

THE GIRIJAN CO-OPERATIVE CORPORATION LIMITED: VISAKHAPATNAM

BYE-LAWS

Amended Upto 30.06.2004.

1. SHORT TITLE:

The Girijan Co-operative Corporation Limited, No. B-1168, Visakhapatnam, hereinafter referred to as the corporation is deemed to have been registered as a Cooperative Society under the Andhra Pradesh Co-operative Societies Act 7 of 1964. Its address shall be Visakhapatnam Post in Visakhapatnam District. Its operation shall extend to the scheduled areas of the State of Andhra Pradesh and also to the non-scheduled area where Girijans or Adivasis live in substantial numbers and form the bulk of population provided that each proposal for undertaking any activity in non-scheduled areas should have the prior approval of the Board of Directors.

2. DEFINITION:

In the Bye-laws unless there is anything repugnant in the subject or context:

- a) 'Act' means the Andhra Pradesh Co-operative Societies Act 7 of 1964;
- b) 'Rules' means the Andhra Pradesh Co-operative Societies Rules 1964;
- c) 'Registrar' means the Registrar of Co-operative Society;
- d) 'Government' means the Government of Andhra Pradesh;
- e) 'Member' means a Cooperative Society admitted into the Girijan Cooperative Corporation;
- f) 'Board' means the Board of Directors of the Corporation.

3. OBJECTS :

The objects of the corporation are:

- i) To purchase outright the produce brought by members of the Scheduled Tribes through the agency of any Primary Marketing Society hereinafter referred to as 'Affiliated Societies' and market it to the best advantage; and for this purpose to take up forest contracts of bamboo coupes, fuel (and the like) and for procurement of Minor Forest Produce from the Government.
- ii) To supply the requirements of the members of the scheduled tribes through the agency of the affiliated societies by making bulk purchases.
- iii) To take shares in the affiliated societies from its funds;

- iv) To provide working capital to the affiliated societies by advancing loans and cash credits and the like;
- v) To borrow funds for issue of loans to Girijans through the affiliated societies for purposes of agricultural operations, development of land and irrigation sources, construction and repairs to houses, purchase of plough bullocks and agricultural implements, purchase of pump sets, oil engines, providing of electrification, mechanisation, or agriculture, raising plantations, development of subsidiary occupations etc;
- vi) To finance individuals, firms, companies, etc. by admitting them as 'B' class members for purposes approved by higher financing agencies from time to time either individually or jointly with other financing institutions;
- vii) To sanction consumption loans and also term loans to GPCMS for provision to their members for non-farm purposes, promoting servicing, business and cottage and small scale industrial units sponsored through development agencies;
- viii) To coordinate, supervise and control the activities of the affiliated societies;
- ix) To acquire or take on lease godown or sale depots within its jurisdiction and elsewhere, if necessary to facilitate the storage and sale of agricultural and other produce belonging to the corporation and to its affiliated societies and their members;
- x) To undertake activities such as processing and grading for the benefit of the Corporation and its affiliated societies and their members and for this purpose to own or hire the necessary plants and machinery;
- xi) To own or hire and ply lorries on hire for the transport of its goods and those of its affiliated societies and their members;
- xii) To act as agent for the Government for procurement, supply and distribution of agricultural and other produce or other goods as and when required to do so.
- xiii) To encourage self-help thrift and cooperation among the affiliated societies and their members;
- xiv) To undertake generally such other activities as are conducive to the promotion of the economic interests and social welfare of the scheduled tribes and the attainment of the above objectives.

4. LIABILITY OF MEMBERS:

The liability of members of the Corporation shall be limited to the share capital subscribed by them. The provision of this bye-law shall not, however, apply in respect of shares taken by the Government.

5. AUTHORISED SHARE CAPITAL:

- a) The authorised Share Capital of the Corporation shall for the present be Rs.26.00 Crores made up of 25 lakhs 'A' class shares of Rs. 100/- each, and 10 lakhs of 'B' class shares of Rs. 10/- each.
- b) The value of each share shall be paid in one lumpsum on admission. 'A' class shares shall be allotted only to cooperative societies and State Government.
- c) 'B' class shares shall be allotted only to nominal members.

6. MEMBERSHIP ELIGIBILITY

- a) Any Cooperative Marketing Society registered or deemed to have been registered under the Act working within the scheduled areas or any Central Taluk level Cooperative Society exclusively former for the Girijans or Adivasis living in non-scheduled areas as stipulated in the third sentence of bye-law No.1 shall be eligible for admission as member of Corporation. No individual shall be eligible for admission. It shall be open to the State Government to directly or in-directly subject to such conditions as may be laid down by Government, from time to time, and as such terms and conditions shall be binding on the Corporation.
- b) 'B' class members nominal membership may be given to individual firms, companies, corporations etc., for the objects envisaged under bye-law 3 (vi) as 'B' class members.

