

**B Y E - L A W S**

**O F**

**THE PUNJAB STATE FEDERATION OF CO-OPERATIVE HOUSE  
BUILDING SOCIETIES LIMITED, ROPAR, TEHSIL - ROPAR,  
DISTRICT - ROPAR**

**HEAD OFFICE : CHANDIGARH**

## **NAME, ADDRESS AND AREA OF OPERATION**

1. The Society shall be called THE PUNJAB 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 Punjab State Federation of Cooperative House Building Societies Limited Ropar at Chandigarh. The postal address of the Federation shall be "The Punjab State Federation of Cooperative House Building Societies Limited Ropar at Chandigarh." Any change in this address shall be made through an amendment in these bye-laws 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 State of Punjab.

## **Definition**

4.

- (i) "Acts" 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 bye-laws, 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 Managing Director of Punjab State Federation of Cooperative House Building Societies.
- (vii) Deleted.
- (viii) "Trustee" means a trustee for the holders of debentures issued under bye-law 15 of these bye-laws.
- (ix) "Year" means a period of 12 months ending on 31st March every year.
- (x) "Government" means the Government of Punjab.
- (xi) "Federation" means the Punjab State Federation of Co-operative House Building Societies Ltd.
- (xii) "Chairman" means the chairman of the Board of Directors of the Federation.
- (xiii) "Director" means a member of Board of Directors of the Federation.

(xiv) (a) "Member" means the member of Federation as defined under bye-la No. 6.

(b) "Nominal member" means an individual admitted as nominal member, in accordance with the Act, Rules and Bye-laws, who may be interested in housing activities. Such member shall not be eligible to become Director of the Federation and shall not have any right of voting in the meetings of the Federation.

(c) "Installment of loan" means installment of principal and interest.

Words and expressions not defined in these bye-laws but defined in 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 and 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.

(i) (a) With the prior sanction of the Government to borrow or raise or secure the payment of money, by issue of debenture, debenture stock and bonds and to charge or secure the same by trust deed on the undertaking of the Federation or upon any specific property and rights of the Federation.

(b) To pay remuneration to any person, company or society for services rendered in placing or assisting in placing any of the shares in the capital of the Federation or any debentures or debenture-stock of the Federation or for promotion of the Federation.

(ii) (a) To grant loans and advances to members of the Federation against the security of their immovable properties or such other securities as may be considered necessary which should include assets to be created out of the loans for :-

A) Construction of houses/flats/apartments.

B) Purchase of land for construction of houses/flats/apartments or payments of development cost of land already held or to be purchased.

C) Making repairs, additions, alterations or improvements to existing houses/flats/apartments.

(D) Purchase of built up houses/flats/apartments.

b) To acquire, hold and generally deal with any property and any right, title or interest in any property movable or immovable which may form part of the security for any loan, advance or which may be connected with any such security.

(iii) (a) To sell, improve, manage, develop, exchange, lease, mortgage, dispose off, turn to account or otherwise deal with all or any part of the property and rights of the Federation.

- (b) To assist in finding out suitable land building plots for housing cooperatives/members.
- (c) To undertake construction of houses within the State under its direct supervision and control and transfer houses to its members on terms and conditions agreed upon.
- (iv) To manage, sell and realise all property, movable and immovable which may come into the possession of the Federation in satisfaction or part satisfaction of any of its claim.
- (v) (a) To acquire, construct maintain and alter any building or work necessary or convenient for the purpose of the Federation.
- (b) To employ experts to investigate and examine into the title, conditions, prospects, value, character and circumstances of any assets, property or rights.
- (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) To negotiate and/or enter into any scheme/schemes pertaining to financing to such member housing societies as are referred to in bye-laws 5(ii) (a) hereof, with Government or any other authority or institution and to work out and administer such scheme/schemes, with the condition that the undertaking of such scheme/schemes should have prior permission of the Registrar.
- (viii) To acquire and develop land for the benefit of housing programme in the State with the prior sanction of the Registrar.
- (ix) To undertake, as an agent of Government, the work of financing the Housing Societies and allied activities under schemes 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 housing programmes in the State and to open branches in the State of Punjab with the prior approval of the Registrar.
- (xii) (a) To constitute, guide and supervise the working of the affiliated Co-operative Housing Societies in the State.
- (b) To arrange planning of the buildings.
- (xiii) To make arrangement for periodical inspections of the affiliated Housing Societies.
- (xiv) (a) To arrange for the manufacture and for the stocking of standardised housing construction materials in suitable locality and to arrange for their supply to the affiliated members in the state with a view to economising the cost of construction.

