



MODEL BYE-LAWS

**URBAN/RURAL NON-AGRICULTURAL
CREDIT SOCIETY**

A) PRELIMINARY

1. Name and Address of the Credit Society

The Name of the Credit Society shall be

Urban/Rural Non-agricultural Credit Society Ltd.
The said Society is Registered under Maharashtra
state Co-operative Society Act 1960 Vide No.
----- dt. ----- Here in after the said
Urban/Rural Non-agricultural Credit Society Ltd.
Shall be called as 'Society' in the bye-laws.

2. Registered Office:-

(1) Address of the Head and Registered Office of the society shall be as under:-

(2) Any change in the above registered address of the Society shall be made by making amendment after following the procedure laid down in the said Bye-laws and Maharashtra Co-operative Societies Act 1960 and with the prior consent of the Co-operative Department. Unless the Bye-law is amended and registered, this change shall not be treated as registered.

3. Area of Operation of Society

The area of operation of the society shall be confined

to-----

geographical limits. Any change in the Area of operation, the prior written permission of the Registrar of Co-operative Societies is necessary.

4. Classification of Society

The classification of the Society shall be 'Resource Society' and sub-classification of the society shall be '**Credit Resource Society**'.

5. Definitions

(1) 'Act' means, Maharashtra Co-operative Societies Act 1960 and amendments made in it from time to time.

(2) 'Rules' means, Maharashtra Co-operative Societies Rules 1961 made incidental to Maharashtra Co-operative Societies Act 1960 and amendments made therein from time to time.

(3) The Registrar means, 'The Registrar of Co-operative Societies' duly appointed under the provisions of The Maharashtra Co-operative Societies Act 1960.

5. Definitions

- (4) Bye-laws means, existing bye-laws of the society and duly registered as provided in the law and amendments made in it from time to time.
- (5) 'Board' means, Board of Directors of the society.
- (6) 'General Body Meeting' means, Annual General Body Meeting of all members as per provision in the Bye-laws. It includes special General Body Meeting.
- (7) Chief Executive Officer means, highest administrative officer in the society. Even though the said Officer designated as Secretary/ Manager/ Chief Manager/ General Manager/

5. Definitions

Executive Director, he shall be deemed to be known as Chief Executive Officer. The said officer shall be an ex-officio member (Executive Director) of the Board of Directors of the society.

(8) 'Person' means any adult person who can make a contract under section 11 of the Indian Contract Act 1872. A person who has his own ownership institution, a firm registered under Indian Partnership Act 1932, Undivided Hindu Family, State Government, Public Charity Trust or any company or society registered under any other prevalent law.

5. Definitions

- (9) 'Office Bearer' means Chairperson, Vice Chairperson, Honorary Secretary, Treasurer, Functional Director, Secretary selected by the Board of Directors and Chief Executive Officer, Liquidator , Administrator and such any other person appointed under Maharashtra Co-operative Societies Act,1960 and rules made there under to give Orders/Sanctions to carry out the business of the society as per societies model bye-laws.
- (10) 'General Member' means a person joining in an application for the registration of a society, or a

5. Definitions

person duly admitted to membership of the society after registration under law, rules and bye-laws.

(11) 'Nominal Member' means a person admitted to membership as such after registration in accordance with provisions in said bye-laws.

(12) 'Active Member' means a member one who attends at least one General Body Meeting of the Society in the previous five consecutive years. Or whose absence has been condoned by the Annual General Body meeting and who has a direct participation in the business of the society as per criteria decided by the society in the bye-laws.

5. Definitions

- (13) 'Associate Member' means a member who holds the share with another member but whose name does not stand first in the share certificate.
- (14) 'Co-operative Society' means a society registered under the MCS Act, 1960.
- (15) 'Federal Co-operative Society' means Taluka/ District /State level Federal society of Urban/ Rural Non-Agricultural Credit Societies registered under Co-operative Societies Act 1960. Members of the Federal Society shall be according to the area of operation of federal society.

5. Definitions

- (16) Co-operative Credit Society means co-operative society registered or to be register under Maharashtra Co-operative societies Act 1960.
- (17) 'Defaulter' means a person who have overdue more than 90 days period continuously Similarly a person who stands surety to such debt.
- (18) 'Co-operative Year' means period between 1stApril to 31st March.
- (19) 'Area of Operation' means Geographical limits sanctioned by the Co-operative department at the time of registration of society or thereafter.
- (20) 'Co-operative Principles' means Co-op Principles declared on the International / State level from time to time.

5. Definitions

- (21) 'State Government' means Government of Maharashtra.
- (22) 'Servant' means a person working in the service of the society under contract.
- (23) 'Notification' means Notification published in the authorized gazette of the Central and State Government.
- (24) 'Co-operation Expert Director' means and includes a person having experience of at least 5 years on the management level or as a member of Board of Directors in the field of Banking/law /articles/Co-operation or such person is working as Chartered Accountant.

5. Definitions

- (25) 'Functional Director' means and includes a Chief Executive Officer/General Manager/Manager/Secretary/Executive Director/Management level Officer/Representative of the recognized and registered Worker's Union appointed by the society as per provisions in Bye-laws.
- (26) 'Self fund' means (recovered share capital + Reserve fund +Building fund-dividend equalization fund + investment fluctuation built out of Net Profit +provision for better life + fund created from net profit but not have liability) - (Accumulated loss) - (The amount suggested by the statutory committee and society makes provision for the amount for overdue interest on

5. Definitions

debts and expenditure to be incur on it but society make it minimum) such an amount certified by the statutory auditor every year.

(27) Daily Saving Representative means such a person who goes to the business or residential place of the depositors personally for the society on commission basis and collect the deposit or debt amount on daily basis and deposit the same with society daily. He is not a employee of the society but a person who is appointed on daily basis.

(28) Society means -----
Urban/Rural Non-agricultural Credit Society.

B) OBJECTS

The main object of the society is to take care of the interest of depositors and to enhance social and economical progress amongst the members and to achieve such a progress according to Co-operative principles for self and for each other with the help of the each other.

(1) To increase amongst the members, the feelings of thriftiness, self-sufficient and co-operation.

(2) To accept deposits from the members, appropriate it for issuing loans or for investment.

(3) To raise loans.

(4) To accept all types of Bonds, Securities, Promissory note, and any other valuable articles in the form of deposits or to keep in Safe Deposit Vault.

B) OBJECTS

- (5) To make available services like Self Deposit Vault or incidental thereto.
- (6) Transactions of Securities and Cash.
- (7) To form Bachat Gat, to make financial assistance to them, to give guidance for business to them. Similarly to make available funds from Government, Semi-Government or any other Financial Institution.
- (8) To acquire building/land, to built building, in view of the utility of the working of society with prior approval of the Registrar.
- (9) To maintain, sell or dispose off the property which is in possession of the society for part or full overdue.

B) OBJECTS

- (10) To migrate Business correspondence and Business Facilitator Branch, A.T.M., New Branch, Head office of the Bank in Operation area of the society with prior permission of the Co-operation Department in view of to make available services to people
- (11) To take over fully or partly administration or management of any other Co-operative Society with prior permission of the Co-operation Department.
- (12) To form or to help to form or to participate in organizations, societies, funds, Trust fund in view of to support the interest of the past and present members and employees of the society. Similarly to take insurance policy of the former and present employees of the society and the persons who

B) OBJECTS

depends on them. To give contribution to the public societies working for charity and beneficence or to look after their management or to work as a trustee for them.

- (13) To provide loan facilities by making various scheme for improvement of economical condition of the members.
- (14) To make available finance and technology to small and cottage industries. To help self employment entrepreneurs for forming their own industry or business.
- (15) To provide loan to the needy by taking part in consortium Finance Scheme of other Co-operative Credit Societies/Co-operative Banks as per the

B) OBJECTS

limits for maximum loan laid down in the bye-laws whenever it is essential.

- (16) To work as a authorized representative for various government organizations, semi-government organizations & other organizations which will come into existence with the provision of law for depositing fund.
- (17) To do any other type of business suggested by the state Government and which can be done by Co-operative societies as per law.
- (18) To provide financial, technical, legal, computer based services and incidental services to the members, depositors, customers of the society and also to the public societies, other societies and affiliated societies.

B) OBJECTS

- (19) Adoption of insurance business as per corporate/referral system by making contract with insurance companies without making any financial investment.
- (20) Merging the Co-operative societies which have common objectives and to look after their management, to take possession of them with the permission of Hon'ble Registrar, Co-operative societies.
- (21) To do all allied activities to achieve all or any one of the aims mentioned above.

C. Funds

8. Share Capital

The face value of each share of the society shall be Rs.100/- (Rupees Hundred Only).

The Authorized Share Capital of the society shall be Rs. ----- /- (In words Rs.----- only)

and it shall be divided in -----shares of the face value of Rs.100/- (Rupees Hundred only).

9. Limitations on raising funds and Loans:-

The limit of the raising funds in the form of outside loan and deposit in any financial year shall be in accordance with the provisions of prevalent Maharashtra Co-operative Societies Act and Rules.

C. Funds

9A. Limitation on raising outside loan

The limit on the credit society to take loan from any other recognized financial institution shall be as follows:-

(a) The limit of the loan to be taken from the other recognized financial institutions shall be as follows:

- (1) Four times of the own fund if statutory Audit Class is 'A' or 'B' in last 3 consecutive years.
- (2) For other Societies two times of its own fund.

Appropriation of the said raised amount shall be made for the reason of cash reserve ratio/ statutory cash reserve ratio/ loan distribution or return of the deposits only.

C. Funds

9 B. Daily Saving Representative (Pigmy Agent)

In respect of the deposits/loans collected through Pigmy Agent, the commission on it should not be more than 2.5 per cent.

D. Membership

10. Eligibility for Membership

Subject to the provisions under section 22 of the Maharashtra Co-operative Societies Act 1960, any person who is eligible for member shall be made member of the society.

11. General Member

(1) He/ She should be the resident/having business or profession in the area of operation of the society and He/ She should have need of the services of the society and if the society can cater that need and if their business is not parallel or creating competition with the society then such person can be admitted as General Member.

D. Membership

- (2) No individual shall be eligible for the membership of the society, unless he/she fulfills the following conditions:-
- (a) A person who is eligible to enter into contract as per Indian Contract Act 1872.
 - (b) A person having his own proprietary body.
 - (c) A firm registered under Indian Partnership Act 1932.
 - (d) A Company registered under company Act or any prevalent law.
 - (e) A Society registered or deem to be registered under Maharashtra Co-operative Societies Act.
 - (f) A Trust registered under the Act prevalent for Trustee Societies.

D. Membership

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- (a) A person who is eligible to enter into contract as per Indian Contract Act 1872.
 - (b) A person having his own proprietary body.
 - (c) A firm registered under Indian Partnership Act 1932.
 - (d) A Company registered under company Act or any prevalent law.
 - (e) A Society registered or deem to be registered under Maharashtra Co-operative Societies Act.
 - (f) A Trust registered under the Act prevalent for Trustee Societies.