7. ADMISSION

- a) Every application for admission to the Corporation shall be in the form prescribed by the Corporation and addressed to the Managing Director. The Board shall not without sufficient cause refuse admission to membership to any societies duly qualified therefore under the provisions of the APCS Act 7 of 1964, rules framed thereunder and the bye-laws of the Corporation. If the Board decided to refuse admission, it shall record reasons for such refusal, where admission is so refused, the decision with the reasons therefor, shall be communicated by registered post to such society by the Managing Director within 15 days from the date of decision or within a period of 60 days from the date of application for membership, then the Corporation shall be deemed to have admitted such applicant as member on the date of expiration of such period and the Managing Director shall give effect to this admission on payment of share capital etc., as required u/s.24 and as per the Bye-laws of the Corporation.

Note: The Managing Director shall maintain register to record the applications received for admission to membership.

- b) Any applicant who has been refused admission may prefer an appeal with the Register under Sub-section (2) of Section 76 of the Act within 60 days from the date of communication of such refusal.

The Managing Director, shall be competent to admit 'B' class members as per the guidelines from the Board from time to time but the act of the Managing Director shall be ratified by the Board subsequently. Every member joining Corporation must take at least one share.

8. MAXIMUM SHARE HOLDING LIMIT AND ENTRANCE FEE

Every member joining the Corporation shall take at least one share. The share proportion to borrowing in respect of societies shall be as prescribed by the Registrar. Every 'A' class member shall take additional shares according to the share proportion to borrowings provided that the distribution of maximum share holdings shall not apply to the shares taken by the Government.

Every member except Government shall on admission pay an entrance fee of one rupee for each share taken subject to a maximum of rupee five for all the shares allotted at a time.

9. SHARE CERTIFICATE

- a) A share certificate duly signed by the Chairman or Vice-Chairman and the Managing Director of the Corporation and with the seal of the corporation shall be issued to every member for the share or shares taken by it after it has subscribed to the full value of the shares.
- b) If a share certificate is either lost or destroyed, a duplicate certificate may be issued after obtaining an indemnity bond in this behalf from the share-holder. If any certificate is worn out or damaged, the Board may cancel it and issue a duplicate certificate, in lieu thereof, on surrendering the certificate so worn out or damaged. For every duplicate certificate issued under this bye-law a fees of Rs. 2/- shall be collected.

10. TRANSFER AND WITHDRAWAL OF SHARES

- a) No society is permitted to transfer any share or shares held by it unless the transferee is a member and the transfer is approved by the Board, provided that no transfer of shares by a member shall be valid, unless:
 - i) the member has held such share or shares for less than one year ending with 31st March.
 - ii) the transfer is made only to a society which is a member of the corporation. Where there is an application for shares from any member, preference shall always be given to such application over an application for allotment of new shares.
- b) No member shall at any time be permitted to withdraw any share or shares held by him provided that with the sanction of the Registrar, any society may withdraw at any time the whole of its shares when its affairs are ordered to be wound up. The withdrawal of shares by the Government shall, however, be on such terms and

conditions as may be laid down by them, from time to time, which shall be binding on the Corporation.

- c) It shall be competent to the Board of Directors to refund the share capital of 'B' class members who leave the area of operations of the Corporation or are not interested in the membership of the Corporation.

11. LIABILITY OF PAST MEMBER AND HIS ESTATE

- a) For the debts due by the Corporation, the liability of a past member, or of a member who has transferred shares, shall be for a period of two years from the date of cessation of membership on transfer of shares and to the extent to which the debts existed on such date.
- b) Notwithstanding anything contained in clause (a) when the Corporation is ordered to be wound up under section 64, the liability of a past member within two years immediately preceding the date of the order of winding up shall continue until completion of the liquidation processings, but such liability shall be limited only to the debts of the Corporation as they existed on the date of cessation of membership.

12. EXPULSION OF A MEMBER

- i) If a member society has acted adversely to the interests of the Corporation, it shall be competent to the General Body to expel it from membership by a resolution passed at its meeting by not less than 2/3rds of the members present and voting at such meeting after giving the society an opportunity to state its objection, if any.
- ii) The resolution referred to in clause (i) shall not take effect until it is approved by the Registrar.

