

KARNATAKA STATE COOPERATIVE CONSUMERS FEDERATION LTD.

No 4, Pampamahakavi Road, Chamarajpet, Bangalore-18

BYE-LAW

1. NAME

KARNATAKA STATE CO OPERATIVE CONSUMERS FEDERATION LTD.

2. REGISTERED ADDRESS

The registered office of the Federation shall be at No. 4, Pampamahakavi Road, Chamarajpet, Bangalore-560018. Any change in the Registered address of the Federation shall be intimated to the Registrar of cooperative societies, Bangalore within 15 days from the date of such change

3 AREA OF OPERATION:

The area of operation of the federation shall be whole of the state of Karnataka.

4. DEFINITIONS:

The 'Act' and the 'Rules' used in these Bye-laws shall mean the Karnataka cooperative societies Act 1959 as amended from time to time and the Karnataka cooperative societies Rules 1960 made there under as amended from time to time respectively.

The 'Federation' means the Karnataka State cooperative consumers Federation Ltd., Bangalore.

The 'Bye-laws' means the Bye-laws of the Karnataka State cooperative consumers' federation Ltd.

The 'Registrar' means the Registrar of coop. societies, in Karnataka, Bangalore, or any other officer to whom the powers of the Registrar are conferred.

The 'Director of cooperative audit' means Director of cooperative audit Bangalore or any other officer to whom the powers of the Director of cooperative audit are conferred.

The 'Member society' means a consumer cooperative wholesale stores whose area of operation is not less than three Talukas and which has primary consumers cooperative stores/society and individuals as its members duly admitted to the membership of the federation after registration.

The 'Nominal Member' means a person who has been admitted as a Nominal member under Byelaw.

The "GENERAL BODY" means a meeting of the members convened in accordance with the provisions of the act & bye-law

The 'Board' means the committee of management of the federation duly constituted in accordance with the provisions of the Act, rules and Byelaws to manage the affairs of the federation.

The 'Sub-committee' means a committee constituted under these Byelaws for any specific work.

The 'President' means the president elected under the provisions of Byelaw.

The 'Managing Director' means the chief executive of the federation and is also chief Administrative officer of the federation

The 'DIRECTOR' means a member of the board elected/nominated as per section 29 & the Byelaws

Unless the context otherwise requires, the words and expressions contained in these bye-law, shall bear the same meaning as in the act or any statutory modifications there of in force from time to time or in the rules made thereunder.

5. OBJECTS

- I. The objects of the federation are primarily to co-ordinate and facilitate the working of the member societies and to assist in the organization, promotion and development of cooperative wholesale stores and to act as a coordinating agency on all matters pertaining to the cooperative consumer movement and with that end in view:
 - a) To make bulk procurement of consumer goods from within the state and other states, i.e. wholesale business, mainly for sale and supply to the member wholesale stores or such other cooperative societies who are doing wholesale/retail consumers business. This bulk procurement will also meet the needs of the retail units of the federation. The federation shall also make arrangements for proper storage grading packing & transportation of such goods.
 - b) To establish and run manufacturing and processing units for the production of Consumer goods either directly by itself or in collaboration with other cooperatives/ corporate bodies

- c) To foster a direct link between the point of production and the point of consumption ensuring a proper return to the producer and a reasonable price to the consumer
- d) To render technical guidance and assist the affiliated wholesale stores in bulk buying, storing, grading, packing, standardisation, pricing, display and other business techniques and also management methods to improve and increase their operational & managerial efficiency.
- e) To assist the member societies in improving shopping facilities and maintaining the highest standards of shop location, layout, appearance and service.
- f) To advise and assist the member societies in standardising, the maintenance of the accounts and stock control methods and practices.
- g) To guide the working of member societies and advise them on management and business techniques
- h) To create or assist in the creation of suitable staff, cadres of employees for the benefit of member societies.
- i) To function as agents of Government, public and cooperative enterprises for distribution of controlled and other consumer goods
- j) To undertake export and import of consumer goods for and on behalf of Govt., constituent members and other cooperatives.
- k) To assist the member societies in securing financial assistance / accommodation from government, nationalised banks, state and district cooperative banks and from other commercial bank or state owned financing agencies.
- l) To carry on negotiations with government and semi government departments and non-government bodies for obtaining necessary facilities (orders) for the better working of the federation and member societies.
- m) To hold seminars, conferences, meetings and undertake publicity, propaganda and education campaigns and such other functions as may help the development of consumers cooperative movement.
- n) To undertake market research and to disseminate market intelligence and other information relating to the business of consumer cooperatives to the members.

- o) To arrange for the training of the employees of the federation and other consumer cooperatives in co-ordination with the assistance of, the training agencies

II In furtherance of the aforesaid objects, the federation shall

- (i) Receive share capital and loans from government and obtain financial accommodation from the financing Banks
- (ii) Take up agency, dealership, distributorship or any other type of business relationship of any company or firm or public undertakings or cooperative enterprises for retail/wholesale business consumer goods.
- (iii) Establish business relations with marketing, processing and industrial cooperatives.
- (iv) Become member of the state cooperative bank, national and state level federations and unions
- (v) To own, acquire, construct, hire, lease out and maintain land, building, business premises, factories/workshops/sheds machinery and other equipments necessary for the business of the federation.
- (vi) To purchase, own or hire lorries, motor cars, motor vans and such other transport vehicles as are found necessary for the business.
- (vii) To create a cell of technical personnel.
- (viii) To set up a committee for selection, appointment and control of the cadres of the employees of the member societies as per section 128 A of the act.
- (ix) To work as an Administrator/liquidator of the member societies if so appointed and to undertake management of such member societies, where necessary, on such terms and conditions as may be specified by the Registrar.
- (x) To run retail outlets in Bangalore and organising opening of the retail outlets where member societies have not opened such units or where member societies open retail outlets are taken under liquidation. such retail outlets may be handed over when a new society is organised.
- (xi) To establish and run regional warehouses and branches wherever necessary within the area of operation

- (xii) To do such other activities as are necessary to promote the economic benefit of the members and as are incidental and conducive to the attainment of the objects set out for the above

6 ACCOUNTING YEAR: COOPERATIVE YEAR

The year for the working of the federation shall begin on 1 April of a calendar year and end with 31st march of the succeeding year or as prescribed under the act.

7. FUNDS:

Funds may be raised by all or any of the following means.

- i) Shares
- ii) Deposits from members
- iii) Borrowings from government, financing agencies and other credit agencies
- iv) Subscription from member societies.
- v) Donations, grants and subsidies.
- vi) Funds created under this Byelaw
- vii) Any other fund permitted under the act.

