

**Bye
Laws
of**

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**The Haryana State Cooperative
Supply & Marketing Federation Ltd.**

Bye-Laws

of

The Haryana State Cooperative Supply & Marketing Federation Ltd.

I. Name, Address and Area of Operation

1. The Society shall be called "THE HARYANA STATE COOPERATIVE SUPPLY AND MARKETING FEDERATION LTD". It shall be referred to here-in-after as the "FEDERATION".
2. The registered address of the FEDERATION shall be The Haryana State Co-operative Supply and Marketing Federation Ltd., PANCHKULA.
3. The area of operation of the Federation shall be the whole of Haryana State.

II. Definitions:

4. In these Bye laws unless the context otherwise requires:
 - (a) The 'Act' means the Haryana Cooperative Societies Act, 1984.
 - (aa) "Area of operation" means the area from which the persons are admitted as members.
 - (b) 'Rules' means the Haryana Cooperative Societies Rules, 1989 framed under the Haryana Co-operative Societies Act, 1984.
 - (c) 'Government' means the Government of Haryana.
 - (d) 'Registrar' means a person appointed to perform the functions of Registrar of Cooperative Societies under the Act and includes any person appointed to assist the Registrar when exercising all or any of the powers of the Registrar.
 - (e) 'Managing Director' means the Managing Director of the Haryana State Cooperative Supply and Marketing Federation Limited.
 - (f) 'Federation' means the Haryana State Cooperative Supply and Marketing Federation Limited.
 - (g) 'Service Rules' means the service rules governing the common cadre employees of the Federation which includes service conditions, Rules, Punishment and Appeal Rules, Conduct Rules, T.A. Rules, etc. framed and amended from time to time, and any other rules/standing orders made applicable to any category or categories of employees made by the management, Registrar and Government.

- (h) 'Board' means the Board of Directors/ Board of Administrator/ Managing Committee, of the Federation constituted as per provisions of Act, Rules and Bye-laws.
- (i) 'Owned capital' means the total paid up share capital and reserve fund and other funds created out of profits and undistributed profits minus accumulated losses.
- (j) The words and expressions defined in the Act and Rules and used in these Bye-laws shall, unless the subject and context otherwise require, have meaning assigned to them in the Act and Rules.

III Objects

- 5. The main objects of the Federation shall be:-
 - a) To undertake and make arrangement for procurement, marketing and processing of agricultural produce and allied products.
 - b) To make arrangements for supply of agricultural inputs such as fertilizers, seeds and agro chemicals.
 - c) To facilitate the working of the affiliated Co-operative Societies.
- 6. Without prejudice to the general provisions of the preceding bye-laws the Federation may:-
 - (i) To borrow, raise or secure funds to facilitate its own business or for providing financial assistance to its members as advances, loans or grants.
 - ii) To undertake and make arrangements for the procurement of goods and material required by it and its member for undertaking processing and manufacturing activities;
 - (iii) To make arrangements for grading, packing and distribution of the goods manufactured by it or its affiliated societies and procure commodities from the market for trading within and outside India.
 - (iv) To make arrangements for the marketing of the agricultural produce of its member Societies and farmers.
 - (v) To purchase and install machinery for processing of agricultural produce and for manufacturing agricultural inputs such as fertilizers, seeds, agro chemicals.
 - (vi) To guide, assist and supervise working of its member societies;
 - (vii) To carry out publicity and propaganda in respect of co-operative marketing and supply by publishing literature, arranging demonstration, conference etc.;
 - (viii) To collect commercial information particularly relating to the conditions in principal markets, general trends of the prices and circulate the same among its members;

