The Income-Tax Department Employees' Co-Op Credit Society Ltd., Gujarat, Ahmedabad.

(Regn. No. S-1, of 1961 dated 2-8-1961)

B Y E - L A W S

(I) PRELIMINARY

1. The name of the Society is "The Income-tax Department Employees` Co-operative Credit Society Limited ,Gujarat, Ahmedabad" and its Registered address shall be Aayakar Bhavan, Ahmedabad -380009.

   Any change of address shall be notified to the Registrar within 14 days and published in a local paper.

2. The first meeting of the members after registration shall have the same powers as are herein given to the Annual General Meeting.

3. The objects of the Society are to encourage thrift by enabling Members to save part of their income in a safe and convenient way with the prospects of fair profit to prevent indebtedness and to encourage investment for the purpose as mentioned in the proviso to Bye-law No.46 (3) by making short term and medium-term loans available on reasonable terms.

(II) FUNDS

4. Funds may be raised
   - (i) by subscription and shares
   - (ii) by loans and deposits and
   - (iii) by donation & entrance fees

5. The amount of capital to be raised by the sale of shares shall not exceed Rs. 7,50,000/- (Rupees Seven lacs and fifty thousand only). The nominal value of each shares shall be Rs.10/-.

6. Deposits and loans may be received for a fixed period or upon current accounts, at such rates of interest and to such an amount as may be determined by the Managing Committee,

provided that the total amount of loans and deposits shall never exceed total amount of paid up share capital plus the amount of subscription and the reserve fund minus accumulated losses, if any.

7. The funds of the Society when not utilized shall be invested or deposited as required by Section 71 of the Gujarat Co-operative Societies Act, 1962

(III) MEMBERSHIP

8. No person shall be a member unless:

(i) He is an employee of the Income tax Department.

"Explanation" : For the purpose of this bye-law as well as the other bye-laws of the Society, the words "Employees of the Income-tax Department" shall always mean :

(a) Employees of the Income-tax Department in the Gujarat State at the time of their admission to the membership.

(b) Employees of the Zonal Accounts Office, Central Board of Direct Taxes, and Pre-check Units, Gujarat, both attached to the Income-Tax Department, in the Gujarat State, excluding employees on deputation to the said offices from the department other than Income-tax Department, Gujarat.

(ii) A written application for membership has been approved by an absolute majority of the Managing Committee.

(iii) He has paid entrance fee of Rs.50/- (Fifty).

(iv) He has purchased at least one share of the Society.

(v) He gives an undertaking to abide by the bye-laws of the Society. Members who signed the original application for registration are exempted from Bye-law 8 (ii) and persons who fall under Bye-law number 21 from conditions 8 (iii) and 8(iv).

8(A) The membership of a retired employee shall be continued after his/her retirement for a period of five (5) years subject to the observations of other conditions laid down in the Bye-Law

9. Subject to the provision of bye-law No.8, a member of another co-operative society or any co-operative bank limited or unlimited shall be eligible for admission in the Society. However, he will be eligible for a loan or credit only at the sole discretion of the Managing Committee.

10. Every duly admitted member shall sign his name in the application form, undertaking thereby to abide by the bye-laws of the Society and to accept the rights, obligations and responsibilities of membership as defined in these bye-laws.

11. (i) Any member after having held a share or shares for at least one year may withdraw from the Society at any time after having given one month's notice to the Managing Committee, provided that he is not in debt to the Society or a surety for another member who is in debt to the society.

Provided that in the case of a member on transfer to a place outside Gujarat Charge, the aforesaid limit of one year may be waived by the Managing Committee.

Provided further that in any one year, the refund of share capital shall not exceed 10% of the aggregate paid up share capital of the Society as it stood on 30thjune preceding.

(ii) A member whose resignation has been accepted by the Managing Committee shall not be eligible for re- admission until completion of 12 calendar months from the date of acceptance of his resignation.

