

MAHARASHTRA RAJYA MACHHIMAR SAHAKARI SANGH LIMITED

BYE - LAWS

A - PRELIMINARY

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| Name of the Federation and its registered address. | A.1.1 The name of the federation is "MAHARASHTRA RAJYA MACHHIMAR SAHAKARI SANGH LIMITED", and its registered address is 3, Mahatma Phule Fish Market, Bombay. |
| Change of Address. | A.1.2. Any change in the registered address of the Sangh shall be notified to the Registrar, C. S., Maharashtra State, Poona within 30 (thirty) days thereof in accordance with the provisions of section 37 of the Maharashtra Cooperative Societies Act., 1960. |
| Class and Sub-class. | A.1.3. The Sangh is classified into major class "Resource" and is permitted to undertake activities of a society belonging to that class as defined in sections 2 (13) and 2 (25) of the Maharashtra Cooperative Societies Act, 1960. |
| Area of Operation. | A.2.1. The area of operation of the Sangh shall be ordinarily the whole of Maharashtra State. |

B - OBJECTS

B.1.1. The objects of the Sangh are :-

- 1) To promote self help, thrift and mutual aid among its members and to help the members to build up trade deposits.
- 2) To work as an Apex purchase and sale organisation for members on the basis of their requirements.
- 3) To arrange for marketing of fish and fish products either wholesale or in retail within and beyond the State and also to export and import from abroad.
- 4) To act as Agents for the purchase of fish of members and for sale of fish of members and other fishermen and to appoint, in the absence of a local capable society, sub-agents on the terms approved by the Registrar, C. S. M. State.

B.1.1.
(Contd.)

- 5) To open adequate number of branches, purchase and sale-depots etc., to meet the convenience of the business of members in particular and other customer in general in accordance with the resolution of the Board of Directors and subject to the approval of the Registering Authority.
- 6) To undertake processing and manufacturing activities in regard to fish and fishery requisite as when possible which, in the opinion of the Registrar, C. S. M. St. do not adversely affect the interest of the other co-operative doing similar business.
- 7) To arrange for grading and transport of fish and fish products.
- 8) To construct Boat Building Yards, Boats, Crafts etc. and effect repairs to them which in the opinion of the Registrar, C. S. Maharashtra State do not adversely affect the interest of other co-operatives doing similar business, to manufacture or purchase accessories needed thereof and to run workshops for the above purposes.
- 9) To construct, own or hire deep-sea fishing launches, trawlers and purseiners, ice factories, cold storage plants, fish processing plants e.g. canning and the like, fish curing yards, transport vans, godowns and other improved types of fishing boats and gear for stepping up production and for proper preservation and marketing of fish and fish products and for this purpose to purchase or take on lease lands and premises as also to sell or let on hire these to members and others and, if necessary, to take over the management thereof from affiliated societies.
- 10) To purchase or take on hire buildings, lands or any other immovable or movable property and to mortgage or offer as security the purchased property, if necessary.
- 11) To manufacture and sell in wholesale and retail Twine, Coier and Coier Rope, Nylon, Hemp Twine, Hooks and other occupational tacke (such as Fishing Nets, Boats etc.) and similiary to purchase, store and sell goods in wholesale and retail which are not manufactured or are in short supply and to take agencies from the Manufactures of the said industrial materials and also to undertake functions for distribution of

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controlled commodities and commodities and short supply as an Agent or otherwise.

- B.1.1 12) To call for and receive indents for goods from affiliated societies or from others and to purchase and supply the same to them.
- 13) To supervise working of member societies and advise them on management and business techniques.
- 14) To accept deposits both savings and fixed from members and non-members, subject to maintenance of adequate fluid resources according to established standards subject to restrictions, terms and conditions as may be prescribed by the Registrar, C. S., Maharashtra State.
- 15) To give marketing finance to individuals on pledge or goods in accordance with Rules framed for the purpose and approved by the Registrar, C. S., Maharashtra State.
- 16) To give marketing finance to member-societies against pledge of goods intended to be sold through it.
- 17) To assist and guide affiliated fisheries societies in the conduct of their business and to carry on negotiations with Government, semi-Government Departments and non-Government Bodies for obtaining necessary facilities for the better working of the societies.
- 18) To enter into partnership with two or more cooperative societies for carrying out any specific business or business as per provisions of section 20 of the Maharashtra Cooperative Societies Act, 1960.
- 19) To recommend loan applications of affiliates to Financing Agencies.
- 20) To act as Insurance Agents of approved Insurance Companies for securing appropriate insurance covers in respect of the business of fisheries cooperatives and its' members against destruction, loss, injury or damage to any property directly or indirectly caused by or resulting from fires, lightening, explosions, subterranean fires, storms, floods, earthquakes, accidents, riots, civil commotion, house-breaking burglary, thefts, larceny or otherwise.

- 21) To work as Agents to Governments, Local Self-Government Bodies and Corporations registered under any law, with the prior permission of the Registrar C. S. M. St.

- B.1.1. 22) To work as an administrator or liquidator of the affiliated cooperatives if so appointed and also to under-take management of such societies where necessary on such terms and conditions as may be mutually agreed to, between the Sangh and the member-societies.
- 23) To undertake in consultation and association with the respective district federation, if any, schemes for improving economics, educational and cultural conditons of fishermen and with that view to organies fishermen, their cooperatives and other societies and to arrange for holding confereneces of fishermen, their cooperativies and of other evincing interest in the fishing industry.
- 24) To conduct classes for imparting instructions (vocatinal and general) to the employees of member-cooperatives, workers in the cooperative filed, the employees of the Sangh and to appoint teachers-cum-organisers and supply suitable staff to member cooperatives with the approval of and through the Maharashtra State Co-operative Union.
- 25) To disseminate knowledge of modern means and methods and of latest imporvements in fishing and in construcion of trawlers, boats, engines etc. and to encourage its members to adopt them and also to undertake publication of literature for the purpose if its resources so permit.
- 26) To make arrangements for supply of marketing information to memebhrs and member cooperatives.
- 27) To start and run a periodical dealing with matters relating to the development of fishing industry and all sided progress of fishermen.
- 28) To invest funds, if necessary, in the share capital of affiliated societies in accordance with the section 52 of Maharashtra Co-operative Soceties Act, 1960.

- 29) To do business and deal with customers on such conditions as may be decided upon from time to time by the Board of Directors.
- 30) To co-ordinate and promote marketing and trading activities of marketing and processing societies in the State so as to create an integrated structure of cooperative marketing organisation and to render them service and guidance.
- 31) To provide for such servicing facilities to constituent members and customers as may be considered necessary.
- 32) To do such other things as are incidental and conducive to the attainment of any or all the objects set forth above.

C - FUNDS - SOURCES FROM WHICH FUNDS ARE TO BE RAISED

C.1.1 Funds may be raised by all or any of the following ways:-

- 1) Issue of shares.
- 2) Entrance Fees.
- 3) Deposits from members and non-members.
- 4) Raising Loans.
- 5) Donations, grants and gifts.
- 6) Share capital, contribution and other forms of State-aids from Government subject to the provisions of the Maharashtra Cooperative Societies Act, 1960 and Rules thereunder.
- 7) Govt. Contribution towards the share capital of the Sangh shall be treated as "Preferential Shares" for the purpose of redemption.

