

BYE-LAWS

OF

**POLICE OFFICERS MULTI STATE
CO-OPERATIVE HOUSING SOCIETY LTD.**

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BYE LAWS
OF
POLICE OFFICERS MULTI STATE CO-OPERATIVE
HOUSING SOCIETY LIMITED

(Adopted Model Bye-laws as per the Multi-State Cooperative Societies Act, and Rules 2002 made there under).

1. Name and area of operation:

- (i) The Society shall be called "Police Officers Multi State Cooperative Housing Society Ltd".**
- (ii) The Society shall have a principal place of business, which shall be the registered office of the Society. The Registered Office and the Headquarter of the Society shall be at Office Complex, PTS Malviya Nagar, New Delhi-110017. Any change in the address shall be notified to Central Registrar within 15 days of its change and also published in local newspaper and shall be made by an amendment of its bye-laws after following the procedures laid down in Sec. 11 of the Multi State Coop. Societies Act 2002.**
- (iii) The Society shall have a Common Seal. The Common Seal shall be kept in the safe custody of the Officer authorised by the Board and shall be used on the authority of a resolution of the Board constituted under the bye-laws of the Society;**



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- (iv) The area of operation of the Society shall extend to the Delhi, Haryana & U.P. States.
- (v) The Society is body corporate, which sue and be sued in its name.

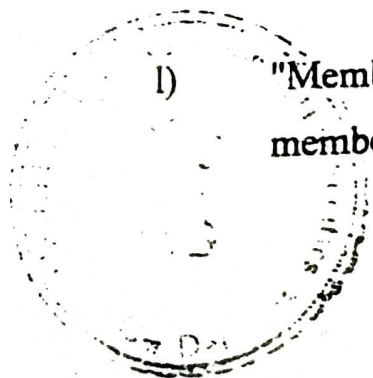
2. Definitions: -

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

- a) "Act" means the Multi-State Cooperative Societies Act, 2002 as amended time to time.
- b) "Rules" means the Multi-State Cooperative Societies Rules, 2002 made under Multi-State Cooperative Societies Act, 2002 and as amended time to time.
- c) "Central Registrar", means the Central Registrar of Cooperative Societies appointed under the provisions of the MSCS Act;
- d) "Bye-laws" means the Bye-laws of the Society for the time being in force which have been duly registered or deemed to have been registered under the Multi State Cooperative Societies Act in force and includes amendments thereto which have been duly registered or deemed to have been registered under the Act;
- e) "Delegate" means a person who is duly appointed/elected by the members of the Society or part thereof in accordance with its bye-laws as its representatives to the General Body of the Society or a person who is duly authorised by the Board of the member Society to represent the Society in General body of the Society of which the Society is a member.



- f) "General Body", means all the members of the Society and in relation to a national cooperative Society or a federal cooperative means all the delegates of member cooperative societies or delegates of multi state cooperative Society and includes a body constituted under the provisions of the Act;
- g) "Board" means the Board of Directors of the Society.
- h) "General Meeting" means a meeting of the general body of the Society and includes special general meeting;
- i) "Chief Executive" means Chief Executive/Managing Director, by whatever name he may be called, of the Society;
- j) 'Person' means an adult individual proprietary concern, partnership firm duly registered under the Indian Partnership Act 1932, company, or any other body corporate constituted under the law for the time being in force. Society registered under the Societies Registration Act of 1860. State Government and Public Trust registered under any law for the time being in force for registration of such trusts subject to amendment in the Act.
- k) 'Officer' means a President, Vice-President, Chairperson, Vice-chairperson, Managing Director, Secretary, Manager, Members of the Board, Treasurer, Liquidator, an Administrator appointed under Sec. 123 and includes any other person empowered under Multi State Cooperative Societies Act or the rules or the Bye-laws to give direction in regard to business of the Society.
- l) "Member" means a cooperative Society/individual who is admitted as member of the Society and continues to be so for the time being;