12. (a) A member of the Society may be expelled by a vote of

General meeting if he:

i) is a persistent defaulter ;

ii) willfully deceives the Society by false statements ;

iii) is bankrupt or legally disabled;

iv) is criminally convicted;

v) intentionally does not act likely to injure the credit of the Society ; or

vi) fails for three successive months to pay his monthly subscriptions or having become member of another credit society or any co-operative bank takes credit or loan from such co-operative credit society or co-operative bank

(b) Expulsion may involve the forfeiture of all shares held by him.

13. A member from whom the recovery of loans has been affected by coercive process, i.e. by having any award actually executed, shall cease to be a member of the Society, unless he is still liable as surety for on loans in which case he may be continued as a member on the clear understanding that he will not be entitled to any fresh loan. The Society shall maintain a list of such members ineligible for loans in future. For any loans given in contravention of this Bye-law, the members of the Managing Committee shall be personally liable.

A person removed from membership under the above clause shall not be eligible for re-admission to the Society except with the special permission of the Registrar.

14. A person ceases to be member

- i) On death
- ii) When his resignation is accepted by the managing Committee;
- iii) On expulsion ;
- iv) On the transfer or forfeiture of all the shares held by him ;
- v) When he ceases to be in the employment of the Income-tax Department otherwise than by way of retirement ;
- vi) The membership ceases at the end of five years from the date of retirement unless he/she has resigned his/her membership earlier.

IV SHARES AND SUBSCRIPTIONS

15. (a) Every member shall be required to pay to the society Minimum monthly a Subscription of Rs.300/-.
The maximum monthly subscription shall not exceed Rs.1,200/- per month.

Provided that the members at their discretion may pay subscription at higher rates subject to the condition that the subscription to be paid shall be in the multiple of hundred only and it shall not exceed the ceiling fixed by the Managing committee from time to time.

Provided further that the members paying subscription at higher rates than the minimum limits specified above shall be allowed to change the rate of their subscription only at the commencement of the accounting year of the Society

(b) The amount collected by way of subscription from a newly admitted member shall be converted into fully paid up shares so as to make his share holding equal to 10 shares.

(c) (1) In the event of death of a member leaving behind a family, each member's subscription account shall be debited by a sum of Rs.100/-(Rupees One hundred only) and corresponding credit shall be given to the deceased member's separate account known as "Death Benefit Account "provided such a member :

For this purpose, the member shall nominate any one or more members of his family to receive the amount in his credit in the Death Benefit Account, subject to adjustment provided in sub-clause.

(2) In case, no nomination has been filed by a member such amount shall be paid to the members of his family in order of priority mentioned in the definition of 'family' in the note below.

NOTE: for the purpose of this bye laws, "family" means;

1. Wife or husband of a member
2. Sons and unmarried daughters of a member.
3. Father or mother of a member
4. In the case of a member having no member of the family as defined

above, any person duly nominated by such member.

(3) 25% of the above amount after adjusting outstanding loan, if any, shall be paid to the persons(s) as eligible in clause (1) above in the first month and the balance shall be paid within next 3 months in equal installments

(4) In the event of non acceptance of the above amount, expressed in writing by the legal heirs of the deceased, the said amount shall be credited to a separate account and will be utilized at the time of the subsequent death of a member.

(d) The provisions of bye-law No.15(c) would apply in case of a member who dies after retirement from the service provided that such member had completed 10 years of continuous membership of the Society on the date of his retirement.

(d)(1) In the event of death within five years from the date of retirement of a retired member leaving behind a family, each member's subscription account shall be debited by a sum of Rs. 100/-(Rs. One hundred only) and a corresponding credit shall be given to the deceased member's separate account known as Death Benefit Account.

(e) The benefit of the "Death benefit scheme" will be admissible to a member who dies within a period of five years from the date of his/her retirement unless he/she has resigned his/her membership earlier & that he/she has paid his/her dues of Subscription for the Six months prior to his/her death. .

16. In addition to the shares purchased from the monthly subscription, any member is at liberty to apply to managing Committee for further shares

and to pay for them in a single cash payment.

17. The liability of a Member shall not exceed the amount, if any, unpaid on shares for which he or his estate is liable.

