

**BYE-LAWS**  
**of**  
**Ram Agro Marketing Cooperative Society Limited**  
**(Registered under Multi-State Cooperative Societies Act, 2002)**  
**(Registration No.: MSCS/CR/271/2008)**

**1. Name and area of operation**

- a) The name of the Society shall be **Ram Agro Marketing Cooperative Society Ltd.**
- b) The principal place of business and the Registered Office of the Society shall be situated at C-47, Lane 4, Mahendru Enclave, Delhi - 110009. The e-mail address of the Society shall be [ramco.agro@gmail.com](mailto:ramco.agro@gmail.com). Any change in the address shall be notified to the Central Registrar within 15 days of its change and also published in local newspaper and shall be made by an amendment of its bye-laws after following the procedures laid down in Section 11 of the Multi State Cooperative Societies Act, 2002.
- c) The Society shall have a common seal. The common seal shall be kept in the safe custody of the Officer (as defined below) authorised by the Board and shall be used on the authority of a resolution of the Board constituted under these Bye-laws;
- d) The area of operation of the Society shall be confined to the States of Delhi and Haryana only.
- e) The Society is a body corporate which shall sue and be sued in its name.

**Definitions**

**2. Definition:**

(1) The words/expressions appearing in these bye-laws shall have the following meaning unless otherwise provided:-

- a) “Act” means the Multi-State Cooperative Societies Act, 2002 as amended from time to time.
- b) “Area of Operation” means the area from which the persons can be admitted as Members of the Society.
- c) “Authority” means the Co-operative Election Authority established under sub-section (1) of section 45 of the MSCS Act, 2002.
- d) “Board” means the Board of Directors of the Society;
- e) “Bye-laws” means the bye-laws of the Society for the time being in force which have been duly registered or deemed to have been registered under the Multi-State Cooperative Societies Act, 2002 in force and includes amendments thereto which have been duly registered or deemed to have been registered under the MSCS Act, 2002.
- f) “Central Registrar” means the Central Registrar of Cooperative Societies appointed as per clause(f) of Article 243- ZH of the Constitution read with sub-section (1) of Section 4 of the MSCS Act, 2002, and includes any Officer empowered to exercise the powers of the Central Registrar under sub-section (2) of that section;

- g) “Chief Executive” means Chief Executive/Managing Director, by whatever name he may be called, of the Society;
- h) “Cooperative Bank” means a Multi-State Cooperative Society which undertakes banking business;
- i) “Co-operative Ombudsman” means the Ombudsman appointed by the Central Government under section 85A of the Act;
- j) “Cooperative Principles” means the cooperative principles as specified in the first schedule of the Multi-State Cooperative Societies Act, 2002;
- k) “Cooperative Society” means a cooperative Society registered or deemed to be registered under any law relating to cooperative societies for the time being in force in any State or Union Territory;
- l) “Defaulter” means a member who has defaulted in payment of any kind of dues payable to the Society;
- m) “Delegate” means a person who is duly appointed/elected by the members of the Society or part thereof in accordance with its bye-laws as its representatives to the General Body of the Society or a person who is duly authorized by the Board of the member Society to represent the Society in General Body of the Society of which the Society is a member;
- n) “Deposit Insurance Corporation” means the Deposit Insurance and Credit Guarantee Corporation established under Section 3 of the Deposit Insurance Corporation Act, 1961;
- o) “Federal Cooperative” means a federation of cooperative societies registered under the MSCS Act and whose membership is available only to a cooperative Society or a multi-state cooperative society;
- p) “Financial Year” means the year ending on the 31st day of March of the year;
- q) “General Body”, means all the Members of the Society;
- r) “General Meeting” means a meeting of the General Body of the Society and includes special general meeting;
- s) “Member” means persons joining in the application for registration of the multi-state co-operative society and includes a person admitted to membership after such registration in accordance with the provisions of the MSMC Act, 2002, the MSMC Rules, 2002 and Bye-laws of the Society;
- t) “Multi-State Cooperative Society” means a co-operative society registered or deemed to be registered under the Multi State Cooperative Societies Act, 2002;
- u) “National Cooperative Society” means a Multi-State Cooperative Society specified in the second schedule to the Multi-State Cooperative Societies Act, 2002;
- v) “Nominal or Associate Member” means a person who has been admitted as a nominal member or associate member under the bye-laws of the Society;
- w) “Officer” means a President, Vice-President, Chairperson, Vice-Chairperson, Chief Executive, Secretary, manager, Members of the board, Treasurer, Liquidator, an Administrator appointed under Section 123 and includes any other person empowered

under Multi State Cooperative Societies Act or the rules or the Bye-laws to give direction in regard to business of the Society;

- x) “Person” means an adult individual, proprietary concern, a partnership firm duly registered under the Indian Partnership Act, 1932, a Company or any other body corporate constituted under the law for the time being in force, a society registered under the Societies Registration Act of 1860, a Trade Union registered under the Trade Union Act 1926, State Government and Public Trust registered under any law for the time being in force for registration of such trusts subject to amendment in the Act;
- y) “Reserve Bank” means the Reserve Bank of India constituted under the RB Act, 1934 (2 of 1934);
- z) “Rules” mean The Multi-State Cooperative Societies Rules, 2002 as amended from time to time.
- aa) “Society” means Ram Agro Marketing Cooperative Society Limited.

(2) Unless the context otherwise requires, words and expressions used and not defined herein, shall have the same meaning respectively assigned to them under the MSCS Act, 2002, and the MSCS Rules, 2002, as may be amended from time to time.

### **Objects and Functions**

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

##### **(a). Objects:**

The principal object of the Society will be to promote the interests of all its Members, present in the states/UTs of Delhi and Haryana, to attain their social and economic betterment through self-help and mutual aid in accordance with the cooperative principles. The detailed objects shall be as follows:

1. To undertake cultivation, procurement, processing, storage, marketing, trading of agriculture, horticulture, forest, dairy and animal based produce;
2. To promote natural farming in order to generate higher income for farmers, members and also improve general health of the masses;
3. To undertake manufacture and distribution of agricultural machinery, implements and other agrarian inputs;
4. To undertake knowledge building and information spread amongst the rural masses and farmers about agriculture and water conservation;
5. To undertake spreading of awareness amongst the rural masses and farmers on latest technological developments and other global developments in the field of agriculture;
6. To undertake furtherance of Governmental objectives of integrated rural development, to promote Government policies aimed at upliftment of masses and poverty alleviation, education, health, standard of living;

7. To undertake activities to improve skills among masses and also support livelihood opportunities;
8. To undertake development of renewable and non-renewable sources of energy, developing synergy with Government and International bodies, providing affordable solutions to energy requirement of the farmers and masses;
9. To achieve integrated development of its members and their families.