13. FUNDS

The corporation shall ordinarily obtain funds from the following sources:

- i) Share capital from members and Government;
- ii) Entrance fees and transfer fees;
- iii) Deposits from members and others;
- iv) Borrowings from Government;
- v) Borrowings from other institutions like Khadi Commission etc.
- vi) Borrowings from AP State Cooperative Bank Ltd., AP Central Agricultural Development Bank, State Bank of India, Nationalised and other scheduled banks;
- vii) Donations; and
- viii) Subsidies and grants;

Such funds may be invested by the Board of Directors when not required for immediate use of the Society in the manner approved by the Registrar.

14. BORROWINGS

The Corporation may, from time to time, receive deposits and borrow funds from members or persons other than members or from institutions registered or deemed to have been registered under the Andhra Pradesh Cooperative Societies Act 7 of 1964, the State Bank of India or any other Nationalised and Scheduled Bank, the Andhra Pradesh Khadi and Village Industries Board and the Khadi and Village Industries Commission and Government and the Government of India. The total borrowings of the Corporation shall not at time exceed 50 times paid-up share capital plus reserve funds.

The rate of interest payable on borrowings shall be fixed or regulated by the Board of Directors from time to time.

However, in respect of long term borrowings, the total borrowings from AP Cooperative Central Agricultural Development Bank shall not at any time exceed 20 (twenty) times the paid-up share capital. The rate of interest in respect of these borrowings shall be fixed by the APCCAD Bank Limited from time to time.

15. MANAGEMENT

The Management of the Corporation shall vest in a Board of Directors consisting of not more than 18 (Eighteen) members of whom 5 (five) non-official Directors shall be elected by the General Body, (2 from Telangana Region and 3 from Andhra Region) from among the members and 2 (two) members to be nominated by the Ministry of Welfare, Government of India while the remaining 11 (eleven) Directors including the Chairman, Vice-Chairman and Managing Director shall be nominated by the Government of Andhra Pradesh.

The Board of Directors shall hold office for a period of 3 years from the date of assumption of charge by the Chairman.

Any elected members of the Board may at any time resign from the office by sending a letter of resignation to the Managing Director of the Corporation. The resignation takes effect only from the date on which it is accepted by the Board.

The members of the Board of Directors except those nominated by the Government shall be elected according to the provisions of the Andhra Pradesh Cooperative Societies Rules, 1964 as amended from time to time. Any vacancy on the Board arising in the absence of a valid nomination or on account of the same having been declared as such shall be filled up by election in the manner indicated in the Rules. If for any reasons such vacancy or vacancies are not filled up in one such election or any interim vacancy or vacancies arising during the period, they shall be filled up for the unexpired portion of the original period by co-option by the remaining members of the Board from the delegates of affiliated societies. It shall be competent to the General Body to remove any elected Director at any time and elect another in his stead. The new Director so elected shall hold

office for the unexpired portion of the original period. The proceedings of the Board of Directors shall not be invalidated on account of any vacancy or vacancies on the Board, which remain unfilled provided that there is quorum for such meeting.

16. MEETING OF THE BOARD OF DIRECTORS

Meeting of the Board shall be convened by the Managing Directors at least once in two months and also at other times as often as necessary for the conduct of the business of the Corporation. The Managing Director shall call for a meeting of the Board on receipt of requisition from 9 members of the Board or of the Registrar within a month of the date of receipt of such requisition. The Chairman or in his absence the Vice-Chairman shall preside over all the meetings of the Board. In the absence of the both, the Chairman shall be elected from among those present. The quorum for the meeting of the committee shall be $\frac{1}{3}^{\text{rd}}$ of the total number of the existing members of the committee. Subject to a minimum number of 3 (three). All questions which may come up before the Board shall be decided by a majority of the members present and voting at the meeting. In case of equality of votes, the Chairman shall have and exercise a second or casting vote. No member of the Board shall be present at a meeting of the Board when any matter in which he is personally interested is being discussed. In case of urgency or of other reasons, the subject or subjects may be circulated among the members of the Board and their decision may be obtained thereon. In case of circulation the consent of at least 8 (eight) members of the Board of which 6 shall be officials and 2 non-officials elected Directors shall be necessary. Should there be a difference of opinion among the Directors in the course of such circulation on the matter shall be placed at the next meeting of the Board of Directors.

17. NOTICE FOR THE MEETING OF THE BOARD OF DIRECTORS AND PROCEDURE

It shall be the duty of the Managing Director to send notices of meetings along with the Agenda to the members of the Board. The notice should be sent to the members, at least seven clear days, in advance of the meeting of the Board. All notices for meeting and all other notices shall be deemed sufficient and proper if left at the address given by the share-holders, it being their duty to keep the Corporation informed of any change in their address. In case of amendment to bye-laws, the notice shall be given to the members the exact nature of the amendment proposed.

