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Government of India  
Ministry of Agriculture & Farmers Welfare  
Department of Agriculture, Cooperation & Farmers Welfare  
(L & M Section)

OFFICE OF THE CENTRAL REGISTRAR OF COOPERATIVE SOCIETIES

Krishi Bhavan, New Delhi.

**CERTIFICATE OF REGISTRATION  
OF  
AMENDMENT**

In pursuance of the provisions of the Multi State Cooperative Societies Act, 2002, amendment to bye-law Nos. 1(i & ii), 2(iv), and 18(a) of **"The Agri-allied & Consumer Cooperative Federation Ltd., A-349, New Subzi Mandi, Azadpur, Delhi-110033"** are registered under section 11 of the Multi State Cooperative Societies Act, 2002 (39 of 2002).

The new name of the Society shall be **"Agri-allied & Consumer Cooperative Federation Ltd.,"** and new area of operation of the Society will now be confined to the the state of Delhi, Himachal Pradesh, **Uttarakhand, Gujarat, U.P., Kerala and Haryana.**

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

Given under my hand and seal this the 20<sup>th</sup> day of February, 2017.



*Ashish Bhutani* 20/2/17  
(Ashish Kumar Bhutani)

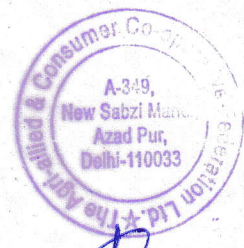
**Joint Secretary to the Government of India  
&  
Central Registrar of Cooperative Societies.**

To

Managing Director,  
Agri-allied & Consumer Cooperative Federation Ltd.,  
A-349, New Subzi Mandi, Azadpur, Delhi-110033



**BYE-LAWS  
OF  
AGRI-ALIED &  
CONSUMER  
CO-OERATIVE  
FEDERATION LTD. NEW  
DELHI**



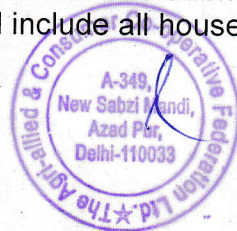
**BYE LAWS  
OF  
AGRI-ALIED & CONSUMER CO-OPERATIVE  
FEDERATION LTD. NEW DELHI**

**1. Name and area of operation**

- (i) The society shall be called **AGRI-ALIED & CONSUMER CO-OPERATIVE FEDERATION LTD.**, (herein after called the Federation or **ACCF**) and its registered address shall be at A-349, New Subzi mandi, Azad pur, New Delhi-110033. Any change in address shall be notified to the Central Registrar within 15 days of its change.
- (ii) The area of operation of the federation shall extend to Delhi, Himachal Pradesh, Uttarakhand, Gujarat, U.P, Kerala, and Haryana.

**2. Definitions**

- (i) The expression "Act & Rules" whenever it occurs in these bye laws shall mean the Multi State Cooperative Societies Act, 2002 and Rules 2002 as amended from time to time.
- (ii) "Central Registrar" means the Central Registrar of Coop. Societies appointed under the provisions to the MSCS Act.
- (iii) "Bye Laws" means the bye-laws registered under this Act and Rules.
- (iv) "Federation or ACCF" means **AGRI-ALIED & CONSUMER CO-OPERATIVE FEDERATION LTD.**
- (v) "Board" means the board of directors of the federation.
- (vi) "General Meeting" means a meeting of the general body of the federation and includes special general meeting.
- (vii) "Chief Executive" means a person appointed by the Board of Directors as the Chief Executive of the Federation in terms of these bye laws, by whatever name and designation.
- (viii) "Cooperative Principles" mean the cooperative principles specified in the Act.
- (ix) "Cooperative Year" means the period from 1<sup>st</sup> of April to 31<sup>st</sup> march.
- (x) "Member" means a cooperative society/any other institution or govt. which is admitted as member of the Federation and continues to be so for the time being.
- (xi) "Officer" means The President, Vice-President, Secretary, Managing Director, Managers, Member of the Board, Treasurer, Liquidator and Administrator appointed under the Act and includes any other persons empowered under the MSCS Act, Rules for the Bye-Laws to give directions in regard to business of the federation.
- (xii) "Consumer goods" means shall include all household goods of daily use.