8. AUTHORISED SHARE CAPITAL:

1. A share certificate bearing a distinct serial number shall be issued indicating the number of shares and value through share subscribed. But no such certificate shall be issued until and unless the amount called for and payable on the share or shares taken up is fully paid up. All share certificates shall be signed by the president and the Managing director and shall bear the seal of the federation.
2. If any share certificate be worn-out, defaced, lost or destroyed, a new share certificate (duplicate copy) may be issued on payment of a non-refundable fee of Rs. 100/- and on furnishing an indemnity bond by the member concerned that the original was lost/destroyed and that no claim would be made on the original certificate.

9. MEMBERSHIP:

The membership of the federation is open to the following in its area of operation.

- i .Wholesale consumers cooperative societies whose area of operation is not less than three Talukas and which have primary consumers cooperative societies/stores and individuals as its members.
- ii. The government of Karnataka
- iii. Such institutions as notified by government U/s.16 of the act.

10A. NOMINAL MEMBERS

Individuals, cooperative societies other than these specified above, registered firms or associations or companies having business relations with the federation may be admitted as nominal members on payment of Rs100/- which is not refundable.

B. DEEMED NOMINAL MEMBER:

A nominal member is deemed to have been admitted as a member on the day he files his application and entrance/admission fee. The nominal members shall not be entitled to:

- i) Receive dividend or any share in the profits of the federation.
- ii) Participate in the management or become office bearer of the federation.

11. APPLICATION FOR MEMBERSHIP:

- i) Application for admission as members and for allotment of shares shall be made to the Managing director in the form prescribed by the Board along with the declaration and other information if any prescribed for the purpose.
- ii) . Every application for membership shall be accompanied by an entrance fee of Rs 25/- and full value of atleast ten share and share fee of rupee ten per share.

- iii) Every cooperative wholesale stores qualified for membership of the federation shall be admitted to the membership of the federation by the board provided that it shall be open to the board to refuse admission to any applicant for good and sufficient reason to be recorded in writing.

NOTE: A wholesale store is one, which has primary consumer cooperative stores and individuals as members.

- iv) The order of refusal with reason therefor shall be communicated to the applicant within 15 days from the date of resolution of the board. However all applications to the membership and allotment of shares shall be decided by the board within three months from the date of their receipt except nominal members.
- v) An applicant who is refused admission or to whom the decision of the board on the application for admission has not been communicated within a period of 60 days may appeal to the registrar whose decision; shall be binding on the federation
- vi) No right of membership; shall be exercisable until a person has made such payment to the federation, in respect of membership or acquired such interest that the federation may prescribe or prescribed by the act or rules.
- vii) Notwithstanding anything contained in these Bye-law the provision regarding admission fee, application fee, application for admission; and share fee shall not apply to the state government. The state government may notify certain organisations as mentioned in 9(iii) which shall be deemed to have been admitted as a member of the federation, from the date it subscribes to the share capital to the federation.
- viii) A member society by a resolution of its board authorize one of its members to act as its representative and the person so authorized shall be entitled to exercise the powers on behalf of the society which he represents as that society could exercise as a members of the state federation.

12. RESIGNATION OF MEMBERSHIP:

1. A member society may resign its membership and withdraw its share capital with the approval of the board. The approval shall not be given while such a member society is indebted and within five years of its becoming a member of the federation.

2. When a member society, resigns its membership the letter of resignation shall be sent by registered post to the Managing Director of the federation and such resignation shall take effect from the date of acceptance by the board.

13. CESSATION OF MEMBERSHIP:

The membership of the federation will cease:

- a) On dissolution or liquidation
- b) On transfer of all shares to another member society
- c) On ceasing to hold at least ten shares.
- d) On resignation or withdrawal of membership having been accepted.
- e) On being legally disabled from continuing as member society.

13A BUSINESS:

Every member society of the federation shall carry on business transaction with the federation at least to an extent of Rs One Lakh in every co-op. year. Or as notified by govt. under section 17 (2A) of the act.

Member Society which shall do business to the tune of Rs One Lakh for every Cooperative year continuously for 5 years preceding election are eligible to contest in the ensuing election,

14. LIABILITY:

The liability of the members of the federation shall be limited to the value of the shares held by them. The liability of a past member for the debts and, to the extent of the shares as they existed at the time when he ceased to be a member shall continue till such debts/deficit is cleared.

15. WITHDRAWAL OF SHARES:

- 1) No shares can be sold.
- 2) A member society may withdraw from the membership of the federation by giving 3 months notice to the federation
- 3) A member may transfer his share or shares after holding them for not less than five years to another member society with the approval of the board. no transfer shall be complete until the name of the transferee has been entered in the share transfer register and a fee of Rs. 25/- per share has been paid and it has repaid with interest all sums due by it to the federation, and has also discharged any other liability undertaken by it

- 4) No member shall be permitted to withdraw any of the shares held by it in the federation or resign its membership of the federation within 5 years from the date of which it was admitted as a member. After such period it may withdraw any of its shares with the consent of the board or resign its membership.

16. REFUND OF SHARES:

A member society which ceases to be a member be entitled to receive back such sums on account of shares as ascertained in accordance with the provisions of the act and the rules. The amount shall be arrived at by a valuation based on the financial position of the federation 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 federation in respect of such share or interest, subject to rule 12 where intrinsic value is to be arrived at.. No refund of share capital would however be made to any member till 5 years of its membership. The total share capital withdrawn or returned in any one year shall not exceed ten percent of the aggregate share capital, as it was on the 30th march of the preceding year.

17. LIQUIDATION OF THE MEMBER: SOCIETY

An affiliated society shall, on liquidation cease to be a member of the federation and the amount outstanding to its credit by way of shares, dividends etc., shall be paid to the liquidator appointed by the Registrar of cooperative societies after deducting there from the debts, liabilities, if any, due by the affiliated society. The share of a liquidated society shall immediately be transferred to suspense account after adjusting to the dues payable to the federation till the claim is received from the liquidator appointed by the Registrar.

18. LIEN ON SHARE, DIVIDENDS AND DEPOSITS:

The federation shall have the first lien or charge upon all the shares, dividends and deposits of any member society or past member society for all money due from it to the federation from time to time. The federation may at any time set off any sum credited by or payable to the member society or past member society towards payment of any liability of such member society or past member society.

19. RETIREMENT OF GOVERNMENT SHARE CAPITAL:

The shares held by the state government shall be retired in such manner and during such period as may be laid by the government and with the prior approval of the government

20. BORROWINGS:

The federation may borrow funds from financing banks, government and other credit agencies to such extent and in such manner and on such terms as may be fixed from time to time, provided that except with the previous sanction of the state government, the total borrowings i.e., loans and deposits of the federation shall not at any time exceed 10 times the total amount of its paid up share capital, reserve fund, building fund minus accumulated loss.