Conditions for borrowing by Societies with limited liability

- #### **C.1.2**
- Deposits and loans may be received for such period, such rate of interest and for such amount as may be determined by the Board of Directors provided that the total of such liabilities shall not exceed limits prescribed under Rule 35 of the Maharashtra Cooperatives Societies Rules, 1961.

- C.1.3. The Funds of the Sangh when not employed in the business of the Sangh shall be invested or deposited as required by Section 70 of the Maharashtra Cooperative Societies Act, 1960.

For the purpose of this Bye-law, the business of the Sangh shall include the investments in movable property in the process of recovery of the Sangh's dues or for the purpose of constructions of a building or buildings for its own use with the prior sanction of the Registrar, C. S. M. St.

D - MEMBERSHIP

D.1.1. The membership of the Sangh shall be as below :-

- 1) Primary Fishermen's Cooperative Societies.
- 2) District and regional federations of fishermen primary Societies.
- 3) Any other special type of societies which may be formed for a particular activity or object in connection with the development of fishing industry.
- 4) State Government subject to the provisions of Maharashtra Cooperative Societies Act, 1960 and the Rules made thereunder.
- 5) Individuals not exceeding 3000 (three thousand).
- 6) Sympathisers, associate and nominal members. Registered firms, non-registered firms or a company registered under any law can become a nominal member on payment of Rs. 5/- (Rupees Five only) as entrance fee. They shall have no right to vote or participate in the management of the Sangh or in the distribution of its profits. They may be permitted to attend the General-Body Meeting of the Sangh and express their views only at such meetings. The entrance fee shall be credited to Reserve Fund and they can have no claim to it. The nominal membership shall be open to cooperatives registered beyond Maharashtra State and even to individuals desiring to deal and do business with the Sangh.

NOTE :- Each member having business dealing shall be expected to have share capital which will have special relation to the business expected with the Sangh and the limit of such share capital will be fixed by the Board of

Directors which limit shall not be in any case less than 5% (Five percent) of his business.

Qualifications and disqualifications attached to class or classes of members.

D.1.2 No person shall be eligible for admission as a member of the Sangh :

- 1) If he has applied to be adjudicated as an insolvent or is an undischarged insolvent or has been sentenced for any offence other than an offence not involving moral turpitude such sentence not having been reversed or the offence pardoned provided that the disqualification shall not apply where more than five years have elapsed from the date of expiration of such sentence.
- 2) Unless he is a resident of Maharashtra State and his written application in the form given in the Appendix 'B' or in any modified form approved by the Registrar, C. S. is sanctioned by the Board of Directors.
- 3) Unless he has paid an entrance fee of Rs. 5/- (Rupees Five Only).
- 4) Unless he has completed 18 years of age and is competent to contract. This clause shall not apply to 'A' class members.

Procedure governing admission to membership.

D.2.1. Subject to the provisions of the Maharashtra Cooperative Societies Act, 1960 and Rules made thereunder (particularly section 26 and Rule 19) every member shall submit an application in writing along with a declaration or other information as may be prescribed by the Board of Directors and shall apply for one or more shares as is necessary and permissible under these bye-laws. The Board of Directors may grant or refuse admission subject to the provisions of section 23 of the Maharashtra Cooperative Societies Act, 1960.

Any person aggrieved by the decision of the Board of Directors refusing him admission to its membership may appeal to the Registrar, C. S., Maharashtra State.

Nominations by members.

D.2.2 Any member of the Sangh may, by a writing under his hand, nominate any person other than a servant or officer of the Sangh to whom the whole or part of his interest in the Sangh should be transferred in the event of death / disrecording first nomination, but a fee of 25 paise will be charged for any subsequent revocation or variation of such nomination. Such nominations shall

be made and dealt with in accordance with the provisions of section 30 of the Maharashtra Co-operative Societies Act and Rule 25 of the Maharashtra Co-operative Societies Rules 1961.

Cession of
membership.

D.2.3. (A) The membership of Sangh ceases :-

(1) On resignation.

D.2.3. (2) On removal.

(3) On death / dissolution.

(4) On expulsion.

(5) On permanent insanity.

(6) On ceasing to reside permanently in the area of operation of the Sangh.

(7) On wilfully deceiving the Sangh by false statement.

(8) On transfer of all shares.

(9) On intentionally doing act likely to injure the credit and damage the fishing equipment of the Sangh.

(10) On his liabilities as principal debtor being recovered by recourse to coercive action.

(B) The procedure regarding withdrawal or termination of membership and transfer of share or interest of such member will be governed in accordance with Rules framed under section 25 and 29 of the Maharashtra Co-operative Societies Act, 1960.

(C) After a period of two years from the date of registration of the Sangh any member may withdraw from the Sangh at any time provided.

(1) That he has given three month's notice of withdrawal and his resignation is accepted by the Board of Directors.

(2) that the total amount of the share capital permitted to be withdrawn in that year shall not exceed 10% (ten) percent of the aggregated paid-up share capital of the Sangh as it was on the 31st March preceding.

- (3) that he has settled his dues in full in his individual capacity as well as in his capacity as surety.

When a member withdraws or his resignation is sanctioned he shall within six months of the date of his notice of withdrawal be entitled to a refund of all fully paid-up shares held by him, but he shall not be entitled to any part of the reserve fund or any part of share not yet fully paid. The valuation of shares to be refunded shall be subject to Rule 23 of the Maharashtra Co-operative Societies Rules, 1961.

The restrictions contained above shall not apply to any transfer made by the Sangh of its share or interest to Government and that it shall be open for Government to withdraw from the Sangh the share capital at any time after giving to the Sangh notice thereof of not less than three (3) months and it shall also be open to the Sangh to retire the Government share capital at any time earlier than the prescribed period.

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| Re-admission of an expelled members. | D.2.4. The re-admission of an expelled member will be governed by the provisions of sub-clause (2) of section 35 of the Maharashtra Co-operative Societies Act, 1960. |
| Expulsion. | D.2.5. The expulsion of a member will be governed by the provisions of section 35 of the Maharashtra Co-operative Societies Rules 1961. |
| Extent and duration of Liability of Member. | <p>D.2.6. (a) The liabilities of the members of the Sangh shall be limited to the value of the Shares held by them.</p> <p>(b) The liability of a past member for the debts of the Sangh as they exist at the time when he ceases to be a member shall continue for a period of two years from the date of his ceasing to be a member.</p> |
| Inspection of Records. | <p>D.2.7. The right of members of the Sangh relating to inspection of records and supply of certified copies shall be governed by the provisions of section 32 of the Maharashtra Co-operative Societies Act, 1960. and Rule 27 and 34 of the Maharashtra Co-operative Societies Rules 1961.</p> <p>D.2.8. Every member of the Sangh shall after retaining a portion of the catch sufficient for himself be bound to send the surplus catch to the Sangh for sale through it. If any member, after entering into an agreement with the Sangh, knowingly commits a fraud upon it he shall be liable to</p> |

pay to the Sangh a sum equal to the amount of commission on the sale of fish agreed to be sent by him for sale under the agreement or damages agreed to be paid by him.

E - SHARE CAPITAL

Authorised Share-Capital.

E.1.1. The authorised share capital of the Sangh shall be Rs. 1,00,00,000/- (Rupees One Crores Only) divided into 92,000 'A' class shares of Rs. 100/- each and 80000 'B' class shares of Rs. 10/- each. The limit of authorised capital may be raised with the specific permission of the Registrar, C. S., Maharashtra State obtained from time to time.

