

BYE - LAWS

OF

m THE CHANDIGARH STATE FEDERATION OF COOPERATIVE HOUSE
BUILDING SOCIETIES LTD.
CHANDIGARH.

H.O. CHANDIGARH .

NAME, ADDRESS AND AREA OF OPERATION

1. The society shall be called THE CHANDIGARH STATE FEDERATION OF COOPERATIVE HOUSE BUILDING SOCIETIES LIMITED. It shall be referred to hereinafter as the FEDERATION.
2. The registered address of the Federation shall be the Chandigarh State Federation of Cooperative House Building Societies Limited Chandigarh at Chandigarh. The postal address of the Federation shall be "The Chandigarh State Federation of Cooperative House Building Societies Limited Chandigarh." Any Change in this address shall be made through an amendment in these byelaws and shall be notified to the Registrar within 30 days of such change.
3. The area of operation of the Federation shall be the whole of U.T.,/Chandigarh.

DEFINITION

- (i) "ACT" means the Punjab Cooperative Societies Act for the time being in force.
- (ii) "RULES" means the Punjab Cooperative Societies Rules for the time being in force.
- (iii) "Registrar" means a person appointed to perform the functions of the Registrar Cooperative Societies under the Act and includes any person appointed to assist the Registrar when exercising all or any of the powers of the Registrar. For the purpose of these byelaws, the Registrar shall also include an officer of the Cooperative Department not below the rank of Deputy Registrar authorised by the Registrar in this behalf by a general or special order.
- (iv) "Bank" means the Cooperative Bank with which the Federation is affiliated.
- (v) "Board" means the Board of Directors of the Federation.
- (vi) "Managing Director" means the officer appointed under byelaw 43.
- (vii) "Class III, IV employees" mean employees of similar status in the Punjab State

- (viii) "Trustee" means a trustee for the holders of debentures issued under byelaw 14 of these byelaws.
- (ix) "Year means of period of 12 months ending on 30th June every year.

Words and expressions not defined in these byelaw but defined in the Act of the Rules shall have the meaning assigned to them in the Act and Rules.

OBJECTS

5. The objects of the Federation shall be to:-

- (i) Raise funds from various sources & to accept deposits for not less than one year from the members and non-members on such terms and conditions as the Board may determine.
- (ii) Grant loans and finance to the member Societies on the security of immovable property or such other security of as may be considered necessary.
- (iii) Purchase, take on lease, exchange, mortgage or by acquisition immovable or movable property which the Federation may think necessary or advantageous for the conduct of its business.
- (iv) manage, sell and realise all property which may come into the possession or ownership of the Federation in satisfaction of any of its claims.
- (v) acquire, construct and maintain any building or work necessary or convenient for the purpose of the Federation.
- (vi) establish and raise funds for the benefit of employees and grant pension, allowances, gratuities etc., for the benefit of the employees, according to the instructions issued by the Registrar in this behalf from time to time.
- (vii) enter into any scheme pertaining to financing the members societies with Government or any other authority or Institution and to administer the scheme provided that prior permission of the Registrar shall be obtained in this behalf.
- (viii) with the previous sanction of the Government to acquire and develop lands for the benefits of housing programme.

- (ix) to undertake, as an agent of the Government, the work of financing the Housing Societies and allied activities under scheme which have been or which may be sponsored by the Government.
- (x) to take up an agency for general Insurance business.
- (xi) to promote and assist in the organisation of the Cooperative House Building Societies in the state.
- (xii) to constitute, guide and supervise the working of the affiliated Cooperative Housing Societies in the state.
- (xiii) to make arrangements for periodical inspections of the affiliated Housing Societies.
- (xiv) to establish links with the Government, Cooperative Institutions, Companies and Firms to serve building materials for the affiliated Housing societies.
- (xv) to organise studies and research with the following main objects:
 - (a) for improvement of the local building material;
 - (b) to ascertain the kind of houses that are suited to be built in the different parts of the state;
 - (c) to bring down the cost of construction without affecting the quality;
- (xvi) to establish contracts with the Institutions in India and abroad, for carrying out the research work in housing sector and to keep the member housing Societies informed in the Housing Sector by these institutions.
- (xvii) do all such other things as are incidental or conducive to the attainment of the objectives of the Federation.

