

BYE-LAWS OF THE PRAV COOPERATIVE

1. NAME

The name of the Multi-State Cooperative Society shall be The Prav Cooperative .

2. REGISTERED OFFICE

1. The Registered Office of the Society shall be at :
399, Ward- 2, Karukampilly, Thabore P O, Poothemkutty, Ernakulam Dist , Kerala - 683577 .
2. The e-mail address of the society shall be :

contact@prav.app

Any change in the address and e-mail address or the registered office shall be intimated to the Central Registrar within 15 days of its change and also published in local newspaper and shall be made by an amendment of its bye-laws after following the procedures laid down in Section 11 of the Multi-State Cooperative Societies Act, 2002.

3. AREA OF OPERATION

The area of operation of society shall be presently confined to the States of Kerala and Maharashtra. In future, it is expected that the operating activities may be extended to more states if found necessary.

4. DEFINITIONS

The words/ expressions appearing in these bye-laws shall have the following meaning unless otherwise provided:

1. " Act " means the Multi-State Cooperative Societies (MSCS) Act, 2002 as amended from time to time;
2. " Area of Operation " means the area from which the persons can be admitted as members of the society;
3. " Authority " means the Cooperative Election Authority established under sub-section (1) of section 45 of the Act;
4. " Board " means the Board of Directors of the Society;
5. " Bye-laws " means the bye-laws of the Society for the time being in force which have been duly registered or deemed to have been registered under the MSCS Act, 2002 in force and includes amendments thereto which have been duly registered or deemed to have been registered under the Act;
6. " Central Registrar " means the Central Registrar of Cooperative Societies appointed as per clause (f) of Article 243- ZH of the Constitution read with sub-section (1) of Section 4 of the MSCS Act, 2002, and includes any Officer empowered to exercise the powers of the Central Registrar under sub-section (2) of that section ;
7. " Chief Executive " means Managing Director of the Society;
8. " Cooperative Ombudsman " means the Ombudsman appointed by the Central Government under section 85A of the Act;

9. " Cooperative Principles " means the cooperative principles as specified in the first schedule of the MSCS Act, 2002;
10. " Cooperative Society " means a cooperative society registered or deemed to be registered under any laws relating to cooperative societies for the time being in-force in any State or Union Territory;
11. "Digitally Signed" means a digital authorisation (such as an email or a text message) that has been signed using the Signer's OpenPGP private key, after the corresponding OpenPGP public key has been officially recorded in the Cooperative register.
12. " Defaulter " means a member who has defaulted in payment of any kind of dues payable to the Society;
13. " Delegate " means a person who is duly appointed/ elected by the members of the society or part thereof in accordance with its bye-laws as its representatives to the General Body of the society or a person who is duly authorized body of the society of which the society is a member;
14. " Federal Cooperative " means a federation of cooperative societies registered under the MSCS Act, 2002 and whose membership is available only to a cooperative society or a multi-state cooperative society;
" Federated" means there are more than one service providers and they are interoperable (use the same protocol to talk to each other);
15. " Financial Year " means the period from 1st of April to 31st March;
16. " Free Software " means software that respects users' freedom to run, study, modify, share and share the modified versions. It doesn't necessarily mean that the software will be free of cost. These freedoms are granted through copyright licences. We will use the classification by the Free Software Foundation to determine if a copyright licence qualifies as a Free Software licence;
17. " General Body ", means all the members of the Society, and includes a body constituted under the provisions of the Act;
18. "General Meeting" or "General Body Meeting" means a meeting of the General Body of the society and includes special General Meeting;
19. " Member " means person joining in the application for the registration of the society and includes a person admitted to membership after such registration in accordance with the provisions of the Act, the Rules and the Bye laws;
20. " Multi-State Cooperative Society " or "MSCS" means a cooperative society registered or deemed to be registered under the MSCS Act, 2002;
21. " National Cooperative Society " means a Multi-State Cooperative Society specified in the second schedule to the MSCS Act, 2002;
22. " Officer " means a President, Vice-President, Chairperson, Vice-Chairperson, Managing Director, Secretary, Manager, Members of the Board, Treasurer, Liquidator, an Administrator, appointed under Section 123 and includes any other persons empowered under MSCS Act, 2002 or the rules or the bye-laws to give direction in regard to business of the society;
23. "OpenPGP" means the open cryptographic standard used to encrypt and digitally sign electronic data.
24. "OpenPGP private key", "PGP private key", or "private key" means the private component of a keypair as defined by the OpenPGP standard, that can be used by its owner to encrypt or digitally sign electronic data (such as text messages or documents) .
25. "OpenPGP public key", "PGP public key", or "public key" means the public component of a keypair as defined by the OpenPGP standard, that can be used to decrypt data from and verify signatures of electronic data encrypted or signed by the corresponding private key.
26. "OpenPGP key ID", "PGP key ID", or "key ID" means a shortened identifier described by the OpenPGP standard and used to identify an OpenPGP public key.
27. " Person " means an adult individual, proprietary concern, a partnership firm duly registered under

the Indian Partnership Act, 1932, a Company or any other body corporate constituted under the law for the time being in force, a society registered under the Societies Registration Act of 1860, a Trade Union registered under the Trade Union Act 1926, State Government and Public Trust registered under any law for the time being in force for registration of such trusts subjects to amendment in the Act;

28. " Privacy Respecting Messaging " means users of the service can have privacy for the messages shared via the service using end to end encryption;
29. " Rules " means the Multi-State Cooperative Societies Rules, 2002 and as amended from time to time;
30. " Society " means The Prav Cooperative.
31. Unless the context otherwise requires, words and expressions used and not defined herein, shall have the same meaning respectively assigned to them under the MSCS Act, 2002, and the MSCS Rules, 2002, as may be amended from time to time.