18. Subject to the provisions of bye-law No.11, a member may transfer his shares after holding them for one year to another member with the approval of the Managing Committee. The transfer is not complete until the name of the transferee has been entered in the Share Transfer Register and such fee as the Managing Committee may prescribe has been paid

19. A share certificate bearing distinctive number shall be issued for share(s) subscribed.

20. In the event of membership ceasing under bye-law 11 or 14, the par value of the shares held be a member and any

amount standing to his credit, shall be paid to him after deducting any amount due from him to the Society within Six months from the date of the cessation of membership.

21. Any member of the society may nominate any person to receive in the event of his death, his share or other interest in the Society. Such nomination shall, in the event of his death, be given effect to by the Society provided that:-

(i) the nomination was signed by the deceased in the presence of two witnesses attesting the same.

(ii) the nomination has been registered in the books of the Society kept for the purpose.

22. In absence of nomination under bye-law No.21, shares and other interest of the deceased member in the society after deducting all dues shall payable to the legal heir or legal representative of the deceased.

V. GENERAL MEETING

23. The Annual General Meeting shall be held within a period of six months from the date of the closing of the year fixed under the rules.

24. (a) The Annual General Meeting shall elect a President and a Vice-president for the ensuing year. The functions of the President will be to preside over the General Meeting, generally supervise the administration of the Society and summon through Secretary, the general meeting whenever necessary. In absence of the President, the Vice-President will perform all the functions of the President. In absence of both, members present in

the General Meeting may elect any member of the Society to perform the functions of the President till a new President is duly elected.

(b) The functions of the Annual General Meeting are:-

i) To confirm the proceedings of the last General Meeting.

ii) To receive from the Managing Committee, the balance-sheet of the last year, to sanction distribution of the profits and to consider any communication or audit memorandum that may have been received from the Registrar or any other business duly brought forward;

iii) To appoint Honorary Secretary of the Society for the Ensuing year;

iv) To appoint statutory auditors to audit the accounts of The Society during the ensuing year and to fix their Remuneration;

v) To consider appeals against orders of the Managing Committee and generally to exercise supreme Authority in any matter relating to the work of the Society

vi) To fix maximum limit up to which Managing Committee may raise funds under bye-law No.6.

<u>NOTES:</u>

(1) The election of the office bearers including the members of the Managing Committee if held, shall be by secret ballot or open Counting of votes and shall be governed by model election Rules framed by the Registrar from time to time adopted by the Managing Committee and approved by the Registrar

(2) Notwithstanding anything contained in this bye-law, no member being in unauthorized arrears of the Society or of any other Society operating in the area of operation of this Society or who is convicted of criminal offence shall be eligible for being elected as an office bearer or continue to be office bearer of the Society

25 The notice of General Meeting should be given by a communication delivered or posted to each member. It should also be pasted to the office-board. Non-receipt of any such notice by any member shall not invalidate the proceedings of a general meeting, whether general or special, unless the rights of large number of members are prejudiced thereby, in which circumstances the Assistant Registrar shall decide about the validity of the General meeting.

26. A special General Meeting can be summoned by the President or by a majority of the Managing Committee on a requisition from the Registrar or one fifth of the members. It shall be the duty of the president to call such a meeting within a period of month of such requisition.

27. In the case of an Annual General Meeting, 14 days notice and in the case of a special General Meeting, 7 days notice shall be given. The notice shall specify the date hour and place of the meeting and the business to be transacted.

28. No resolution unless so ordered by the Registrar can be brought at General Meeting

(i) disturbing the election of the office bearers within 6 months from the date of such election and

(ii) for canceling a previous resolution after passing of the original resolution.

29. With the permission of two-thirds of the members present at a General Meeting, any member may bring forward a proposal not mentioned in the notice convening the meeting provided that such proposal does not relate to the expulsion of a member or the alteration of a bye-law.

30. The president shall have a casting vote in addition to his ordinary vote.

31. Every member shall have one vote only, irrespective of the number of shares held by him provided that a member who is a principal borrower against whom an arbitration award has been passed and execution proceedings are stated for recovery of the awarded amount shall not be entitled to vote on the question of the election of the Managing Committee and other office bearers.

