The DCS Act 2003

Section 58 - (1) A co-operative society may receive deposits, raise loans and receive grants from

external sources to such extent and under such conditions as may be specified in the bye-laws: Provided that the total amount of deposits and loans received during any financial year shall not exceed ten times of the sum of subscribed share capital and accumulated reserves: Provided further that while calculating the total sum of subscribed share capital accumulated reserves, the accumulated losses shall be deducted. (2) Subject to the provisions of sub-section (1), a cooperative society may accept funds or borrow fund for the fulfillment of its objects as are mutually contracted upon and approved by the general body of members of the co-operative society. (3) A co-operative society may issue non-convertible debentures or other instruments subject to the provisions of any law for the time being in force to raise resources for fulfillment of its objectives to the extent of twenty five per cent of its paid up share capital with the approval of general body of members with a provision for redemption fund for its repayment on maturity: Provided that in case of borrowing by a co-operative bank, it shall be in accordance with the directions, instructions and guidelines issued by the Reserve Bank from time to time.Restrictions on other transactions with non-members.