

F.No. L-11016/8/2000 L&M
Government of India
Ministry of Agriculture
(Department of Agriculture & Cooperation)

OFFICE OF CENTRAL REGISTRAR OF CO-OPERATIVE SOCIETIES

Krishi Bhawan, New Delhi

Certificate of Registration of amendment to Bye-Laws

In pursuance to the provision of the Multi-State Co-operative Societies Act, 2002, the en-block amendments to the bye-laws passed by the General Body of Central Government Employees Consumer Co-operative Society Limited (Kendriya Bhandar), New Delhi in their special meeting held on 29.3.03 are hereby registered under Section 11 of the MSCS Act, 2002 (39 of 2002) and Rules framed thereunder subject to the following :

- i) Provision as per sub-section (2) of Section 38 may be incorporated in the bye-law No. 14;
- ii) Provision under section 67 of MSCS Act, 2002 may be incorporated in the bye-laws;
- iii) A mechanism for the association of the representative of employees may also be incorporated in the bye-laws as envisaged in section 42 of MSCS Act, 2002; and
- iv) Bye law no. 27(r) is not registered. The provision is contrary to the MSCS Act, 2002.

Given under my hand and seal this the 9th day of May 2003.

(J.P. Meena)
Chief Director (Cooperation)
&

Central Registrar of Cooperative Societies

To,

The Managing Director,
Central Government Employees Consumer
Cooperative Society Ltd., (Kendriya Bhandar)
Pushpa Bhawan, Madangir Road,
New Delhi-110062.

By Registered Post

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Krishi Bhawan, New Delhi

**CERTIFICATE OF REGISTRATION
OF
AMENDMENT**

In pursuance of the provisions of the Multi-State Cooperative Societies Act, 2002, the amendment to the bye-law No.5(i)(a), 18(i) & 18(iv) of Central Government Employees Consumer Cooperative Society Ltd, (Kendriya Bhandar), New Delhi are hereby registered under Section 11 of the Multi-State Cooperative Societies Act, 2002 (39 of 2002).

Given under my hand and seal this the 5th day of March 2004.

sd/-
(Satish Chander)
Joint Secretary to the Government of India
&
Central Registrar of Cooperative Societies

To,

The Managing Director,
Central Government Employees Consumer
Cooperative Society Ltd., (Kendriya Bhandar)
Pushpa Bhawan, Madangir Road,
New Delhi-110062.



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By Regd./Speed Post

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Government of India
Ministry of Agriculture
Department of Agriculture & Cooperation

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 no. 8 (by insertion of sub-clause 8(A)) and. 35 of " **Central Government Employees Consumer Cooperative Society Ltd. (Kendriya Bhandar), Pushpa Bhawan, Madangir Road, New Delhi-110062** " is registered under section 11 of the Multi State Cooperative Societies Act. 2002 (39 of 2002).

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 25th day of February, 2015.



(Raj Singh)
Joint Secretary to the Government of India
&
Central Registrar of Cooperative Societies

To,

Managing Director
Central Government Employees Consumer Cooperative Society Ltd. (Kendriya Bhandar)
Pushpa Bhawan, Madangir Road, New Delhi-110062

ANNEXURE-III**TEXT OF THE BYELAW AFTER INCORPORATING THEREIN THE
AMENDMENT****8. CESSATION OF MEMBERSHIP**

(i) to (v) as in the existing byelaws

8(A) Disqualification for member of Kendriya Bhandar

No person shall be eligible for being a member of Kendriya Bhandar if –

- (a) his business is in conflict or competitive with the business of Kendriya Bhandar ; or
- (b) if he has not purchased goods from the retail stores of Kendriya Bhandar worth Rs.500/- per annum for two consecutive years ; or
- (c) he has not attended three consecutive general meetings of Kendriya Bhandar and such absence has not been condoned by the members in the General meeting ; or
- (d) he has made any default in payment of any amount to be paid to Kendriya Bhandar under the byelaws of the Society.

Provided that such defaulting member shall be informed about the default in making payment and served with a notice of 30 days to make the payment failing which the member will be disqualified without giving further opportunity;



[Handwritten signature]

ANNEXURE-III**TEXT OF THE BYELAW AFTER INCORPORATING THEREIN THE
AMENDMENT**

PROPOSED BYELAW NO. 35 : "If no dividend is claimed for a period of one year from the date of declaration, a Press advertisement shall be issued in a newspaper to inform all members to claim the dividend within 30 days of the release of the press advertisement. In the event the dividend is not claimed during this period, it shall be transferred to the Reserve Fund of the Society and no further claim will be entertained".