Any subject of an important or urgent nature not included in the agenda except amendments to bye-laws may with the leave of the house, be taken up for discussion. If the leave is refused the subject so brought up shall be deemed to be a subject for consideration at the next meeting.

18. DISQUALIFICATION OF A DELEGATE OF A SOCIETY

No member of an affiliated society, who at the time is in default to the society for a period exceeding three months or who is a defaulter to the society or to any other society for a similar period, shall be appointed to represent the society in the Corporation and vote at the meetings of the General Body on behalf of the affiliated society.

A member of an affiliated society who has been appointed to represent the society in the Corporation and vote shall cease to hold his appointment as such, if he is in default to the society or any other society for a period exceeding three months or if he becomes a defaulter to the society or any other society for a like period.

19. DISQUALIFICATION OF THE MEMBERS OF THE BOARD OF DIRECTORS.

- 1) No person shall be eligible for being chosen and for being a member of the Board of Directors of the Corporation, if he
 - a) has acquired or continues to have any of the disqualification's for a delegate of a society prescribed in bye-law No. 18;
 - b) is or becomes a near relation of a paid employee of the Corporation;
 - c) is in default to the Corporation or any society for a period of 3 months or become a defaulter to the Corporation or any other society for a period of over 3 months;
 - d) has acquired any interest directly or indirectly in any subsisting contract made with the Corporation or in any sale or purchase by the Corporation;
 - e) appears as a legal practitioner against the Corporation or its member;
 - f) is or becomes of unsound mind and stands so declared by a competent court, a deaf-mute or lapper;
 - g) is a person against whom any amount due under a decree decision, award or order is pending recovery under the Act;
 - h) is carrying on business of such kind as the Registrar may by general or special order, delcare to be business, which is in conflict with the objects or interests of the Corporation (or)
 - i) is a member of the committee of more than two societies which, under the rules, are classified as apex societies or as Central Societies or of the committee of more than one appex society and one Central Society;
 - j) is convicted of an offense under the protection of civil rights act 1955.
- 2) Any delegate of an affiliated society sitting on the Board of Directors of the Corporation shall cease to be a member of the Board if,
 - a) his delegation is withdrawn by the affiliated society;
 - b) the committee of the affiliated society which elected him as the delegate has been suspended;

- c) the affiliated society to which he is the delegate is defunct or commits default in the payment of any amount due in cash or kind to the Corporation or any other society for a period of exceeding three months; or
- d) the affairs of the affiliated society of which he is the delegate are wound up.

20. CESSATION OF THE MEMBERSHIP OF THE BOARD AND REINSTATEMENT

- a) Should a member of the Board of Directors, other than a nominated Director, absence himself from three consecutive meetings of the Board, he shall cease to be a member of the Board. The fact shall be intimated to the Director concerned by the Managing Director and it shall be reported by the Managing Director at the next meeting of the Board with the reply received from the person who ceased to be a Director. It shall be open to the Board to reinstate him, provided that a requisition in writing is received from such person and provided also that he shall not be reinstated more than once during the same term of the Board.
- b) Where a Director ceases to be as such by reason of his incurring the disqualification under sub-clause (b) of clause (1) of bye-law No. 19 or where a delegate of a society ceases to be such delegates by reason of his incurring the disqualification under clause 9 (c) of (2) of bye-law No. 19, he shall not be entitled for being chosen again as a member of the Committee on the removal of the said disqualification, unless a period of one year has elapsed from the date of such cessation.

21. RESTRICTION OF CONSECUTIVE MEMBERSHIP ON BOARD

A person who holds or who has held office as a member of the Board for two consecutive terms shall not be eligible for being chosen as a member of the committee for third term in continuation. This restriction shall not apply to Ex-Officio Directors.

EXPLANATION

- i) Where a period during which there is no elected Board, intervenues, between two terms of office of the Board or of any of its members, those two terms shall be regarded as being consecutive to each other;
- ii) a member shall be deemed to hold office for a term, notwithstanding that he has not held the office for a full term.

22. POWERS OF THE BOARD OF DIRECTORS

The Management of the Corporation shall vest in the Board of Directors and their powers shall be;

- i) to admit members
- ii) to convene meeting of General Body
- iii) to approve the annual budget of income and expenditure

- iv) to approve amendment to bye-laws
- v) to scrutinise and put up annual report and audit report to General Body for approval.
- vi) to entrust such functions to the Managing Director as may be required for the day to day administration including the power to take the services of Government Officers on deputation
- vii) to frame subsidiary rules and regulations for the conduct of the business.
- viii) to fix the strength of the establishment and to frame subsidiary regulations for recruitment, service conditions and disciplinary control of the employees.
- ix) to receive deposits and raise loans and lay down regulations governing sanction and recovery of loans from members.