**(b). Functions:** In furtherance of these objectives, the Society will undertake, inter alia, the following activities:

1. To develop and undertake Jatropha plantation, nurseries, extraction of oil, processing, storage, marketing, international cooperation, knowledge creation and awareness, with or without Government support and in consonance with Government policies;
2. To procure, sell, process, market, store the agriculture produce such as pulses, rice, cereals etc.;
3. To manufacture, sell, trade, storage, preservation and marketing of agricultural products, tools and implements, seeds, fertilizers and other agrarian commodities;
4. To build awareness and capacity among members for adopting sustainable natural farming practices through training, demonstrations, and expert collaboration;
5. To develop market linkages, certification, branding, and value chain support for naturally farmed produce, ensuring better income for members and promoting public health;
6. To undertake manufacture of agricultural machinery and implements, processing, packing etc. and other production requisites and consumer articles by setting up manufacturing units either directly or in collaboration with or as a joint venture with any other agency, including import and distribution of spare-parts and components for up-keep of the machinery implements/ agriculture inputs;
7. To establish units for processing of agricultural, horticultural and forest produce, wool/ cattle and poultry feed and any other agriculture or animal based item;
8. To maintain transport units of its own or in collaboration with any other organization in India or abroad for movement of agriculture goods or products;
9. To undertake grading, packing and standardization of agricultural produce and other articles;
10. To undertake sale, purchase, import, export and distribution of agricultural commodities, horticultural and forest produce, other articles and goods from various sources for pursuing the business activities and to act as the agency for export, import and inter-state trade of agricultural and other commodities; and to facilitate these activities wherever necessary to open branches/ sub-offices and appoint agent at any place;
11. To arrange specialized training for the employees and members, masses on technological aspects, knowledge building and awareness on international developments;
12. To act as an insurance agent and to undertake all such activities which are incidental to the same;

13. To facilitate, co-ordinate and promote marketing and trading activities of the Cooperative Institutions in agricultural and other commodities, articles and goods;
  14. To act as agent of any Government Agency or cooperative institution, for purchase, sale, storage and distribution of agricultural, horticultural, forest and animal husbandry produce, wool, agricultural inputs and other consumer goods;
  15. To set up storage units for storing various commodities and goods, by itself or in collaboration with any other agency in India or abroad;
  16. To guarantee loans or advances or give undertakings on behalf of any other cooperative society or company to any financing institutions;
  17. To undertake marketing research and dissemination of market intelligence;
  18. To subscribe to the share capital of other cooperative institutions as well as other public, joint and private sector enterprises if and when considered necessary for fulfilling the objectives of the Society;
  19. To advance loans to its members and other cooperative institutions on the security of goods or otherwise;
  20. To collaborate with any international agency or a foreign body for development of cooperative marketing, processing and other activities for mutual advantages in India or abroad relating to agriculture;
  21. To enhance employability and promote sustainable livelihoods through skill development, entrepreneurship support, and cooperative-based enterprise models, in collaboration with government schemes, private sector, and development agencies;
  22. To do all such things or undertake such other business or activities as may be incidental or conducive to the attainment of any or all of the above objectives.
- (c). The Society shall not indulge in any credit/ deposit related functions.

### **Members & Membership of the Multi-State Co-operative Society**

#### **4. Membership**

(a) The Society shall have following categories of membership:

- i. Ordinary Members
- ii. Nominal or Associate Members

#### **(b) Who can be Ordinary Members:**

(i) Any person who resides within the area of operation of the Society and who genuinely needs the services provided by the Society and whose interest does not conflict with the interest of the Society;

(ii) No person shall be admitted as a member of the Society except the following namely:-

- a) An individual, competent to contract under section 11 of the Indian Contract Act, 1872;

- b) Any multi-State co-operative society or any co-operative societies (except similar type of Cooperative);
- c) The Central Government;
- d) The State Governments;
- e) The National Co-operative Development Corporation established under the National Co-operative Development Corporation Act, 1962;
- f) Any other Corporation owned or controlled by the Government;
- g) Any Government company as defined in section 617 of the Companies Act, 1956;
- h) Such class or classes of persons or associations of person may be permitted by the Central Registrar having regard to the nature and activities of a multi-state cooperative society;
- i) Self-help groups and their federations;
- j) Farmer producers organisations registered under both Cooperative Societies Act and Producers Companies Act;

(iii) No right of membership shall be exercisable until a person has paid all dues to the Multi-State Cooperative Society including the payment in respect of membership or has availed such minimum level of product or services as specified in these Bye-laws from time to time;

(iv) Every Member shall pay an admission fee as specified in the Bye-laws of the Society.

#### **(c) Conditions for Ordinary Membership**

- (1) An applicant will be enrolled as ordinary member upon fulfilling the following conditions:
  - a) He has applied in writing in the prescribed form;
  - b) He has paid admission fee of Rs. 10/- and acquired at least one share of the Society;
  - c) He has given a declaration that he is not a member of any other similar co-operative society;
  - d) He has fulfilled all other conditions laid down in the acts, the rules and the bye-laws;
  - e) The Board of Directors of the Society approves the application to admit as a member.
- (2) No person shall be eligible for admission as a member of the Society if he –
  - a) has not attained the age of 18 years;
  - b) has been adjudged by a competent court to be an insolvent or an un-discharged insolvent;
  - c) has been sentenced for any offence, other than offence of a political character or an offence not involving, moral turpitude and dishonesty and a period of five years has not elapsed from the date of expiry of the sentence.

#### **5. Nominal or Associate Members**

- a) Society may, in the interest of promotion of the business of the Society, admit a person as Nominal Member or Associate Member on payment of fee of Rs. 25/- only;
- b) Such Nominal or Associate Members will not be allowed to have any interest in the management of the Society including right to vote, contest election as director of the Board or participate in the General Body meetings of the Society;

- c) The Society can issue non-voting shares to such Nominal or Associate Members, which may not confer any interest or any right in the management of the Society, as noted in these Bye-laws.