Bhatra

BYE-LAWS OF KENDRIYA BHANDAR

1. **NAME & ADDRESS** : The name of the Society is Central Government Employees Consumer Cooperative Society Limited, (also known as "Kendriya Bhandar") and its registered office is situated at Pushpa Bhawan, Madangir Road, New Delhi- 110062. Any change in the name & address shall be notified only with the previous approval of Central Registrar.
2. **AREA OF OPERATION** : The area of operation of the Society shall be Union of India.
3. **DEFINITIONS** : In these bye- laws unless there is anything repugnant to the subject or context;
 - (a) 'Act' means the Multi-State Cooperative Societies Act, 2002 and rules means Multi-State Cooperative Societies rules, 2002.
 - (b) The words 'Subsidiary organizations' means statutory board, industrial, commercial and financial corporations set up and controlled by the Government of India / Union Territory Administrations.
 - (c) 'Society' means the (Central Government Employees Consumer Cooperative Society Limited, New Delhi also known as "Kendriya Bhandar".
 - (d) Member means "a shareholder" with voting rights.
 - (e) Associate member means a Member who is admitted by the society as Associate Member, as per provision of the Byelaws. Associate Member shall not be entitled to subscribe to the shares of such Society or have any interest in the Management thereof including right to vote, elect as Director of the Board or participate in the General Body meetings.
 - (f) "Delegate" means a representative elected by shareholders.
 - (g) Institutional Membership means Membership of Other cooperative stores. cooperative canteens in Central Govt. offices/NCT of Delhi/ Union Territory Administration and any other corpn. owned or controlled by Central Govt./ NCT of Delhi/Union Territory Administration.
 - (h) Govt. of India in regard to Kendriya Bhandar means Ministry of Personnel. PG & Pensions.

4. OBJECTS

The objects of the Society are as under :-

- (a) To obtain, distribute and market food stuffs, essential commodities and other consumer goods at reasonable prices primarily for the benefit of Central Government Employees and employees of subsidiary/autonomous organisations set up by the Government of India/or Union Territory Administration and other consumers within its area of operation and to undertake wholesale and retail trade in consumer goods and essential commodities and to establish departmental stores, super markets and fair price shops.
 - (b) To supply to the Government Departments/Offices/Subsidiary organizations set up by the Government and other customers, stationery, office equipment, machines of office use and other items required by them.
 - (c) To establish and run manufacturing and processing units for production of consumer goods for the benefit of members and other bonafide consumers.
 - (d) To open repairing and servicing facilities and shops to provide such service to members in respect of articles supplied to them or as may be in common demand amongst them.
 - (e) To encourage thrift, self help and cooperation amongst members.
 - (f) To import and export consumer goods.
 - (g) To provide any other services to members/consumers.
- (ii) In furtherance of the objects set out above the Society shall be at liberty :
- (a) To receive deposits including trade deposits and loans from members, cooperative financing agencies and other Banks approved by the Registrar of Cooperative Societies and from the Government.
 - (b) To accept agency of any person or firm for wholesale and retail business.
 - (c) To acquire land and buildings, vehicles, factory, workshop, machinery and equipment.

- (d) To import goods directly or through agents.
- (e) To undertake welfare activities for the members and employees and their children.
- (f) To become a member of Cooperative Bank or any other cooperative society and purchase shares of such Societies,
- (g) Generally to do all such things as are incidental to or conducive to the attainment of any or all the above objects.

5. MEMBERSHIP

- (i) Membership of the Society shall be open to :
 - (a) Employees of the Government of India/NCT of Delhi, Govt. of Union Territories and regular employees of Kendriya Bhandar. However, the regular employees of Kendriya Bhandar who may be enrolled as shareholder shall not be entitled to contest or vote at the election of the delegates and the Board of Society.
 - (b) Employees of Subsidiary/autonomous organizations set up by the Government of India/NCT of Delhi or by Govt. of Union Territories.
 - (c) Central Government.
 - (d) Cooperative Stores and cooperative canteens in Central Govt. offices.
 - (e) Any other Corporation owned or controlled by Central Govt.
- (ii) Individual members of the Society shall be called 'A' class members and institutional members shall be called 'B' class members.
- (iii) An existing shareholder on retirement from service would cease to be a member of the society. The Society will cancel his membership/Share certificate in such cases and shall refund the share capital held by him in the Society.

- 6. (i) No person shall be admitted as an 'A' class member unless :-
 - (a) He has applied for membership in the prescribed form and his application has been approved by the Executive Committee/BOD.

- (b) He has attained the age of 18 years on the date of application.
 - (c) He fulfills the provision of bye-law No.11.
- (ii) No institution shall be admitted as a 'B' class member unless :
 - (a) Its written application for membership has been approved by the Executive Committee/BOD.
 - (b) It fulfills the provision of byelaw No.11
 - (iii) Every eligible individual/institution shall pay Rs. 10/- /Rs.1000/- respectively as application fee which shall not be refunded.
 - (iv) An individual or Institutional Member shall be deemed to have been admitted as a member after following conditions are fulfilled;
 - (a) His/her written application form in the prescribed form is approved by Executive Committee/BOD.
 - (b) The individual/Institutional Member has subscribed and paid admission fee and full value of share as prescribed in bye-law 11.

7. EXPULSION OF MEMBERS

- (i) A member of the Society may be expelled by a majority of $2/3^{\text{rd}}$ of the members entitled to vote who are present at a General Body Meeting held for the purpose, if (a) he defaults in the payment of the dues of the Society (b) he applies for bankruptcy, (c) he intentionally commits any act likely to injure the interest of the Society or bring disrepute to the Society or fails to observe proper discipline in regard to the working of the Society (d) any of his actions is held by the Board of Directors or by General Body to be dishonest or contrary to the objects of the Society. Provided that no resolution shall be valid unless the member concerned has been given an opportunity of representing his/her case to the General Body.
- (ii) No member who has been/so expelled shall be eligible for readmission as member for a period of three years from date of such expulsion.