21. DEPOSITS

1. It shall be open to the board to receive deposits from member society/nominal members.
2. The rate of interest payable on the deposits shall be determined by the board.
3. . Interest on deposits shall be paid annually or at such shorter intervals as may be decided by the board.

22 GENERAL MEETING:

- a) Subject to the provision of the act, the rules made there under and the Byelaws the supreme authority in all matters concerning the federation shall vest in the general body of members as envisaged in section 26 of the act. The general body shall not however, interfere with the actions of the board or any officers of the federation 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, or as is required in the exigencies of the circumstances as decided by the board.
- b) The general body shall consist of one representative of each of the member society.
- c) General meeting shall be of two kind viz., Annual general meeting and special general meeting
 - (i) The Annual general meeting shall be held once a year within a period of six months from the date fixed for making up its accounts for the year, under the rules or bye-law or within such period as specified by the Registrar.
 - (ii) The general meeting shall be convened at least once a year as may be provided in the act and the rules.

- (iii) A special general meeting may be called at any time by the board. It shall also be called on a written requisition from the Registrar or from 2/3rds of the total members within one month of the receipt of such 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 provided that if it is a requisitioned meeting by member society the total number of members present shall be 50 members or 1/5th of the total number of member whichever is less, to transact specified business.
- d) The instrument appointing a representative shall be in writing and in such form as may from time to time be determined by the board and shall be deposited at the registered office of the federation before the time fixed for holding the meeting at which the representative named in the instrument proposes to vote provided that the change of representative if any will have to be sent by a resolution passed by general body/special general body.
- e) The general meeting shall be convened by a resolution of the board and the proceedings of the general meeting shall be recorded in a minute book kept for the purpose and signed by the chairman of the meeting.

23. BUSINESS OF THE ANNUAL GENERAL MEETING:

The duties and powers of the general meeting are

- (a) Consideration of annual report presented by the committee:
- (b) Consideration of latest available audit report and the report of the committee thereon;
- (c) Consideration of inquiry report, if any;
- (d) Disposal of net profits;
- (e) Review of operational deficit, if any, and programme to reduce such deficit;
- (f) Approval of the programme of activities of the federation prepared by the committee for the ensuing year;
- (g) Approval of the annual budget;
- (h) Creation of specific reserve and other funds;

- (i) Approval of membership of the co-operative society, in other co-operative societies;
- (j) Review of annual report and accounts of any subsidiary organisation, if any;
- (k) Perusal of list of the employees recruited who are relatives of members of the committee or the Chief Executive
- (l) Amendment of bye-laws
- (m) Formation of code of conduct for the members of the committee, office bearers and employees of the co- operative society;
- (n) Note on, admission and termination of members
- (o) To consider and approve the revised budget for the current year and the budget estimates for the next year.
- (p) To consider communications from the Registrar and or auditor.
- (q) To frame, alter and rescind or amend bye-laws.
- (r) To lay down for the guidance of the board general policy for the conduct of business and production activities to be undertaken by the state federation for the benefit of the member societies.
- (s) To determine the nature and extent of promotional activities and other programmes for member societies
- (t) To hear and dispose of the appeals preferred against the decisions of the board.
- (u) Consideration of any other matter which may be brought forward in accordance with the bylawss.

24. BUSINESS OF SPECIAL GENERAL MEETING:

The special general meeting shall have power to transact all business, which can be transacted at an annual general meeting except those, which are discussed in the annual general meeting. However the business of special general meeting shall be confined to the business as stated in the notice of requisition only and no other business shall be transacted provided that for requisitioned meeting the number of members to be present shall be 50 or 1/5 Th which ever is less to transact the specified business.

25. NOTICE FOR THE GENERAL MEETING:

- i) Notice of the annual general meeting together with the agenda shall be sent to the registered address of each member atleast 15 days prior to the date of meeting under certificate of posting.
- ii) Notice of the special general meeting together with agenda shall be sent to the registered address of each member atleast 7 days prior to the date of the meeting by certificate of posting. Notice shall disclose the business to be transacted in the notice of requisition and shall be the only agenda for the meeting.
- iii) Notice of the meeting shall state, the place, date and time of the meeting.
- iv) Notice of the meeting shall be signed by the chief executive officer of the federation. A copy of the notice shall also be affixed on the notice board at the registered office of the federation. But non receipt of notice of the meeting as aforesaid or intimation default by any member shall not be a valid ground for postponing or adjourning the meeting and shall not invalidate the proceedings of the meeting.
- v) In the case of amendments to Bye-laws, notice shall be sent to each of the members in due time and such notice shall give the members a reasonably clear idea of the nature of amendments proposed.
- vi) No subject shall be considered by the general meeting for which notice has not been given as per the bye-laws, provided that the board may place any subject before the general body for which notice is not given. 1/3rd of the representatives of member societies or 10, whichever is less, shall constitute a quorum for a general meeting. No business shall be transacted at any meeting unless there is quorum. On the date of the meeting, there is no quorum within half an hour from the time appointed for the general meeting or if all the business is not completed, the consideration of all or a part of the business as the case may be, the meeting shall be adjourned to a later date, to the same day in the next week at the same time and the same place and at such adjourned meeting, no quorum is required and the representatives present are entitled to vote and decide. No business other than that business for which the general meeting was called shall be transacted at an adjourned meeting or other such subjects, which are not completed in the earlier meeting alone, shall be discussed and decided.

26. CHAIRMAN OF THE GENERAL MEETING:

The president or in his absence, the vice-president of the federation shall preside over the general meeting. In the absence of both, the representatives present are entitled to elect one among them to preside over the meeting

(i) The Board of every member society desirous of participating in the general meeting of the federation shall by a resolution appoint one of its Director to be its delegate/representative to attend and vote at the general meeting and shall send copy of such resolution duly certified and bearing its seal to the federation so as to reach it within the period as specified in rule No.14 (1) of the rules.

(ii)The representative so appointed shall be the person authorised to give notice of his desire to stand as a candidate to stand for election for the committee of management and withdraw his candidature, for election to the board of the federation or to nominate or candidature provided, if a representative is appointed by the committee of management has to be changed, the committee of management is not competent and the general body of the federation is alone competent to change/modify the representative.