## **6. Application for Admission as a Member of the Society**

The application for membership of the Society shall be submitted by the applicant to the Chief Executive of the Society in the prescribed form, accompanied by admission fee of Rs. 10/-. An applicant shall also subscribe to at least one fully paid share at the time of application.

## **7. Disposal of Application for Admission as a Member**

The application for membership of the Society found complete in all respects shall be disposed of within a period of four months from the date of receipt of the application by the Society and the same shall be communicated to the applicant within fifteen days of the decision.

## **8. Authorised Share Capital:**

- a) The authorized Share Capital of the Society is Rs. 25 lacs divided into 2500 shares of Rs. 1000/- each;
- b) Money on shares shall be paid in full at one time and Share Certificates shall be issued on realization of the full amount subscribed for;
- c) The Society at its General Meeting, may from time to time, increase the authorized share capital by creation of new shares of such number and amount as may be deemed expedient with the prior approval of the Central Registrar;
- d) No member other than the authorities referred to in clauses (c) to (g) of sub section 1 of section 25 of the Act, shall hold more than 1/5<sup>th</sup> of the total share capital of the Society;
- e) The Members of the Society can hold up to 20% of the total share capital of the Society (not exceeding one-fifth of the total share capital), subject to exceptions under Section 33 of the MSCS Act, 2002.

## **9. Disqualifications of Membership:**

- (a) No person shall be eligible for being or continuing as a member of the Society if:
  - i. Her/his business is in conflict or competitive with the business of the Society;
  - ii. She/he has defaulted in payment of any dues including contributions, subscriptions, if any, as may be decided by the board of the Society from time to time;
  - iii. She/he has not attended three consecutive general body meetings of the Society and such absence has not been condoned by the members in the general body meeting;
  - iv. She/he fails to use the minimum level of the products or services as specified in the bye-laws for two consecutive years, as may be decided from time to time by the General Body;
  - v. She/he actions are not considered conducive to the working of the Society.

## **10. Cessation of Membership:**

(a) The membership of the Society may cease in case of:-

- i. Resignation or death of the of member;
- ii. Cancellation of registration of the Society;;
- iii. Transfer of all the shares to another Society
- iv. Expulsion of member by the General Body;
- v. Fulfilling any disqualification criteria of membership.

### **11. Withdrawal from Membership:**

A member may withdraw and resign his/her membership after two years and giving at least 3 months notice in writing and withdraw his/her share capital with the approval of the Board of Directors. The approval shall not be given while such a member is indebted to the Society. It shall be ensured that during any financial year, the aggregate withdrawals shall not exceed 10% of the total paid-up share capital as on 31<sup>st</sup> March of the preceding year.

### **12. Expulsion of Members:**

a. Society may, by a resolution, passed by a majority of not less than two-third of the members present and voting at a general meeting held for the purpose, expel a member in the following events:

- i. For acts which are detrimental to the proper working of the Society;
- ii. Default in payment of dues as per Bye-laws for a continuous period of one year;
- iii. Actions which are conflicting or competitive with the interest or activities of the Society;

b. No member of the Society who has been expelled shall be eligible for readmission as a member of the Society for a period of three years from the date of such expulsion;

c. On expulsion from the Society, a person shall cease to be a member. Such expulsion may involve forfeiture of Shares at the sole discretion of the Society;

d. Provided that the member concerned shall not be expelled unless she/he has been given a reasonable opportunity of making representation in the matter.

### **13. Rights and Duties of Members:**

(a) The members shall have the following rights and duties:-

- i. A member shall be entitled to exercise his right as a member from the date of admission;
- ii. One vote in the General Body meetings of the Society and no Member shall be permitted to vote by proxy;



- iii. Right to receive notice of General Body meetings as per the bye-laws of the Society;
- iv. Right to attend and take active part in the proceedings of the General Body;
- v. Right to take part in elections and contest for any post as per provision of the Act, Rules and Bye-laws of the Society;
- vi. Right to inspect Membership Register, Books of Accounts or any other record and obtain certified copies of the Resolutions or Documents on payment of fee as may be prescribed by the Board of Directors from time to time.

#### **14. Liability:**

- a) The liability of a member shall be limited to the share capital subscribed by her/him;
- b) The quantum of liability of a past member or of the Estate of a deceased member of the Society for the debts of the Society shall be:
  - i. In the case of a past member, on the date on which he ceased to be a member;
  - ii. In the case of a deceased member, two years from the date of death;
- c) However, where the Society is ordered to be wound up under Section 86 of the Act, the liability of a past member who ceased to be a member or of the estate of a deceased member who died within two years immediately preceding the date of the order of winding up, shall continue until the entire liquidation proceedings are completed, but such liability shall extend only to the debts of the Society as they existed on the date of cessation of membership or death, as the case may be.

#### **15. Share Certificate:**

- a) Every person admitted as a member of the Society shall be entitled to receive in gratis a Share Certificate stating the number of share/shares and their distinctive number / numbers and the value thereof. The Chairperson or any Director duly authorized shall sign the share certificates. The Share Certificate shall bear the Society's seal;
- b) If any certificate were worn out, defaced, mutilated, destroyed or lost, new share certificate/s may be issued in lieu thereof on payment of a fee as prescribed by the Board per share certificate and upon the delivery of the worn out or defaced original for cancellation and in the case of destruction or loss of the original, upon production of proof thereof to the satisfaction of the Board and on giving indemnity to the Board of Directors may deem require and upon such terms and conditions as the Board of Directors may think fit.

#### **Transfer of Shares, Nomination, and Death of a Shareholder**

#### **16. Transfer of Shares:**

A member may transfer his/her share or shares after holding them for not less than one year to the other member. The Board of Directors may approve such transfer of shares from the existing members on compliance of such terms and conditions as may be fixed by the Board of Directors.