5. OBJECTIVES AND FUNCTIONS

The following are the objectives and functions of the society:

1. Promote social and economic betterment of members and the Society as a whole through self-help and mutual aid in accordance with cooperative principles specified in the First Schedule of the Act;
2. Issue shares to the members;
3. Raise funds for business of the society;
4. Accept grants, subsidies, assistance and concessions from internal and external sources subject to any law for the time being in force;
5. To promote self-help, the spirit of co-operation, harmony and integrity among members;
6. To accept deposits from members;
7. To make loans and advances to members;
8. To invest in Free Software, Federated, Privacy Respecting Messaging and allied activities adhering to Social Contract as defined below, to engage in marketing and distribution of Free Software, Federated, Privacy Respecting Messaging Apps and Services for the benefits of the members. We shall adhere to our Social Contract, as recorded below :
 1. We will put rights of users above profit;
 2. Our products will always be committed to user privacy;
 3. Our apps and services will always respect users' freedom (100% Free Software app and service);
 4. Our service will be interoperable using a free standard (federated with any XMPP service). We will not compel anyone to use our app or service to talk to users of our service. Our users can switch to any other service provider without losing the ability to talk to their existing contacts (similar to sim cards provided by telecom operators);
 5. We will donate, whenever possible, to the projects we rely on.
9. To purchase, construct or to take on lease or for rent lands and buildings for the conduct of the business of the society and to surplus space, if any, on rent;
10. To take over other multi-state cooperative societies for the benefits of the members and the society;
11. To establish and to supervise such similar activities for the economic benefits of the members;
12. To give financial and technical assistance for the self-employment of the members;
13. To borrow funds from banks, central and state government or financial institutions or other persons for the business of the society;

14. To open branch offices, regional offices or zonal offices for the smooth working of the affairs of the society;
15. To recruit staff members, franchisees, consignees, agents, distributors, consultants etc., for the business of the society and to outsource the business activities, if necessary;
16. To establish centres for imparting training to members, employees and to the public for Free Software based tools for enhancing their privacy;
17. To provide fiscal hosting services (offer to accept donations, reimburse expenses etc) to communities that share any of our goals (like promoting Free Software, privacy, interoperability etc).
18. To do such other business which will be permitted for cooperative societies by the Governments.

6. RAISING OF FUNDS

1. The funds of the society shall be raised in the following manner:
 1. Share Capital
 2. Admission
 3. Subscription
 4. Deposits
 5. Loans, Cash Credits, Overdrafts from any financial institutions
 6. Donations, grants and subsidies
 7. Contributions
 8. Profit
2. The funds of the Society shall be applied to achieve the objectives of the Society.

7. MAXIMUM BORROWING LIMITS

The total amount of loans received shall not exceed such multiples as may be determined by the Central Government of the sum of subscribed share capital and accumulated reserves minus the accumulated losses.

8. SHARES

The authorized share capital of the Society shall be Rs. 50,00,000/- (Rupees Fifty Lakhs) consisting of the following:

1. 50,00,000 'A' class shares of Rs. 1000/- each to individual members.
2. The maximum number of shares that can be held by any individual member is limited to 100 (One hundred) 'A' class shares of Rs. 1000 (One thousand) each.

9. MEMBERSHIP

The society shall have only one type of membership i.e., "Ordinary members".

10. ORDINARY MEMBERS

No person shall be admitted as a member of the Society except the following, namely: -

1. An individual, competent to contract under section 11 of the Indian Contract Act, 1872;
2. Any Multi-State Cooperative Society or any Cooperative Society;
3. Such class or classes of persons or associations of person may be permitted by the Central Registrar having regard to the nature and activities of a Multi-State Cooperative Society.

11. CONDITIONS FOR ORDINARY MEMBERSHIP, APPLICATION, AND ITS DISPOSAL

1. An applicant will be enrolled as ordinary member upon fulfilling the following conditions: -
 1. They have applied in writing in the prescribed form or filled the form online via website of the Society, i.e. Prav.
 2. They have paid admission fee of Rs.100 and acquired at least one share of the Society.
 3. They have fulfilled all other conditions laid down in the Act, the Rules and the Bye-laws.
 4. The Board of Directors of the Society approves the application to admit as a member.
2. No person shall be eligible for an admission as a member of the Society if they: -
 1. Have not attained the age of 18 years.
 2. Have been adjudged by a competent court to be an insolvent or an undischarged insolvent.
 3. Have been sentenced for any offence, other than offence of a political character or an offence not involving moral turpitude and dishonesty and a period of five years has not elapsed from the date expiry of the sentence.
3. No right of membership shall be exercisable until a person has paid all dues to the Multi- State Cooperative Society including the payment in respect of membership or has availed such minimum level of product or services as specified in these bye-laws from time to time.
4. The application for membership of the Society shall be submitted by the applicant to the Chief Executive of the Society in the prescribed form or filled the form online via website of the society, i.e., Prav, accompanied by admission fee of Rs. 100 . An applicant shall also subscribe at least one fully paid share at the time of application.
5. The application for membership of the Society found complete in all respects shall be disposed of within a period of four months from the date of receipt of the application by the Society and the same shall be communicated to the applicant within 15 (fifteen) days of the decision.