### **3. Objects and Functions**

- (i) The objects of the Federation shall to assist and guide its member institutions as per the principles of cooperation including providing and obtaining supply support of agricultural commodities and consumer goods particularly procurement and distribution of items of mass consumption such as vegetables/fruits/dairy products/pulses of different kinds and other consumer goods in different states. In furtherance of these objectives, Federation may undertake the following activities :
  - a. To purchase and sale of the vegetables/fruits/other agriculture commodities including pulses, food - grains, cereals, edible oil, consumer goods, textile,stationary,drugs and medicine, hospital use items, cleaning material, other office use goods including dairy products.
  - b. Establish trade connections both in whole sale and retail business which may benefit its member societies.
  - c. Creation of funds to carry out its objects.
  - d. To purchase and sell such agriculture requirement such as seeds, pesticides, insecticides and all kind of organic, fertilizers, agriculture implements etc. to its members and state government.
  - e. To undertake distribution of diesel, petrol , CNG and other consumer items and obtain agencies from Govt. and other Business Institutions including petrol pump and gas agencies.
  - f. Undertake import and export of agricultural commodities for development of commercial activities.
  - g. Undertake bulk institutional supply of agricultural commodities and consumer goods to the cooperatives, Govt. agencies and govt. departments all over India as per their requirement.
  - h. Collaborate with any National Federation and State Level Federations to develop trade in consumer goods as also institutional supply of goods.
  - i. Arrange for processing and sale of consumer, agricultural, industrial and other products.
  - j. Obtain membership of organizations like Delhi state Cooperative Bank, IFFCO, NAFED, KRIBHCO, NCDC and NCUI facilitate development of business and promotional activities of the Federation.
  - k. Arrange for storage of products of the Federation & its member societies, where necessary.





- l. Establish trade connections with manufacturers, selling agencies, distribution agents, other cooperative organizations, Central & State Govt. & public enterprises.
- m. To establish units for manufacturing and processing of agricultural, horticultural and forest produce, wool/cattle and poultry feed, Dairy products etc.
- n. To obtain from both Central and State Govt. or other sources requisite facilities, assistance and financial aid for itself and its members for increasing production and for improving marketing facilities and cooperative functions.
- o. Purchase or take on hire vehicles and machinery etc, for the use of the Federation and its member societies and arrange for their maintenance.
- p. Manage and run transport and other utility services.
- q. Enter into contracts with both central & state govt., local bodies other persons and institutions to carry out the stated objects of the Federation.
- r. To purchase or take on mortgage/ lease buildings, godowns, shops etc. for its use.
- s. Promote consumer, industrial, agriculture, housing and other forms of co-operation.
- t. Undertake welfare activities for federation's employees and their children, for the promotion of their moral, educational and physical improvements.
- u. Generally help and guide its member societies to improve their working.
- v. To arrange man power service to government/state government/semi government offices and other institutes.
- w. To act as an insurance agent and to undertake all such activities which are incidental to the same.

#### **4. Membership**

4.1 The membership of the federation shall be open to:

- 4.1.1 Wholesale and primary cooperative societies registered within the area of operation.
- 4.1.2 State level consumer cooperative Federations within the area of operation reciprocal basis.
- 4.1.3 Organizations like NCDC and State Cooperative Union of Delhi and other states on mutually decided terms and conditions.
- 4.1.4 State Governments.
- 4.1.5 Central Government.

4.2 No society/organization shall be member of the Federation unless its written application for membership has been approved by the Board of Directors of the Federation and it has complied with the provisions of Bye-laws.

4.3 Every member shall pay Rs.100 as admission fee along with application, which shall not be refunded in any case.





- 4.4 When applicant's application for membership has been accepted by the Board of Directors and it paid its admission fee and has acquired at least 5 shares, it shall be deemed to have acquired all the rights, obligations and liabilities of a member of the Federation, as laid down in the Act, Rules and Bye-laws.
- 4.5 The Board of Directors will dispose of the applications seeking membership of the Federation within a period of 120 days. The Board of Directors will record the reasons for non-admitting a new member and the decision of the Board will be communicated to the applicant within 15 days of such a decision.

No member shall be admitted within 30 days prior to the date of holding of the meeting of the General Body of the Federation.

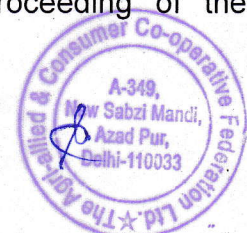
## **5. NOMINAL MEMBERSHIP**

Such other societies, institutions, public sector undertakings, government undertaking, govt. agencies and Individuals not covered in bye-law No.4 (1) to (5) above with whom the Federation is likely to do business or store goods or arrange sale thereof, provided the application for admission for such membership is received with the admission fee of RS.5000/-and is duly accepted by the Board of Directors, may be admitted as a nominal member. The admission fee shall not be refundable in any case. Such members shall not be entitled to subscribe to the shares of the Federation or have any interest in the management thereof including right to vote and to be elected as Director of the Board or participate in the General Body Meetings or in sharing of its profits, purchase rebates or liabilities.

## **6. Rights of Members**

Every member of the federation shall have the following rights:

- 6.1 One vote in the general body meetings of the Federation. No member shall be permitted to vote by proxy, provided that a cooperative society or a multi-State cooperative society or any other institution or a govt. which is a member of the federation shall appoint its representative by a resolution adopted by The Board to vote on its behalf in the affairs of the federation in the general body meetings.
- 6.2 Right to receive notice of general body meetings as per bye laws of the federation.
- 6.3 Right to attend and take active part in the proceeding of the committee(s) as per provisions in the bye-laws.





