

# MODEL BYE-LAWS OF A COOPERATIVE TRANSPORT SOCIETY LTD.

## I PRELIMINARY

1. The name of the Society is .....  
"COOPERATIVE TRANSPORT SOCIETY LTD." .....  
and its registered address is .....

Any change in the address will be notified to the Registrar within 14 days.

2. In these bye-laws unless there is any thing repugnant to the subject or context, the expression "the Act" means the Delhi Cooperative Societies Act, 2003 and its words and expression defined in the Act and used in these bye-laws shall have the same meaning as assigned to them in the said Act and "The Rules" means the Delhi Cooperative Societies Rules 2003

## II OBJECTS

3. The objects of the Society are to promote the economic and social interest of its members and more particularly to arrange:

- (i) To organize transport facilities along those routes or in those areas on which or in which, the Society may be permitted to operate by the competent authority;
- (ii) To purchase, hire or sell and to maintain in an efficient condition vehicles and motor cycles, rickshaws for the purpose mentioned above;
- (iii) To establish service and repair shops, to run petrol pumps and to stock motor vehicles and motor cycles, rickshaws accessories, spare parts, oils, equipment etc;
- (iv) To operate stands or stops which may be entrusted to the Society;
- (v) To arrange for the insurance of Society's vehicles against damage, passenger or third party risk;
- (vi) To own, purchase, erect, repair or take on rent buildings, workshops, stands, godowns, office premises etc. as may be necessary to carry out the objects of the Society, and to acquire land for the purpose;
- (vii) To manage, sell, improve, develop, mortgage, lease, dispose off, take in to account or otherwise deal with all or any part of the property, movable or immovable over which the Society has power of disposal;
- (viii) To enter into any agreement with any Government or authorities (supreme, municipal, local, cooperative or otherwise) including an agreement to supply motor transport vehicles on hire to such authorities and to obtain from them all rights, concessions and privileges, that may seem useful to the Society's objects or any of them and to give any guarantee or indemnity as may deem expedient for the above purpose;
- (ix) To undertake welfare activities particularly for the members and employees and their children for the promotion of their moral, educational and physical improvement; and
- (x) To undertake other measures designed to encourage in the members the spirit and practice of thrift, self help and mutual help, and to do all such things as are incidental or conducive to the attainment of any or all of the above objects.

## III MEMBERSHIP

4. (a) The members shall consist of:-

- (1) The persons joining in the application for registration.
  - (2) Persons admitted in accordance with these bye-laws.
  - (3) Nominal or associate members subject to conditions as laid down in Act & Rule;
  - (b) The Society may admit joint members provided they make a declaration in writing that the person whose name stands first in the share certificate shall have the right to vote and all the liabilities will be borne jointly and severally by them as provided in the Act, Rules and bye-laws.
  - (c) In accordance with the procedure laid down in the bye-laws and the Rules for admission of any member, the Society may admit minors and persons of unsound mind inheriting share or interest of deceased members as its members through their legal representatives or guardians respectively. The member so admitted will enjoy such rights and liabilities as are laid down in these bye-laws and which are consistent with the Act and Rules.
5. (i) No person shall be a member unless-
- (a) He is a resident of.....
  - (b) He is actual worker in any transport concern
  - (c) His written application for membership has been approved by a majority of the Managing Committee;
  - (d) His age is more than 18 years;
  - (e) He has carried out the provisions of bye-laws 13.
  - (f) He is an actual artisan/worker in the transport work or is a person who sympathises with the objects of the Society.

The number of the sympathiser members shall, however not exceed 5 or 1/10 of the total membership of the Society whichever is less.