Division of authorised Share Capital into class of or classes of share, face value of each share and calls in respect of class or classes of shares.

E.1.2. (a) The face value of each 'A' class (Cooperative) share shall be Rs. 100/-. The face value of shares shall be paid on allotment or in four instalments of Rs. 25/- each payable in the period that may be fixed by the Board of Directors. The face value of each 'B' class shares (Individuals) shall be Rs. 10/-.

(b) Applications for shares shall be made in writing and shall be disposed of by the Board of Directors.

(c) If a member fails to pay any instalment due on his share or shares within 30 days from the date fixed for such payment, the share or shares in respect of which default has been made may be forfeited at the discretion of the Board of Directors and on such forfeiture they shall become the property of the Sangh provided that before such forfeiture is made, 15 days written notice is given to the member concerned for paying the amount due from him and that such payment is not received from him within that period. Such shares may be continued, if the Board of Directors so desires, in the name of the defaulter on payment of the overdue instalment or instalments within two months with penal interest calculated at nine percent. However the Sangh shall not declare dividend at a rate exceeding four percent till the Govt. contribution to the share capital of the Sangh is redeemed in full.

E.1.3. Dividend shall not be paid on fully paidup shares at more than nine (9) percent.

E.1.4. No member shall have or claim any interest in the shares of the Sangh exceeding Rs. 3,000/- in case of 'B' class members and Rs. 25,000/- in case of 'A' class members or upto one-fifth (1/5th) of its share capital, whichever is less. However, this limit shall not apply to the share capital subscribed by Government.

Issue of Share
Certificates.

E.1.5. A share certificate bearing a distinctive number shall be issued for every share subscribed. In the event of loss of a certificate, a true copy shall be given on payment of Rs. 1/- (Rupee One Only) as fee for the first copy and 25 nP. per every subsequent copy. Before giving such a copy, an indemnity bond shall be taken from the party concerned. In case of share capital contribution by Government, the Sangh shall, if so required by Government, issue only one share certificate indicating the No. of shares and value thereof with distinctive number of shares.

Transfer, Refund,
Redemption of
Shares.

E.1.6. a) Transfer of shares, nomination of nominees, refunds of shares shall be governed by provisions under section 29 and 30 of the Maharashtra Co-operative Societies Act, 1960 Rules made thereunder.

(b) During the period of two years from the date of registration of the Sangh no share or shares held by a member shall be transferred to another member or refunded. But the shares held by a deceased member may be transferred to his heir or legal representative provided he is duly admitted as a member of the Sangh in accordance with the bye-laws.

(c) A member may transfer his share or shares after holding them for not less than two years to another member with the approval of the Board of Directors. No transfer shall be complete until the name of the transferee has been entered in the Shares Transfer Register and a fee of 25 nP. per share has been paid.

(d) On the death of member, all amounts standing to his credit by way of shares, dividends etc. shall, subject to the deduction on account of his liabilities, be paid within one year from the date of his death to the person nominated by him or in the absence of such nomination to such person as may appear to the Board of Directors to be entitled to receive

the amount as heir or legal representative of the deceased member on executing a deed of idemnity to the Sangh, provided that the deposits to the credit of the deceased member shall not be so paid, until the period of the deposits, if any, has expired.

- (e) If a member resigns his membership of the Sangh; the sum representing the value of his share in the capital of the Sangh to be paid to him shall be paid the amount arrived at by a valuation based on the financial position of the Sangh, as shown in the last audited Balance Sheet, preceding the resignation of such member provided that it shall not exceed the actual amount received by the Sangh in respect of such share or interest. No payment or refund of share capital would, however, be made to any member till the member completes full two (2) years of his membership with the Sangh.
- (f) If a member-society is taken into liquidation or on its dissolution all amounts standing to its credit by way of shares, dividends etc. shall subject to the deduction on account of its laibilities, be paid within one year from the date of its taking into liquidation or dissolution to its liquidators and / or in accordance with the section 110 of the Maharashtra Co-operative Societies Act, 1960 and Rule 90 of the Maharashtra Co-operative Societies Rules 1961 where the surplus vests with the Registrar, C. S., Maharashtra State.

Retirement of
Government Share-
Capital.

- E.1.7 The shares held by the State Government shall be retired in such manner and during such period as may be laid down by the State Government.
- E.1.8. The Sangh shall have a prime and paramount lien upon all the shares and dividends of any member for all moneys from time to time due or payable to the Sangh by him.
- E.1.9 The shares of any affiliated society which may have defaulted any dues to the Sangh may, by order of the Board, be sold to satisfy Sangh's lien thereon and transferred to the name of the transferee after giving due notice to the society, regardless of the consent or the financial position of the society.

F - BUSINESS PROCEDURES.

- Dealings with Non-Members. F.1.1. The Sangh will not deal with non-members other than consumers, supplier and their organisation except on such terms and conditions and for such period as may be laid down in this behalf and permitted by the Registrar, C. S., Maharashtra State.
- Regulations of Credit Sales Limits etc. F.1.2 Credit sales may be allowed by the Board of Directors of the Sangh to its members and customers in the following manner :-
- (1) All transactions by way of sales on behalf of members and customers shall as far as possible be on the ready money system. Short credits may be allowed according to market custom or with the consent and risk of the members. The limits of such credit shall be short-time in case of miscellaneous customers and upto six months in case of merchant customers. A list of such customers mentioning their credit limits shall be prepared with the prior approval of the Board of Directors.
- N. B. :- In case of customers outside the Maharashtra State, the business of the Sangh shall be made on consignment basis through the Bank on Bank Guarantee only except with the general or special permission of the Registrar, C. S., Maharashtra State.
- (2) Against a guarantee given by a Co-operative Bank on behalf of the member-customers undertaking to make the payment within one month and to the extent of such guarantee only.
 - (3) To the member society running a consumer shop or section provided the society undertakes to make the that no credit sales shall be permitted to such a society beyond its credit limit. The maximum limit of credit sales to be permitted to such a society shall be determined by the Board of Directors.
- Purchase Sub-Committee F.1.3. (a) There will be a Purchase Sub-Committee of which the Managing Director will be the Secretary. The Managing Director will make purchases under the directions of the Purchase Sub-Committee. The powers of the Managing Director will be as defined in the byelaws, The Purchase Sub-Committee shall study market conditions, market trends, arrivals, despatches, price trends and advise the Sangh in

the matter of making purchase. The procedure for the working of the Committee shall be laid down by the Board of Directors subject to the approval of the Registrar, C. S., M. St.

- (b) Preservation of fish will be done on modern scientific methods approved by the Director of Fisheries, Bombay.

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| Price Fluctuation Fund. | F.1.4. A Price Fluctuation Fund shall be created to guard against losses resulting from sudden price fluctuations in certain commodities. This fund shall be created from out of the portions of distributable surplus profits, in such manner as the Board of Directors may decide. |
| Purchase Policy. | F.1.5. The Sangh shall aim at making purchases in bulk directly from producers or manufacturers as the case may be. As far as possible such purchases should be from Co-operative Organisations concerned. |
| Price Fixation Policy. | F.1.6. The primary objective of the Sangh and its price fixation policy shall be to ensure that the retail price level of the fishing articles is maintained at a reasonable level while ensuring that the Sangh is not itself put to any overall loss in doing so. The Sangh shall, therefore, follow the following principles in fixing up the selling prices :- |

All goods should be sold at as near a prevailing market price as possible, the margin of profit naturally differing from commodity depending upon cost price, market conditions and possibilities of turnover etc. While determining selling prices, the Board of Directors should ensure that over a period time, the Sangh is not put to loss.