### **17. Nomination:**

- a) A member may nominate a person to receive the member's interest in the Society after his/her death. Nomination shall be made in the prescribed form and entered in the Register kept by the Society in its registered office for the purpose. Prior approval of the Board shall be necessary if the person to be nominated is an employee of the Society;
- b) Nomination can be revoked and fresh nomination made after due intimation in writing to the Society and on payment of prescribed fee as may be determined by the Board of Directors from time to time for every subsequent nomination.

### **18. Death of a Member:**

- a) On death of a member, the Society may pay or transfer to the person or persons nominated a sum representing the value of the member's interest in the Society within six months from the death of the member;
- b) In the absence of nomination, the Society may pay to such person or persons as may appear to the Board of Directors to be entitled to receive the same as heirs/legal representatives of the deceased member on execution of an appropriate deed of indemnity in favor of the Society; or
- c) The Society shall pay to such nominee, heir or legal representative, as the case may be, a sum representing the value of such Member's share or interest as ascertained in accordance with the MSCS Rules, 2002.

### **Lien, Capital & Funds, & Maximum Borrowing Limit**

### **19. Lien on Shares, and Dividends**

The Society shall have the first and paramount lien or charge upon all the shares, and dividends of any member or past member for all dues from him/her to the Society from time to time. The Society may set off any sum credited by or payable to the member or past member against payment of any liability of such Member or past-Member.

### **20. Capital and Funds:**

- (a) The funds of the Society shall be raised in the following manner:
  - i. Share Capital;
  - ii. Admission fees;
  - iii. Loans, Cash Credits, Overdrafts from any individual, firm, Banks or any financial institutions, National Cooperative Development Corporation or any other Agency;
  - iv. Donations, grants and subsidies;
  - v. Borrowing from voting members;

vi. Profit.

(b) The funds of the Society shall be applied to achieve the objectives of the Society.

### **21. Maximum Borrowing Limit**

The total amount of loans received shall not exceed such multiples as may be determined by the Central Government of the sum of subscribed share capital and accumulated reserves minus the accumulated losses.

## ***General Body & Meetings***

### **22. Constitution of a General Body:**

The General Body of the Society shall consist of all members of the Society. Subject to the provisions of the Act, the Rules and the bye-laws, the ultimate authority of the Society shall vest in the General Body.

### **23. Annual General Meeting**

The Board of the Society under a resolution shall within six months after the close of the corresponding year call the Annual General Meeting at the principal place of business of the Society. All the general meetings shall be called at Delhi and all the meetings will be in hybrid mode enabling higher participation.

### **24. Powers and Functions of the General Body:**

- i. Consideration of the audited statement of accounts;
- ii. Consideration of the audit report and annual report;
- iii. Consideration of the audit compliance report;
- iv. Appointment of Auditors;
- v. Approval for appointment of Auditors & fixation of remuneration;
- vi. Disposal of net profit;
- vii. Review of operation deficit, if any;
- viii. Creation of specific reserves and other funds;
- ix. Approval of the annual budget;
- x. Review of actual utilization of reserve and other funds;
- xi. Creation of specific reserves and other funds;
- xii. Approval of the long-terms perspective plan and the annual operational plan;
- xiii. Review of annual report and accounts of subsidiary institution, if any;
- xiv. Expulsion of members;

- xv. List of employees who are relatives of members of the Board or of the Chief Executive Officer;
- xvi. Amendment of bye-laws, if any;
- xvii. Formulation of code of conduct for the members of the Board and officers;
- xviii. Election and removal of members of the Board, if any;
- xix. Consider a statement showing the details of loans or goods on credit if any given to any member of the Board or Society or to the spouse or son or daughter of the member during the preceding years outstanding against him or them;
- xx. Any other matter to be laid before it by the Board.

## **25. Special General Body Meeting:**

The Chief Executive, may at any time, on the direction of the Board, call a Special General Body Meeting of the Society and shall call such meeting within one month after the receipt of requisition from the Central Registrar or from 1/5<sup>th</sup> of the total number of members of the Society to transact the business as stated in notice of the meeting.

## **26. Notice for Annual General Meetings and the Special General Meetings:**

- a) Annual General Meeting of the Society may be called by giving not less than 14 days' notice in writing to all the members of the Society;
- b) Special General meeting of the Society may be called by giving not less than 7 days' notice in writing to all the members of the Society;
- c) The notice of the Annual General Meeting shall be accompanied by a copy of each of the audited balance sheet, profit and loss account together with the auditors' report relating to the preceding year and the report of the Board of Directors thereon;
- d) The notice of General Body meeting shall be sent to members through postal/email/social media group or any other faster mode of communication and notice of the General Body meeting shall also be affixed on the notice board of the Society and its branches if any.

## **27. Quorum of the General Body Meeting:**

- a) The quorum for the General Meeting shall be 1/5<sup>th</sup> of the total number of members or 50 members, whichever is less;
- b) No business shall be transacted at any general meeting unless there is a quorum at the time when the business of the meeting is due to commence;
- c) If within half an hour from the time appointed for the meeting, quorum is not present, the meeting shall stand adjourned and would be held after half an hour at which the quorum will not be required;
- d) If at any time during the meeting sufficient number of members are not present to form the quorum, the Chairperson or the member presiding over the meeting on his own, or on his attention being drawn to this fact, shall adjourn the meeting and the business that

remains to be transacted at this meeting, if any, shall be disposed off in the usual manner at the adjourned meeting;

- e) Where a meeting is adjourned under sub-clause (iii) or (iv) the adjourned meeting shall be held either on the same day or on such date, time and place as may be decided by the Chairperson or the member presiding over the meeting; but within seven days of the adjourned meeting;
- f) No business shall be transacted at any adjourned meeting other than the business on the agenda of the adjourned meeting;
- g) The adjourned meeting will transact its regular business even without the quorum being present at the meeting.