(b) To secure priority in allotment of sites from Municipalities/Improvement Trusts Boards/Corporation etc. and in the supply of building materials such as iron, steel, cement and bricks etc. from concerned authorities to members.

(xv) To organise studies and research and constitute expert committees for the following 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;

(d) To improve the site planning, building designs and business and Management of the Federation.

(xvi) To establish contacts with the Institutions in India and abroad, for carrying out the research work in housing sector and to keep the member housing societies in formed in the housing sector by these Institutions.

(xvii) (a) To do all such other things as are incidental or conducive to the attainment of the objects of the Federation.

(b) The Federation may become member of the State or the National level Cooperative institution. In case of the Institutions other than Cooperatives which may help the Federation in the development of housing it may become the member of such institution with the prior approval of the Registrar.

### **Membership**

6. The membership of Federation shall consist of the following :-

i) Any cooperative housing society in the State.

ii) Those cooperative societies which are interested in promoting and assisting the activities of cooperative housing societies.

iii) Any other cooperative society whose object is to construct houses.

iv) Government.

v) Such financing institutions as may be notified by the Govt. with the prior permission of the Registrar.

vi) An individual able to contract under section 11 of the Indian Contract Act 1872.

7. An application on prescribed form shall be addressed to Managing Director for membership and shall be disposed off by the Board of Directors of the Federation. In case the Board refuses to admit a cooperative house building society/institution/individual applicant it shall record its reasons for such refusal and communicate the same to the applicant concerned. Any applicant which has been refused

admission shall have the right to appeal to the Registrar within 60 days from the communication of such decision/order.

8.(a) Every member on admission shall pay an admission fee of rupees ten.

(b) No person shall exercise any rights of privilege of a member until he has made payments to the Federation in respect of admission fee and full value of the shares to be allotted to him and his application for membership is approved by the Board.

### **share capital**

9. (a) The authorised share capital of the Federation shall be Rs. 50,00, 00, 000/- divided into 10,00,000 shares of Rs. 5000/- each.

(b) (i) Every member other than the financing institution as defined under Bye-law 6 (v) shall purchase ten shares of the value of Rs. 5000/- each at the time of admission which shall be fully paid up.

(ii) However a member taking loan shall also have to purchase additional shares of the Federation to the extent fixed by the Board.

(iii) 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 all any time exceeds 5% of the aggregate paid up share capital of the Federation excluding Govt. contribution, if any, as it stood on 31st March of the preceding year. Shares can, however, be transferred to any existing member or to a person duly qualified for membership as approved by the Board.

(iv) Share certificates signed by Managing Director and one Officer of the Federation shall be issued to every member. If a share certificate is defaced, lost or destroyed a duplicate certificate may be issued on execution of an indemnity bond subject to payment of fee determined by the Managing Director.

(v) No interest shall be payable on the value of share purchased by a member. Only dividend shall be paid as and when it is declared by the Federation.

(c) The Federation may receive from Government contribution towards its share capital subject to the provision of the Act and Rules and retire the same as per terms and conditions intimated by the Registrar or the Government.

(d) Any amount contributed by Government towards share capital of the Federation shall be subject to such terms and conditions imposed by Govt. from time to time and accepted by the Federation as to its retirement and rate of dividend. The Federation shall maintain a separate register specifying the details with regard to the shares allotted to Government. The Federation shall create a separate fund called "Capital Redemption Fund" for purpose of redemption of shares allotted to the Government.

(e) Nominal member shall only pay an admission fee of Rs. 10/- (Rupees Ten only).