D. Membership

12. Conditions for General Membership:-

1. The applicant who fulfill following conditions may be considered for giving General Membership, if he/she:-
 - (a) Should applied in prescribed form in written and Board of Directors should have to approved such an application.
 - (b) Should pay Rs.10/- as the entrance fee and the entire amount of at least one share.
 - (c) Should be the resident/professional in the area of operation of society.
 - (d) Should fulfilled all conditions as per law, rules and bye-laws of society.

D. Membership

- (e) Should fulfilled know your customer criteria issued by the co-operation Department from time to time.
 - (f) Should fulfilled all conditions laid down in Maharashtra Co-operative Societies Act, 1960 and Rules of Maharashtra Co-operative Societies Rules 1961.
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- 2. Sanction of His/Her application in the Board of Directors' Meeting and approval to it for membership is essential.**
 - 3. If a person does not fulfill any of the following conditions he shall be ineligible for membership.**
 - (a) A person who does not complete 18 Years of age.

D. Membership

- (b) A person who is declared as bankrupt by the judiciary or who is not acquitted from bankruptcy
- (c) A Person who is punished for any criminal offence.
- (d) A person or company firm who is doing the same business as that of society.
- (e) If a person is expelled under section 35 of the Maharashtra Co-operative Society Act 1960, then till the completion of prescribed period as per the provisions of Act.
- (f) If the membership of a person is cease due to any reason other than section 35 of the Maharashtra co-operative societies Act 1960 then such person may not become a member for at least one year from the date of such termination.

D. Membership

13. Rights of the General Members

Every General Member (other than Active Members) shall be entitled for following Right.

Every General Member shall be entitled for all other rights except voting and participation in the election of Board of Directors.

14. Application for Membership and its procedure

(a) The applicant should have to submit an application in prescribed form with Rs.10/- as the entrance fee to the Chief Executive officer of the society. The applicant should have to pay entire amount of at least one share of the society with the application.

D. Membership

(b) The application which is filled in all respect, fulfilled the criteria of K.Y.C., and also paid proper amount, will be placed before the Board of Directors meeting within 3 months from the date of received such an application. And the decision will be communicated to the applicant within 3 months from the date of taking such decision.

If a member, who received membership want to takes more share capital, then the approval of the Board of Directors is inevitable for such an applicators.

D. Membership

(b) The application which is filled in all respect, fulfilled the criteria of K.Y.C., and also paid proper amount, will be placed before the Board of Directors meeting within 3 months from the date of received such an application. And the decision will be communicated to the applicant within 3 months from the date of taking such decision.

If a member, who received membership want to takes more share capital, then the approval of the Board of Directors is inevitable for such an applicators.

D. Membership

15. Active Member:-

Active Member means such member who attended at least One General Body Meeting in previous consecutive period of five years. Or whose absence has been condoned by the Annual General Body meeting and who is directly participated in the society's business as per criteria decided in the society's bye-laws. Such member can cast vote in the election of Society's Board of Directors.

D. Membership

16. Minimum eligibility for direct participation in the Society's business:-

(1) It is inevitable that He/ She should have to attend at least one General Body Meeting in previous consecutive period of five years

(2) He should have hold at least one share of the Society.

(3)a) Active Member's direct business participation means he should have to take loan of Rs.5,000/- or more for at least five consecutive years. The said loan transaction should not be included in unproductive loan category in the entire loan period.

or

b) Active Members direct business participation means

D. Membership

minimum transaction in respect of the deposits for at least one year out of last consecutive period of five years should be in proportionate with the capital of the society as follows:-

Sr no.	Credit Society's Working Capital	Minimum Deposit
1.	Less than Rs.25 lakhs	Rs.1000/-
2.	More than Rs.25 lakhs and less than Rs.1 crore	Rs.2,500/-
3.	More than Rs.1 crore and less than Rs25 crore	Rs.5000/-
4.	Rs.25 crore and more	Rs.10,000/-

D. Membership

Or

(c) He/ She should have to take other supplementary services other than Deposits and loans services provided by the credit society of Rs.1000/- or more amount for at least one year out of last consecutive five years.

To become an Active Member the eligibility No.1 and 2 mentioned above is compulsory and to fulfill any one of the (a) (b) (c) in eligibility No.3 is necessary.

N.B. The said eligibility is a minimum eligibility for each society. In addition to this if the society may desires to change the eligibility as per business expansion then

D. Membership

... eligibility No.1 shall be compulsory and changes may be done only in the Eligibility No.2 and 3 (a, b or c) with the approval of Annual General Body Meeting.

17. Rights of the Active Members

(1) Voting Right in the election of Board of Directors of the Society. However no individual member can vote through representative.

(2) Active Member can enjoy all rights of the General Members mentioned in the said bye-laws.

D. Membership

18. Associate Membership – Powers

Responsibilities:-

(1) Shares of the society can be taken in the name of more than one persons.

(2) In the case of Associate Member, after any one's death, living persons can be treated as Associate/ General Share holder.

(3) Associate share holder shall be responsible jointly/ dividedly in respect of the dues towards concerned share

(4) In the case of Associate share holder, whose name stand first on the share certificate, only he shall get all rights after fulfilling all criteria's of Active Member and his General Member's Rights shall be absolute.

D. Membership

(5) When share of the Society is being hold by more than one persons, in that case, a person whose name stand first on share certificate, that person shall get voting rights. But in his absence, a person whose name stands in sr.no.2 that person may have rights to vote. The same rule applied to each later name. However, such person should not be minor.

19. Nominal Member:-

(1) Subject to the provisions in Maharashtra Co-operative Societies Act 1960 and Rules 1961 any person who is working or residing in the area of operation of the society that person can be admitted as nominal

D. Membership

member of the society by applying in the prescribed form and payment of non-refundable admission fee of Rs.10/-. Approval of the Board of Directors for such nominal membership is essential. Nominal Member is not eligible for following rights.

(a) To take share capital.

(b) To get share Certificate.

(c) To get copies of the audited financial Statements and Annual Report.

(d) To attend Annual General Body Meeting, Special General Body Meeting and to take part in it, to vote etc.

(e) To get dividend.

(f) To stand and vote in the election of Board of Directors.

(g) To get Active/General Membership.

D. Membership

20. Nominal Membership - limitation laid down:-

The Society can give Nominal Membership for following reasons only:-

- (1) To stand as a surety for any loan
- (2) For assessed loan amount for one person as per the society's classification on hypothecation of gold or silver.
- (3) For assessed loan amount for one person as per the society's classification on hypothecation of debentures like N.S.C/L.I.C. etc.
- (4) For the facilities like lockers or other incidental facilities which are not carry out any type of financial risk.
- (5) The Society will not accept deposits from the Nominal Member.

D. Membership

21. Responsibilities of the Members:-

(1) Liability of the member shall be limited to the face value of the shares held by him.

(2) In case of ex-member/former member, his liability shall be continued for two years from the date of cessation of his membership

(3) In case of deceased member, his liability shall be continued for two years from the date of his death.

22. Members' Identification (To apply KYC):-

Members' identification is essential in respect of the all transactions with Bank. For this, all members should have to fulfilled 'know your Customer' guidelines laid down by the co-operation Department. Existing members also have

D. Membership

.... to fulfilled this guide line. Members identification will made by the officers or authorized officers in the society. Identity card means the government enforced Identity card from time to time. Or the Identity card which is attested by the Chief Executive Officer of the society. This Identify Card shall be admissible.

D. Membership

23. Voting Right for Election of Board of Directors:-

(1) Only Active Members have a right of one vote, irrespective of number of share held by him/her.

(2) Individual Member should attend themselves and vote. If the Firm/Company/Trustee Society/societies which have formed under any other law, are the members, then they may appoint partner, Director of office bearer as their representative for casting vote.

(3) Those Active Members if they are defaulters and not fulfilling the provisions of section 27 of the MCS Act 1960 shall not have right to vote in the election of Board of Directors.

D. Membership

23. Voting Right for Election of Board of Directors:-

(4) Before exercising the right to vote, it shall be necessary that the Active members should have to fulfill all necessary criteria to become Active Member as per bye-laws of the society.

24. Resignation of the Membership:

(1) A member by resigning the membership can withdraw his own share capital in the society with the approval of Board of Directors. However before doing so, he must have cleared all his dues amounts against loan and guarantor/surety if he is guarantor/surety to any borrower, likewise, his period of membership of the.....

D. Membership

..... society before resignation must not be less than one year. He should give one month prior notice of resignation. For any Co- operation year, the share capital refunded in this way shall not exceed 10 percent of the aggregate paid up capital as on 31st March of the immediate previous financial year. The value of such share capital to be refunded shall be according to the previous year's valuation.

- (2) Those Members who have withdraw share Capital by tendering resignation, shall not be given permission for getting membership of the society again till the period of one year from the date of such resignation.

D. Membership

25. Cessation of Membership:-

Membership comes to an end due to following reasons:-

- (a) Death of an individual member or dissolution or bankruptcy of partnership firm, company etc.
- (b) If a member not be deserve a member due to declaration of insolvency, or legal provisions.
- (c) If a member has transferred all his shares in another member's name with the prior permission of the Society (Said rule will be applicable only to those societies whose net value is not minus.)
- (d) By tendering resignation or a request to alleviate from membership is accepted.
- (e) If member is terminated according to law and rules.

D. Membership

(f) If not holding minimum eligibility regarding membership as per provisions in prevalent bye-laws of the society.

26. Disqualification of Membership:-

Any person shall be disqualified for the membership of the society on following grounds:-

- (1) If he/she is declared bankrupt.
- (2) If he/she is convicted for a Criminal offence.
- (3) If he/she is in the same business that of the society.
- (4) If he/she becomes insane or unsound mind permanently.

D. Membership

27. Expulsion of the Member:-

- (1) Subject to the prevalent provisions in Maharashtra Co-operative Societies Act 1960 and Rules 1961, any member can be expelled on the following grounds.
 - (a) If he willfully deceived the society.
 - (b) If he declares bankrupt or disqualified by law.
 - (c) If he has done any act that has affected adversely on the goodwill and interest of the Society.
 - (d) If any act done by him is contrary to the provisions of Rule 45 of the Maharashtra Co-operative Societies Rules 1961
 - (e) If disqualified under bye-law no.23 (a) and (b)
 - (f) If disqualified according to provisions under section 26 of the Maharashtra Co-operative Societies Act 1960 and Rules 1961.

D. Membership

28. Share Certificate:-

- (1) Every individual after admitted as member is eligible for getting share certificate free of cost for the shares he purchased. A share Certificate indicates number of shares taken and their distinctive number. Every such share certificate shall bear the seal of the Society and be jointly signed by the Chairman of the Society and Chief Executive Officer authorized by the Society.
- (2) If any share is lost, then after paying fees, at the rate decided by the Board of Directors, the duplicate share Certificate may be issued. However it is essential that the Member should have to give missing or lost proof in that respect. Similarly the Member should have to submit Indemnity Board in that respect.