- (ii) Every member on admission shall pay Rs. 20/- as admission fee which shall not be refunded in any case;
  - (iii) The Society shall not admit members within 30 days prior to the Meeting of the General Body.
  - (iv) When a person's application for membership has been accepted by the Committee and he has paid his admission fee and the first installment of his shares he shall be deemed to have acquired all the rights and, incurred all the obligations and liabilities of a member of the Society as laid down in the Cooperative Society Act, the Rules made thereunder and these bye-laws.
6. (a) All members joining in the application for registration or admitted subsequently shall be technicians in transport business or owners of vehicles or holders either individually or jointly with other of permits for one or more vehicles in respect of which a valid certificate for fitness exists, provided that those persons shall also be eligible for membership who are holders of valid permits but without vehicles. Persons thus admitted shall, however, pay an amount over and above the value of shares to be subscribed by them under bye-laws 13 below as the Managing Committee may fix, within the period prescribed by it, but the amount so fixed shall in no case exceed 25 per cent of the value of the said shares. Any member not satisfied with the decision of the Managing Committee in this respect may refer the matter to the Registrar for arbitration within a period of three months.
- (b) On the registration of the Society the members shall immediately elect a Committee of Valuation consisting of three persons, none of whom shall be the member of the Society but one of them shall be a nominee of the Registrar, Cooperative Societies. Committee will value to the nearest multiple of Rs, 100/- all vehicles of the members for which valid certificate of fitness exists and which are covered by a permit and shall fix as and when necessary an average value of a vehicle for purposes of bye-law 6(c).
  - (c) That multiple of Rs. 100/- which is next above the average value of a vehicle as estimated under the

forgoing clause shall be the minimum number of shares which must be subscribed in respect of each vehicle provided that where the amount thus calculated falls below the value of 15 shares to be compulsorily purchased by a member under bye-law, then a member shall subscribe at least 25 shares.

(d) The Society thereupon take over all these vehicles in exchange for shares in the Society at the estimated value, the payment being made by adjustment in the following manners :-

(i) Where the total estimated value of the vehicles belonging to a member exceeds the total value of the shares which he is required to subscribe under clause (c) above, he will be allotted share to the latter total and the excess shall be shown as deposit in the funds of the Society. He shall be entitled to repayment of this deposit as and when the funds of the Society permit and interest shall be paid to him by the Society at ..... per cent on his deposit or the outstanding balance of it until it is repaid in full.

(ii) Where the estimated value of the vehicles of a member is less than the minimum value of the shares which the member is required to subscribe under clause (c) above he will be required to make good the deficiency by paying up the necessary sum in cash immediately.

7. Original members are exempted from the provisions of bye-law No. 5(i)(c);

8. If the Society employs any worker who is not a member of the Society, such employee shall be entitled to apply for membership after serving the Society for 6 months.

9. A member of the Society may be expelled by 3/4 Majority of Managing Committee.

- (1) If he makes default in the payment of installments of shares or;
- (2) If he has applied to be adjudicated as insolvent or is an undischarged insolvent or;
- (3) If he has been sentenced for any offence other than an offence of a political character or an offence involving moral turpitude and dishonesty or;
- (4) If he undertakes any profession similar to the objects of the Society or;
- (5) If he intentionally does any act likely to injure the credit of the Society or fails to observe proper discipline in regards to the work of the Society or;
- (6) For any action which may be held by the Managing Committee to be dishonest or contrary to the stated objects of the Society or to the interest of cooperation or;
- (7) Incurs any of the disqualifications as contained in Rules.
- (8) Opportunity shall be given to a member before expulsion from membership to represent his case to the Managing Committee and expulsion shall not be effective unless it is approved by the Registrar.

10. A person ceases to be a member:-

- (i) On death; or
- (ii) For lack of confirmation of membership as per bye-laws 5.
- (iii) When his resignation has been accepted by the Managing Committee.
- (iv) On expulsion under bye-law 9;
- (v) Ceasing to hold the minimum number of shares prescribed in these bye-laws;
- (vi) On withdrawal after three months' notice in writing to the Secretary, provided that the member withdrawing does not owe anything to the Society and is not a surety for unpaid debit. Withdrawal will take effect from the date of disposal of his shares as provided in the bye-laws.

11. (1) A member or the nominee or successor of an ex-member may transfer his shares to another member or applicant qualified under bye-law 5 and approved by the Committee or to a share transfer fund created by the Society out of its profit and shall, then be paid the value of his share, less any sum due from him to the Society. No transfer of shares or interest shall, however, be

made unless a member has held such shares or interest for not less than one year;

- (2) The value of shares shall in no case be more than the amount received by the Society in payment thereof;
- (3) A member on withdrawal whether voluntarily or through the action of the Society, shall subject, to the Provisions of Act & Rules have no claim on the funds or property of the Society of any kind.