23. APPOINTMENT OF MANAGING DIRECTOR

The Board of Directors may appoint a full time Managing Director who shall be deputed by the Government of Andhra Pradesh.

24. OFFICERS OF THE CORPORATION

i) Chairman

The Chairman shall preside over all the meetings of the General Body and all the meetings of the Board of Directors.

ii) Vice-Chairman

The Vice-Chairman shall exercise all the functions of the Chairman in his absence on his authorisation.

iii) Deleted

25. Deleted

26. ACCOUNTS TO BE MAINTAINED

It shall be the duty of the Board of Directors of the Corporation to maintain such accounts and registers prescribed by the Andhra Pradesh Cooperative Societies Rules 1964 and by the Registrar from time to time and place before the General Body the notes of Audit or inspection of the Registrar within two months from the date of its receipt.

27. Deleted

28. Deleted

29. SERVICES OF MEMBERS OF THE BOARD ETC. SHALL BE GRATUITOUS

The services of the Members of the Board except the Managing Director shall be gratuitous.

30. APPOINTMENT OF PADI STAFF

- i) No person shall be appointed as paid officer or employee in any category of service in the corporation except taken on deputation from Government service, unless he possesses the qualifications or furnishes security as specified by the Registrar from time to time for such category of societies.
- ii) No person shall be retained in service except one deputed by the Government, as paid officer or employee in the corporation if he does not acquire the qualifications or furnish security as is referred to in clause (I) within such time as the Registrar may direct.
- iii) The employees of the Corporation except those who are taken on deputation shall come under the jurisdiction of the Andhra Pradesh State Vigilance Advisory Board constituted in GO Ms. No.270 GAD (SC-1) Dept., Dt. 11.6.1985.

31. Deleted

32. GENERAL BODY

The following, among others, shall be dealt with by the General Body;

- 1) Election and removal of the Board of Directors as prescribed in the bye-law No.15.
- 2) Annual Report to Registrar.
- 3) Consideration of Audit Report and Annual Report.
- 4) Disposal of net profits.
- 5) Expulsion of a member.

33. GENERAL BODY MEETINGS

- a) The Board of Directors may at any time call for a General Body meeting of the Corporation for conduct of business but such meetings shall be called for at least once in a year ending with 31st March.
- b) The General Body shall consist of all the members including the nominated Directors of the Corporation member institutions may authorise the send delegates to the General Body.

- c) A General Body meeting may be called for within a period of 30 days from the date of receipt of requisition in writing from two thirds of the total number of members, the financial bank to which the Corporation is indebted or the Registrar.
- d) A notice of the meeting of the General Body shall be issued specifying time, place and date of the meeting at least 10 clear days in advance such notice shall be sent to the members by any one of the following modes namely ;
 - i) By local delivery (or)
 - ii) By post under certificate of posting.
- e) It shall be the duty of every member to attend the meeting of the General Body. The quorum for the General Body meeting shall be six or one fourth of the total number of members whichever is greater.
- f) The Chairman or the Vice-Chairman or in the absence of both one of the members elected by the General Body for the purpose shall be the Chairman of the Meeting and conduct proceedings. Provided that for a General Body meeting for the purpose of election of the Members of the Board of Directors, the Election Officer appointed under the Andhra Pradesh Cooperative Societies Rules shall convene, preside over the meeting and conduct proceedings.
- g) All questions before the General Body shall be decided by majority of votes. In case of equality of votes, the Chairman of the meeting, except the Election Officer, shall have a casting vote as a second vote.

34. RECORD OF PROCEEDINGS

The proceedings of the General Body, Board of Directors shall be recorded in the minutes book of the Corporation kept by the Managing Director and signed by the Chairman of the meeting concerned at the close of the proceedings.

35. Deleted.

36. Deleted.

37. Deleted.

38. Deleted.

39. STOCK VERIFICATION

The Managing Director shall arrange physical verification of all commodities at the end of each quarter/half year.