MEMBERSHIP

6. The membership of the Federation shall be open to;

- (i) all Cooperative House Building Societies in the U.T., Chandigarh.

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- (ii) all other Cooperative Societies, whose object is to construct houses;
- (iii) Government.

7. Application for membership shall be addressed to the Managing Director of the Federation and shall be disposed off by the Board of Directors of the Federation. In case the Board refuses to admit a society it shall record its reasons for such refusal and communicate the same to the society concerned. Any society which has been refused admission shall have the right of appeal to the Registrar within 60 days from the date of communication of such decision/order.

8. (a) Every member shall purchase atleast two shares of the values of Rs.100/-each at the time of admission except societies consisting exclusively of landless Agricultural labourers in the rural areas, which shall be fully paid up. No member shall ordinarily be permitted to seek withdrawal or refund of its share provided that when the Federation has created a share transfer fund out of its earned profits, its Board may allow withdrawal of shares which shall not at any time exceed 5% of the aggregate paid up share capital of the Federation excluding Govt. contribution if any as it stood on 30th June of the preceding year. Share certificates signed by the Chairman and the Managing Director of the Federation shall be issued to every member. Share however be transferred to an existing member or to a person duly qualified for membership and approved by the Board. If a share certificate is defaced, lost or destroyed a duplicate certificate may be issued on payment of a fee of rupees one.

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9. (a) A member of the Federation may be expelled for any one or more the following reasons;
- (i) If the member fails to pay the share money or other amount due from the member to the Federation within 2 months from the date such instalment or amount became due, or a notice to the effect that the amount has become due is issued by the Managing Director.
 - (ii) If the member is a persistent defaulter and habitually fails to carry out its obligations to the Federation.
 - (iii) If the member wilfully deceives the Federation by false statement or abstains from supplying information of statement sought or fails to produce record and books for inspection within two months on such demand by the Managing Director.
 - (iv) If the member does any act likely to injure the credit of the Federation.
- (b) A member's membership of the Federation shall stand terminated automatically in any one or more of the following circumstances. A notice to that effect shall be served by the Managing Director.
- (i) Ceasing to hold at least one fully paid up share.

- (ii) Withdrawal/Transfer by the member after 2 months notice to the Managing Director of the Federation provided that the member withdrawing is not indebted to the Federation and provided further the share/shares held by the member are transferred in accordance with the provisions of these Bye-Laws and the Rules.
- (iii) Cancellation of the Registration of an affiliated society.
- (iv) If the member fails to observe the provisions of Bye-laws without any reasonable cause.
- (v) If the conduct of the member is contrary to the stated objects of Federation of prejudicial to the interests or reputation of the Federation.

10. No member shall be expelled except by a resolution passed in the Board's meeting attended by at least 2/3 members. The Board shall record the reasons for expelling the member and communicate the same under registered post to the member concerned within a week of such decision. A member expelled under Bye-law 10 (a) shall have the right of appeal against its expulsion or removal to the Registrar within 60 days of the date of communication of the decision regarding its expulsion. The decision of the Registrar shall be final.

LIABILITY

11. The liability of a member for deficit in the assets of the Federation in the event of its being wound up shall be limited to 12 times the value of its paid up share capital.

FUNDS

12. The Federation may raise funds by;
- (i) admission fee of Rs.25/-
 - (ii) issue of shares of the value of Rs. 100/each.
 - (iii) raising loans subject to the provisions of the Act and Rules; raising loans from the Government, Cooperative Banks, Commercial Banks, Life Insurance Corporation, HUDCO and other financing Institutions.
 - (iv) deposits from members and non-members;
 - (v) issuing of debentures/bonds;
 - (vi) accepting grant from the Government and other Institutions.