**6.4** Take part in elections and contest for any post as per provisions of the Act, Rules and bye-laws of the federation.

**6.5** Inspect member register, books of accounts or any record and obtain certified copies of the resolution or documents on payment of fees as may be prescribed by the federation from time to time or as per the provisions in the Act & Rules.

## **7. DISQUALIFICATION OF MEMBERSHIP**

No society shall be eligible for being or continue as a member of the Federation if:

**7.1** Its business is in conflict or competitive with the business of the Federation

**7.2** It did not attend the three consecutive general meetings and such absence was not condoned by two third majorities of the members attending the meeting.

**7.3** The society has used for two consecutive years the services below the minimum level i.e., The society has not undertaken annual transaction of the value of Rs.2000/- for two consecutive years.

**7.4** The society has defaulted in payment of any amount to be paid to the federation and has not cleared the dues after serving notice of 30 days.

## **8. CESSATION OF MEMBERSHIP**

Membership of the Federation shall cease:

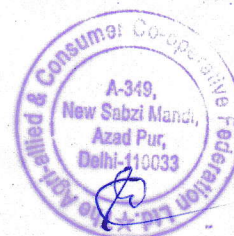
**8.1** When its resignation is accepted by the Board of Director.

**8.2** On disqualification under Bye-laws number 7.

**8.3** Ceases to hold the minimum number of shares prescribed in these By-laws

**8.4** On withdrawal of share capital after three month, with prior notice in writing to the Federation, provided that the member withdrawing does not owing anything to the Federation and is not surety for any unpaid debts.

**8.5** On cancellation of its registration.





## **9. Expulsion from membership**

A member of the federation may be expelled by the General Body by a resolution approved by 2/3<sup>rd</sup> majority present and voting:

If he attracts disqualification under bye laws no. 7.

- 9.1 If it fails to maintain minimum balance of share contribution.
- 9.2 If it applies for bankruptcy.
- 9.3 If it is convicted of a criminal offence involving moral turpitude.
- 9.4 If it internationally does any act which is likely to injure the interest of the federation or fails to observe proper discipline in regard to the work of the federation.
- 9.5 For any action which may be held by the general body to be dishonest or contrary to the stated objects of the federation or the interest of co-operation.

Provided that no member shall be expelled without being given opportunity of being heard.

## **10. LIABILITY OF MEMBERS**

The liability of the members for any deficit in the assets of the Federation shall be limited to the face value of their subscribed shares.

## **11. TRANSFER OF SHARES**

**11.1** A member or the nominee may transfer its shares to another member or applicant qualified under bye-law 4 subject to approval by the Board of Directors,

**11.2** The value of the shares in no case is more than the sum received by the Federation in payment thereof.

## **12. CAPITAL**

### **AUTHORIZED SHARE CAPITAL**

- 12.1 The authorized capital of the federation shall be Rs. 01 crores consisting of 10000 shares of Rs. 1000 each.

**Sources Of Funds:-**





- 12.2 (a) Share capital contribution from members  
(b) Deposits from members and loans from financing institutions as well as Govt.;  
(c) Realized profits.

### **13. INVESTMENT OF FUNDS**

The fund of the Federation when not employed in its business shall be invested or deposited as required under the relevant provisions of the Act & Rules.

### **14. MAXIMUM BORROWING LIMIT**

The Federation shall be eligible to receive deposits & loans receive grants from external sources upto ten times of its subscribed share capital plus accumulated reserves minus accumulated losses (if any) as per provisions in section 67 of the Act.

### **15. SHARES**

**15.1** Every member shall purchase at least five shares. Government may purchase shares of Federation according to their discretion.

**15.2** The value of the shares shall be paid in full along with the application for membership.

**15.3** Shares shall not be withdrawn or transferred otherwise than as provided in the Bye-Laws.

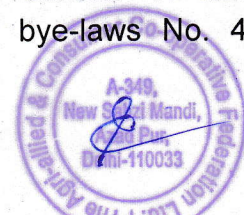
**15.4** The Federation shall have the right to set off any money due on any account from a member or past member or person claiming through them, payment of any sum which they owe to the Federation or for which they stand surety.

### **16. GENERAL BODY**

#### **A. Constitution, Meeting and Function**

**16.1** The ultimate authority of the Federation shall vest in the General Body of its members, subject to the provisions of the Act & Rules and the bye-laws.

**16.2** The General Body of the Federation shall consist of one representative of each member admitted under bye-laws No. 4.





Where in any meeting of the General Body or the Board of the Federation, a cooperative society or another Multi state Cooperative Society is to be represented, they shall be represented in such meeting through the Chairman/President or the Chief Executive or a member of the Board if such member is so authorized by the Board of such Cooperative Societies or other Multi State Cooperative Societies as the case may be and where there is no board of such Cooperative societies or other Multi State Cooperative Societies for whatever reasons, through the Administrator by whatever name called of such cooperative societies or other Multi State Cooperative Societies.