8. CESSATION OF MEMBERSHIP

- (i) A person or cooperative canteen or cooperative Store ceases to be a member:
 - (a) In case of an individual, on discharge, removal, dismissal from service or death
 - (b) If he is convicted of a criminal offence involving dishonesty or moral turpitude
- (ii) In case of a cooperative store or a cooperative canteen in Central Govt. Offices, on cancellation of its registration by the Central Registrar or the Registrar of Societies, as the case may be
- (iii) When the resignation is accepted by the Executive Committee/BOD.
- (iv) On expulsion under bye-law 7.
- (v) On withdrawal after 3 months notice in writing to the Secretary provided that the member withdrawing does not owe anything to the Society and is not a surety for an unpaid debt.

9. REDEMPTION/TRANSFER OF SHARES

- (a) A member or his nominee or successor of an ex-member may transfer his shares to another member or applicant qualified under byelaw 5 and approved by the Executive Committee or be paid the value of his shares, less any sum due from him/her to the Society. No transfer of shares or interest shall, however, be made unless a member has held such shares for not less than one year.
- (b) Redemption of shares by the Society shall be in terms of provisions contained in Section 35 of the Act. Redemption of such shares shall be on the face value of shares.
- (c) A member on withdrawal, whether voluntarily or through the action of the Society, shall subject to the rules, have no other claim on the reserve fund or any other funds or property of the Society of any kind.
- (d) Shares shall not be withdrawn, repaid or transferred in the event of the death of that member otherwise than as provided for above.

- (e) Every individual member may nominate one person to whom his shares shall be transferred in the event of death of that member. The nominee shall ordinarily be a person who is eligible to be a member of the Society as otherwise he shall not be admitted to the membership of the Society. If not admitted to membership the nominee shall be paid the value of the shares subject to the provision of these bye-laws. If any deduction has to be made from the share of the deceased, the amount to be deducted shall be set off against the amount due to the nominees.

10. CAPITAL OF THE SOCIETY

- (i) The authorised share capital of Kendriya Bhandar shall be Rs. 15 crores consisting of 150 lakhs shares of the value of Rs. 10/- each to be subscribed by members.
- (ii) The capital shall be composed of :
- (a) Subscribed share capital
 - (b) Deposits from Members/Central Government;
 - (c) Loans and debentures
 - (d) Donations and grants
 - (e) Realised profits

Provided that the acceptance of deposits and loans from non-members shall be subject to any restriction which the Central Registrar may impose and with the approval of General Body.

- (iii) (a) The Society may receive deposits, raise loans and receive grants from external sources to such extent and under such conditions as may be specified in these byelaws.

Provided that the total number of deposits and loans received during any financial year shall not exceed ten times of the sum of subscribed *share capital and accumulated reserves*.

Provided further that while calculating the total sum of subscribed share capital and accumulated reserves, the accumulated losses shall be deducted.

- (b) Subject to the provisions of sub-clause(a) above, the Society may accept funds or borrow funds for the fulfillment of its objects on such terms and conditions as are mutually contracted upon.
- (c) The society may issue non-convertible debentures or other instruments subject to the provisions of any law for the time being in force to raise resources for the fulfillment of its objects to the extent of twenty-five percent of its paid up share capital.

11. SHARES

- (a) Every individual member shall purchase at least ten shares and no individual member shall hold shares, the nominal value of which exceeds Rs. 10,000/- (Rupees Ten Thousand). The existing members of the Society other than those who cease to be members under bye-law No. 8, shall continue to be members irrespective of the number of shares subscribed by them.
 - (b) If any individual member, by inheritance or otherwise becomes possessed of more than the maximum holding permitted under these bye laws, the Board of Directors shall have the power to redeem them on behalf of the Society as per byelaws of the Society.
 - (c) Every institutional member shall purchase atleast 1000 shares and no institutional member shall hold shares the nominal value of which exceeds Rs. Fifty thousand (Rs. 50,000/-)
 - (d) Shares purchased by the members shall be paid for in a single instalment.
 - (e) There shall be no limit as regards the number of shares that can be held by Central Govt.
12. While settling any claim, the Society shall have the right to set off any money due on any account to the Society from a member or past members or persons claiming through him against payment of any sum which such member/person owes to the Society or for which he stands surety.

13. LIABILITY

The liability of Members shall be limited to face value of the shares subscribed by them.

14. GENERAL BODY AND ELECTION OF DELEGATES

The General Body shall be constituted of delegates elected in accordance with sub-clause (ii) to (Vii) of this byelaw.

Subject to the provisions of the Act, the rules and these byelaws, the ultimate authority of the Society shall vest in the General Body

Provided that nothing contained in this sub-clause shall effect the exercise by the Board or any Officer of the Society of any power conferred on the Board or such Officer by the Act or the Rules or these Byelaws.