D. Membership

29. Nomination:-

A member of the society can nominate heir to take over his rights/interest and liabilities in the society in the event of his death. For nomination, application in prescribed form should be submitted to the society. Nomination application should be attested and the society should record the nomination in the nomination register kept at registered office of the society. If the nominee is a servant of the society, then prior permission of Board of Directors is essential. At any time during the lifetime and during the membership period of the member, old nomination can be withdrawn and new nomination can be done, provided the member should give the information of this change to the society in writing. Similarly while submitting new nomination application, fees decided by the Board of

D. Membership

30. Death of a Member:-

The Society shall pay the amount due to the deceased member to his/her legal heir. If heir is not nominated then the Board of Directors after confirmation of the legal representative of the deceased member shall give this amount to such legal representative after obtaining the required indemnity bond from him.

D. Membership

31. Ex-Members' Responsibilities and Deceased Members' Responsibilities:-

- (1) Responsibilities of Ex-Members and Deceased Members in respect of the dues amount towards society shall be as follows:-
 - (a) In case of Ex-Member, the day on which his membership ceased or in case of deceased member from the date of his death till the next two years society should have to complete all necessary legal procedure for recovery of dues.
 - (b) Members responsibility is till the day of his cessation and deceased member's responsibility shall be till the date of his death.

D. Membership

32. Members Share Capital and Societies Rights on Deposits:-

If a Member or Ex-member have dues toward society then in that respect Society's Right and lien on the Members Shares, dividend and deposits in the society stand first and supreme. Society is free to deduct that much amount at any time.

33. Share Transfer:-

A member can transfer all shares in his name to the name another member subject to holding of such shares at least one year period and prior approval of the Board of Directors. Unless the name of the transferee of shares is entered in the Share Transfer Register and unless....

D. Membership

necessary transfer fees decided by the Board of Directors from time to time is paid, no transfer shall be treated as complete.

Share Transfer can be refused on the following grounds:-

- (a) If the Member is a borrower/guarantor
- (b) If Share Transfer damage the interest of the Society.
- (c) If the person to whom the shares are to be transferred does not fulfill any provision in the bye-laws No.10 and 11.
- (d) If the member does not transfer all the share held by him.

D. Membership

34. General Body Meeting:-

- (1) All General Members and Active Members can attend the General Body Meeting.
- (2) All final powers regarding transactions of the Society shall be retained with General Body Meeting subject to law and rules.
- (3) General Body Meeting shall of two types
 - (a) Annual General Body Meeting.
 - (b) Special General Body Meeting.

D. Membership

35. Functions and Powers of General Body Meeting

Through the resolution, the Board of Directors of the Society shall organized Annual General Body Meeting every year after 31st March and till 30th September for the least year. The said Meeting shall call for transacting following business:-

- 1) To read the minutes of the last General Body Meeting and confirm the same.
- 2) To consider the Annual Report of the close of year and accept it.
- 3) To consider Audit Report on Balance Sheet and profit and loss statement and to accept it.
- 4) To consider on the statutory Auditor's Report on Audit and accept it.

D. Membership

- 5) To give approval for distribution of profit subject to law and rules and to declare dividend.
- 6) To give information about next year budget prepared by the Board of Directors and about expenditure in last year's budget and to take approval for it.
- 7) To make changes in bye-laws.
- 8) To give approval for staff structure and to approve service rules.
- 9) To take information about loans given to the Members of Board of Directors and their relatives.
- 10) To give information about loan accounts given under mutual understanding scheme.
- 11) To give approval or recommend for write-off loans under rule 49.

D. Membership

- 12) To appoint Statutory Auditor for audit of current financial year from the panel approved by the Registrar. To give sanction for the honorarium of audit.
- 13) To give approval for annual policies regarding training/loan/investment/recovery etc. or incidental thereto.
- 14) To form complaint redressal cell or compromise Committee and to select members and Chairman on it and to specify area of operation of Committee. Similarly to give information about the last financial working of the Committee.
- 15) The Society shall call annual general meeting of its members before 30th September.
- 16) To fix loan limitations from external resources and responsibilities for the next year as per provisions in law and rules.

D. Membership

- 17) To submit Audit Rectification Report of the preceding last year and the Registrar's directions on it.
- 18) To give information about provision in the Act that if a responsible Member fails to call a Annual General Meeting within a stipulated period, he will be disqualified for five years and the officer in management will be fine of Rs.5000/-
- 19) To expel Members.
- 20) To condone the absence of those Members who were absent in Annual General Body Meeting.
- 21) To submit information about fulfilling criterion regarding Active and Nominal Members.

D. Membership

36. Special General Meeting:-

Any other subjects decided by Board of Directors. With the Order of the Board of Directors the Chief Executive officer of the Society at any time or notice received from the Hon'ble Registrar or requisitions, in Writing signed by more than $\frac{1}{5}$ th of the total Members of the society, shall call Special General Meeting within 30 days. The meeting so convened shall not transact any business, other than mentioned in the Notice of the Meeting.

D. Membership

37. Notice for Annual General Meeting and Special General Meeting:-

1. The Annual General Meeting shall call by giving written notice to all Members before 14 days of the date of the Meeting.
2. The Special General Meeting shall call by giving written notice to all members before 7 days of the date of the meeting.
3. It shall be obligatory to sent written notice of Annual/ Special General Meeting within above mentioned period to all members on their registered address with Society and also to the Registrar. Similarly last financial year's Balance-sheet certified by the Society's Statutory Auditor and profit and loss statement, Annual Report of the Board of Directors, and if there is a election of Board of Directors then the information in that respect and if

D. Membership

bye-laws are to be amended then the notice in prescribed form in that regard shall be available for perusal of Members in the registered office of the Society or nearest branch of the society during the office working hours.

4. Notice of General Meeting shall clearly mention the place, date and time of the meeting. The notice should also clearly mention the place, date and time of the meeting was adjourned for want of quorum.
5. Notice of General Meeting is not received, shall not be a sufficient reason for adjournment or postpone the meeting.
6. Notice of General Meeting/Special General Meeting shall be issued after it is duly signed by the Chief Executive Officer.

D. Membership

38. Quorum for Annual General Meeting and Special General Meeting:-

1. Quorum for any Annual/Special General Meeting shall be attained 1/5th of total number of members or 100 members whichever is less, are present at the meeting.
2. Annual/Special General Meeting's working shall not be transacted if there is no quorum at the time of meeting.
3. If there is no quorum at the decided time of meeting then such Annual General Meeting shall adjourned for half an hour and thereafter it took place. Quorum is not required for such meeting.
4. When it came to the notice at any time during the meeting of the Annual/Special General Meeting that there are less members than the quorum attends the meeting then the Chairman or a person acting as Chairman shall adjourn....

D. Membership

such meeting and remaining proceedings of the meeting will be completed with regular procedure in the adjourned meeting.

5. The Adjourned meeting shall convened on the same day or any other day, at any place and at any time within 7 days as decided by the Chairman.
6. The adjourned meeting shall not transact any business other than the subjects on agenda.
7. If the Special General Meeting is called on the request of the Members, then minimum $\frac{1}{2}$ members of the members who signed on the request letters attend the meeting then it shall be presumed that Quorum is complete.

D. Membership

39. Chairman of the General Meeting:-

Chairman of the Board of Directors shall be the chairman of the General Meeting. In his absence Vice-chairman shall be elected as the Chairman of the General Meeting. And if both are absent then any one of the Members and having voting right shall be elected as the Chairman of the Meeting.

40. Resolution:-

Excluding the matters for which there is special provisions in the Act, Rules and Bye-laws of the Society, the resolution shall be adopted by majority.

D. Membership

41. Minutes of the General Meeting:-

The Minutes of the General Meeting shall be written in the independent Minutes Book maintained for it within 15 days from the date of the meeting. The Chairman and Chief Executive Officer should have to sign on the said minutes. Such signed minutes shall be deemed as an accurate proof of proceedings transacted in the meeting. After General Meeting the minutes should have to be placed before the Board of Directors' Meeting to be held within 45 days for recording and after recording, one certified copy of it should be sent to the concerned Registrar within 15 days of the date of meeting of the Board of Directors.

D. Membership

42. Board of Directors:-

Board of Directors shall consist of 11 elected Members.

Particulars of which are as under.

1. Elected from the Active Members of Society (from General Class)	6
2. Reserved for Scheduled Casts/tribes	1
3. Reserved for Women	2
4. Reserved for other Backward Classes	1
5. Reserved for Nomadic Casts/tribes and Special Backward Classes	1
Total	11
6. Expert Directors in Co-operation (Maximum adopted)	2
7. Executive Director (Chief Executive Director)	1
Total	14

D. Membership

1. Chief Executive Director shall be adopted on the Board of Directors as Executive Director. He was no right for voting in the election of Office Bearers. However he has a right to express his views in the Board of Directors Meeting.
2. Expert Directors in Co-operation have no right of voting in the election of Office Bearers. However they shall have right to express their views in the meeting of Board of Directors.
3. Expert Director in co-operative can work on maximum three Co-operative Societies. If they want to work on more Societies than this then it is mandatory that they have to took permission of the Registrar.

D. Membership

4. It is mandatory on the Expert Director in Co-operation that he has to attend at least 50 per cent meeting of the total meetings of the Board of Directors during the every Co-operative year.
5. Tenure of the office of Board of Directors is five years.
6. For the meeting of the election of Office Bearers the Quorum shall be more than 50 per cent i.e.6 (Excluding Expert in Co-operation and Executive Director).
7. The Quorum for the Board of Directors Meeting for transaction the working of the society shall be more than 50 per cent i.e.7 (Excluding Executive Director)

D. Membership

43. Chairman and Vice Chairman:-

- a. The first Meeting of the Board of Directors after the election of the Board of Directors should be convened within 15 days from the date of election results.
- b. For the selection of Chairman/ Vice Chairman, the working of the meeting of the chairmanship shall be transacted under the election Authority or under the chairmanship of officer authorized by it.
- c. Chairman of the Board of Directors shall be the chairman of all meetings of the Board of Directors. In his absence, Vice Chairman shall adorn the Chairmanship. If both are absent, the Board of Directors shall select one of them as chairman of the meeting.

D. Membership

- d. The Chairman of the meeting shall have a casting- vote power in addition to his own vote. The use of such casting vote can be made in case of equal votes.
- e. Expert Director in Co-operation/ Executive Director shall not have right to cast vote in chairman/ Vice-Chairman Election.
- f. Tenure of the Office of the Chairman/ Vice-Chairman shall be that of the tenure of Board of Directors.

