

33. Loans may be granted to a member for any necessary purpose but preference shall be given to a loan for productive purposes. No loan shall be granted for extravagant or speculating purpose. No loan shall be advanced to a member who is in arrear of his share instalments or compulsory deposits or is a persistent defaulter. Applications for loan shall be submitted to the secretary stating the purpose for which the loan is required and they shall be dealt with by the Committee at its discretion. The committee is not bound to give any reason for rejecting the loan application.

The borrower shall execute a bond and shall furnish sureties as laid down in Bye-Laws.

All sureties must be members of the Society and must have furnished the declaration required in Bye-Laws 25 (22).

No Loan shall be made to a member whose instalments of shares are in arrears or who is a persistent defaulter. Also no loan shall be made to a member who has not completed a minimum period of 6 (six) months as member of the society. Loan granted to an employee shall not be renewed till 50% of the loan sanctioned has been recovered.

34. The Committee may at its discretion grant to any member a loan not exceeding Rs.50,000/- (Rupees fifty thousand only) or 10 (ten) months pay of the borrower or 10 times the value of the paid up shares, whichever is least subject to a minimum of Rs. 30,000/- (Rupees thirty thousand only) and shall take surety in each case. The limit is further subject to any general and special restriction or conditions imposed by the Registrar to be obtained in each case, the loan may be increased to Rs. or 12 months pay of a borrower or 20 times the paid up value of shares whichever is least.

35. Loan shall be repaid by each member in monthly instalments which may be fixed by the committee upto a maximum of 50 (Fifty). The Committee may suspend repayments of any instalment for one or more month on sufficient cause being shown and may thereby extend the time of total payment by period not exceeding 6 months.

36. In emergent cases extraordinary loans upto two month's pay or Rs.5,000/- (Rupees five thousand only) whichever is less may be granted by the President and the Secretary subject to confirmation in the next Committee Meeting without surety and irrespective of any loan already granted provided it is covered by the value of shares or deposits. This loan must be repaid in 10 equal monthly instalments.

37. If the Committee find that the surety for an outstanding loan has become insufficient or that the borrower's material position has weakened, it may call back the loan at once. The loan shall be recalled if the Committee finds that it has not been applied to the purpose for which it was taken.

38. A member's commitment as surety shall not exceed an additional amount equal to his maximum credit limit. Unavailed portion of member's credit may be added to increase the limit upto which he may stand as surety. When members has stood surety for an additional amount owing to his maximum credit limit not being fully drawn, he may not draw further against his maximum credit limit until his liability as a surety has been correspondingly decreased.

Permanent sureties may be taken subject to rules and regulations approved by the Registrar but previous unavailed portion of maximum credit limit as mentioned above shall not apply in such cases.

The limit to which a member can stand as surety in accordance with this Bye-Law may exceed at the discretion of the Committee in case where collateral security is also taken

Hony Secretary

President