40. LOANS AND CASH CREDITS:

- a) Loans and Cash Credit may be given to the affiliated societies for purchase of agency produce and issue of loans for domestic requirements and for agricultural operations to their members. Applications for loans and cash credits shall be disposed off by the Board. All applications for loans shall be sent by the Managing Director in the form, if any, prescribed for the purpose who shall place them before the Board. The Board shall settle all details in regard to the repayment of loans granted by them, the installments, the period of repayment, the rate of interest etc. The period of repayment shall not, however, exceed the period fixed for each type of loan. The rate of interest charged on loans shall be fixed by the Board. Penal interest on overdue installments of principal shall be levied at $\frac{1}{4}$ pie per rupee per menus over the normal rate of interest.
- b) Following kinds of loans can be sanctioned to the affiliated societies for the purpose of issue of loans to remember.
- i) Short term loans for agricultural operations, purchase of domestic requirements etc. These loans shall ordinarily be granted for repayment within a period of 12 (twelve) months.
- ii) Medium term loans for:
- a) Purchase of cattle and carts;
- b) Constructions and repairs of houses;
- c) Expenses in connection with development of land;
- d) Expenses in connection with development of or major repairs to irrigation sources; and
- e) Undertaking subsidiary occupation and such other development and welfare purposes approved by the Government by special or general order;
- (These loans shall ordinarily be granted for repayment within the period of 5 years)*
- iii) Long term loans for:
- a) Creation or construction of irrigation sources;
- b) Reclamation of land;
- c) Purchase of Oil Engines, Electric Motors;
- d) Plantations; and
- e) such other purposes, as the Government may specify from time to time.

(These loans shall ordinarily be advanced for repayment within a period of 15 years)

- c) The Corporation should not, however, lend to any society affiliated to it any sum as loans or cash credits, if the total indebtedness of the society exceeds its maximum borrowing limit, as loans or cash credits, if the total indebtedness of the society exceeds its maximum borrowing limit, as fixed from time to time in the bye-laws of the society.
- d) Subject to the maximum borrowing limit an affiliated society shall be eligible for loans for purposes laid down in bye-law No. 40(b) in the aggregate not exceeding 20 times the value of share held by the Society with the Corporation.

41. APPROPRIATION OF PAYMENTS

All payments by the affiliated societies towards loans and cash credits to the corporation, shall be credited in the following order, namely;

- 1) to arbitration and execution fee, if any,
- 2) to fees, fines etc.,
- 3) to penal interest due,
- 4) to interest due,
- 5) to principal due,
- 6) to advance payment of interest, and
- 7) to advance payment of principal.

42. WORKING CAPITAL TO AFFILIATED SOCIETIES

The Corporation may advance such amount that is required by any one of its affiliated societies as working capital to enable such society to amalgamate any other cooperative society, subject to the condition that the society does not undertake any loss on account of such amalgamation.

43. *Deleted*

44. DISPOSAL OF NET PROFITS

The net profits of the Corporation as declared by the Chief Auditor or any person authorised by him in this behalf and after the issue of audit certificate may be utilised for distribution as follows, namely:

- i) a) 25% of the net profits shall be carried each year to the credit of the Reserve Fund.

- b) A sum not less than 15% shall be carried to the Agricultural Credit Stabilisation Fund (and the amount so set apart together with the Stabilisation Fund created out of gross profits is not less than Rs. 15.00 lakhs per annum.)

The Agricultural Credit Stabilisation Fund shall be constituted, maintained and utilised as per the special rules framed by the GCC for the purpose.

- ii) One percent of the net profits subject to a maximum of Rs. 2,500/- shall be credited to the Cooperative Education Fund to be administered by the Andhra Pradesh State Cooperative Union out of the remainder.
 - a) Dividend on the share capital shall be paid to the members on the paid up share capital standing on their account on the 31st March of the last to an extent not less than fifteen percent of net profits.
 - b) Such portion as may be allotted by the General Body may be set apart for a fund to be called "Business losses and price fluctuation fund".
 - c) A sum not exceeding 10% of the net profits may be carried to the bad debts reserve, provided the amount so set apart together with the Risk Fund created out of the gross profits is not less than Rs.25 lakhs in each year.
 - d) A sum not exceeding 20% of the net profits may be carried to the building fund.
 - e) A sum not exceeding 1/12th of the basic pay drawn by an employee of the corporation during the year of profit or in accordance with the provisions of Bonus Act should it apply, may be paid as bonus to the members of the staff of the Corporation.

Any profit not appropriated in the manner specified above and all-undisbursable and indivisible profits shall be added to the Reserve Fund of the Corporation.

