

39. Interest on loans to members shall be charged at the rate to be fixed by the General Meeting with the previous sanction of the Registrar. In case of default penal interest shall be charged not exceeding 3% annually over the normal rate of interest, subject to the approval of the General Body.

40. All documents creating a charge or obligation on the Society shall be signed by the President, the Secretary and the Treasurer, Provided that in the case of receipts and cheques upto Rs.200 and receipts for deposits and repayments of loans, the President or Secretary and Treasurer may sign. All important documents of the Society shall be sealed with the Society's seal. The seal shall be kept in the custody of the Secretary.

XI. AUDIT

41. The Accounts of the Society shall be audited atleast once a year by an auditor appointed by the Registrar. The Society shall pay such Audit Fee as may from time to time fixed by the Registrar, Cooperative Societies, Delhi.

42. The following shall be the first charge on profits;

- (i) Contribution to Audit Fee as may be fixed from time to time by the Registrar;
- (ii) Any losses undergone by the Society;
- (iii) Necessary deduction for depreciation of machinery, building etc;
- (iv) All Insurance Charges;
- (v) All payments of Salaries, Provident Fund, Working Expenses;
- (vi) Interest on deposits etc.

The balance shall be the net profit of the Society

43. (i) Not less than 25% of the net profits shall be carried to the Reserve Fund which shall be indivisible and no member shall be entitled to any share in it.
- (ii) The Society shall credit a sum calculated at 2% of its profit subject to a maximum of Rs. 2500/- every year for contribution to the Cooperative Education Fund to be administered by the Registrar. The Registrar may frame regulation for the utilisation and the administration of the fund. Any such amount payable by the Society, shall be a charge on the funds of the Society.
- (iii) Dividend on shares may be paid not exceeding 12% per annum;
- (iv) The remaining amount, if any, may be allocated to any of the purpose detailed below or may be carried over:
- (a) Bad Debt Fund;
 - (b) Rebate on timely payment of loan etc. by the members including beneficiary members;
 - (c) Common Good Fund according to Section 47 of the Act, Expenditure out of the fund shall be incurred with previous approval of the Registrar;
 - (d) Dividend Equalisation Fund;
 - (e) Share Transfer Fund;
 - (f) Any other Fund required for business of the Society.