27. VOTING RIGHTS:

- i) Every member delegate shall exercise vote in person and not by proxy and shall be entitled to exercise not more than one vote in the affairs of the federation.
- ii) A member or any other body corporate shall appoint one of its Directors or officers to participate in the meeting and to exercise the right of vote, provided that if a director or officer is to be changed or modified, it shall be only by the general body.
- iii) The chairman of the meeting shall have a casting vote in the event of equality of votes only, except in case of elections

28. RESOLUTION OF THE GENERAL MEETING:

i) All matters brought before the general meeting shall be decided by a simple majority of votes unless special majority is prescribed under the act or rules, provided that the amendment of the bye laws are carried by the 2/3 of the majority of the members present and voting. Votes shall be taken by the show of hands unless a member demands a ballot in which case a ballot shall be taken forthwith unless specifically directed in this behalf by the Registrar, a resolution passed in the previous general body meeting can be brought before the general meeting for re-consideration unless six clear months have elapsed from the date when the original resolution was passed..

29. MINUTES OF THE GENERAL MEETING:

The minutes of the general meeting shall be recorded by the Managing Director in the minute book and signed by the chairman of the meeting. The minutes of a meeting shall stand confirmed as soon as the same are signed by the chairman who presided over that meeting.

30. AMENDMENTS TO BYE-LAW:

Amendments to bye-laws shall only be carried out by a majority of not less than 2/3rd of the members present and voting at a general meeting, provided that due prior notice to discuss such amendments has been given. Such notice shall give the members reasonably clear idea of the nature of amendments proposed. Such amendments shall be forwarded to the Registrar for registration within a period of 60 days from the date of the meeting.

31. MANAGEMENT:

1. Subject to the provisions of the act, the rules and the bye-laws, the management of the affairs of the federation shall vest in a board. The board shall consist of 14 directors as under:
 - a) Twelve Directors to be elected from among the eligible member societies
 - b) The Managing director of the federation.
 - c) Registrar of cooperative societies or his nominee
2. The term of office of the board shall be five cooperative years.

EXPLANATION: For the purpose of this bye-law where elections to the board have been held in the middle of a cooperative years, for computing the term of office of the board, the remaining part of the cooperative year shall be deemed to be a year.

3. The Managing director of the federation shall within 15 days from the date of election, convene a meeting of all the elected members for the purpose of electing President and Vice-president.
4. The members of the board shall elect from amongst them a president and a vice president every two and a half years in accordance with the provisions of the act, the rules and the bye-laws.
5. Any interim vacancy in the office of any elected director by death, resignation or any other cause, shall be filled up by the remaining members of the board by co-option for the unexpired portion of the original period.
6. Any interim vacancy in the office of the president/vice-president by death, resignation or any other cause shall be filled up by election from among the members of the board at their next meeting, with due notice.
7. The proceedings of the board shall not be invalidated on account of any vacancy or vacancies on the board which remain unfilled.
8. Notwithstanding anything contained in the bye-laws, the board shall be deemed to be duly constituted when majority of elected director are available for functioning after the elections.

32. PRESIDENT:

- i. The President shall preside over the annual General meeting, special General Body meeting, meetings of the board and sub committees. In the absence of the President, the vice president shall preside over the meetings and in the absence of both, the directors shall elect a chairman for that meeting from amongst those present.
- ii. The chairman of the meeting shall have casting vote, except in case of elections.
- iii. The President and the Vice President shall hold office for a period of two and half years. They shall be eligible for re election.

33. DISQUALIFICATIONS FOR MEMBERSHIP OF THE BOARD:

No person shall be eligible for election or appointment or continuance as member of the board if he:

- i. Ceases to be a member of the member society he represents or the member society that he represents ceases to be a member of the federation.
- ii. A member resigns his membership in writing under his hand and delivers to the chief executive and does not withdraw within a period of 15 days.
- iii. Is in default to any cooperative society in respect of any money due from him.
- iv. Is directly or indirectly interested in any subsisting contract made with the federation or in any property sold or purchased by the federation or in any other transactions of the federation (other than investment and borrowings) involving financial interests.
- v. Is related to any paid employee of the federation.
- vi. Applies for insolvency or is declared insolvent or the member society he represents is dissolved.
- vii. Is convicted of any offence involving dishonesty or moral turpitude.
- viii. Remains absent for 3 consecutive meetings of the board without obtaining leave of absence from the chief executive and registrar is informed by a resolution and necessary orders are passed by the registrar to this effect.
- ix. Becomes of unsound mind, or accepts any employment in the federation or
- x. Is employed as a legal practitioner on behalf of the federation or accepts employment as a legal practitioner against the federation.
- xi. Is a paid employee of the federation.
- xii. Carries on business of the kind carried on by the federation or by the member society. Provided that where a person becomes disqualified under the above clause may be restored to his position for the unexpired period and when disqualification is annulled on appeal or revision, the person co-opted to fill the interim vacancy., shall vacate the office.

xiii. If the member societies fails to transact business with the federation at least to an extent of Rs.1,00,000-00. in every Co.op. year or as notified by the govt. under section 17 (2A)

2.Any member of the board may at any time resign his office by sending a letter of resignation to the Managing Director of the federation. His seat shall become vacant on the expiry of 15 days from the date of such resignation unless within the said period he withdraws such resignation in writing under his hand addressed to Managing Director of the federation

3.No such concerned member of the board shall be present at a meeting when any matter in which he is personally involved is being discussed.

4.Should a member of the board absent himself for 3 consecutive meetings of the board without leave of absence, the committee shall refer the issue to the Registrar for a decision. This however, will not apply in the case of government officials nominated in their official capacity.

34.MEETING OF THE BOARD:

1. The Board shall meet as often as is necessary to transact the business. But it shall meet at least once in every two months. The meeting notice of the board, specifying the date and hour of the meeting together with the agenda and detailed notes thereon shall be sent to all the directors at least 7 clear days prior to the date of the meeting. The managing director in consultation with president call the meeting and also it shall be called on receipt of representation from 50% of the members of the board or requisition from the registrar of cooperative societies
2. The quorum at a meeting shall be 50% of the strength of the board or 8 whichever is less.
3. In case of urgency and if there is no sufficient time to convene a meeting of the board, in order to take a decision, the Managing Director may obtain the approval of the board by circulation of the proposed resolution among members. Such decisions arrived at by circulation shall be placed before the next board for their ratification.
4. Should a difference of opinion arise in the course of such circulation, the matter shall not be implemented, but shall be placed before the next meeting of the board.
5. Every resolution at a meeting of the board or sub-committee shall be decided by a majority of votes. In case there is equality of votes for or against any resolution, the chairman of the meeting shall have a casting vote, except for elections.

35. POWERS AND FUNCTIONS OF THE BOARD:

The board shall exercise the powers, except those reserved for the General meeting, subject to any regulation or restriction laid down in the General meeting or in the Bye-law and subsidiary rules in particular, shall have the following powers and duties.