### **Elections**

#### **28. Elections for Members of Board:**

- (a) The Chairperson and the Chief Executive of the Society shall inform the Cooperative Election Authority, six months before the expiry of the term of the existing Board, to conduct the elections within time, and shall provide all necessary support to the Authority to conduct elections for the Society;
- (b) The Society shall bear all expenses related to the elections & follow all the directions of the Cooperative Election Authority in this matter;
- (c) No person shall be eligible to be elected as a member of the Board or office bearer of a Multi-State Cooperative Society, unless he is an active member of the General Body of that Society;
- (d) A copy of the list of Members eligible to vote shall be supplied by the Chairperson/ or any other person authorised by him/her on his behalf, to any member of the Society on payment of rupees one hundred or as prescribed from time to time;
- (e) For filing nomination as a candidate for election to fill a seat on the Board, the candidate must have the following qualifications:
  - i. must not be in default of any dues or obligations towards the Society or any other registered cooperative institution;
  - ii. As per Section 19-J (5) of the MSCS Act, 2002, no person shall be nominated as a candidate for election to fill a seat on the Board if he –
    - a. is ineligible to vote;
    - b. is not qualified or is disqualified to be the Member of a Society or a Member of the Board under the provisions of the MSCS Act, 2002, and the MSCS Rules, 2002; and
    - c. does not possess the necessary qualifications specified in the Bye-laws for election as Member of the Board.

### **Board of Directors**

## **29. Board of Directors:**

- a) After the completion of the Elections by the Cooperative Election Authority, the successful candidates shall be ratified in the General Body Meeting, to be members of the Board;
- b) The Board of the Society shall consist of Six directors excluding two co-opted directors;
- c) The Board shall have one Member from Scheduled Caste or Scheduled Tribe and two women, if Society consists of individuals and has Members from such class or category of persons:

Provided that in case of election of a SC/ST woman as Member, she will meet both woman and reserve category requirement;

- d) The Board shall comprise of:
  - i. Six directors. Out of these, three shall be designated as Chairperson, Vice-Chairperson, and Secretary;
  - ii. Nominated Directors as per the MSCS Act, 2002 (if any);
  - iii. The Chief Executive, who is the ex-officio member of the Board of Directors;
  - iv. Two directors, if co-opted by the Board as per Section 41(3) of the MSCS Act, 2002.

## **30. Meetings of the Board of Directors:**

- a) The majority shall decide any question brought forward for discussion at the meeting of the Board of Directors. In case of equality of votes, the Chairperson shall have a casting vote;
- b) The proceedings of the meetings of the Board shall be recorded in the minute book to be kept for the purpose;
- c) The Chief Executive shall convene the meeting of the Board at the instance of the Chairperson of the Society. In a situation where the Chairperson fails to direct the Chief Executive to convene the meeting of the Board within the quarter, such Chief Executive shall convene the meeting on the basis of requisition of the Vice-Chairperson or any other Member of the Board;
- d) The Board of Directors shall meet at least once in every quarter;
- e) The Chief Executive may also convene the meeting on the basis of requisition from at least fifty percent of Members of the Society;
- f) The meetings of the Board of Directors shall normally be held at the registered office of the Society. In exceptional cases, the meetings of the Board may be held at any other place as decided by the Board but within the area of operation of the Society.
- g) The meeting of the Board of Directors shall be presided over by the Chairperson or in his absence by the Vice Chairperson. In the absence of both Chairperson & Vice Chairperson, any other Member of the Board chosen by the Members of the Board present from amongst themselves at the meeting, shall preside over the meeting;
- h) Seven days' notice shall ordinarily be necessary for the meeting of the Board of Directors;

- i) The quorum of the Board meeting shall consist of one-third of its total number of elected Directors.

### **31. Term of the Board of Directors:**

- a) The term of the office of the elected members of the Board shall be 5 years from the date of election;
- b) The Board may fill casual vacancies up to one-third of number of elected Directors on the board by nomination out of the same class of members in respect of which the casual vacancy has arisen, if the term of office of the Board is less than half of its original term. In case the number of such casual vacancies in the same term of the Board exceeds one-third of number of elected Directors, such vacancies shall be filled by elections;
- c) The elected Members of the Board shall be eligible for re-election.

### **32. Powers and Functions of the Board of Directors:**

(1) The Board of Directors may exercise all such powers as may be necessary or expedient for the purpose of carrying out its function under the MSCS Act, 2002;

(2) Without prejudice to the generality of the foregoing powers, such powers shall include the following:

- a) To admit members;
- b) To elect Chairperson, Vice-Chairperson and Secretary;
- c) To co-opt maximum two persons as co-opted Directors;
- d) To authorise convening of meetings of the General Body;
- e) To interpret the organizational objectives and set up specific goals to be achieved towards these objectives;
- f) To make periodic appraisal of operations/ objectives;
- g) To appoint and remove a Chief Executive Officer or other employees of the Society, as are not required to be appointed by the Chief Executive;
- h) To recruit employees through a transparent, objective, and adequately publicised competitive process, and as per specified educational and experience criteria as laid down in these Bye-laws;
- i) To make provisions for regulating the appointment of employees of the Society and the scales of pay, allowances and other conditions of service of, including disciplinary action against, such employees;
- j) To place the annual report, annual financial statements, annual plan and budget for the approval of the general body;
- k) To consider audit and compliance report and place the same before the General Body;

- l) To acquire or dispose of immovable property;
- m) To review membership in other co-operative societies;
- n) To approve annual and supplementary budget;
- o) To raise funds;
- p) To fill any vacancy/vacancies in the Board by nomination/ election, as the case may be;
- q) To approve the panel of auditors for placing in the General Body;
- r) To appoint such committees, sub-committees as may be necessary and delegate to them such powers as may be appropriate;
- s) To sanction loans to the members and to take such other measures or to do such other acts as may be prescribed or required under the MSCS Act, 2002 or the bye-laws or as may be delegated by the General Body;
- t) To authorize officers to sign documents and to institute and defend suits and other legal proceedings on behalf of the Society;
- u) To frame regulations for the election of Members to the Board and for the conduct of meetings of the General Body and the Board as per the provisions of the MSCS Act, 2002;
- v) To take such other measures or to do such other acts as may be prescribed or required under the MSCS Act, 2002, or these Bye-laws or as may be delegated by the General Body.

### **33. Committees of The Board:**

(a) The Board of Directors shall constitute an Executive Committee and other committees or sub-committees as may be considered necessary. Provided that the Board shall constitute—

(i) An Audit and Ethics Committee;

(ii) A Committee on prevention of sexual harassment at workplace.