(ii) To conduct the election of the General Body, Board shall meet at least 120 days in advance before the date of expiry of its term and by resolution appoint a Returning Officer and decide the time, date and place for conducting the election of delegates. The Returning Officer so appointed shall neither be a member of the Board nor an employee of the Society.

(iii) The Board of Directors shall group the members of the Society into convenient groups on the basis of Ministry/Department and its attached and subordinate Offices/Undertaking/Places or the place where they are employed or were last employed for the purpose of elections of delegates. Each group shall consist of minimum of 750 and maximum of 1050 members. The distribution shall be notified well in a advance by the Chief Executive/Managing Director.

(iv) The Returning Officer shall prepare a list of members eligible to vote with admission number, name of Member, name of father/husband and age/date of birth. 30 days prior to the date fixed for election of the delegates; provided that the election shall be conducted based on the available list and shall not be held void simply on the ground that information is not complete.

(v) Each group shall elect delegates at the rate of one delegate of every 150 members or any part thereof. There shall be atleast one lady delegate from each group provided that ladies constitute atleast 10% of the members in the Group and that there is a lady candidate contesting the election. In the absence of the lady candidate, any candidate can contest the election of delegate against the seat reserved for lady candidate.

(vi) *The delegates so elected shall be members of the General Body for a period of five years from the date of election*

(vii) A delegate who is expelled as member by virtue of bye-law No.7 shall forthwith cease to be a delegate.

15. MEETINGS OF THE GENERAL BODY :

- (i) The meeting of the General Body shall be called within a period of 6(six) months after the date fixed for making up its accounts for the year under the rules in force. A special General Body meeting may be called at any time by the Chief Executive/MD on the directions of Board of Directors or within one month on the receipt of a requisition from 1/5th of the total number of delegates or from the Central Registrar or any person authorised by him.
- (ii) In the case of Annual General Body Meeting or meeting called specifically for amendment of Bye-laws, the date, time and place of the meeting shall be communicated by post or through messenger at least 15 clear days in advance and in the case of special General Body Meeting at least 7 days in advance by a written notice published on the Notice Board of the Society and circulated by post or through messenger.
- (iii) The presence of at least 1/5th of the delegates shall be necessary for the disposal of any business at a General Body Meeting. If there is no quorum for a meeting it shall be adjourned to such date and time as the Chairman of the meeting may decide, provided that a written notice of atleast 7 days shall be given in advance for the convening of the adjourned meeting; if there is no quorum at an adjourned meeting, the same shall be conducted without the quorum, except business relating to amendment of bye-laws.
- (iv) Each delegate shall have one vote. The Chairman shall have a casting vote in addition to his normal vote. No proxy shall be allowed. Institutional Member shall be represented by Chairman/Chief Executive or Administrator or through its nominee authorised by the Board/AGM and will have only one vote.
- (v) The Chairman of the Board of Directors or in his absence, one of the Directors shall preside over the Annual General Body meeting.
- (vi) All questions excepting amendment to bye-laws before the General Body meeting shall be decided by a simple majority of those present.
- (vii) All business discussed or decided at a General Body Meeting shall be recorded in a proceedings books which shall be signed by the Chairman of the meeting.

16. AMENDMENTS OF BYE-LAWS OF THE SOCIETY

Amendments of bye-laws shall be carried out by a majority of not less than 2/3rd of the delegates present in a General Body Meeting, provided that due

notice not less than (fifteen) days of the intention to discuss such amendments in the meeting has been previously given. The amendments of bye-laws shall be as per provisions of the Act and Rules made thereunder. Such amendments shall be forwarded to the Central Registrar for Registration within a period of sixty days from the date of meeting.

17. POWERS AND FUNCTIONS OF THE GENERAL BODY

The Board of Directors shall convene the Annual General Meeting of the Society once in a year as prescribed in the bye-laws for the purpose of :-

- (a) Consideration of the audited statement of accounts;
- (b) Consideration of the audit report and annual report
- (c) Consideration of audit compliance report;
- (d) Disposal of net profits;
- (e) Creation of specific reserves and other funds;
- (f) Approval of the annual budget;
- (g) Review of actual utilization of reserve and other funds;
- (h) Approval of the long-term perspective plan and the annual operational plan;
- (i) Review of annual report and accounts of subsidiary institution, if any;
- (j) Expulsion of members as per bye-law 7.
- (k) Amendment of bye-laws, if any;
- (l) Formulation of code of conduct for the members of the Board and Officers;
- (m) Election of members of the Board, if any;
- (n) Determination of the nature and extent of the welfare activities to be undertaken by the Society;
- (o) Fixation, subject to the approval of the Central Registrar of the maximum borrowing limit during the year.
- (p) Consideration of any other business brought before it.

At every Annual General Meeting, the Board shall lay before the society a statement showing the details of the loans or goods on credit, if any, given 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 outstanding against him or against such spouse or son or daughter of the member of the Board.

18. BOARD OF DIRECTORS

- (i) Board of Directors shall consist of 13 Directors including Chairman,

nominated Directors and Chief Executive. Among the elected Directors, two posts of Directors shall be reserved for ladies. The total number of Government nominees shall not exceed 3.

If the nominated Directors are less than 3, the resultant vacancies will be filled up through election.

