

By Regd./Speed Post

No. L-11016/17/2008-L&M
Government of India
Ministry of Agriculture
Department of Agriculture & Cooperation

OFFICE OF THE CENTRAL REGISTRAR OF COOPERATIVE SOCIETIES

Krishi Bhavan, New Delhi.

CERTIFICATE OF REGISTRATION
OF
AMENDMENT

In continuation to Certificate of Registration dated 1st August, 2014, amendment to bye-laws of "Bihar State Cooperative Marketing Union Ltd., Biscomaun Bhawan, West Gandhi Maidan, Patna-800 001, Bihar" are hereby registered under section 11 of the Multi State Cooperative Societies Act, 2002 (39 of 2002).

All other provisions as are not provided for herein shall be decided according to terms of MSCS Act, 2002 and the rules made there under.

Given under my hand and seal this the 15th day of September, 2014.



(Raj Singh)
Joint Secretary to the Government of India
&
Central Registrar of Cooperative Societies.

To,

The Chairman (Dr. Sunil Kumar Singh),
The Bihar State Cooperative Marketing Union Ltd. (BISCOMAUN),
Biscomaun Bhawan, West Gandhi Maidan,
Patna-800 001, Bihar.

Proposed Bye-Laws of
The Bihar State Co-operative Marketing Union Ltd.
(BISCOMAUN), Bihar & Jharkhand, Patna

1. Name, Address and Area of Operation:

- (i) The Society shall be called 'Bihar State Cooperative Marketing Union Ltd. Bihar & Jharkhand'.
यह समिति हिन्दी में "बिहार राज्य सहयोग क्रय विक्रय संघ सीमित बिहार एवं झारखंड" कहलाएगी।
- (ii) Hereinafter it shall be referred to as "BISCOMAUN."
- (iii) Its Principal place of business shall be the registered office which shall be BISCOMAUN BHAWAN, West Gandhi Maidan, Patna-800001, Bihar and any change in address shall be notified within 15 days of such change to the Central Registrar, Co-operative Societies.
- (iv) The area of operation of BISCOMAUN shall extend to the States of Bihar & Jharkhand.

2. Common Seal:

- (i) BISCOMAUN shall have a Common Seal. The Common Seal shall be kept in the safe custody of the Officer authorized by the Board and shall be used on the authority of the Board.
- (ii) BISCOMAUN shall be a body corporate, which can sue and be sued in its name and shall have power to acquire, hold and dispose off property, both movable and immovable and enter into contract, institute and defend suit(s) and other legal proceedings and do all things necessary for the purpose of furthering the interests of its members and objects.
- (iii) BISCOMAUN shall conduct its operations in a professional manner to ensure social and economic development of its Members for optimum returns on their contributions in BISCOMAUN with a view at large to serve the community.

3. Definitions:

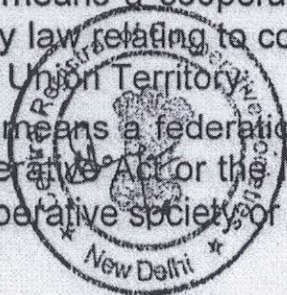
The words and expressions appearing in these bye-laws shall have the following meaning unless the context require, otherwise:



THE BIHAR STATE CO-OPERATIVE MARKETING UNION LTD

Savit. Kumar Singh
CHAIRMAN

- a) "Act" means the Multi-State Co-operative Societies Act, 2002, as amended from time to time. [MSCS Act 2002]
- b) "Rules" means the Multi-State Co-operative Societies Rules, 2002 made under the Act and as amended from time to time. [MSCS Rules 2002]
- c) "Central Registrar", means the Central Registrar of Co-operative Societies appointed under the provisions of section 4 of the Act;
- d) "Bye-laws" means the Bye-laws of BISCOMAUN for the time being in force which have been duly registered or deemed to have been registered under the Act and include amendments thereto which have been duly registered or deemed to have been registered under the Act;
- e) "General Body", means all the members of BISCOMAUN and in relation to a society, a national cooperative society or a federal cooperative means all the delegates of member cooperative societies and include a representative body constituted under the provisions of the Act;
- f) "Board" means the Board of Directors of BISCOMAUN;
- g) "General Meeting" means a meeting of the General Body of BISCOMAUN and include special general meeting;
- h) "Managing Director" means Chief Executive of BISCOMAUN as described under Section 51 of the Act.
- i) "Officer" means a President, Vice-President, Chairman, Vice-Chairman, Managing Director, Secretary, Manager, Administrative Officer, Member of the Board, Treasurer, Liquidator, and includes any other person empowered under Multi State Cooperative Societies Act or the Rules or the Bye-laws to give direction with regard to business of the BISCOMAUN;
- j) "Member" means a person joining in the application for the registration of BISCOMAUN and includes a person admitted to the membership after its registration in accordance with the provisions of section 25 of the Act, Rules and the Bye-laws of BISCOMAUN.
- k) "Nominal Member" means, a person who has been admitted as a nominal members or associates member under the bye-laws of BISCOMAUN.
- l) "Multi State Cooperative Society" means a Cooperative Society registered or deemed to be registered under the Act and includes a National Cooperative Society and a Federal Cooperative.
- m) "National Cooperative Society" means a Multi-State Cooperative Society specified in the Second Schedule of the Act.
- n) "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.
- o) "Federal Cooperative" means a federation of cooperative societies registered under any State Cooperative Act or the MSCS Act and whose membership is available only to a cooperative society or a multi-state cooperative society;



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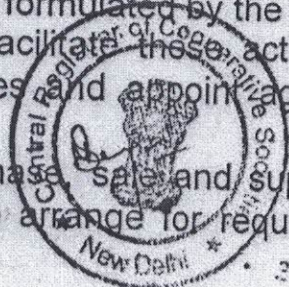
society which undertakes banking business;

- q) "Defaulter" means a member who has defaulted in payment of any kind of dues payable to the Union for two consecutive years;
- r) "Cooperative Year" means the period from 1st day of April to 31st day of March of the corresponding year;
- s) "Area of Operation" means the area from which the persons can be admitted as members of BISCOMAUN;
- t) "Cooperative Principles" means the cooperative principles as specified in the first schedule of the Act;
- u) "Representative" or "Delegate" means a person who is duly appointed by a member society in accordance with these Bye-laws or Government of India or other institutions who are qualified to attend the meeting of the General Body in accordance with these Bye-laws.
- v) "Agricultural Produce" means and shall include horticultural, floriculture and forest produce, dairy, poultry, wool, animal husbandry and all other products allied to agriculture.