#### IV. CAPITAL

12. The Capital shall be composed of:-

- (a) An undetermined number of shares of the value of Rs, 100/- each
- (b) Deposits from members;
- (c) Loan and deposits from non-members;
- (d) Donations and grants; and
- (e) Realised profits.

Provided, that the acceptance of deposits and loans from non-members shall be subject to any restrictions which the Registrar may impose. The funds of the Society when not employed in its business shall be invested or deposited as required by Section 56 of the Act.

#### V. SHARES

13. Every member shall purchase at least 5 shares and no member shall hold shares of which the nominal value exceeds of 10% of the total share capital actually subscribed. If any members by inheritance or otherwise becomes possessed of more then maximum holding permitted under rules, the Managing Committee shall have the power to sell the excess number or buy them on behalf of the Society and to hold the proceeds at his disposal. A member will not be entitled to payment towards his second and subsequent share until the first or previous one has been paid in full.

14. Shares shall be paid by the member in lump-sum at the time of admission.

15. Shares shall not be withdrawn, repaid or transferred otherwise than as provided in bye-laws 11.

16. Every member may nominate a person or persons to whom on his death his shares shall be transferred but no member may nominate more than one person, unless he holds more than one share and in any case unless the amount to be paid to such nominee whether by way of whole share or by fixed proportion of the amount available for transfer as the case may be, is duly specified when the nominees are appointed and he shall attest the nomination by putting up his signature or thumb impression in the register of members. If not admitted to membership the nominee or nominees shall be paid the value of the shares or interest subject to the provisions of bye-law 10, If any deduction has to be made from the shares of the deceased and there is more than one nominee, the amount to be deducted shall be set off against the amount due to each nominee in proportion to his interest.

17. The Society shall have the right to set off any money due on any account to the Society from a member or past member of person claiming through him payment of any sum which he owes to the Society or for which he stands surety.

#### VI. LIABILITIES

18. The liability of the members for any deficit in the assets of the Society on liquidation shall be limited to ..... times the value of their subscribed shares.

#### VII GENERAL MEETING

19. The first General Meeting of the members shall have the same powers as are herein given in the Annual Meeting :-

- (a) The preliminary General Meeting shall be called within a period of not less than one month and not more than three months from the date of its registration. In this meeting the following business shall be discussed and decided:
- (i) Approval of allotment of shares, amount collected and amount spent in connection with the registration of the Society before registration;
  - (ii) Election of members of the Managing Committee;
  - (iii) Programme of activities and the Budget Estimates for the ensuing year.
20. (a) The Annual General Meeting shall be called within a period of 180 days after the date fixed for making up its accounts for the year under the Rules for the time being in force. A special General Meeting may be called at any time by the Managing Committee and shall be called by the Secretary on receipt of a requisition from 1/5th of the total number of members or from the Registrar, Cooperative Societies or any person authorised by him.
- (b) In case to the Annual General Meeting the date, time and place of the Meeting shall be announced at least 14 days notice in advance and in case of Special General Meeting at least 7 days notice in advance by a written notice pasted on the Notice Board of the Society and circulated to the members by post. (U.P.C)
- (c) If the General Body is not held by the Society within the prescribed time, then the Registrar or any person authorised by him may call such meeting and that meeting shall be deemed to be a General Body Meeting, duly called by the Society and Registrar may order that the expenditure incurred in calling such meeting shall be paid out of the Funds of the Society or such person or persons who on the opinion of Registrar were responsible for the refusal or failure to convene the General Meeting.
- (d) If within an hour for the time appointed for the meeting, a quorum is not present the meeting shall stand adjourned for half hour and will be held at the same place with same Agenda but if the meeting is called upon the requisition of the members (not the Registrar) it shall stand dissolve, provided that at the adjourned meeting, no quorum shall be necessary.
- (e) The presence of the 1/3rd of the total number of the members subsisting as such on the date of Notice of the meeting subject to a minimum of 10 members shall be necessary for the disposal of any business at General Meeting. Each member shall have one vote irrespective of the shares held by him. The Chairman/President shall have a casting vote in addition. No proxy shall be allowed and no member shall be allowed to vote who is in arrear with his share instalment.
21. The duties and powers of the General Meeting are:
- (1) To elect, suspend or remove members of the Managing Committee including a President and one or more Vice-Presidents;
  - (2) To receive from the Committee a report on the preceding year's working of the Society together with a statement showing the receipts and expenditure, assets and liabilities and profit and loss for the year;
  - (3) To consider the audit note, inspection note of the Registrar or financing agency or inspector and any other communication from the Registrar;
  - (4) To dispose off profits in accordance with the Act, notified Rules and these bye-laws;
  - (5) To lay down for the guidance of the Managing Committee general policy for the various activities to be undertaken by the Society;
  - (6) To determine the nature and extent of the welfare activities to be undertaken by the Society;
  - (7) To fix, subject to the approval of the Registrar the maximum liability to be incurred during the following year, in loans or deposits from non-members;
  - (8) To amend the bye-laws, subject to the sanction of the Registrar;

