

Financial (1897) Department.

ORDINARY MS.

G.O., No. 258

DATED 23-3-97

INDEXED.

27/27

[Despatch Abstract.]

Informing the Secretary, Nellore Permanent Hindu Mutual Benefit Co. Ltd. that the Govt cannot comply with his request for the deposit of the Company's funds in some Govt Treasury at Nellore.

1-12-97

for presentation to the Govt

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

[F.]
1,000-29-7-96.

Financial (1897) Department.

CURRENT No.



From The Secretary

Nellore Permanent
Hindu Mutual Benefit
Co Ltd.

Order No. 3679/11 February 1897

Referred to the
Accountant General for
Remarks.

No. 35/402

(By order)

A. R. Knapp

By Asst. Secretary

Dated 4/2-97

Received 6-2-97

Registered 8-2-97

Enclosures

Spare copies.

SUBJECT.

Soliciting the sanction
of Govt. for the deposit
of the Company's funds
in some Govt. Treasury
at Nellore.

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

*Tele. Permanent
known Mutual B Company*

*not
Enclosure in
Letter No. 35 dated
6-FEB. 1897
February 1897*

*The Secretary
to the C. P. H. M. B. Company
Intern*

*To the Chief Secretary
to the Govt of Madras*



*Articles of the
Association of
the Company.*

Proceedings of a General meeting of the
Members of the "Nellore Permanent Hindu
Mutual Benefit Company," (*Limited*) held at
the Fund Premises at 5-30 P.M., on Sunday the
7th July 1895. Confirmed by resolution
dated 22nd July 1895.

SPECIAL RESOLUTION.

1. That in supercession of all previous
Rules, the Rules of the Company be as fol-
lows.

(Sd). M. APPIAH,

President.

ARTICLES OF ASSOCIATION OF THE

**Nellore Permanent Hindu Mutual Benefit
Company, (Limited.)**

1. The name of the Fund shall be the NELLORE PERMANENT HINDU MUTUAL BENEFIT COMPANY, LIMITED, and the Company shall consist of two branches, Branch A and Branch B.
Name of the Company.
2. Applications for admission to the Fund shall be on forms prescribed for the purpose and to be had at the Company's registered office on payment of three pies per copy and such applications may be presented at the registered office of the Company at any time during the regular office hours.
Application for admission.
3. No person can become a subscriber to the Fund unless he is either a Hindu or born of Hindu parents, whether he has subsequently become a convert to other religions or not.
Who can be a subscriber to the Fund.
4. Subscribers to the Fund may subscribe either to Branch A or to Branch B or both. Every subscriber to Branch A shall, from the date of his admission to the Fund, continue to pay his subscription for a period of 45 months and every subscriber to Branch B shall so pay for seven years or 84 months, when he will cease to be a subscriber and his account will be closed as hereinafter provided.
Duration of subscription.
5. No person shall be deemed a subscriber, unless his application has been approved of, by the directors and his name entered in the register kept for the purpose, and unless also, he has paid in advance a month's subscription together with an entrance fee of three annas for every share applied for in Branch A and a fee of six annas for every such share in Branch B.
What constitutes a subscriber.

6. Every subscriber shall, in addition to the entrance prescribed in rule 5, also deposit along with his application for admission, a fee of two annas being the value of a copy of the rules governing the Fund to be furnished to him of admission and also a further fee of two annas for each receipt book to be supplied.

A subscriber may, if he so desires, obtain on payment of a further fee of two annas, an acknowledgment book for the purpose of having payments made by him to the Fund entered and acknowledged immediately by the bill-collectors or clerk, authorized to receive the same on behalf of the Fund.

7. Subscriptions to the Fund shall be in the shape of fixed integral shares of one rupee each per mensem and for every share or number of shares not exceeding ten, taken at a time, one registered number shall be given, provided that the directors may without assigning any reason therefor, refuse to allot more than a hundred shares in all, to any one subscriber.

8. Subject to the rules hereinafter prescribed, subscribers may, so long as they continue as such, decrease, transfer, sell or withdraw any share or shares held by them in the Fund; provided that no such transfer or sale shall be recognized unless a fee of 3 annas per share is paid into the fund for registration of the same. On such transfer or sale being accepted by the directors, they shall direct that the vendee's or the transferee's name shall be substituted for that of the original subscriber, and the vendee or the transferee shall thereupon be deemed a subscriber and shall be bound by all rules of the Company, as if the share or shares transferred to him had been applied for and allotted to him in the first instance.

9. The instrument of transfer of any share in the Company shall be executed both by the transferer and transferee and the transferer shall be deemed to remain a holder of such share, until the name of the transferee is entered in the register book in respect thereof.

What books to be supplied to a subscriber.

Amount and limit of shares.

Liberty to decrease transfer, sell or withdraw shares. Fee to be paid in case of transfer.

Instrument of transfer by whom executed.

Directors may accept or decline the transfer.

10. The directors may decline to accept any transfer or withdrawal of shares made by a subscriber, who is indebted to them,

11. Subject to the limitation contained in Rule 7, subscribers already on the rolls, may apply to have fresh shares allotted to them but they shall be considered new subscribers in respect of the shares so applied for and the provisions hereinbefore contained as to payment of entrance and other fees shall apply.

Liberty to re-join.

12. Subscribers who have withdrawn from the Fund or whose term has expired, shall be at liberty to rejoin it as new subscribers.

Account of each subscriber how closed.