D. Membership

44. Rights & Duties of the Chairman/Vice- Chairman.

1. Chairman Shall have to Discharge following Rights and Duties :-
 - a. To adorn Chairmanship of General Meeting, Board of Directors Meeting and Executive Committee meeting.
 - b. To sign all minutes of the meeting held under his Chairmanship.
 - c. In case of equal votes on some resolution, then to give his casting vote on such resolution.
 - d. To organized meetings of Board of Directors, Executive Committee and other meetings.
 - e. To delegate some powers of his own to Vice-Chairman.
 - f. To control on daily management and on officers/ staffs.
2. The Vice-Chairman shall have to execute all above mentioned works in the absence of Chairman.

D. Membership

45. Minutes of the meeting of the Board of Directors.

It is necessary that the minutes of the meeting of the Board of Directors should have to be written in the independent minutes book, kept for it. The Chairman and Chief Executive Officer should have to signed on the said minutes before the next Board of Directors meeting and the said minutes should have to be confirm in the next meeting. Such a signed and sealed minutes shall be deem as a accurate proof of the working translated in the meeting.

D. Membership

46. Powers, Duties and Responsibilities of the Board of Directors :-

1. The Board of Directors have all necessary powers various laws for discharging societies working smoothly and realty.
2. By not prejudicing any general powers, the Board of Directors have following powers:-
 1. To sanction membership.
 2. To decide organization objectives for society, and to take necessary action for fulfilling such objectives.
 3. To take time wise information about society's transactions.
 4. To appoint/ terminate chief Executive officer and other staff.

D. Membership

5. To take decision for controlling like appointment of staff, to fix their salaries and other allowances, their service conditions, disciplinary action etc.
6. To consider Audit Report and Rectification Report on it and to place the said report before the general meeting.
7. To purchase immoveable properties.
8. To take review of membership of other Co-operative Societies.
9. To raise fund.
10. To take review of annual and supplementary budget statements.
11. To sanction loan to Members.
12. To invest Societies fund in recognized places.

D. Membership

13. To consider proposals for extension of branches, banking Correspondence and banking facilitator, administrative office and A. T. M. centre.
14. To determined interest rate on deposits and loans as per orders issued by the co-operation Department from time to time.
15. To make necessary arrangement in time as per provision in law in respect of the election of Board of Directors.
16. To prepare various policies and controls for making business according to guiding principles of co-operative Department.
17. To take action on all matters necessary as per law, rules and bye-laws and also powers vested by General meeting and to discharged all business.

D. Membership

18. Reconstruction of any loan and to take decision about concession.
19. To prepare plan for the training of Members, Directors and Staff and to take action accordingly.
20. To take note of the financial working of the Society.
21. To take review of the arrears of loans and to take legal action for the recovery of dues.
22. To take care that the deposits with the society and limitation on outside loan should not be more than the provision in the bye-law.
23. To take decision about branch extension.
24. To check the documents of the debtors or to make arrangement for it for disbursement of loan.

D. Membership

25. By considering type of loan and Borrower wise dues, to classify dues and unproductive loan and to make a plan for recovery of it.
26. By considering criteria of unproductive loan and property, to prepare fact showing financial statements.
27. To publish Active Members list every year in the prescribed period and form as per provision in law/rules.

47. Disqualification of Directorship:-

Active Member of the Society shall be disqualify to be elected as Director of the Society or as a Director Member if:-

1. He is declared as insolvent by the court or permanent mentally disorder.

D. Membership

2. He is associated in any contract of society business and he gets profit from any of that contract.
3. He found guilty in criminal offence and convicted for the same.
4. If he is on any profit making post in the Society then as per the policy declared by the state Government from time to time he will be disqualify for such post even if the chief Executive Officer or full time servant or Executive Directors is a member of Board of Directors.
5. Directors of any other Nagari Co-operative Credit Society (Excluding co-operation Expert Director)
6. He is not an Active Member of the Society.
7. If he May have any type of interest in the transactions carried out through society and if it may cause financial loss to the society.

D. Membership

8. If the Society purchased real estate property by him or his family at higher rate than the reasonable market rate on rent basis or on ownership basis.
9. If he is defaulter under the provisions of bye-law.
10. If he is dispel as a member as per law.
11. If he absent three consecutive meeting of the Board of Directors and not communicated his absence to Board of Directors.
12. If not taken at least three days continuous training from the recognized institution during the tenure of directors.
13. If not fulfill the criteria determined by the co-operative Department for eligibility of Director in respect of the Deposits.

D. Membership

Sr. No.	Type of Urban area	Area of Operation	Deposits amount to be kept by the Directors
1.	State	State level credit Society (Area of operation is more than one)	1.50,000/-
2.	Division	Division level Credit Society (One Division/more than one district area of operation)	75,000/-
3.	Greater Mumbai	District area of Operation	75,000/-
4.	Greater Mumbai	One Ward	50,000/-
5.	District	District	50,000/-
6.	Cities having Municipal Corporation	One Ward	40,000/-
7.	Taluka	Taluka	25,000/-
8.	Cities having Municipalities	One to Two wards	25,000/-
9.	Other Urban/rural Cities	One village	25,000/-

D. Membership

Sr. No.	Type of Urban area	Area of Operation	Deposits amount to be kept by the Directors
1.	State	State level credit Society (Area of operation is more than one)	1.50,000/-
2.	Division	Division level Credit Society (One Division/more than one district area of operation)	75,000/-
3.	Greater Mumbai	District area of Operation	75,000/-
4.	Greater Mumbai	One Ward	50,000/-
5.	District	District	50,000/-
6.	Cities having Municipal Corporation	One Ward	40,000/-
7.	Taluka	Taluka	25,000/-
8.	Cities having Municipalities	One to Two wards	25,000/-
9.	Other Urban/rural Cities	One village	25,000/-

D. Membership

48. Eligibility for contesting Election for the Director

The Member cannot be eligible for contesting the election for Directors post unless fulfilling following conditions.

1. It is essential that his name should have to be included in the Preliminary Voters List.
2. He should not have to be disqualify under co-operation law/rules/bye-laws.

49. Vacant Posts on the Board of Directors.

Vacant post on the Board of Directors shall be filled as per provisions in Maharashtra co-operative Societies Act 1960 and Rules 1961.

D. Membership

50. Board of Directors meetings.

1. The decision on the subjects came before the Board of Directors for discussion shall be taken in majority.
2. Minutes of the meeting of Board of Directors should have to be written in the Minutes book maintain for that.
3. The Chief Executive officer shall call a meeting of the Board of Directors with the permission of the Chairman of Society.
4. The meeting of the Board of Directors should have to be held at least once in a month.
5. The meeting of the Board of Directors should have to be called at the Registered Head Office of the Society or any branch of the society as far as possible.

D. Membership

6. The Chairman of the Society shall be the Chairman of the meeting of Board of Directors. In his absence the vice chairman shall be the chairman of the said meeting and if both are absence. the Directors who present in the meeting shall select one of them as a chairman of that meeting.
7. The Notice of the Board of Directors meeting should have to be sent with 7 days prior notice.
8. For the quorum of the Board of Directors meeting for selecting office bearers shall be more than 50% i.e. 6 Directors should have to be present (According to the number of total Directors, eligible for voting.) And for other meetings of the Board of Directors, (According to number of Directors excluding Executive Director) more than 50 per cent i.e. 7 directors should have to present for quorum.
9. Chairman shall be the Chairman of the committee.

D. Membership

51. Sub - Committees of the Board of Directors.

The Society can form maximum five sub- committees. Out of these 'Audit Committee' and 'Loan recovery Committee', these committees are essential. The number of members of each sub- committee should not be more than five. Similarly the existing chairman and Vice-chairman of the Society shall be the chairman and vice chairman of the said sub- committees other than compromise committee. In addition to the committee members, Chief Executive officer shall be Ex-officio Secretary of each committee. To take confirmation to the minutes of all sub- committees in the consequent Board of Directors meeting is essential.

D. Membership

52. Complaint redressal and Compromise Committee.

To form such committee is voluntary one. The General Meeting shall form one complaint redressal and compromise committee to abrogate dispute/ complaints arises time to time between members and society, similarly to resolve or compromise the disputes between defaulters and Society. The structure of the said committee are as follow:-

- a. Three members from the Active Members of the Society.**
- b. Secretary of the committee- Chief Executive Officers.**
- c. To take confirmation the consequent Board of Directors meeting to the minutes of the said committee shall be binding.**

D. Membership

53. Powers and Duties of the Chief Executive Officers:-

The Board of Directors shall appoint a chief Executive officer who possesses minimum qualification. He shall be a full time servant of the society and shall assist to the Board of Directors in their work time to time. The Chief Executive Officer shall be an Ex-officio Office bearer of the Board of Directors. The chief Executive Officer shall be under control of Board of Directors. Similarly he exercises his powers and duties under the guidelines of Board of Directors.

1. To look after daily management of the Society.
2. To operate Societies accounts behalf of the society and also to make available facility of safe Deposit Lockers.
3. To sign all necessary papers behalf of the Society.

D. Membership

4. To keep all necessary accounts book behalf of the society. To prepare necessary records, to file return statement which is necessary as per law, rules, bye-laws and to prepare plan for this.
5. To call Board of Directors meetings and to call the meeting of all sub-committees under section 53 of co-operative societies Act & Bye-law No. I and to prepare minutes of the said meeting.
6. To make an appointment on various posts in the society with the consent of the Board of Directors.
7. To assist the Board of Directors in fulfilling object, various policies of the Society and to prepared future planning.

D. Membership

8. To give necessary information time to time to the Board of Directors. Similarly to give information in respect of the working of the society according to provisions in law and bye-laws and to give information time to time about statements issued by the Co-operative Department from time to time and Similarly to give information about the annual observation noted by the co-operative Department.
9. To give their views, suggestions and guidance in written regarding each subject to be place before the meeting of the Board of Directors.
10. To appoint advocate behalf of the society for court procedures.

D. Membership

11. To prepare Annual Report, Accounts Statements within 45 days of the end of financial year for the approval of the Board of Directors.
12. To delegate own powers to other officers of the Society with the permission of Board Of Directors.
13. The chief executive officer, if feel necessary may delegate some of his powers to other officers of the society with prior permission of the Board of Directors.
14. To work as a secretary of the complaint Redressal and compromise committee.
15. To call General Meeting and to look after the working of the meeting. Similarly to submit before the meeting all financial statements, Audit Report, Rectification Report.

D. Membership

54. Deposits

1. The interest on the Deposits will be decided by taking review of the A. B. R. and A. L. R. from time to time in the meeting of the Board of Directors and the same rate of interest shall be in force. The Deposits can be accepted on different rate of interest as per the decision taken with the approval of the Board of Directors.
2. Such Deposits can be accepted as current Account, Savings Account, Recurring Account, Pigmy Account, Reinvestment Account or such accounts which can come into existence with some particular scheme. However while accepting such accounts the rules of K. Y. C. should have to obey.
3. For opening such accounts and to control it, it is essential that the society have to obey the suggestions, guidelines and orders issued by the co-operation Department from time to time.