In case of certain commodities there may be unforeseen losses or comparatively very small margin of profit possible in view of the prevailing market conditions or certain other factors. To compensate for such unforeseen loss or lower margin of profit, it would be necessary for the Sangh to charge comparatively higher margin of profit in case of those commodities for which the prevailing prices are more favourable. In any case the major portion of overall margin, if obtained, will be ultimately returned to the members in the shape of dividends.

G - MANAGEMENT

- Supreme Authority of General Meeting.** G.1.1. Subject to the provisions of the Maharashtra Co-operative Societies Act, 1960 and the Rules made thereunder and subject to a specific delegation of other powers by a specific resolution of the General Meeting, the Supreme Authority of the Sangh shall vest in the General Meeting as envisaged in section 72 of the Maharashtra Co-operative Societies Act, 1960. The General Body shall not, however, interfere with the actions of the Board or any actions of the Sangh performed in exercise of the powers conferred on them under the bye-laws or in pursuance of the powers delegated to them by the General Meeting.
- Authority of the Committee of Management.** G.1.2. Subject to such resolution as the General Body may from time to time pass in the matter of powers not delegated under the Act, Rules or Bye-laws or in matters not specifically declared as functions of the Board of Directors the management of the affairs of the Sangh shall vest in the Board of Directors.
- General Body** G.1.3. The General Meeting shall consist of :
- (1) Delegates of category 5 of Byelaw No. D.1.1. The number of these delegates shall be governed by the provisions in clause 'A' of sub-rule 1 of Rule 22 of Maharashtra Co-operative Societies Rules, 1961, and their election shall be made in accordance with the rules to be framed by the Board of Directors with the approval of the Registrar, C. S., Maharashtra State.
 - (2) One representative of each of the member societies or organisations falling under categories 1,2, and 3 of Byelaw No. D.1.1.
 - (3) Representatives of State Government if and when nominated by Government.
- N.B. Nothing in this shall deprive any member of his right from attending such General Meetings if he so desires and to participate in the General Meetings although he will not be entitled to vote or to receive notice regarding holding of the General Meetings. Every representative or delegate present at the General Meeting will have one vote.

G.1.4. All General Meeting of the Sangh shall be convened in accordance with the provisions under sections 75 & 76 of the Maharashtra Co-operative Societies Acts, 1960 and Rules, 59,60 and 63 of the Maharashtra Co-operative Societies Rules, 1961. It shall be the duty of the Chairman, Vice-Chairman and / or Managing Director to call the Annual General meeting as required under section 75 of the Maharashtra Co-operative societies Act or a Special General Meeting, when necessary. Besides, these statutory requirements, General Meeting may be called as and when considered necessary for proper conduct of the business of the Sangh having due regard to the cost and inconvenience involved in any such meeting.

- G.1.5. (1) In the case of Annual General Meeting, 14 days notice and Special General Meeting, 7 days notice shall be given. Subject to the provisions of Rules 60 of the Maharashtra Co-operative Societies Rules, 1961. The notice shall specify the place, date and hour of the meeting and the business to be transacted thereat, and shall be issued under the signature of the person authorised to call such meetings.
- (2) A Special General Meeting shall be called within one month by the Managing Director, on.
- (a) the decision of the majority of the Board of Directors.
 - (b) at the instance of the Registrar, C. S., Maharashtra State.
 - (c) a requisition from 2/3rd (two-third) the number of affiliated societies. It shall be the duty of the Managing Director to call such a meeting within one month of the receipt of the requisition. The requisition shall state the object for which the Special General Meeting is to be called and shall contain detailed agenda for the proposed meeting.
- (3) The notice of a General Meeting shall be given by communication delivered or posted to each member. Non-receipt of any such notice by any member shall not invalidate the proceedings of a General Meeting whether General or Special, unless the rights of a large number of members are prejudiced thereby

in which circumstances the Registrar shall decide about the validity of the General Meeting.

- (4) No resolution can be brought at a General Meeting:-
- (a) Disturbing the election of the Office Bearers within 6 (six) months from the date of such election and
 - (b) For cancelling a previous resolution of the General Body unless 6 clear months have expired after passing of the original resolution.
- (5) With the concurrence of 2/3rd of those present and entitled to vote at the General Meeting any member may bring forward a proposal regarding any matter not specified in the notice of the meeting provided that he may not so propose the expulsion of another member or an alteration in the byelaws or in the rates of interest affecting loans and deposits.
- (6) At all General Meetings the Chairman of the Board of Directors shall be the President. In the absence of both any member elected by the General Body shall be the President. The President of the first General Meeting shall be elected by the Members present.

G.1.6. QUORUM :-

Quorum
Adjournment for
want of Quorum or
otherwise.

- (1) The quorum for the General Meeting shall be 1/5 of the total number of delegates and representatives of the societies or 25, whichever is Less. Provided that the delegates shall not anytime in the meeting exceed 1/4 of the number of the representatives of the societies.
- (2) If the General Meeting cannot be held for want of quorum, it shall be adjourned to a later hour on the same day as may have been specified in the notice calling the meeting or to a subsequent date not earlier than 7 (seven) days and at such adjourned meeting the business on the agenda of the original meeting shall be transacted whether there is a quorum or not.

G.1.7. The functions of the Annual General Meeting are :-

- Function of General Meeting.
- (1) To elect Board of Directors as per Bye-law No. G.1.9.
 - (2) To appoint Local Auditors and fix their remuneration.

- (3) To receive from the Board of Directors the report of the preceding year's working of the Sangh together with statement showing receipts and disbursements, assets and liabilities and profits and loss accounts, for the year and to sanction the appropriation and distribution of profits.
- (4) To fix the limit of outside borrowing which may be increased subject to the maximum limit laid down in the Maharashtra Co-operative Societies Act, 1960 and the Rules made thereunder.
- (5) To consider the audit memo, audit rectification report or any other communication received from the Registrar C. S., M. St.
- (6) To hear appeals against the decision of the Board of Directors.
- (7) To establish a fund for helping the past and present members of the staff and their dependants.
- (8) To dispose of all the business under these bye-laws placed before the meeting and any other business duly brought forward with the permission of the President of the meeting.
- (9) To appoint legal adviser.

G.1..8 The proceedings of the General Meeting shall be recorded in a Minute Book and shall be signed and confirmed by the Chairman of the meeting and placed for information of the next meeting.

- (2) The Financial year of the Sangh will be from 1st April to the end of 31st March. The Annual General Meeting shall be held within a period of three months after the date fixed for making up the accounts of the Sangh for the year. The period may otherwise be extended with the permission of the Registrar C. S., Maharashtra State.
- (3) A declaration by the Chairman of any meeting that the resolution has been carried upon a show of hands shall be conclusive unless immediately on such declaration a Poll is demanded by at least five (5) members present.
- (4) If a Poll be duly demanded, the same shall be taken immediately in such manner as the Chairman shall direct and the result of the poll shall be resolution of the meeting at which the Poll was demanded.