(9) To consider any other business brought forwards.

22. All business discussed or decided at a General Meeting shall be recorded in a Proceeding Book which shall be signed by the chairman of the Meeting.

23. Amendments of bye-laws shall only be carried out by a majority of 2/3rd of the members present in a General Meeting in which due notice of the intention to discuss such amendments has been previously given. Such amendments shall be forwarded to the Registrar for registration within a period of 30 days of the approval of General Body.

All other questions for the General Meeting shall be decided by a majority of vote.

24. (a) If it appears to the Registrar that an amendment of a bye-law of a Co-operative Society is necessary or desirable in the interest of such Cooperative Society he may call upon the Cooperative Society to make the amendment;

(b) The Registrar may by serving a notice inform/call upon a Society to make an amendment within a period not exceeding sixty days;

(c) After the expiry of the period specified in the notice under sub-section 6 of section 12 of the Act and if the Society fails to make the amendment, the Registrar after giving the Cooperative Society an opportunity of being heard, may register the amendment certified by him with a certificate signed by him. With effect from the date of registration, the amendment is binding on the Cooperative Society and its members subject to appeal, if any;

All amendments of the bye-laws relating to the same Cooperative Society when registered by the Registrar shall be assigned a consecutive number in chronological order and shall be noted in index to the bye-laws to be maintained by the Cooperative Society in the registration file.

#### VIII. MANAGING COMMITTEE

25. The Managing Committee shall consist of atleast 5 members of the Society and not more than 15 over the age of 21 years including a President and one or more Vice-Presidents. The President shall preside over the Meetings and in case the President and Vice-President are absent, any other member elected by the Committee for the purpose shall preside. Each member of the Committee shall have one vote but the Chairman shall have a casting vote, in addition.

26. (i) The Managing Committee shall be elected and hold office for three years and shall be eligible for re-election subject to the conditions as laid down in Section 35 of the Act and the election shall be held by Secret ballot as provided in the Rules and Act.

(ii) In the event of contribution to the Share Capital by the Government, the Government may nominate nominees on the committee as provided in Section 35(10) a, b, c, of the Act.

(iii) The meeting of the Committee shall be held when necessary and shall be called by the Secretary on receipt of a requisition from three or 1/3rd members of the Managing Committee, whichever is more or from the Registrar, Cooperative Societies, or any person authorised by him. The Managing Committee shall cause minutes of all proceedings of its meetings to be entered in the Minute book hand written at the spot in the presence of members present and voting. The minutes of each meeting shall contain the names of the members, if any, dissenting from or not concurring in any resolution. At the end of the minutes, each member present and voting shall sign them. If the minutes are not made and recorded in this manner, they shall not be considered valid and it shall be deemed that no such meeting was duly called and held.

(iv) The meeting shall be held as often as required but a meeting shall be held at least once in every month.

27. A member of the Committee shall cease to hold office if he:-

(1) Ceases to be a member of the Society;

- (2) Apply for insolvency or is declared insolvent;
- (3) Becomes of unsound mind;
- (4) Is convicted of any offence involving dishonesty or moral turpitude;
- (5) Carries on business on his own account similar to that specified in bye-laws 3;
- (6) Resigns and his resignation is accepted by the Committee.

