**Model: Bye-Laws**

**Prescribed by:**

**KHADI & VILLAGE INDUSTRIES COMMISSION**

**3,IRLA ROAD, VILE PARLE (WEST)**

**MUMBAI – 400056**

**ANNEXURE – A**

**MEMORANDUM OF ASSOCIATION**

1. **Name of the institution shall be ............................................................................**
2. **The Registered Address ............................................................................**

**Of the institution shall be ............................................................................**

**Village/Town ............................................................................**

**Post Office ............................................................................**

**District ............................................................................**

**State ............................................................................**

**( If there is any change in the**

 **address, it shall be intimated to**

 **Khadi and V.I. Commission as well**

 **as the Registering Authority of the**

**institution within 15 days from the**

 **date on which the change was made)**

1. **Area of Operation The area of operation of the institution shall be**

**........................................................................**

**Taluq/Block/Mandalam’s**

**Of ...................................................................**

**District.**

1. **Year The Financial year of the institution would be from 01st April to 31st March on the succeeding year.**
2. **Objects The objects for which the institution is established shall be as follows:**
	1. **To improve the economic moral and social standards of villagers in the area of operation of the institution.**
	2. **To alleviate poverty and bring about better living conditions, mutual cooperation and unity among the villagers and in general rural development by implementing KVI programmes.**
	3. **To start, encourage, assist and carry on such other activities which are incidental for implementation of KVI programmes.**
	4. **For furtherance of all or any of the aforesaid objects, the institution shall have authority;**
		1. **to solicit, obtain or accept subscription, donation, grants, gifts, bequests and trusts from any person, from Bank or local authorities or corporate bodies like Khadi and Village Industries Commission and / or State KVI Board and or any institution and /or the Union/ State Government.**
		2. **to acquire by gift, purchase, exchange, lease on hire or otherwise howsoever, any land, buildings, easements and any property movable and / or immovable and for any estate for the furtherance of all or any of the objects of the institution.**
		3. **to build, construct and maintain houses structures or buildings and alter, extend, improve repair enlarge or modify the same including any existing buildings (and to provide and equip the same with light, water, drainage furniture, fitting instruments, apparatus and appliances) and all other necessities for the use to which such buildings is to be put up held.**
		4. **to sell, manage, transfer exchange, mortgage, demise, lease or letout, dispose of or otherwise deal with properties whatever (movable or immovable) belonging to the institution.**
		5. **to borrow and raise moneys with or without security or mortgage, charge, hypothecation, or pledge over all or any of the immovable or movable properties belonging to the institution or in any other manner whatsoever.**
		6. **to open and operate accounts in Bank or to deal with Bank in any manner whatsoever required, for furtherance of objects of the institution.**
		7. **to open and conduct branches and to undertake such other activities for furtherance of all or any of the objects of the institution.**
	5. **to do all other lawful things incidental or conductive to the attainment of any of the objects of the institution and to incur necessary expenditure thereon.**
	6. **the profits of the institution shall be utilised in furtherance of the objects of the institution and shall not be distributed amongst the members.**
3. **The management of the affairs of the institution shall be entrusted to the duly constituted Managing Committee as provided in the rules and regulations of the institutions from time to time.**
4. **The following persons shall constitute the first Managing Committee to administer the institution.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl.NO.** | **Name** | **Designation** | **Occupation & Address** |
| **1** |  |  |  |
| **2** |  |  |  |

1. **We, the several persons whose signatures are affixed here under for organising this institution namely …………………………………………………………. pursuant to this memorandum and are desirous of getting the institution registered under Societies Registration Act XXI of 1860.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Sl. No.** | **Name** | **Designation** | **Occupation & Address** |
| **1** |  |  |  |
| **2** |  |  |  |

**1 RULES AND REGULATIONS**

 **These rules shall be called rules of …………………………………………………………………………….. for these rules, unless there is something repugnant to the context of meaning thereof shall mean and include all the rules of the ……………………………….. (Name of the Institution) that may be framed from time to time or altered by a special resolution of the General Body.**