13. The account of the share or shares of every subscriber shall, on the expiry of the term prescribed in rule 4 be closed as follows:—

(a) Subscribers to Branch A and to Branch B who have not borrowed money and who are not otherwise indebted to the Fund, shall be paid rupees fifty and rupees one hundred and two and a half respectively for each share held by them and in full satisfaction of all claims.

(b) Such of the subscribers as have borrowed money and have cleared the debt, shall have their title deeds, bonds, jewels &c., returned to them and they shall also be paid, the balance, if any, due to them on account of shares held, such balance being calculated according to the provisions contained in clause (a) above.

(c) Subscribers shall also be paid the profits, if any, found due on the annual settlement of accounts, according to Rule (63).

14. The collections of the fund together with such amount as may, from time to time, be received from

How to utilize the amount received from shareholders.

the subscribers as deposit, shall be lent to subscribers to Branch A or Branch B not to exceed at once or at different times rupees fifty or one hundred respectively each share held by them.

Rules to be observed in granting loans to subscribers.

15. In granting loans to subscribers the following rules shall be observed:—

(a) Subscribers shall, of right, be entitled to simple loans within the sums paid in by them in subscription, subject to the stoppage mentioned in rule (20).

(b) Loans may be advanced on the mortgage of immovable property, jewels, Government securities, or on the mortgage of debentures, stock or shares of Railway Companies and Municipal Corporations, provided that a subscriber shall be entitled to a mortgage loan of more than Rupees 2,500 at a time.

(c) Money may also be lent for the purchase or redemption of immovable property, jewels or Government securities, provided the directors can arrange for the speedy mortgage of the property so purchased or redeemed.

16. The immovable property mentioned in the last rule may consist of buildings, gardens, fields or grounds, situate within the taluq of Nellore, or within the taluq of Gudur but within the registration sub-district of Nellore, or within the towns of Venkatagiri and Gudur. The property to be lodged as security, shall be one to which the mortgager has an unquestionable right and title and the directors are at liberty to reject applications for loans on the security of property, without assigning any reasons therefor.

Order to be observed in granting loans.

17 (a). In granting loans under Rule 13, priority shall be given to the loans in the order in which they are mentioned below:—

- (i) Simple loans.
- (ii) Loans on the security of jewels, Government securities, Railway shares &c.
- (iii) Loans on mortgage of buildings, gardens or grounds situate within the town of Nellore.
- (iv) Loans on mortgage of buildings gardens or grounds situate within the towns of Gudur and Venkatagiri.
- (v) Loans on the mortgage of lands and fields within the taluq of Nellore, or within the taluq of Gudur but within the registration sub-district of Nellore.

(b). As regards the first two classes, payments shall be made in the order of the applications for loans and when more applications than one are received on the same day, preference shall be given to the loans for small amounts and all things being equal, regard shall be had to the order in which the applicants stand in the register of subscribers.

(c). As regards mortgage loans payment shall be in the order of applications approved of by the directors.

Application for simple loan how made.

18. Applications for simple loans shall be in writing addressed to the Secretary and shall state

- (1) the applicant's register number.
- (2) the amount of subscription paid in.
- (3) the amount of loan now required and the amount, if any, of any previous loan granted to the applicant.

19. Simple loans may be granted by the Secretary, if he is satisfied that the particulars referred to in rule 18 are correctly given and that the applicant is entitled to the amount of loan asked for.

Disposal of such applications.

Stoppages in
granting simple
loans.

20. In granting simple loans, the stoppage referred to in rule 15 shall be calculated as follows:—

BRANCH A.

First year. 6 per cent.
Second year. 5 "
Third year. 4 "
Fourth year. nil.

BRANCH B.

First year. 12 per cent.
Second year. 10 "
Third year. 8 "
Fourth year. 6 "
Fifth year. 4 "
Sixth year. 2 "
Seventh year. nil.

The percentage mentioned in this rule shall be calculated on the amount of subscription actually paid in by the subscriber minus any interest or additional interest that may be due to the Fund up to the date of application for loan.

21. A subscriber desirous of obtaining a loan on the security of his property shall make an application to the Secretary in the form prescribed by the directors, accompanied in the case of immoveable property, by the title deeds and other documents relating to the property and in the case of moveable property by the specific property to which the jewels, Government securities &c., proposed to be lodged with the Fund as security.

22. No application for loan on the security or mortgage of property shall be considered unless it is accompanied in the case of immoveable property with an estimate fee of ten annas and in the case of all other property, with an estimate fee of four annas upon every fifty rupees or part thereof that the applicant wishes to borrow.

23. A plan and estimate of the immoveable property, proposed to be mortgaged, shall be prepared by the land appraiser of the Fund, subject to revision by two subscribers, who shall be appointed from time to time as surveyors. Such surveyors shall submit a report of the valuation and of the unobjectionable title

of the mortgager to the property proposed to be mortgaged and shall also state, whether in their opinion, the loan asked for may safely be granted.

24. If the valuation or report above referred to, be deemed unsatisfactory, the directors may call for a separate report or valuation from two other subscribers to be appointed for the purpose or may make such further enquiry as to them may seem fit. In such case the directors may fix such fee to be paid by the applicant not exceeding four annas upon every fifty rupees or part thereof, as to them may seem proper.

25. Jewels proposed to be pledged shall be referred to the jewel appraiser of the Fund who shall immediately value the same and submit an estimate therefor. If the directors consider such valuation unsatisfactory, they may, if they so desire, get the jewels properly valued but shall not charge the applicant for loan with any further fee in respect thereof.