- (ii) The Directors nominated by the Govt. shall hold Office at the discretion of the Govt.
- (iii) The Government shall have the power to remove any or all the Nominated Directors and appoint other Directors in their place.
- (iv) In addition to the 13 Directors as specified in the Bylaw 18(i) above, the Board may co-opt two Directors, of which only one will be the representative of employees of the Kendriya Bhandar provided that such a nominee shall be a regular employee of Kendriya Bhandar. The other co-opted Director may be from the Central / State Government / any financial institution if the respective Government / financial institution has given any assistance by way of grant or otherwise to the Society

Note : General Body in its meeting dated 05.07.2003 : Resolved that a representative of employees of Kendriya Bhandar, who has been nominated as per byelaw 18(iv) should not have any commercial interest in the Society and is free from vigilance angle. If the Society has more than one recognized Union / Association, the Board of Directors will lay down necessary terms and conditions as well as procedure for co-option of only one representative of the employees on the Board.

19. ELECTION OF BOARD OF DIRECTORS AND ITS CHAIRMAN

- (i) The Board of Directors in Office shall meet atleast 60 clear days in advance of the date of expiration of its term and by resolution appoint a Returning Officer and determine date, time and place for convening a General Body Meeting for the conduct of election of its successor Board as per provision of the Acts and Rules made thereunder.
- (ii) The Returning Officer shall prepare a list of members eligible to vote as it stood on the date 30 days prior to the date fixed for the poll and publish copies of the list by affixing them on the notice board at its Head Quarter, not less than 15 days prior to the date fixed for election provided that no member will be eligible to participate in the election of member of Board if he/she has been a member of the society for less than 12 months immediately preceding the date of such election.

- (iii) The delegates elected in accordance with the byelaw 14(iv) shall elect 9 Directors from amongst them, who shall hold office for a period of five years. The Directors will be eligible for re-election but will not be eligible to hold Office for more than two consecutive terms.
- (iv) Elections of Directors to the Board shall not be held unless proposals duly made are received from the delegates of the Society at least 21 days before the date on which the General Body Meeting is to be held.
- (v) Any casual vacancy occurring after the elections of Directors shall be filled up by co-opting one of the elected delegates. Directors so co-opted shall hold office until the next General Body Meeting in which the vacancy will be filled up by election.
- (vi) As soon as, the members of the Board have been elected, the Returning Officer shall convene a meeting of the newly constituted Board for the purpose of election of Chairman as per provisions of the Act and Rules made thereunder. Such meetings of the Board shall not be conducted unless the majority of members of the newly constituted Board are present.

20. MEETING AND QUORUM OF THE BOARD OF DIRECTORS

- (i) A meeting of the Board of Directors may be held at least once in three months and may be called at any time by the Chairman whenever he feels it necessary or on receipt of a requisition from 1/3rd of the Directors of the Board or from the Central Registrar or any person authorised by him. The Secretary of the Society shall act as secretary of the Board of Directors and shall be responsible for recording the proceedings of the meeting of the Board of Director in a minute book.
- (ii) The quorum for the meeting of the Board of Directors shall be one-third of the Members.
- (iii) A notice of 7 days shall be given in writing for convening the meeting of the Board. However, an emergent meeting of the Board may be convened at any time by giving a notice of one day.
- (iv) The decisions in the Board meetings shall be taken by majority vote.

21. CESSATION OF MEMBERSHIP OF A DIRECTOR ON THE BOARD OF DIRECTORS

- (I) A member of the Board of Directors shall cease to hold office if he or she
 - (a) has been adjudged by a competent court to be insolvent or 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 employee 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 a 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—
 - (i) 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
 - (ii) When such loan or debt or the price of goods taken on credit is to be paid in instalments, in payment of any instalment, 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 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 the society or on the behalf of or against any other Multi State Cooperative 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 (1) of sub-section(I) of Section 2 of the Advocates Act, 1961 (25 to 1961);

- (j) has been convicted for any offence under this Act;
 - (k) is disqualified for being a member under section 29 of the Act.
 - (l) has been expelled as a member under section 30 of the Act.
 - (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 members in the general body.
- (II) A person shall not be eligible for being elected as member of the Board for a period of five years if the Board fails-
- (a) to conduct elections of the Board under section 45 of the Act or
 - (b) to call the annual general meeting under section 39 of the Act or
 - (c) to prepare the financial statement and present the same in the Annual General Meeting.

22. POWERS AND FUNCTIONS OF THE BOARD OF DIRECTORS

- (i) The Board shall exercise all such powers as may be necessary or expedient for the purpose of carrying out functions including the powers to :-
 - (a) Admit members;
 - (b) Place the annual report, annual financial statements, annual plan and budget for the approval of the general body.
 - (c) Appoint and remove Chief Executive / Managing Director and such other categories of employees as may be prescribed in the recruitment rules or as may be decided by the Board. The terms and conditions of appointment of Chief Executive will be as per Act and Rules made thereunder.