4 (A) Objects

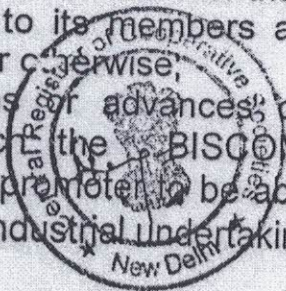
The objects of the BISCOMAUN shall be to organize, promote and develop marketing, processing and storage of agricultural, non-agricultural and horticultural and forest produce, distribution of agricultural machinery, implements and other inputs. To undertake inter-State, import and export trade, wholesale or retail as the case may be and to act and assist for technical advice in agricultural, marketing and production for the promotion and the working of its members, partners, associates and co-operative marketing, processing and supply societies in India. In furtherance of these objectives, BISCOMAUN may undertake one or more of the following activities:

- (i) To facilitate, co-ordinate and promote the marketing and trading activities of the co-operative institutions, partners and associates in Agricultural, and other Commodities, articles and goods;
- (ii) to undertake or promote on its own or on behalf of its member Institutions or the Government or Government Organizations, Inter-State and international trade and commerce and undertake, wherever necessary, sale, purchase, import, export and distribution of Agricultural and other commodities, horticultural and forest produce, other articles and goods from various sources for using its business activities and to act as the agency for canalization of export and import and interstate trade of agricultural and other commodities or articles under any scheme formulated by the Government of India or other Government agencies and to facilitate these activities, wherever necessary and to open branches/sub-offices and appoint agents at any place within the country or abroad;
- (iii) to undertake purchase, sale and supply of Agricultural, products, marketing and processing, to arrange for requisites; such as manure seeds, Fertilizer,



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- Agricultural implements and machinery, packing machinery, construction requisites, Processing machinery for Agricultural commodities, Forest produce, dairy, wool and other animal products;
- (iv) to act as a warehouse agency under the Warehousing Act and own and construct its own godowns and cold storages;
 - (v) to act as agent of any Government agency or Co-operative institution for the purchase, sale, storage and distribution of Agricultural, horticultural, forest and animal husbandry produce, wool, Agricultural requisites and other consumer goods;
 - (vi) to act as insurance agent and to undertake all such activities which are consequential or incidental thereto.
 - (vii) to organize consultancy work in various fields for the benefit of the co-operative institutions in general and for its members in particular;
 - (viii) to undertake manufacturing of Agricultural machinery and implements, processing, packing, etc. and consumer articles by setting up manufacturing units either directly or in collaboration or as a joint venture with any other agency, including import and distribution of spare-parts and components for up keep of the machinery, implements;
 - (ix) to set up storage units for storing various commodities and goods by itself or in collaboration with any other agency in India or abroad;
 - (x) to maintain Transport units of its own or in collaboration with any other organization in India or abroad for movements of goods on land, sea, air and operate freight station, container depot and undertake other incidental activities;
 - (xi) to collaborate with any international agency or a foreign body, development of Co-operative, Marketing, Processing and other activities for mutual advantage in India or abroad;
 - (xii) to undertake marketing research and dissemination of market intelligence;
 - (xiii) to subscribe to the share capital and undertake business collaboration with Co-operative institutions, Public Joint and Private sector enterprises, if and when considered necessary for fulfilling the objectives of BISCOMAUN;
 - (xiv) to arrange for the training of employees of marketing/processing/supply co-operative societies;
 - (xv) to maintain common cadres/pools of managerial/technical personal required by the marketing/ processing/ supply co-operative societies;
 - (xvi) to establish processing units for processing of Agricultural, Horticultural and Forest produce, wool and allied products;
 - (xvii) to undertake grading, packing, standardization, scientific treatment and process of Agricultural produce and other articles;
 - (xviii) to acquire, take on lease or hire, lands buildings, fixtures and vehicles and to sell, give on lease or hire them for the business of BISCOMAUN;
 - (xix) to advance loans to its members and other co-operative institutions on the security of goods or otherwise;
 - (xx) to guarantee loans or advances or give undertakings to any Society or Company in which the BISCOMAUN has shareholding or financial involvements as a promoter to be able to assist its development or expansion or for starting any industrial undertaking by such societies/companies;



- (xxi) to guarantee loans or advances or give undertakings on behalf of any such society or company as mentioned above to any financing institutions;
- (xxii) to do all such things or undertake such other business or activities as may be incidental or conducive to the attainment of any or all of the above objects.

4. (B) FUNCTIONS OF BISCOAUN:

- (i) Subject to the provisions of Section 24 (1) & (2) (a) to (m) of the Act and any other law for the time being in force, BISCOAUN may discharge the functions to facilitate the voluntary formation and democratic functioning of co-operative societies or multi-State Co-operative, as a federal co-operative, based on self-help and mutual aid.
- (ii) Without prejudice to the generality of the provisions contained in sub-sections (1) of section 24 of the Act, BISCOAUN may:-
- (a) ensure compliance of the Co-operative principles;
 - (b) Make model bye-laws and policies for consideration of its member Co-operatives;
 - (c) Provide specialized training, education and data-base information;
 - (d) Undertake research, evaluation and assist in preparation of perspective development plans for its member Co-operative;
 - (e) Promote harmonious relations amongst member co-operative;
 - (f) Help member co-operative to settle disputes among themselves;
 - (g) undertake business services on behalf of its member co-operative, if specifically required by or under the resolution of the General Body or the Board or Bye-laws of a member co-operative;
 - (h) Provide management development services to a member Co-operative;
 - (i) evolve code of conduct for observance by a member Co-operative;
 - (j) evolve viability norms for a member co-operative;
 - (k) provide legal aid and advice to a member co-operative;
 - (l) assist member Co-operative in organizing self-help;
 - (m) develop market information system, logo brand promotion, quality control and technology upgradation;

5. Membership

- (A) The membership of BISCOAUN shall consist of the following categories:
- (a) 'A' Class consisting of Vajnar Mandal Sahyog Samities Ltd. (V.M.S.S.), Co-operative Development and Cane Marketing Unions (C.D.C.M. Union),



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Large Sized Multipurpose Co-operative Societies (LAMPS), Farmers Service Co-operative Societies (F.S.C.S.), Cold Storages, Rice Mills, Dal and Oil Mills Societies either registered under the Bihar Co-operative Societies Act, 1935 or the Bihar Self Supporting Co-operative Societies Act 1996, which deals in Agriculture and Marketing and such category or categories of processing Co-operative societies as may be determined by the Board of the Union.

- (b) 'B' class consisting of individuals holding shares of BISCOMAUN till the date of amendment of Bye-laws is registered and such societies not falling under category mentioned in "A" Class member. Provided that individual shares may be gradually extinguished and for the purpose, share or shares from the individuals may be bought up by the Union. Provided, further that in the case of share or shares held by individuals after the death of the share holders, the share and shares shall be deemed to have been bought up by the Union and value thereof be paid to the nominee or the legal heir of the individuals.
- (c) State Government.
- (d) National Cooperative Development Corporation
- (e) Government of India

(B) The BISCOMAUN may retire the shares held by the Government of India, State Government, Government Organizations and the National Co-operative Development Corporation at such time and in such manner as may be agreed upon between them or as per provisions of section 35 of the Act.

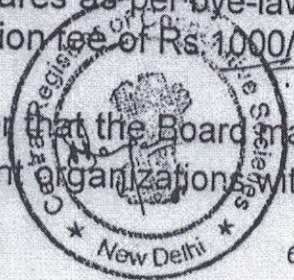
(C) Nominal membership

Such other societies/institutions, Individuals, not covered by bye-laws 5 (A) above, with whom the BISCOMAUN is likely to do business or store goods, or arrange sale thereof, provided the application for admission to such membership is received along with the admission fee of Rs. 5000/- and is duly accepted by the Board of Directors, may be admitted as nominal members. Such admission fee shall not be refundable in any case. Such members will, however, not have right to vote or participate in the management or General Body of the BISCOMAUN or in the sharing of its profits or liabilities.