26. The directors, shall not appoint as appraiser, surveyor or additional surveyor any person who is not already a subscriber to the Fund. The appraiser shall be responsible to the Fund for the correctness of his valuation and the surveyors and additional surveyors appointed under

Rules 23 and 24 shall be, in all cases, responsible for the correctness of their reports.

27. Out of the fees paid by the applicant for loan, the directors may pay to the land appraiser such sum not exceeding five annas and to the jewel appraiser such sum not exceeding two annas upon every fifty rupees of loan applied for, as to them may seem proper. The directors may also pay to the surveyors, such fees as they consider reasonable provided that the total of the fees paid to the appraiser and the surveyors does not exceed the amount deposited by the applicant for loan.

28. If an applicant for loan, before the loan is granted, wishes to borrow an additional loan on the security of the same property he will be permitted to do so, provided he pay a fee of annas or four annas respectively upon every fifty rupees of additional loan according as the security is immoveable property or otherwise.

29. Subscribers holding shares under different registers, shall be allowed loans on account of all the shares on one and the same security provided it is of a sufficient value.

30. In granting loans on the security of jewels or other moveable property no more than seventy-five per cent of the estimated value of the property shall be advanced; and in granting loans on the mortgage of Government securities, &c., loan to the extent of eighty per cent of their market value may be advanced at the discretion of the directors provided the total loan advanced does not exceed Rs. 50 per share in Branch A. or Rs. 100 per share in Branch B.

31. If a subscriber whose application for loan has been approved of by the directors, fails to take the loan within a month of such approval, he shall forfeit his claim to the same.

32. From the amount of any loan other than simple loan sanctioned, all sums due to the Fund by the applicant for loan shall be deducted whether such sums are due for subscription current or in arrear or for interest or additional interest due thereon. The remainder alone shall be paid to the applicant on his executing the necessary documents as hereinafter provided.

33. Simple loans shall be paid to subscribers on their executing pro-notes for the amount lent, in the form prescribed by the directors.

(a) Such pro-notes shall, when the subscriber is a resident of Nellore, be executed at the Company's registered office and in the presence of one of the Fund clerks, who shall make an entry of the fact in a register to be kept for the purpose, giving particulars of the name and number of the subscriber, the amount and the date of the loan, and the place where the pro-note was executed. Such entry shall be signed by the clerk aforesaid who shall also attest the pro-note in token of his having been present at its execution.

(b) Subscribers who, though residing at Nellore, are unable to attend the Company's registered office for the execution of the pro-note, may be permitted to execute the document at their own residence, provided they pay a fee of one anna upon every hundred rupees for enabling one of the Fund clerks to be present at its execution and to attest the same.

(c) Subscribers who reside outside of Nellore, shall execute the pro-note in the presence of the Village Munsiff of the village to which they belong, and shall, after getting his attestation to it, forward the same to the secretary by post registered.

34. Loans on the security of immoveable property shall be advanced to subscribers after they have executed mortgage deeds in approved form, and with or without possession as the directors may require, and only on their depositing with the secretary all documents and title deeds on which the applicants rely to show their title to the property mortgaged to the Company as security for the loan applied for.

35. If the applicant borrows money on the mortgage of Government Securities &c., he shall, in addition to executing a mortgage deed in form, hand over to the secretary possession of the documents mortgaged and shall, if the directors so require, transfer the said documents to the name of the Fund, or the name of such person or persons whom the directors approve.

36. The directors, may, before granting a loan, be satisfied that the mortgage deed proposed to be executed jointly with or be attested by others, whether subscribers or not, is in the opinion of the directors interested in the property to be mortgaged.

37. Subscribers who have discharged their loans in full, in part, otherwise than by payment of subscription, may be permitted to draw loans again under the same register numbers, security and rules of the Fund under which the fully or partly discharged loans were granted.

38. When property once mortgaged to the Fund is again brought up for mortgage and the property is in the opinion of the directors, undergone alteration so as to render a fresh estimate necessary, a bond fee of four annas for immoveable property and three annas for moveable property for every fifty rupees or part thereof shall be payable to the Fund.

39. If the state of the Fund does not allow of the payment at once of the whole amount of loan sanctioned for any subscriber, a document in due form shall, nevertheless, be taken from the subscriber for the whole of the loan sanctioned, and such sums can be spared, shall from time to time be paid to him till the total of such payments comes up to the amount for which the document has been executed.

40. Subscribers who have mortgaged their properties to the Fund, and who are desirous of adding to or improving the same, shall apply in writing to the secretary for permission to carry on the

work. The directors, may, for any sufficient reason, refuse to grant such permission or may direct that the addition or improvement to the mortgaged premises be done under the superintendence of some person or persons whom they may appoint.

41. When a house or building under mortgage with the Fund, is proposed to be materially altered, the mortgagor shall, along with his application for permission to carry out the alteration, forward to the secretary, a statement giving details of the alterations proposed and how such

alteration will affect the value of the property mortgaged together with a plan of the building as it will stand after the alteration is made. Such alteration shall not be commenced or proceeded with unless and until a written permission is granted by the directors nor until the mortgagor has furnished sufficient security for the money due to the Fund till such time as the proposed alterations are duly carried out.

Inspection of immoveable property mortgaged to the Company.

42. All immoveable property under mortgage with the Fund shall be inspected and reported upon once a year by subscribers to be deputed for the purpose.

