

Khetlal



MODEL- BY -- LAWS
FOR

THANA CENTRAL CO-OPERATIVE ASSOCIATIONS
UNDER
INTEGRATED RURAL DEVELOPMENT PROGRAMME
BANGLADESH.

Co-operative Association Ltd. and have been duly registered in my office pursuant to Bengal Co-operative Societies Act, 1940, (Act XXI of 1940):

BYE-LAWS OF
THE THANA CENTRAL CO-OPERATIVE
ASSOCIATION LIMITED.

Ope Deputy Registrar of Co-operative Societies,
Rajshahi Division, Rajshahi.

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CHAPTER - I

GENERAL

1. REGISTERED NAME AND ADDRESS:

A. The name and address of the Association shall be :
THE ~~KHETLA~~ THANA CENTRAL CO-OPERATIVE
ASSOCIATION LIMITED.
Vill- **KALAI**
P.O. **KALAI** District. **BOGRA**, Bangladesh.

B. The short name for the Association shall be the
"... **KHETLA**.....TCCA."

2. AREA OF OPERATIONS :

The Association shall draw member Cooperatives from Thana only which shall be the area of operations of the Association. Business operations shall be carried on at ^{Kala}... **KHETLA**.... Thana and in other points places in Bangladesh.

3. ABBREVIATION OF TERMS:

In these bye-laws :

- A. Act shall mean the Bengla Co-operative Societies Act of 1940 as modified.
- B. Association shall mean the **K.H.**.....Thana Central Cooperative Association Limited.
- C. Rural Development Project means a Project under the Integrated Rural Development Programme of Bangladesh.
- D. Bye-laws shall mean the by-laws of the Association.
- E. Member Cooperative means a registered primary Co-operative Society holding membership in the Association.
- F. Registrar means the Registrar of Cooperative Societies of Bangladesh appointed under the Act.
- G. Rules means the ~~Bangladesh~~ Cooperative Societies Rules



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4. OBJECTIVE OF THE ASSOCIATION:

The major objective of the Association is to promote render services and support for the sound development of member Co-operatives.

5. PURPOSES :

The Association may use funds to :

- A. Promote, service and support the sound development of member cooperatives. This may be accomplished through :

(i) Purchasing activities :

The Association may arrange for the purchasing, transporting, processing packaging or preparing materials in order to supply them to member cooperatives.

(ii) Marketing activities :

The Association may procure, transport, clean, grade, store, process and arrange to sell products grown or manufactured by member cooperatives.

(iii) Credit activities :

The Association may borrow funds for its use, may accept deposits from member cooperatives, may provide loans, from its own and borrowed fund to member cooperatives. It may provide such personnel and facilities as may be required to carry out this function.

(iv) Contracts :

The Association may enter into contracts with the Govt., other cooperatives or other agencies, individuals to carry out its objectives.

(v) Facilities :

The Association may acquire tools, machinery, transport, godowns, offices or other materials, equipment or buildings needed to carry out its programme.

(vi) Operations assigned by the Government:

The Association may carry out such prog ammes as the Govt., may assign it to carry out as required by law.

vii) Educational activities :

The Association may engage in :

(a) Guidance, training, supervision, inspection, auditing and amending by laws, and to other sound principles of organization, accounting and management as per Act and Rules.

(b) General membership training in the principles and practices of cooperation.

(c) General training in subjects required in modernising the rural community.

(d) Technical training to teach members the technology of modernization.

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(viii) Cultural and other development :

The Association may promote activities relate to improving home and family life, health and sanitation, medical care, general education and culture.

(ix) Other operations :

The Association may carry on activities incidental to carrying out the objects and purposes as stated in these by laws.

B. Provide a research and demonstration laboratory. This may be accomplished by :

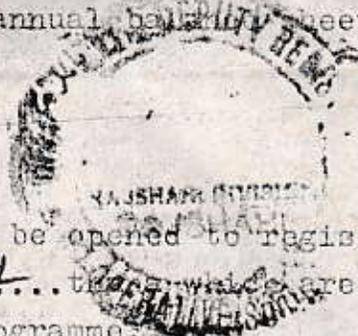
(i) Providing buildings, equipment, personnel, research grants, transportation or any other form of assistance required to carry out this function, except that :

(ii) Funds for these purposes shall not be diverted from the normal business funds of the Association except that the Managing Committee may from time^{to time}/provide a gift from the Association to the special fund for this purpose.

(iii) The funds for carrying out this function shall be derived from grants, gifts or subsidies. These funds shall be held in a special account for the purpose and shall not be comingled with other funds of the Association. These funds shall be called receipts of Association for purposes of conducting business but shall be carried separately on the annual balance sheet of the Association.

CHAPTER - II

MEMBERSHIP



6. QUALIFICATIONS:

Membership in the Association shall be opened to registered Primary Cooperative Societies of K.H.E.T.L.A.L.... which are a part of the Integrated Rural Development Programme.