MAXIMUM CREDIT LIMIT

13. (i) Maximum Credit limit of the Federation shall be fixed by general body of the Federation with the approval of the Registrar.

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- (ii) The Federation shall not incur liabilities exceeding 15 times the total amount of subscribed share capital, plus accumulated reserves minus accumulated losses.

DEBENTURES

14. Subject to the approval of Government, the Federation may raise money by the issue of debentures and bonds or by mortgaging any land, building or other property of the Federation as the Board may deem expedient and against Government guarantee.
15. The Debentures issued by the Federation and the interest payable thereon shall form a first charge on the under-taking and general assests of the Federation.
16. The Registrar shall be trustee for the purpose of securing the fulfilment of the obligations of the Federation to the holders of debentures issued by the Federation. The powers and functions of the trustee shall be governed by the instrument. Any term of the instrument may be modified with mutual consent of the Federation and the Trustee. All the properties of the Federation on the security of which debenture are issued shall vest in the trustee and the holders of debentures shall have a floating charge on all mortgages and amounts remaining in the hand of the Boards of the Trustee and on the properties of the Federation.
17. The Board may issue on such terms and conditions as to redemption, interest or otherwise debentures of one or more denominations payable within such period not exceeding 25 years as the Board may determine.
18. The Board may, at the time of issuing debentures, reserve to the Federation an option to redeem before the expiration of the period fixed for redemption (but not earlier than five years after the date of issue) on giving, with the approval of the trustees, not less than six months notice of its intention so to do.
19. No debenture holder shall be entitled to the payment of the amount due on his debenture before the time fixed by the Board for its payment.
20. The Debenture shall be signed and executed by atleast the member of the Board and countersigned by any officer of the Federation appointed for the purpose by the Board.
21. The interest due on the debentures shall be payable on such dates or date as the Board may fix in this behalf at the time of issuing the debentures and no interest will be paid on the amount payable as interest if such amount is not drawn on the due date.
22. When a debenture becomes payable either by reasons of the expiration of the period fixed for redemption or by reason of the notice referred to in bye-law 18, the holder shall be paid the principal due thereon together with interest upto the date on which it becomes payable.

23. The Federation shall establish a sinking fund as soon as practicable but not later than the second year from the date of issue of debentures, in order to provide for the repayment and redemption of debentures and shall at the end of each financial year, the Federation pay to the credit of such fund a sum which will be sufficient to repay the debentures loan on maturity.

24. The sinking fund so constituted shall be invested and may be realised and reinvested in any of the following ways after previous approval of each such investment or reinvestment by the trustee:-

- (i) Securities of the Central Government or any state Government.
- (ii) In debentures issued by the Federation.
- (iii) In any of the securities specified in section 20 of the Indian Trusts Act, 1882.
- (iv) In such other securities as Government may approve in writing in this behalf.

Provided that the recoveries made in respect of mortgage loans may be appropriated for setting apart the annual sum to be credited to the sinking fund.

Such portion of the Sinking Fund as may for the time being remain invested shall be kept in a separate account in a Bank to be approved by the trustees.

GENERAL BODY

25. All the member of the Federation on a given date shall constitute the general body of the Federation. Each member society shall be represented in the general body meeting by accredited representative, who shall be one of the elected Directors of the member society concerned. The Government shall be represented by the 3 nominees. The supreme authority shall vest in the General Body. It shall meet from time to time and atleast once a year. The meeting of the general body shall be called by the Board or by an office of the Federation under the directions of the Board. A special general meeting of the Federation shall be called by the Board on receipt of requisition for such meeting from 1/5th of the total members of the Federation. If on the receipt of the requisition the Board fails within 15 days to call the meeting the signatories to the requisition may refer the matter to the Registrar who may, if he thinks fit, summon the meeting. The Registrar may on his own motion at any time, summon a general meeting of the Federation. When the Registrar calls a special general meeting the matter for consideration in such a meeting shall also be laid down by him. The meeting called by the Registrar shall be held in such manner and at such time and place as may be directed by him. Quorum for a General Meeting shall be 1/5th of the total membership of the Federation. However if at a General Meeting or special meeting there is no quorum within one hour of the time fixed for the meeting it shall be adjourned and reconvened the same day after due notice. If at the reconvened meeting also there is no quorum within one hour of the time appointed for the reconvened meeting then at the end of one hour the members present shall constitute quorum to transact business of the agenda of the original meeting.