6. Application for Membership:

- (i) The application for membership shall be submitted by the applicant to the Chief Executive/Managing Director in the prescribed form along with full value of the shares as per bye-law 16 or as may be prescribed and remitted with an admission fee of Rs. 1000/-.

Provided further that the Board may accept the membership of Govt., NCDC and Government organizations without admission fee.



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Disposal:

- (ii) The applications for membership found complete in all respects shall be disposed off within the period of four months from the date of receipt of the application by BISCOMAUN. The decision shall be communicated to the applicant within fifteen days of the decision by Post or Hand Delivery. Provided that if the application is not disposed off or the decision is not communicated within a period of 15 days of the expiry of the aforesaid period of 4 months, BISCOMAUN shall be deemed to have made a decision refusing admission of the member.

7. Disqualifications of Membership:

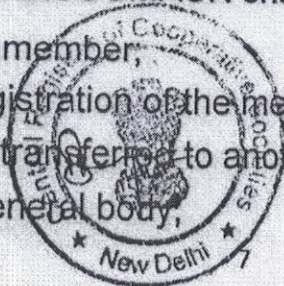
No persons shall be eligible for being or continuing as a member of BISCOMAUN if:-

- a) His business is in conflict or competitive with the business of BISCOMAUN;
- b) He did not attend the three consecutive general body meetings and such absence was not condoned by the members attending the meeting;
- c) He has defaulted in payment of any dues including contributions, subscription, if any, as decided by the Board of BISCOMAUN from time to time;
- d) He has deceived BISCOMAUN by making false statements;
- e) He is adjudged insolvent;
- f) He is convicted for criminal offence or committed an act of moral turpitude;
- g) He has knowingly done acts detrimental to the interests of BISCOMAUN;
- h) If he has failed to carryout business activity, sale, purchase or Marketing of Agricultural Produce or otherwise with BISCOMAUN of the value of less than Rs. One Lakh in each of the two preceding years.
- i) It shall be the duty of each member to work for and further the interests of BISCOMAUN and in no way directly or indirectly act against the interests of BISCOMAUN. If a member and / or its representative do any act prejudicial to the interest of BISCOMAUN, it shall be open to the General Body of BISCOMAUN to expel such member provided; however, such member has been given a reasonable opportunity of being heard.

8. Cessation of Membership:

The membership of the BISCOMAUN shall cease in case of;

- (i) resignation 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;



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- (v) Incurring any of the disqualifications of membership under the Act, Rules & these Bye-laws.
- (vi) Provided that the amount of share money paid up by the member shall be returned to him or his legal heir within six months from the date of cessation of his membership after adjustment of dues, if any.

9. Withdrawal from Membership / resignation from membership:

Any member of BISCOMAUN may resign from membership of the Society and withdraw his Shares only after-two years of being admitted as a member by giving at least a three months notice and duly approved by the Board of Directors.

10. Termination and Expulsion of Membership:

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

- (i) Any member has defaulted in payment of dues as per bye-laws of BISCOMAUN for a continuous period of two years;
- (ii) Any activity of a member is found to be conflicting or competitive or in deception with the interest or activities of BISCOMAUN;
- (iii) Any act of a member is found to be detrimental to the interest of BISCOMAUN;
- (iv) Provided that the concerned member shall not be expelled unless he has been given an opportunity of making representation in the matter.
- (v) Provided further that the member shall be expelled if it has incurred any of the disqualification under Section 29 and Section 30 of the Act.

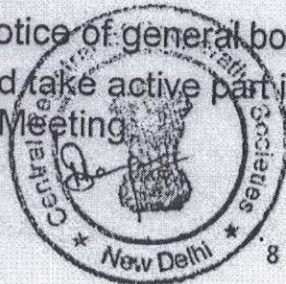
11. Rights of Member:

Every member of the Society shall have the following Rights;

- a) To cast one vote in the general body meeting: 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 BISCOMAUN may appoint its representative by a resolution passed by its Board to vote on its behalf in the affairs of BISCOMAUN.

- b) Right to receive notice of general body meetings as per bye-laws;
- c) Right to attend and take active part in the proceedings of the General Meeting / Special General Meeting



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- d) Take part in election and contest for any post as per provision of the Act, Rules and bye-laws of BISCOMAUN;
- e) No right of membership shall be exercisable until a person has subscribed to the share capital of BISCOMAUN as may be prescribed or other due payment is paid;
- f) Any other right as may be conferred on him by the Act or the bye-laws of BISCOMAUN.

12. Liability:

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

13. Transfer of Shares:

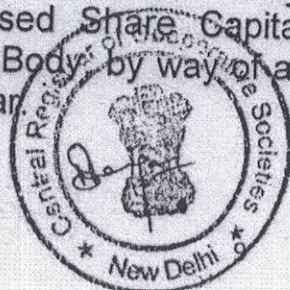
- (i) Share certificate bearing a distinctive number shall be issued for every share or shares subscribed. A member may transfer his share after holding it for one year to another member with the approval of the Board of Directors: The transfer shall not be complete until the transfer has been approved by the Board of Directors and entered in the Share Register and such fee as the Board of Directors may prescribe, has been paid.
- (ii) A transfer fee of Rs. Ten per Share shall be payable to the society for each such transfer.

14. Conversion of Shares:

- (i) The Board may, on application approve conversion of shares, or a part thereof allotted to it, 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.

15. Authorised Share Capital:

The authorized share- capital of BISCOMAUN shall be Rs. 500 crores divided into 50 lacs shares of Rs.1000/- each. BISCOMAUN may at its discretion increase the Authorised Share Capital as may be deemed expedient by resolution of General Body by way of amendment and subject to the approval of the Central Registrar.



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16. Subscription of Share Capital:

(a) A person desirous to be member shall subscribe to minimum number of shares in the following manner:

✓ (i) It shall be incumbent on the Societies falling under category "A" to subscribe a minimum fifteen shares and for societies falling under category "C" minimum two shares. Representatives of societies which do not subscribe above mentioned minimum number of shares, although shall be eligible to exercise rights of members but shall not be eligible to contest the election for the post of Director of the Managing Committee of BISCOMAUN;

(ii) No member can hold shares exceeding 1/5th of the total Share Capital of BISCOMAUN except for members as may be enrolled as per Section 25 (c) to. (g) of the Act.

(iii) The full value of the share shall be paid upon allotment of shares.

(iv) The liability of member shall be limited to, the value of share/ shares held by him.

✓ (b) (i) The Board may, from time to time, make such call or calls, as it may deem fit, in respect of the amounts remaining unpaid on the shares held by the members. Every member shall pay such call money within the period mentioned in the call notice;

(ii) If a member fails to pay the amount within the period specified in the call notice, BISCOMAUN shall issue another notice informing the member that in the event of non-payment of call money within 30 days of the notice, the shares, in respect of which such notice is issued, will be liable to be forfeited to BISCOMAUN.