**Constitution of
Board of Directors**

G.1.9. The Board of Directors as required by section 73 of the Maharashtra Co-operative Societies Act, 1960 shall be constituted as under. :-

1. Representatives elected by member Co-op in the following regions :-
 - a. Greater Bombay Region 01
 - b. Fresh Water fish maharashtra 01
2. Representative elected by fisheries Co-op. in the State.
3. Representative elected by fisheries Co-op. in the State having annual turnover of not less than Rs. 50,000.00 - 2 -
4. Representative one each per the following districts or regional federations where they exist or by the fisheries Co-op. of the district or region where federation do not exist.
 - a. Thana District 01
 - b. Raigad District 01
 - c. Ratnagiri District 01
 - d. Nagvidharbha Division 01
 - e. Marathawada 01 05
5. Representative of Individual 01
 - a. Representative of Representative of womens 02
 - b. Representative of Economics B. C. 01
 - c. Representative of B. C. 01
6. Ex-Officio :- —
 - (a) Managing Director 01
 - (b) Representative of Maharashtra St. Co-op. Bank Ltd., Bombay 01
 - (c) Government Nominees if permitted by the State Government 01

G.1.9. (A) Not with standing anything contained in any other bye-law relating to the constitution of the Board of Directors and appointment of Managing Director, Government of Maharashtra may nominate Board of Directors of the Sangh after the expiry of the period of management by the Administrator. The period of the Board of Directors, nominated by Government shall be three years from the date of their appointment in the first instance, which period may, at the decretion of Government be extended for a furhter period of three years.

(2) The Chairman, Vice Chariman and the Managing Director of the Sangh shall also be nominated by the State Government for a period of three years.

G.1.10. The Managing Director of the Sangh shall call the meeting of the Board of Directors within fifteen days from the date of the Annual General Meeting specifically for the election of the Chariman and Vice-Chairman for ensuing year and for the appointment of an Executive Committee of five members to be constituted as under:-

- (1) Chairman,**
- (2) Managing Director.**
- (3) Managing Director, Maharashtra State Co-operative Bank Ltd. or his nominee.**
- (4) Two members from out of the representatives of 'A' class members.**

The Executive Committee shall exercise all the powers of the Board except powers mentioned in the clauses (3), (6), (12), (17), (19), (22), (27), (28) of G.I.25.

(A) The quorum of the Executive Committee shall be three (3).

(B) If the Managing Director fails to call the meeting, The Registrar, C. S., Maharashtra State shall call such a meeting as soon as possible for this purpose. Vice-Chairman from among themselves for the period for which they hold office. When present, the Chairman or in his absence the Vice-Chairman shall preside at all meetings of the Board. The Chairman will be entitled to give a casting vote in addition to his ordinary vote in case of a tie.

Provided that the Chairman or Vice-Chairman shall cease to hold office on :-

- a) Death.
- b) Resignation.
- c) By an express resolution of the Board of Directors to that effect.
- d) On permanent insanity.
- e) On ceasing permanently to reside in the area of operation of the Sangh.
- f) On being disqualified to continue as a member of the Board of Directors.

The Vacancy of the Chairman or Vice-Chairman shall be filled in the same manner as before for the unexpired portion of the term.

G.1.11. The Board of Directors one constituted under byelaw No. G.1.9. shall continue in office till replaced, two of the elected members thereof retiring every year and the vacancies thus caused being filled by election. The members to retire in each year being those who have been longest in office since their last election or co-option, but between persons who become members on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lots.

Retiring members will be entitled to contest elections.

A member of the Board of Directors shall be deemed to have vacated his office even before expiry of his normal term on :-

- a) Death.
- b) Resignation.
- c) On permanent insanity.
- d) On ceasing permanently to reside in the area of operation of the Sangh.
- e) On being disqualified to continue as a member of the Board of Directors.

The vacancy so caused shall be filled in by co-option by the Board of Directors and the person so co-opted shall hold office till the next annual General Meeting by which time fresh election should be held to fill that vacancy.

G.1.12. No person shall be eligible for appointment or election as a member of the Board of Directors if he :-

- a) incurs disqualification referred to in Rule 58 of the Maharashtra Co-operative Societies Rules, 1961.
- b)
 - (1) is a paid employee of this Sangh except Managing Director,
 - (2) is a paid employee of the society which he represents.
 - (3) is a paid employee of the Financing Agency to which the society or the Sangh is affiliated,
- c) is a representative of an affiliated society which has been classed 'D' at the last audit.
- d) has not been a member for at least one year.

Provided that in the event of a person who is a member of the Board of Director in his capacity as a representative of other Co-operative Societies or any other corporate bodies, ceasing to be a member of any of the societies or bodies it shall be open to them to replace him by any other person and these societies or bodies shall be deemed to be represented by him on the Board of Directors till the next elections are held.

G.1.13. A member of the Board of Directors of the Sangh shall cease to hold office as a such member if at any time during his holding of such office he incurs any of the disqualification mentioned above. On any member incurring such disqualifications or such fact being brought to the notice of the Board of Directors, the Board of Directors shall issue written notice to the said member and remove him from the Board of Directors.

G.1.14. Any member of the Board of Directors may at any time resign his office by sending a letter of his resignation to the managing Directors of the Sangh but such resignation shall take effect only from the date on which it is accepted by the Board. The decision on herein shall be taken within three months of the receipt of resignation.

G.1.15. Each member of the Board of Directors elected, appointed or nominated shall continue in office after the expiry of his term of office until another member is elected, appointed or nominated in his place.

G.1.16. Should a member of the Board of Directors absent himself from three (3) consecutive meetings of the Board without

leave of absence, he shall cease to be a member of the Board on adopting such a resolution to that effect by the Board. This, however, will not apply in the case of representatives of Government or Government Officials appointed by Government in their official capacity.

G.1.17. The election of the Board of Directors shall be in accordance with the Model Rules framed for the purpose by the Board of Directors with the approval of the Registrar, C. S., M. St. Provided that the election schedule shall be so arranged that it is possible to declare the result in every Annual General Meeting except where otherwise permitted by the Registrar C. S., M. St.

G.1.18. (1) The Board of Directors shall meet at least once in three months or often, if necessary, to conduct the affairs of the Sangh. The quorum, for the meeting of the Board of Directors shall be five (5). Failing for requisite quorum, no decision of the Boards of Directors can be implemented.

(2) All decisions of the Board of Directors shall be recorded in Minute Book which shall state the names of Directors present and shall be signed by the Chairman and Managing Directors.

G.1.19. No Director can carry on his personal business in a manner so as to endanger or harm the business of the Sangh.

G.1.20. No 'B' class share-holder shall be elected on the Board of Directors unless he holds ten fully paid shares. No defaulter, too, can be elected on the Board of Directors.

G.1.21. No member shall be present or vote on any matter in which he has a personal interest.

G.1.22. The Board of Directors may transact its business either in meeting or by circulation of papers. Where there is difference of opinion on any subject sent out for circulation the same shall be held back for decision in the meeting of the Board of Directors.

G.1.23. a) The Directors other than officers of the Government shall be entitled to be paid meeting fee and expenses as may be determined by the Board of Directors.

b) No act or proceedings of Board of Directors or its committees shall be questioned on the ground merely

of the existence of any vacancy or defect in the constitution of the Board or the Committee as the case may be.

- c) All acts done by any meeting of Directors or any committees of Directors or any person acting as Directors shall, notwithstanding that it shall afterwards be discovered that there was any defect in the appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified, be as valid as if any such person has been duly appointed and was qualified to be a Director.

G.1.24. All questions before the Board of Directors shall be decided by majority of votes. If there is equality of votes, the Chairman or other presiding member shall have a second or casting vote.