(f) No member other than the Government or a Cooperative Society shall hold shares of which the nominal value exceeds Rs. 50,000/- or 1/10th of the total share capital actually subscribed whichever is less.

#### **expulsion of member**

10 (a) A member of the Federation may be expelled for any one or more of 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 date such installments or amount become 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 willfully deceives the Federation by false statement or abstains from supplying information or statement sought or fails to produce record and books for inspection within 2 months on such demand by the Managing Director.

(iv) If the member does any act likely to injure the credit of the Federation.

#### **Termination of membership**

(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) A member's membership of the Federation shall stand terminated automatically in any one or more of the following circumstances on the service of a notice to that effect sent by the Managing Director.

(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 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 or prejudicial to the interests or reputation of the Federation.

(vi) On death

11. No member shall be expelled except by a resolution passed in the Board's meeting attended by atleast 2/3 members. The Board shall record the reasons for expelling the member and communicate the same under registered post to the members 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**

12. 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 the share capital subscribed by the members.

### **funds**

13. The Federation may raise funds by :-

- i) Admission fee;
- ii) Issue of shares of the value of Rs. 5000/- each;
- iii) Raising loans subject to the provision of the Act and Rules; raising loan from the Government, Cooperative Banks, Commercial Banks, Life Insurance Corporation 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**

14. (i) Maximum credit limit of the Federation shall be fixed by the General body of the Federation with the approval of the Registrar.

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

15. Subject to the approval of Government, the Federation may raise moneys 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.

16. The debentures issued by the Federation and the interest payable thereon shall form a first charge on the undertaking and general assets of the Federation.

17. The Registrar shall be trustee for the purpose of securing the fulfillment 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 of trust executed between the Federation and the Trustee. 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 debentures 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 hands of the Board or of the Trustee and on the properties of the Federation.

18. 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 15 years as the Board may determine.

19. 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 trustee, not less than six month's notice of its intention to do so.

20. 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.

21. The debentures shall be signed and executed by at least one member of the Board and countersigned by any officer of the Federation appointed for the purpose by the Board.

22. 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.

23. When a debenture becomes payable either by reason of the expiration of the period fixed for redemption or by reason of the notice referred to in bye-laws "19" the holder shall be paid the principal due thereon together with interest upon the date on which it becomes payable.

24. 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.

25. 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**

26. All the members of the Federation on a given date shall constitute the general body of the Federation. Each member society shall be represented in the general meeting by a member duly authorised by the concerned society. The Registrar may also attend the general body meeting if he so desires. The supreme authority of the Federation 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 also be called by the Board of Directors on receipt of requisition for such meeting from 1/4th of the total members or 500 whichever is less 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 1/4th of the total membership of the Federation or 500 whichever is less. 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. The General meeting may be reconvened after due notice. If at the reconvened meeting also there is no quorum within one hour or the time appointed for the reconvened meeting then at the end of one hour the members present constitute quorum to transact business on the agenda of the original meeting.

27 (a) Atleast 15 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. Every such notice shall be signed by the Managing Director or such Officer as the Board may in this behalf appoint.

(b) No business other than that which has been specially mentioned in any notice convening a meeting shall be transacted at such meeting.

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

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

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

### **powers of general body**

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

i) Election and removal of the members of the Board of Directors subject to the provisions of Act and Rules.

- 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-laws.
- vi) Determining the plan of activities for the next year.
- vii) Approval of the estimates for the next year.

32. 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.

#### **Board of directors**

33. The Board of Directors of Federation shall be constituted in the following manner :-

- i) Three representatives of the affiliated urban cooperative house building societies.
- ii) Five representatives of the affiliated rural cooperative house building societies.
- iii) Three members to be nominated by the Government as per provisions of the Act provided it is a member of the Federation.
- iv) Financing Institutions shall have the right to nominate their representative subject to the provisions of the Act and Rules. Such nominated Director shall not be required to hold any share or qualifications but he shall not exercise vote for the election of the office bearers.
- v) The Managing Director of the Federation.
- vi) Secretary, Housing and Urban Development Department, Punjab or his representative.

34. All business discussed and decided in the meeting of the Board or any of smaller committee shall be recorded in the proceeding book which shall be signed by Chairman of the meeting and Managing Director.