(iii) If a member does not pay the call amount even within the time specified in the second notice aforesaid, the Board of Directors may, by a resolution, order the forfeiture of the shares in respect of which the notice was issued;

(iv) Every forfeited share shall be the property of BISCOMAUN, and may at any time, be allotted or otherwise disposed of in such manner as the Board may think fit. Provided, however, that at any time before the disposal of the shares, the Board may cancel such forfeiture on such terms and conditions as it may think fit.

(c) 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 jointly by the Chairman/Vice-Chairman, and the Managing Director. The share certificate shall bear the Society's Seal.



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- (d) BISCOMAUN shall have the first and paramount lien or charge upon all the shares and deposits of any member or past member for all moneys due from him 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.
- (e) BISCOMAUN may retire the shares held by non-cooperative members like Govt. of India, State Governments and the Public Financing Institutions to the extent that the cooperative members subscribe to the equity of BISCOMAUN in order to facilitate greater participation and representation of cooperative members in BISCOMAUN.

17. Issue of Duplicate Shares:

- i) If any certificate be worn out, defaced, destroyed or lost, a new share certificate may be issued in lieu thereof, on payment of a fee of Rs.5/- 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.
- ii) Manner of allotment, transfer, redemption and / or repatriation shall be at face value and as per the provisions of the Act.

18. Capital and Funds:

BISCOMAUN may receive funds from any or all the following sources:

- (i) Admission fee;
- (ii) Share Capital;
- (iii) Loans and Deposits;
- (iv) Grants-in-Aids;
- (v) Donations;
- (vi) Contributions;
- (vii) Subscriptions;
- (viii) Profit/income over expenditure
- (ix) Debentures, Bonds and Commercial papers

19. Maximum Borrowing Limit:

BISCOMAUN shall be eligible to receive deposits and loans from members and others, up to Ten times of its paid up share capital plus accumulated reserves minus accumulated losses if any.



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20. Representation on the General Body :

- (i) Delegates to the General meeting of the BISCOMAUN shall be elected district-wise from among the individual share holders from the district and the representatives of the share holder Societies in the district except one holding (B) class shares.
- (ii) As for the society members in a district are concerned, they shall be entitled to send one representative each, duly authorised by a resolution of the General Body or its Managing Committee to elect the delegates from the district to the General Meeting of the union (BISCOMAUN).
- (iii) From the each district there shall be one delegate for the General meeting of the Union to be elected by and from the individual members and the representatives of such societies which are (C) Class share holders of the Union from the district.
- (iv) From the representatives of the 'A' Class share holders in each district shall elect from among themselves delegates to the General Body of the Union at the rate of one for every three 'A' Class share holders or part thereof, subject to a maximum of seven per district.

Provided that, representation on the General Body of BISCOMAUN shall be governed by the provisions of Section 38(3) of the MSCS Act. Further, out of the delegates elected from 'A' Class share holders of a district at least one shall be from schedule caste or schedule tribe, if representative of that category is available from the 'A' Class members of the district.

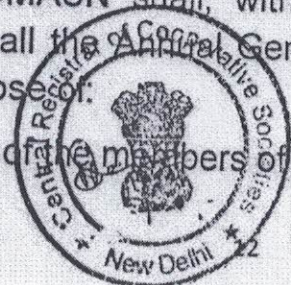
Provided further that Societies which belongs to Category "A", either registered under the Bihar Co-operative Societies Act, 1935 or registered under the Bihar Self Supporting Co-operative Societies Act, 1996 having area of operation for a District or Division or State level shall be entitled to send representatives directly in general body meeting if they holds a minimum of hundred shares of the BISCOMAUN.

- (v) The Central Government, State Govt. and other organizations eligible to send representatives as per Bye-law shall nominate their representatives on the General Body of BISCOMAUN and certified copies of the resolutions of the competent authorities or copies of the instrument of nomination shall be sent to the Managing Director. Such resolution/instruments should specify the period for which such nominees will continue to represent them.

21. Annual General Meeting:

The board of BISCOMAUN shall, within six months after the close of the corresponding year, call the Annual General Meeting, at the Principal place of business, for the purpose of:

- a. Election or removal of the members of the Board of Directors; when due;



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- b. Amendment or repeal of any existing Bye-laws or the enactment of any new Bye-laws in accordance with the procedure prescribed in the Act and the Rules made there under;
- c. Consideration and adoption of Annual Report and Statement of Accounts of last year, Review of Activities of current year and approval of Programme of Activities of ensuing year presented by the Board of Directors;
- d. Consideration of Audit Report; Appointment of Auditors from the panel of Auditors as prepared by the Board of Directors/ Central Registrar, to fix remuneration of Auditors subject to the provisions of the Act;
- e. Expulsion of members;
- f. Distribution of net profits;
- g. Creation of specific reserves and other funds;
- h. Approval of Annual Budget;
- i. Review of actual utilization of reserve and other funds;
- j. Review the list of employees who are relatives of members of the Board or of the Chief Executive;
- k. Formulation of code of conduct for the members of the Board and officers;
- l. Consideration of Audit Compliance Report;
- m. Review of Operational deficit, if any;
- n. Any other matter laid before it by the Board of Directors.
- o. At every General Body Meeting of BISCOMAUN, the Board shall lay a statement showing the details of the medical treatment on credit or goods on credit, if any, given to any of the members of the Board or to the spouse or a son or daughter of a member of the board during the preceding year or outstanding against him or against such spouse or son or daughter of the member of the board.

22. Powers of the General Body

- (i) Unless otherwise provided in these Bye-laws, the ultimate authority in all matters relating to the administration of BISCOMAUN shall vest in the General Body. Provided that the General Body shall exercise all such powers as are prescribed under the Act, Rules and these bye-laws
- (ii) The record of the decisions of the General Body duly signed by the Chairman & Managing Director, shall be maintained.



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23. Amendment of Bye-laws:

- (i) The amendments to the bye-laws shall be by a resolution passed by a two-third majority of the members present and voting at general body meeting.
- (ii) An amendment of the bye-laws, unless it is expressed to come into operation on a particular day, shall come into force on the day on which it is registered.
- (iii) No such resolution shall be valid unless 15 clear days notice of the proposed amendments has been given to the members.
- (iv) Every such application shall be sent to the Central Registrar within sixty days from the date of the general meeting at which such amendments to the bye-laws were passed.

24. Special General Meeting:

- i) The Chief Executive may, at any time, on the direction of the board, shall call a special general meeting of the Union and shall call such meeting within one month after the receipt of a requisition in writing from the Central Registrar or from 2/5 members of BISCOAUN.
- ii) If a special general meeting of BISCOAUN is not called in accordance with the requisition referred to in sub-section (1) of Section 40 of MSCS Act 2002, the Central Registrar or any person authorised by him on this behalf shall have the power to call such meeting and that meeting shall be deemed to be a meeting called by the Chief Executive in accordance with the provisions of that sub-section and the Central Registrar may order that the expenditure incurred in calling such meeting shall be paid out of the funds of the society or by such person or persons who, in the opinion of the Central Registrar, was or were responsible for the refusal or failure to convene the special general meeting.