32 $1/5^{th}$ of the total members or fifty members shall form a quorum at General Meeting The meeting adjourned for want of quorum can be Held half an hour later than the scheduled time of meeting Provided due notice has been given along with the original Notice. No quorum shall be necessary for such adjourned Meeting

VI **<u>MANAGING COMMITTEE</u>**

33 The Society shall be carried on by a Managing Committee, consisting of 15 members elected & the term of office of the elected members of the Managing Committee and its office bearers shall be five years from the date of election. The term of office bearers shall be co-terminus with the term of Managing Committee.

The Committee shall elect its own Chairman, Vice-Chairman, Jt. Secretary & Treasurer. Each member shall have one vote. In case of equality of votes, the Chairman shall have a casting vote.

(A) A member who has retired from service shall not be eligible for election to the Managing committee.

34. Subject to the bye-laws and the resolutions passed at a General Meeting, the Managing Committee shall have full Authority to carry on the business of the Society. It shall meet for the transaction of the business not less than once a month. Four members shall form quorum.

35. A Managing Committee Member shall be deemed to have vacated his office even before the expiry of his normal term,

i) if he resigns by notice in writing;

ii) he is for sufficient cause removed by majority of Votes at a General Meeting.

iii) after receiving a notice of the date of meeting of the Committee he absents himself at 4 successive meetings without taking prior leave of absence for reasons which in the opinion of the Committee are satisfactory;

iv) he becomes a defaulter during the term of his committee membership;

v) he is convicted of criminal offence or offences;

vi) he accepts any place or position of profit or remuneration from the Society except in his professional capacity as a pleader;

vii) he is no more in service of the Income-tax Department either due to his retirement or otherwise

36. Vacancies among the elected members of the Managing Committee due to death or for any other cause may be filled up by the Managing Committee members by co-option. Such a Committee Member

shall hold office till the next Annual General Meeting.

37. A committee minute book shall be maintained by the Secretary in which the names of the member present and the proceedings at each meeting shall be recorded. It shall be open for inspection of all members.

38. No member shall be present to vote on any matter in which he has personal interest.

39. The powers of the Managing Committee shall be:-

i) to admit new members;

ii) to appoint, suspend, fine or dismiss all salaried employees of the Society, subject to an appeal to the General meeting

iii) to appoint sub-treasurers for collecting subscriptions at various centers;

iv) To hear and deal with complaints; to deal with applications for loans;

v) To deal with applications for loans

vi) to supervise and check the accounts

vii) to enquire into and take action in cases of default;

viii) to prepare annual balance sheets;

ix) to raise loans and deposits on such terms as may be decided upon and to fix the rate of interest on subscription, as well as loans to members;

x) to institute, defend or comprise legal proceedings;

xi) Generally to conduct the business of the society and to frame rules for smooth working of the Society;

xii) to endorse sell, transfer or otherwise deal with shares and Government and other securities on behalf of the Society and to delegate powers in this respect to two or more members of the Committee;

xiii) to take securities from Secretary and other employees handling cash, securities etc. on a scale not lower than the one prescribed by the Registrar;

xiv) to open and operate current and fixed deposit accounts in any scheduled bank in Gujarat State with the permission of the Registrar, and

xv) to prescribe forms for application of loans and all other forms in addition to the forms prescribed under the Act or Rules.

xvi) May relax norms for granting Emergency Loan to a Member in case, if the Member proves his exigency for such loan.

40. An appeal shall lie for all decisions of the Managing Committee to the General Meeting.

41. It shall be the duty of the auditors appointed under bye-law 24 to audit the accounts and documents of the Society quarterly, and of the Managing Committee to produce the entire requisite book for their inspection. This audit shall be in addition to the audit made by the regular staff of the Registrar.

42. The services of all the members of the committee shall be gratuitous.

43. (1) The Managing Committee meetings will be presided over by the Chairman and in his absence by the Vice-Chairman. In absence of both, the meeting will be presided over by a member of the Managing Committee selected by the members present in that Meeting. The duties of the Chairman shall be to conduct meetings of the Managing Committee and to ensure that all the decisions taken in the meetings are in accordance with the bye-laws of the Society and the same are implemented properly.