- m) 'Nominal' member means a person who has been admitted as a nominal member or associate member under the bye-law of the Society.
- n) "Multi State Cooperative Society" means a cooperative Society registered or deemed to be registered under the Multi-State Cooperative Societies Act 2002;.
- o) "National Cooperative Society" means a Multi-State Cooperative Society specified in the second schedule to the Multi-State Cooperative Societies Act, 2002;
- p) " Cooperative Society" means a cooperative Society registered or deemed to be registered under any law relating to cooperative societies for the time being in-force in any State or Union Territory;
- q) "Federal Cooperative" means a federation of cooperative societies registered under the MSCS Act and whose membership is available only to a cooperative Society or a multi-state cooperative Society;
- r) A 'Cooperative Bank' means a multi state cooperative Society which undertakes banking business;
- s) 'Reserve Bank' means the Reserve Bank of India constituted under the RBI Act 1934 – 2 of 1934;
- t) 'Deposit Insurance Corporation' means the Deposit Insurance & Credit Guarantee Corporation established under Sec. 3 of the Deposit Insurance Corporation Act 1961;
- u) "Defaulter" means a member who has defaulted in payment of any kind of dues payable to the Society;



- v) "Cooperative Year" means the period from 1st of April to 31st March;
- w) "Area of Operation" means the area from which the persons can be admitted as members of the Society.
- x) "Cooperative Principles" means the cooperative principles as specified in the first schedule of the Multi-State Cooperative Societies Act, 2002.

3. Objects, and functions:

a) Objects:

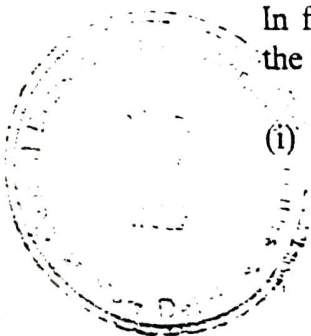
The principal object of the Society will be to promote the interests of all its members to attain their social and economic betterment through self-help and mutual aid in accordance with the cooperative principles.

- (i) To promote social welfare schemes as providing all possible help to acquire accommodation.
- (ii) To establish and carry on sanitary, social, educational and recreational activities for the benefit of the members of the Society.
- (iii) To construct and develop community center, parks, dispensaries, schools, hospitals etc.
- (iv) To do all such things as are incidental or conducive to the attainment of any or all the objects.

b) Functions:

In furtherance of the above objects, the Society may undertake any or all the following activities: -

- (i) The construction of houses, for giving to members, either on rent or on hire purchase system or by out right sale;



- (ii) Allotment of plots to its members, on such terms and conditions as may be fixed by the Society in accordance with the Bye-laws, for the construction of houses by the members for their own use;
- (iii) To undertake welfare activities for members and their families;
- (iv) To borrow loans for running the business of the Society and to arrange for its repayment.

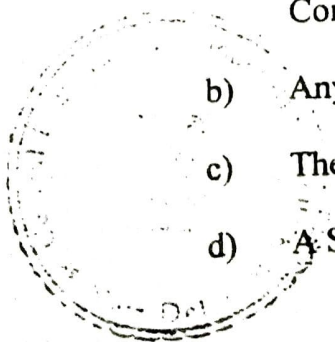
4. **Membership :**

A Society shall have following categories of members:-

- (i) Ordinary members
- (ii) Nominal/ Associate members

Who can be ordinary members:

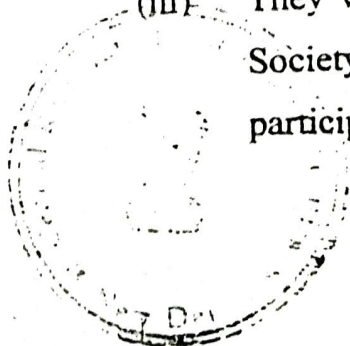
- (i) Any person who resides within the area of operation of the Society and who genuinely need the services provided by the Society and whose interest does not conflict with the interest of the Society;
- (ii) No person shall be admitted as a member of a multi-State co-operative Society except the following namely:-
 - a) An individual, competent to contract under section 11 of the Indian Contract Act, 1872;
 - b) Any multi-State co-operative Society or any co-operative Society;
 - c) The Central Government;
 - d) A State Government;



- e) The National Co-operative Development Corporation established under the National Co-operative Development Corporation Act, 1962;
 - f) Any other corporation owned or controlled by the Government
 - g) Any Government company as defined in section 617 of the Companies Act, 1956;
 - h) Such class or classes of persons or association of persons may be permitted by the Central Registrar having regard to the nature and activities of a multi-State co-operative Society.
- (iii) No right of membership shall be exercisable until a person has made such payments to the Society in respect of membership or acquired such interest in the Society as may be prescribed by the Society in the Bye-laws
- (iv) Every member shall pay an admission fee as specified in the bye-laws of the Society.