(b) The Executive Committee, the Audit and Ethics Committee, and the Committee on prevention of sexual harassment at workplace, shall perform the following functions as are assigned to it:

(A) Executive Committee:

a. **Composition:** The Executive Committee shall consist of the Chairperson, Vice-Chairperson, Secretary, Chief Executive Officer (ex officio).

b. **Functions:**

- i. To execute the decisions and policies framed by the Board of Directors;
- ii. To oversee day-to-day operational matters, including procurement, marketing, value addition, and logistics;
- iii. To approve operational expenses within limits defined by the Board;



- iv. To monitor the implementation of projects, schemes, and services delivered to members;
- v. To ensure legal and regulatory compliance at the operational level;
- vi. To make recommendations to the Board on policy matters and expansion strategies.

**(B) Audit and Ethics Committee**

- a. **Composition:** The Committee shall consist of two members of the Board. The committee may co-opt a subject expert.
- b. **Functions:**
  - i. To review and recommend approval of annual accounts, audit reports, and financial statements;
  - ii. To examine the internal financial controls and systems;
  - iii. To interact with internal and external auditors and ensure compliance with audit observations;
  - iv. To address ethical concerns, including conflicts of interest, related party transactions, and whistleblower issues;
  - v. To uphold the Code of Ethics and Conduct for the Society;
  - vi. To ensure financial transparency, especially in member-related transactions and sector-specific procurement practices.

**(C) Committee on Prevention of Sexual Harassment at Workplace**

- a. **Legal Mandate:** The Committee shall be constituted in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- b. **Composition:** Presiding Officer shall be a woman Director, and two other members of the Society.
- c. **Functions:**
  - i. To receive and inquire into complaints of sexual harassment at office, branch, or workplace of the Society;
  - ii. To ensure a time-bound, confidential, and just redressal mechanism;
  - iii. To recommend appropriate actions to the competent authority based on inquiry findings;
  - iv. To conduct regular awareness programs, sensitization sessions, and policy dissemination;
  - v. To maintain records and submit annual reports in compliance with statutory obligations.

**34. Chairperson and Vice-Chairperson:**

- a) There shall be a Chairperson and a Vice-Chairperson elected by the Board of Directors from among themselves. The Chairperson and in his absence the Vice-Chairperson shall preside over the meeting of the General Body and the Board.

- b) The terms of office of the Chairperson and Vice-Chairperson shall be co-terminus with the terms of the elected Members of the Board unless Chairperson or Vice-Chairperson ceases to be a Director earlier.

### **35. Powers and Functions of the Chairperson:**

(a) The Chairperson shall have the following powers and functions:

- i. He shall preside over the meeting of the General Body, Board of Directors, Executive Committee and any other committees;
- ii. The Chairperson shall sign the proceedings of all the meetings presided over by him;
- iii. In the event of equality of votes on a resolution the Chairperson shall have an additional casting vote in the meeting;
- iv. To convene the meeting of the Board of Directors, Executive Committee and other committees of which he is the Chairperson;
- v. The Chairperson may delegate any of his powers and functions to the Vice Chairperson;
- vi. The Chairperson may take decisions as of an urgent and emergent nature affecting the policy of the Society on behalf of the Board of Directors, Executive Committee or any other committees. The matter will be placed before the next meeting of the concerned committee for ratification.

### **36. Chief Executive:**

Chief Executive of the Society shall be appointed by the Board of Directors as per the MSCS Act, 2002, the MSCS Rules, 2002 and any other norms issued by the Central Government in this regard. He shall be a full time employee of the Society and he shall aid and assist the Board of Directors in their functions. He shall also be the Member of all the committees, sub-committees of the Board as may be constituted.

### **37. Powers and Functions of the Chief Executive:**

(a) The Chief Executive shall, under the general superintendence, direction and control of the Board, exercise the powers and discharge the functions specified below, namely:

- i. To oversee day to day management of the business of the Society;
- ii. To sign the documents for and on behalf of the Society;
- iii. To make arrangements for the proper maintenance of various books and records of the Society and for the correct preparation, timely submission of periodical statements and returns in accordance with the provisions of the MSCS Act/ Rules, 2002, and the bye-laws;
- iv. To convene meetings of the General Body of the Society, the Board and the Executive Committee and other committees or sub-committees constituted under sub-section (1) of Section 53 of the MSCS Act, 2002 and maintaining proper records for such meetings;
- v. To make appointments to the posts in the Society as may be approved by the Board;
- vi. To assist the Board in the formulation of policies, objectives and planning;

- vii. To furnish to the Board periodical information necessary for appraising the operations and functions of the Society;
- viii. To appoint the person to sue or be sued on behalf of the Society;
- ix. To present the draft annual report and financial statements for the approval of the Board within thirty days of closure of the financial year;
- x. To implement the policies and plans duly approved by the General Body or the Board and furnish to the Board periodical information necessary for appraising the activities and progress of achievement towards implementations of the policies and programmes;
- xi. To manage the funds of the Society, cause proper accounts to be maintained and audited;
- xii. To determine powers, functions, and responsibilities of the employees of the Society of all categories;
- xiii. To maintain an accurate and updated list of members;
- xiv. To exercise administrative control in respect of all Officers and staff, including granting of leave, granting of annual increments and other matters relating to the service conditions of the employees;
- xv. To delegate powers to other Officers of the Society;
- xvi. To sanction contingent expenditure in so far as the amount involved is upto Rs. 5000/-;
- xvii. To perform all duties entrusted to him and to exercise such other powers as may be delegated to him by the Board, Executive Committee, and Chairperson from time to time.

### **38. Disqualification for being a Member of Board**

(1) A member of the Society shall be ineligible for being elected as, or for being a member of the Board, if such member:

- a) has been adjudged by a competent Court to be insolvent or of unsound mind
- b) is concerned or participates in the profits of any contract with the Society.
- c) has been convicted for an offence involving moral turpitude
- d) holds any office or place of profit under the Society.

Provided that the Chief Executive or such full time employees of the Society as may be notified by the Central Government from time to time or a person elected by the employees of such Society to represent them on the Board of such Society shall be eligible for being chosen as, or for being, a member of such Board.