(2) The Secretary will work under the guidance of the Managing Committee and his duties would include

i) To disburse the loans as sanctioned by Managing Committee;

ii) To supervise the work of the staff of the Society;

iii) To attend to the correspondence files and ensure Proper maintenance of books of accounts and registers etc;

iv) To incur expenses in connection with affairs of the Society on necessary items such as stationery, printing and other day to day expenses of the Society;

v) To attend day to day work of the Society and to bring to the notice of the Managing Committee any important items of work or expenditure.

44. All acts done in good faith by the Managing Committee or any person acting as a Committee Member shall, notwithstanding that there was some defect in the appointment of such Committee or person shall be considered as valid as if the Committee or every such person had been duly appointed and had acted in good faith.

VII LOANS

45 Any member wishing to obtain a loan shall forward to the Secretary an application in the form prescribed by the Managing Committee, stating amount required, purpose, Surety or security offered and period of repayment desired.

46. (1) No loans shall be granted to a member if he has not completed continuous membership for One Year in the society on the date of application for loan.

(2) Loans may be given to members only at the discretion of the Managing Committee, and no member shall claim a loan as a matter of right.

(3) The Managing Committee in their absolute discretion may grant loan to any member not exceeding the following amounts:

(i) 7 times of Basic Pay or Rs.1,50,000/- whichever is less subject to having put in minimum 2 years regular service in the department.

(ii) 10 times of Basic Pay or Rs.2,50,000/- whichever is less subject to having put in minimum 4 years regular service in the department

(iii) 12 times of Basic Pay or Rs.3,50,000/- whichever is less subject to having put in minimum 6 years regular service in the department and shall be sanctioned to only those members who are having minimum 3 years (36 months) or more left for service.

Provided that if a member is taking a loan for the purpose of investment in purchasing land for house building and/or for constructing the house property thereon or for purchasing house property or for making addition to the existing property, owned by a member or for any other purpose he/she shall be entitled to loan ;-

(a) 15 times of basic pay or Rs. 7,00,000/- whichever is less if he/she has completed continuous membership of 5 years and has put in 7 years regular service in the Department and shall be sanctioned to only those members who are having minimum 3 years (i.e. 36 months) or more are left for service.

(b) up to 20 times of basic pay or Rs. 10,00,000/- whichever is less if he/she has completed continuous membership of 5 years and has put in 8 years regular service in the Department and shall be sanctioned to only those members who are having minimum 3 years (i.e. 36 months) or more are left for service.

(3A) under special circumstances, a loan can be sanctioned by a circular meeting and the same will be approved by the Managing Committee in its immediate next meeting.

(4) The purpose for which the loan is required shall be specifically stated in the application for the loan by the members. If come to the notice of the Managing Committee that the amount of loan is not applied for the purpose as specified in the application, the Committee shall have power to require repayment of full amount of loan within one month with interest.

(5) It shall be entirely within the power of the Committee to refuse a loan, to limit or to reduce the amount and to object to particular members as sureties.

(6) Should a member become ineligible for membership or be expelled, his loan account shall be closed at once without reference to the term for which the loan was given. The loan shall fall due at once and shall without delay be recovered with interest.

(7) Subject to the provisions of bye-law No.46 (8), the loan as well as surety-ship liability of a member shall not exceed twenty times of basic pay or Rs.1,00,000/- (One Lakh rupees) or 7 times of subscription amount whichever is the least.

(8) No member shall be allowed to stand surety to more than two members at a time.

47. The secretary in consultation with the chairman may grant Emergency loan up to Rs.1,00,000/- (Rupees One Lakh only) to a Member on personal security upon furnishing One Surety, who has completed one year regular service in the Income Tax Department & has completed one year membership. This loan shall be repayable in not more than 24 equal monthly installments. Such loan shall not be sanctioned to the members of a society who have already obtained loans as par bye law no. 46(3). Such emergency loan is not required to be pre-sanctioned by the Managing Committee Meeting. Hoverer, it will be sanctioned *ex-post facto*, in the next Managing committee Meeting.