26. At least 15 clear days notice, specifying the date, time, place and agenda of the general meeting shall be given to all members by post under certificate of posting.

27. Every member of the general body except the Govt. shall have one vote. Each nominee of the Government shall have one vote.

28. All questions shall be decided by majority of vote. When the votes are equal, the Chairman of the meeting shall have a casting vote.

29. The Chairman or in his absence the Vice-Chairman and in the absence of both a person elected by those present, shall preside over the meeting of the general body.

30. The General Body shall have the following powers and duties:-

- (i) Election and removal of the members of the Board of Directors.
- (ii) Consideration of the inspection notes, the annual report, the audited statements, the balance sheet and profit and loss account.
- (iii) Disposal of profits.
- (iv) Fixation of maximum borrowing limit of the Federation, subject to the approval of the Registrar.
- (v) Amendment of bye-law.
- (vi) Determining the plan of activities for the next year.

31. All business transacted or decided in a meeting of the General Body shall be recorded in a Proceeding Book which shall be signed by the Chairman of the meeting as well as Managing Director of the Federation.

32. The Board of the Directors of Federation shall be constituted of the following members:-

- (i) Seven members to be elected from amongst representatives of member House Building Societies.

** (ii) Two member will be co-opted.

33. The Board of Directors shall meet for the disposal of the business as often as may be necessary but atleast once in a quarter and may regulate the meeting and proceedings as they think fit. Seven days' notice of the meeting shall ordinarily be given to the Directors. Four Directors present at a meeting shall form a quorum. But one of them must be government nominee. Questions arising at any meeting shall be decided by a majority of votes, the Chairman shall have a second or casting vote. No Director shall vote or take part in the discussion of any matter in which he is personally interested or his society is interested.

34. The members of the Board excluding Government nominees shall be elected in the manner laid down in the Act the Rules and the instructions issued by the Registrar in this regard from time to time. The Board shall hold office for 2 years. An interim vacancy caused by resignation or other-wise shall be filled by co-option for the un-expired period of the term of the Board.

35. No persons shall be eligible for election as a member of the Board of the Federation if:-

- (i) he or the society to which he belongs or is a member or is a representative, is in default in respect of any sum due to the Federation or any of the affiliated societies or any other society or;
- (ii) he has committed any offence involving dishonesty or moral turpitude during period of five years prior to the date of scrutinising of nomination papers and has not been given a clean chit.
- (iii) he has, directly or indirectly, any interest in any contract to which the Federation or any affiliated society is a party except in transactions made with the Federation as a member; or
- (iv) he has at any time during a period of one year prior to the date of contesting the election engaged in any private business which carried on by the Federation; or
- (v) he holds any office of profit under the Federation or received any honorarium; or
- (vi) he is paid employee of the Federation or of a member society or is related to any paid employee of the Federation or a member society; or
- (vii) incurs any other disqualifications laid down in the Act, Rules and Bye-Laws.
- (viii) He or his society has not become eligible for seeking a loan or has not obtained a loan if eligible or has been refused a loan by the society or the Federation or has repaid the loan fully and has become inactive.
- (ix) He has been at any time adjudicated as insolvent or had suspended payment of his debts to his society.
- (x) He by reasons of mental or physical infirmity is incapable of discharging his society.
- (xi) He does not represent a member Cooperative House Building Society.