- (d) Make provisions for regulating the appointment of employees and the scales of pay, allowances and other conditions of service of, including disciplinary action against such employees;
- (e) Sanction loans to the members and to;
- (f) Contract loans subject to any restriction that may be imposed by the Central Registrar or the General Body Meeting;
- (g) Review membership in other co-operatives;
- (h) Consider audit and compliance report and place the same before the General Body;
- (i) Acquire or dispose of immovable property;
- (j) Approve leasing or letting out or taking on rent of immovable property by or for the society;
- (k) Approve undertaking of any new line of activities by the Society;
- (l) Summon the General Body Meeting in accordance with the bye-laws;
- (m) Assign any of its powers to the Executive Committee or the Managing Director;
- (n) Prescribe policies and procedures for purchase of goods procured by the Society either for sale or for office use;
- (o) Prescribe policy guidelines in regard to fixing the selling rates;
- (p) Interpret the organisational objectives and set up specific goals to be achieved towards these objectives;
- (q) Make periodic appraisal of operations;
- (r) Approve annual and supplementary budget;
- (s) Raise funds;
- (t) To recommend to the AGM the Auditor/Auditors to be appointed for periodical audit;

- (u) Take such other measures or to do such other acts as may be prescribed or required under this Act or the bye-laws or as may be delegated by the General Body;
23. (i) In its conduct of the affairs of the Society the Board of Directors shall exercise the prudence and the diligence of ordinary persons of business and shall be responsible for any loss sustained through acts of omission which are contrary of law, notified rules and these byelaws.
- (ii) It shall be the responsibility of the Board of Directors to ensure that elections to the General Body are conducted within the stipulated period. Failure to do so will make them ineligible for continuation / further election as delegate / member of the Board.

24. POWERS & FUNCTIONS OF THE CHAIRMAN, BOARD OF DIRECTORS

The Chairman, Board of Directors shall have the following powers & functions :

- (a) He shall preside over the meeting of General Body, Board of Directors and Executive Committee.
- (b) He shall be the spokesman of the society on all policy matters :
- (c) The Chairman shall maintain the Annual Confidential Reports of Managing Director & Chief Vigilance Officer.

25. EXECUTIVE COMMITTEE

- (a) The Board of Directors shall constitute an Executive Committee which shall consist of the following :
 - (i) Chairman
 - (ii) Managing Director and,
 - (iii) 3 Directors (out of which one will be nominated director and the remaining 2 will be elected Directors).

In addition to the Executive Committee, Board may constitute other committees or sub-committees not exceeding 3, if considered necessary.

- (b) The quorum of the meeting of the Executive Committee will be three including the Chairman.
- (c) The Secretary of the Society shall act as the Secretary of the Executive Committee/other committees.
- (d) The Executive Committee shall meet ordinarily once in two months and more often if necessary.
- (e) Any vacancy among the elected Directors in the Executive Committee will be filled by co-option from amongst the other elected directors by the Board of Directors failing which from amongst the elected delegates of the Society and such co-opted Director shall hold office upto the next General Body Meeting in which the vacancy will be filled up by election.
- (f) The decision in the Executive Committee shall be taken by a majority vote and in the case of a tie, the Chairman will have casting vote.
- (g) A notice of 7 days shall be given in writing for convening the meeting of the Executive Committee / other committee. However, an emergent meeting of the Executive Committee / other committee may be convened at any time by giving a notice of one day.

26. POWER & FUNCTIONS OF THE EXECUTIVE COMMITTEE

The Executive Committee shall besides exercising the powers and duties delegated to it by the Board of Directors, in particular perform the following :

- (a) Decide the manner of execution of work by the employees of the Society.
- (b) Lay down procedures and rules for the guidance of the staff.
- (c) Authorise opening of bank and other accounts in the name of the Society.
- (d) Enter into, carry out, notify or cancel contracts and arrangements in relation to movable or immovable property and action in claims or any other rights or interest in which the society may be concerned.
- (e) Prepare annual report and scrutinise the Audit Report including the internal audit report of the Society for being laid before the Board of Directors.

- (f) Assist in the inspection of books by the Central Registrar or any other person authorised by him; consider their inspection notes and take appropriate action.
 - (g) Subject to the general directions from the Board of Directors, make proper arrangement for housing of branch store of the Society all over the country.
 - (h) Transact all other business incidental to the management of the society.
 - (i) Lay down broad guidelines to carry on the business of the society, subject to general direction of the Board of Directors and the General Body Meeting.
 - (j) Delegate any or all the powers and duties mentioned above to the Managing Director.
 - (k) In exceptional circumstances, where a prompt and urgent decision has to be taken in furtherance of the interest / objective of the Society, the Executive Committee shall be Competent to decide on the advice of the Managing Director by exercising the powers of the Board of Directors. Any action / decision taken by the Executive Committee in pursuance of this authority shall be placed in the next meeting of the Board of Directors.
 - (l) Shall decide appeals on the decisions of the Managing Director relating to service Matters of the employees of the Society subject to the rules governing the service conditions of such employees.
 - (m) To appoint the staff falling within the powers of the Executive Committee
- These delegated powers may be reviewed on regular basis or as and when required.