12. INCLUSION OF OPENPGP PUBLIC KEYS TO MEMBERSHIP RECORDS

1. In order to be able to cast votes remotely, a Member may choose to include their OpenPGP public keys in the Membership records held by the Society. Presence or absence of OpenPGP keys shall not impact a Member's ability to vote in person through traditional means.
2. A Member may, either during the time of application or at any other time, choose to submit their OpenPGP public key for inclusion in their Membership records. Inclusion of this public key is subject to technical conditions that may be prescribed by the Board of Directors from time to time.
3. In the case of an OpenPGP public key being added after Membership, a prescribed online form shall be provided to the applicant:
 - i. In place of a full public key, the applicant may be allowed to provide their OpenPGP key ID, provided their full public key is available (a) on an OpenPGP keyserver on a list of recommended servers that may be prescribed from time to time, or (b) on an OpenPGP keyserver specified by the applicant, provided that the application may be rejected if such keyserver is not accessible by the person(s) or computer system(s) in charge of processing the application.
4. An application found complete in all respects shall be processed within 30 (thirty) days of receipt of the application by the Society, and the same shall be communicated to the applicant within 15 (fifteen) days of the decision.

13. VOTES OF MEMBERS AND MANNER OF VOTING

1. Every Member of the Society shall have only one vote in the affairs of the Society.
2. In case of equality of votes, the Chairperson shall have a casting vote.

3. Every Member of the Society shall exercise their vote, either in person or remotely, and no Member shall be permitted to vote in proxy.
4. A Member may cast their vote remotely, subject to the following conditions:
 - a. The Member's OpenPGP public key must be on the records of the Society and linked to their membership details as per Section 13 of these Bye-Laws;
 - b. The vote must be digitally signed using the OpenPGP private key corresponding to the public key on the Society's records;
 - c. The signed content must include the following, either in plaintext or in a suitably standardised digital format:
 - i. The full content of the resolution that is being voted upon;
 - ii. One of the terms "Agree", "Disagree", or "Abstain", or equivalents that may be prescribed through resolutions from time to time and made clear in either the text of the resolution or on an included preamble;
 - iii. The date and time of voting
 - d. Remote voting may take place either:
 - i. during the course of a remote meeting; or
 - ii. no more than 72 (seventy two) hours from the conclusion of the meeting (either physical or remote) at which the resolution to be voted upon was proposed, provided a quorum was present at the meeting
 - e. The Member voting remotely must have held the right to vote through ordinary means, had they been physically present at the time of the meeting where the resolution was drafted.

14. RIGHTS AND DUTIES OF MEMBERS

The members shall have the following rights and duties: -

1. Every member of the society shall have one vote in the affairs of the society.
2. A member shall be entitled to exercise their right as a member from the date of admission as a member.
3. To receive notice of General Body Meetings as per the bye-laws of the Society.
4. To attend and take active part in the proceedings of the general body meeting.
5. To take part in elections and contest for any post as per provision of the Act, Rules and Bye-laws of the Society.
6. To inspect the member's registers, books of account or any other record and obtain certified copies of the resolutions or documents on a payment of fee of Rs. 100 or as may be prescribed by the Board of Directors from time to time.

15. DISQUALIFICATIONS FOR MEMBERSHIP

No person shall be eligible for being or continuing as a member of the Society if: -

1. Their business is in conflict or competitive with the business of the Society.
2. They have defaulted in payment of any dues including contributions, subscriptions, if any, and has not settled said dues within thirty days after receipt of notice thereof and such defaulters will be disqualified from the membership of the Society.
3. They have not attended three consecutive general body meetings of the society and such absence has not been condoned by the members in the general body meeting of the Society.
4. They have not transacted with the Society at least once in two years.
5. They are recognised as an undischarged insolvent by a competent court .

16. WITHDRAWAL AND RESIGNATION OF A MEMBER

1. A member may withdraw and resign their membership after two years and giving at least 3 months' notice in writing and withdraw their share capital with the approval of the Board of Directors. The date of withdrawal of share capital shall be considered their "date of resignation".
2. The approval shall not be given while such a member is indebted, to the Society. During any financial year, the aggregate withdrawals shall not exceed 10% of the total paid-up share capital as of 31st March of the preceding years.
3. A member who withdraws or resigns the membership will not be allowed to become a member again for a period of two years from the date of the resignation unless they repay the amount withdrawn by them from the Society .

17. EXPULSION OF A MEMBER

1. Society may by a resolution passed by a majority of not less than 2/3 (two thirds) of the Members present and voting at a General Meeting held for the purpose, expel a Member for acts, which are detrimental to the proper working of the Society.
2. On expulsion from the Society, in accordance with the provisions of the Act and the Rules, a person will cease to be a member. Such expulsion may involve forfeiture of shares at the sole discretion of the Society. Provided that the member concerned shall not be expelled unless they have been given a reasonable opportunity of making representation in the matter.
3. No member of the Society who have been expelled shall be eligible for readmission as a member of the society for a period of three (3) years from the date of such expulsion.

18. CESSATION OF MEMBERSHIP

The membership of the Society may cease in case of: -

1. Resignation of member duly approved by the Board or death of the member.
2. Cancellation of registration of the member of Society.
3. Transfer of all the shares to another member of the Society.
4. Expulsion of member by the general body.
5. Incurring any of the disqualifications of membership.