G.1.25. Among other things, the powers and duties of the Board of Directors shall be :-

- (1) To consider application for membership, to allot shares and to deal with all matters relating thereto including nomination, assignments, transfer of shares, resignation etc.
- (2) To appoint, fix duties, responsibilities and liabilities of, suspend, punish or dismiss all or any of the salaried servants of the Sangh subject to provisions contained in Bye-Laws Nos. G.1.26, G.1.27 and G.1.28.
- (3) To frame service rules and rules for leave, provident fund, and gratuity fund for the employee of the Sangh.
- (4) To hear and deal with complaints.
- (5) To raise funds by all or any of the ways mentioned in Byelaw No. G.1.1. necessary for the purpose of carrying out functions of the Sangh on such terms and conditions as it may determine and subject to the provisions of the Maharashtra Co-operative Societies Act, 1960 and Rules and Byelaws made thereunder.
- (6) To take security from such members of the staff and in such form and for such amounts as the Registrar, C. S. may be general or special orders direct or with such variation therein as the Board may make with the prior approval of the Registrar, C. S. M. St.

- (7) To examine or cause to be examined the stock register, to weigh or measure or to arrange to weigh or measure goods as soon as received and sanction the purchase of the stock as may be required, to check up or cause to be checked up the quality of stores so purchased and the fishing requisites kept in the godown for sale, to fix the selling price, to increase or reduce the selling price where necessary, to satisfy itself that all goods in the custody are brought at proper rates in accordance with the general policy of the Sangh, to ensure that fast moving articles are purchased in bulk in preference to slow-moving articles, to satisfy the demand of the members, to check or arrange to check whether any articles in the stock are deteriorating in quality and to reduce the price accordingly and to approve orders for fresh stock that may be required and to ensure that stock purchased is not allowed to remain undisposed of for an unduly long time, to arrange for disposal of stock that has remained unsold for a very long time.
- (8) To ensure that overhead expenditure is maintained within reasonable limits by following business-like methods.
- (9) To examine, to arrange for examination and checking of the accounts especially by comparing them with the stock register, the sale book and the cash book.
- (10) To endorse, sell, transfer or otherwise deal with shares of Government and other securities on behalf of the Sangh and to delegate these powers to two or more members of the Board.
- (11) To frame, subject to the approval of the Registrar, C. S., Maharashtra State Rules for sale of fish and of goods to customers on credit fixing up individual credit limits and also for advances against products consigned or to be consigned for sale.
- (12) To arrange for the preparation of Annual Report and Balance Sheet and Receipts and Disbursements and Profit and Loss Accounts and appropriation of profits for the previous co-operative year and to approve them and to decide what allowances should be made for depreciation of assets.
- (13) To allow the use of only standard weights and measures and instruments.
- (14) To deal promptly with all cases of arrears and default.

- (15) To arrange for periodical inspection of sale depots and branches and to verify the scales of weights and measures and stock.
- (16) To arrange for adequate insurance coverage of stocks and stores and other immovable property with the Insurance Co. approved by the Registrar, C. S., Maharashtra State.
- (17) Subject to the provisions of section 71 (1) read with Rule 56, to frame and amend rules with the approval of the Registrar, C. S., for regulation of Provident Fund for the employees of the Sangh.
- (18) To institute, defend or compromise legal proceedings.
- (19) To arrange recreational meetings, lectures and to maintain a library and reading room for members.
- (20) To appoint committees or sub-committees to deal with specific matters and to delegate to them such specific powers as it deems fit (Powers to be specified in writing under this Byelaw).
- (21) To suitably entrust and when necessary, specific day-to-day responsibilities to any of the Directors for a period to be fixed up by the Board and pay honorarium depending on the nature of the services rendered.
- (22) To frame regulations (which shall be entered into the proceeding book of the Sangh). for the conduct of the business of the Sangh, consistent with the Maharashtra Co-operative Societies Act, Rules thereunder and the Byelaws of the Sangh and subject to the approval of the Registrar, C. S., M. St.
- (23) To utilise the various funds for the purpose for which they are created in accordance with the provisions of the Maharashtra Co-operative Societies Act, Rules and Byelaws.
- (24) Subject to the provisions of section 70 of the Maharashtra Co-operative Societies Act, 1960 and Rules 54 and 55 of the Maharashtra Co-operative Societies Rules, 1961 to sanction investment of funds of the Sangh.
- (25) To grant extension for payment of dues to members after recording reasons for such extensions in each case.
- (26) To construct, purchase, take on hire or otherwise acquire godowns, trucks, equipments or other structures

considered necessary for carrying out the business of the Sangh and for providing necessary facilities to its members.

- (27) To place before the Annual General Meeting of the Sangh the Audit Memos, Audit Rectification Reports and Inspection Notes.
- (28) To lay down policies of business and generally to direct and control the affairs of the Sangh prudently and efficiently and in the best interest of the Sangh, with due regard to the security of the funds of the Sangh and interest of the members and of the General Public.
- (29) To consider any matter placed before it by the Registrar, C. S., Maharashtra State and the Director of Fisheries, Maharashtra State, Bombay.
- (30) To arrange for sale and purchase as per Byelaw No. D.1.1. (3) and for that purpose to open in India in the absence of a local fisheries co-operative or abroad branches when and where necessary and shops at suitable centres with the approval of the Registrar, C. S., M. St. The purchases shall, however, be restricted to 10% (Ten Percent) of the total turnover exclusive of the purchases specifically effected for exports abroad.
- (31) To organise fisheries coops and to supervise and inspect fisheries co-operatives affiliated to the Sangh with a view to developing cooperative purchase and sale and bringing into being Integrated Co-operative Marketing Structure.
- (32) To frame rules for the election of the Directors to be elected as per Bye-law No. G.1.9.
- (33) To organise, in consultation and association with the respective District Federations, if any, statewide propaganda tours, seminars, symposia, shibirs and such other gatherings with a view to developing contracts, consciousness and organisation amongst the fishermen and also to establishing Study-Circles & Discussion-Groups.
- (34) To sanction necessary expenditure for different purposes within the approved budget provisions.
- (35) To fix rates of commission and incidental charges.
- (36) To test and approve the grading of fish and its preservation.

- (37) To execute agreements, if necessary, with the Central and State Government.
- (38)
 - a) To deal in, withdraw, accept, sell or transfer shares bills of exchange and other negotiable instruments.
 - b) To purchase or sell, if necessary, fish consigned to the Sangh as Commission Agents and to purchase and distribute fish and fish-products on commission.
 - c) To advance monies against the pledge of fish, fish-products and goods kept with the Sangh for sale on commission.
 - d) To establish a fund for helping the past and present members of the staff and their dependents.
- (39) The Board of Directors shall prepare a Common Seal for the Sangh. The said Common Seal shall not be used without the permission of the Board of Directors. The Seal shall be used in the presence of at least one member of the Board of Directors. Two members of the Board of Directors shall attest the documents on which the said Seal shall be affixed.
- (40) The Board of Directors shall determine the extent of depreciation and discount to be charged on goods machinery, immovable property and dead-stock etc.
- (41) To authorise one of the members of the Board by name to verify the cash balance as shown by the books of the Sangh at least once a fortnight and to report to the Board the result in the next following meeting. If any shortage in cash balance is reported, it shall be the duty of the Board to take prompt steps for the recovery of the shortage, failing which the Board members other than Nominees shall be jointly and severally responsible to make good the shortage at once.
- (42) The members of the Committee or the Board shall be jointly and severally responsible for making good the loss which the Sangh may suffer on account of their negligence or omission to perform any of the duties and functions cast on them under the Byelaws of the Sangh as also under the Co-operative Societies Act and Rules framed thereunder for the time being in force.