D. Membership

55. Investment:

a. Statutory Investment

1. Credit Society on its own can keep amount not less than one percent of the total deposits of the end of every last quarter as Cash Reserve Ratio on daily basis for every quarter.

b. Statutory Reserve fund

c. Other Investments

D. Membership

56. Loan Transactions

In respect of loans and Loan type wise maximum Urban/Rural Non-Agricultural Co-op. Credit Society after acceptance of these bye-laws shall as follow:-

Appendix- 'c'-I

Types of loan and the maximum limit of loan, for Urban/Rural Non-Agricultural co-op. Credit Society:-

In respect of loans and Loan type wise maximum limit of loan after registration of Urban/Rural Non-Agricultural Co-op. Credit Society shall be as follows:-

Appendix 'C' - 1.

Criterion:-

- (1) The Society which have registered newly and having working capital less they Rupees 1 Crore.
- (2) Such credit Societies which have more than Rs. 1 Crore and acquired 'c' or 'D' class category in the Audit of last consequent financial years. Or who have less than 1 per cent net profit of working capital in last year.

Sr.	Type of Loan	<u>Maximum Loan Limit</u>
1.	Ordinary Loan	Upto Rs.50,000/-
2.	Loan against security	
	a. New vehicle security loan/ other security loan.	Loan amount up to 75% of the value of security loan of the vehicle or up to Rs.1.50 lacs whichever is less.
	b. Less than 5 years old vehicle security loan	Loan amount up to 50% of the valuation amount of old vehicle security or Rs. 1.00 Lakh, whichever is less.
	c. Housing Loan/ Loan against security of immovable property	The value of the immovable security should be twice of loan amount and maximum loan amount Rs.1.50 lacs whichever is less shall be the loan amount..

d. Business loan	Loan amount up to 70% of the value of immovable security or Rs. 1.50 lacs whichever is less shall be loan amount.
e. Machinery Hypothecation loan	The value of the immovable security should be twice of loan amount and maximum loan up to Rs.1.50 lacs whichever is less shall be loan amount.
f. Stock Hypothecation loan	The value of stock (with in the period of three months) should be twice of loan amount and maximum loan up to Rs.1.50 lac whichever is less shall be the loan amount.

g. Deposit Security loan		By hypothecating term deposits of own or of the third party, the loan amount will be up to 85% of the term deposits or maximum loan limit is up to Rs. 1.50 lacs, whichever is less.
h. Gold silver ornaments security loan		Up to 85% of the market rates of gold silver ornaments or maximum loan limit is up to Rs.1.50 lakh, whichever is less.
i Professional education / higher education loan		Medium term, Immovable security should be twice the value of the loan amount and maximum loan limit up to Rs. 1.50 lacs whichever is less.

3.	Cash credit loan	Such amount which shall be 5 percent of paid- up capital or up to Rs. 1 laks whichever is less. However it shall mandatory to take immovable security of double the value of the loan amount.
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Note:-The maximum loan limit on any day to be given to single individual in the credit society in Annexure 'c-I' shall be 15% of the Paid up capital certified by the Auditor of the immediate preceding financial year of the society or Rs. 2.50 Lac whichever is less. Similarly maximum total loan limit given to the family of an individual, their company/ firms shall be 20% of the Paid-up capital or Rs. 4 Lac whichever is less amount

Appendix- 'C'2

Criterion

1. Working Capital should be more than Rs. 1 Crore and less than Rs. 10 Crore.
2. Paid-up share capital should be minimum Rs. 10 Lac.
3. Audit class of the immediate preceding financial year should be 'A' or 'B'.
4. Profit for the immediate preceding financial year should be more than 1% of the working capital.
5. Such credit Societies which have working capital of Rs. 10 to Rs. 100/- Crore and Audit class of the immediate preceding financial year should be 'C; or 'D' or Net profit of the immediate preceding year is less than 1 percent of the working capital.

Sr	Type of Loan	Maximum Loan Limit
1.	Ordinary Loan	Upto Rs. 75,000/-
2.	Loan against Security	
	a. New vehicle security loan/other security loan	Loan amount upto 75% of the value of vehicle security or maximum loan limit not more than 10% of the own funds of the society, whichever is less.
	b. Less than 5 years old vehicle security loan	Loan amount upto 50% of the value amount of old vehicle security and maximum loan limit 5% of the own funds of the society, whichever is less.
	c. Immovable property loan (Housing loan/purchase loan)	Immovable (Housing/flat purchase) loan amount shall be upto 75% of the valuation of Immovable property and not more than 15% of the own funds of the society, whichever is less.
	d. Business Loans	Loan amount upto 70% of the value of immovable property security valuation and not more than 15% of the own funds of the society, whichever is less.

e. Machinery Hypothecation loan.	Loan amount upto 50% of the valuation of Machinery hypothecation and not more than 10% of the own funds of the society, whichever is less.
f. Stock Hypothecation loan	The value of stock of goods (within the period of three months) should be twice the stock Hypothecation loan, and maximum loan limit 10% of the own funds of the society, whichever is less.
g. Deposits security loan	Taking own or third party's term deposits as security loan limit upto 85% of term deposit likewise maximum loan limit upto 15% of the own funds of the society, whichever is less.
h. Gold- Silver ornaments security loan	Loan amount upto 85% of the market value of the gold- silver ornaments or 15% of the own fund of the society, whichever is less.

	i. Professional Education/ Higher Education Loan	Medium Term immovable security should be twice of the value of the loan amount and maximum loan limit upto 5% of the own funds of the society.
3.	Cash Credit Loans	Loan amount upto 5% of the own funds of the society or upto Rs. 5 Lac whichever is less amount. However it is mandatory to take immovable property as a security of the double value of the loan amount. The said loan shall be of 1 years term.

Note:- The maximum loan limit on any day to be given to single individual by the credit society in Appendix 'C-2' shall be 15% of the own funds of society certificated by the Auditor of the immediate preceding financial year or not exceeding Rs. 20/- Lac. Similarly maximum total loan amount given to the family of one individual, their company/firms shall not be 20% of the own funds of the society or shall not exceed Rs. 25/- Lac.

	i. Professional Education/ Higher Education Loan	Medium Term immovable security should be twice of the value of the loan amount and maximum loan limit upto 5% of the own funds of the society.
3.	Cash Credit Loans	Loan amount upto 5% of the own funds of the society or upto Rs. 5 Lac whichever is less amount. However it is mandatory to take immovable property as a security of the double value of the loan amount. The said loan shall be of 1 years term.

Note:- The maximum loan limit on any day to be given to single individual by the credit society in Appendix 'C-2' shall be 15% of the own funds of society certificated by the Auditor of the immediate preceding financial year or not exceeding Rs. 20/- Lac. Similarly maximum total loan amount given to the family of one individual, their company/firms shall not be 20% of the own funds of the society or shall not exceed Rs. 25/- Lac.

Appendix 'C-3'

Criterion:-

1. Working Capital of the society should be more than Rs. 10/- Crore and less than Rs. 50/- Crore.
2. Owns fund/Paid-up share capital should be minimum Rs. 1/- Crore.
3. Audit Class of the immediate preceding financial year should be 'A' or 'B'.
4. Minimum profit for the immediate preceding financial year should be more than 1 per cent of working capital.
5. Such Credit Societies who have Rs. 50 Crore to Rs. 100 Carore working capital and Audit class of the immediate preceding financial year is 'C' and 'D' or Net profit of the last year is less than 1 per cent of the working capital.

Sr.	Type of Loan	<u>Maximum Loan Limit</u>
1.	Ordinary loan	Upto Rs. 1,00,000/-
2.	Loan against security	
	a. New vehicle security loan/ other security loan	Loan amount upto 75% of the value of the vehicle security or not more than 10% of the own funds of the society, whichever is less.
	b. Less the 5 years old vehicle security loan.	Loan amount upto 50% of the value of the vehicle and not more than 5% of the own funds of the society, whichever is less.
	c. Immovable property security loan (Housing/ flat purchase loan)	Immovable property security (Housing/flat purchase loan) loan upto 75% of the value of immovable property and not more than 15% of the own fund of the society, whichever is less.

d. Business loan	Upto 70% of the immovable property security and not more than 15% of the own funds of the society, whichever is less.
e. Machinery Hypothecation loans	The loan amount upto 50% of the value of machinery or not more than 15% of the own funds of the society, whichever is less.
f. Goods security term loans	The value of stock hypothecation should be twice the hypothecation and the hypothecated stock should be within three months and the maximum loan limit is not more than 10% of the own funds of the society, whichever is less.

g.	Deposit security loan	By pledging term deposits of owns name or on the name of third party, the loan amount upto 85% of the term deposits or 15% of the owns fund of the society, whichever is less amount.
h.	Gold/ Silver ornaments Security	Upto 85% of the market value of gold-silver ornaments or 15% of the own funds of the society, whichever is less amount.
i	Profession Education/ Higher Education Loan	Medium Term, immovable security should be twice of the loan amount and maximum loan limit should not be 5% of the owns funds of the society.

3.	Cash Credit Loan	Minimum amount between 5% of the owns funds of the society or upto 10 Lac. However it is mandatory to take double value immovable property of the loan amount as a pledge. The said loans shall be 1 year period.
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Note:- The maximum loan limit in Appendix 'c-4' on any day to be given to single individual by the credit society shall be 15% of the own funds of the society certified by the Auditor of the immediate preceding financial year or not exceeding Rs. 30/- Lac. Similarly maximum total loan amount given to the family of individual, their company/firms shall not be 20% of the own funds of the society, or shall not exceed Rs. 35 Lac.

Appendix 'C-4'

Criterion

1. Working Capital should be more than Rs. 1 Crore and less than Rs. 10 Crore.
2. Paid-up share capital should be minimum Rs. 10 Lac.
3. Audit class of the immediate preceding financial year should be 'A' or 'B'.
4. Profit for the immediate preceding financial year should be more than 1% of the working capital.
5. Such credit Societies which have working capital of Rs. 10 to Rs. 100/- Crore and Audit class of the immediate preceding financial year should be 'C; or 'D' or Net profit of the immediate preceding year is less than 1 percent of the working capital.

Appendix 'C-4'

Sr.	Type of Loan	<u>Maximum Loan Limit</u>
1.	Ordinary loan	Upto Rs. 1,00,000/-
2.	Loan against security	
	a. New vehicle security loan/other security loan	Loan amount upto 75% of the value of the vehicle or maximum loan limit 10% of the own funds of the society, whichever is less.
	b. Less than 5 years old vehicle security Loan	Loan amount upto 50% of the value of the vehicle and not more than 5% of the own funds of the society, whichever is less.