35.

(i) The members of the Board excluding nominated members 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 term of office of the elected Board shall be five years from the date of its election. An interim vacancy caused by resignation or otherwise shall be filled by re-election for the un-expired period of the term of the Board. The office-bearers shall be elected by the elected members of the Board from amongst themselves. The term of the office-bearers shall be Co-terminus with the term of

Board. The elected office-bearers can be removed by a no-confidence through a resolution passed by 2/3rd majority of total elected members of the Board. New office-bearers shall be elected for the remaining term of the Board. The nominated members have no right to vote in the election or removal of the office-bearers.

(ii) The terms of an elected Director shall be as per Act.

(iii) No person shall be eligible for being elected to the Board after he has served on the Board for two continuous terms unless a period of not less than one term has expired since he last so served.

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

i) The society he represents is in default in respect of any sum due to the Federation or to any other society.

ii) He has committed any offence involving dishonesty or moral turpitude during the 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 is carried on by the Federation; or

v) He holds any office of profit under the Federation or received any honorarium; or

vi) He is a 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 duties properly.

xi) He is not the member of the Managing Committee of the member cooperative house building society.

xii) He is a member of more than one cooperative house building society.

xiii) He in his individual capacity or as representative of the society has not already served in two continuous terms.

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

- i) He or the society to which he belongs or of which he is a member or representative continues to be in default in respect of any sum due to the Federation or any affiliated society or any other society for 60 days after the issue of notice by the Managing Director of the Federation or any person authorised in this behalf by the Managing Director to the society concerned stating that the overdue would be treated as default from a date mentioned therein.
- ii) If he ceases to be the member of the member society or ceases to be member of the Managing Committee of the member society.
- iii) He is declared in solvent.
- 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 or an administrator is appointed in his society on account of bad management.
- xii) He becomes member of more than one cooperative house building society.

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

39. The Board of Directors shall meet for the disposal of the business as often as may be necessary but atleast once in a quarter. Atleast 15 days clear 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 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 meeting of the Board. All questions shall be decided by the majority of votes, the Chairman shall have a casting vote

except in the meeting where election of the office-bearers is to be held. No Director shall vote or take part in the discussion of any matter in which he or the society he represents is interested.

**powers and duties of board of directors**

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 by the General Body. In particular the Board shall have the following powers and duties :-

- 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 of 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 regulate, supervise, examine and sanction the expenditure incurred/to be incurred by the Federation and to supervise the accounts and prescribed registers of the Federation.
- 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.
- ix) To give directions to the Managing Director or other officers of the Federation to summon general meeting.
- x) To arrange for the safe custody of stocks.
- xi) To assist in the inspection of books by any person authorised to see them.
- xii) As per the provisions of Service Rules and to determine their conditions of service including qualifications, emoluments, incentives, punishment, retirement etc. of employees of the Federation, subject to the approval of the Registrar.
- xiii) Through any member, officer or employees 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 accounts of the Federation with the various cooperative or any other Banks or Institutions and authorise its officers/officials to operate upon the different accounts with various Banks/Institutions.
- 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 the Managing Director.
- 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) Deleted.
- xxii) To frame terms and conditions related to sanction and disbursement of loans to members.
- xxiii) To prepare rules of business and make additions and alterations therein.
- xxiv) Generally to carry on the business of the Federation.
- xxv) Deleted.

41. The Board may from time to time constitute its smaller committee not more than two committees at a time for discharging or carrying out of a specific work and job or function with respect to the area connected and specified in bye-laws providing powers of the Board of Housefed subject to the provision of Act and Rules. Such committee shall consist of five members provided further that the Managing Director and the Registrar or his nominee on the Board shall be the member of smaller committee. In case of difference of opinion between the Managing Director/Registrar or his nominee and the remaining members of the committee the matter shall be placed before the Board whose decision shall be final.