Staff Selection
Committee

G.1.26. There shall be a Staff Selection Committee appointed by the Board of Directors consisting of not less than four (4) members of which Managing Director shall be Member

Secretary and one of the Government Nominee shall be ex-officio member. This committee shall be competent to select and appoint officers of the Sangh except those mentioned in Byelaws Bos.G.1.27. and G.1.28.

**Appointment of
Chief Accountant
and Sectional
Manager.**

G.1.27. All appointments of officers carrying a monthly salary of Rs. 500/- and above and the appointments of Chief Accountant and Sectional Managers who would be full time paid employees will be made by the Staff Selection Committee with the approval of the Registrar, C.S., M. State.

G.1.28. The appointment of the Mg. Director who would be a full-time paid Worker will be made by the Board of Directors subject to the approval of the Registrar, C.S.M. State.

**Provisional
Committee of
Management.**

G.2.1. Notwithstanding anything contained in these Byelaws there shall be a provisional Committee which shall consist of the present members of the Board of Directors of Maharashtra Rajya Machhimar Sahakari Sangh Ltd. as they stand on the date of this General Meeting. This Provisional Committee shall, however; have powers to co-opt not more than three (3) additional members on the Provisional Committee subject to approval of the Registrar, C. S. M. St. The Provisional Committee shall hold office for a period not exceeding one year or till the elections are held or directed to be held by the Registrar C. S., and a regular Board of Directors is accordingly constituted under Byelaw No. G.1.9. whichever is earlier.

G.2.2 The Provisional Committee shall exercise the same powers and perform the same functions as per Byelaw No. G.1.25. as will be exercised and performed by the Board of Directors when constituted under Byelaw No. G.1.9.

G.2.3. Vacancies of the Provisional Committee of Management will be filled in by co-option by the members of the committee subject to the approval of the Registrar, C. S., M. St. No seat shall be kept vacant for more than one month. The Committee shall elect its own Chairman and Vice-Chairman. The Managing Director will act as ex-officio-member-Secretary.

G.2.4. The Sangh shall appoint such other officials as may be necessary for its proper working.

G.2.5. (A) The Chairman shall have general control over all the affairs of the Sangh.

G.2.5. (B) The following shall be the duties and powers of the Managing Directors :-

- (1) The Managing Director shall summon and attend all the meetings of the Sangh and of the Committees and shall record the proceedings there of in the Minute Book under the singatures of himself and the Chairman of the meeting in such manner as the Board directs.
- (2) He shall prepare periodical report regarding the working of the Sangh and place them before the Board of Directors for consideration with his own remarks and suggestions for improvement, whenever necessary.
- (3) He shall prepare such statements relating to the business of the Sangh as the Board may require and shall prepare and send all returns required to be made to the Registrar, C. S. Maharashtra State.
- (4) He shall have charge of all documents, promissory notes bonds and other papers and the seal of the Sangh and shall keep accounts in such manner as the Board may direct.
- (5) He shall keep the register of members' shares, deposits, debentures credit accounts, stock-register, sales registers to be kept under the byelaws of the Sangh, and shall receive all payments on behalf of the Sangh and make disbursements under orders of the Board and keep account thereof.
- (6) He shall carry on the correspondence of the Sangh and shall supervise the general management of the estate of the Sangh and supply all needed information to the members.
- (7) He shall under all circumstances act in the discharge of his duties under the direction and control of the Board of Directors.
- (8) He shall sign receipt on behalf of the Sangh.
- (9) He shall examine and verify the stock at least once in two months.
- (10) He shall place Audit Memos and Inspection Notes before the Board of Directors for consideration without delay and take further steps in regard to rectification and such submission of audit and inspection rectification reports to the auditors and the Inspecting Officers in time.
- (11) He shall guide, supervise and control the work of the other salaried staff of the Sangh.

- (12) He shall maintain the Pass-Books of the depositors and arrange for their verification and confirmation by the depositors.

In the long absence of the Managing Director the Board may authorise any other officer to perform his duties. Receipts passed on behalf of the Sangh shall be signed by the managing Director and in his absence by the managers of the respective sections. Share Certificates and other documents shall be signed by the Chairman and the Managing Director. The Managing Director or the Managers of the respective sections shall be the officers to sue and be sued in the name of or on behalf of the Sangh.

- G.2.6. The Managing Directors shall have full control over the Staff. He will make appointment of the subordinate staff drawing principal pay upto Rs. 100/- or such other lower limit as may be prescribed by the Staff Selection Committee.

Provided that the Inspectorial Staff of the Sangh will be responsible to the Board of Directors through the Managing Director.

H - ANNUAL ACCOUNTS, NET PROFITS AND THEIR DISTRIBUTION

- H.1.1. The annual statements of accounts, appropriation of profits, contribution to various funds etc. shall be in accordance with the provisions of the Maharashtra Co-operative Societies Act, 1960 and Rules made thereunder (Section 65, Rules 51, 52, 53, 61 and 62) and these Byelaws.

Deductions from
Gross Profits.

- H.1.2. In addition to the deductions specified in section 65 of the Maharashtra Co-operative Societies Act and Rules 50 and 51 of the Maharashtra Co-operative Societies Rules, the following sums shall be deducted from Gross Profits of the Sangh :-

- 1) Audit fees for concurrent and continuous audit.
- 2) Supervision fees at such rates as may be laid down by the Registrar, C. S., M. St.
- 3) The profit remaining after the appropriation required under the byelaws of the Sangh shall be credited to a separate account usually known as Capital Redemption Reserve Fund.

**Appropriation of
Net Profits.**

H.1.3. The Balance remaining after the deduction mentioned in Byelaw No. H.1.2. shall be treated as Net Profits and shall be distributed in accordance with the provisions of sections 65, 66, 67, 68 and 69 of the Maharashtra Co-operative Societies Act and Rules 52 and 53 of the Maharashtra Co-operative Societies Rules.

H.1.4. The Net Profits remaining after deducting the sums in accordance with the Byelaw No. H.1.3. shall then be distributed as follows :-

- a) A sum not less than 25 p.c. of the net profit shall be carried to the Reserve Fund every year.
- b) A sum shall be set aside for distribution of dividends on paid-up share capital to the credit of members at a rate prescribed in the Maharashtra Co-operative Societies Act, 1960.
- c) A sum shall be set aside for contribution towards the education fund of the Maharashtra Co-operative Societies Union at the rate prescribed in Rule 53 of the Maharashtra Co-operative Societies Rules, 1961.

The balance of the net profit that then remains shall be distributed as under :

- 1) 20% Twenty percent shall be credited to the Bad Debt Reserve Fund.
- 2) 20% Twenty percent shall be credited to the Building Fund.
- 3) 5% Five percent shall be credited to Distress Fund.
- 4) 5% Five percent shall be credited to the Dividend Equalisation Fund subject to the provisions of Rule 52 (3) of the Maharashtra Co-operative Societies Rules, 1961.
- 5) 5% Five percent may be spent for propaganda or cooperative education or for developments of Fishing Industry.
- 6) 10% Ten percent shall be credited to the Education Fund.
- 7) 10% Ten percent may be distributed as bonus to the employees of the Sangh and payment of honoraria provided that in the case of bonus to employees it shall not exceed two months basic pay.