	<p>c. Loan against security of immovable property (Housing/flat purchase loan)</p>	<p>Immovable property security loan amount upto 75% of the value of immovable property and not more than 15% of the own funds of the society, whichever is less</p>
	<p>d. Business Loan</p>	<p>Upto 70% of the value of pledged immovable property and not more than 15% of the own funds of the society, whichever is less.</p>
	<p>e. Machinery Hypothecation Loan</p>	<p>Loan amount should be 50% of the machinery hypothecation value and not more than 15% of the own fund of the society, whichever is less.</p>

f. Goods security term loan	The value of stock of goods (within the period of three months) should be twice the goods security loan maximum loan limit should not be more than 10% of the own funds of the society, whichever is less.
g. Deposits security loan	Taking the term deposits of the owns or of the third party's name as security- loan limit upto 85% of term deposit or upto 15% of the own funds of the society, whichever is less.

	h. Gold/ Silver ornaments security	Upto 85% of the market value of Gold-Silver ornaments or upto 15% of the own funds of the society, whichever is less.
	i. Professional Education / Higher Education loan	Medium Term, immovable security should be twice of the loan amount and maximum loan limit should not be more than 5% of the own fund of the society, whichever is less.
3.	Cash Credit Loan	Upto 5% of the own fund of the society or upto Rs. 15 Lac. whichever is less. However it is mandatory to take double value immovable property security of the loan amount. The said loan shall be one year term.

	<p>h. Gold/ Silver ornaments security</p>	<p>Upto 85% of the market value of Gold-Silver ornaments or upto 15% of the own funds of the society, whichever is less.</p>
	<p>i. Professional Education / Higher Education loan</p>	<p>Medium Term, immovable security should be twice of the loan amount and maximum loan limit should not be more than 5% of the own fund of the society, whichever is less.</p>
<p>3.</p>	<p>Cash Credit Loan</p>	<p>Upto 5% of the own fund of the society or upto Rs. 15 Lac. whichever is less. However it is mandatory to take double value immovable property security of the loan amount. The said loan shall be one year term.</p>

Appendix- 'C'-4

The Urban/ Rural Non-agricultural co-operative credit societies should fulfill the following criterion to implement the provisions as to the type of loan and maximum limit of loans as mentioned in Appendix 'C-4'.

Criterion:-

1. Working capital of the credit society should be 50 to 100 Crore.
2. Rupees 5 Crore minimum own fund is essential.
3. Minimum profit of the immediate preceding financial year should be more than 1% of the working capital.
4. Audit class of the immediate preceding financial year should be 'A' or 'B'.
5. Credit Societies who have working capital of Rs. 100 Crore to Rs. 300 Crore and Audit class of the immediate preceding financial year is 'C' and 'D' and net profit of the last year is less than 1% of the working capital.

Appendix- 'C'-5

The Urban/rural non-agricultural co-operative credit societies should fulfill the following criterion to implement the provisions as to the types of loan and maximum limit of loans as mentioned in Appendix 'C-5'.

Criterion:-

1. Working capital of the credit society should be Rs. 100 Crore to Rs. 300 Crore.
2. Owns fund should be minimum Rs. 10 Crore.
3. Profit for the immediate preceding financial year should be more than 1%.
4. Audit Class of the immediate preceding financial year should be 'A' or 'B'.
5. Such Credit Societies which have more than Rs. 300/- Crore working capital and the Audit class of the immediate preceding financial year should be 'C' or 'D' or net profit of the preceding immediate financial year is less than 1% of the working capital.

Sr.	Type of Loan	<u>Maximum Loan Limit</u>
1.	Ordinary loan	Upto Rs. 1,25,000/-
2.	Loan against security	
	a. New Vehicle Security loan/other security loan	Loan amount upto 75% of the value of vehicle security and not more than 10% of the own fund of the society, whichever is less.
	b. Less than 5 years old vehicle security loan	Loan amount upto 50% of the value of the Less than 5 Years old Vehicle security and maximum loan limit is 5% of the own's fund of the society, whichever is less.
	c. Immovable property loan (Housing/ flat purchase loan)	Loan amount upto 75% of the value of immovable property and not more than 15% of the own funds of the society, whichever is less.

	d. Business Loan	Loan amount upto 70% of the value of immovable security and not more than 15% of the own fund of the society, whichever is less.
	e. Machinery Hypothecation Loan	The immovable security loan should be 50% of the value of machinery and not more than 15% of the own fund of the society, whichever is less.
	f. Goods security term loan	The value of stock of goods (within the period of three months) Should be twice the stock of goods security loan, maximum loan limit should not be more than 10% of the own fund of the society, whichever is less.

	g. Deposit Security loan	Taking the term deposits of the owns name or of the third party's name as security, loan limit upto 85% of term deposits or upto 15% of the own funds of the society, whichever is less.
	h. Gold-Silver ornaments security loan	Upto 85% market value of Gold-Silver ornaments and maximum 15% of the own fund of society, whichever is less.
	i. Professional Education/Higher Education loan	Medium Term, immovable security should be twice the value of the loan amount and maximum loan limit upto 5% of the own funds of the society, whichever is less.

3.	Cash Credit Loan	Upto 5% of the own funds of the society or upto Rs.40/- lacs, whichever is less. However it is mandatory to take double value immovable property as a security of the loan amount. The said loan shall be of 1 year term.
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Note:- Individual maximum loan limit of the credit society mentioned in Appendix 'C-5' on any day should not be more than 15% of the own fund of the society certified by the Auditor in immediate preceding financial year of the society or not more than Rs.60 lacs. Similarly for the relatives of one individual, their company/firms, the collective maximum loan limit should not be more than 20% of the own fund or not more than Rs.75/- lacs.

Appendix- 'C'-6

The urban/rural non-agricultural co-operative credit society should fulfill the following criterion to implement the provisions as to the types of loan and maximum limit of loans as mentioned in Appendix 'C-6'.

Criterion:-

1. Working Capital of the society should be more than 300 crore.
2. Minimum Owns fund should be more than Rs.30/- crore.
3. Profit of the immediate preceding financial year should be more than 1% of the working capital.
4. Audit Class of the immediate preceding financial year should be 'A' or 'B'.

Sr.	Type of Loan	<u>Maximum Loan Limit</u>
1.	Ordinary loan	Upto Rs. 1,25,000/-
2.	Loan against security	
	a. New Vehicle Security loan/other security loan	Loan amount upto 75% of the value of vehicle and maximum loan limit should not be more than 10% of the own funds of the society, whichever is less.
	b. Less than 5 years old Vehicle security loan	Loan amount upto 50% of the value of the vehicle and maximum loan limit should not be more than 5% of the own fund of the society, whichever is less.

	c. Immovable property loan (Housing/flat purchase loan)	Upto 75% of the value of the immovable property and not more than 15% of the own funds of the society, whichever is less.
	d. Business loan	Upto 70% of the value of immovable property and not more than 20% of the own fund of the society, whichever is less.
	e. Machinery hypothecation loan	The Loan amount should be 50% of the value of machinery and not more than 15% of the own fund of the society, whichever is less.

f. Goods Security term loan		The value of stock goods (within the period of three months) should be twice the goods security loan and maximum loan limit should not be 10% of the own funds of the society, whichever is less.
g. Deposit security loan		Upto 85% of the term deposits by pledging the owns or third party's name term deposits or upto 15% of the own fund of the society whichever is less.
h. Gold-Silver ornaments security		Upto 85% of the market value of gold-silver ornaments of the society, whichever is less.

	i. Professional Education/Higher Education loan	Medium Term, immovable security should be twice the value of the loan limit upto 5% of the own fund of the society, whichever is less.
3.	Cash Credit loan	Upto 5% of the own funds of the society or upto Rs.50 lacs, whichever is less. However it is mandatory to take double the value of immovable property security of the loan amount. The said loan shall be of 1 year term.

Note:- Individual maximum loan limit of the credit society mentioned in Appendix- 'C-6' on any day should not be more than 15% of the own fund of the society certified by the Auditor in immediate preceding financial year of the society or not more than Rs.90 lacs. Similarly for the relatives of one individual, their company/firms, the collective maximum loan limit should not be more than 20% of the own funds of the society or not more than Rs.100/- lacs.

Limits to the maximum loan according to Types of Loan

- 1. Loans without security/with security:** - On any day, the total loans of without security/with security shall not be more than 15% of the total loans of the society.
- 2. House building Loans:** - On any day, total house building loan of the society shall be more than 15% of the total loan of the society.
- 3. Business Loans:** - On any day, total business loans of the society shall not be more than 20% of the total loans of the Society.
- 4. Stock hypothecation Loans:** - On any day, total stock hypothecation term loans shall not be more than 10% of the total loans of the society.

Limits to the maximum loan according to Types of Loan

5. Vehicle Security Loans: - On any day, total collective amount of new and old vehicle security loans of the society shall not be more than 15% of the total loans of the society.

6. Cash Credit Loans: - On any day, total cash credit loans of the society shall not be more than 15% of the total loans of the society.

7. The collective maximum limit shall not be applicable to loans like gold security, term deposit security, NSC security type loans.

Rules Regarding Loan

Rule No.1:-

The rules shall be termed as the rules in respect of loans of the credit society and these rules shall come into force after they are registered by the Registrar of Co-operative Societies.

Rule No.2:-

The applicant member should not have taken loan from any other urban society, urban credit society or the co-operative society of the salaried employees. If taken then fulfill the same according to section 45.

Rules Regarding Loan

Rule No.3:-

Application in writing in the prescribed form of the society should be made to secure loan from the society. In the said application following information shall be included.

- 1.Full name of the applicant, occupation, address for correspondence, place of residence (if necessary complete address of the village)
- 2.Amount of the loan
- 3.Purpose of the loan
- 4.The period of repayment and category
- 5.The monthly income of the applicant (If necessary monthly income of the family)

Rules Regarding Loan

6. Full name of the guarantor/ surety, his occupation, address for correspondence, place of residence (Address of the village, if necessary)
7. Type of other securities and their description.
8. If the applicant or guarantor is the member of other bank or credit society, then the information about their liability.

Rules Regarding Loan

6. Full name of the guarantor/ surety, his occupation, address for correspondence, place of residence (Address of the village, if necessary)
7. Type of other securities and their description.
8. If the applicant or guarantor is the member of other bank or credit society, then the information about their liability.

Rule No. 4:-

If Board of Directors needs more information, then it should be provided. The loan applications received to the society should be entered in the Register book kept for the same and the date of the application, application name, Type of loan, amount of the loan demanded etc. shall entered in it.

Rules Regarding Loan

Rule No. 5:-

The Board of Directors can demand (through manager etc.) the necessary additional information from the applicant or guarantor or can make necessary inquiry.

Rule No. 6:-

If the Board of Directors rejects loan application, the applicant shall be informed about the same within one month from the date of rejection of the application. Reconsideration of rejected loan should not be made up to 3 months from the date of rejection.

Rules Regarding Loan

Rule No. 7:- Type of loan

The Society shall give (1) Without surety/Security loans and (2) Loans against the security. The Loans other than surety loans which are against security shall be as under:-

- A. Vehicle Hypothecated Loan**
- B. Business (land, open plot, flat, building, home etc.)**
- C. Housing loan**
- D. NSC/ LIC/ Govt. Bonds Security loans**
- E. Gold ornament security loans**
- F. Silver ornaments security loans**
- G. Deposits security loans**
- H. Without security/ Surety loans**

I. Cash Credit

Rules Regarding Loan

Rule No. 8:- Limits to the Loan Amount

Subjects to the limits mentioned in Appendix 'C' and after getting complied with the conditions (documents) mentioned in the loans Rules which are approved by the co-operative Department, the society shall sanction loan to its members.