**2 DEFINITIONS**

 **A Institution means ………………………………………………………**

 **(Name of the Institution)**

 **B "KVIC" Khadi & Village Industries Commission established under KVIC Act, 1956 (No. 61 of 1956 are amended Act No. 12 of 1987).**

 **C "State Board" means "State Khadi & v.I. Board" established under KVIC Act.**

 **D "Khadi" means "Any cloth woven on handlooms using cotton, silk and woollen yarn spun by hand in India or from a mixture of the two or all of the above."**

 **E "Village Industry" means "A village industry as defined under section 2 (h) of the KVIC Act, 1956." (No. 61 of 1956 amended Act No. 12 of 1987)**

 **F Office bearers shall include Chairman/ Vice Chairman, President/ Vice President, Secretary, Treasurer and other members of the M.C. of the institution.**

 **G "Year" mans "The financial year commencing from 01st April and ending on 31st March of the succeeding year.**

 **H "Person" "Shall mean and include individuals, firms, Societies, Banks, Clubs, Associations, Corporations and incorporate bodies."**

 **I Words importing the "Masculine" gender and "Singular" number shall respectively include the feminine gender and "Plural Number" shall respectively include the "Feminine Gender" and Plural Number and vice versa.**

**3 MEMBERSHIP**

 **Any person male or female fully qualified for membership and agree to abide by and strive for attainment of the aims and objects of the ……………………..……………………… (Name of the institute) could be admitted to the membership of the institution. There shall be three types of members of the institution:**

1. **Patron Members**
2. **Life Members**
3. **Ordinary Members**

**4 QUALIFICATION FOR MEMBERSHIP**

**I Patron Members: Any person dedicated to constructive work and who having belief in the aim and objects of the …………………………………… (Name of the institution) and willing to serve in the field in future and contribute Rs.2000/- or more or donate property worth Rs. 2000/- or more to the ………………………………. (Name of the institution)**

**II Life Members: Any person or body dedicated to constructive work and who in having belief in the aims and objectives of the ………………………………………………… (Name of the institution) should contribute Rs.1,000/- or more in cash or donate property worth Rs.1,000/- or more within a period of one year can be admitted as life member.**

**III Ordinary Members: Artisans or individuals who are engaged in the field of Khadi & Village Industries who have faith in the aims and objects of the …………………………………………………. (Name of the institution) may be admitted to membership of the institution on payment of Rs. 5 as entrance fee and Rs. 20/- as annual subscription.**

**A Should be above 18 years in age**

**b Should not be one who is incapacitated by law to enter into contractual obligations.**

**C Should be wearer of Khadi or one agreeable to become a wearer of Khadi on admission to membership.**

**D Should be one willing to work for the attainment of the aims and objects of the............................**

**e. Persons desirous of becoming members of the...................**

 **Shall sign the application from prescribe for the purpose and pay amount prescribed for the category of membership applied for as specified in rule 4(i)(ii) and (iii) and submit the form to the Secretary of the institution. The Secretary shall place the same before the Managing Committee whose decision on admissible of member shall be final.**

**5. CESSATION AND REMOVAL OF MEMBEERSHIP**

 **A Person shall cease to be a member of the institution**

1. **On his death**
2. **On his resignation in writing and acceptance of the same by the Managing Committee of the....................................................................................**

 **(Name of the institution)**

1. **On his being mentally disabled or incapacitated to enter into contractual obligation.**
2. **On his failure to pay the subscription within the due period.**
3. **Any person whose activities are considered detrimental to the interests of the institution can he removed from the membership of the..........................**

 **(Name of the institution)**

**By a decision of the majority of the members present and voting at the meeting of the Central Body of the institution specially convened for the purpose. The quorum for such a meeting shall be two thirds of the two number of members or 20 which ever is less.**