5. Nominal or Associate Member:

- (i) Society may, in the interest of promotion of the business of the Society, admit a person as nominal member or associate member on payment of fee of Rs100/- only.
- (ii) Provided that such members will not be entitled to subscribe to the share capital of the Society.
- (iii) They will not be allowed to have any interest in the management of the Society including right to vote, contest election as director of the board or participate in the general body meetings of the Society.



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6. (i) Application:

The application for membership of the Society shall be submitted by the applicant to the Chief Executive of the Society in the prescribed form and 100% of the value of shares to be deposited by the applicant at the time of submission of application.

(ii) Disposal :

The applications for membership of the Society found complete in all respects shall be disposed of within the period of four months from the date of receipt of the application by the Society. The same shall be communicated to the applicant within fifteen days of the decision by Registered Post.

7. A member may, with the approval of the Board of Directors, transfer its shares to another member or to a non-member who is eligible for membership of the multi-State cooperative Society.

A fee of Rs.25/- per share shall be payable to the Society for each such transfer.

8. The Board may, on application, by a Member:

- (i) Approve conversion of shares allotted to it or a part thereof into those of other denominations subject to such conditions as the Board may decide to impose;
- (ii) Consolidate all or some of the partly paid shares already allotted to member.

9. Disqualifications of membership:

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

- i) His business is in conflict or competitive with the business of the Society;
or
- ii) He did not attend the three consecutive general meetings and such absence was not condoned by the 2/3rd majority of the members attending the meeting; or
- iii) Has defaulted in payment of all dues including contributions, subscriptions, if any, as decided by the board of the Society from time to time.

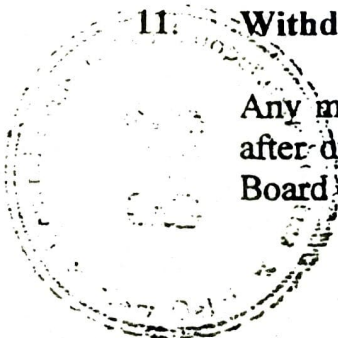
10. Cessation of membership :

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

- (i) Resignation or death of the member.
- (ii) Cancellation of registration of the member Society;
- (iii) All the shares are transferred to another person/ Society;
- (iv) Expelled by the general body;
- (v) Incurring any of the disqualifications of membership.

11. Withdrawal from membership:

Any member of the Society may withdraw from membership of the Society only after one year by giving at least a three months notice and duly approved by the Board of the Society.



12. Termination of membership :

Membership of the Society may be terminated by a resolution of the general body passed by 2/3rd majority present and voting if :

- (i) Any member has defaulted in payment of dues as per bye-laws of the Society for a continuous period of one year;
- (ii) Any activity of a member is found to be conflicting or competitive with the interest or activities of the Society.
- (iii) Provided that the member concerned shall not be terminated unless he has been given a reasonable opportunity of making representation in the matter.

13. Rights of member :

Every member of the Society shall have the following rights: -

- i) At least one vote in the general body meetings of the Society and no member shall be permitted to vote by proxy:

Provided that a multi-State co-operative Society or a co-operative Society or any other institution which is a member of any other multi-state cooperative Society may appoint its representative by a resolution passed by its Board to vote on its behalf in the affairs of such multi-State cooperative Society.

- ii) Right to receive notice of general body meetings as per bye-laws of the Society;
- iii) Right to attend and take active part in the proceedings of the committee;
- iv) Take part in elections and contest for any post as per bye-laws of the Society;
- v) Inspect member registers, books of accounts or any other record and obtain certified copies of the resolutions or documents on a payment of fee as may be prescribed by the Society from time to time.



14. Liability:

- i) Liability of the members shall be limited to the share capital subscribed by them;
- ii) Liability of every member would continue for period of two years from the date of ceasing to be member of the Society.