Rule No. 9:- Period of Loan

The refund period of the loan shall be for short term period upto 15 months, Medium term from 16 months to 60 months long term from 61 months to 180 months. (Loan wise maximum periods have been fixed in concerned Type of Loans)

Rules Regarding Loan

Rule No. 10:- Rate Of Interest on Loans

- (A) The interest rates on the loan should be determined in the Board of Directors meeting by taking review of A. B. R. and A. L. R. The same rate of interest shall be in force.
- (B) Compound interest will be charged on a daily basis. The interest on the loan given on an installment basis shall be charged on a monthly basis. The interest amount charged shall be added to the principal amount of the loan.
- (C) From the end of the date of the loan period or from the date of non-productive use, it shall be considered as arrears. Additional penal interest at the rate of 2% per annum shall be charged on such amount of arrears.

Rules Regarding Loan

- (D) In respect of the Non-productive loan, the interest shall be charged according the Circular issued by the co-operative Department from time to time.
- (E) If Principle amount, interest of the loan are continue in arrears, then by considering the said loan as non-productive property as per N. P. A. Standard, the interest will be mentioned separately.

Eligibility of the Borrower Member and Guarantor:

1. The borrower member should give two eligible members as guarantors and that these guarantors should not be from the family of the member taking the loan or from one family. Similarly they should not be cross guarantors.
2. The member seeking loan or the guarantor should not be defaulters in the capacity of borrower, guarantor or approver of any other loan.
3. One Member can be the guarantor for loan to maximum two members taking loan.
4. A) Loan can be given to the Registered Partnership firm
B) While giving loan to the partnership firm, every partner of that firm should be member of the society.

Eligibility of the Borrower Member and Guarantor:

C) All the partners of the firm should be co. borrowers and approver of the loans and that they cannot be the guarantors to the loan demanded by the firm.

5. The Board of Directors shall have the full rights to approve/accept, reject the guarantors, get the guarantors changed, demand additional guarantors.

6. Loans to the Directors and their Relatives.

A) Directors and their relatives shall not be given more than 5% of the amount of the total amount of loan to be recovered by the society. (Directors/relatives means wife / husband /father / mother / brother/sister /son/daughter/son in law or daughter in law)

Eligibility of the Borrower Member and Guarantor:

B) None of the Director of the society shall be given loan without mortgage/security nor shall he be the guarantor for the loan without security.

7. Fulfillment of K. Y. C. condition is essential for each borrower and guarantor.

Loan demand application and documents along with it :-

1. Loan without Security

- a. Documents giving information about the income should be attached.
- b. If employed, the salary certificate should be attached.
- c. Xerox copies of rationing card or light bill of the borrower and guarantors.
- d. Maximum period of the said loan shall be 60 months.

Loan demand application and documents along with it :-

2. Loan against Security

New or old Vehicle hypothecated Loan

- a) Statements of income of the applicant is necessary.
- b) If the applicant is in occupation, statements of Accounts, balance Sheet and assessment are required to be enclosed.
- c) If a new vehicle is to be purchased, it is required to enclose its quotation and applicant should have deposited in his account 25% amount of the quotation amount. The society shall sent purchase amount to the concerned dealer directly.
- d) Permit of the vehicle, R. C. Book, Tax Book, Insurance and all the relevant papers in respect of the R. T. O. vehicle transfer should have to be given to society.

Loan demand application and documents along with it :-

- e) Within 30 days after taking the loan, it is necessary to show the vehicle to the society and paint on it the name of the society.
- f) It shall be the borrower's responsibility to get recorded charge of the society on R. C. Book and insurance policy.
- g) If necessary the mortgage of immovable property will be taken for this loan.
- h) Xerox copies of identity cards issued by the institution, electricity bill, ration card of the guarantor and the borrower should be enclosed.
- i) Purchase receipt of the vehicle should be in the joint names of the society and borrower.

Loan demand application and documents along with it :-

- e) Within 30 days after taking the loan, it is necessary to show the vehicle to the society and paint on it the name of the society.
- f) It shall be the borrower's responsibility to get recorded charge of the society on R. C. Book and insurance policy.
- g) If necessary the mortgage of immovable property will be taken for this loan.
- h) Xerox copies of identity cards issued by the institution, electricity bill, ration card of the guarantor and the borrower should be enclosed.
- i) Purchase receipt of the vehicle should be in the joint names of the society and borrower.

Loan demand application and documents along with it :-

- j) The borrower should take insurance till the loan amount of vehicle paid off. Insurance is to be taken in the joint names of the society and the borrowers. Borrower should renew the insurance before the expiry. In case borrower fails, the society shall get the insurance policy renewed and the amount of insurance paid shall be shown to the loan account of the borrower and this amount shall be considered as loan and interest shall be charged on it. The society shall not have any responsibility in case there is loss due to not renewal of the insurance policy. The borrower shall not put forth the pretext that the society has not renewed the insurance policy in time.

Loan demand application and documents along with it :-

- k) If the vehicle is old one, the valuation report from the recognized valuator and hypothecated vehicle ownership documents and also all incidental documents should be submitted.
- l) The maximum period of the said loan amount shall be 84 months.

Loan demand application and documents along with it :-

3. Professional Loan

- a. If the applicant is a salaried employee then the salary certificate and the letter of undertaking.
- b. If the applicant is in profession then entire information about his profession and the certificate copies of Balance sheet, Profit & Loss Statement, assessment order should have to be attached.
- c. The Property which is to be mortgage against the loan, its new property card, purchased deed, extract of 7/12 should have to be attached.
- d. The borrowers should obtain, at his own cost, the certificate of free and clear title of the property to be mortgage, from the authorized legal advisor of the society and it should be submitted to the society.

Loan demand application and documents along with it :-

- e. Valuation of the property to be mortgage as security should obtained from the valuator appointed by the society.
- f. The borrower should obtain the entry of charge of loan if any taken on the property to be mortgage, on the property card, 7/12 extract being offered as a security.
- g. The borrower must have paid all the taxes, in connection with property, due to the government local bodies/ corporation etc.
- h. Co-owners in the property should be included as co-borrower, applicant to the loan.
- i. The maximum period of the said loan amount shall be 84 months.

Loan demand application and documents along with it :-

4. Loan for Housing/Flat Purchase :-

- a) Copy of the agreement between the original land owner of the apartment and builders, developers should be enclosed along with the application.
- b) If there is a sale agreement, then it must be duly registered, copy of the same should be enclosed with the application.
- c) Declaration under the Apartment Act should be obtained.
- d) Property of search report is necessary
- e) If the flat is not purchased, the mortgage deed should be written, signed jointly by the original landowner, builder, developer and borrower.

Loan demand application and documents along with it :-

- f) A copy of 7/12 extract or property card and the authorized copy of the approved layout plan to be enclosed.
- g) For this loan, opinion of the society's legal adviser and valuation report of the authorized valuator should be submitted. The borrower himself should bear the expenses for it.
- h) Certificate of all the taxes and fees having been paid up to the date should be enclosed.
- i) The borrower himself at his own cost should pay for the insurance of the mortgage property. If the amount of insurance and renewal of insurance is paid by the society, the said amount would be transferred to the loan account of the borrower and such amount shall be eligible for interest considering it as the loan.

Loan demand application and documents along with it :-

- j) While giving loan amount for new construction, the necessary certificate from the society's authorized expert will be taken and the amount will be issued after keeping reasonable time gap.
- k) The noting of the charge on the loan of the society shall be made in the city survey office/ village Talathi and in case of housing societies it shall be recorded with them.
- l) The minimum period between 1 year and possession of the property will be given as rest period to this loan as necessary. Interest shall be recovered during the said rest period. However the period of the said loan shall not be more than 180 months including rest time.

Loan demand application and documents along with it :-

5. Goods Security term loan :-

1. Applicant's raw material, material in process and finished goods in the godown, factory and shops shall be accepted as a security for the loan.
2. The required documents of the ownership of the security goods should be submitted to the society.
3. All rules of mortgage loan are applicable to this loan.
4. In case if the price of the goods falls due to ups and downs of its rates, then the applicant should remit the required amount to maintain the difference or he should give more goods as security.
5. The borrower should put name board of the society which can be easily visible the place where the security goods are kept.
6. The maximum period of this loan shall be 36 months.

Loan demand application and documents along with it :-

6. Deposits Security Loan

1. Own deposits or the deposits of others in the society shall be accepted as security.
2. If the deposits is in the name of a minor, his guardian should give declaration to that effect that the amount of the loan shall be utilized for the benefit of the minor.
3. Difference in respect of the amount of loan shall be maintained as directed by the authorities.
4. If the loan is not repaid within the prescribed period, the loan amount shall be recovered from the amount of the deposit.
5. The period of the loan shall be upto the end of the deposit term. Similarly if more than one deposits securities, then the loan period shall be upto that deposit term, whose term ends earlier.

Loan demand application and documents along with it :-

7. Gold, Silver ornaments pledge loan

1. The gold-silver ornaments owned by the member shall be accepted as a security for the loan.
2. The loan shall be given on the basis of the valuation of the basic prescribed price.
3. The valuation of the pledged ornaments and articles shall be done by the valued/goldsmith authorized by the society. The borrower shall pay the necessary fee for that.
4. The borrower should be in absolute ownership of the ornaments and the articles given as security and he should give bond to that effect.
5. If the ornaments pledge are women's wealth (stridhan) a consent letter in that case should be given.

Loan demand application and documents along with it :-

7. If the rate of gold-silver falls, the borrower should immediately pay the difference amount to the society.
8. After taking the articles in possession, the society shall issue receipt of it, while closing the loan account the receipt should be returned back to the society, after returning the receipt and after taking the acknowledgement the security ornaments-articles shall be returned back to the borrower.
9. In case there are arrears in loan account, the society shall have the right to recover the amount by selling the ornament of the gold-silver and articles reciprocally.
10. The maximum period of the said loan shall be one year.

Loan demand application and documents along with it :-

8. Cash Credit Loan:-

The Society shall give cash credit loan only for professional necessity. Similarly criterion of unproductive loan classification declared by the co-operation Department shall be applicable to the cash credit loan. The maximum period for the cash credit loan shall be one year and renewal of it shall be made every year.

Rule No. 11:- Inquiry about the sanction of loan.

- (A) The applicant for the loan shall inquire about the decision taken by the society regarding the loan. If the amount of loan is not picked up within the period of three months by the applicant of loan, the sanction of loan shall be considered as cancelled.
- (B) It is not binding upon the society, to disburse the sanctioned loan.

Rule No. 12:- Fulfillment of Documents.

