Bye-laws of societies. –

(1) Except on such specific matters which the Act has provided the functioning of every Co-operative Society shall be regulated by its bye-laws subject to the provision of this Act.

(2) The bye-laws of the Co-operative Society may provide for the following matters : -

a) The name, address and area of operation of a Co-operative Society,

b) The objectives of the Co-operative Society explicitly (stated as a common central need of the members),

c) The Co-operative principles as described in section 3,

d) The services to be provided to its members,

e) Eligibility for obtaining membership,

f) Procedure for obtaining membership,

g) Conditions for continuing as member,

h) The time limit before which a potential member must seek and obtain membership, in order to continue to use the services of the co-operative society,

i) Procedure for withdrawal/transfer of membership,

j) Procedure for termination and cessation of membership,

k) Rights of members,

l) Fixation of minimum performance required annually of each members vis-à-vis use of services, financial commitments and participation in meetings in order to be eligible to exercise the rights of membership including the right of vote,

m) The consequences of default in payment of any sum due by a member,

n) The nature and amount of capital, if any, of the Co-operative Society,

o) The maximum capital to which a single member can subscribe,

p) The nature and extent of the liability of the members for the debts contracted by the Co-operative Society,

q) The sources and types of funds to be raised by the Co-operative Society,

r) The purposes for which the funds may be applied,

s) The extent and conditions under which deposits, loans, debentures and other funds may be mobilized,

t) The conditions and purposes for which State aid and aid from other financial institutions may be sought and obtained,

u) The manner of disposal of surplus,

v) The constitutions of various funds, reserves and their purpose,

w) The manner of convening general and other special meetings and quorum thereof
x) The frequency of general meetings,
y) The role of general body and the matters to be placed before the general body,
z) The manner of amending bye-laws,
aa) The procedure for conducting elections,
bb) The procedure for conducting election in case the Co-operative Society fails to do so,
cc) The size and constitution of the board,
dd) Eligibility for becoming director,
ee) Conditions for retaining directorship,
ff) The tenure of the directors, chairperson and other office-bearers,
gg) The procedure for removal of directors and for filling of vacancies,
hh) The manner of convening board meetings and quorum,
i) The frequency of board meetings,
jj) Powers and functions of the board,
kk) Powers and functions of office-bearers including the chair-person,
ll) Powers and functions of the Chief-Executive,
mm) Penalties for acting against the interests of members and for non-fulfilment of duties by members, directors and the staff,
nn) The appointment and role of auditor and procedure for conduct of audit where the Co-operative Society fails to make necessary arrangements and the time limit for audit compliance,
oo) The authorization of an officer or officers to sign documents and to institute and defend suits and other legal proceedings on behalf of the Co-operative Societies,
pp) The terms on which a Co-operative Society may deal with non-members,
qq) The terms on which a Co-operative Society may associate with the other Co-operative Societies,
rr) The terms on which a Co-operative Society may deal with organizations other than Co-operative Societies,
ss) The rights, if any, which the Co-operative Society may confer on any Co-operative Society or other federations and the circumstances under which these rights may be exercised by the federations,
tt) The manner of disposal of funds if the Co-operative Society is under liquidation,
uu) The accounting year for the Co-operative Society,
vv) Transfer of shares and interest in the name of a nominee in case of death of a member,
ww) The manner of dissolution of the Co-operative Society,
xx) Restriction, if any, on service to non-members,
yy) Organize self-help groups of people living in its area to conduct education and training programme,
zz) Special measures for women, and members of scheduled castes and scheduled tribes and other weaker sections including provision for their representation on the board,

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Bye-laws of societies. –

(1) A registered society shall subject to the provisions of the Act and these rules; make bye-laws in respect of the following among other matters, namely: -

a) The area of its operation;
b) The objects of the society and the ways and means of carrying out those objects;
c) The purpose to which its funds are applicable, the manner in which capital may be raised; and the custody and investment of its funds;
d) The qualifications for admission to membership, the continuance of such membership and the condition of cessation of or expulsion from membership;
e) The rights and liabilities of members, and the consequences of default in payment of any sum due by a member to the society;
f) The mode of holding general meetings of the managing committee or any other committee of the society and the powers and duties which may be exercised and performed by such committee;
g) The mode of appointment, suspension and removal of the members of the managing committee and of the officers of the society and the duties and powers of the committee and officers; and
h) The authorisation of any officer or officers of the society to sign documents on its behalf.

(2) If the objects of the society include the creation of funds to be lent to members, the society shall also make bye-laws in respect of -

a) The purposes for which and the security on which loans may be granted:
b) The maximum liability which the society may incur:
c) The maximum limit of loan which may be advanced to a member:
d) The terms and conditions subject to which loans may be granted and extension of time for repayment:
e) The maximum rates of interest of lendings, and
f) The disposal of profits and the maximum dividend payable on paid-up share capital.

(3) In case of registered society having as its objects the purchase, sale, production or distribution of commodities and such other objects, the society may make bye-laws in respect of the mode of conducting the business of purchase, sale and stock-taking.

(4) A registered society may make bye-laws in respect of any other matter incidental to the management of its affairs.