- 16.3 Every delegate present at the General Body Meeting shall have one vote, which shall be exercised by him in person and no delegate shall be permitted to vote by proxy.
- 16.4 The Chairman shall have a casting vote in the event of equality of votes in the meeting.
- 16.5 The instrument appointing a delegate by the member institutions on the General Body of the Federation shall be in writing and will be in force till the next General Meeting at which election shall be held. The certified copies of the resolution of the managing committee/Board of Directors of member institutions nominating their delegates on the General Body shall be sent to the Chief Executive of the Federation along with the instrument of nomination.
- 16.6 A special General Body Meeting may be called by the Chief Executive at any time on the direction of the Board or within one month after receipt of a requisition in writing from the Central Registrar or from the members stating the object of the meeting duly signed by at least  $\frac{2}{3}^{\text{rd}}$  of the total number of members. No business other than specified in the notice will be transacted in a special general body meeting. If the special meeting of Federation is not called in accordance with the aforesaid, the Central Registrar or any person authorized by him in this behalf may take action in accordance with section 40(2) of the Act.
- 16.7 The General body meeting called by the Board of Directors within six months after the close of the previous year i.e. by the 30<sup>th</sup> September each year, in the manner prescribed shall consider:
  - i. Consideration of the audited statements of accounts.
  - ii. Consideration of the audits report and annual report.
  - iii. Consideration of the audit compliance report.
  - iv. Disposal of net profits.
  - v. Creation of specific reserves and other funds.





- vi. Approval of the annual work programme and budget estimates for the next financial year.
- vii. Expulsion of members (if any).
- viii. To take note of the List of employees, who are relatives of Members of Board or of the Managing Director.
- ix. Amendment of bye-laws, if any.
- x. Formulation of code of conduct for the members of the board and officers.
- xi. Election of members of the board, if any.
- xii. To consider any other issue with the permission of the Chairman of the meeting.

16.8 If the Annual General Meeting as specified in bye-laws 16.7 above is not convened by 30<sup>th</sup> September, the Central Registrar or the person authorized by him in this behalf shall be competent to convene such Annual General Meeting within a period of ninety days from the date of expiry of the prescribed period and the expenditure incurred on such meeting shall be borne by the Federation..

16.9 At every Annual General Meeting, the Board of Directors shall lay a statement showing the details of the loans, if any given or goods sold on credit to any of the members of the Board or to the spouse or a son or daughter of a member of the Board during the preceding year or amounts outstanding against him or against such spouse or son or daughter of the member of the board.

16.10 The date, time and place of the General Body Meeting shall be announced at least 15 clear days in advance and in that of special General Meeting at least 7 days in advance by a notice in writing. The notice of the Annual General Meeting shall be accompanied by a copy each of audited balance sheet, profit and loss account together with the report of the auditors thereon relating to the preceding year and the report of the Board of Directors and budget estimates for the ensuing year.

16.11 The presence of at least 1/5<sup>th</sup> of the total number of members subsisting as such on the date of notice of the meeting shall be necessary when the business of the meeting is due to commerce, for the disposal of any business at a General Body Meeting. No proxy shall be allowed.

16.12 The Chairman or in his absence the Vice-Chairman or in their absence one of the other delegates elected for the purpose shall preside over the meeting..

16.13 If within half an hour from the time appointed for the meeting, a quorum is not presented, the meeting shall stand adjourned. Provided that the meeting which has been called on requisition of the members shall not be adjourned but dissolved. Where a meeting is adjourned, the adjourned meeting shall be held either on the same day or on





such date, time and places as may be decided by the Chairman or any other person presiding over the meeting. The adjourned meeting shall take place within maximum period of 7 days.

16.14 No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. No quorum will be necessary for the adjourned meeting.

16.15 The notice shall be sent to the members by speed/registered post/courier.

#### **B. DUTIES AND POWERS OF GENERAL BODY**

The duties and powers of the General Body shall be:

- I. To elect the members of the Board of Directors and suspend/remove them, except those nominated by the Government, on grounds mentioned in the bye-laws.
- II. To consider the annual report of the Federation, its audited balance sheet, profit and loss account, inspection notes (if any) of the Central Registrar or any other person authorized by him in this behalf.
- III. To dispose of profits in accordance with the Acts, Rules and these bye-laws.
- IV. To approve the budget and the programme of work for the next year.
- V. To lay down for the guidance of the Board of Directors general policy on the conduct of business of the Federation.
- VI. To amend the bye-laws.
- VII. To consider procedural matters relating to election of members of the Board of Directors.
- VIII. To suspend and /or expel members as per provision of Act, Rules and Bye-laws.
- IX. Consideration of audit compliance Report.
- X. Review of operational deficit, if any.
- XI. Creation of specific reserves and other funds.
- XII. Review of actual utilization of reserve and other funds.
- XIII. Approval of the long-term prospective plan and the annual operational plan.
- XIV. Any other matter laid before it by the Board of Directors.