A. Agree to accept and abide by the By-laws of the Association.

B. Agree to pay Tk. 5/= as admission fee.

C. Agree to purchase Tk.50.00 of capital shares in the Association immediately upon admission to membership.

D. Agree to purchase annually following the first years of membership Tk.50.00 of capital stock shares in the Association. This amount is payable in January of each year following admission.

E. Agree to deposit all the money on account of shares and savings deposits received from individual members.

F. Have adopted by laws in conformity with model bye-laws provided by the Association for member Cooperatives.

7. ADMISSION:

- A. Application for membership shall be made in writing to the Managing Committee.
- B. The Managing Committee shall cause the application to be investigated to determine if qualifications exist for membership.
- C. At a regular meeting of the Managing Committee the application for membership will be received following proper investigation. The Managing Committee shall have the right to accept or reject any application. But the decision of the Managing Committee shall be communicated to the applicant within 30 days of such decision.
- D. The applicant will pay Tk. ~~50.00~~ ^{5/-} (Tk. ~~50.00~~ ^{5/-}) as admission fee at the time of application.

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 5/- C.S. *traced*
 R.C.S.

8. WITHDRAWAL :

- A. Following the repayment of all liabilities to the Association any member cooperative may voluntarily withdraw from the Association by stating in writing the intention to withdraw. Following a thirty days waiting period the Managing Committee shall accept the withdrawal but shall assess a Tk.50.00 withdrawal fee. This fee shall be collected by retiring Tk. 50.00 worth of capital stock held by the withdrawing society and siting it in the treasury of the Association.
- B. A member cooperative which has not paid its annual subscription to capital share by the grace period and even after 14 days notice shall become automatically suspended from the membership of the Association. Membership may be cancelled by the Managing Committee after adjustment of assets and liabilities. In case of fresh application for membership by the society whose membership was cancelled earlier, such application shall be routed through the general meeting.

9. EXPULSION:

- A. Any member cooperative discovered to be contravening the Act, Rules or By-Laws shall be liable to a temporary suspension from the Association until the fault is corrected or expulsion from the Association as may be decided by the Managing Committee and as provided by the Act and Rules.

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 Any member cooperative ~~xxxx~~ which is expelled shall have the right to a review by the next annual general meeting of the Association. All expulsions of member cooperatives shall au

C. A suspended member cooperative shall be barred from using any of the facilities or services of the Association or from receiving a dividend patronage return or bonus from the Association.

10. LIABILITY OF MEMBER CO-OPERATIVES:

The liability of a member cooperative to contribute to the assets of the Association shall be limited to the nominal value of capital shares it holds at the time liability is determined.

11. RIGHTS OF MEMBERSHIP :

A. All member cooperatives shall hold equal rights to the facilities and services of the Association.

B. The rights shall be guaranteed through representation by each member cooperative at the general meetings of the Association.

C. Each member cooperative shall be represented at the general meeting by one delegate.

D. Delegates shall hold office ^{attend} and all general meetings of the Association until new delegates shall be elected to replace them in the next annual delegate election. New delegates shall be elected not earlier than six weeks or later than two weeks before the annual general meeting of the Association. It will be the duty of each member cooperative to notify the Association in writing giving the name of the delegate elected, and his father's name.

E. In the General meeting the delegates will be seated based upon the written notification of delegates' names sent to the Association by the member cooperatives. Each delegate shall have one vote in the general meeting.

F. A delegate shall cease to hold office if :

- i) He resigns his office.
- ii) Is replaced in a annual election.
- iii) Ceases to be a member of the member cooperative.
- iv) The member cooperative ceases membership in the Association or is suspended from membership.

G. If a delegate's position becomes vacant, the member cooperative shall elect a new delegate to serve until the next annual election of delegates.



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CHAPTER - IV.

LENDING.

23. CONDITIONS OF GRANTING LOANS:

Loans may be made to member cooperatives of good standing which have a good record of past loan repayment. Loans may be made in cash or in kind if funds are available and if the member cooperative can demonstrate that it is credit worthy in the sense that it can repay the loan within the loan period and will use the loan for the purpose stated in its loan application and which is permitted by the Act, Rules and these by-laws. Further the member cooperative will have to demonstrate that its own management and bye-laws make it eligible and capable of using borrowed funds effectively.

24. MAXIMUM AND NORMAL CREDIT OF A MEMBER COOPERATIVE :

- A. The normal credit of an eligible member cooperative borrowed from the Association shall be determined after taking into consideration its assets liabilities and surplus current income over expenditure.
- B. A loan committee selected from among the Directors of the Association by the Managing Committee shall determine for each member cooperative the maximum credit to which it is entitled and the maximum loan which may be given to it.
- C. This loan committee shall meet regularly and shall act on all loan applications presented to it. All loan applications shall be handled swiftly but only after thorough field investigation. Each loan application shall be either approved as submitted, approved after modifications or disapproved by the Managing Committee.
- D. All loan applications after they have been acted upon by the loan committee shall along with other records of loans be kept in separate member cooperative loan files. In this way the loan experience with each member cooperative will be available to the loan committee at the time of each new loan application review.