28. The Committee shall exercise all the powers of the Society except those reserved for the General Meeting subject to any regulations or restrictions laid down by the Society in a General Meeting or in these bye-laws and in particular shall have the following powers and duties :-

- (1) to observe in all their transactions, the Act, the Notified Rules and these bye-laws;
- (2) to maintain true and accurate accounts of all money received, expended, and all property bought or sold;
- (3) to keep register of members correct and upto date;
- (4) to keep true account of assets & liabilities of the Society;
- (5) to prepare and lay before the General Meeting the Annual Profit and Loss Account and Audited Balance Sheet;
- (6) to examine the accounts, sanctions contingent expenditure and supervise the maintenance of the prescribed registers;
- (7) to consider the Inspection Notes of the Registrar and any other person authorised by the Registrar to inspect or financing institution and to take necessary action;
- (8) to elect new members and transfer old shares;
- (9) to arrange for the recovery of share instalments and of interest on over due instalments;
- (10) to summon General Meeting in accordance with bye-laws 21;
- (11) to contract loans subject to any restrictions imposed by the Registrar or General Meeting;
- (12) to decide the terms and period for and the rate of interest at which deposits are to be received and to arrange payment of such deposits;
- (13) to assist in the inspection of the books by any person authorised to see them;
- (14) to appoint, suspend and dismiss employees;
- (15) through any member or officer or employee of the Society or any other person specially authorised to institute, conduct, defend, compromise, refer to arbitration or abandon legal proceedings by or against the Society or Committee or the Officers or employees concerning the affairs of the Society;
- (16) to acquire on behalf of the Society, shares in other registered Cooperative Society;
- (17) to arrange for the safe custody of books and to appoint one of its members or one of the Officer of the Society resident, in the area of operation to take charge of all the Registers and papers prescribed in these bye-laws;
- (18) to invest the surplus funds of Society in accordance with Section 56 of the Delhi Cooperative Societies Act and Rules;
- (19) to acquire and hold property and to enter into contracts on behalf of the Society;
- (20) to purchase, sell, hire, or otherwise acquire or dispose off on behalf of the Society vehicles, parts, accessories or other movable property used in the business of the Society within the limits laid down by the General Meeting;
- (21) to fix, revise or modify the fare or freight rates or timetable subject to any provision of the Motor Vehicles Act and the Motor Vehicles Rules framed there under;

- (22) to make on behalf of the Society applications for permits;
  - (23) to arrange for the insurance of vehicles and other property of the Society in accordance with any policy framed at the General Meeting;
  - (24) to arrange efficient working of the service and any stand or bus stop entrusted upon to the Society;
  - (25) to ensure that the vehicles and other property of the society are maintained in a good state of affairs and to arrange, keep the same in safe custody;
  - (26) to enter into any agreement with any government or other authorities (Municipal local or otherwise) and obtained from them all rights, concessions and privileges that may be useful for the society's objects;
  - (27) to fix the scale of advances and wages to be paid to the members and employees;
  - (28) to decide the manner of execution of work and, its allotments to members and employees;
  - (29) to appoint a Treasurer to keep the money of the Society and require him to give such security as it may deem sufficient;
  - (30) to appoint a Secretary and to fix his remuneration, if necessary;
  - (31) to distribute the duties between the Secretary and the Manager, if necessary;
  - (32) to arrange for the safe custody of the securities owned and pledged with the Society;
  - (33) to Co-opt. Members against the vacancy caused by the resignation, death or disqualification of any member of the Managing Committee; and
  - (34) Generally to carry on the business of the Society.
29. No member of the Committee shall receive any remuneration for his work as member of the Committee.
30. All business discussed or decided at a meeting of the Committee shall be recorded in a Proceeding Book which shall be signed by the Chairman of the Meeting and all the Members of the Committee present.
31. The Committee may appoint from amongst its own members a Sub-Committee and may delegate to it or to any officer of the Society such of its own powers as it may consider desirable for the better conduct of the Society's affairs. The Sub-Committee or officer shall in the discharge of the functions entrusted to them, conform in all respects to these Bye-Laws and to the instructions given by the Managing Committee.
32. Notwithstanding any thing contained in these bye-laws:
- (a) No person shall be appointed as a paid officer or servant in any category of service in the Society unless he possesses the basic technical and educational qualifications laid down by the Registrar and furnishes such security in form and standard as may be prescribed by him;
  - (b) No paid officer or servant shall be retained in any category of service in the Society if he does not possess the basic technical and educational qualifications laid down by the Registrar and not furnish security within such time as the Registrar may direct security in the form and standard prescribed by him. No payment on account of salary, commission, honorarium or otherwise shall be made to any paid officer or servant unless he has furnished the required security.
33. The Committee of the Society shall specify which of the office bearers of the Society shall:
- (a) keep the books of accounts;
  - (b) keep other books and registers; and
  - (c) prepare returns and statements.
- Provided that a person charged with the keeping of accounts shall not be the incharge of cash.
34. If the Committee of the Cooperative Society has not specified the officer required to be specified in these bye-laws not withstanding anything contained in the bye-laws of the Society, the following officers shall be responsible for keeping accounts, record etc., indicated against, each, namely:



**(a) Treasurer**

He shall keep or cause to be kept all the books of accounts and vouchers and shall prepare or cause to be prepared Annual Profit and Loss Account, Receipt and Disbursement Account and the Balance Sheet. Whosoever may be writing these books of accounts, they shall always be deemed to be in his custody, possession, power and control. He shall be responsible for their safe delivery to his successor after making a list of documents handed and taken over.

**(b) Secretary**

He shall keep or cause to be kept all other records of the Society and shall be responsible for preparation and submission of various returns to the Registrar. Whosoever may be keeping these records; these shall always be deemed to be in his custody, possession, power and control. He shall be responsible for making over the charge of this record to his successor under proper charge report to be signed by the relieved officer.

**(c) Cash**

Cash balance in hand shall always remain in the hands of the Treasurer or with any other officer appointed by the Managing Committee.

35. Every Cooperative Society shall from time to time determine at a Meeting of the Committee the minimum members of paid staff required for its business. The Committee shall prescribe their qualifications, experience and the emoluments. The Committee shall be competent to appoint, dismiss or remove any paid staff.

**IX REGISTERS**

36. The following registers and papers shall be maintained and shall be opened to the inspection of anyone interested in the funds, except that no one shall be allowed to see the deposit account of any person, without that person's consent in writing :-

- (1) A register of members showing the name, address and occupation of every member, the number of shares held by him, date of admission to membership, date of termination of membership and the nominee appointed under bye-law 17;
- (2) A Cash Book showing the income, expenditure and balance on each day on which business is done;
- (3) A ledger account for each member, depositor and creditor, and for miscellaneous and contingent expenditure;
- (4) An account showing monthly instalment of shares and deposits;
- (5) A Minute Book;
- (6) A book of bonds;
- (7) A stock and security register;
- (8) A register of purchase and sale;
- (9) A pass book of purchase and sale;
- (10) A register of attendance and wages;
- (11) Register of application for membership containing the name and address of the applicant, the date of receipt of application, the number of shares applied for and in case of refusal, the date of communication of the decision refusing admission to the applicant;
- (12) Any record required under the Act and Rules framed thereunder; and
- (13) Any other register prescribed by the Registrar.

37. Copies of the bye-laws and the Balance Sheet shall be supplied free on demand to any Member. The last Balance Sheet shall be opened to public inspection during office hours.

38. The Committee shall appoint one of its members or one of the Officers of the Society to take hold and keep in safe custody all the registers prescribed in bye-law 35 and other papers in use of the Society.

#### X COMULSORY DEPOSIT

39. (1) Every member shall subscribe atleast Rs. .... per month towards Compulsory Deposit and may also contribute to one or more of the following kinds of saving deposits:
- (i) Deposits for specific objects.
  - (ii) Deposits for specific periods.
  - (iii) Provident Fund deposits.
  - (iv) Home savings safe deposits.
- (2) Such deposits shall be governed by rules to be framed by the Society subject to the approval of the Registrar.
- (3) With the sanction of the Committee, a member may be exempted from the obligation of deposits for any period during which his circumstances do not permit of such payments.
40. All documents creating a charge or obligation on the Society shall be signed by the President, the Secretary and the Treasurer, provided that in the case of receipts and cheques up to Rs. 5,000/- and receipts for deposits and repayments of advances, the President and Treasurer may sign. All important documents of the Society shall be sealed with the Society's seal. The seal shall be kept in the custody of the Secretary.