45. RESERVE FUND

- i) The Reserve Fund shall belong to the Corporation as a whole and is intended to meet unforeseen losses. No member shall have any claim to share in it.
- ii) The Reserve Fund of the Corporation shall not be invested or deposited except in one or more of the modes mentioned in the Act. The Corporation may, however, utilise with the previous sanction of the Registrar whole or part of its Reserve Fund in its business.
- iii) On winding up the Corporation, the Reserve Fund together with other funds constituted by the Corporation in accordance with the bye-laws, shall be applied by the liquidator to discharge such liabilities of the Corporation as may remain undischarged out of the assets of the Corporation in the following manner :

- a) The debts of the Corporation;
 - b) The paid-up share capital; and
 - c) claim relating to the dividend upon paid-up share capital the members on the date of winding up of the Corporation.
- iv) Any surplus funds remaining after the payments mentioned in clause (iii) of this bye-law shall be utilised in the following manner and subject to the following conditions namely;
- a) I shall be competent for the liquidator to constitute a trust out of the surplus funds of the corporation for the purpose of carrying out such object of public utility as may be suggested by the then General Body of the Corporation so wound up and approved by the Registrar. The liquidator may either by himself or on the suggestion of the said General Body, appoint a trustee who shall execute a deed in such form as the Registrar may, from time to time, specify and any trust so created shall be governed by the provisions of the law relating to public charitable trusts, for the time being in force.
 - b) Where the liquidator has not constituted any such trust the Registrar may place the surplus funds in the deposit or otherwise with a financing bank working in the area in which the corporation which is being wound up carried on its operation until a new society with similar objects is registered in the area, in which case the said surplus funds shall be transferred to the Reserve Fund of the new Society. If in the opinion of the Registrar there is no prospect of a new society being registered in such area within a reasonable time, the Registrar shall assign the amount to the bad debt or the reserve funds of financing bank working in such area.
 - c) The surplus funds shall be assigned by the Registrar to the Reserve Fund or other funds of any other financing bank to which the Societies working in the area in which the corporation being wound up being carried on its operation are affiliated. If there is no such financing bank working in the area, the Registrar shall deposit the said funds in the State Cooperative Bank until a new financing bank is formed in the area, in which case the said funds shall be transferred to the Reserve Fund of the New Financing Bank.

46. AMENDMENT TO BYE-LAWS

No amendment to alteration in or cancellation of bye-law, nor the enactment of a new bye-law shall be made except at a General Body meeting of the members or shall be deemed to have been passed unless a majority of the members present vote for it or shall not take effect until it shall have been approved and registered by the Registrar.

Provided that however, the Registrar, may if in his opinion consider that an amendment of the bye-law is necessary or desirable in the interest of the corporation in the manner prescribed in Rule-II of the Rules direct such amendment to the Bye-

laws and Register it. Such amendment shall have the same effect as an amendment of any bye-law made by the Corporation.

47. ACT AND RULES TO BE MADE AVAILABLE

The Corporation shall keep a copy of the Andhra Pradesh Cooperative Societies Act 7 of 1964, Andhra Pradesh Cooperative Societies, 1964, the Bye-laws of the Corporation, the last audited annual balance sheet, the profit and loss account, list of the members of the Corporation and Board of Directors, open to inspection by its members free of charge at all reasonable times at its registered office. It shall also permit such of the members who request to inspect such portion of the books and records in which transactions relating to them have been recorded.

48. PREPARATION OF LIST OF MEMBERS

The Corporation shall prepare a list of its members with their addresses as on the last day of each year ending with 31st March and furnish a copy of it to the Registrar within one month from the close of such year. The list shall be kept open at the office of the Corporation during the office hours for inspection by any member of the Corporation and it shall be the duty of the Managing Director to supply copies of the list of such of the members as desired to have them on payment of such fees as may be prescribed by the Board of Directors in this behalf.

49. USER OF PREMISES

The Corporation shall not use, or allow to be used any premises or portion thereof which is intended for its business for any purpose other than such business or other activity relating to the Corporation.

50. ACCOUNTS AND RETURNS

The Corporation shall prepare annually in such forms, as may be prescribed by the Registrar.

- a) A statement showing the Receipts and Disbursement for the year;
- b) A Balance Sheet;
- c) A Profit & Loss Account; and
- d) Such other statements as may be prescribed by the Registrar.

These statements shall be made upto 31st March and a copy of each shall be sent to the Registrar within fifteen days after the close of the year ending with 31st March. After the Registrar has verified the statements and granted his audit certificate, the Corporation shall publish such of the statements as the Registrar may direct in the manner prescribed by him.

51. DISPUTES

If any dispute touching the business of the Corporation (other than a dispute regarding election of the Board of Directors) and a dispute regarding disciplinary action taken by the Corporation or its Board of Directors against a paid employee of the Corporation arises.

- a) Amongst members, past members and persons claiming, through a member and deceased member, (or)
- b) Between member, past member or person claiming through a member, past member or deceased member and the Corporation or its Board of Directors or any officer agent or servant of the Corporation; (or)
- c) Between the Corporation or its Board of Directors and any past Board of Directors, any officer, agent or servant any past officer, past agent or past servant or the nominee, heirs or legal representatives of any deceased officer, deceased agent, deceased servant of the corporation; (or)
- d) Between the Corporation and any other registered Society, such dispute shall be referred to the Registrar for decision provided further that all disputes relating to the election to the members of the Board of Directors conducted by the Election Officers (Office of the Department) shall be referred to the tribunal as specified in Section-61(3) of the Act.