1. To admit members, to allot shares and to deal with all matters relating thereto, including nominations, transfer of shares, withdrawals, resignations etc.,
2. To fill in by co.option casual vacancies occurring in the board as per the provisions of bylaws 31 (5)
3. To raise resources necessary for the purpose of carrying out the business of the federation on such terms and conditions as may be determined from time to time.
4. To invest funds of the federation as per the provisions of the act, rules and the bye-law and in the interest of the. federation, subject to section 58 of the act
5. To arrange for maintenance of true and accurate accounts of all money received and expended and all stocks bought, insured, sold and arrange to keep a register of members correctly and up to date.
6. To determine the annual rate of subscription from members as and when necessary.
7. To arrange to keep true account of assets and liabilities of the federation.
8. To prepare the annual report, the trading profit and loss account and balance sheet and other statements for the previous year and the program of work for the next year for being placed before the members at the general meeting.
9. To consider the reports of inspection, inquiry and audit and take necessary action for rectification of defects
10. To approve transfer of shares and to arrange for recovery of share installment and annual subscription, if any
11. To summon general meetings in accordance with the act, rules and bye-law.

12. To contract loans, subject to any restrictions imposed by the Registrar.
13. To decide the terms and conditions on which loans and advances may be received and to arrange for the repayment of such loans and advances.
14. To assist the inspection of the books, audit of accounts and inquiry into any matter by any person authorized by the Registrar/Auditor
15. To sanction, appoint, suspend, punish and dismiss the Managing director and other employees of the federation according to the Recruitment/services rules to be framed for the purpose and to make arrangement for the administration of the managerial cadre for member societies. The board may delegate any of these powers to the Managing director. (This provision shall not apply in the case of Managing director and other officers appointed by the government or the Registrar of cooperative societies.)
16. Through an authorized person as prescribed in the subsidiary rules of the federation to institute, conduct, defend, compromise, refer to arbitration or abandon legal proceedings by or against the federation.
17. To acquire shares in the cooperatives approved for the purpose on behalf of the federation.
18. To frame subsidiary rules governing the duties and responsibilities of the managing director and other employees of the federation, Subject to section 29 G of the act
19. To draw up programme of business, productions, technical help to member societies.
20. To construct, purchase, take on hire or otherwise acquire godowns, trucks, machinery or other property considered necessary for carrying out the business of the federation and authorize Managing director to enter into contract for the purpose.
21. To undertake propoganda by advertising and education campaigns and arrange for training of the employees of the federation and the member societies.
22. To plan for procurement of commodities, storage and distribution thereof and also arrange for processing, manufacturing of consumer goods, whenever necessary and possible.

23. To arrange for inspection and supervision of member societies and lay down rules for the purpose with the approval of the Registrar
24. To lay down policies of business and generally to direct and control affairs of the federation prudently and efficiently in the best interest of the federation and with due regard to the security of the funds of the federation and interest of the members and general public.
25. To arrange for opening of branches and retail outlet at suitable centers as and when necessary.
26. To prepare annual budget estimates within which the Managing director may incur expenditure for proper and efficient working of the federation and recommend to the general meeting.
27. To establish and support provident fund scheme, E.S.I. scheme and such other schemes for the benefit of staff.
28. To nominate representatives of the federation on the various committees, general meeting where ever necessary and for attending conferences, seminars etc.,
29. To make rules for the grant and recovery of credit facilities.
30. To make, alter, rescind or abrogate the rules from time to time regarding the following.
 - (a) Matters pertaining to the business affairs
 - (b) Travelling allowance of staff
 - (c) Provident fund, bonus and gratuity.
 - (d) Service conditions
- 31 To deal promptly with all cases of arrears and defaults.
- 32 To examine the stock registers and to arrange for examination and checking of the accounts by comparing them with stock register as well as sales book and the cash book. To arrange for periodical stock verification, at any rate not later than once in 3 months and to arrange for correct valuation of the assets at cost price or market price., whichever is less
- 33 To prescribe from time to time its cadre and strength of the establishment and the scale of pay and allowance admissible to each member there and subject to the budget allotment sanctioned by the general meeting and obtain the approval of the Registrar thereof.

- 34 To frame subsidiary rules governing the grant of pay and allowances, promotion, leave, welfare benefits, mode of recruitment, qualification, disciplinary proceedings and such other service conditions for the employees of the federation with prior approval of the Registrar.
- 35 To constitute Business Advisory committee, staff selection committee and other sub-committees for dealing with specific matters from among the directors in the interest of the business of the federation. The board shall also fix up their duties and responsibilities and to record the proceedings of these sub-committees at the next meeting of the board. There shall not be more than 2-sub committee at any point of time.
- 36 To arrange for internal audit of accounts of the federation and to take action thereon.
- 37 To do all such activities and undertake all such programs as are necessary and incidental to the attainment of the objects. and proper and efficient management of the federation
- 38 The board may appoint such numbers of managers and persons with such designations as it deems fit, to assist the Managing director. The persons so appointed will be subject to the control, guidance and supervision of the Managing director and their duties will be defined in the subsidiary rules that may be framed by the board under the bye-law, not in conflict with the duties and responsibilities of the Managing director
- 39 The board of directors shall arrange for such internal audit and supervision as they may deem proper and as may be directed by the Registrar
- 40 The board of directors shall arrange to prepare a list of credit worthy member societies and fix limits
- 41 The board directors shall provide all assistance to the Returning officer while conducting election to the committee of management including approval of expenditure.

36. POWERS TO FRAME SUBSIDIARY RULES:

It shall be the duty of the board to frame subsidiary rules for the conduct of business of the federation consistent with the act, the rules and the bye-law.

37. All the acts done in good faith by the board or any person acting as a member of the board shall be valid as if the board or every such person has been duly appointed and it shall not be considered as invalid for any defects.

38. MINUTES:

The minutes of the meeting of the board and sub committees shall be recorded by the Managing Director in a minute's book, the pages of which shall be duly numbered. The minutes shall be signed by the chairman of the meeting and the Managing director of the federation.