36. An elected member of the Board shall cease to hold office if:-

- (i) he or the society to which he belongs or of which is a member of representative continues to be in default in respect of any sum due to the Federation or any of affiliated societies or any other society for 60 days after the issue of a notice by the Managing Director of the Federation or the Chief Executive of the society concerned stating that the over due would be treated as default from a date mentioned therein.
- (ii) he ceases to be a member or director of the member society.
- (iii) he is declared insolvent.
- (iv) he becomes of unsound mind.
- (v) he is convicted of any offence involving dishonesty or moral turpitude.
- (vi) he comes to hold any office of profit in the Federation or any affiliated society or receives any honorarium.
- (vii) he resigns and his resignation is accepted by the Board.
- (viii) he absents himself from 3 consecutive meetings of the Board without the permission of the Board.
- (ix) he acquires an interest directly or indirectly in any contract of the Federation or in any sale or purchase made by the Federation privately or in auction.
- (x) he incurs any other disqualification laid down in the Act, Rules and Bye-Laws which would have prevented him from seeking election, had he incurred that disqualification before, election.
- (xi) his society is brought under winding up orders or is included in the list of 'D' class Societies maintained by the Registrar of any Administrator is appointed in his society on account of bad management.

37. An elected member of the Board will cease to be a member automatically on account of having attracted disqualification under the provisions of Bye-laws No:36(i) to(vi), (viii) & (xi) within 30 days after the issue of a notice to that effect by the Managing Director. Such ceased member may seek remedy under the Act and Rules from the Registrar.

38. The Federation shall have a Chairman and Vice-Chairman who will be elected by the members of the Board from among themselves. Their term of office shall be coterminous with the term of the Board.

39. The Board shall meet from time to time. At least 15 clear days notice specifying the date, place, time and agenda of the meeting of the Board shall be given to all the members 1/3rd of the total : number of the members of the Board shall form quorum of the meeting. The Chairman or in his absence Vice-Chairman and in the absence of both a member elected by those present in the meeting, shall preside over the meetings of the Board. All questions shall be decided by majority of the votes. In case of equality of votes, the Chairman shall have a casting vote.

40. The Board shall exercise all powers and perform all duties of the Federation except those reserved for the general meeting subject to any regulations and restrictions laid down by the general body. In particular the Board shall have the following powers and duties.

41. (i) To observe in all their transactions the provisions of the Act, the notified Rules and these bye-laws.
- (ii) To maintain true and accurate accounts all money received and spent and all stocks bought and sold.
- (iii) To keep register of members correct and upto date.
- (iv) To keep true account of assets and liabilities of the Federation.
- (v) To prepare and lay before the general meeting a profit and loss account and balance sheet.
- (vi) To examine the accounts and contingent expenditure and to supervise the maintenance of the prescribed register.
- m (vii) To consider the inspection notes of the officers of the Cooperative Department and the audit notes of the Auditors and to take necessary action thereon.
- (viii) To admit new members and approve transfer of old and new shares.
- (ix) To give directions to the Managing Director and other officer of the Federation to summon general meeting.
- (x) To arrange for the safe custody of stocks.
- (xi) To assist in the inspection of book by any person authorised to see them.
- (xii) To appoint, suspend, punish or dismiss employees (except class III and IV employees) in accordance with the prescribed procedure.
- (xiii) Through any member officer of employee of the Federation or any other person specially authorised to institute, conduct, defend compromise, refer to arbitration all cases/ disputes concerning the affairs of the Federation.
- (xiv) To acquire shares in the registered cooperative societies.
- (xv) To accept or reject the resignation from a member of the Board.

- (xvi) To open an account of the Federation with the Cooperative/other Banks.
- (xvii) To fix T.A. and D.A. of the Directors and the staff of the Federation subject to the approval of the Registrar.
- (xviii) To delegate any of its powers to any of its members or to any employee of the Federation.
- (xix) To appoint a Director to represent the Federation for the general body of any other Cooperative Institution.
- (xx) To arrange finances from various sources and through various methods including the issue of debentures.
- (xxi) To approve the transfer of shares and debentures.
- (xxii) To sanction loans to affiliated Cooperative societies.
- (xxiii) to prepare rules of business and made additions and alterations therein.
- (xxiv) Generally to carry on the business of the Federation.