The Registrar may, on receipt of such reference

- i) Elect to decide the dispute himself; or
- ii) Transfer it for disposal to any person who has been invested by the State Government with powers in that behalf, (or)
- iii) Refer it for disposal to an Arbitrator.

The decision or award of the Registrar or the other person to whom the reference was transferred or by the Arbitrator to whom it was referred shall be final subject to the provisions.

- iv) of Sub-section (1) section 76 of the Act and it may be enforced in any of the following ways namely...
 - a) by an application to the Registrar of the district in which the cause of action arose that the decision or award as provided in Section-70 of the Act and Rule 52 of the Rules.
 - b) by an application made to the Collector of the district through the Registrar requesting that the amount due under the decision or award may be recovered in the same manner as arrears of Land Revenue;

and

- c) by an application to the civil court having jurisdiction over the subject matter of the decision or award as if it were decree of the court.
- v) The Government may subject to provisions of the Act and notwithstanding any thing contained in the Bye-laws by order direct the Registrar to make an enquiry under the Act in respect of any matter specified in the said order relating to Corporation and Registrar shall report to Government in due course the result of enquiry made or proceedings taken by him.

52. (a) SUMS STOLEN OR LOST

Should any sum belonging to the corporation be either stolen or otherwise lost and found irrecoverable, the Managing Director may write off sums not exceeding Rs.50,000/- in each case and with prior approval of the Board of Directors sums not exceeding Rs. 1,00,000/- in each case and sums exceeding Rs. 1,00,000/- with prior approval of the Board of Directors and the General Body.

(b) LOSSES IN NATURAL DRIAGE AND DEFICITS

It shall be competent to the Managing Director to write off losses in stock in trade due to natural driages and deficits subject to the percentages approved by the Board of Directors.

53. CONFLICT BETWEEN BYE-LAWS

Should there be a conflict between the bye-laws of the Corporation and bye-laws of any society affiliated to it the former shall prevail.

54. VETOING OF RESOLUTIONS

It shall be competent to the State Government to veto any or all the Resolutions passed by the Sub-Committee, the Board of Directors or the General Body till such time as the shares taken by the Government are re-deemed in full.

55. SUMS DUE BY THE CORPORATION

Any amount due by the corporation and not claimed within the period of limitation allowed by the Indian Limitation Act shall be added to the Reserve Fund of the Corporation.

ANNEXURE – I

To

The Managing Director,
Girijan Coop. Corpn. Ltd.,
VISAKHAPATNAM.

Sir,

1.
 - a) Name of the society
 - b) Address of the society
 - c) Area of operations
 - d) Admission number, if the Society is a member
 - e) Number of shares already held
 - f) Name of the other society or societies in which the society is already a member with dates of admission and share capital held.
 - g) Particulars of services already availed of by the Society in those societies in (f) as on date of application.

2. I, the undersigned, authorised in this behalf request you to admit the above society and allot the Society shares of Rs.100/- each. The Society undertakes full liability for the shares allotted to the Society and it agrees to pay an entrance fees at Rs. _____/- per share as prescribed in the Bye-laws. The Society shall abide by the existing bye-laws of your Corporation and those that may be enacted hereafter. It is certified that the Society was not expelled from membership of any Society within one year prior to this date.

The undersigned has been authorised by the Board of Directors/ General Body of the Society to sign the application on behalf of the Society.

Signature of the President
of the Application Society.

Enclosure : Certified copy of the Resolution of the Board of Directors or General Body authorising the President of the Society to apply for admission into the Girijan Cooperative Corporation and to sign the application on behalf of the Society.

REGISTER OF APPLICATIONS FOR ADMISSION INTO THE

Sl. No.	Name of the Applicant	Address of the applicant	Date of receipt of application by the Society	Amount, if any remitted	Date of the Meeting of the Board of Management in which the application is placed for consideration	Decision of the Board of Management
1.	2.	3.	4.	5.	6.	7.

Date of expiry of 15 days from the date of decision of the Board	Date of expiry of 60 days from the date of application	Date of communication of the decision of the Board of Directors	If automatic admission is claimed under section 19 (3) the date on which the applicant remitted share capital etc.	The amount of share capital and other fees remitted by the applicant claiming automatic admission	Initials of the Managing Director	Initials of the Auditor.
8.	9.	10.	11.	12.	13.	14.