39. T.A., D.A., & SITTING FEE FOR DIRECTORS:

Class-I							
(a) All state level cooperative Apex/Federal societies which are continuously under profit for the last three years.							
All state level cooperative Apex/Federal societies which do not fall under (a) above. However, the presidents or chairpersons of these Societies are entitled or Traveling Allowance and Daily Allowance facilities under (a) above							
TRAVELLING ALLOWANCE							
See Rule – 21 –A							
Sl. No.	Class of Cooperative Societies	Journey within the state			Journey Outside the State but within the Country		
		By Air	By Train	By Bus	By Air	By Train	By Bus
Class –I							
1.	(a)	Not Allowed	Single first class Railway fare	Actual Bus fare	Actual Air fare	Single Air Conditioned Railway fare/single first class railway fare	Actual Bus fare
2.	(b)	Not Allowed	Single first class Railway fare	Actual Bus fare	Not Allowed	Single first class railway fare	Actual Bus fare

<p>I. (a) For, claiming air fare , the claimant has to record a certificate for having actually traveled by air along with the air ticket number.</p> <p>(b) Wherever the return air ticket is available at reduced rates, the member has to purchase the return ticket also when the return journey is expected to be performed the within the specified period, during which the return ticket is valid.</p>
<p>II. While claiming first class air conditioned railway fare a certificate shall be recorded to that effect, that the claimant has traveled in that class along with the ticket number. If any person, who is entitled to travel by train in first class air conditioned or first class, performed the journey in second class, he shall be entitled only for a second class railway fare.</p>

<p>IV.(a) For journey by air in addition to the actual air fare, incidental charges att 1/5th of the air fare subject to a maximum of Rs.50/- only in respect of each single journey and 2/5th of air fare if the return ticket is produced subject to a maximum of Rs.100/-.</p> <p>(b) In the case of delegates who attend the representative general body meeting of a cooperative society the traveling allowance shall be restricted to single actual second class railway fare or actual bus fare, as the case may be.</p>

V. DAILY ALLOWANCE:

Sl. No.	Class of Cooperative Societies	Halt in Bangalore City and other places outside the state within India. Except the places mentioned in Col.4	Halt at Ahmadabad, Mumbai, Kolkata, Kanpur, Delhi, Hyderabad,Chennai, Lucknow,Mussori,Nagpur Pune,Simla Goa and shrinagar.	Halt at the places within the state
1	02	03	04	05
1	Class I(a) and (b)	Rs.200.00	Rs.300.00	Rs.150.00

Daily Allowance is to be calculated as follows:

(i)	Halt up to 6 hours	Nil
(ii)	Halt Exceeding of 6 hours but not exceeding 12 hours	Half (1/2) of daily allowance
(iii)	Halt exceeding 12 hours but not exceeding 24 hours	Full daily allowance
(iv)	Half exceeding 24 hours	Daily allowance shall be calculated as indicated above
(v)	In case a member stays in Karnataka Bhavan in New Delhi, the actual charges for staying and food charges shall be claimed in lieu of daily allowance. The traveling allowance bill shall be accompanied by the bill issued by the Karnataka Bhavan specifying separately, the charges for lodging.	

SITTING FEE

Sl.No	Class of Coopertive Society	Sitting Fee
1	Class -I (a) and (b)	Rs.200.00 per day

NOTE: Provided that no member shall be paid both daily allowance and sitting fee. But he shall be tled only for either the daily allowance or sitting fee.

40.REMUNERATION FOR THE PRESIDENT

The president is entitled for Honorarium of Rs.2500/- Per month.

41.SUB-COMMITTEES:

It shall be competent to the board to constitute a business advisory committee, staff selection committee and such sub-committee for dealing with specific matters from among the directors in the interest of the siness of the federation and to fix up their duties and responsibilities and to record the proceedings of the sub-committees at the next meeting of the board. The committees so appointed shall in the discharge of the duties entrusted to them, confirm in all respects to these bye-law and to the instructions given by the board/Government/Registrar

42. FUNDS:

It shall be competent to the board to create funds out of the net profits for the purpose of observing silver jubilee, golden jubilee, diamond jubilee, platinum jubilee, centenary and such other celebrations. Such functions shall however be held with the prior approval of the Registrar of cooperative societies.

43. PRESIDENT :

The powers and the duties of the president shall be as under:

1. He shall be the Head of the federation and shall preside over the general meeting, meeting of the board, sub-committee meetings and meetings of any other committee that may be constituted.
2. He shall exercise general control and supervision over the affairs of the federation.
3. The vice-president, on written intimation in the absence by the president, shall exercise the powers of the president.

44. MANAGING DIRECTOR

With the prior approval of the Registrar of cooperative societies, the board may appoint a Managing director, who shall be the chief executive and Administrative officer of the federation. The Managing director shall be an ex-officio member of the board.

Notwithstanding any thing contained in the bye-laws, the state Government may appoint the Managing director not below the rank of Additional Registrar of cooperative societies for the state federation for such period and on such terms as it may deem necessary. The general management and the Executive administration of the affairs of the federation shall, subject to the control of the board, vest in the Managing director.

The board may delegate to him such powers and functions as it may deem fit for the conduct of business of the federation. The Managing director shall be the chief Executive head of the federation and shall control all the salaried staff and supervise their work in the day to day administration of the federation.

45. POWERS AND DUTIES OF THE MANAGING DIRECTOR:

The powers and duties of the Managing director shall be as follows:

1. Subject to the general supervision and control of the committee and such other conditions and restrictions as may be specified in the bye-law.
 - (a) be responsible for general supervision and control over the employees of the federation and be responsible for the day-to-day management and business of the society:
 - (b) carry on the authorised and normal business of the federation

- (c) Make arrangement for repayment of loans due to the State Government and loans obtained on Government guarantee and other loans, and shall send a report to the Registrar in this behalf.
- (d) be responsible for operating the bank accounts in accordance with the provisions of the bye-law and shall make arrangements for safe custody of cash:
- (e) sign and authenticate all documents of the federation for and on behalf of the federation
- (f) be the custodian of all records and documents of the federation and shall make arrangements for the correct maintenance of accounts and various books and records of the federation and for the correct preparation and timely submission of periodical statements and returns in accordance with the provisions of the Act, rules and bye-law and as ' directed by the Registrar or the Director of Co- operative Audit:
- (g) be responsible for convening the meeting of the general body, the committee of management and the sub-committee in consultation with the President or the Chairperson and recording and maintaining minutes of such meetings
- (h) assist the committee in the formulation of policies and objectives and planning
- (i) provide necessary information to the committee and appraise the committee the functions and operations of the society:
- (j) sue and be sued on behalf of the federation
- (k) Perform such other duties and exercise such other powers imposed or conferred on him under the Act, rules or bye-law.