41. The Board may constitute from amongst its members a sub-committee consisting of not more than 5 members, one of whom shall be a Government nominee, and delegate to it such of its powers and functions as it may consider fit.

42.7 All business discussed or decided in a meeting of the Board and the Sub-Committee shall be recorded in the proceeding book which shall be signed by the Chairman of the meeting and all the present members.

MANAGING DIRECTOR

- 43. (a) The Managing Director shall be a regular service officer and shall be nominated by the Chandigarh Admn. as one of the nominated Directors on such terms and conditions to be decided by the Govt. him.
- (b) The Managing Director shall act as the Chief executive of Chandigarh State Federation of Coop. House Building Societies and shall conduct the business of the Federation and shall exercise control over administration of Federation subject to the over a control of the Board. All papers, files, etc. meant for submission to the Chairman Executive Committee and/or board shall be routed through the Managing Director. He shall advise the Board, other committees and the Chairman in framing the policies and programmes of the Federation and implement these after approval of the appropriate authority.

POWERS AND FUNCTIONS OF MANAGING DIRECTOR

44. Without prejudice to the generality of the foregoing bye-laws, the Managing Director in particular shall, perform the following functions:-

- (i) To maintain correctly and upto-date the prescribed record, accounts and registers.
- (ii) To appoint, suspend, punish or dismiss class II and IV employees subject to the qualifications conditions of service laid down by the Registrar from time to time and further subject to prior approval of the Chairman and in accordance with procedure laid down by the Board

- (iii) To prepare all receipts, vouchers and documents required by the rules or by the bye laws or called for by the Board of Directors.
- (iv) To sign on behalf of the Federation and to conduct its correspondence.
- (v) To summon and attend meetings of General Body, the Board of Directors, the executive Committee and Sub-Committee if any in consultation with Chairman.
- (vi) To prepare the annual statements and submit them to the Registrar within the period prescribed.
- (vii) To control the staff under him.
- (viii) To incur contingent expenditure within limit fixed by the Board of Directors.
- (ix) To certify copies of entries in the books under the Cooperative Societies Act.
- (x) To procure from the borrowers the due execution of the bonds or receipts for the loans and advances.
- (xi) Generally to conduct the current business of the Federation and perform all duties entrusted to him by the Board of Directors.
- (xii) (a) Subject to such resolutions as the Board or Sub-Committee may pass in this behalf The Managing Director shall exercise general control and supervision over the work of its officers/officials.
(b) The Managing Director shall further exercise the powers delegated to him by the Board of Directors and may further delegate any of his powers and duties to the subordinate staff for specified period and may withdraw any powers so delegated.

SECRETARY

45. There shall be a secretary who will be elected amongst the Board of Directors and work against the post of Chief Executive i.e. Managing Director till appointment of a person against this post of Managing Director by Govt. The post of Secretary can be made paid on the recommendations of Board of Directors and terms and conditions fixed by the Board and approved by the Registrar. General management of the Federation subject to the control of the Board and the Executive Committee, be vested in him. The secretary shall perform such duties and functions as the Board may entrust or delegate to him.

The Secretary shall attend all meetings of the Federation and the Board and Executive Committee and record minutes of their proceeding. In the absence of the Secretary, the Board may authorise any member of the establishment to record the said minutes. The Secretary or any other person as authorised by the Board shall furnish to the Secretary (Cooperation) Chandigarh Administration, Chandigarh or as may be otherwise required by Govt. , a true copy of all resolutions passed either by the Board or by the Executive Committee of the Federation or in the General meeting of the Federation within 21 days from the passing of such resolutions by the Board, Executive Committee or General Meetings, as the case may be.