Bonds in whose names to be drawn.

43. All documents to be executed by the subscribers shall be made out in the names of the president, the two trustees and the secretary for the time being.

How the month is to be reckoned.

44. For the purposes of the Fund a month shall be reckoned from the 16th of any calendar month to the 15th of the next succeeding month.

Payment of subscription &c.

45. All subscriptions payable to the Fund in respect of shares held and all interest due on loans borrowed shall be paid by the subscribers in advance i. e., before the commencement of the month for which they are respectively due and every subscription and interest not so paid shall be deemed an arrear.

46. Subscription or interest payable to the Fund paid either to the bill-collector or registered office of the Company, to be authorized, to receive the same, provided no such payment shall be binding on the Fund unless a receipt in due form is obtained from the person or persons to whom the money is paid.

47. Refunds of loans or payment of money for the Fund shall only be made at the registered office of the Company, and to the clerk or clerk empowered to receive monies on behalf of the Fund.

48. Subscribers who have borrowed money from the Fund and who are desirous of repaying the same whole or in part, may be permitted to do so provided the amount refunded does not consist of fractional parts of a rupee.

49. Interest on all transactions of the Fund and on arrears shall be payable monthly, and if loans are advanced in the middle of a month interest on such loans shall be calculated on the full month, no broken periods being allowed.

50. On all amounts due to the Fund interest shall be charged at the following rates:—

- (a) One pie per rupee per month on the amount of loans of all kinds whether paid or reserved to the Fund at the request of subscribers.
- (b) Two pies per rupee per month on all arrears of subscription and interest due every month from subscribers who have borrowed simple loans.

(c) Three pies per rupee per month on the amount of arrears of subscription and interest due every month by subscribers who have taken loans on the security of property, moveable or immovable, provided that such interest shall be calculated only on the number of shares corresponding to the loan availed of.

(d) Compound interest at $12\frac{1}{2}$ per cent per annum on any balance that may remain due to the Fund in respect of shares forfeited or closed.

51. If a subscriber, by whom subscription and interest are both due, makes any payment, the same shall be appropriated in the following order:—

(i) To fees due from the subscriber on account of notices of default served upon him by the secretary or by a vakil employed for the purpose.

(ii) To additional interest, if any, due by the subscriber.

(iii) To interest on loans and on arrear of subscription.

(iv) To subscription due for the month on which default was first made and to subscription for each succeeding month in due order.

52. If a subscriber whether benefited or otherwise, fail to pay his subscription for three consecutive months, the directors may, if they deem fit, cause notice of such default to be served upon the defaulting subscriber by the secretary or

they may employ a vakil to have such notice served. In the former case a fee of one anna and in the latter, such fee as may be agreed upon between the directors and the vakil, shall be charged against the subscriber in his account and shall together with interest be recoverable from the defaulting subscriber as if the said fee was subscription payable by him on the day on which such notice was issued.

53. If a subscriber who is not benefited and to whom notices of default had been issued fail to

Default made by non-benefited subscriber.

his subscription within three months after issue of such notice, the directors may

they so desire, direct that his name be removed

from the list of subscribers and his account closed. On removal the subscriber shall have no right whatever to the benefits accrued or accruing from the Fund, nor to interest on the amount of subscription paid in by him but shall be repaid only the actual amount of subscription paid by him minus interest that may be due by the subscriber up to the date of removal.

54. If a subscriber who has received simple or mortgage

Default made by benefited subscribers.

loans fails to pay his subscription and interest for three consecutive months or should have arrears of payment due from him exceed any time six months' subscription, the directors, may without giving any notice of default, direct that

defaulter's name be removed from the list of subscribers and account shall thereupon be closed. On such removal subscriber shall have no right to any benefits accruing or accruing from the Fund, nor to interest on the amount of subscription paid by him, and all sums borrowed by him from the Fund, notwithstanding anything to the contrary in the documents executed by him to the Fund, be due and immediately payable and the directors may proceed to recover the same in due course of law.

55. Subscribers, whether benefited or otherwise, may

Withdrawal of shares.

application to the secretary, be permitted to withdraw from the Fund and shall, on such

withdrawal, be paid the whole amount of the subscription actually paid by him minus any interest and additional interest due up to the date of withdrawal: provided however that no such withdrawal shall be allowed when subscriber who is benefited has not, on the date of his application paid up the whole of the amount due by him to the Fund.

56. When a subscriber who desires to withdraw from the

Counter interest may be allowed to subscribers who have shown satisfactory grounds for withdrawal.

Fund affords satisfactory grounds for so doing the directors may in addition to the amount payable under the last preceding article, direct the payment to such subscriber of interest on his paid up subscription at the rate of Rs. 3½ per cent per annum.

57. If a subscriber dies before the expiry of the term referred to in Rule 4, his interest in the Fund

Mutation of names in case of subscriber's death.

shall be transferred to his legal heir unless such transfer be opposed by other claimants within three months from the date of the subscriber's

death. If the applications opposing such transfer be received within the period abovementioned the transfer shall be suspended till the dispute between the claimants shall have been settled by the decision of a competent court of justice or till the disputing parties shall have signed a duly executed deed of compromise in the presence of the directors. On the transfer above referred to taking place, the person whose name is entered in the books in lieu of the name of the deceased shall be considered to have become a subscriber to the Fund and shall be bound by all rules of the Company then in force and shall also be personally responsible to the Fund for all sums due by the deceased subscriber.