Borrower and the guarantor shall fill up and sign all the documents of the society for different loans, before the officer of the society without this loan shall not be disbursed. Fulfillment of the documents and to maintain it shall be the responsibility of the Branch Manager and concerned officers.

Rule No. 13:- Incidental Expenses

The borrower shall be responsible for the expenses incurred or spend investigation and inspection, on fees, on legal advice, recovery of stamp paper, expenses etc. While disbursing the loan or after disbursement of loan. If the such expenses incurred by the society then it shall be transferred to the loan account of the borrower and the interest shall be charged on the said amount.

Rule No. 14:- Method of disbursing the loan

- (A) The amount of loan shall not be paid in cash. It shall be given by cheque or transferred to his saving account.
- (B) The borrower shall be given passbook. It is the responsibility of the borrower to make entries in it time to time by the society.

Rule No. 15:- Utilization of Loan

The loan should be utilized for the purpose for which it is sanctioned. If it is observed that the loan is utilized for other purposes, the society reserves the right to demand the refund of loan amount immediately before the expiry of the loan period. And the society can take further action for the recovery of the said loan.

Rule No. 16:- General lien

The deposits, other amount of credited and the other property of borrower with the society shall be considered as general lien and the same shall be recovered against the arrears.

Rule No. 17:- No extension should be given to any loans.

While disbursing the above loans, wherever necessary, valuation of the property shall be made from authorized valuator. The applicant has to bare the expenses of it. The society should take a warranty bond of the necessary amount from the valuator.

Rule No. 18:-

Taking into account the credibility of the guarantor, the Board of Directors shall decide that for how many borrowers one guarantor can stand as guarantor. However he shall not be stand as guarantor for more than two borrowers at a time.

Rule No. 17:- No extension should be given to any loans.

While disbursing the above loans, wherever necessary, valuation of the property shall be made from authorized valuator. The applicant has to bare the expenses of it. The society should take a warranty bond of the necessary amount from the valuator.

Rule No. 18:-

Taking into account the credibility of the guarantor, the Board of Directors shall decide that for how many borrowers one guarantor can stand as guarantor. However he shall not be stand as guarantor for more than two borrowers at a time.

Rule No. 19:-

Changes can be made in the above mentioned Rules with prior permission of the Registrar.

57. Statutory Audit:-

It shall be the responsibility of the Board of Directors to get audited accounts of the Society by the Auditors from the Panel authorized by the Registrar in accordance with section 81 of the Maharashtra co-operative Societies Act 1960.

It is essential that the society should have to take decision in its Annual General Body Meeting regarding appointment of statutory Auditors and charges of Audit fees. However If the Audit is not completed at the end of 30th September, the Audit of the society shall be done by the Co-operative Department.

58. Seal of the Society:-

One seal of the society shall be made and it shall be custody in custody of the Chief Executive Officer/Chairman/Secretary of the society. The said seal shall be used in the presence of the Directors and Chief Executive Officer/Chairman of the Society in accordance with resolution of the Board of Directors.

59. Amendment in Bye-Laws:-

Any change in the Bye-laws can be made or cancel or adopt new bye-laws instead of old one in accordance with the procedure shown in section 13 of the Maharashtra Co-operative Societies Act, 1960 and Rule 12 of Maharashtra Co-operative Societies Rules 1961.

The Bye-laws approved as above (1) shall come into force with effect from the date of written permission of the Registrar.

60. Limit on the maximum expenses other than expenses incurred on daily business:-

- a)** The Society cannot give donation to other Co-operative Societies as a sponsore
- b)** While incurring expenses for any social cause, the society can do it by raising social commitment Fund and by preparing independent rules in that respect and then only they can incur expenses.
- c)** Expenses up to 1 % of the declared net profit of a preceding year can be incurred on total donations or on Social work. Similarly maximum limit for one donation is Rs. 25,000/-
- d)** Those Societies who incurred loss could not give donations.

61. Profit Sharing :-

1. The Society shall work out the net profit in accordance with the provisions in the Maharashtra Co-operative Societies Act 1960 and Rules 1961 and on the recommendation of the Board of Directors. The net profit Shall be divided in the following manner in the general meeting:-

As per the provisions in the Maharashtra Co-operative Societies Act 1960 not less than 25% of the net profit shall transferred to the Statutory Reserve fund.

2 Except the above mentioned rule, the division of balance net profit shall be made for one reason or for all reasons as follows:-

A) As decided by the Annual General Body Meeting, and as per the law and rules, the said profit may be divided for giving dividend to members.

- B)** 1/5th amounts of the last election expenses can be incurred as election fund.
- C)** According to the recommendation of the Board of Directors, necessary provision for the investment fluctuation fund should be made.
- D)** As per the recommendation made by the Board of Directors it can be transferred as a Technical Development Fund
- E)** Remaining net profit (if balanced) may be transferred to building fund

62. Ratio of the Share Capital with loan:-

For the borrower member, ratio of the share capital with loan shall be as follows:-

1. For without security Loan:- up to 5 per cent of the loan amount
 2. For loan with security, up to 2.5 per cent of the loan amount,
- However, any member can take $1/5^{\text{th}}$ amount of the Share Capital of the society or maximum Rs. 2 lacs whichever is less, as a share capital.

However, if the Co-operation department make changes in it from time to time then those changes shall be binding on the borrower.

63. Reserve Fund:-

- 1)** In addition to the amounts mentioned in the Maharashtra Co-operative Societies Act 1960 and Rules there under and the bye-laws, the amount of admission fee, nominal membership fee, Share transfer fee, the amount of forfeited shares, forfeited dividend and donation amounts shall be transferred to the reserve fund.
- 2)** The investment of the Reserve fund shall be made in accordance with law and rules.
- 3)** The Society can use amount of the Reserve fund for purchase of any property with prior permission of the Registrar, and according to the law and rules of the Maharashtra Co-operative Societies Act 1960 and rules there under.

64. Dividend:-

- 1.** The amount of the dividend for which co-operative year it is related shall be paid on prorata to that person in whose name the shares stand in the books of society on the last date of that co-operative year.
- 2.** A Person whose name the share stand in the book of the Society on the last day of that year, the dividend shall be given on the basis of those months in which share holders amounts stand and on the proportionate of shares.
- 3.** The amount of dividend can be get fro, Head Office of the Society or from its branches.
- 4.** If the amount of dividend is not collected within the period of three years from its declaration, it shall be forfeited and the same shall be transferred to the Reserve fund.
- 5.** Any society can give maximum 15% dividend.

65. Accounts, Record Books and Audit:-

- 1.** Record and Accounts in respect of the transaction of the Society shall be kept in the form directed or approved by the Hon'ble Registrar, co-operative Societies. Any member of the society can see the accounts and registers related to him in the office of the society in working hours and with prior notice.
- 2.** The accounts of the society shall be statutory audited one time in every year by the auditor from the panel list of auditors approved by the Hon'ble Registrar.
- 3.** Approval for the appointment of said auditors, and its honorarium should have to be taken in the Annual General Meeting. Similarly his eligibility, ineligibility, powers, duties and responsibilities shall be according to guidelines of the co-operation Department and according to concerned law.

66. Co-operation Education, Training Fund:-

The society shall raised independent fund for education and training of Members/ Directors and Employees. Similarly the Board of Directors with the approval of General Body Meeting shall take necessary action for the utilization of the said fund.

It shall be mandatory on the society, to contribute in the co-operation education, training fund every year with approval of the Annual General Body Meeting at the rate prescribed in section 24 (C) of the Maharashtra Co-operative Societies Act 1960 or if such rate is not prescribed then according to the Society's own business expansion.

Similarly it shall be necessary to make provision of the said contribution amount in the budget every year.

67. Provident Fund

According to the Provident Fund Act 1962 the Society should have to deposit amount equal to the provident fund cutting made in the salary of the employee as society's share for the welfare of its employees.

68. Service Rule/Employee Liability Policy:-

The Board of Directors from time to time can change the employee's service rules. However final approval shall be of Annual General Body Meeting. Similarly power to decide Liability policy for employees shall be lie with Board of Directors.

69. Association of Employee's Participation in decision process of Management:-

The society can make suitable rules in view of participation of Employees Association in the decision process of the Management through Administrative Notice.

70. Area of Operation and Branch Extension:-

Following criterion have been decided for giving autonomy to Urban Co-operative Credit Societies and to make planning for Extension of area of operation and branches.

71 A. Information Return Form:-

It shall be mandatory to submit the information laid down by the Co-operation department from time to time in the prescribed form and period to the concerned Registrar by the society. Similarly if found any error or negligence in this, then action shall be taken according to the provision in prevalent law and rules.

72 B. Appropriation of balance assets:-

Appropriation of balance assets of the winding up society shall be made with prior approval of the State Government and subject to the provisions of Maharashtra Co-operate Societies Act 1960 and Rules 1961.

73. Others

1. The Society can become a member of Maharashtra State/District Central Bank. Despite it can a contributory member of the following societies.

- A) Urban Co-operative credit Society's national level federation.
- B) Urban Co-operative Credit Society's State level federation.
- C) Credit Societies Divisional/ Regional/ District or Taluka federation.
- D) Maharashtra State Co-operative Association/ District Co-operative Board.
- E) Indian Co-operative Association.
- F) Advised of any other Federation/ Association/ Sangh/ Board concerned to credit Societies should be taken and their verdict shall be final.

73 A. Miscellaneous:-

A. While taking action on Decree, Awards, Verdict, it should be taken as per all provisions in law.

B. Appeal on higher level and review petition of the concerned case should be as per legal provisions.

C. While taking action on crime and penalty it should be according to the provisions in law.

D. If some provision is not there in the bye-law in respect of the above then at such time the decision process should be carried out according to the provisions in law and rules.

74. Election:-

The Register/ Government shall appoint Election Authority for the election of Society's Board of Directors. And through them election programme shall be implemented. Election shall be for five years. The Society, before expiring the tenure of five years, shall prepare Active Member's Voters List from the Members List and shall check if from the Election Authority. Thereafter only, the Returning officer appointed by the Election Authority, will publish Voters List and declare the further election programme.

75. Winding up of the working of the Societies:-

At the time of winding up of the working of the society the excess assets of the society shall be divided in accordance with section 110 of the Maharashtra Co-operative Societies Act 1960 and Rule 90 of the Maharashtra Co-operative Societies Rules 1961.

76. Summing-up

If the working of the society come to an end, then the said process shall be according to the provisions in law and rules.

Annexure 'A'
Information about Society's Branches

The Registrar has been given permission to the following branches of the Society, and they have commence functioning within three months from the date of permission.

Sr. No.	Name of the Society	Address of the Branch	Date of Registrars Permission	Date of the implementation of Branch
1				
2				
3				
4				
5				
6				

Promoters/Managing Committee Members Name

Sr. No.	Name	Designation	Signature
1			
2			
3			
4			
5			
6			

Promoters/Managing Committee Members Name

Sr. No.	Name	Designation	Signature
1			
2			
3			
4			
5			
6			



THANK YOU !