15. Authorised Share Capital:

The authorised share capital of the Society shall be Rs. 50 Lakhs, which shall comprise of 50,000 shares of the face value of Rs. 100/- each. No share holding by the Central Govt. or State Govt. or any other Govt. undertakings.

- 16. (i) A member shall subscribe to minimum of 10 number of shares at the time of application
- (ii) Manner of allotment, transfer, redemption and/or repatriation shall be at face value of the shares.

17. Joint Shareholders

Shares may be purchased in the names of more than one person jointly.

- i) On death of a joint-holder, the surviving person/ persons shall be recognized as joint shareholder/holders
- ii) The joint-holder of any share shall be liable severally as well as jointly for all payments which are to be made in respect of such share or shares.
- iii) The person whose name stands first written on the share certificate shall enjoy all the rights of a member and be responsible for all the liabilities of a member. He shall be entitled to receive the annual dividend and notice of the General Meeting.
- iv) Where a share of the Society is held jointly by more than one person, the person whose name stands first in the share certificate, if present, shall have the right to vote. But in his absence, the person whose name stands second and, in the absence of both, the person whose name stands next, and likewise in the absence of preceding persons the person whose name is next on the share certificate, who is present and who is not a minor shall have right to vote.

18. Share Certificate

Every person admitted as member shall be entitled to receive a share certificate gratis stating the number of share/s and their distinctive number/s. The share certificates shall be signed by the Chairman, or any Director duly authorized and the Chief Executive Officer. The share certificate shall bear the Society's seal.

19. Transfer of Shares

- i) A member may transfer his share or shares after holding them for not less than one year to any person duly approved by the Board of Directors. The transfer is not complete until the name of the transferee has been duly entered in the register of members and the transfer fee of 25/- per share is paid.
- ii) If any certificate be worn out, defaced, destroyed or lost, a new share certificate's may be issued in lieu thereof on payment of a fee of Rs. 25/- per share. It shall, however, be necessary to produce evidence to the satisfaction of the Board of Directors that the share certificates were worn out, defaced, destroyed or lost, or in absence of such evidence, on such indemnity as the Board of Directors may deem sufficient.

20. Restriction on holding shares

No member other than the authorities referred to in clauses (c) to (g) of 4 (ii) shall hold more than 1/5 of its total share capital of the Society.

21. Nomination

A member may nominate a person to receive the member's interest in the Society after his death. Nomination shall be made in the prescribed form and entered in the special register kept at the Society's registered office. Prior approval of the Board shall be necessary if the person to be nominated is an employee of the Society.



22. Death of a Shareholder

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

23. Lien on Shares, Dividends and Deposits

The Society shall have the first and paramount lien or charge upon all the shares, dividends and deposits of any member or past member for all moneys due from him to the Society from time to time. The Society may at any time set off any sum credited by or payable to the member or past member towards payment of any liability of such member as past-member.

24. Capital and Funds :

The Society may receive funds from any or all the following sources :

- (i) Admission fee;
- (ii) Share capital;
- (iii) Loans and deposits;
- (iv) Grants-in-aid;
- (v) Donations;
- (vi) Contributions;
- (vii) Subscriptions;
- (viii) Profit.

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25. Maximum Borrowing Limit:

The multi-State cooperative Society shall be eligible to receive deposits and loans from members and other up to 10 times of its ~~subscribed~~ share capital plus accumulated reserves minus any accumulated losses.

26. General Body :

- (i) The General Body of a multi-State Cooperative Society shall consist of all the members of such Society.
- (ii) Subject to the provisions of Act, the Rules and the Bye-laws, the ultimate authority of a multi state co-operative Society shall vest in the General Body of its members.

27. Annual General Meeting :

The Board of the Society under a resolution shall within six months after the close of the corresponding year call the annual general meeting for the purpose of :

- (i) Consideration of the audited statement of accounts;
- (ii) Consideration of the audit report and annual report;
- (iii) Consideration of audit compliance report;
- (iv) Disposal of net profits;
- (v) Approval for appointment of Auditors & fixation of remuneration;
- (vi) Review of operational deficit, if any;
- (vii) Creation of specific reserves and other funds;
- (viii) Approval of the annual budget;
- (ix) Review of actual utilisation of reserve and other funds;