1. **Those members whose names appear on the list of members of the .............................. on 31st January, of the calendar year shall be entitle to vote in the General Body meeting.**
2. **A separate register for all classes of members shall be maintained.**

**6. FUNDS**

 **The ................................................................ shall raise its funds**

1. **By membership fees**
2. **By entrance fees**
3. **By grants, donations and contributions from members or public.**
4. **by raising loans for such period and any such rate of interest as may be decided by the managing committee of the ...........................................................................**
5. **by seeking financial assistance under recognised schemes for development of khadi & Village Industries as loans and grants and subsidies from Khadi & V.I .Commission, Central Govt., State Govt. and other corporate bodies established by Central and State Government’s banking institution and any other financial agency for the development of Khadi & Village Industries.**

**7. GENERAL BODY**

 **The general body shall comprise of all the three types of members as aforesaid and shall meet at least once in a year to transact business and lay down guidelines for conducting the affairs of the .........................................................**

 **( Name of the institution)**

**8. QUORUM FOR GENERAL BODY**

 **Two fifths of the total number of members on the rolls of the........................ on 31st January of the calendar year shall form the quorum for the General Body meeting.**

**The following among others are the functions of the General Body.**

1. **To select Managing Committee.**
2. **To appoint Secretary and to fix his remuneration**
3. **To appoint person to audit account of the..............**
4. **To receive from the managing Committee the report of the working of the.......................................proceeding financial year together with statements showing the receipt and expenditure accounts and about the loans, billings and profit and loss accounts for the year.**
5. **To consider the audit reports and any other communications received from the commission/state Board or from financial agencies in respect of the matters concerning the business of the...................................................**
6. **To consider amendments to rules and regulations.**
7. **To lay down policies.**
8. **To consider applications for admission to membership.**
9. **To consider any other business brought forward.**

**9. The annual general meeting of the general body shall be called within three months from the closing of the financial year and shall transact the business as per Memorandum of association and rules and regulations of the....................**

 **a) In case of the annual General body meeting 14 days notice shall be given by publication of notice which shall specify the date, hour and place fixed for holding the meeting and shall state the business to be transacted at the meeting.**

 **b) The notice of a General Body meeting shall be given.**

 **i) By circulation of the notice or copies thereof among all the members of the............................................ and getting signature of members thereon as a token of having such notice or intimation.**

 **ii) By sending a notice by post under certificate of posting.**

**10. Two fifths of the total number of members shall form a quorum. In the absence of the quorum, meeting shall be adjourned and in adjourned meeting if there is no quorum then the business shall be disposed of without a quorum.**

**11. The Secretary shall be responsible for calling General Body Meeting. If the Chairman/President considers that the Secretary has without valid reasons failed to call the General Body Meeting as required under rules, he may himself call the meeting.**

**12. On a request in writing made 3/5th of the members the Secretary/ Chairman shall call a General Body Meeting. In the event of the Secretary/Chairman failing to call for the General Body Meeting for a specific purpose then the members themselves can call for the requisitioned meeting by designating one of them as convener for the purpose.**

**13. At all General Body Meeting the President/Chairman of the institution shall preside and transact the business. If in the absence of the President, Vice- President, Vice-President, Vice-Chairman shall preside and in the absence of both the members present shall elect a person to preside over the meeting and transact business.**

**MANAGING COMMITTEE**

**14. The Managing Committee shall consist of not less than 9 and not more than 15 elected members including 2 lady artisans. Two third members of M.C. shall form the quorum. The Chairman/President of the.........................shall preside over all meeting of the M.C. when he is present and in his absence, the Vice-President/ Vice-Chairman and in his absence the members present shall elect a chairman from amongst themselves. Every members of the M.C. shall one vote but the chairman shall have a casting vote in addition, if there is tie.**