- e) has been a member of the Society for less than twelve months immediately preceding the date of such election or appointment;
- f) has interest in any business of the kind carried on by the Society of which he is member;
- g) has taken loan or goods on credit from the Society of which he is a member, or is otherwise indebted to such Society and after the receipt of a notice of default issued to him by such Society, has defaulted:
  - a. in repayment of such loan or debt or in payment of the price of the goods taken on credit, as the case may be, within the date fixed for such repayment or payment or where such date is extended, which in no case shall exceed six months, within the date so extended, or

- b. when such loan or debit or the price of goods taken on credit is to be paid in installments, in payment of any installment, and the amount in default or any part thereof has remained unpaid on the expiry of six months from the date of such default:

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 which he was a member or for the election to the Board of any other Multi State Co-operative Society.

- h) is a person against whom any amount due under a decree, decision or order is pending recovery under this Act;
  - i) is retained or employed as a legal practitioner on behalf of or against the Society, or on behalf of or against any other Multi State Co-operative Society which is a member of the former Society. Explanation – For the purposes of this clause “legal practitioner” has the same meaning as in Clause (i) of sub section (1) of section 2 of the Advocates Act, 1961 (25 of 1961);
  - j) has been convicted for any offence under the MSCS Act, 2002;
  - k) is disqualified for being a member under Section 29 of the MSCS Act, 2002;
  - l) has been expelled as a member under Section 30 of the MSCS Act, 2002;
  - m) absents himself from three consecutive Board meetings and such absence has not been condoned by the Board;
  - n) absents himself from three consecutive General Body meetings and such absence has not been condoned by the General Body.
- (2) Any member of the Board shall not be eligible for being re-elected as a member of Board of the Society for a period of five years if, the Board during his tenure, fails:
- a) to conduct election of the Board under Section 45 of the MSCS Act, 2002;or
  - b) to call the General Body meeting under Section 39 of the MSCS Act, 2002;or
  - c) to prepare the financial statement and present the same in the Annual General Meeting.

### **39. Prohibition to hold office of Chairperson or Vice-Chairperson**

- (a) No member of the Board shall be eligible to be elected as Chairperson or Vice-Chairperson of the Society if –
- i. he/she is a minister in the Central or State Government;
  - ii. at the same time, he/ she is holding the position of Chairperson or Vice-Chairperson of the Board of more than two Multi-State Co-operative Societies;

(b) No member of the Board shall be eligible to be elected as Chairperson of the Society if he has held office during two consecutive terms whether full or part.

#### **40. Removal of the Elected Member of the Board by the General Body**

An elected member of a Board, who has acted adversely to the interests of the Society, may on the basis of a report of the Central Registrar or otherwise be removed from the Board upon a resolution of the General Body passed at its meeting by a majority of not less than two third of the members present and voting.

Provided that the member concerned shall not be removed unless he has been given a reasonable opportunity of making a representation in the matter.

#### **Co-operative Information Officer**

##### **41. Co-operative Information Officer (CIO):**

- a) The Society shall designate a Co-operative Information Officer;
- b) The CIO shall provide information to its members regarding the affairs and management of the Society, upon receiving an application along with prescribed fee, which shall be confined to the following:
  - i. Audited Report;
  - ii. Profit & Loss Statement and Balance Sheet;
  - iii. Annual Report of Activities;
  - iv. Minutes of the Meeting – Board/ General Body Meetings;
  - v. Copy of bye-laws.
- c) The application to the CIO shall be in the format, as specified in the MSCS Act/ Rules, 2002.

#### **Disposal of Net Profit**

##### **42. Disposal of Net Profit:**

- (a) Subject to the provisions of the MSCS Act/ Rules 2002, the General Body on the recommendations of the Board of Directors may appropriate the net profit in the following manner:
- i. transfer at least 25% of net profit to the Reserve Fund;
  - ii. credit one percent of its net profit to the co-operative education fund maintained by the Central Government;
  - iii. an amount of at least 10% of the Net profit shall be transferred to the Reserve Fund for meeting unforeseen losses;
  - iv. if the Society is in profit for the preceding three financial years, 1% of its net profits, or Rs. 1 crore (whichever is less) shall be credited to the Co-operative Rehabilitation, Reconstruction and Development Fund maintained by the Central Government;

- (b) The balance net profit may be utilized for all or any of the following purposes:-
- i. Payment of dividend to members on their paid up capital at the rate not exceeding – 12%;
  - ii. Contribution to the ‘member education and development fund’ not exceeding 10%. The fund may be utilized for the education and training of members, directors and employees as approved by the Board of Directors;
  - iii. Donation for the development of the cooperative movement or any other charitable purpose as defined in Section 2 of the Charitable Endowment Act 1890 not exceeding 5%;
  - iv. The Society may pay an ex-gratia amount to its employees as approved by the Board of Directors. The amount, eligibility criteria, and terms of such payment shall be determined by the Board from time to time, based on the financial position of the Society and other relevant considerations;
  - v. The remaining net profit, if any, shall be credited to the Reserve Fund.

### **Investment of Funds**

#### **43. Investments of Funds:**

(a) The Society may invest or deposit its funds in accordance with Section 64 of the MSCS Act, 2002, in:

- i. Co-operative Bank, State Co-operative Bank, Co-operative Land Development Bank or Central Co-operative Bank;
- ii. Shares and securities of any other multi-state cooperative society or co-operative society;
- iii. Any other Scheduled bank/ Nationalized Bank;
- iv. Any of the securities issued by the Central Government, State Government, Government Corporations, Government Companies, Authorities, Public Sector Undertakings or any other securities ensured by Government guarantees;
- v. Shares, securities and assets of any subsidiary institution or any other institution in the same line of business as the Multi-State Co-operative Society;
- vi. Such other manner as may be determined by the Central Government.

### **Reserve Fund**

#### **44. Reserve Fund:**

- a) In addition to the sum prescribed under the MSCS Act/ Rules, 2002 and Bye-laws of the Society, all admissions fees, entrance fees, nominal membership fees, amount of forfeited dividend and donations, if any shall be carried to the Reserve Fund;
- b) The Reserve Fund shall be separately invested in Government and Trustee Securities or any other approved securities or in fixed deposits with any Nationalized Bank, or any other Central Co-operative Banks;
- c) The Reserve Fund to meet unforeseen losses shall be available for use by resolution of the General Body meeting to cover deficiencies, which may arise from unforeseen losses;
- d) Any loss occurring as the net result of the year’s working shall be recovered from the profits of the next ensuing year(s);

- e) The Reserve Fund may also be utilized for business expansion activities.