In addition to the powers and duties specified in sub-section (4), the Chief Executive

- (a) shall have power to appoint with the approval of the committee and subject to the provisions of the Act, rules and the bye-law, necessary staff:
- (b) shall specify the powers, functions and duties of the employees of the federation

- (c) May conduct, defend, compound or abandon any suit or legal proceeding instituted by or against the federation or otherwise concerning the affairs of the federation and also allow in consultation with the President or Chairperson, reasonable time for payment or satisfaction of any claims or demand by or against the federation.
 - (d) may subject to the guidelines issued by the committee, enter into negotiations and execute contracts:
 - (e) may delegate any of his powers to any employee
2. He shall be the authority competent to sanction casual leave, maternity leave, earned leave etc., to all the employees of the federation. He may delegate the powers by an order to any officer/officers.
 3. He shall have the powers to initiate and conduct disciplinary proceedings against the employees of the federation, suspend, punish and dismiss the employees of the federation in accordance with the subsidiary rules. In the case of government employees taken on foreign service terms and conditions a report may be made to the government
 4. He shall draw, accept, endorse and negotiate bills of exchange and endorse, sell, transfer or otherwise deal with shares and government securities for or on behalf of the federation,
 5. He shall have powers to purchase articles (capital investment) in connection with working of the federation up to a limit of Rs. 50,000/- and subject to the condition that all the required formalities are completed before such purchases. Purchases beyond the said limit shall have the concurrence of the board.

He shall have powers to sanction purchase and other advance up to a limit of Rs.50000.00 and beyond the said limit shall have the concurrence of the board for the purpose of Business Activities viz purchase, general advances, TA advances and other advances in connection with the day to day business activities/office of the federation.

6. He shall along with the president, execute documents on behalf of the federation in favour of government, financing bank or other credit agencies for obtaining financial assistance to the federation
7. He shall formulate the policies regarding the procurement of consumer's articles, with the approval of the Business committee.
8. He shall guide, supervise and control the work of the branches and retail outlets.

9. He shall allocate and distribute work among the members of the staff including the administrative officer, Accounts officer, business manager and other managers
10. He shall arrange to prepare all the registers, vouchers, balance sheets and other documents required for the transaction of the business of the federation.
11. He shall see that the reports of audit, inspection and inquiry are placed before the board for consideration without delay and take further steps for rectification of defects pointed out therein and submission of rectification reports to the director of cooperative audit and Registrar of cooperative societies in time.
12. He shall arrange for proper and safe custody of all cash, documents, promissory notes, bonds and other properties belonging to the federation.
13. He shall arrange for the investment of funds in the best interest of the federation, subject to section 58 of the act.
14. He shall have power to lodge criminal complaint or authorise any person to launch a complaint against an employee, past employee, any member, past member and any other person causing deficiency in the assets of the federation by breach of trust or negligence or by misappropriation or retaining money of the federation.
15. He shall have power to transfer and post employees of the federation in the interest of smooth administration, in consultation with the president
16. He is competent to declare the probationary period of the employees who have completed satisfactorily the probation period.
17. He shall have power to appoint persons or person to manage the affairs of any cooperative society, the management of which has been entrusted to the federation and to make such changes from time to time as he thinks necessary.
18. He shall have power to sanction gratuity to the employees
19. He shall provide all assistance to the Returning officer for conduct of election to the committee and to make payment of expenditure incurred by Returning officer

20. May delegate any of his powers to any employee. The Administrative officer of the federation in the absence of Managing Director shall perform the duties of Managing Director.
21. He is authorised to purchase and procure bulk commodities in consultation with the President.

46. BUSINESS PROCEDURE:

1. The federation shall not deal with non member others than producers, manufacturers and their authorized wholesalers, National cooperative federations, state level apex cooperative institutions, statutory corporations, government or government aided institutions and State consumers federations of other states in the country.
2. Credit sales may be allowed by the board to its members in the following manner:
 - (i) The sale of goods shall normally be on cash basis. In exceptional cases, the board may allow credit sales to the members' societies subject to limitations imposed in this behalf by the board when it prepares the list of creditworthy members.
 - (ii) The board may allow credit sales to the member society to the extent of the limit that may be permitted from time to time provided that the limit shall not exceed twice the amount of shares contributed by said member societies.
3. The federation shall carry on wholesale and retail trade in all consumer articles.
4. All transactions by way of sales shall be strictly on cash basis to members and non members provided that credit facilities with or without interest as may be decided by the managing director shall be allowed to government and other government aided institutions as may be approved by the board.
5. The federation should as far as possible have varieties of articles, which would serve larger interests of consumers. The federation should stock provisions and other consumer articles with a quick turnover and which are in demand.

6. The federation shall purchase its requirements in bulk directly from the production or the manufacturing points as far as possible. While doing so preference shall be given to other cooperative organizations, public enterprises and government aided institutions.
7. Production of note book & hosiery products can be sold in the open market.

47. BUSINESS POLICY:

1. The federation shall aim at making purchases in bulk, directly from producers or manufacturers as the case may be or their authorized agents. As far as possible, the purchases of manufacturing items shall be from cooperative organization and public concerns.
2. The primary objective of the federation and its price fixation policy shall be to ensure that the retail price of the consumer goods is maintained at a reasonable level such that the federation itself is not put to any overall loss in doing so. The margin of profit may vary from commodity to commodity depending on the cost price, market condition possibilities of turnover etc. The federation shall therefore, follow the following principles in fixing up the selling prices.

(i) All goods should be sold at as near prevailing market price as possible on the basis of active price policy, The margin of profit being worked out so as to cover interest charges, handling, storage, managerial, overheads, insurance premium, transport and other incidental charges. While determining the selling prices, it should be ensured that over a period or time, the federation is not put to any loss. In case of certain commodities, there may be unforeseen loss in view of the prevailing market conditions and certain other factors. To compensate for such unforeseen loss or lesser margin of profit, it would be necessary for the federation to change comparatively higher margin of profit in case of the commodities for which the prevailing prices are more favorable.

(ii) The Managing Director shall determine the margin of profits in consultation with the President to be charged on various consumer goods on the basis of the principles enunciated above from time to time and fix up selling prices and effect changes, if necessary, in the selling rates in consonance with the market and price trends. In respect of the Units, the Unit officer shall fix up selling prices based on the margins of profit determined as above and effect changes, if necessary in the selling rates in consonance with the market and price trends with the approval of the Managing Director

48. POWERS AND FUNCTIONS OF THE BUSINESS ADVISORY COMMITTEE:

1. There shall be a business advisory committee consisting of 7 members, including the President, Vice-President, Managing Director and 4 elected Directors. The Managing Director will be the member convenor. The Managing Director shall make all purchases required by the Federation for day-to-day business and place the details before the business advisory committee for record. In respect of the units, the supplies of goods shall be obtained from the Head office to the maximum extent possible. The Unit officer shall be competent to make purchases of goods that cannot be supplied by the Head office but with the approval of the Managing Director
2. The business advisory committee will work under the overall supervision of the board.
3. The business advisory committee will arrange for the study of market conditions, market trends, arrivals, despatches., price trends and advise the Managing director in making the purchases.
4. Arrange to carry out the business of the federation, in accordance with the policy laid down by the board.
5. Arrange for procurement of goods from production and manufacturing points.
6. To review the margins of profit to be charged on various consumer goods periodically.
7. To determine the quantum of discount to be allowed on the old and damaged goods and to destroy any commodity which has become un saleable, unfit for consumption.
8. To consider recovery of shortages from the employees and to recommend to the board the representation for waiver of the shortages if found genuine.
9. To review the business of purchase and sales of the federation.
10. To do such other duties as may be entrusted to it by the board.

