body shall have one vote. Voting by proxies shall not be allowed at the General Body unless otherwise provided in these bye-laws, all questions shall be decided, by a majority of votes of the members present. When the votes are equal, the Chairman for the general body shall have a casting vote.



26. Unless otherwise provided in these bye-laws the ultimate authority in all matters relating to the administration of the society shall vest in the General body.

27. Without prejudice the general provisions of the proceeding bye-laws, the General body shall have the following powers and duties ;—

- (i) The election, suspension, and removal of the elected members of the Managing Committee ;
- (ii) the consideration of the annual report of the society. Its audited balance sheet and profit and loss account and the inspection notes.
- (iii) disposal of profit ;
- (iv) the fixation of the maximum credit limit of the society consistent with these bye-laws, subject to the approval of the Registrar ;
- (v) confirmation of the admission of the members ;
- (vi) Amendment of the bye-laws.
- (vii) transaction of any other business with the permission of the Chairman of the General Body ;
- (viii) Expulsion of member and transfer of shares.

28. Each member present at general meeting shall be entitled to exercise one vote only. The President shall have a casting vote. No member who is in arrears of his share instalments shall be entitled to vote.

29. All business discussed or decided at the general meeting shall be recorded in a proceedings book which shall be signed by the Chairman of the meeting.

#### MANAGING COMMITTEE

30. The Managing Committee of the society shall consist of not more than 7 members of the society.

31. No person shall be eligible for election as a member of the Managing committee of the society if he :—

- (a) is below 21 years of age or ;
- (b) is convicted of any offence involving dishonesty or moral turpitude ; or



- (c) has applied for insolvency ; or is declared insolvent ; or
- (d) is of unsound mind ; or
- (e) is in arrears of any share instalment.

32. The election of the Managing Committee shall be held according to the procedure laid down in the Act., the Rules and the institutions issued by the Registrar on their behalf from time to time and the period of an elected Committee shall be <sup>one</sup> ~~three~~ years.

33. A member of a Committee shall cease to hold office if he :—

- (i) ceases to be a share-holder of the society ; or
- (ii) applies for insolvency or is declared insolvent ; or
- (iii) is convicted of any offence involving dishonesty or moral turpitude ; or
- (iv) resigns and his resignation is accepted by the committee ; or
- (v) absents himself from <sup>three</sup> consecutive meetings of the Managing Committee ; or
- (vi) falls in arrears of share instalments ; or
- (vii) becomes a paid employee of society or of the financing bank.

34. The Meeting of the Managing Committee shall elect from amongst themselves the President and the Vice-President.

35. The Meeting of the Managing Committee shall be held when necessary. Three members shall form a quorum. The President or the Vice-President or in his absence a member elected by those present in a meeting shall preside. Unless otherwise provided in these bye-laws, all questions shall be decided by a majority of votes. Each member shall have one vote. In case of votes, the Chairman shall have a casting vote.

36. The Managing-Committee shall exercise all the powers and discharge all the duties of the society except those reserved for general body subject to any regulations or restrictions duly laid down by the society in general meeting or in the bye-laws. In particular the Managing Committee shall have the following powers and duties :-



- (i) to observe in all their transactions, the Act the notified rules and the bye-laws ;
- (ii) to maintain true and accurate accounts of all money received and expended and stock brought and sold;
- (iii) to keep a true account of the assets and liabilities of the society;
- (iv) to keep a register of members correct and up-to-date;
- (v) to prepare and lay before the annual general meeting a profit and loss account and audited balance sheet;
- (vi) to examine the account, sanction contingent expenditure and supervise the maintenance of the prescribed register;
- (vii) to consider the inspection notes of the Registrar and the inspector P. W. D. Office and audit report and take necessary action;
- (viii) to elect new members, to issue new and transfer old shares ;
- (ix) to arrange for the recovery of shares instalments and interest on overdue instalments;
- (x) to give directions to Secretary to summon general meeting in accordance with these bye-laws;
- (xi) to contract loans subject to any restrictions imposed by the general body or by the Registrar;
- (xii) to decide the terms on and the periods for which the loans are to be given to approve or reject the security, to arrange for the recovery of loans and interest and to sanction renewals when necessary ;
- (xiii) to assist the inspections of the books by any person authorised to see them ;
- (xiv) to appoint, suspend, dismiss or punish employees subject to any conditions laid down by the Registrar from time to time and to take proper securities from them as determined by the Registrar;
- (xv) through any member, or officer, or employee of the society or any other persons specially authorised to institute, conduct defend compromise refer to arbitration, or abandon legal



proceedings by or against the society or committee or officers or employees concerning the affairs of society;