### **Dividend**

#### **45. Dividend:**

- a) The Dividend declared shall be paid to the members of the Society;
- b) Any Dividend remaining undrawn for three years after having been declared may be forfeited by the Board of Directors and shall be carried to the Reserve Fund of the Society;
- c) Unpaid Dividend shall be payable on application by the member concerned provided that the same has not been forfeited;
- d) Dividend shall be proportionate to the amount paid on shares and the period in whole months for which the amount stood to the credit of the shareholder;
- e) Distribution of patronage bonus to members in consonance with the transactions of a Member with the Society, as may be decided in the General Body.

### **Accounts, Records, Audit, and Annual Returns**

#### **46. Accounts and Records:**

- a) Accounts and Records shall be maintained in forms prescribed under the MSCS Act/ Rules 2002 and Bye-laws and approved by the Central Registrar with such additions as the Board of Directors consider necessary. Any member of the Society may inspect during office hours any of the registers or records in so far as it relates to his own business transaction;
- b) In the event that the Society is engaged in production, processing and manufacturing, particulars relating to utilisation of materials or labour or other items of costs should be maintained properly for proper auditing;
- c) The Society shall adopt such standards of auditing and accounting as may be determined by the Central Government, subject to Section 73(6) of the MSCS Act, 2002. Until such standards are specified, the auditing and accounting standards specified by the Institute of Chartered Accountants of India constituted by sub-section (1) of section 3 of the Chartered Accountants Act, 1949 shall be deemed to be the standards of auditing and accounting.

#### **47. Audit:**

- a) The accounts of the Society shall be audited by an Auditor appointed from the panel of Auditors approved by the Central Registrar or from a panel of auditors, if any prepared by the Society at least once in each year and the remuneration of auditors shall be fixed by the Central Registrar or the Society as the case may be, as per the provisions of Section 70 of the MSCS Act, 2002, within seven days of the appointment, give intimation thereof to every auditor so appointed;

- b) The appointment of the auditor and his remuneration shall be approved in the General Body meeting of the Society. The qualifications/ disqualifications, powers, rights and duties of the auditor shall be as prescribed under the MSCS Act, 2002;
- c) The Auditor shall submit the audit of accounts report to the Society within six months from the date of closing of the financial year, to which such accounts relate;
- d) The Society may fill any casual vacancy in the office of an auditor; but while any such vacancy continues, the remaining auditor or auditors, if any, may act. where such vacancy is caused by the resignation or death of an auditor, the vacancy shall be filled by the Board from the panel of auditors maintained by the Central Registrar;
- e) In case the Society meets the criteria laid down under Section 70A of the MSCS Act, 2002, a concurrent audit shall be carried out by an auditor appointed from a panel of auditors approved by the Central Registrar.

#### **48. Filling of Annual Returns:**

- (a) Every year within six months of the closure of the accounting year, the Society shall file the following returns with the Central Registrar, namely-
  - i. annual report of the activities including details of Board decisions which were not unanimous;
  - ii. audited statements of accounts;
  - iii. plan for surplus disposal as approved by the General Body;
  - iv. list of amendments to these Bye-laws;
  - v. declaration regarding date of holding of General Body meeting and conduct of elections where due;
  - vi. disclosure regarding employees who are relatives of Members of Board;
  - vii. declaration of any related party transactions by the Board; and
  - viii. any other information required by the Central Registrar in pursuance of any of the provisions of the MSCS Act, 2002.

#### **49. Minutes of the Meeting of Board of Directors**

The minutes of the meetings of the Board of Directors shall be recorded in the Minute Book kept for the purpose within thirty days of the Meeting and the pages of which shall be duly numbered. The Chairperson of the Meeting and the Chief Executive of the Society shall sign the minutes of the meeting.

#### **50. Minutes of Proceedings of General Body Meeting and Other Meetings**

The Society shall cause minutes of all proceedings of every General Meeting and of all proceedings of every meeting of its Board or of every committee of the Board to be finalised within thirty days of the conclusion of every such meeting.

#### **Settlement of Disputes**

#### **51. Settlement of Dispute:**



All the disputes as per Section 84 of the MSCS Act, 2002, shall be referred to Arbitration.

### **Limitation Period & Miscellaneous**

#### **52. Limitations:**

The limitation period in disputes shall be as per the provisions of the MSCS Act, 2002.

#### **53. Miscellaneous:**

- a) No act of the General Body or the Board of Directors shall be deemed invalid by reason of any defect in the election of a Member thereof or by reason of any vacancy therein not having been filled in;
- b) In the event of any conflict between a provision of these bye laws and a provision of the MSCS Act/ Rules, 2002, provisions of the MSCS Act/ Rules 2002 shall prevail to the extent of such conflict;
- c) The Society shall comply with the directions of the Co-operative Ombudsman as appointed under Section 85A of the MSCS Act/ Rules, 2002.

### **Service Rules**

#### **54. Service Rules:**

- (a) The Society shall have service rules for regulating the service conditions of its employees as formulated and amended by the Board from time to time;
- (b) The Society shall maintain a Contributory Provident Fund for the benefit of its employees in accordance with the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (c) The Society shall follow the following procedure for the association of the representatives of its employees in the management decision making process:
  - i. The management shall hold periodic consultations with employee representatives to consider their views on matters related to service conditions, welfare, and operational efficiency;
  - ii. Employee representatives may be invited to participate in discussions on issues that impact the workforce, ensuring transparency, mutual understanding, and cooperative functioning;
- (d) The Society shall organise co-operative education programmes for its Members, directors, and employees, as may be decided by the Board from time to time;
- (e) The Society shall recruit employees as per the educational and experience criteria, depending on the nature of work, as may be decided by the Board from time to time.

### **Amendment to Bye-laws**

#### **55. Amendment to Bye-laws:**

The amendment to the bye-laws of the Society shall only be passed by a resolution of the meeting of the General Body in which quorum is present by a vote of not less than two thirds of the members present. There shall be 15 clear days' notice to members for considering such amendments. These amendments shall be effective only after registration of the same by the Central Registrar.

### **Winding-Up**

#### **56. Winding Up**

If winding up is necessary, it will be done as per the provisions of the MSCS Act, 2002.

\*\*\*\*\*