- (x) Creation of specific reserves and other funds;
- (xi) Approval of the long-term perspective plan and the annual operational plan;
- (xii) Review of annual report and accounts of subsidiary institution, if any;
- (xiii) Expulsion of members;
- (xiv) List of employees who are relatives of members of the board or of the Chief Executive;
- (xv) Amendment of bye-laws, if any;
- (xvi) Formulation of code of conduct for the members of the board and officers;
- (xvii) Election & removal of members of the board, if any;
- (xviii) Consider the statement showing details of loans or goods on credit if any given to any director or to the spouse of the director or his/her son or daughter during the preceding year or outstanding against any of them;
- (xix) Appointment of auditors for conducting statutory audit and to fix their remuneration.
- (xx) Any other matter laid before it by the Board of Directors.

28. Amendment to Bye-laws:

The amendment to the bye-laws shall only be passed by a resolution of the meeting of the general body by not less than two thirds of the members present and vote in favour of such resolution and not less than 15 clear days' notice for the considering of such amendment has been previously given..

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29. Special General Meeting:

The Chief Executive may, at any time, on the direction of the Board shall call a special general meeting of the Society and shall call such meeting within one month after receipt of a requisition in writing from the Central registrar or 1/3rd of the total number of members of the society.

30. Notices for the General Meetings and Special General Meetings:

- i) Annual General Meeting of the Society may be called by giving not less than 14 days notice in writing to all the members of the Society
- ii) Special General Meeting of the Society may be called by giving not less than 7 days notice in writing to all the members of the Society;
- iii) The notice of the Annual General Meeting shall be accompanied by a copy of each of the audited balance-sheet, profit and loss account together with the auditors report relating to the preceding year and the report of the Board of Directors thereon.
- iv) The notice will be served to the members by local delivery or under postal certificate or by publication in the newspaper having wide circulation.

31. Quorum of the meeting :

- (i) The quorum for the general meeting shall be one fifth of the total number of members of the general body;
- (ii) No business shall be transacted at any general meeting unless there is a quorum at the time when the business of the meeting is due to commence:
- (iii) If within half an hour from the time appointed for the meeting, quorum is not present, the meeting shall stand adjourned and would be held after half an hour at which the quorum will not be required.
- (iv) If at any time during the meeting sufficient number of members are not present to form the quorum, the Chairman or the member presiding over the meeting on his own, or on his attention being drawn to this fact, shall adjourn the meeting and the business that remains to be transacted at this meeting, if any, shall be disposed off in the usual manner at the adjourned meeting;
- (v) Where a meeting is adjourned under sub-clause (iii) or (iv) the adjourned meeting shall be held either on the same day or on such date, time and place as may be decided by the Chairman or the member presiding over the meeting; but within 7 days from the date of adjourned meeting.



- (vi) No business shall be transacted at any adjourned meeting other than the business on the agenda of the adjourned meeting;
- (vii) The adjourned meeting will transact its regular business even without the quorum being present at the meeting.

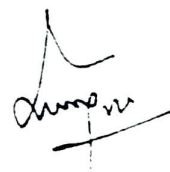
32. **Board of Directors:**

The Board of Directors of the Society shall be 15 excluding two co-opted directors'

- (i) Directors to be elected by the General Body = 15
- (ii) Chief Executive shall be the ex-officio member of the Board of Directors:
- (iii) Two eminent persons may be co-opted by the Board of Directors:

33. **Meetings of the Board of Directors:**

- (i) The Board of Directors shall meet at least once in every quarter:
- (ii) The meetings of the Board of Directors shall be held at the registered office of the Society.
- (iii) The meetings of the Board of Directors shall be presided over by the Chairman or in his absence by the Vice Chairman and in the absence of both Chairman & Vice-Chairman, the Directors present in the Meeting shall elect a Chairman for the Meeting from among themselves:
- (iv) 14 days notice shall ordinarily be necessary for the meeting of the Board of Directors:
- (v) The quorum for the meeting of the Board of Directors shall be 7 members in the total strength of the Board of Directors.

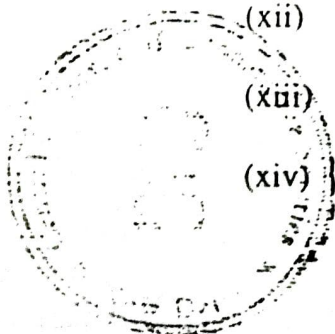


34. Term of the Board of Directors :

- (i) The term of the office of the elected Members of the Board of Directors shall be such not exceeding 5 years from the date of election;
- (ii) The elected members of the Board shall be eligible for re-election.