## 17. AMENDMENT & BYE-LAWS

The amendments of the bye-laws shall be deemed to have been duly approved by the general body if a resolution in that behalf is adopted at a meeting of its general body or in a special general body meeting by not less than 2/3<sup>rd</sup> of the members present there and voting, provided 15 clear days notice of the proposed amendments has been given to the members. Such amendments shall be forwarded to the Central Registrar for the registration within a period of 60 days from the date of the meeting at which the resolution was adopted.

## 18. BOARD OF DIRECTORS

The Board of Directors shall be constituted for a period of 5 years as per Section 41 of the Act in the manner prescribed in the Schedule attached to the Rules.

The Board of Directors shall consist of following:

- (a) 15 Directors to be elected from the affiliated co-operative societies out of which 7 from Delhi 2 from Himachal Pradesh and minimum one Director from each other state. Every member will have voting rights for all Directors.
- (b) Nominee(s) of the Government / Organizations admitted under Bye Laws No. 4.1.3 and 4.1.4.
- (c) Chief Executive
- (d) Not more than two eminent cooperators, economists or management experts in the country may be co-opted by the Board of Directors provided that such co-opted Directors shall have no rights of vote nor shall be eligible to stand for election to the post of any office bearer.

## 19. ELECTION OF CHAIRMAN & VICE CHAIRMAN AND THEIR REMOVAL

The Directors shall elect the Chairman and one or ~~more~~<sup>Two</sup> Vice- Chairmen as per provisions in the Act & Rules and these bye-laws. The Chairman & Vice Chairman shall be elected from amongst of the elected Directors No member of the Board shall be eligible to be elected as Chairman or Vice-Chairman if he is a minister in the central govt. or state government. No member of the Board shall be eligible to be elected as chairman after he has held the office as such during two consecutive terms, whether full or part as per provision of section 44 of MSCS Act. The term of the chairman





and vice-chairman shall be co-terminus with term of the Board of Directors. In case of any casual vacancy, the Board will fill up the vacancy through election however if the terms of the board less than half than the board can nominate from the same class, as the case may be for the un-expired term of the Board, provided that the chairman and vice -chairman may be removed from their offices by a 2/3<sup>rd</sup> majority of the members of the board.

Any vacancy occurring from amongst the Directors where no election is involved or in case of change of nominee of the government(s) / Institutions shall be filled by fresh nomination from the government(s) / Institutions.

Any vacancy among the elected Directors under Bye Laws 18 (a) and (b) shall be filled by fresh election from the same group of members.

## **20. TERM OF THE BOARD OF DIRECTORS**

The term of the Board of Directors shall be five years from the date of election and they shall be eligible for re-election subject to the provision of the Act and Rules. All members of the Board of Directors including those elected/nominated in casual vacancies whether representing member institutions or who are members of the Board in other capacities shall vacate the respective offices on the same day on which their successors are selected/ nominated irrespective of the date on which they were selected as member of the Board.

## **21. DUTIES AND POWERS OF THE BOARD**

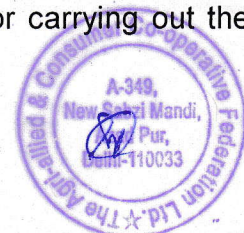
The Board shall exercise all the powers of the Federation except those reserved for the General Body and in particular, shall have the following powers and duties:

- (i) To observe and compile with the provisions of the Act, Rules and the bye-laws.
- (ii) To admit members and allot shares to them.
- (iii) To authorize convening of meetings of the General Body.
- (iv) To place before the General Body the Annual Report and Audit Report.
- (v) To decide the Federation's share contribution in other cooperatives and in respect of contribution of other institutions admitted under bye-law no. 4.1.3.
- (vi) To recommend to the General Body the distribution of profits.
- (vii) To prepare and lay before the General Body the programme of work for the ensuing year.