58. A subscriber, intending to become a depositor in the

Deposits.

Fund, shall apply in writing to the secretary in the form prescribed by the directors and such applications shall be registered in a book

separately kept for the purpose. Deposits shall be received only from the persons who have so applied, but the secretary may, whenever the amount required by the directors is not forthcoming from the applicants already in the list, call for deposits from other subscribers to such extent as may be necessary.

(a) In receiving deposits the following rules shall be observed:—

- (i) When there are a number of depositors willing to deposit the amount required the directors, deposits shall be received from the person who is first in the order of subscribers.
- (ii) So long as there are other applicants willing to deposit, no subscriber shall be allowed to deposit to a larger extent than Rupees 64 for every share of subscription payable to him.
- (iii) Deposits shall be received in integral sums of one rupee.
- (iv) If Subscribers had already deposited more than the amounts allowed by clause (ii) further deposits shall be received from them unless other depositors are not forthcoming.
- (v) Subscribers shall not as of right be entitled to deposit money in the Fund and no deposits shall be received unless the directors are satisfied there is a demand for the money.
- (b) Interest shall be payable on deposits at the rate of 6 pies per 64 rupees per mensem and such interest shall be paid half yearly on the 16th March and 16th September of each year. Interest for each month shall be calculated on the lowest balance at credit of an account between the 20th of a month and the 15th of the next calendar month but such interest shall not be payable on amounts less than Rupees 64 or on sums above, which are not multiples of 64 rupees.

59. The person depositing money as per rule 58 shall at his own cost be furnished with a copy of the rules and with a receipt book in which all payments shall be acknowledged jointly by the president and the treasurer.

Depositors shall be furnished with receipt book.

60. When applications are made for the repayment of the deposit amount in part or in full, payment shall be made immediately if money is available, the requisite stamp charges being borne by the depositor himself. In case, however, applications for simple and mortgage loans exceed one moiety of the total monthly collections, disbursements on account of repayment of deposit and of paid up subscription in cases of withdrawal together with establishment charges shall on no account exceed one moiety of such collections. Provided always that whenever the directors think it proper to return any deposit they may do so on giving the depositor a months notice, and interest on such deposit shall cease from the expiry of the time mentioned in such notice.

61. The accounts of the Fund shall be closed annually i.e., on the 15th September of each year, when a general balance sheet giving a summary of the property and liabilities of the Company shall be prepared to be laid before the annual meeting to be convened for the purpose. The directors, shall also lay before the Company at such meeting a statement of the income and expenditure of the Company for the past year showing, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matter. Every item of expenditure fairly chargeable against the year's income shall be brought into account so that a just balance of profit and loss may be laid before the meeting and in cases, where any item of expenditure, which may, in fairness be distributed over several years, has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons, why only a portion of such expenditure, is charged against the income of the year.

62. The annual meeting referred to in the foregoing rule shall be held soon after the closing of each year of the Fund, and ordinarily within the first quarter of the next succeeding year, provided that the directors may, for reasons to be recorded by them in writing, postpone the holding of such meeting to a period not exceeding six months from the date on which the year closed.

63. The directors shall, as soon after the close of the year as practicable, have the accounts of the Fund duly audited by any competent person, whether subscriber or not whom they may deem fit to appoint and may pay for such audit such fee as they think proper. The auditor so appointed shall within a month of his appointment submit his report to the directors and may in such report make such suggestions as he thinks proper for the proper working of the Fund. Such report shall, with such remarks as the directors may choose to make thereon, be placed before the subscribers at their annual meeting and shall together with the director's report form part of the record of such meeting.

64. The net annual profits earned by the Company shall, unless the amount is in the opinion of the directors too small to allow of a distribution being made, be divided as follows:—

- (i) One-third shall be set apart as a *Reserve Fund* to meet any unforeseen or unavoidable deficit.
- (ii) One-third shall be divided among the subscribers with reference both to the number of their respective shares and the number of months during which they have held them.
- (iii) The remaining one-third shall be divided among the directors and office bearers as particularized below:—

The president	2 shares.
Two trustees	2 shares each
The treasurer	4 shares.
The auditor	5 shares.
The secretary	5 shares.
16 directors	16 shares.

Total 36 shares.

65. The remuneration of the directors shall be proportioned to the number of meetings attended by them during the year, and the amount forfeited by the directors owing to non-attendance at meetings may, in their discretion either be added on to the *Reserve Fund*, or utilized towards presenting such sum as they deem fit to the paid establishment by way of encouragement for good and honest work or be used in such other manner and for such other purpose as to them may seem proper.

66. Whenever the amount of annual profits is too small to allow of a distribution, the same shall be carried forward to next year's account.

67. From the share of profits payable to any subscriber may be deducted all sums of money due from him to the Company on account of calls or otherwise.

68. Notice of a dividend having been declared shall be given to each member in manner hereinafter mentioned; and all dividends unclaimed for two years after having been declared may be forfeited by the directors for the benefit of the Company. No dividend shall bear interest as against the Company.

69. No addition shall be made to the *Reserve Fund* when it exceeds 10,000 Rupees.

Reserve Fund not to exceed Rs. 10000.

70. Fractions of a pie accruing due to the Fund shall be considered as one pie and fractions of a pie if payable by the Fund shall, in making calculations, be omitted.