35. Powers & Functions of the Board of Directors :

- (i) To admit members;
- (ii) To elect Chairman and Vice-Chairman/Chairmen of the Society;
- (iii) To authorise convening of Meetings of the General Body;
- (iv) To interpret the organisational objectives and set-up specific goals to be achieved towards these objectives;
- (v) To make periodic appraisal of objectives;
- (vi) To appoint, suspend or remove the Chief Executive and such other employee of the Society as may be prescribed;
- (vii) To make provisions for regulating the appointment of the Society and the scales of pay, allowances and other conditions of service, including explanatory action against such employees;
- (viii) To place the annual report, annual financial statements, annual plan and budget for the approval of the general body;
- (ix) To consider audit and compliance report and place the same before the general body;
- (x) To acquire or dispose off immovable property;
- (xi) To review the membership in other cooperatives;
- (xii) To approve annual and supplementary budget;
- (xiii) To recommend to the General Body distribution of profits;
- (xiv) To raise funds;



- (xv) To sanction loans to the members;
- (xvi) To fill any vacancy/vacancies in the Board by co-option;
- (xvii) To approve the panel of auditors for placing in the General Body;
- (xviii) To appoint such Committees, Sub-Committees or Standing Committees as may be necessary and delegate to them such powers as may be appropriate;
- (xix) To frame regulations for the election of delegates to the General Body, Members to the Board of Directors and for the conduct of Meetings of the General Body and the Board of Directors as per the provisions of the Act;
- (xx) To take such other measures or to do such other acts as may be prescribed or required under this act or the bye-laws or as may be delegated by the general body.

36. Committees:

- (i) The Board of Directors shall constitute an Executive Committee and other committees or sub-committees as may be considered necessary.
- (ii) Provided that other committees or sub-committees, other than the Executive Committee shall not exceed 3 at a given point of time.

37. Chairmen and Vice-Chairman

There shall be a Chairman and a Vice-Chairman elected by the Board of Directors from among themselves. The Chairman and in his absence, the Vice-Chairman shall preside over the Meeting of the General Body and the Board of Directors.

The terms of office of the Chairman and Vice-Chairman shall be co-terminus with the term of the elected Members of the Board unless Chairman or Vice-Chairman ceases to be a Director earlier. In case of any vacancy within this period, the Board shall fill up the vacancy through re-election for the un-expired term of the Board.



38. Powers and functions of the Chairman :

The Chairman shall have the following powers and functions:

- (i) He shall preside over the meeting of the general body, Board of Directors and executive committee;
- (ii) The Chairman shall sign the proceedings of all the meetings presided over by him;
- (iii) In the event of equality of votes on a resolution the Chairman shall have an additional casting vote in the meeting;
- (iv) To convene the meeting of the Board of Directors, Executive Committee and other committees of which he is the Chairman;
- (v) The Chairman may delegate any of his powers and functions to the Vice-Chairman;
- (vi) The Chairman may take decisions as of an urgent and emergent nature affecting the policy of the Society on behalf of the Board of Directors, Executive Committee or any other committees. The matter will be placed before the next meeting of the concerned committee for ratification.

39. Chief Executive:

The Managing Director shall be the Chief Executive of the Society and shall be appointed by the Board and shall aid and assist the Board of Directors in its functions. He shall be member of all the committees, sub-committees and sub-groups of the Board of Directors as may be constituted.