- (viii) To consider the inspection notes of the Central Registrar or of any other person authorized on his behalf and take necessary action.
- (ix) To decide matters relating to withdrawal, transfer, refund and forfeiture of shares.
- (x) To accept or reject the resignations from the members of the Board of Directors.
- (xi) To appoint the Chief Executive and suspend, punish and dismiss him (provided that suspension, punishment, dismissal and reversion of person appointed on deputation from Government or other institutions would be governed by the terms and conditions of deputation.) The appointment of Chief Executive will be made by the Board of Directors in terms of these bye-laws and service Regulations for the employees of the Federation.
- (xii) To authorize person or persons to sign on behalf of the Federation, the cheques, contracts, documents, receipts etc.
- (xiii) Appoint business associates.
- (xiv) Through any member or officer or employee of the Federation or any person specially authorized to institute, conduct, defend, compromise, refer to arbitration or abandon legal proceedings by or against the Federation, the Board, officers or employees concerning the affairs of the Federation.
- (xv) To make provisions for regulating the appointment of employees and the pay, allowances and other conditions of service, including disciplinary action against such employees.
- (xvi) To sanction posts for the administration of the Federation.
- (xvii) To arrange for safe custody of books and records and the property of the Federation and to maintain them in a good state and where necessary to arrange for their insurance.
- (xviii) To determine terms and conditions of commercial collaborations with cooperatives and others organizations
- (xix) To settle the terms and conditions regarding retirement of share capital contributions from the Government(s).
- (xx) To appoint from amongst the own members, the committees for specified purposes to conduct the business of the Federation efficiently. The Committees in discharge of the functions entrusted to them shall conform in all respect to these bye-laws and to the instructions given by the Board. The deliberations and decisions of the Committees shall be subject to review by the Board.
- (xxi) To construct, purchase or otherwise acquire godowns, trucks, machinery or the property considered necessary for carrying out the





business of the Federation and enter into contract for the purpose and disposal of any property of the Federation.

- (xxii) Consideration and approval of contracts/agreements as may be proposed by the Chief Executive.
- (xxiii) To appoint trustee(s) and attorney(s) for the business of the Federation.
- (xxiv) Laying down the criteria for determining the defaults by members.
- (xxv) To interpret the organizational objectives and setup specified goals to be achieved towards these objectives.
- (xxvi) To make periodical appraisal of operations.
- (xxvii) To raise funds within the approved borrowing limits as also to authorize opening, operations and closure of bank accounts as may be necessary from time to time.
- (xxviii) To take such other measures or to do such other acts as may be prescribed or required under the Act and Rules.
- (xxix) To decide the terms on which the Federation may deal with other organizations and other cooperative societies.
- (xxx) To devise such guidelines as may be necessary for associating the representative(s) of the employees in the decision making process.
- (xxxi) To delegate all or any of the powers, authority and discretion vested in the Board of Directors to the Chief Executive or other employees or Committee(s) subject to the ultimate control being retained by the Board.

In the conduct of the affairs of the Federation, the Board of Directors shall exercise the prudence and diligence of ordinary man of business and shall be responsible for any loss sustained through acts contrary to the Act, the Rules and these bye-laws.

(xxxii) The Board of Directors shall constitute executive committee and other committees or sub committees as may be considered necessary as per the act.

## 22. MEETINGS OF THE BOARD OF DIRECTORS

- (a) The Board shall meet at least once in every quarter provided that total number of the meetings of the Board shall not ordinarily exceed six in a year. For convening a meeting of the Board of Directors ordinarily 7 days notice shall be given in writing to each Directors specifying the place, date and hours of the meeting with a statement of business to be transacted.



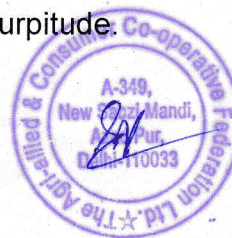


- (b) The Chief Executive shall convene the meeting of the Board at the instance of the Chairman or in his absence, the Vice-Chairman acting on behalf of the Chairman.
- (c) One third of the Directors of the Board (excluding Co-opted members) shall form a quorum.
- (d) The Chairman or in his absence the Vice-Chairman shall preside over all meetings of the Board. In their absence, members present in the meeting shall elect a chairperson for the meeting.
- (e) All questions before the Board shall be decided by majority of votes and in case the votes are equal, the Chairman shall have a second or a casting vote.
- (f) The minutes of the proceedings of the Board of Directors shall be entered in a minute book kept for the purpose and shall be signed by the Chief Executive and Chairman of meeting, the minutes so signed shall be the evidence of the correct proceedings of that meeting.

### 23. DISQUALIFICATION OF MEMBER OF BOARD

A member of the Board shall cease to hold office if he/she:

- (a) Becomes subject of any disqualification which would have prevented him from seeking election, had he incurred that disqualification before election in his institution.
- (b) Is a member of the committee of the member- institution which elected him as a delegate has been superseded.
- (c) Is a delegate of the member institution, the affairs of which are ordered to be wound- up.
- (d) Hold any office of profit in the Federation except the Chief Executive in Federation or a person elected by the employees of Federation to represent them on the Board of the Federation.
- (e) Has directly or indirectly any interest in any contract to which the Federation is a party except in transaction made with the Federation, as a member in accordance with the objectives of the Federation as stated in the bye-laws.
- (f) Ceases to be the nominee of the government or institution nominating them as per bye-law.
- (g) Has been convicted for an offence involving moral turpitude.