- (xxi) to acquire on behalf of the society shares in other registered Cooperative Societies;
- (xxii) to arrange for the safe custody of books and appoint one of its members or one of the officers of the society resident in the village to take charge of the registers and papers prescribed in these bye-laws.
- (xxiii) to appoint one of the members of the committee to take charge of all money received and generally to carry on the duties of a appointed shall handover the money thus received to the treasurer immediate on his return ;
- (xxiv) to accept or reject the resignation from the Committee members and in case of acceptance, to co-operate another member till the election of a committee member by the general body in his place ;
- (xxv) to invest the surplus funds of the society in accordance with the Co-operative Societies Act or Rules framed thereunder ;
- (xxi) to purchase, sell, hire vehicles and allied equipment and to maintain them in proper order ;
- (xxii) to arrange for the insurance of vehicles, buildings, persons and stock against fire accident and other risks ;
- (xxiii) to make arrangements for the training of drivers, mechanics and another technical personnel ;
- (xxiv) to establish workshops for overhaul, repairs and servicing of vehicles ;
- (xxv) to open branches, agencies and out-stations where necessary and to operate any stands or bus stops entrusted to the society ;
- (xxvi) to acquire by purchase or otherwise or to take on lease or rent land, building, workshop godowns, office premises etc. as may be necessary ;
- (xxvii) to purchase, sell hire or otherwise acquire or dispose of property on behalf of the society ;



(xxviii) generally to carry on the business of the society.

37. It shall be competent for the Managing Committee to frame subsidiary rules for the conduct of the society consistent with the bye-laws. Such subsidiary rules shall be entered in the minute book of the society and shall take effect only after their approval by the Registrar.

38. The Managing Committee may constitute an executive committee and delegate to it such powers and functions as it considers fit.

39. In the conduct of the affairs of the society, the members of Managing or Executive Committee shall exercise the prudence and diligence of ordinary men of business and shall be responsible for any loss sustained through acts contrary to the law, the bye-laws and the stated objects of the society.

40. All business discussed or decided at a meeting of the managing or Executive Committee shall be recorded in a proceeding book which shall be signed by the Chairman of the meeting and all the members of the committee present.

#### SECRETARY

41. The powers and duties of the Secretary shall be as follows :—

- (i) to maintain correctly and up-to-date the prescribed papers and registers ;
- (ii) to procure from borrowers the due execution of bonds with security when required under these bye-laws ;
- (iii) to prepare all receipts, vouchers and documents required by the Rules or the bye-laws or called for by the Committee ;
- (iv) to sign on behalf of the society and to conduct its correspondence ;
- (v) to summon and to attend General meetings and have them duly signed.
- (vi) to record the proceedings of such meetings and have them duly signed ;
- (vii) to prepare the annual statements and submit them to the Registrar within the period prescribed by him ;
- (viii) to control the staff under him ;
- (ix) to certify copies of entries in the books under the co-operative Societies Act ;



- (x) to incur contingent expenditure within limits fixed by the Managing Committee ;
- (vi) generally to conduct the current business of the society and perform all duties entrusted to him by the Committee.

### TREASURER

41. Treasurer shall be elected by the Managing Committee and he shall take charge of all money received by the society from any source and shall make disbursement in accordance with the directions of the committee. He shall sign the cash book in token of its correctness and produce the cash balance whenever called upon to do so by the president, committee or auditor or any officer of the Co-operative Department.

### REGISTERS

42. The following books and papers shall be maintained :—

- (i) A register of members.
- (ii) Cash book.
- (iii) Ledger account for each member, depositor, miscellaneous and contingent income and expenditure and purchase and sale of any goods etc.
- (iv) Proceedings book.
- (v) Share list or register of shares.
- (vi) A register of sureties.
- (vii) A Stock Register.
- (viii) Lorry-wise register showing the daily income and expenditure.
- (ix) Any records required under motor Vehicles Act, 1939 of the Punjab motor vehicles Rules, 1940.
- (x) A pass book for each member and depositor.
- (xi) Any other register prescribed by the Registrar or by the transport authorities or required by the society for its business.

43. The books of the society shall be open to inspection to any one



interested in the funds of the society except that no one shall be allowed to see the deposit account of any person with that person's consent in writing. Copies of bye-laws and the balance sheet shall be supplied free on demand to any member.