19. NOMINAL / ASSOCIATE MEMBER

"The society has only ordinary members"

20. SHARE CERTIFICATE

1. Every person admitted as a member of the society shall be entitled to receive in gratis a digital Share Certificate stating the number of share(s) and their distinctive number(s) and the value thereof. The Chairperson or any Director duly authorized, and the Chief Executive shall sign the share certificates.
2. The Share Certificate shall bear the Society's' seal.
3. If any certificate were worn out, deface, mutilated, destroyed or lost, new share certificate may be issued in lieu thereof on payment of a fee as prescribed by the Board per share certificate, and upon the delivery of the worn out or defaced original for cancellation, and in the case of destruction or loss of the original, upon production of proof thereof to the satisfaction of the Board and on giving indemnity as the Board of Directors may be deemed require and upon such terms and conditions as the Board of Directors may think fit.

21. NOMINATION

1. A member may nominate a person to receive the member's interest in the Society after their death. Nomination shall be made in the prescribed form and entered in the register kept in the Society for the purpose. Prior approval of the Board shall be necessary if the person to be nominated is an employee of the Society.
2. Nomination can be revoked, and fresh nomination be made at any number of times after due intimation in writing to the Society and on payment of prescribed fee as may be determined by the Board of Directors from time to time for every subsequent nomination.

22. DEATH OF A MEMBER

On death of a member, the Society may pay to the person or persons nominated a sum representing the value of the member's interest in the Society within six months from the death of the member. In the absence of nomination, the Society may pay to such person or persons as may appear to the Board of Directors to be entitled to receive the same as heir or legal representative of the deceased member on their executing an appropriate deed of indemnity in favour of the Society.

23. LIABILITY OF A MEMBER

The liability of a member shall be limited to the share capital subscribed by them.

24. LIABILITIES OF PAST MEMBERS AND ESTATE OF A DECEASED MEMBER

1. The liability of a past member or of the estate of a deceased member of the Society for the debts of the Society as the existed -
 - a. In the case of a past member, on the date on which they ceased to be a member.
 - b. In the case of the deceased member, on the date of their death, shall continue for a period of two years from such date.
2. However, where the Society is ordered to be wound up under Section 86 of the Act, the liability of a past member who ceased to be a member or of the estate of a deceased member who died within two years immediately preceding the date of the order of winding up, shall continue until the entire liquidation proceedings are completed, but such liability shall extend only to the debts of the society as the existed on the date of cessation of membership or death, as the case may be.

25. LIEN ON SHARES, DIVIDENDS AND DEPOSITS

The Society shall have the first and paramount lien or charge upon all the shares, dividends and deposits of any member or past member for all the shares, dividends and deposits of any member or past member for all dues from them to the Society from time to time. The Society may set off any sum credited by or payable to the member or past member against payment of any liability of such member or past member.

26. TRANSFER OF SHARES

A member may transfer his share(s) after holding them for not less than one year to another member. The Board of Directors may approve such transfer of shares from the existing members on compliance of such conditions as may be fixed by the Board of Directors.

27. GENERAL BODY

1. The General Body of the Society shall consist of all members of the Society.

2. Subject to the provisions of the Act, the Rules and the Bye-laws, the ultimate authority of the Society shall vest in the General Body.

28. POWERS AND FUNCTIONS OF THE GENERAL BODY

The Board of the Society under a resolution shall within six months after the close of the corresponding financial year call the Annual General Meeting at the principal place of business of the Society for the purpose of: -

1. Consideration of the audited statement of accounts.
2. Consideration of the audit report and annual report.
3. Consideration of audit compliance report.
4. Disposal of net profits.
5. Review of operational deficit, if any.
6. Creation of specific reserves and other funds.
7. Approval of the annual budget.
8. Review of actual utilization of reserve and other funds.
9. Approval of the long-term perspective plan and the annual operational plan.
10. Review of annual report and accounts of subsidiary institution, if any.
11. Expulsion of members.
12. Approving the list of employees who are relatives of members of the board or of the Chief Executive.
13. Amendment of Bye-laws, if any.
14. Formulation of code of conduct for the members of the board and officers.
15. Election of members of the board, if any.
16. Approval for appointment of Auditors & fixation of remuneration.
17. Approving a statement showing the details of the loans or goods on credit, if any, given to any of the members of the board or to the spouse or a son or daughter of a member of the board during the preceding year or outstanding against them or against such spouse or son or daughter of the member of the board.
18. Any other matter to be laid before it by the Board of Directors.

29. SPECIAL GENERAL BODY MEETING

Any time on the direction of the board, Chief Executive can convene special General Meeting of the Society and shall call such meeting within one month after the receipt of a requisition in writing from the Central Registrar or 1/3 (one third) of total members.

30. NOTICES FOR ANNUAL GENERAL BODY MEETING AND THE SPECIAL GENERAL BODY MEETING

1. Annual General Meeting of the Society may be called by giving not less than 14 days' notice in writing to all the members of the Society.
2. Special General Meeting of the Society may be called by giving not less than 7 days' notice in writing to all the members of the society.
3. The notice of the Annual General Meeting shall be accompanied by a copy of each of the audited balance sheet, profit and loss account together with the auditor's report relating to the preceding year and the report of the Board of Directors thereon, notice of election to the Board of Directors, if any and amendment to Bye-laws, if any.
4. The notice of the General Meeting shall be sent to the members by any of the following modes, namely: -

- a. By local delivery
 - b. Under postal certificate
 - c. By publication in the newspaper having wide circulation.
 - d. By electronic mail delivered to the respective members
5. Notice of the General meeting shall also be affixed on the notice board of the Society and its branches, if any.