- (h) Has been adjudged by a competent court to be insolvent or of unsound mind.
- (i) Is a person against whom any amount due under a decree, decision or order is pending recovery.
- (j) An elected member of a Board who has acted adversely to the interest of the Federation on the basis of a report from the Central Registrar or otherwise (may be removed from the Board upon a resolution of the General Body passed at its meeting by the majority of not less than 2/3<sup>rd</sup> of the members present and voting at the meeting provided that the member concerned shall not be removed unless he has been given a reasonable opportunity of making representation in the matter).
- (k) Has been a representative of a member, which is a member of the Federation for the less than twelve months immediately preceding the date of such election or appointment.
- (l) Has taken loan or purchased goods on credit from the Federation or is otherwise indebted to Federation after the receipt of a notice of default issued to him by Federation, has defaulted in repayment of the price of the goods taken on credit, as the case may be, within the date fixed for such repayment or payment where such date is extended which in no case shall exceed six months, within the date so extended.  
Provided that a member of the Board who has ceased to hold office as such under this clause shall not be eligible, for a period of one year, from the date on which he ceased to hold office, for re-election as a member of the board of Federation or for the election to the Board of any other multistate cooperative society.
- (m) Is retained or employed as a legal practitioner on behalf of or against the Federation or on behalf of or against any other Cooperative Society which is a member of the Federation.
- (n) Has been convicted for any offence under the Act.
- (o) Absents himself from three consecutive Meetings of Board and such absence has not been condoned by the Board of Directors.
- (p) Absents himself from three consecutive General Body Meetings and such absence have not been condoned by the members in the General Body.
- (q) A person shall not be eligible for being elected as member of Board for a period of five years if the Board fails:-
  - (i) To conduct elections of the Board under the Act, Rules and Bye-laws.
  - (ii) To convene the Annual General Meeting under the Act, Rules and Bye-laws.





- (iii) To prepare the financial statements and present the same in the Annual General Meeting as per provisions in the Act, Rules and the Bye-laws.

#### **24. CHIEF EXECUTIVE OFFICER**

- (a) The Board of Directors shall appoint a Chief Executive Officer, who shall be a full time employee of the Federation on such terms and conditions for such period as it may decide.
- (b) (i) The Chief Executive Officer shall conduct the business and exercise control over the administration of the Federation subject to the overall control of the Board of Directors.
- (ii) He shall advise the Board of Directors and committee(s) of Board in framing the policies and programme of the Federation and implement these after approval.
- (iii) The Chief Executive Officer shall be a member of the Board and the Committees constituted under these bye-laws.

#### **25. FUNCTIONS AND DUTIES OF THE CHIEF EXECUTIVE OFFICER**

The following shall be the powers/duties of the Chief Executive Officer:

- (i) To summon the meetings of the General Body, Board of Directors, Committees of the Board, with the approval of the Chairman or under the instructions of the Chairman or in his absence, the Vice-Chairman authorized to carry out the functions of the Chairman by common consent or resolution of the Board of Directors for the purpose and participate in them but shall have no right to vote.
- (ii) To be responsible for the general conduct, supervision and management of the day-to-day business and affairs of Federation.
- (iii) To ensure proper maintenance of accounts of the Federation, prepare monthly reports on working results and to submit quarterly management reports to the Board of Directors.
- (iv) To receive all moneys and securities on behalf of Federation and to arrange for the safe custody of cash, records, properties and other assets of Federation.
- (v) To assist in the inspection of the books and records by various authorities empowered to do so under the Act, Rules and Bye-laws.



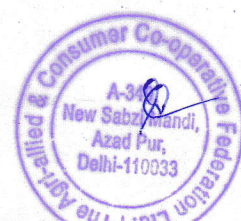


- (vi) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Federation or otherwise concerning the affairs of the Federation and also to compound and allow time for payment or settlement of any claim/demand, by or against the Federation.
- (vii) To certify copies of entries in the books.
- (viii) To authorize expenditure within the approved budget estimates.
- (ix) To keep in safe custody all the registers and other records of Federation.
- (x) To arrange for the safe custody of all the money received by Federation and all other properties of Federation and proper maintenance of accounts thereof and investment of funds of Federation subject to the provisions of the Act, Rules and directions of the Board of Directors.
- (xi) To sign all receipts for all money received and deposit receipts and to operate the accounts of Federation with the banks.
- (xii) To be the officer of Federation to sue or to be sued on behalf of the Federation and sign and execute bonds, agreements and other documents for and on behalf of Federation.
- (xiii) To determine the powers, duties and responsibilities of the employees of the Federation for ensuring proper conduct of the day-to-day business of Federation.
- (xiv) To present the draft annual report and financial statements to the Board of Directors within 30 days of the close of the year.

## 26. THE POWERS OF CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall exercise control and supervision of the administration of the Federation and to conduct the affairs of the Federation in conformity with the provisions in the Act and Rules and these Bye-laws and the decision of the General Body, Board of Directors, Committees of Board. He shall have in addition the following powers:

- (i) Subject to these bye-laws and such other rules particularly the service regulations and recruitment & promotion rules, framed from time to time and decisions of the Board of Directors appointment, suspension and punishment of employees of the Federation and to grant them leave, normal increments and other perquisites.
- (ii) To create temporary posts of casual nature for a period not exceeding three months to meet any emergent situation in respect of such categories of staff as may be decided by the Board of Directors.