40. Powers and functions of the Chief Executive :

- (i) The Chief Executive shall under the general superintendence, direction and control of the board, exercise the powers and discharge the functions specified below, namely :

(a) Day-to-day management of the business of the multi-State co-operative Society;



- (b) Operating the accounts of the multi-State co-operative Society and be responsible for making arrangements for safe custody of cash;
- (c) Signing on the documents for and on behalf of the multi-State co-operative Society as prescribed;
- (d) Making arrangements for the proper maintenance of various books and records of the multi-State co-operative Society and for the correct preparation, timely submission of periodical statements and returns in accordance with the provisions of this Act, the rules and the bye-laws;
- (e) Convening meetings of the general body of the multi-State co-operative Society, the board and the Executive Committee and other committees or sub-committees constituted under sub-section (1) of Section 53 and maintaining proper records for such meetings;
- (f) Making appointments to the posts in the multi-State co-operative Society in accordance with the bye-laws;
- (g) Assisting the board in the formulation of policies, objectives and planning;
- (h) Furnishing to the board periodical information necessary for appraising the operations and functions of the multi-State co-operative Society;
- (i) Appoint the person to sue or be sued on behalf of the multi-State co-operative Society;



- (j) Present the draft annual report and financial statements for the approval of the board within thirty days of closure of the financial year;
- (k) Performing such other duties and exercising such other powers, as may given/ directed by the Board of Directors of the Society.

41. Distribution of profit:

Subject to the provisions of the Act and Rules framed there under, the net profits of a multi-State cooperative Society shall be distributed by the General Body as follows:

- (i) Transfer at least 25% of net profit to the reserve fund;
- (ii) Credit one per cent of its net profit to the cooperative education fund maintained by the National Cooperative Union of India;
- (iii) 10% shall be transferred to the reserve fund for meeting unforeseen losses.
- (iv) Payment of dividend to members on their paid up capital at the rate of not exceeding 10%.
- (v) Contribution to the education fund not exceeding 10%. The fund may be utilised for the education and training of members, directors and employees as approved by the Board of Directors;
- (vi) Donation for the development of the cooperative movement or charitable purpose as defined in section 2 of the Charitable Endowment Act 1890 not exceeding 5%.
- (vii) Payment of ex-gratia amount to employees as approved by the Board of Directors; not exceeding 10% of the net profit;
- (viii) The remaining undistributed and unutilised net profit will be credited to Reserve Fund.

42. Investment of funds:

The Society may invest or deposit its funds in: -

- i) A cooperative bank including cooperative land development bank;
- ii) Securities specified in section 20 of the Indian Trust Act 1882;
- iii) Shares and securities of any other cooperative Society/subsidiary institutions;
- iv) Any other bank;

43. Reserve Fund

- i) In addition to the sum prescribed under the Co-operative Societies Act and Bye-laws, all admission fees, entrance fees, nominal membership fees, amount of forfeited shares and dividends and donations shall be carried to the Reserve Fund.
- ii) Any loss occurring as the net result of the year's working may with the previous sanction of the Central Registrar, be made good from the Reserve Fund or from the profits of the next ensuing year or years.
- iii) The Reserve Fund shall be separately invested in government and trustee securities or other approved securities or in fixed deposits with the District Central Co-operative Bank or the State Co-operative Bank.

44. Dividend:

- i) The dividend declared shall be paid to the person whose name stands as the registered shareholder in the books of the Society on the 31st day of the co-operative year to which the dividend relates.
- ii) Dividend shall be proportionate to the amount paid on shares and the period in whole months for which the amount stood to the credit of the shareholder.
- iii) Any dividend remaining undrawn for three years after having been declared shall be forfeited and shall be carried to the Reserve Fund of the Society.

Unpaid dividend shall be payable on application provided the same has not been forfeited.



45. Audit

The accounts of the Society shall be audited by an auditor appointed from the panel of auditors approved by the Central Registrar or from a panel of auditors, if any, prepared by the Society at least once in each year and the remuneration of auditors shall be fixed by the Central Registrar or the Society as the case may be. The qualifications, disqualifications of auditors, their powers and duties as prescribed under section 72 to 73 of the Act.

46. Settlement of Disputes

All the disputes shall be referred to Arbitration in accordance with the provisions of the Multi State Cooperative Societies Act and Rules.

47. Limitations

The limitation period in disputes shall be as per the provisions of the Act.

48. Winding up:

If the situation warranted for winding up the Society, the procedure for winding up will be made as per the Act of Rules.

49. Miscellaneous

(i) No act of the General Body or the Board of Directors shall be deemed invalid by reason of any defect in the election of a Member thereof or by reason of any vacancy therein not having been filled in:

(ii) The Society shall have service rules for regulating the service conditions of its employees as formulated and amended by the Board from time to time.

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


(O.P. SAGAR)
Authorised Promoter