31. QUORUM OF THE GENERAL BODY MEETING

1. The quorum for a general meeting shall be 1/5 (one fifth) of the total number of members or 30 members, whichever is less.
2. No business shall be transacted at any general meeting unless there is a quorum at the time when the business of the meeting is due to commence.
3. If within half an hour from the time appointed for the meeting, the quorum is not present, then the meeting shall stand adjourned, provided that a meeting which has been called on requisition of the members shall not be adjourned but dissolved.
4. If at any time during the meeting, sufficient number of members are not present to form quorum, the Chairperson or the member presiding over the meeting on their own, or on their attention being drawn to this fact, shall adjourn the meeting and the business that remains to be transacted at this meeting, if any, shall be disposed of in the usual manner at the adjourned meeting.
5. Where a meeting is adjourned under sub-clause (3) or (4), the adjourned meeting shall be held either on the same day or on such date, time and place as may be decided by the Chairperson or the member presiding over the meeting; but within seven days of the adjourned meeting.
6. No other business shall be transacted at any adjourned meeting other than the business on the agenda of the adjourned meeting.
7. The adjourned meeting will transact its regular business even without the quorum being present at the meeting.

32. CHAIRPERSON OF THE GENERAL BODY MEETING

The Chairperson of the Board of Directors shall preside over the General Body Meeting. In their absence, the Vice Chairperson and in their absence the members of the Board of Directors shall elect one of the members to preside the general body meeting.

33. RESOLUTIONS TAKEN BY THE GENERAL BODY MEETING

Unless otherwise specifically provided in the Act, Rules and the Bye-Laws, resolutions shall be carried by a majority of votes. Votes shall be taken by show of hands unless fifteen members demand poll, in which case, a poll shall be taken. However, the election to the Board of Directors shall be held by secret ballot as per the procedure mentioned in the election schedule annexed to MSCS Rules 2002.

34. MINUTES OF THE GENERAL BODY MEETING

Minutes of the General Body Meeting shall be entered, in the minutes book kept for the purpose within thirty days of conclusion of the meeting and shall be signed by the Chairperson and Chief Executive of the society. The minutes so signed, shall be evidence of the correct proceedings of that meeting.

35. BOARD OF DIRECTORS

1. The affairs of the Society shall be managed by the Board of Directors consisting of the following:

- a. Ten Directors to be elected by the 'A' class members in the general body.
- b. The Chief Executive, who is the ex-officio member of the Board of Directors.
2. All the Directors except the Chief Executive and Government nominee shall be elected by the members in the General Body Meeting.
3. The elected Directors shall hold office for a period of two years from the date of election.
4. No person shall hold office in the Board of Directors for more than five consecutive terms. In addition, no person shall sit on the Board for a cumulative period exceeding twenty years.
5. The Board shall have one Member from Scheduled Caste or Scheduled Tribe and two women, if society consists of individuals and has Members from such class or category of persons.

36. POWERS AND FUNCTIONS OF THE BOARD OF DIRECTORS

1. The Board of Directors may exercise all such powers as may be necessary or expedient for the purpose of carrying out its function under the Act.
2. Without prejudice to the generality of the foregoing powers, such powers shall include the following powers: -
 - a. To admit members.
 - b. To elect Chairperson and Vice-Chairperson of the society;
 - c. To interpret the organizational objectives and set up specific goals to be achieved towards these objectives.
 - d. To make periodic appraisal of operations.
 - e. To appoint and remove a Chief Executive Officer or other employees of the Society as are required to be appointed by the Chief Executive.
 - f. To recruit employees through a transparent, objective, and adequately publicised competitive process, and as per specified educational and experience criteria as laid down in these Bye-laws as laid down by the Board of Directors
 - g. To make provisions for regulating the appointment of employees of the Society and the scales of pay, allowances and other conditions of service of, including disciplinary action against, such employees.
 - h. To place the annual report, annual-financial statements, annual plan and budget for the approval of the general body.
 - i. To consider audit and compliance report and place the same before the general body.
 - j. To acquire or dispose of immovable property.
 - k. To review membership in other cooperatives.
 - l. To approve annual and supplementary budget.
 - m. To raise funds.
 - n. To sanction loans to the members.
 - o. To take such other measures or to do such other acts as may be prescribed or required under the Act or the bye-laws or as may be delegated by the General Body.

37. DISQUALIFICATION FOR BEING A MEMBER OF THE BOARD

1. A member of the Society shall be ineligible for being elected as, or for being a member of the Board, if such member -
 - a. gets adjudged by a competent court to be insolvent or of unsound mind;
 - b. is concerned or participates in the profits of any contract with the society;
 - c. gets convicted for an offence involving moral turpitude;
 - d. holds any office or place of profit under the society;
 - e. Provided that the Chief Executive or such full-time employee of the Society as may be notified by the Central Government from time to time or a person elected by the