#### XII DISTRIBUTION OF PROFITS

41. The following shall be first charge on profits:
- (i) Contribution to the Delhi Audit Fund as may be fixed from time to time by the Registrar;
  - (ii) Any losses undergone by the Society;
  - (iii) Necessary deduction for depreciation of machinery, building vehicles etc. subject to a minimum to be fixed by the Registrar by special or general order;
  - (iv) All Insurance Charges;
  - (v) All payments of Salaries, Provident Fund and Working Expenses;
  - (vi) Interest on debentures, loans and deposits etc.
- The balance shall be the net profit of the Society.
42. (1) Not less than 25 percent of the net profits shall be carried to the Reserve Fund which shall be indivisible and no member shall be entitled to any share in it.
- (2) The Society shall credit a sum calculate at two percent of its net profit subject to a maximum of Rs.15,000/- very year for contribution to the Cooperative Education Fund to be administered by the Registrar who may frame regulations for the utilisation and the administration of the fund. This fund shall be kept with the State Bank of India or any other Bank. Any such amount payable by the Society shall be a charge on the funds of the Society.
- (3) Bonus to all employees whether members of the society or not, may be paid at a scale to be approved by the General Meeting.
- (4) Dividend on shares may be paid not exceeding 18% per annum.
- (5) The remaining amount, if any, be allotted to any or all of the purposes detailed below or may be carried over to:
- (a) Bad Debt Fund;
  - (b) Common good fund;

- (c) Dividend equalisation fund;
- (d) Share transfer fund;
- (e) Building fund;
- (f) Any other fund required for Business of Society;

43. If no dividend is claimed for a period of three years from the date of declaration, a notice shall be issued by the Society at the last registered address of the member at his cost, calling upon him to take the amount within one month of the receipt of the notice. If the dividend is not claimed during this period, it shall be credited to the Reserve Fund.

44. The rebate and bonus shall be paid according to the rules approved by the General Meeting and subject to any restriction imposed by the Registrar.

45. No bonus, in addition to the dividend shall be distributed to members on shares.

46. No dividend shall be paid while any claim due from the Society's to a depositor or creditor remains unsatisfied.

47. Members shall have no right to the dividend unless declared and approved by the General Body. The dividend shall be paid to all members within three months of the approval by the General Body.

48. Allocation and distribution of profits shall be made after the Annual Audit.

#### XIII RESERVE FUND

49. The Reserve Fund is indivisible and no member is entitled to claim a specified share in it. It shall be invested in Government Securities or otherwise as directed by the Registrar under section 56 of the Act.

#### XIV. DISPUTE

50. If any dispute touching the Constitution or Business of the Society arises between members or past members of the Society or persons claiming through Members and any officer, agent or servant of the Society (past or present) or between the Society or its Committee and any officer, agent, member or servant of the Society (past or present) it shall be referred to the Registrar as provided in the Cooperative Societies Act and the Rules framed thereunder.

#### XV GENERAL

51. All matters not specially provided for, are to be decided in accordance with the Cooperative Societies Act and the Rules notified thereunder.

52. The Society shall be wound up and dissolved by the order of Registrar as provided under Sec. 95, 96 of the Act.

#### LIST OF PROMOTERS MEMBERS TO BE APPENDED WITH THE BYE-LAWS AT THE TIME OF REGISTRATION

We, the following members were present in the General Body Meeting of the .....  
 ..... Cooperative ..... Store Limited  
 ..... Held on ..... at ..... in the presence  
 of Shri. .... Inspector/Sub Inspector of Cooperative  
 Department, Delhi Govt. and have gone through the model Bye-laws and the same are adopted unanimously

S. NO.	NAME OF PROMOTER MEMBER	FATHER'S / HUSBAND'S NAME	SIGNATURE