#### **powers and duties of the chairman**

42. The Chairman of the Federation shall have the following powers and duties :-

- i) To preside over the meetings of the Board of Directors/General Body. However, in the absence of the Chairman, this power/function shall be exercised/performed by the Vice-Chairman or as provided in the Act, Rules and Bye-laws;
- ii) To exercise the right to casting vote in the event of equality of votes on any issue in a meeting of the Board of Directors subject to the provision of Bye-law 39;
- iii) To sign the proceedings of the meeting of the Board of Directors/General Body;

ix) To have a right to seek information from the Managing Director relating to performance of the Federation and its functioning including the information relating to financial matters. For this purpose channel of communication would be through the Managing Director.

### **Managing director**

43.

(a) The Managing Director of the Federation will be appointed by the Government and he shall be its principal Executive Officer. All the employees of the Federation shall perform their duties under his superintendence and control.

(b) The powers and duties of the Managing Director shall be as prescribed in the bye-laws and as delegated by the Board of Directors from time to time.

44. The Managing Director shall have the following powers and duties :-

i) To maintain correctly and upto date the prescribed record, accounts and registers.

ii) To exercise powers as provided under Employees Service Rules of the Federation.

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, to attend meetings of General Body, Board of Directors, the Executive Committee and any sub-Committee from time to time.

vi) To record the proceedings of such meeting and have them duly signed.

vii) To prepare the annual statements and submit them to the Registrar within the period prescribed.

viii) To control the staff under him.

ix) To incur expenditure for running day to day business of the Federation as per budgetary allocations approved by the Board.

x) To certify copies of entries in the Books under the Cooperative Societies Act.

xi) To procure from the borrowers the due execution of the bonds or the receipts for the loans and advances.

xii) Generally to conduct the current business of the Federation and perform all duties entrusted to him by the Board of Directors.



xiii) (a) Subject to such resolution 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.

xiv) To receive deposits and surplus funds from members, non-members including the public and institutions and issue receipt and acknowledgements, for the same.

xv) To receive money from the Government, Cooperative Institutions and sign all papers and documents in this connections on behalf of the Federation.

xvi) To pay money due from the Federation.

xvii) To institute, conduct, defend, compromise or abandon any legal proceedings by or against the Federation or its officer/officers, employee/employees.

xviii) The Managing Director shall be the officer to sue or be sued on behalf of the Federation. All bonds, documents of the title etc. in favour of the Federation shall be in the name of the Managing Director. All bonds by the Federation except those for money borrowed shall be executed by the Managing Director. In the case of money borrowed from any sources the bonds, all auxiliary documents shall be executed on behalf of the Federation, the common seal of the Federation being affixed thereto in the presence of the Chairman or the Vice-Chairman and the Managing Director and the bonds and documents being signed by the Chairman or the Vice-Chairman and the Managing Director in whose presence the seal is affixed.

xix) The Managing Director shall have custody of all the properties of the Federation. He will check the securities from time to time.

xx) The Managing Director shall sanction and disburse loans to the members as per terms and conditions approved by the Board.

xxi) The Managing Director shall allow transfer of shares.

xxii) To prepare the Budget and to get it approved from the Board before the start of financial year for the ensuing financial year.

#### **LOANS TO COOP. HOUSE BUILDING SOCIETIES**

45. Loans shall be granted only to such cooperative house building societies or individuals which enroll themselves as members of the Federation by purchasing atleast 10 shares of the value of Rs. 5000/- each.

46. (i) The pecuniary resources of the Federation shall be utilised primarily for the grant of loans or advances to its members on the security of immovable property or such other security and other terms and conditions as may be laid down by the Board in accordance with the bye-laws for the purpose of

construction of new house(s) or purchase of flat/apartment or for additions, alteration or repair or acquiring and developing land, construction of dwelling units and for the attainments of its objects as laid down in bye-law No.5. The Federation may also grant loans and advances to such other registered cooperative societies whose objects, inter-alia, provide for the grant of loans to its employees for the purpose of construction of Housing Colonies for their employees.

(ii) Every loan which shall be advanced by the Federation to members shall be repayable at the end of a period which shall not exceed 25 years from the date of advancement of the loan provided that the Federation may further renew any loan at the expiry of the original term for a period which the Federation may consider fit, but such extension period shall not exceed 5 years in any case.