48(a). Loan other than Emergency loan shall be payable in:

(i) 36 Monthly installments for the amount of loan sanctioned up to Rs.1,50,000/- as per bye-law 46(3)(i)

(ii) 60 Monthly installments for the amount of loan sanctioned up to Rs.2,50,000/- as per bye-law 46(3)(ii)

(iii) 84 Monthly installments for the amount of loan sanctioned up to Rs.3,50,000/- as per bye-law 46(3)(iii)

(iv) 120 Monthly installments for the amount of loan sanctioned up to Rs.7,00,000/- & Rs.10,00,000/- as per bye-law 46(3)(a) & 46(3)(b) respectively.

(b) A member who has not repaid the entire loan amount may be granted a fresh loan provided he has repaid not less than 25% of the outstanding loan subject to the condition that the unpaid amount of loan together with interest will be deducted from the fresh loan and the balance will be paid to him.

Provided however that this facility of conversion of old into a fresh Loan shall be granted after completion of 12(Twelve) months.

(c) If a member is transferred outside Gujarat State or is going on deputation outside Gujarat State, the entire amount of loan and interest thereon outstanding against him shall have to be paid by him before leaving Gujarat State. However, in cases of genuine hardship the Managing Committee on receipt of an application from such a member, may allow him to pay the balance of loan and interest within 12 months as per terms and conditions as may be imposed by the Managing Committee.

(d) If a member is transferred outside Gujarat State, no fresh loan shall be granted to him exceeding the amount of subscription at his credit.

49 (ii) Any amount of loan except emergency loan shall however be granted on furnishing four sureties who should be permanent employee of the Income-tax Department.

(iii) In the event of any one of the sureties failing to fulfill the conditions of his surety-ship, the committee may at its discretion call on the borrower to provide another surety and on his failing to do so, the committee shall decide what further action is to be taken. Whenever any of the sureties of the borrower fail to fulfill the conditions of surety ship either by death or by ceasing to belong to Government service or otherwise the borrower shall intimate the fact to the Society and if he fails to do so, he will be required to pay immediately the whole balance of the loan.

(iv) Loan shall not ordinarily be granted to a member one year before his retirement.

(v) Loan shall only be disbursed to the Members after Completion of the authority form and all other formalities as may be laid down by the Managing Committee.

50 (a) The rate of interest on loans shall be fixed by the Managing Committee from time to time keeping in view the increase or decrease in the market rates so however that such rate of interest shall not exceed 2 % than the lending rate of the Ahmedabad District Co. op Bank Ltd.

Provided that no overdraft shall be incurred with the Ahmedabad District Co. op Bank Ltd. For the purpose of advancing Loans to the Members.

(b) Loans taken before the 16^{th} of a month will bear interest for the full month and on or after 16^{th} interest for half of the month. However, when the loan is granted and remitted by cheque to any place outside Ahmedabad, interest will be chargeable from 16th of the same month or from 1st of next month as the case may be.

51. In case of a default by a member in making payment of monthly installment of loan by due date, penal interest @1% of the amount of such monthly installment subject to minimum of Rs.1/- shall be payable for each month of default.

52. When a member takes a loan from the Society or becomes surety under bye-law 49, he shall undertake not to resign service in the Income-tax Department until his liability is discharged.

53. It is the duty of the managing Committee to take action for the recovery of overdue loans. The Committee shall be liable jointly and severally for any loss befalling the Society on account of six

months without its permission unless in that period suit has been filed or the case referred to arbitration.

(A). Without reference to the term for which a loan has been granted, the Managing Committee shall have the power to recall the outstanding loan any time from the borrower;-

i) If he fails to pay two or more consecutive installments;

ii) if he utilizes the loan for the purpose other than that for which it was applied and granted;

iii) If he ceases to be a member of the Society;

iv) If he becomes or remains a member of any other credit society or society dispensing credit in contravention of the provision contained in “The Gujarat Co-operative Societies Rules”

(B). Where a person who has stood as surety for a loan dies/becomes in the committee’s opinion, unfit to remain a surety, the committee may require the borrower to find another surety, within 15 days. If the borrower fails to find another surety when so required the loan shall become immediately repayable with interest up to the date of payment.