### DEPRECIATION

45. Before closing the accounts of any year, the stock of lorries, tools etc., shall be depreciated at the rates indicated below : —

- (a) Stocks of lorries, 20 percent on the original value in passenger bus.
- (b) Lorries in Good Service, 10 percent of the original value.
- (c) Tools and plants, 10 percent of cost Price.
- (d) Lands and Buildings 5 percent of the Cost Price.
- (e) Misc., items of the stock, 10 percent of the Cost Price.

Note (i)—The depreciation shall commence after 12 month of the service of each machine, tool and plants.

### DISTRIBUTION OF PROFITS

44. The net profits of the society, as per audited balance sheet, shall be distributed as follows :—

- (i) Atleast 10 percent shall be carried to the Reserve Fund ;
- (ii) Such proportion, not exceeding 5 percent of the net profits, shall be carried to the Co-operative Education Fund to be administered in accordance with the instructions from the Register issued from time to time.
- (iii) The remainder may be utilized for one or more of the following purposes ;
  - (a) distribution of dividend amongst members at a rate not exceeding 10 percent per annum on the value of the shares actually paid up :
  - (b) distributions of bonus amongst employees not exceeding three months' salary :



- (c) a sum not exceeding 5 percent of the net profits may be spent on any charitable purpose as defined in section 2 of the Charitable Endorsement Act, 1890 or be allocated to a Common Good Fund devoted to any of these purposes :
- (d) creation of Bad Debt Fund, Building Fund, Dividend Equilisation Fund or any other fund required by the society. Any surplus may be credited to reserve fund or carried to the profit of the next year.

47. It shall be competent for the society to incur expenditure on such measures as are conducive to the imparting of knowledge of co-operative principles and practices. For this purpose the society shall contribute to the Punjab Co-operative Union every year such amount not exceeding Rs. 10/- as may be directed by the Registrar.

48. The Reserve Fund shall be indivisible and no member shall be entitled to claim a specific share in it, provided that, in exceptional circumstances, with the prior approval of Registrar, the Reserve Fund may be utilised in meeting losses.

#### AMENDMENT OF BYE-LAWS

49. Subject to the provisions of the Act and Rules no amendment to these bye-laws shall be carried out save in accordance with a resolution passed at a general body meeting of which due notice of the intention to discuss the amendments has been given ;

Provided that no such resolution shall be valid unless it is passed by a majority of members present at the general meeting at which not less than two-third of the members for the time being of the society are present.

Provided further that model bye-laws or amendments previously approved by the Registrar may be adopted by a simple majority at a general meeting with an ordinary quorum.

#### MISCELLANEOUS

50. The society shall purchase at least one share of the District Industrial Co-operative Union within one month of its registration.

51. If the society is indebted to a co-operative central financing institutions, it shall be competent for a representative of the latter to



inspect the books and record of the society and the Managing Committee of the society shall arrange the production of books and record before such representative.

52. The services of the members of the Managing Committee shall be honorary, but he may be paid travelling and daily allowance on a scale fixed by the committee and approved by the Registrar.

53. Should any doubt arise with regard to the interpretation on any of these bye-laws, the matter shall be referred to the Registrar whose decision shall be final.

54. Work relating to execution of awards in favour of the society shall be carried out by an execution union or executive approved by the Registrar and the society shall not withdraw any awards unless the dues of execution union or the execution agents have been paid.

55. (a) No person shall be employed by the society unless he satisfies the qualifications that may be laid down by the Registrar from time to time.

(b) No person shall be employed by the society without obtaining from him security in such form and according to such standards as may be laid down by the Registrar from time to time.

56. If any dispute, other than a dispute regarding Disciplinary action taken by the society or its managing committee against a paid servant of the society, touching constriction or business of the society arises between the members and past members of the society or the persons referred to in the relevant provisions of the Punjab Cooperative Societies Act and the Rules framed thereunder, it shall be disposed of in the manner provided in such an act and the rules.

57. The society shall maintain such accounts and other record connected with amounts in such form or manner as may be directed by the authority competent to do under the Co-operative Societies Act.

58. The society shall prepare and submit such returns and statements as Registrar may from time specify.

59. The society may, in the circumstance specified by the relevant provisions of the Co-operative Societies Act, be wound up and can-



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called by the Registrar in accordance with the procedure laid down by such an Act and the Rules framed thereunder.

59. In these bye-laws, unless there is anything repugnant to the context, the Registrar shall include an officer subordinate to him and authorise by him in this behalf.

SPECIMEN