✓ 27. POWERS AND FUNCTIONS OF MANAGING DIRECTOR

The Managing Director shall under the general superintendence, direction and control of the Board of Directors exercise the powers and discharge the following functions namely :-

- (a) day-to-day management of the business of the society;
- (b) signing on the documents for and on behalf of the society;

- (c) *conduct negotiations and make arrangements for purchase, proper storage and sales of goods. Purchase goods for the Society for sale at any time upto the amount as may be decided by the BOD from time to time from sources other than the established manufacturer or their authorised agents.*
- (d) *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 this Act, the rules and the bye-laws.*
- (e) *make appointments to the posts in the Society in accordance with the Recruitment Rules / bye-laws;*
- (f) *appoint the person to sue or be sued on behalf of the Society;*
- (g) *sanction Contingent expenditure as may be decided by the BOD.*
- (h) *take proper care of cash and articles and other properties belonging to the Society, including bonds, Government securities etc.*
- (i) *maintain and be responsible for the up-keep of all the vehicles and other equipments of the Society and to arrange for their repairs.*
- (j) *arrange for transportation of provision etc. to diferent branches / depots or godowns and ensure proper supply of the items to meet the requirements of the branches, depots or godowns.*
- (k) *present the draft annual report and financial statement for the approval of the Board within thirty days of closure of the financial year or within the time frame as prescribed by the Board of Directors.*
- (l) *exercise the functions and authority of employer.*
- (m) *do all other functions arising out of the day-to-day office administration and business operation of the Society.*
- (n) *performing such other duties, and exercising such other powers, as may be specified in the bye-laws of the Society.*
- (o) *furnish to the Board periodical information necessary for appraising the operations and functions of the Society.*

- (p) determine powers, duties and responsibilities of the employees of the Society for ensuring proper conduct of the day-to-day business of the Society.
- (q) transact all other business incidental to the Management of the Society.
- (r) 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 and maintaining proper records for such meetings;
- (s) assist the Board in the formulation of policies, objectives and planning;
- (t) operate the bank and other accounts of the society and be responsible for making arrangements for safe custody of cash;
- (u) settle claims by or against any members as to the payment of any amount from out of funds of the Society or due to it.
- (v) maintain Annual Confidential Reports of Deputy General Manager, Assistant General Manager, Secretary and Chief Accounts Officer.

28. FUNCTIONS OF CHIEF VIGILANCE OFFICER

The Chief Vigilance Officer will head the Vigilance Wing, whose functions and responsibilities will be as decided by the Board of Directors.

29. FUNCTIONS OF THE SECRETARY

The functions of the Secretary shall be as follows :-

- (i) To act as Secretary to the Executive Committee / Other Committees and the Board of Directors :
- (ii) To prepare agenda notes as well as write the proceeding books for meeting of the Executive Committee / Other Committees and the Board of Directors :
- (iii) To call the General Body Meeting as directed by the Board of Directors and prepare agenda notes and proceeding for such meetings.

(iv) To maintain :

- (a) All registers as required under the Act and Rules such as Membership Register, Shareholders Register etc.
- (b) The register of fixed assets of the Society.
- (c) The annual confidential report of the employees other than the Managing Director, CVO, DGM, Secretary and Chief Accounts Officer.
- (d) Category-wise lists of staff and their job assignments.
- (e) To arrange for proper maintenance, upkeep of building and branch stores of the Society and arrange for their insurance :
- (f) To assist the Managing Director in carrying out the administrative and secretarial duties or other duties in connection with the business operations of the Society as may be assigned to him by the Managing Director.

In the absence of Secretary, Assistant Secretary will act as Secretary to the General Body Meeting as well as Board of Directors & Executive Committee.

- (g) To effect issue and Transfer of shares after the approval of the Executive Committee.

30. FUNCTIONS OF CHIEF ACCOUNTS OFFICER

The functions of the Chief Accounts Officer shall be as follows :-

- (a) To render financial advice to the Management and prepare an Annual plan of activities for the ensuing year with budget estimates.
- (b) To take charge of all money received by Society and make disbursement in accordance with the direction of the Managing Director / Executive Committee and Board of Directors as the case may be.
- (c) To sign the Cash Book in token of its correctness, to produce the cash balance whenever called upon by the Managing Director, Executive Committee, Board of Directors or the Central Registrar or Auditors.

- (d) To deposit the cash and cheques of the Society in the approved Bank.
- (e) To make and give receipts for money payable to the Society.
- (f) To arrange for the recovery of dues from debtors.
- (g) To maintain true and accurate accounts of all money received, expended and of all stocks bought and sold.
- (h) To lay down procedures for maintaining accounts in the Head Office, Godowns as well as Branch stores of the Society.
- (i) To maintain all books and registers as required under the Act and Rules or for proper maintenance of all types of Accounts.
- (j) To keep true accounts of assets and liabilities of the Society.
- (k) To carry out other assignments / jobs as may be assigned to him by Managing Director.
- (l) To assign functions to the Accounts Officer with the approval of the Managing Director / Executive Committee / Chairman / Board of Directors and carry out effective supervision of their work.

31. REGISTERS

The following registers and / papers shall be maintained by the Society.