49. MEETING OF THE BUSINESS ADVISORY COMMITTEE:

. The business advisory committee shall meet as often as circumstances warrant, but not later than once in every two months

50. TERM OF OFFICE OF THE BUSINESS ADVISORY COMMITTEE:

The members of the business advisory committee shall hold office for a period of two and half years for which they are members of the board or till their successors are elected. The board shall fill up any interim vacancy occurring among the elected members of the business advisory committee for the remaining portion of the period from amongst themselves as per clause 48(1) of this bye law.

51. STAFF SELECTION COMMITTEE

There shall be staff selection committee appointed by the board consisting of the president, vice-president, Managing director, an official government nominee a representative of the social welfare department/backward class department and an elected director. The Managing director shall be the member secretary of the committee. This sub-committee shall be competent to select and appoint the employees of the federation of the rank of below the first division clerks. The Registrar of cooperative societies or the government may constitute a staff selection committee for selection and appointment of the employees of the federation of the rank of F D A's and above.

52. WORKING OF BRANCHES:

The board may decide on the location of branches with such staff as may be decided by the board and this staff shall work under the over all control and supervision of the Managing director. The powers and duties of the unit officers and other staff of the branches shall be as per the subsidiary rules that may be framed for the purpose. Notwithstanding anything contained in the bye-law, the unit officers shall have the powers to file civil and criminal proceedings against the employees for recovery of shortages and other dues.

53. AUDIT:

The federation may have one or more duly qualified Auditors under rule 441 of the Karnataka civil service rules from the Department of cooperative audit for the concurrent and final audit of accounts. The auditor shall have access to all the books of accounts, documents, papers, securities, cash and other properties belonging to the federation,

54. REGISTERS AND BOOKS OF ACCOUNTS:

The Managing director shall cause proper maintenance of books of accounts, Registers and other documents to be maintained as may be prescribed in the act and rules or by the Registrar.

55. TRADE FLUCTUATIONS FUND :

Trade fluctuation fund created to meet unforeseen losses incurred in connection with Business of the Federation. Contribution not less than 0.25% on the Purchases made during the year (excluding the value of the commodity purchased under Public distribution scheme) shall be credited to this fund before arriving at the net profit/Loss.

55.A . DISTRIBUTION OF PROFITS:

- (a) Not less than 25% of the net profit shall be carried to the Reserve fund.
- (b) out of the balance of the net profit, two percent to the co operative education fund and five percent to the sahakari kalyana Nidhi be provided

Note:- Until contribution to the cooperative education fund and sahakara Kalyana Nidhi are paid ,dividend to members shall not be disbursed

- c) The balance of net profit may be utilised for all or any of the following purposes namely
 1. Dividend on share as fixed by the board be paid to the members.
 2. Payment of Bonus to members on amount/volume of business to the extent not exceeding 75% of the remaining amount.
 3. Of the remaining, a sum equals to 25% of net profit to be carried to the building fund.
 4. Of the remaining, a sum equal to 10% of the net profit may be carried to the capital redemption fund.
 5. Balance amount, if any may be allotted to Common Good fund.

56. BONUS TO THE EMPLOYEES:

1. The employees of the state federation are entitled for bonus as per the payment of Bonus act.
2. Such of the employees of the federation who are not eligible for receiving bonus may be given ex-gratia as per rules.
3. The officer/official on deputation from govt. will be eligible for bonus and exgratia if the terms and conditions of deputation provide as such, or prior permission of the Registrar/govt. is necessary if no such terms of deputation are included

57. RESERVE FUND:

The reserve fund is indivisible and no member is entitled to claim a share in it.

58. CREDIT FACILITIES:

1. The member society may draw goods on credit basis. But such draws shall be restricted to twice the share capital invested by such member societies. Such draws shall be repaid within 60 days from the date of drawl failing which they shall be treated as defaulters. Besides, interest at 15% on such outstanding dues shall also be charged from the date default.
2. The members desirous of availing credit facilities shall execute an agreement in favour of the federation

59. REBATE

The rebate on purchase by member societies shall be paid according to the rules framed by the board of directors

60. SETTLEMENT OF DISPUTES

Any dispute defined in the cooperative societies act, which cannot be decided by the board shall be referred to the Registrar of cooperative societies in the manner prescribed under the act and rules.

61. MISCELLANEOUS:

All matters not specifically provided for in these, bye-law shall be decided according to the provisions of the act, and the rules. If there be no provision in the act, and the rules applicable to such matters, then the subject may be decided in such manner as may be directed by the Registrar.

Karnataka State Co-operative Consumers Federation Ltd.

No.4, Pampamahakavi Road, Chamarajpet, Bangalore 18.

SUBSIDIARY RULES

In exercise of the powers vested in the Board of Directors under the Bye Law no. 36 of the following subsidiary rules relating to the service conditions for employees are framed

1) DEFINITIONS :

1. **“Pay”** means the amount drawn by the employee as the pay which has been sanctioned for a post held by him substantively, or in an officiating capacity or which he is entitled by reason of his position in a particular cadre
2. **“substantive pay”** means the pay other than special pay, personal pay or emoluments classed as pay by the board, to which an employee is entitled on account of a post to which he has been appointed substantively or by reason of his substantive position in a particular cadre.
3. **“salary”** means pay and all other allowances .
4. **“approved service”** means, the service counting from the date of confirmation to the date of retirement.
5. **“Probation”** is the period of service from the date of appointment till confirmation spent before being confirmed in a permanent post.
6. **“Temporary service”** means service spent on a post held and prior to absorption in a permanent post.
7. **Special allowance** means an additional allowance granted to the employee in consideration of :
 - a) The special arduous nature of the duties involved.
 - b) A specific addition to the work of responsibility.
8. **“Hill Station Allowance”** means, allowance granted to employees working in Hill Station viz., M.M.Hills or such other Hill station at fixed rates per month in lieu of C.C.A.,