46. Loans shall be granted only to such Cooperative House Building Societies, which enrol themselves as members of the Federation by purchasing at least two shares of the face value of Rs.100/- each.
47. The loans shall be advanced against first legal mortgage of property proposed to be mortgaged and the borrowing society will have to execute a mortgage deed as required by the Federation. In case the title of plots rest with the members they shall mortgage the same in favour of their own society. The loans in such cases shall be advanced against second mortgage.
48. Interest will be charged by the Federation on such loans at the rate which will be fixed by the Board of Directors and shall not exceed 3% over Reserve Bank rate on the date of sanctioning the loan and further the loan will be sanctioned at a rate 1% above the borrowing rate of the Federation. A rebate of $\frac{1}{2}\%$ will be granted to the society if the instalments are regularly paid during the year.
49. The valuation of the property to be mortgaged shall be made by an authority approved by the Federation.
50. The applicant society shall have to apply for loan in the form to be prescribed by the Federation for the purpose and submit the plans, (each in triplicate) duly prepared by the qualified authority and sanctioned by Municipal Committee or any other competent authority.
51. The sanctioned amount of loan will be made available to the borrowing society only when it has collected and invested full 25% of the amount of the entire scheme from amongst its members, each member having paid his share. Provided further that if there are several buildings to be erected by the borrowing society, then funds to the extent of 75% of the cost of each such building including land will be made available for the completion of each such unit. 25% contribution by members shall include payment towards cost of land, development and shares.
52. The borrowing societies desirous of repaying the balance of loan earlier than the stipulated time, may do so by giving three months clear notice of the same.
53. The Federation shall have an option at any time before any disbursement is made to cancel the agreement without assigning any reason.
54. If for any reason, it is felt by the Federation that to security originally furnished for the loan borrowed from the Federation has become inadequate, or is about to become inadequate, the Federation shall be competent to call upon the debtor society to furnish additional security to the satisfaction of the Federation within a specified time.

55. If for any reason it is felt by the Federation that the security originally furnished for the loan borrowed from the Federation has become inadequate, the Federation shall be competent to call upon the debtor society to furnish additional security to the satisfaction of the Federation within a specified time. Failing to comply with the notice, the Federation will be competent to recall the loan at once not with standing the original terms on which the loan was advanced.

56. The Federation shall be competent to inspect the records of the debtor society and its property or make such inquiries regarding the financial position of the debtor society as and when desired necessary.

57. If the loan granted for specific purpose is misapplied, the Federation shall have the power to recall the loan with interest up to the date of payment.

58. (i) In pursuance of the provision of section 30 of the Act, the Federation shall be a body corporate by the name under which, it has been registered having perpetual succession and a common seal and with power to hold property and enter into a contract, institute and defend other legal proceedings and to do all things necessary for the purpose for which it is constituted.
- (ii) (a) The Board shall have power to provide a common seal for the purpose of the society and it shall not be used except by the authority of the Board and in the presence of at least one of the members of the Board.
- (b) Every Deed or document other than share Certificate to which the seal is affixed, shall be signed by two members of the Board and countersigned by the Managing Director or any other person or persons appointed for the purpose by the Board.

DISTRIBUTION OF PROFITS

59. Subject to the approval of the Registrar the net profits of the Federation as per audited balance sheet shall be distributed as follows:-

- (i) 25% shall be carried to the reserve fund.

- (ii) Such proportion not exceeding 5% but not less than 2% of the net profits as may be specified by the Registrar shall be carried to the Cooperative Education fund.

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- (iii) 5% as contribution to any charitable purpose as defined in section 2 of the charitable.
- (iv) Distribution as divided among members at a rate not exceeding 10% per annum on the value of shares actually paid up.
- (v) Creation of building or any other fund with the approval of the Registrar.
- (vi) Any surplus may be credited to the reserve fund or carried to the profits of the next year.

60. In addition to the sum prescribed under section 41 of the Act, all admission fees, fines and donations shall be carried to the reserve fund.

MISCELLANEOUS

61. The Chairman and or more members of the Board, as may be authorised by the Board, and the Managing Director shall have the power to execute jointly document, grant receipts, make transactions with the bank and sign cash book on behalf of the Federation.