- employees of such Society to represent them on the board of such Society shall be eligible for being chosen as, or for being, a member of such board;
- f. becomes member of the Society for less than twelve months immediately preceding the date of such election or appointment;
 - g. gets interested in any business of the kind carried on by the Society of which he is member;
 - h. takes loan or goods on credit from the Society of which they are a member, or is otherwise indebted to such society and after the receipt of a notice of default issued to them by such Society, has defaulted;
 - i. in repayment of such loan or debt or in payment of the price of the goods taken on credit, as the case may be, within the date fixed for such repayment or payment or where such date is extended, which in no case shall exceed six months, within the date so extended, or
 - ii. when such loan or debt or the price of goods taken on credit is to be paid in instalments, nonpayment of any instalment, and the amount in default or any part thereof has remained unpaid on the expiry of six months from the date of such default:
 - iii. Provided that a member of the board who has ceased to hold office as such under this clause shall not be eligible, for a period of one year, from the date on which they ceased to hold office, for re-election as a member of the board of the MSCS of which they were a member or for the election to the board of any other MSCS;
 - i. is a person against whom any amount due under a decree, decision or order is pending recovery under this Act;
 - j. is retained or employed as a legal practitioner on behalf of or against the MSCS, or on behalf of or against any other MSCS which is a member of the former Society.
Explanation - For the purpose of this clause, "legal practitioner" has the same meaning as in Clause (i) of sub-section (1) of section 2 of the Advocates Act, 1961 (25 of 1961);
 - k. has been convicted for any offence under this Act ;
 - l. is disqualified for being a member under Section 29 of the Act ;
 - m. has been expelled as a member under Section 30 of the Act;
 - n. remains absent in the three consecutive board meetings and such absences has not been condoned by the Board;
 - o. remains absent in the three consecutive General Body meetings and such absences has not been condoned by the members of the General Body.
1. A person shall not be eligible for being elected as member of Board of the Society for a period of five years if, the Board fails:
 - a. to conduct election of the Board under Section 45 of the Act; or
 - b. to call the general body meeting under Section 39 of the act; or
 - c. to prepare the financial statement and present the same in the annual general meeting.

38. REMOVAL OF THE ELECTED MEMBER OF THE BOARD BY THE GENERAL BODY

An elected member of the Board, who has acted adversely to the interests of the Society, may on the basis of a report of the Central Registrar or otherwise be removed from the Board upon a resolution of the General Body passed at its meeting by a majority of not less than 2/3 (two thirds) of the members present and voting at the meeting.

Provided that the member concerned shall not be removed unless they have been given a reasonable opportunity of making a representation in the matter.

39. VACANCY IN THE BOARD OF DIRECTORS

If any vacancy arises in the Board of Directors, it shall be filled by election by the members in the General Body for the remaining unexpired term of the Board.

1. The term of the office of the elected members of the Board shall be 2 years from the date of election.
2. The Board may fill casual vacancies up to one-third of number of elected Directors on the board by nomination out of the same class of members in respect of which the casual vacancy has arisen, if the term of office of the Board is less than half of its original term. In case the number of such casual vacancies in the same term of the board exceeds one-third of number of elected directors, such vacancies shall be filled by elections.

40. MEETING OF THE BOARD OF DIRECTORS

1. The majority (greater than 50% of the current strength of the Board) shall decide any question brought forward for discussion at the meeting of the Board of Directors. In case of equality of votes, the Chairperson shall have a casting vote.
2. The proceedings of the meetings of the Board shall be recorded in the minute book to be kept for the purpose.
3. The Chief Executive shall convene the meeting of the Board at the instance of the Chairperson of the Society. In a situation where the Chairperson fails to direct the Chief Executive to convene the meeting of the Board within the quarter, such Chief Executive shall convene the meeting on the basis of requisition of the Vice-Chairperson or any other Member of the Board;
4. The Chief Executive may also convene the meeting on the basis of requisition from at least fifty per cent. of Members of the Board;
5. The Board of Directors shall meet at least once in every quarter.
6. The meetings of the Board of Directors shall normally be held at the registered office of the Society. In exceptional cases, the meetings of the Board may be held at any other place as decided by the Board but within the area of operation of the Society.
7. The meetings of the Board of Directors shall be presided over by the Chairperson or in his absence the Vice-Chairperson and in the absence of both, any other Member of the Board chosen by the Members of the Board present from amongst themselves at the meeting, shall preside over the meeting;
8. Seven days' notice shall ordinarily be necessary for the meeting of the Board of Directors;
9. The quorum of the Board Meeting shall consist of three elected Directors or 1/3 (one third) of its total number of elected directors, whichever is higher.

41. COMMITTEES OF THE BOARD

1. The Board of Directors shall constitute an Executive Committee and other committees, or sub-committees as may be considered necessary, provided that other committees or sub-committees, other than the Executive Committee shall not exceed three at a given point of time.

Provided that the Board shall constitute -

- a. an Audit and Ethics Committee;
- b. a Committee on prevention of sexual harassment at workplace.

42. CHAIRPERSON AND VICE CHAIRPERSON

There shall be a Chairperson and a Vice-Chairperson elected by the Board of Directors from among themselves. In the absence of the Chairperson, the Vice Chairperson shall preside over the Meeting of the General Body. The term of office of the Chairperson and Vice Chairperson shall be coterminous with the

term of the elected Members of the Board unless Chairperson or Vice Chairperson ceases to be a Director earlier. In case of any vacancy within this period, the Board shall fill up the vacancy through re-election for the un-expired term of the Board among themselves.

43. POWERS AND FUNCTIONS OF THE CHAIRPERSON

The Chairperson shall have the following powers and functions:

1. They shall preside over the meeting of the general body, Board of Directors, Executive Committee and any other committees;
2. The Chairperson shall sign the proceedings of all the meetings presided over by them;
3. In the event of equality of votes on a resolution, the Chairperson shall have an additional casting vote in the meeting;
4. To convene the meeting of the Board of Directors, Executive Committee and other committees of which they are the Chairperson;
5. The Chairperson may delegate any of their powers and functions to the Vice Chairperson;
6. The Chairperson may take decisions as of an urgent and emergent nature affecting the policy of the Society on behalf of the Board of Directors, Executive Committee or any other committees. The matter will be placed before the next meeting of the concerned committee for ratification.