71. All disbursements from the Fund shall invariably be made by cheques on the treasurer and such cheques shall bear the signature of both the trustees. Such cheques are not transferable and shall be presented by the payee in person to the treasurer who shall endorse thereon the fact of payment and the date when the same was paid.

If any such cheque is lost, the payee may, on application to the secretary and on affording satisfactory proof of such loss, be furnished with a duplicate for which a charge of one anna shall be levied.

72. The management of the Fund shall be vested in a committee consisting of not more than sixteen directors including a president, two trustees, a secretary, a treasurer and an auditor, to be selected from among the subscribers holding not less than five shares each.

73. The directors appointed under the foregoing rule may exercise all such powers of the Company, as are not, by these articles, or by The Indian Companies Act, required to be exercised by the Company in general meeting, subject nevertheless to any regulations of these articles, or to the provisions of the aforesaid act and to all such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in general meeting, provided that no regulation made by the Company in general meeting, shall invalidate any prior act of the directors which would have been valid if such regulation had not been made.

The directors from among themselves to elect the office bearers.

74. The board of directors appointed under rule 72 shall from amongst their number, elect a president, a secretary, a treasurer, an auditor and two trustees, who shall, unless the board otherwise direct, hold office so long as they continue as directors.

Directors to act notwithstanding vacancy.

75. The continuing directors may act notwithstanding any vacancy in their body.

Disqualification of directors.

76. The office of director shall be vacated:—

- if he becomes bankrupt or insolvent;
- if he, without proper cause, absents himself from any three consecutive meetings of the directors;
- if he leaves Nellore with the intention of remaining out of the same for a period of four months or more;
- if he ceases to be a subscriber to the Fund;
- if he is convicted of any offence implying moral turpitude, or
- if, for any other reason, he becomes incapable of acting as director.

77. The managing committee shall fill up all vacancies, in the board of directors by selection from among the directors retired at the end of the year preceding that in which the appointment is made, or from among the other shareholders qualified under Rule 72, subject however to the approval of the general body of the subscribers at their next annual meeting. The person so chosen by the directors, shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred.

Directors to fill up casual vacancies in the board.

Retirement of directors.

78. Four of the directors, including office bearers, shall retire by rotation at the close of each year, but they shall be eligible for re-election.

Annual meeting to elect directors in place of those retired.

79. The Company at the annual meeting at which any directors retire in manner aforesaid shall fill up the vacated offices by electing a like number of persons. The Company shall at such meeting also fill up by election, all vacancies in the board of directors not filled up under rule 77 or where a selection having been made under the provisions of that rule, the same has been disapproved of by the Company at such general meeting.

80. The Company in general meeting may, by a special resolution, remove any director before the expiration of his period of office and may by an ordinary resolution appoint another person in his stead. The person so appointed, shall hold office during such time only as the director in whose place he is appointed should have held the same if he had not been removed.

Meeting of the directors.

81. The directors shall meet every month or oftener, if necessary, to conduct the affairs of the Fund, and six of them shall form a quorum without which no business shall be transacted.

Procedure at meeting.

82. In the absence of the president at the meetings of the directors, they shall select some one of their number to preside. All matters brought before the directors shall be decided by a majority of votes and in all cases of an equal division of votes the president or the chairman for the time being shall have a casting vote.

83. The directors shall decide all matters according to the rules of the Fund or consistently therewith. Whenever doubts arise as to the construction of any rule or rules, the matter shall be placed before a general meeting of the shareholders for its decision and such decision duly arrived at shall be binding on all concerned.

84. Any subscriber dissatisfied with a decision of the directors, may within thirty days from such decision, prefer an appeal to the general body of subscribers. Such appeal shall be in the form of a letter to the secretary, setting forth the grounds of complaint and the reasons for holding the decision of the directors to be erroneous. The secretary shall place the appeal for disposal before the next general meeting of the subscribers and the decision therein come to, shall be final.

85. The directors shall have power to frame, consistently with these rules, bye-laws to regulate its own procedure as well as the procedure of those subordinate to it and generally whenever the interests of the Fund so require, and they may alter, modify or rescind the same. Such bye-laws shall hold good unless and until the same are disapproved of by a general meeting of the subscribers.

86. All proceedings of the directors shall be binding on each and every subscriber unless the same are rescinded by a general meeting of the shareholders.

87. All acts done by any meeting of the directors, or by any person acting as a director or officebearer, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid or that they or any of them were disqualified,

be as valid as if every such person had been duly appointed and was qualified to be a director or office bearer.

Delegating powers. 88. The directors may delegate all or any of the following powers to the secretary for the time being:—

1. Admission of members (Rule 5).
2. Alloting or refusing to allot shares (Rule 7).
3. Accepting or refusing transfers, withdrawals &c., (Rules 8 and 10).
4. Appointing appraiser, surveyors, or additional surveyors (Rules 23 and 26).
5. Calling for further report of valuation (Rules 24 and 25).
6. Sanctioning increase of loan (Rule 28).
7. Granting permission to alter or improve mortgaged property (Rules 40 and 41).
8. Accepting and returning deposits (Rules 58 and 60).
9. Convening meeting for disposal of business (Rules 92 and 98).
10. Granting inspection of title deeds &c. (Rule 97).

Office Record.

89. The directors shall keep the following books :—

1. A register of admissions. (a) A Branch. (b) B Branch.
2. An account of daily collections and disbursements.
3. A ledger book showing the transactions with the Fund of each shareholder.
4. A deposit book showing the amount of deposit money due to each subscriber.
5. The appraiser's book showing the monies paid to the land and jewel appraisers.