25. Notice of Annual General Meetings /Special General Meetings:

- a) Annual General Meeting of the society may be called by giving not less than 14 days notice in writing to all the members.
- b) Special General Meeting may be called by giving not less than 7 days notice in writing to all the members.
- c) The notice of annual general meeting shall be accompanied by a copy each of the audited balance-sheet, income and expenditure account, together with the auditor's report thereon relating to the preceding year and the report of the Board & amendment of bye-laws, if any. The notice of the Annual General Meeting shall be sent to the members to the registered address by post Under Postal Certificate.



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26. Quorum of the General Meeting:

- (i) The quorum of the general meeting shall be One fifth of the total number of delegates or 45 delegates whichever is less.
- (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 quorum is not present at the time appointed for the meeting; the meeting shall stand adjourned and it 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 seven days from the date of adjournment;
- (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.

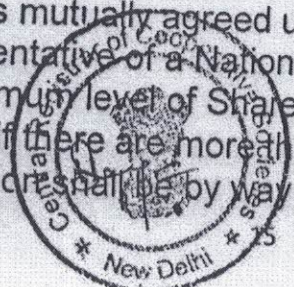
27. Board of Directors

The Board of Directors shall in no case exceed 21 (twenty-one) members.

Further that the Board may co-opt two directors in addition to 21 (twenty one) the Managing Director of BISCOMAUN shall also be a ex-officio member of the Board and shall also be excluded for the purpose of counting the total number of directors specified.

The Management of the BISCOMAUN shall vest in a Board of Directors consisting of 21 (twenty one) members as below:-

- (i) Fifteen shall be elected from the delegates representing "A" Class Members of which, a minimum of One each shall be Women, SC & ST/OBC Candidate — 15
- (ii) Two shall be elected from the delegates representing "B" class members. — 2
- (iii) One shall be representative of NCDC or one representative of NABARD or a financial institution providing loan or financial assistance to BISCOMAUN on terms and conditions mutually agreed upon. — 1
- (iv) One shall be representative of a National level Cooperative Society, if it has subscribed to a minimum level of Share Capital as may be mutually agreed upon; Provided that if there are more than one National Society as member then the representation shall be by way of election from this constituency. — 1



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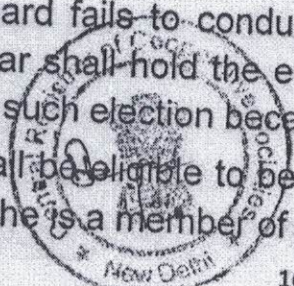
- (v) One shall be the Registrar, Co-operative societies, Bihar or his nominee. — 1
- (vi) One shall be the Registrar, Co-operative Societies, Jharkhand or his nominee. — 1
- (vii) Chairman and Vice-Chairman shall be elected from amongst the members of the Board of Directors of class 'A' Share Holders. — 1
- (viii) Chief Executive shall be ex-officio member of the board. — 1

28. Disqualification for being a Member of the Board:

- No member of BISCOMAUN shall be eligible for being elected, nominated or co-opted or continued as a member on the Board of Directors, if he
- (i) is a person against whom any amount is due under a decree, decision or order is pending recovery under the Act or bye-laws;
 - (ii) is retained or employed as a legal practitioner on behalf of or against the society, or on behalf or against any other society which is a member of BISCOMAUN;
 - (iii) has been convicted for any offence under the Act and any other Acts;
 - (iv) is disqualified for being a member under Section 29 of the Act;
 - (v) has been expelled as a member under section 30 of the Act;
 - (vi) absents himself from three consecutive Board meetings and such absence has not been condoned to by the Board;
 - (vii) absents himself from three consecutive general body meetings or the Board and such absence has not been condoned by the general body or the Board.
 - (viii) fails to conduct business, to the extent as may be prescribed by the board, with BISCOMAUN for a continues period of last two years.
 - (ix) If he has incurred any of the disqualification under section 43 of the MSCS Act, 2002.

29. Election of Members of Board:

- (i) The conduct of elections and framé election Rules of the BISCOMAUN shall be the responsibility of the existing Board. The election of the members of the Board shall be conducted by Secret Ballot in the manner, as specified in the "Schedule" attached to the Multi-State Cooperative Societies Rules 2002.
- (ii) The election of members of Board shall be held by secret ballot in the manner as may be prescribed in the election rules.
- (iii) Where the Board fails to conduct election of the members of Board, the Central registrar shall hold the election within a period of ninety days from the date when such election became due.
- (iv) No person shall be eligible to be elected as a member of the Board of the society unless he is a member of the general body of BISCOMAUN.



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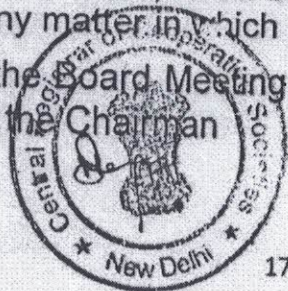
- (v) The expenses for holding election by the Central Registrar shall be borne by BISCOMAUN.
- (vi) The Elected Members are liable to be removed by the General Body under the provision of Section 47 of the Act.
- (vii) The Board of Directors of BISCOMAUN shall be constituted terms of bye-law No. 27 of these by laws

30. Term of the Board of Directors:

- (i) The term of the office of the elected Members of the Board of Directors shall be 5 years from the date of election.
- (ii) The term of office of the members of the Board, who are nominees of the Government or institutions or federations shall be as indicated from time to time by the Government or the concerned Institutions. However, their term will be co-terminus with the term of the elected Directors/Board; and the Government / concerned institutions shall make fresh nominations for the new Board;
- (iii) The elected members of the Board shall be eligible for re-election.
- (iv) No director shall be remunerated except for sitting fee etc.

31. Meetings of the Board of Directors:

- (i) The Board of Directors shall meet at least once, in a quarter.
- (ii) The meetings of the Board of Directors shall normally be held at the registered office of the Society. In exceptional cases, the meetings of the Board may be held at any other place as decided by the Board.
- (iii) No member of the Board shall be present at a meeting when any matter, in which he is personally interested, is being discussed, nor shall he vote thereupon.
- (iv) 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 the Chairman & Vice-Chairman, the Directors present in the Meeting shall elect a Chairman for the said meeting from among themselves;
- (v) 14 days notice shall ordinarily be necessary for the meeting of the Board of Directors;
- (vi) ~~The~~ quorum for the meeting of the Board of Directors shall be 9 (Nine) or 1/3rd of its total constituted strength whichever is less.
- (vii) No member of the Board shall be present at the time of the consideration of or vote on any matter in which he has a personal interest.
- (viii) The notice of the Board Meeting shall be served by Managing Director at the instance of the Chairman

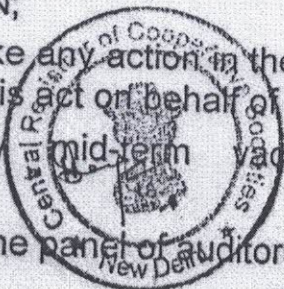


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32. Powers & Functions of the Board of Directors:

The Board of Directors shall exercise all the powers of BISCOMAUN except those reserved for the General Body and subject to any resolutions or restrictions as laid down by the General Body or prescribed in the Byelaws. In general, the Board shall have the following Power:

- (i) To admit members;
- (ii) To elect Chairman and Vice-Chairman of the Society.
- (iii) To authorize convening of Meetings of the General Body.
- (iv) To interpret the organisational objectives and to 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 other employee(s) of BISCOMAUN.
- (vii) To make provisions for regulating the appointments of employees of BISCOMAUN and the scales of pay, allowances and other conditions of services, including disciplinary action against such employees;
- (viii) To borrow loans and accept deposits as required for smooth working of BISCOMAUN, on the terms and conditions deem fit by the Board;
- (ix) To place the annual report, annual financial statements, annual plan and budget for the approval of the general body;
- (x) To consider audit and compliance report and place the same before the general body;
- (xi) To acquire or dispose off immovable property;
- (xii) To review the membership in other cooperatives;
- (xiii) ~~To approve annual and supplementary budget;~~
- (xiv) To recommend the distribution of profits or dividend to General Body;
- (xv) To raise funds;
- (xvi) To purchase equipments, machinery and any type of fixed assets to fulfill objects of BISCOMAUN;
- (xvii) To make agreement with third party in relation to business of BISCOMAUN;
- (xviii) To sue or take any action in the interest of BISCOMAUN and to delegate powers for this act on behalf of BISCOMAUN;
- (xix) To fill any mid-term vacancy/ vacancies in the Board by election.
- (xx) To approve the panel of auditors for placing in the General Body;



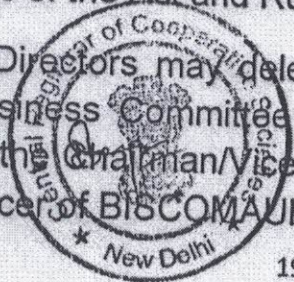
- (xxi) To appoint such Committees, Sub-Committees or Executive Committee as may be necessary and delegate to them such powers as may be appropriate and prescribed under Section 53 of the Act.
- (xxii) To frame regulations for the election of delegates to the General Body, Members of the Board of Directors and for the conduct of Meetings of the General Body and the Board of Directors as per the provisions of the Act.
- (xxiii) To take such other measures or to do such other acts as may be expedient, prescribed or required under the Act or the bye-laws or as may be delegated by the general body.
- (xxiv) To sale, mortgage, bifurcate or create any type of charge on any property of BISCOMAUN for the acts or any requirement(s) of BISCOMAUN;
- (xxv) To do all types of acts to fulfill the objects of BISCOMAUN;
- (xxvi) To approve the staffing pattern for running smooth activities of BISCOMAUN.
- (xxvii) To appoint the salaried employees for BISCOMAUN and take disciplinary action against them and to accept the resignation of employee(s);
- (xxviii) To approve staff service rules & TA & DA rules;
- (xxix) To approve financial results & statements of BISCOMAUN;
- (xxx) To settle the terms and conditions regarding retirement of share-capital contributed by NCDC, Government of India/State Government and other Government Organisation;
- (xxxii) Any other function(s) as per Act & Rules, including Election Rules.
- (xxxii) The members of the Board of Directors shall be jointly and severally liable for all transactions conducted in contravention of these bye laws in pursuance of a resolution passed in the Board unless a particular member is present and has dissented.

33. Association of Employees in Management decision-making process.

A procedure may be devised for associating the representation of an employee to a body for Management decision making process as would be deemed necessary from time to time.

34. Committees of the Board:

- (i) The Board of Directors shall constitute an Executive Committee and other committees or sub-committees as may be considered necessary but subject to the provisions of the Act and Rules;
- (ii) The Board of Directors may delegate any of its powers to the Executive Committee, Business Committee or Sub-Committee constituted out of its members or to the Chairman/Vice-Chairman or to the Managing Director or to any other officer of BISCOMAUN as it may deem expedient to.



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(iii) However, the number of the Committees, other than the Executive Committee, shall not exceed to three at a point of time.

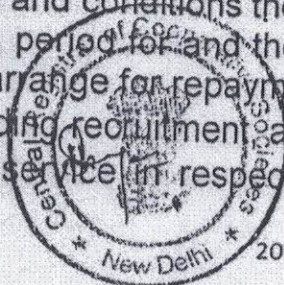
35. Executive Committee :

- a) The Entire Administration of BISCOMAUN shall vest in the Board and subject to the control and delegation of powers from the Board an Executive Committee consisting of not more than 7 (seven) Members including Chairman may be constituted as under:-
 - (i) Chairman;
 - (ii) Vice-Chairman
 - (iii) Four Directors
 - (iv) Managing Director.
- b) The Managing Director shall be ex-officio members of the Executive Committee.
- c) The members of the Executive Committee shall hold office for the full term for which they are members of the Board or until their successors are appointed by the Board. In the case of any interim vacancy occurring among the elected members of the Executive Committee, it shall be filled by the Board for the remaining portion of the term from among the members of the Board qualified to serve on the Executive Committee under these Bye-laws.
- d) No decision of the Executive Committee shall be valid unless it is assented to by a majority of the members present at the meeting, 5 (five) members shall form a quorum at the Executive Committee Meeting. In case of equal votes, the Chairman will have the right of additional casting vote.

36. Powers and functions of the Executive Committee

The Executive Committee shall have the following powers and functions :

- (i) arrange for internal checking of the accounts at least once in a quarter;
- (ii) to hire or taken on lease land, yards, godowns, building, processing plants, machinery, cold storage, etc.;
- (iii) to purchase, sell or otherwise acquire or dispose movable property of the BISCOMAUN.
- (iv) to fix the limits of cash balance to be kept by various officers and branches and authorize officers to sign or execute receipts and other documents on behalf of BISCOMAUN.
- (v) to arrange for raising funds for carrying on the business BISCOMAUN and to determine the terms and conditions thereof;
- (vi) to decide the terms, period for and the rate of interest at which deposits are to be received and to arrange for repayment of such deposits;
- (vii) to frame rules regarding recruitment, appointment, suspension, punishment and other conditions of service in respect the employees of BISCOMAUN, other



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- than the Managing Director and to prescribe the scale and nature of securities to be obtained from the employees where necessary;
- (viii) to approve and sanction the staff required from time to time, for carrying on the business of BISCOMAUN and to prescribe the scales of pay and other allowances and perquisites etc., in respect of the employees of BISCOMAUN other than Managing Director;
 - (ix) to sanction expenditure on purchase of furniture and fixtures stationery, vehicles and other items required by BISCOMAUN and also sanction other contingent expenditure. Executive Committee may delegate these powers to the Managing Director and other Officers of BISCOMAUN subject to such restrictions as it may deem fit;
 - (x) through any member or officer or employee of BISCOMAUN or any other persons, specially authorized, to institute, conduct, defend, compromise refer to arbitration or abandon legal proceedings by or against BISCOMAUN or its officers/employees concerning the affairs of BISCOMAUN;
 - (xi) to appoint such sub-committee as may be necessary from amongst its members and delegate to them such power as may be appropriate;
 - (xii) to appoint trustee or trustees, attorney or attorneys, agent or agents for the business or BISCOMAUN;
 - (xiii) to refer any claims or demands for arbitration and to observe and perform the awards;
 - (xiv) to sanction contracts which are in excess of Rs. 5 Lacs;
 - (xv) any other powers delegated by the Board of Directors from time to time;
 - (xvi) to delegate its power to such officers of the BISCOMAUN as it may deem fit;

✓ The Executive Committee may meet as often as necessary but normally once in every quarter. Four members shall form a quorum in the meeting of the Committee. The meeting of the Executive Committee shall be presided over by the Chairman, in his absence by the Vice-Chairman, and in their absence, the members present may elect the Chairman from amongst themselves to preside over the meeting.