44. PROHIBITORY TO HOLD OFFICE OF CHAIRPERSON OR VICE CHAIRPERSON IN CERTAIN CASES

1. No member of the Board shall be eligible to be elected as Chairperson or Vice Chairperson of the Society if -
 - a. they are a minister in the Central or State Government;
 - b. at the same time, they are holding the position of Chairperson or Vice Chairperson of the Board of more than two MSCS.
2. No member of the Board shall be eligible to be elected as Chairperson of the Society if they have held the office during two consecutive terms, whether full, or part.

45. MINUTES OF THE MEETING OF BOARD OF DIRECTORS

The minutes of the meetings of the Board of Directors shall be recorded in the Minute Book kept for the purpose within thirty days of the Meeting and the pages of which shall be duly numbered. The Chairperson of the Meeting and the Chief Executive of the Society shall sign the minutes of the meeting.

46. CHIEF EXECUTIVE

Managing Director is called the Chief Executive of the Society, and they shall be appointed by the Board of Directors as per the MSCS Act, 2002, the MSCS Rules, 2002 and any other norms issued by the Central Government in this regard. The Chief Executive shall be a full-time employee of the Society and shall aid and assist the Board of Directors in their functions. The Chief Executive shall also be the ex-officio member of the Board of Directors.

47. POWERS AND FUNCTIONS OF THE MANAGING DIRECTOR

The Chief Executive shall, under the general superintendence, direction and control of the Board, exercises the powers and discharge the functions specified below, namely -

1. Day-to-day management of the business of the Society;
2. In the absence of an appointed Treasurer, be responsible for operating the accounts of the Society

- and making arrangements for safe custody of cash ;
3. Signing on the documents for and on behalf of the Society;
 4. Making arrangements for the proper maintenance of various books and record of the Society and for the correct preparation, timely submission of periodical statements and returns in accordance with the provisions of this Act, the Rules and the Bye-laws;
 5. Convening meetings of the General Body of the Society, the Board and the Executive Committee and other committees or sub-committees constituted under sub-section (1) of Section 53 of the Act and maintaining proper records for such meetings;
 6. Making appointments to the posts in the Society as may be approved by the Board;
 7. Assisting the Board in the formulation of policies, objectives and planning;
 8. Furnishing to the Board periodical information necessary for appraising the operations and functions of the Society;
 9. Appoint the person to sue or be on behalf of the Society;
 10. Present the draft annual report and financial statements for the approval of the Board within thirty days of closure of the financial year;
 11. Performing such other duties and exercising such other powers, as may be specified in the bye-laws of the Society.

48. TREASURER

There may be a Treasurer s elected by the Board of Directors from among themselves. The term of office of the Treasurer shall be coterminous with the term of th e elected Members of the Board unless Treasurer ceases to be a Director earlier. In case of any vacancy within this period, the Board may fill up the vacancy through re-election for the un-expired term of the Board among themselves.

49. POWERS AND FUNCTIONS OF THE TREASURER

The treasurer, if such a roll is filled, shall be responsible for operating the accounts of the Society and be responsible for making arrangements for safe custody of cash. In the absence of an appointed Treasurer, this role shall be fulfilled by the Managing Director as mentioned in Section 47(2) of the Bye-Laws.

50 . DEPOSITS

Deposits may be received from members at any time within the limits determined under the Act and Rules on such rates of interest and subject to such rules and regulations, as may be approved by the Board.

1. Deposits may be received from voting Members at any time within the limits determined under the MSCS Act and Rules, 2002, and the prudential norms determined by the Central Gove rnment in this regard, on such rates of interest and subject to such rules and regulations as may be fixed by the Board and also subject to the directives issued by the Reserve Bank of India (in case of cooperatives banks) in this behalf from time to time.
2. Deposits may be received on current, savings, fixed, recurring, cumulative and under any other special scheme/s.

51 . DISPOSAL OF NET PROFIT

1. Subject to the provisions of the Act and Rules framed thereunder, the General Body on the recommendations of the Board of Directors may appropriate the net profit in the following manner:
 - a. transfer at least 25% of net profit to the reserve fund;

- b. credit annually one percent of net profit to cooperative education fund to be maintained by the Central Government.
 - c. An amount of at least 10% of the net profit shall be transferred to the reserve fund for meeting unforeseen losses.
- d. if the society is in profit for the preceding three financial years, 1% of its net profits, or Rs. 1 crore (whichever is less) shall be credited to the Cooperative Rehabilitation, Reconstruction and Development Fund maintained by the Central Government.
 1. The balance of the net profit may be utilized for all or any of the following purposes:
 - a. payment of dividend to members on their paid-up capital at the rate not exceeding the prescribed limit
 - b. contribution to the education fund at the rate of 5% or more and not exceeding 10%. The fund may be utilized for the education and training of members, directors and employees as approved by the Board of Directors;
 - c. donation for the development of the cooperative movement or charitable purpose as defined in Section (2) of the Charitable Endowment Act 1890 not exceeding 5%.
 - d. The remaining net profit, if any, shall be credited to the Reserve Fund.

52 . INVESTMENT OF FUNDS

The Society may invest or deposit its funds in accordance with Section 64 of the MSCS Act, 2002, in: -

1. A Cooperative Bank, State Cooperative Bank, cooperative land development bank or Central Cooperative Bank;
2. in any of the securities issued by the Central Government, State Government, Government Corporations, Government Companies, Authorities, Public Sector Undertakings or any other securities ensured by Government guarantees;
3. in the shares or securities of any other Multi-State Cooperative Society or any cooperative Society;
4. in the shares, securities and assets of any subsidiary institution or any other institution in the same line of business as the Multi-State Cooperative Society;
5. with any other scheduled or nationalised bank;
6. in such other manner as may be determined by the Central Government.