- (iii) To initiate and carry on the business of the Federation and to take such steps as may be necessary for carrying on the day-to-day business of the Federation.
- (iv) Subject to such general commercial prudence or specific decision as the Board of Directors may decide to enter into negotiations and contracts and to rescind and vary such contracts and execute and do all such acts, deeds, and things in the name of and on behalf of Federation in relation to any of the matters about the commercial operations of Federation
- (v) To incur contingent expenditure within the approved budget provisions.
- (vi) To delegate all or any of the powers, authorities and duties vested in him to an employee or employees of the Federation subject to the ultimate control and authority being retained by him.

## **27. MAINTENANCE OF REGISTERS AND BOOKS OF ACCOUNTS**

- (i) The Chief Executive officer shall cause proper books of accounts, registers and other documents to be maintained as may be prescribed by the Act, Rules and the Bye-laws.
- (ii) Copies of the Bye-laws and the annual reports of Federation shall be supplied free on demand to any member. The last audited accounts shall be open to public inspection during office hours on all working days.

## **28. AUDIT**

- (a) The Board of Directors shall arrange for proper audit. As per the MSCS Act & Rules.
- (b) The General Body of the Federation in its Annual Meeting shall appoint Auditor(s) to conduct statutory audit of the accounts of the next year. Such Auditor(s) could be appointed from the panel of Auditor approved by the Central Registrar or from the panel of Auditor prepared by the Federation
- (c) The Board of Directors shall fix remuneration of the Auditor(s) depending upon the business transacted and volume of work involved.
- (d) The Appointment & Remuneration of the Auditors shall be passed by the General Body.





## 29. DISTRIBUTION OF NET PROFITS:

The net profit of Federation after tax and adjustments of carry forward losses, if any will be distributed/appropriated as follows:

- (1) (a) Not less than 25% to the Reserve Funds
  - (b) 1% to the cooperative Education Fund maintained by National Cooperative Union of India, New Delhi in the manner decided by the Board of Directors.
  - (c) Not less than 10% to the Business Reserve Fund for meeting unforeseen losses.
  - (d) The balance of net profit may be utilized for all or any of the following purposes namely:
    - (i) Payment of dividend to the members on their paid up share capital upto a maximum of 20%
    - (ii) Allocation/Contribution to such special funds including Education fund as may be decided by the board.
    - (iii) Donation of amount not exceeding 5% of the net profits for any purpose connected with the development of cooperative movement or Charitable Endowments Act, 1890.
- (2) Rebate on purchase/deferred discount to member institutions shall be paid as a charge against profits and in accordance with the rules framed from time to time by the Board of Directions.
- (3) Allocation and distribution of profits shall be made only after the annual audit and no dividend shall be paid otherwise than out of net profits and certified as such by the Auditors.

## 30. RESERVE FUND

Reserve Fund is indivisible and no member is entitled to claim any share in it.





### **31. DISSOLUTION**

The Federation may be wound up in accordance with the provisions of the Act and Rules.

### **32. Miscellaneous**

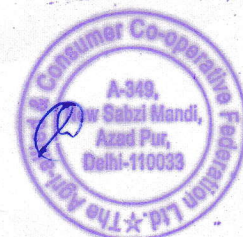
- (1) All matters not specifically provided for in these bye-laws shall be decided according to the provisions of the Act and if there is no provision in the Act and the Rules as applicable to such matter, then the subject may be decided in manner as may be decided/directed by the Central Registrar. Should any doubt arise as to the interpretation of the Act and Rules and the Bye-laws; the Board of Directors shall refer the matter to the Central Registrar, whose advice shall be binding.
- (2) Should there be a conflict between the bye-laws of the Federation and those of member institutions, the provisions of these bye-laws shall always prevail.

### **33. Validity of Decisions and Action**

No act of the General Body, Board of Directors or any Committee or sub-committee shall be deemed invalid by reasons of any defect in the election of the members thereof or by reasons of any vacancy therein not having been filled in accordance with these bye-laws.

### **34. Settlement of Dispute:**

Any Dispute arising between the members ( including past members) and with the members of the Federation or its Board, Officers, Agents, touching the constitution, management or business of Federation will be referred to arbitration as provided for in section 84 of the Act.





**35. Inspection of Documents:**

The Federation shall keep copies of the Act, Rules and Bye-laws and list of its members for inspection during office hours at its Head Office

**36. Filing of Returns:**

The Federation will be required to file the following returns to the Central Registrar within 6 months of the close of the year.

- i. Annual Report.
- ii. Audited Statements of Accounts.
- iii. Proceedings of the Meeting of the general body (including proposal of amendment of bye-laws & constitution of Board of Directors).
- iv. Any other document/information as may be required by the Central Registrar.