(C) Every member in whose case a deduction at source in respect of the society's dues cannot be made or remains to be affected shall pay all dues, payable by him direct to the society at his expenses.

VIII. DEPOSITS

54. Fixed deposits may be received from the members on terms and conditions laid down by the Managing Committee in this behalf from time to time at the rate of interest fixed by the Managing Committee which shall not exceed the rate of interest charged by the Co-operative Banks on loans advanced by them.

55. After the period of fixed deposits has expired, interest shall be paid on it at the rate which may be fixed by the Managing Committee which shall not exceed the current deposits rates. In case the deposit has been accepted by the committee for a further fixed period, the rate of interest shall be fixed by the Managing Committee and it will be fixed within the limits laid down in Bye-law No. 54.

(a) Fixed deposits not exceeding Rs.2,00,000/- (rupees two lacs only) in aggregate may be accepted/renewed for a period of one year only from a member/ retired employee who has not completed five years after his/her retirement.

IX. DISTRIBUTION OF PROFITS

56 (A) At the Annual General Meeting, the gross profit earned in the previous year shall be announced and the following deductions shall be made:-

i) Interest payable on loans, fixed deposits and subscription:

ii) Working expenses

iii) Losses

iv) Depreciation on building and other wasting assets. The balance remaining after deductions shall be treated as the net profits.

(B). (a) A sum not less than 25 percent of the net profits shall first be carried to reserve fund.

(b) of the remaining net profits, a sum shall be set aside sufficient to pay the Share-holders a dividend not exceeding (15%) Fifteen percent for that year on the paid up share capital standing on their names.

A sum not exceeding 4 percent on the paid up share capital may then be credited in that year to a fund called "The Dividend Equalization Fund " until the total amount in such fund amounts to (15%) Fifteen percent of the paid up share capital. Except for the purpose of paying the dividend, no withdrawal written sanction of the Registrar

(c) A sum as required by the Gujarat Co-operative Societies Rule no 26.A shall be set aside for being paid to the Gujarat State Co-operative Union as contribution to its Educational Fund.

(d) The balance of the net profit so remaining shall be credited to the General Reserve Fund to be utilized for the benefit of members as may be approved by the General Body Meeting.

57. The accumulations of reserves so built up may be utilized for other purposes with the previous sanction of the Registrar.

58. If no dividend is claimed by any of the members for a period of three years from the date of declaration, a notice shall be issued by the Committee calling upon the member to take the amount within one month from the date of the notice. If the dividend is still not claimed, it shall be credited to the statutory Reserve Fund.

X. RESERVE FUND

59. In addition to the sum prescribed under section 39of the Act, all admission fees and receipts on account of forfeited shares, fines penal interest and donations shall be credited to the Reserve Fund.

60. Not less than half the reserve fund shall be deposited with some outside Society or bank approved by the Registrar.

61. Any loss on the year's working may, with the previous sanction of the Registrar, be made good from the reserve fund.

XI. ACCOUNTS AND RECORDS

62. Accounts and records shall be maintained in the forms Prescribed by the Registrar, with such additions as the Managing Committee think necessary. The Chairman and Secretary have power jointly to execute documents, grant receipts and sign share Certificates on behalf of the Society.

63. Any member of the Society may inspect any of the registers or Records during office hours so far as they relate to his own Business transactions.

64. Before July 31st annually the Managing Committee shall draw up statements showing the receipts and expenditure, assets and liabilities and profit and loss for the previous year. A copy of these statements shall be supplied to the Government Auditor.

XII. AMENDMENT TO BYE LAW

65. Subject to the rules framed by the local Government, Bye-Laws can be amended, provided that notice of the amendment has been given to the meeting. Amendments take effect after being registered under section 16(3) of the Act.

66. The Society may from time to time, invest a part of its funds in shares of the Ahmedabad District Co-operative Bank Limited.

67. The Society will be a subscribing Member of the Gujarat State Co-operative Union.