**15. The functions of the Managing Committee shall be as under.**

**a) To frame rules and regulations. For the conduct of the business of the institution not inconsistent with the object, rules and regulations.**

**b) To consider and recommend the applications for membership as per rules of the...............................**

**c) To appoint, promote, punish, suspend or dismiss employees and to frame rules and regulations of service for the employees of the....................**

**d) To raise loans and deposits with or without security and decide the terms and conditions on which they should be accepted, and to offer necessary security thereon.**

**e) To sanction loans and advances to members.**

**f) To purchase raw materials and implements and equipments, to sell and supply semi finished goods and to make arrangements for storing them.**

**g) To sell and/or supply and/or give on hive on hire purchase basis implements an d equipments members.**

**h) To organise and conduct production and processing Khadi and Village Industries products and other products of rural Industries and other activities in conformity with the objects of the..................**

**i) To organise production and repairs of implements and equipments and training of existing member and others and to improvement hoods of production.**

**j) To arrange for proper maintenance of accounts and preparation of balance sheets, statements etc. and submission of progress report and other obligatory returns to concerned authorities.**

**k) To see that stock taking of all goods belonging to institution is done every year at least.**

**l) To insure properties of the institution.**

**m) To do all such other acts and things that necessary for the proper conduct of the business of the institution in furtherance of its objects.**

**16. The Managing Committee shall be competent to delegate any of its powers to the Chairman, Secretary or any sub- committee constituted by it for any specific purpose.**

**17. Subject to the rules and regulations and the resolutions passed by the.......................**

 **at the General Body Meeting the Managing Committee shall have full authority to carry on the business as provided for in the Memorandum of association of the....**

 **Normally it shall meet not less then once in a month for the transaction n of business.**

**18. Business of an urgent nature may be disposed of by circulation of relevant papers amongst the members of the Managing committee provided that a resolution is passed by a 3/4 majority of the members of the managing committee to ratify such action. All resolutions [assed accordingly by circulation will be ratified by in the subsequent meeting of the M.C.**

**19. If there is a vacancy on the Managing committee on account of death resignation etc. of elected members it shall be filled in by the remaining member of the Managing committee by co-option and such member shall hold office till the next General Body meeting. The member so co-opted shall be from the class of members to which the members shoes place he has been co-opted belonged to and shall have power to vote.**

**20. In case any vacancy arises in the Managing Committee for any reason whatsoever, the remaining members ‘ shall be competent to function in the normal course provided that there are at least as many members as are required to form the quorum for the meeting.**

**21. In case the number of members in the Managing Committee at any time is less than the minimum number required to form the quorum. A special general body meeting shall be called within a month for filing up the vacancies by election.**

**Duties of the Secretary**

**22. The duties of the Secretary shall be:**

**a. To convene meetings of the General Body as well as Managing Committee and to attend and record all proceedings of such meetings in the Minute Book.**

**b. To carry on the correspondence pertaining to the general administration of the institution and to maintain all its book of accounts and registers in the requisite manner.**

**c. To receive and dispose money on behalf of the Managing Committee and to attend all business entrusted to him by the Managing Committee.**

**Miscellaneous**

**23. The Commission shall have powers to give directions to the Managing Committee or to the institution in respect of the financial policy and other matters of the institution and the Managing Committee of the institution as the case may shall abide by such directions of the Commission.**

**24. No amendment to or alteration in the rules of the institution or the enactment of a new rules shall be made except at the meeting of General Body convened for the purpose and passed by 2/3rd number of the members present and voted for it.**

**25. The institution shall sue or be sued through its Chairman /Secretary.**

**26. The proceeding of all meetings of General Body, Managing Committee, sub Committees shall be entered in separate books kept for the purpose and signed by the President/Chairman of the meeting.**

**27. No member of the institution shall be eligible at any time for any claim over the profits made by the institution.**