62. Accounts and record of the Federation shall be maintained in the form prescribed by the Registrar from time to time.

63. Any member of the Federation may inspect any of the Registers and records during office hours so far as it relates to his own business transactions. For this the Board shall decide the office hours of the Federation.

64. Before the 31st July every year the Board shall prepare statement showing the receipts and expenditure trading and profit and loss account, balance sheet and the report of the previous year. A copy of these statement shall be supplied to the Government Auditor and the Registrar before the 15th of August.

65. Subject to the provisions of Act, no amendment to these byelaws 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 of the general meeting at which not less than two third of the members for the time being of the Federation represent;

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

66. The Federation shall pay such audit fee as may be assessed from time to time by the authority competent to do so.

67. The services of the members of the Board shall be honorary, but they may be paid travelling and daily allowance on a scale fixed by the Board and approved by the Registrar.

68. If the Federation is indebted to the Bank, it shall be competent for the representative of the latter to inspect the books and record of the Federation and the Board of the Federation shall arrange the production of the books and record before such representatives.

69. If any dispute, other than a dispute regarding disciplinary action taken by the Federation or its Board against a paid servant of the Federation, touching the constitution or business of the Federation, arises between the members and past members of the Federation or other persons referred to in the relevant provisions of the Act and rules, it shall be disposed off in the manner provided in the Act and Rules.

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

71. The Federation may, in the circumstances, specified by the relevant provision of the act, be wound up and cancelled by the Registrar in accordance with the procedure laid down by the act and the Rules.

1. A New Clause Membership - Nominal Member
2. A New Clause Membership - Nominal Member
3. A New Clause Membership - Nominal Member
4. A New Clause Membership - Nominal Member
5. A New Clause Membership - Nominal Member
6. A New Clause Membership - Nominal Member

2. 8(a) Purchase of The Society(s) Member registered with the
Shares by the enrolled/to be Primary Society.
member Society enrolled as
1. 13(1) Maximum Credit 3,50,00,000/-
limit. Rs. 5, 00, 000/000/-

Only the members of Primary Societies obtaining loans will be required to seek nominal membership of Federation in order to facilitate recovery of loans directly at the time of default of payment when the primary society fails to do so. Nominal member will have no right to vote as per the Pb. Coop. Societies Act. 1961 (extended to U.T., Chandigarh)

In order to raise paid up share capital of Federation for raising it borrowing capacity the societies already enrolled/to be enrolled will be required to purchase the shares of Federation as 1 in column 5.

On account of increasing loaning operations and introduction of New Coop. Housing Scheme-1991 more funds will be required from the various financial institutions. Therefore, it was essential to raise the M.C.L. from the present approved M.C.L. Rs.3.50 Crore to Rs.5 Crores at least. The Board agreed to the proposal and resolved in its meeting held on 23/4/92 to raise the present M.C.L. of Rs.3.50 Crores to Rs.5 Crores i.e. 15 times to the

Item No.	Clause of	Particulars	Existing	Proposed	Remarks
4.	59	Distribution of Profits.	1) 25% shall be carried to the reserve fund.	1) Reserve Funds 50% Building Fund 25%	existing paid up capital of Rs. 37 lakhs (appx.) to meet its financial requirements in the near future. The Board resolved in its meeting held on 23/4/92 that since the Federation is in its developing stage the dividend out of the profits may not be distributed amongst the members for the period upto 1989-90 and for further five years.
		11) Such proportion not exceeding 5% but not less than 2% of the net profits as may be specified by the Registrar shall be carried to the Fund.	11) Employee welfare fund 8% Education 2% Common Good 5%		
		111) 5% as contribution to any charitable purpose as defined in Sector-2 of the charitable.	vi) Bad & Doubtful debts. 5%		
		1iv) Distribution as dividend among members at a rate not exceeding 10% per annum on the value of shares actually paid up.			
		v) Creation of Building or any other fund with the approval of the Registrar.			
		vi) Any surplus may be created to the reserve fund or carried to the profits of the next year			

(A.K.DOGRA)
SECRETARY