(iii) The board at its discretion may suspend the payment of installment of principal in case of distress or force majeure to the satisfaction of the Board. In case of suspension of the installment(s), the subsequent installment (s) shall be deemed to have been deferred for the same period.

iv) The Federation may impose such conditions as it may think necessary of expedient to protect the interest of the Federation and to secure proper utilisation of the loans.

47. (a) Board shall fix the rate of interest to be charged on loans to be advanced by the Federation to its members from time to time. In case of default, interest shall be charged only on the principal amount but not on the interest amount which shall stand payable on the due date at the rate fixed by the Board of Directors from time to time. Such penal interest shall be recovered from the date of installment/installments falls due to the date of actual payment on the default principal amount only.

(b) A rebate on interest may be granted to the borrowing member if the repayment of installments of the principal amount and interest are punctual during the year at such rate as may be fixed by the Board from time to time.

48. The valuation of the property to be mortgaged shall be made by an authority approved by the Federation where necessary.

49. The application of a member for loan from the Federation shall be in the form prescribed by the Board and the Board shall be competent to make such further inquiries with regard to the security offered and the repaying capacity of the applicant member and such other matter as the Board may determine from time to time.

50. The Managing Director or the person authorised by him shall have the discretion to determine the amount of loan to be advanced by the Federation to a loanee member, provided no such loan or advance shall be advanced to the applicant member unless it holds shares as per provisions of bye-laws No. 9 subject to policy approved by the Board.

51. The borrowing society/member desirous of repaying the balance of loan earlier than the stipulated time, may do so.

52. The Managing Director or the person authority by him shall have right to cancel any loan agreed to be advanced at any time to any society or member without assigning any reason.

53. If for any reason, it is felt by the Managing Director or the person authorised by him that the security originally furnished for the loan borrowed from the Federation has become inadequate or is about to become inadequate, the Managing Director or the person authorised by him shall have the right to call upon the debtor society/member to furnish additional security to the satisfaction of the Managing Director or the person authorised by him within a specified time. Failing to comply with the notice, the Managing Director or the person authorised by him shall have the right to recall the loan at once notwithstanding the original term on which the loan was advanced.

54. Deleted.

55. The Managing Director or the person authorised by him shall have the right to inspect the records of the debtor societies and its properties or make such inquires regarding the financial position of the debtor societies as and when felt necessary.

56. If the loan granted for specific purpose is misapplied the Managing Director shall have the power to recall the loan with interest upto the date of repayment.

57. (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 atleast once of the members of the Board.

(b) Every deed or document other than a 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 person or persons appointed for the purpose by the Board.

#### **distribution of profits**

58. (I) The net profit of the Federation as per audited balance sheet shall be distributed as follows :-

(i) Atleast 10% shall be carried to the Reserve Fund.

ii) Such portion not exceeding 5% of the net profits, as may be determined by the Registrar by General or special orders shall be carried to Coop. Education Fund to be administered in accordance with the instructions of the Registrar.

iii) The remainder may be utilised for one or more of the following purposes :-

- a) Distribution of dividend amongst members at a rate not exceeding 20% per annum on the value of the shares actually paid up.
- b) After one tenth of the net profit of the year has been carried to the Reserve Fund, contribute 5% of the remaining net profit to Cooperative Development Fund.
- c) Not less than 10% or such higher portion as may be decided shall be carried to the bad and doubtful fund.
- d) Creation of Building fund, share transfer fund or any other fund required by the Federation.
- e) Any surplus may be credited to the profit of next year.

58. (ii) The allocation of net profits recommended by the Board in consultation with Registrar shall be approved by the General Body.

59. 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**

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

61. 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.

62. Board shall prepare statement showing the receipts and expenditure, trading and profit and loss account, balance sheet and the report of the previous year and supply a copy of these statements to the Auditor and the Registrar.

63. Subject to the provisions of Act, no amendment to these bye-laws shall be carried out safe 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 member 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.

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

65. 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.

66. If the Federation is indebted to the Bank, it shall be competent for the representatives 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.

67. 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 the Act and Rules.

68. 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.

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