**28. i) Nobody who is not habitual and full khadi wearer and nobody who has dealings in Mill Yarn, Mill cloth or inserted khadi can be elected as an office bearer or a member of Managing Committee or can be appointed as an employee of the society.**

**ii) The institution shall not deal in or use as raw material at any stage mill yarn or cloth Cotton or Silk or Woollen in the production of Khadi.**

**iii) The excess margin profit shall be utilised for the benefit of the workmen as may be directed by the certification committee of the Khadi and V.I. Commission.**

**iv) The rules laid down by the certification committee of the Khadi and V.I. Commission in the matter of payment of standard wages and fixation of prices shall be carried out by the institution as per certification rules with the approval of Central Certification Committee, Lucknow.**

**29. That the institution shall undertake specially Khadi & V.I. activities.**

**30. That the institution shall secure loan from Khadi and V.I. Commission by executing Hypothecation Deed in respect of its immovable assets and by creating Equitable Mortgage in respect its immovable properties and / or by executing any such documents which is deemed necessary for the security of the Commission’s fund.**

**31. That for any reason whatsoever if the activities of the institution come to a standstill partly or fully and the funds are due to the commission then the commission shall have a first charge on all the movable and immovable properties of the institution and the institution shall not alienate or dispose of all or any of its movable and immovable properties to any persons or other agencies in any manner whatsoever until the entire liabilities of the commission are fully paid and dispensed with .**

**32. That any time, if it comes to the notice of the Commission that functions of the institutions are not properly carried on or are mis-managed, the Commission shall have power to intervene, in the working of the institution and shall be competent to refer such mis-management matter to registrar for appropriate remedy and prevail upon the institution to remove such of the office bearers whose remaining in the office is considered detrimental to the interest of the institution.**

**33. That in case, there is any loan due to the Commission the institution will be eligible to dispose off its movable and immovable properties only after fully paying the dues of the Commission and after obtaining necessary clearance Certificate from the authorised officer or officers of the Commission.**

**34. That all financial assistance received by the institution in the form of loans and grants shall be utilised by the institution only for the very purpose for which they are sanctioned by the Commission and shall not be diverted for any purpose whatsoever**

**35. That the income derived out of Khadi and V.I. shall utilised for the development of Khadi & V.I. only and not for other objects of the institutions .**

**36. That the institution shall send copies of the report about its performance along with audited accounts, balance sheets etc. every year to the Commission till it received financial assistance from the Commission or financial liabilities to the Commission are outstanding.**

**37. That whenever there is any change in the address of the registered office of the institution, the Khadi & V.I. Commission and all other concerns will be informed of the changed in address within a week of such change .**

**38. That in the event of the dissolution of institution the assets and other funds of the institution shall not been distributed among the members but it will be transferred to the Commission for meeting to liabilities and for the discharge of liabilities of other institution having similar objectives.**

**39. That the institution may under take re loaning of funds received from the KVIC to artisan member, who are trained/skilled in any discipline and Khadi & Village Industries Commission.**

**40. Whenever there is any change in the office bearers of the institution prior permission shall be obtained from the Commission.**

**Dissolution**

**41. For any reason what so ever if the activities if the ........................................... come to a standstill or to be wound up, the Managing Committee by a resolution shall recommend this to the General Body, which in its turn at a meeting specially convened for the purpose receive by not less than 3/4th majority to dissolve the institution after giving 30 days written notice of the meeting with specific instructions of the purpose thereof.**

**42. On the dissolution of the ..................................................... if after satisfaction of all its debts and liabilities where remains any property or properties, movable or immovable whatsoever not impressed with any trusts agreed between the institution and the donors, the same shall not be paid or distributed amongst the members of the institution or any of them, but shall be given to some of other similar institution with similar objective working as these of the institution with the approval of Central Certification Committee KVIC, to be determined by the General Body by votes of not less than 3/4th of members present at the meeting or in default thereof by the Principal Court of original jurisdiction of the district in which registered office of the institution is situated.**