- (a) A register of members showing the name and address and occupation of every member, date of birth, the number of shares held by him of the date of termination of membership and the nominee appointed under bylaw 13.
- (b) Cash book showing the income, expenditure balance on each day on which business is done.
- (c) A ledger account of miscellaneous and contingent income and expenditure.
- (d) An account showing monthly instalment of shares and deposits.
- (e) A minute book.
- (f) A stock register including stock of goods manufactured.
- (g) A register of purchase and sales.
- (h) A register of attendance and wages.
- (i) Any other register prescribed by the Central Registrar.

32. BYELAWS & BALANCE SHEET

A copy of each of the bye-laws and the balance sheet shall be supplied free on demand to any member. The last balance sheet shall be kept open for inspection during office hours.

33. AUDIT

The accounts of the Society shall be audited at least once in a year by an auditor appointed by the AGM as per provisions of the Societies Act and rules made thereunder.

34. DISTRIBUTION OF PROFITS

- (i) The net profit of the Society shall be arrived at after meeting the following charges.
 - (a) All interest accrued and accruing in relation to amounts which are overdue.
 - (b) Establishment charges
 - (c) Interest payable on loans and deposits.
 - (d) Payment of Audit fee
 - (e) Working expenses including repairs, rent, taxes and depreciation.
 - (f) Bonus payable to employees under the Payment of Bonus Act and equalization fund for such bonus.
 - (g) Provisions for payment of Income Tax.
 - (h) Development rebate.
 - (i) Provision for Development fund, Bad Debt fund, Price fluctuation fund, dividend equalisation fund, Share Capital resumption fund, Investment fluctuation fund.
 - (j) Provision for retirement benefits to the employees.
 - (k) Writing of bad debt and losses not adjusted against any fund created out of profit or provision thereof.

- (ii) *The Society shall distribute its net profit in any year in the following manner :*
- (a) *Transfer an amount not less than 25% to the Reserve Fund which shall be indivisible and no member shall be entitled to any share in it.*
 - (b) *Credit 1% to Cooperative Education Fund maintained by the National Cooperative Union of India Ltd., New Delhi in the manner as may be prescribed.*
 - (c) *Transfer an amount not less than 10% to a Reserve Fund for meeting unforeseen losses.*
- (iii) *The balance of the net profits may be utilised for all or any of the purposes detailed below or may be carried over. :-*
- (a) *Payment of dividend to the members on their paid share capital at a rate not exceeding 20% of the net profit.*
 - (b) *Constitution of, or contribution to, such special funds including Education Fund as may be specified in the bye-laws.*
 - (c) *Donation of amount not exceeding 5% of the net profit for any purpose connected with Development of Cooperative movement or charitable purposes as defined in Section 2 of the Charitable Endowment Act, 1890 (6 of 1890).*
 - (d) *Payment of ex-gratia amount to the employees of the Society to the extent and in the manner as may be prescribed.*
35. If no dividend is claimed for a period of three years from the date of declaration, a notice shall be issued by the society at the registered address of the member at his/her cost calling upon him/her to take the amount within one month of the receipt of the notice. If the dividend is not claimed during this period it shall be credited to the reserve fund.
36. The rebate on credit and cash purchases shall be paid according to the rules approved by the Board of Directors.
37. No bonus : in addition to the dividend, shall be distributed to members.

38. No dividend shall be paid while any claim due from the Society to depositor or creditor remains unsatisfied.
39. Allocation and distribution of profits shall be made only after the annual audit.
40. The reserve fund is indivisible and no member is entitled to claim a specified share in it. It shall be invested in Government Securities or otherwise as directed by the Central Registrar under section 64 of the Act.
41. Reserve fund of the Society shall be utilized for furtherance of the objectives as defined in the bye-laws or for purposes as are incidental to or conducive to the attainment of the objectives of the Society.
42. If any dispute touching upon the constitution or business of the Society arises between members or past members of the Society or person claiming through a member or past members or between members or past members or so claiming through any officer / agent or servant of the Society (past or present) it shall be referred to the Central Registrar as provided in the Act and the Rules framed thereunder.
43. The funds of the Society when unutilised in its business, shall be invested or deposited as required under the provisions of the Act.
44. All matters not specifically provided for shall be decided in accordance with the Act and the Rules framed thereunder.
45. The Executive Committee with the approval of the Board of Directors may frame rules of business consistent with the Act, the Rules and these byelaws for carrying on the work of the Society and may make addition or alterations in them from time to time. In the absence of Executive Committee the same will be exercised by Board of Directors.
46. In case of any dispute about the meaning or interpretation of any provisions of the Act, Rules and these bye-laws, the decision of the Central Registrar shall be final.
47. The Society shall be wound up and dissolved only by the order of the Central Registrar under the relevant provisions of the Act.

48. After all the liabilities including the paid up share capital have been met, the surplus assets shall not be divided amongst the members but shall be devoted to any object of public utility determined by the General Meeting of the Society within three months of the date of final liquidation and approved by the Central Registrar, or the Central Registrar in consultation with the members may assign in whole or in part the surplus assets to any or / all of the following :
- (a) An object of public utility of local interest.
 - (b) A charitable purpose as defined in section (2) of the Charitable Endowment Act.
 - (c) On deposit with the Central Co-operative Bank until such time as a new Society with similar conditions is registered when, with the consent of the Central Registrar, such surplus, assets may be credited to the Reserve Fund of such new Society.