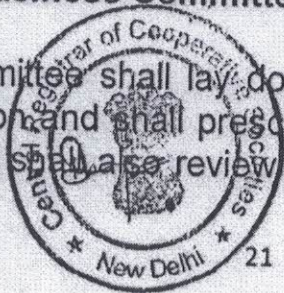
37. Business Committee :

The Board of Directors shall constitute a Business committee comprising as under :

- (i) Chairman;
- (ii) Vice-Chairman
- (iii) Four Directors;
- (iv) Managing Director.

38. Functions of the Business Committee:

The Business Committee shall lay down the general policy about the overall business of the Union and shall prescribe such terms and limits as it deem fit from time to time. It shall also review the progress made in business once in every quarter.



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The Business Committee may meet as often as necessary but normally once in every quarter. Four members shall form a quorum in the meeting of the Committee. The meeting of the Business Committee shall be presided over by the Chairman, in his absence by the Vice-Chairman, and in their absence, the members present may elect the Chairman from amongst themselves to preside over the meeting.

39. Finance, Accounts and Audit Committee :

The Board of Directors shall constitute Finance, Accounts and Audit Committee comprising as under :

- (i) Chairman of the Committee
- (ii) Five Directors
- (iii) Managing Director.

40. Functions of the Finance, Accounts and Audit Committee :

Finance, Accounts and Audit Committee shall review periodically branch wise/unit wise performance of the Union, important audit observations and compliance thereof. It shall give suggestions wherever deemed necessary in the above matter.

41. Project and Development Committee :

The Board of Directors shall constitute Project and Development Committee comprising as under :

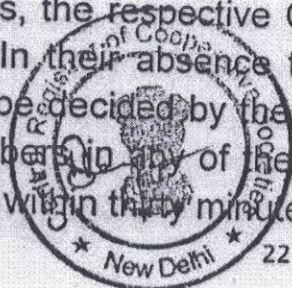
- (i) Chairman of the Committee
- (ii) Five Directors
- (iii) Managing Directors.

42. Functions of the Project and Development Committee:

The Committee shall make periodical review of progress of various projects. It shall also take view on the projects likely to be taken up. The project Committee shall review and guide all the development and reform activities not being reviewed by any other Committee.

43. Meeting and quorum of the Committees of the Board:

In the case of Finance, Accounts & Audit Committee/project & Development Committee meetings, the respective Chairman of the Committee shall preside over the meetings. In their absence the Vice-Chairman and in their absence elected Director to be decided by the members present shall preside over the meeting. Four members in any of the above meetings shall form a quorum. If there be no quorum within thirty minutes from the time fixed for the meeting, the



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meeting shall stand adjourned to for such other time and date as decided by the presiding authority. At such adjourned meeting, if after waiting for 15 minutes, there be no quorum, the Directors present shall have the power to transact, all the business specified in the agenda of the meeting which had to be adjourned for want of a quorum. No new subjects shall, however be discussed at such adjourned meeting.

44. Chairman and Vice Chairman

- (i) Subject to the provisions of Section 44 & Section 46 of the Act the members of the Board of Directors shall elect from amongst themselves a Chairman and Vice-Chairman in accordance with bye-law No5(A) (a) and 27 (viii). The terms of the Chairman and Vice-Chairman shall be co-terminus with the term of the Board. In case of any vacancy within this period, the Board may fill up the vacancy through re-election for the unexpired term of the Board.
- (ii) The Chairman and the Vice-Chairman once elected shall continue to hold the office for the term of the Board except when the Board of Directors resolve to remove them by the 2/3rd majority of the Board after due notice of 30 days.

45. Holding of office:

(1) No member of the board shall be eligible to be elected as Chairman or Vice Chairman of BISCOMAUN, if such member is a Minister in the central Government or a State Government.

(2) No member of a board shall be eligible to be elected as Chairman of BISCOMAUN after he has held the office, as such during two consecutive terms, whether full or part.

Provided that a member who has ceased to the office of the Chairman continuously for one full term shall again be eligible for election to the office as such.

46. Removal of elected members by general body

An elected member of the board, who has acted adversely to the interests of BISCOMAUN, may on the basis of report of the Central Registrar or otherwise be removed from the board upon a resolution of the general body passed at its meeting by a majority of not less than two – third of the members present and voting at the meeting.

Provided that the members concerned shall not be removed unless he has given a reasonable opportunity of making a representation in the matter.



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47. Powers and functions of the Chairman:

The Chairman shall have the following powers and functions:

- (i) He shall preside over the meetings of the General Body the Board, Executive Committee and other sub-committees;
- (ii) The Chairperson 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 cast vote in the meeting;
- (iv) Cause to convene the meetings 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 and other Board Member;
- (vi) The Chairman shall have general control and overall supervision of the affairs of BISCOAUN and its Officers and shall be competent to pass necessary instructions for the effective implementation of the Policy & decisions of the Board, Executive Committee & other Committees of BISCOAUN.

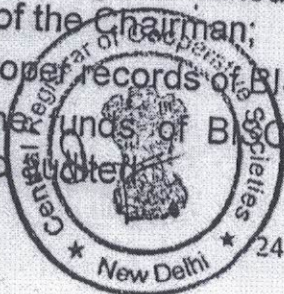
48. Managing Director:

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 ex-officio member of all the committees, sub-committees and sub-groups of the Board of Directors as may be constituted.

49. Powers and functions of the Managing Director:

Subject to overall control and general supervision of the Board of Directors & Chairman, the Managing Director shall have the following powers, functions and responsibilities:

- (i) To assist the Board of Directors in the formulation of policies, objectives and planning;
- (ii) To implement the policies and plans duly approved by the General Body or the Board and furnish to the Board of Directors periodical information necessary for appraising the activities and progress of achievement towards implementations of the policies and programmes;
- (iii) To summon meetings of various committees including the general body with approval of the Chairman;
- (iv) To maintain proper records of BISCOAUN;
- (v) To manage the funds of BISCOAUN, cause proper accounts to be maintained and audited.