6. A book containing the acknowledgement of persons receiving simple loans.
7. A receipt book containing the acknowledgement of persons receiving loans other than simple.
8. A register of mortgages showing separately mortgage of

(a) Immoveable property.

(b) Jewels.

(c) Government securities &c., &c.

9. A book showing the entrance and special fees received from subscribers.
10. A stock book containing a list of property belonging to the Fund.
11. A book containing the amounts realized by sale of books, forms &c. &c.
12. An account showing contingent expenditure for each month.
13. A book showing the amount due to or by subscribers whose term has expired.
14. A book showing the payment of house rent, salary, or honorarium to the clerks employed, and the disbursement of profits to shareholders and directors.
15. An account showing the receipt and expenditure of miscellaneous items.
16. The monthly account of receipts and disbursements.
17. An entry book of annual reports and accounts.
18. A book showing the number of applications for loan received and how the same had been dealt with.
19. A record of the proceedings of directors at meetings.

20. A record of the proceedings of the general meetings of the subscribers.

21. A receive and despatch register.

90. All books of account and all books which are by these articles directed to be kept, shall be kept at the registered office of the Company, and subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed by the Company in general meeting, shall be open to the inspection of the members during the hours of business.

91. All title-deeds, bonds, jewels and cash exceeding Rs. 1,000, shall be lodged in a box secured by three locks, the keys of which shall remain in the custody of the president, one of the trustees and the treasurer.

92. Every member shall if he so desires, be entitled, to a copy of any account kept by the Company under the provisions of the foregoing rules or under the provisions of the Company's act on payment of two annas for every 150 words or part thereof, which the applicant may require to be copied. In the case however of documents executed to the Company by any member or of documents deposited by him along with his application for loan, copies may be granted by the Secretary on payment of four annas for each document requiring to be copied.

93. All documents executed in favour of the Company, and all bonds and title-deeds lodged therein, shall be open to the inspection of the executors and depositors on due notice being given and on payment of four annas for each inspection.

94. The managing committee may as often as the business of the Fund necessitates, and shall, on a requisition in writing of not less than twelve subscribers, summon a general meeting of the

shareholders for the disposal of all extraordinary or urgent business, provided that in the last mentioned case the requisition is received at least twenty days before the date on which the meeting is to be called for, specifying the reasons for the same and the business to be transacted therein.

95. If no general meeting is called for by the directors within thirty days after the receipt of the requisition referred to in the foregoing rule, the requisitionists or any other members not below twenty, may themselves convene an extraordinary general meeting.

96. Five days notice at the least specifying the place, the day and the hour of meeting and in case of special business, the nature of such business, shall be given to the members in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the Company in general meeting; but the non-receipt of such notice by any member shall not invalidate the proceedings at any general meeting.

97. All business shall be deemed special that is transacted at an extraordinary meeting and all that is transacted at the annual meeting with the exception of sanctioning a dividend and the consideration of the accounts, balance sheets and the ordinary report of the directors.

98. No special business shall be transacted at any general meeting unless at least twenty members are present at the time when the meeting proceeds to business.

99. If, within one hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week, at the same time and place; and if, at such adjourned meeting, a quorum is not present it shall be adjourned *sine die*.

Documents by
Company to be executed by the Secretary.

111. All documents to be executed by or on behalf of the Fund may, with the previous consent of the directors, be signed and executed by the secretary on behalf of the Fund.

112. If any subscriber deceives the directors by false statements or fictitious documents, or in any other manner whatsoever, or if he improves, adds to or alters mortgaged buildings without permission, or if he has unjustly or unlawfully recourse to law, in any matter whatever connected with the Fund, or if he wilfully or deliberately disobeys or counteracts any of the rules or proceedings of the Company or of its directors, he shall not only render himself liable to expulsion, but shall also be liable to the penalties prescribed in rules 53 and 54 and shall never again be admitted into the Fund.

113. The Company may, in general meeting and from time to time, add to, modify or rescind any of the foregoing rules or any bye-laws and proceedings of the directors but no rules or regulations of the Company shall be altered, added to or rescinded unless at least 10 days notice of meeting shall have been given to each of the subscribers in manner herein before provided.

114. In the construction of these rules, words in the singular number shall include the plural, words in the plural shall include the singular, and words in the masculine gender shall include the feminine, except when the contrary appears from the context.

115. The regulations of table A in the first schedule annexed to Act VI of 1882 shall not be applicable to this Company.

END.

defalcation has yet occurred, the Directors
are anxious to make some better arrangement.

I am therefore desirous to solicit Govern-
ment sanction for the deposit of our
Funds in some Government Treasury
at Bellore, either Talug, or Hazur.

The Treasury officers have only to
open one account with the Secretary
of the Fund, and permit him to deposit
and withdraw monies when required.

We shall not make more than one
remittance to the Treasury in a day
nor draw money more than once a
day, and even these simple and single
transactions are not likely to occur every
day. So the additional work that will
be thrown on the Treasury by Government,
complying with our request will be
very light, whereas the security afforded
to the Fund by the Custody of their money

~~the same~~ The ~~same~~ would

be great and is likely to inspire much
Confidence among all the shareholders.
We do not wish to ask Government
to pay us any interest on the monies
left in the Treasury and we trust that
in Consideration of this Circumstance,
and of the good work which the Fund
is doing, the Government will be pleased
to comply with our request and not charge
us any Commission for the additional
light work thrown on the Treasury.