- 8) 5% Five percent may be credited to the Price Fluctuation Fund which shall not be drawn upon.
- 9) 10% Ten percent shall be distributed as bonus to member societies of the Sangh in proportion to the business made with the Sangh provided that the bonus declared by the Sangh shall be credited to the share accounts of the member society concerned.
- 10) 10% Ten percent may be credited to the Capital Redemption Fund.

H.1.5. Notwithstanding anything contained in the Byelaws of the Sangh, the net profits of the Sangh arising out of the business of the commodities, the supply and distribution whereof is controlled by Government shall be distributed as under :-

- 1) A sum not less than 50 percent of the net profits shall be carried to the Reserve Fund.
- 2) The remaining profits except to the extent permitted by the Registrar, C. S. shall be credited to the Price Fluctuation Fund which shall not be drawn upon except with the previous permission of the Registrar, C. S., M. St.

Unclaimed
Dividends.

H.1.6 Any dividends including bonus not claimed within two years from the date of declaration shall be carried to the Reserve Fund after issuing necessary registered notice or notice under certificate of posting to the members concerned.

H.1.7. In addition to the sum prescribed above all receipts on account of forfeited shares, entrance fees and donations shall be carried to Reserve Fund.

H.1.8. The Reserve Fund shall be utilised and/or invested as per provisions contained in section 66 (2) of the Maharashtra Co-operative Societies Act, 1960 read with Rule 54 of the Maharashtra Co-operative Societies Rules, 1961.

H.1.9. The losses sustained in the working of the Sangh may be made good from the Price Fluctuation Fund in the first instance if the losses are due to price fluctuation and subsequently from the Reserve Fund in accordance with the provisions of the Rules 49 of the Maharashtra Co-operative Societies Rules, 1961.

H.1.10. Amounts if any, received from customers, etc. on account of charity, education fund or other funds shall be spent towards the respective purposes only with the approval of the Registrar C. S., M. St.

H.1.11. The Sangh shall collect matching contributions equivalent to Govt. contribution to the share capital of the Sangh as per relevant Govt. Resolutions and shall redeem such Govt. contributions as per the conditions laid down in the respective Govt. Resolutions.

H.2.1. The Sangh shall prepare Annual Statement of Accounts as required under Maharashtra Co-operative Societies Act, 1960 and the Rules framed thereunder.

H.2.2. The Sangh shall, as far as possible, arrange for in consultation with the Registrar, C. S. continuous and concurrent audit of its accounts under section 81 of the Maharashtra Co-operative Societies Act, 1960.

In the absence of arrangements for continuous and concurrent audit, the Sangh shall appoint internal auditor.

The Sangh shall obtain in either case a certificate from the Auditor auditing the accounts of the Sangh about the valuation of the various types of assets for the purpose of annual accounts and keep the same on records.

H.3.1. Accounts, records, registers, books and allied papers shall be maintained in forms prescribed under Rule 65 of Maharashtra Co-operative Societies Rules, 1961.

H.3.2. The Sangh shall maintain an up-to-date copy of its Byelaws, Maharashtra Co-operative Societies Act, 1960 and Rules made thereunder and shall make them available for inspection during office hours.

I - MISCELLANEOUS

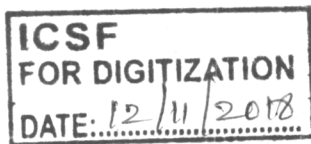
I.1.1. Should any doubt arise about the construction of the Act, Rules or any Byelaws the Board of Directors shall refer the same along with the advice of its legal Advisor, if any, to the Registrar for advice and act according to his advice. The working of the Sangh, shall be governed in accordance with the provisions of the Maharashtra Co-operative Societies Act, 1960 and Rules framed thereunder as may remain in force from time to time and in case of any inconsistency between the provisions of this byelaws and rules and regulations framed by it thereunder, the provisions of the Maharashtra Co-

operative Societies Act and Rules shall prevail and the byelaws of the Sangh would be deemed to have been modified to that extent. Without prejudice to the general applicability of these provisions, reference to particular sections or rules in the byelaws would be considered as reference to all the relevant section and Rules concerning the subject matter as may stand from time to time under such Act and Rules.

- I.1.2. None of the byelaws herein contained shall be altered or rescinded and no byelaws shall be added except in accordance with the procedure prescribed in Rule 12 of the Maharashtra Co-operative Societies Rules, 1961.
- I.1.3. In the event of liquidation, the distribution of surplus assets shall be made as per provisions made in section 110 of the Maharashtra Co-operative Societies Act, 1960 and Rule 90 of the Maharashtra Co-operative Societies Rules, 1961.
- I.1.4. When a member from whom money is due, pays any sum it shall be appropriated in the following order :-
 Firstly to fees, postal registration and other miscellaneous charges due from him.
 Secondly to interest and
 Thirdly to principal.
- I.1.5. Where in these byelaws it is provided that written notice shall be given to any member, the delivery of such notice at the house or despatched thereto under certificate of posting at which such member ordinarily resides shall be deemed to be sufficient service of such notice.
- I.1.6. Any member of the Sangh may inspect any of the registers or documents during office hours, so far as they relate to his own business transactions.
- I.1.7. Every member of the Board of Directors, Managing Director, Manager, Auditor, Trustee, Member of a Committee of Officer, Servant, Accountant or other persons employed in the business of the Sangh shall, if so required by the Sangh, before entering upon his duties sign a declaration pledging himself to observe strict secrecy in respect of all the transactions of the Sangh and the statement of accounts thereof and in matters relating thereto, and shall, by such declaration pledge himself not to reveal any of the matters except in the discharge of his

duties or when required so to do by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions of the Maharashtra Co-operative Societies Act, 1960 and the Rules made thereunder and these byelaws or any other law for the time being in force.

- I.1.8. The Sangh shall not under any circumstances allow the use of its business premises wholly or partially for any purpose other than the Sangh's own business or for other bonafide Co-operative activities.
- I.1.9. The cash in hand at any time shall not exceed Rs. 10,000/- or a sum as may be authorised by the Board of Directors. It shall be a responsibility of the Managing Director of the Sangh to deposit cash balance exceeding the limits laid down above in the financing agency or in its nearest branch office forthwith.
- I.1.10. The Account and the Cashier of the Sangh shall sign the Cash Book. The Manager and the Salesman of the Section / sale depots shall sign the Cash / goods books of the Sangh. The responsibility of the cash balances shall vest jointly and severally on the Managing Director, Cashier, Manager and the Salesman as the case may be. The cash balance held by each of them shall be recorded in the Cash Book both in words and figures.
- I.1.11. An appeal shall lie from the decision of the Board of Directors to the General Meeting only in matters in which a right of appeal is specifically reserved by the General Meeting. The General Meeting shall refuse to entertain such appeal if it is not preferred to the Sangh within two months of the date of communication of the decision of the Board of Directors.
- I.1.12. The Sangh can become a regular member of All India Inter State and such other Fisheries Industrial and Marketing Organisations.
- I.1.13. Subject to the Rules framed by the local Government, byelaws can be amended provided that notice of the amendment has been given to the Registrar, C. S., Maharashtra State and the members at least ten (10) days prior to the meeting. Amendments take effect after being registered under section 13 (2) of Maharashtra Co-operative Societies Act XXIV of 1961.



192/Dec 09
S. P. D. K. M. S. H.