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- (vi) To attend to all correspondence of BISCOMAUN;
- (vii) To be responsible for collection and safety of the funds;
- (viii) To execute the policies / programmes and business of the society and take such action as is necessary to give effect to the resolutions of the general body, Board of Directors or any other committee constituted under the bye-laws;
- (ix) To sign all deposit receipts of BISCOMAUN with banks in accordance with the resolution of the Board or Executive Committee;
- (x) To endorse and transfer promissory notes and other securities and to endorse, sign, encash cheque (s) and negotiable instruments on behalf of BISCOMAUN;
- (xi) To be the officer of BISCOMAUN to sue or to be sued on behalf of BISCOMAUN and sign all books and arrangements in favour of BISCOMAUN;
- (xii) To appoint such personnel in BISCOMAUN as may be approved by the Board of Directors;
- (xiii) To determine powers, functions and responsibilities of the employees of BISCOMAUN of all categories;
- (xiv) To maintain a list of members, correct and up-to-date;
- (xv) To exercise administrative control in respect of all officers and staff including granting of leave, granting of annual increments and other matters relating to the service conditions of the employees;
- (xvi) To delegate powers to other officer(s) of BISCOMAUN;
- (xvii) To sanction contingent expenditure in so far as the amount involved is up to Rs.25,000/-;
- (xviii) To sign on behalf of BISCOMAUN and conduct its correspondence;
- (xix) To present the draft annual report and financial statements for the approval of the Board;
- (xx) To record proceedings of the meetings and have them duly signed by the Chairman;
- (xxi) To perform all duties entrusted to him and to exercise such other powers as may be delegated to him by the Board of Directors, Chairman and Executive Committee from time to time.
- (xxii) To create temporary posts of casual nature for a period not exceeding six months to meet any emergent situation in respect of such categories of staff as may be decided by the Executive Committee;
- (xxiii) Any other functions as per Act & Rules, under the instructions of the Board.



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50. Deposits:

Deposits may be received at any time within the limits determined under the Multi-state Cooperative Societies Act and Rules and the bye-laws, on such rates of interest and subject to such rules and regulations as may be fixed by the Board of Directors and also subject to the directives issued by the Reserve Bank of India in this behalf from time to time.

51. Disposal of Net Profits:

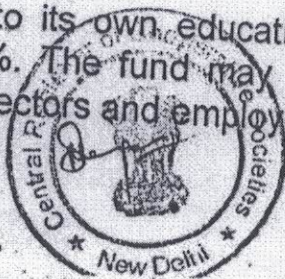
Subject to the provisions of the Act and Rules framed there under, the net profits shall be distributed by the General Body as follows:

- (i) Transfer not less than 25% (twenty five percent) of net profit to the reserve fund;
- (ii) Credit 1% (one percent) of its net profit to the cooperative Education Fund maintained by the National Cooperative Union of India Ltd., New Delhi.
- (iii) An amount of atleast 10% (ten percent) shall be transferred to the Reserve Fund for meeting unforeseen losses;
- (iv) The remaining amount may be allocated to any or all the purpose detailed below;
 - (a) dividend on shares subject to a ceiling of a maximum of 20% (twenty percent) in a year;
 - (b) rebate to members as may be decided by Board of Directors/General Body;
 - (c) building, education, scholarships, charitable or any other funds;
- (v) Payment of ex-gratis to the employees of BISCOAUN in accordance with the scheme approved by the Board.
- (vi) Donation of amounts not exceeding 5% (five percent) of the net profit for any purpose connected with the development of cooperative movement or charitable purpose as defined in Section (2) of the Charitable Endowment Act 1890; (6 of 1890);
- (vii) The undistributed profit shall be added to the Reserve Fund of BISCOAUN.

52. Utilisation of Net Profit:

The balance of the net profit may be utilized for all or any of the following purposes:-

- a) Contribution to its own education fund at the rate of 1% or more and not exceeding 2%. The fund may be utilized for the education and training of members. Directors and employees as approved by the Board of Directors.



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b) Contribution to various funds of society such as Building, Expansion, Development, renovation etc., as recommended by the Board of Directors.

53. Investment of funds:

BISCOMAUN may invest or deposit its funds in:

- a) A Cooperative Bank;
- b) Securities specified in section 20 of the Indian Trust Act 1882;
- c) Shares and securities of any other cooperative society / subsidiary institutions, company, association or undertaking;
- d) Any other Scheduled Bank or a Bank permitted to do banking business by the Reserve Bank of India;
- e) BISCOMAUN may invest or deposit its funds in Public Financing Institutions as defined in Section 4A of Companies Act and / or in such other modes as permitted in accordance with MSCS Act, 2002 and Rules made there under.

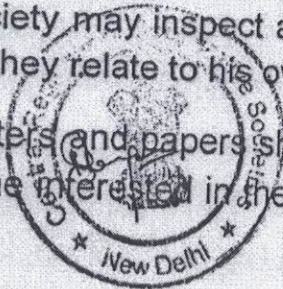
54. Reserve Fund/ Other Funds:

- i) In addition to the sum prescribed under the Multi-state Co-operative Societies Act, all admission fees, entrance fees, nominal membership fees, transfer fees, amount of forfeited shares, unpaid 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 General Body may 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 trust securities or other approved securities or in fixed deposits with the District Central Co-operative Bank or the State Co-operative Bank, the Nationalised Bank or any other Scheduled Bank.
- iv) The amount of Reserve & Other Funds may be utilized for Capital Expenditure of the Society, with the approval of General Body.

55. Accounts and Records:

Accounts and records shall be maintained in forms or registers prescribed under the Act with such additions as the Board of Directors consider necessary. Any member of the society may inspect any of the registers or records during office hours, in so far as they relate to his own business transaction.

The following registers and papers shall be maintained and shall be open to the inspection of anyone interested in the funds except that no one shall be allowed



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to see the deposit account of any persons without that persons consent in writing :

- (i) List of members, showing the name, address and occupation of every member the number of shares held by it, the date of its admission to membership and the date of termination of its membership; if any;
- (ii) Cash Book, showing the Receipt and payment and balance on each day on which business is done
- (iii) Ledger account for each member, depositor, creditor, and other heads of income expenditure, etc.;
- (iv) Share allotment/transfer register;
- (v) Share installment register;
- (vi) Stock register;
- (vii) Purchase and Sale register;
- (viii) Separate minute book for the proceeding of the meetings of the General Body and those of the Board of Directors, the Executive Committee and the Business Committees etc.
- (ix) Any other Register prescribed by the Registrar or any other law enforce or as may be required by BISCOMAUN for its business.

56. Audit:

The accounts of BISCOMAUN at least once in a year, shall be audited by an auditor appointed by General Body from the panel of auditors approved by the Central Registrar or from a panel of auditors, prepared by the BISCOMAUN each year and the remuneration of the auditors may be fixed by the General Body.

57. Settlement of Disputes:

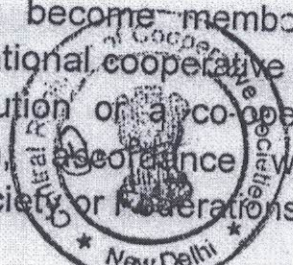
All the disputes shall be referred to Arbitration in accordance with the provisions of the Multi State Cooperative Societies Act and Rules.

58. Limitation:

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

59. Membership of another Society/Federation or Institution:

The Union may become member of another cooperative society, federal cooperative, a national cooperative society, a member of any other institution or a financial institution of a co-operative bank, if so desired or required by BISCOMAUN in accordance with the bye laws of that institutions/ organizations/Society or Federations.



Sumit Kumar Singh