53 . RESERVE FUND

1. In addition to the sum prescribed under the Act, Rules and Bye-laws, all admissions fees, entrance fees, nominal membership fees, amount of forfeited dividend and donations if any shall be carried to the Reserve Fund.
2. The Reserve Fund shall be separately invested in Government and trustee securities or any other approved securities or in fixed deposits with any nationalized Bank, or any other Central Cooperative Banks.
3. The Reserve Fund to meet unforeseen losses shall be available for use by resolution of the General body Meeting to cover deficiencies, which may arise from unforeseen losses.
4. Any loss occurring as the net result of the year's working shall be recovered from the profits of the next ensuing year or years.

54 . DIVIDEND

1. The Dividend declared shall be paid to the person whose name stands first as the registered shareholder in the books of the Society on the last day of the financial year to which the dividend relates.
2. Any Dividend remaining unclaimed for three years after having been declared may be forfeited by the Board of Directors and shall be carried to the Reserve Fund of the Society.
3. Unpaid Dividend shall be payable on application provided the same has not been forfeited.
4. Dividend shall be proportionate to the amount paid on shares and the period in whole months for which the amount stood to the credit of the shareholder.

55 . ACCOUNTS AND RECORDS

- Accounts and records shall be maintained in forms prescribed under the Act, Rule and Bye -laws and approved by the Central Registrar with such additions as the Board of Directors consider necessary. Any member of the Society may inspect during office hours any of the registers or records in so far as it relates to his own business transaction.
- The society shall adopt such standards of auditing and accounting as may be determined by the Central Government, subject to Section 73(6) of the MSCS Act, 2002. Until such standards are specified, the auditing and accounting standards specified by the Institute of Chartered Accountants of India constituted by sub-section (1) of section 3 of the Chartered Accountants Act, 1949 shall be deemed to be the standards of auditing and accounting.

56 . AUDIT

1. The Accounts of the Society shall be audited by an Auditor appointed from the panel of auditors approved by the Central Registrar or from a panel of auditors, if any prepared by the Society at least once in each year and the remuneration of auditors shall be fixed by the Central Registrar or the Society as the case may be, as per the provisions of Section 70 of the Act.
2. The appointment of the Auditor and his remuneration shall be approved in the General Body Meeting of the Society. The qualifications/ disqualification, powers, rights and duties of the auditor shall be as prescribed under the Act.

57 . COMMON SEAL –

1. The Society shall have two copies of a common Seal, each of which will remain in the custody of the Chairperson and the Managing Director respectively.
2. Between the Chairperson and Managing Director, one may authorise the other to affix the Seal either through a digitally signed message or by physically signing the document onto which the seal is to be affixed.
3. The Seal shall be affixed as per specific resolution of the Board of Directors, either by the Chairperson or by the Managing Director, only after duly receiving authorisation from the other as per Section 57(2) above, provided:
 - a. When there is a vacancy in either position mentioned above, the remaining officer (being Chairperson or Managing Director) may affix the stamp on a resolution, after receiving either digitally signed authorisations or physical signatures on the document to be stamped, from either:
 - i. All Board Members who were present during the passing of that resolution; or
 - ii. Board Members numbering more than 50% (fifty per cent) of the current strength of the board.

- b. On resolutions relating to appointment or dismissal of a Managing Director, the Chairperson may affix the seal without requiring authorisation from the Managing Director, provided:
 - i. They have received authorisation, either through a digitally signed message or through physical signatures on the resolution document, from Board Members
 - ii. The number of Board Members who have provided authorisation as per section (i) above is greater than 50% (fifty per cent) of the current strength of the board.

58 . AMENDMENT TO BYE-LAWS

1. The amendment to the Bye-laws of the society shall only be passed by a resolution of the meeting of the General Body in which quorum is present by a vote of not less than two thirds of the members.
2. No such resolution shall be valid unless fifteen clear days' notice of the proposed amendment has been given to the members.

59 . EDUCATIONAL COURSE FOR MEMBERS

The Society shall organize cooperative educational programmes for its members, directors and employees and sufficient funds in this regard shall be earmarked as per the requirement.

60 . SETTLEMENT OF DISPUTE

1. All the disputes shall be referred to Arbitration in accordance with the provisions of the Act and Rules.
2. The limitation period in disputes shall be as per the provisions of the Act.

61 . PROVIDENT FUND

The Society shall maintain a Contributory Provident Fund for the benefit its employees in accordance with the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952.

62 . SERVICE RULES

The Society shall have Service Rules for regulating the service conditions of its employees as formulated and amended by the Board from time to time.

63 . WINDING UP

If winding up is necessary, it will be done as per the provisions of the Act.

64 . ASSOCIATION OF EMPLOYEES IN THE MANAGEMENT DECISION MAKING PROCESS

The society shall devise such procedure through administrative instructions for the association of employees in the management decision-making process.

65 . MISCELLANEOUS

1. No act of the General Body or the Board of Directors shall be deemed invalid by reason of any

defect in the election of a member thereof or by reason of any vacancy there in not having been filled in.

2. If any doubt arises in the interpretation of the Bye-laws of the Society, the same shall be referred to the Central Registrar for his advice and his decision shall be final.
3. Execution of decrees, orders and decision shall be as per the provision of Chapter XI of the Act.
4. Appeals and review shall be as per the provision of Chapter XII of the Act.
5. Offences and Penalties shall be as per provision of Chapter XIV of the Act.
6. Filling of returns shall be as per the provision of Section 120 of the Act.
7. The matters which have not been provided for herein shall be decided in accordance with the provision of Act and Rules.

Signed by: -