Should Government however Consider
that on principle the payment of a
light Commission is necessary, we are
willing to abide by the orders of
Government on the subject. In Con-
clusion I am directed to state
that if the Government cannot
sanction this Arrangement as a
permanent nature, we shall be
satisfied if the arrangement is
sanctioned for at least a period

default of 30 years, by which time we hope we
are a shall be able to make our own arrangements.

I have the honor to be,
Sir,

Yours Most obedient servant

J. H. P. K. K. K.

Secretary

No 35
402
Enclosure
one

Kellogg Permanent
Hindu Mutual Benefit Co
Company, Limited, is.
Kellogg 14th February 1897.

From

The Secretary to the
Kellogg Permanent Hindu Mutual
Benefit Company Ltd
Kellogg

To The Chief Secretary
to the Government
Madras

Sir,

I am desired by the directors
of the Kellogg Permanent Hindu Mutual
Benefit Company, Limited, to make the
following representations and to solicit
the aid of Government in connection with
the Custody of the Monies belonging to
the Fund.

2. The Fund was opened in 1888,
its main object being promotion of thrift
among the people, the utilization of
petty savings remaining idle with people
for productive purposes, and relief

1897
7-1
Enclos. 1
C. No. 397

Financial (1897) Department.

CURRENT No. 758



From
The Accountant General
to the Govt of Madras

No. 727

C. No 397 + 758
Order No 258 of 23-3-97

The Secretary, Vellore
Permanent Hindu Mutual
Benefit Company Limited, will
be informed that the Govt
cannot comply with his
request.

AK.
16/3/97

Note.

In view of the Acct.
General's opinion it seems
undesirable to address the
Govt of India on behalf
of the Vellore Company.

AK.
16/3/97

The reference to the Acct. in this case was with
reference to the fact that the Govt. had
been asked to consider the matter.
11/3/97

The Secretary,

Vellore P.H.M.B. Co. Ltd.
I believed that the Government would go to the
in approval before issue. There was a misunderstanding
on this subject which has now been put right. 11/3/97

Dated 4th March 97
Received 5 DO
Registered 6 DO
Enclosures 2 (C 397 with 1 enclo. returned)
Spare copies

SUBJECT.

Statement of compliance with the request of
the Secretary, Vellore Permanent Hindu Mutual
Benefit Company Limited will require the sanction
of the Govt of India.

It seems to be a pity that we cannot
assist these people who may be said
to have attempted the formation of an indigenous
savings bank. From the Govt. we have
no knowledge more about agricultural banks, other
probability that Govt. will have to assist them
in starting, then 2 do.

12/3/97

Vellore Permanent Hindu
Mutual Benefit Company,
Limited.

1897.

From
The Secretary to the
Government of Madras
Vellore Permanent
Hindu Mutual Benefit
Company Ltd
Vellore

To
The Chief Secretary to the
Government of
Madras

Dated 4th
despatch 4th
Received
February 1897

No. 35
402
Enclosures One

Soliciting the aid of
Government in connection
with the Custody of the
Monies belonging to the
Fund.

you have been...
to certain...
Banks, but I don't see how
to get... help...
without a regular audit...
as now we can only
help in this case.

18

14/3/97

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Resubmitted to the
Hon. Mr. Bliss C. L.

18

17/3/97

14/3/97

Keywell - his handly
amatter... deal with

18

18/3/97

Book DEPARTMENT.

CURRENT 758 7th

FORT ST. GEORGE,
Accountant-General's Office,
4th March 1897.

No. 727

From

F. C. Harrison Esq.,

My

ACCOUNTANT-GENERAL TO THE

GOVERNMENT OF MADRAS,

To

THE Chief Secretary to Government
Financial Department

SIR,

With reference to Madras Government
Endorsement No 367 Financial dated the 11th
of February 1897 referring to me for re-
marks a letter from the Secretary, Nellore
Permanent Hindu Mutual Benefit Company
Limited soliciting the sanction of Government
to the deposit of its funds in any Govern-
ment Treasury at Nellore and for opening
a drawing account in the same, I have the
honour to state that I am not prepared to
recommend a favourable reception of this
request

15/3/97
14/3/97

request. Government cannot, I think,
conveniently exercise any supervision
over the Company's methods of working
or watch its financial soundness, yet
it would by keeping its balances, un-
doubtedly lead the public to think that
the institution was in the opinion of
Government properly managed.

If however Government are desirous
of acceding to the request the sanction
of the Government of India will be
necessary.

The Madras Government endorsement
and its enclosures are herewith returned.

I have the honour to be,
Sir,
Your most obedt. servant,

W. H. M. A. N. S.
Offy Accountant General.

MR 4/3

(189) DEPARTMENT.

From

THE ACCOUNTANT-GENERAL,
MADRAS,

To

THE

No.

Dated

Received

No.

Subject.

[G.
105.
800-5-10-96.

FROM CIRCULATION
WITH REMARKS.

*CS. Submitted their
order may now issue.
AK 20/3/97
19/3/97*

ENCLOSURE

ORDERS

LETTERS

STAMP

PAYMENT

in given for copying 23/3
 in copied 24/3
 in examined 25/3 } 1897
 in signed _____

D AGAIN G.O., No. _____
 189 _____

RENT No. _____

ENCLOSURES TO C. No. _____

ORDER OF GOVERNMENT A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH
 IN ORIGINAL.

N.B.—
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