25. PURPOSES FOR WHICH LOANS MAY BE GIVEN :

Loans may be made for the following purposes :

- A. To member cooperatives for use by the body corporation but not for use by individual members, for ;
 - i) Collection, transportation, storage, processing and marketing of members' products.

iii) Establishment of buildings and facilities in which to conduct operations :

iv) Other loans which may be considered by the Managing Committee to be within the objectives of the Association.

B. To member cooperatives for use by members either

~~separately or jointly~~ for :

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i) Production of agricultural, cottage industry or rural industrial products.

ii) Settlement of outstanding debts.

iii) Purchase of necessities of life such as goods clothing and school fees but excluding costs of funerals weddings, parties, festivals and the like.



26. TERMS OF LOANS AND SECURITY FOR REPAYMENT:

A. In setting terms of loans the Association shall give consideration to the followings :

i) Loan periods should be consistent with the production cycle of the debtor. No collection should be scheduled before the completion of a production cycle.

ii) Repayment terms should be related to the debtor's ability repay and of such form as may be convenient for the debtor.

iii) The repayment of all loans should be arranged in so far as practical so that producers may realise as high a market price for their products as possible before repaying their debts but at the same time be prompt in the repayment of their debts.

B. In setting terms for loans the following shall be required for all loans given by the Association :

i) First, each loan issued shall ^{be} secured by a mortgage or first lien on unencumbered valuable property, or else by a marketing contract between the Association and the member cooperative borrower, which shall provide that products for which the loan was meant to help produce shall be marketed through the member cooperative and thence through the Association, at least until the loan value is repaid in full with interest and other charges due.

ii) Second, each loan to a member cooperative shall be secured by a mutual security bond in favour of the Association by the member cooperative. In case the loan is further extended to members by the member cooperative, the members shall

provide joint bonds of not less than three member guarantors

for each loan given by the member cooperative to the individual member.

iii) Each loan issued to a member cooperative shall be secured by paid up stock in the Association. Each member cooperative shall sell its own capital stock to its members equal at least to ten percent of the amount of the loan desired. At least an equal amount will be deposited by the members as savings to the society. The money collected as shares and savings by the member cooperative from their members will be deposited with the Association and capital stock of the Association shall be purchased in an amount equal at least to 5 (five) percent of the value of the loan desired.

C. In general, loans from the Association to member cooperatives will be of three types :

i) Short term crop loan for less than one year assessed on the basis of production plan and secured by mortgage of land.

ii) Short term loans of one year or less given against godown receipts on products stored by the member cooperatives,

iii) Short term loans of one year or less secured with market contracts between the Association and the member cooperative further between the member cooperative and its individual member

iv) Medium term loan for three years or less to the member cooperatives with a view to facilitate purchase of cattle and small agricultural implements by the individual member on sufficient collateral.

v) Long term loan for more than three years to the member-Cooperatives for establishing rural industries and other small projects.

(i) Short term crop loans for less than one year assessed on the basis of production plans :

These loans shall be given by the Association according to the Act, Rules and these By-Laws and as determined by the Managing Committee and the financiers.

(ii) Short term loans against godown receipts.

The Association shall observe the following when giving loans to member cooperatives secured with goods stored in godown.

(b) The valuation of goods stored by a member cooperative shall be that for the grade of product stored and for the lowest usual annual seasonal price. This is to be set by the Managing Committee for each type of product being loaned against.

(c) Ownership of the goods being stored in the godown of the member cooperative shall vest in it and should the goods be lost by pilferage, fire or act of god, or in any other unforeseen manner the member cooperative alone shall be responsible for loss. In any case a loan extended by the member cooperative against such goods shall not withstanding any loss, be due and payable by the time stated in the loan agreement. Ownership of goods being stored in the godown of the TCCA and should the goods be lost by pilferage, fire or act of or in any other unforeseen manner, the TCCA alone shall be responsible for loss.

(d) The time of sale of goods with which to repay the loan shall be determined by the Association in consultation with the member cooperatives.

(e) The actual sale shall be accomplished either as Association office or in the presence of an Association agent.

(f) Immediately upon completion of the sale the member cooperative shall repay the loan plus member cooperative loan charged to be collected by the Association, plus a flat charge for the purchase of capital stock in the Association equal to five percent of the principal of the loan taken. The remainder of the money received shall be deposited in the account of the member cooperative in the Association.

(iii) Short term loans secured by marketing contracts. The Association shall observe the following when giving loans to member cooperatives which are to be secured with marketing contracts.

(a) All loans which shall be made for production of paddy or for the production of a commodity which is easily marketed by the memberco-operative and the Association which are not secured by a godown receipt or a loan against unencumbered valuable property shall be secured by marketing contract between the Association and the member cooperative, and further between the member cooperative and its members.

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