- (ix) To acquire, construct, lease, hire or dispose of buildings and godowns for carrying out business of the Federation and its affiliated societies and to take up the construction work of other govt./institutional agencies.
- (x) To guarantee the loans advanced or credit granted to any member society of the Federation by Government, State Bank of India or any other agency within such limits and such terms and charge such commission thereon as may be approved by the Registrar;
- (xi) To act as agent of the State Government and other agencies for the procurement of agricultural produce and distribution of agricultural inputs, agro chemicals and other goods;
- (xii) To enter into collaboration/joint ventures with the Co-operatives and others in India and abroad, in fulfilment of any of its objects;
- (xiii) To encourage saving, thrift and cooperation among members and undertaken measures for spreading knowledge of co-operative principles and practices
- (xiv) To act as insurance agent and to guide and assist its member societies and other etc. regarding all insurance matter.
- (xv) To undertake such activities as are connected with the activities mentioned above and other activities for the benefit of Federation and its members.

IV Membership and Shares:

7. The membership of the Federation shall be open to:

- (a) Co-operative Marketing and Marketing-cum-Processing Societies dealing with Agriculture.
- (b) Cooperative Cold Stores.
- (c) Such other type of Societies as may be approved by the Registrar.
- (d) Government

8. Associate Members

The Federation may enrol following as its nominal/associate members:

- (i) Primary Cooperative Agricultural Credit & Service Societies.
- (ii) Cooperative and other institutions, statutory bodies or individuals as may be notified by the Government with which it has business relations or proposes to set up joint venture.
- (iii) Associate member shall not be entitled to any share in any form whatsoever, in the assets or profits of the Federation.
- (iv) The associate member shall have no right to vote in the affairs of the Federation and shall have no representation on the management of the Federation.

- (v) Associate member shall pay entrance fee of Rs.100/- and shall not be required/entitled to contribute any share capital.
9. Applications for membership shall be addressed to the Managing Director of the Federation. Such applications shall be disposed of by the Executive Committee of the Federation and the applicant to whom the admission is refused by the Executive Committee shall communicate the decision in writing per registered notice. Such applicant may appeal to the Board of Directors within 30 days of the receipt of the decision of the Executive Committee.
10. A member of the Federation may be expelled by the Executive Committee for the following reasons.
- a) If the member persistently defaults in the payments of share money or other amounts due to the Federation;
 - (b) If the member wilfully supplied materially false information to the Federation;
 - (c) If the member fails to observe the bye-laws without any reasonable cause;
 - (d) If the conduct of the member is prejudicial to the interests or reputation of the Federation.
11. A member expelled by the Executive Committee under the preceding bye-law may appeal to the Board of Directors within 30 days of the communication of decision regarding expulsion.
12. Membership of the Federation shall be terminated on:-
- a) cancellation of the registration of an affiliated Society;
 - b) ceasing to hold at least one share; or
 - c) expulsion as provided in bye-law No.10.
13. Every member shall, on admission, pay an entrance fee of Rs.100/-. Every member shall take at least one share whose value shall be payable in lump-sum. With the prior approval of the Registrar, the Board of Directors may, at any time, call upon the members to contribute to the share capital of the Federation by taking one or more number of shares.
14. No share shall be withdrawn, but shares may be transferred to member or to a society duly qualified for membership and approved by the Executive committee or shares may be transferred to the "Share Transfer Fund" kept by the Federation for the purpose.

Provided that in the economic interest of the member society, its share contribution can be retired by the Board.

V. Liability:

15. The liability of a member for deficit in the assets of the Federation in the event of

its being wound up, shall be limited to the share capital subscribed by the member.

VI. Funds:

16. The Federation may raise funds by:
 - (a) Issuing of shares of the value of Rs. 5,000/- each.
 - (b) raising of loans from the Government, Co-operative Banks and with the prior approval of the Registrar from the Commercial Banks and others.
 - (c) acceptance of deposits from members and non-members;
 - (d) acceptance of grant or subsidy or financial assistance from the Government or other institutions or individuals.

VII. Maximum Borrowing Limit:

17. The maximum borrowing limit of the Federation shall not, at any time exceed ten times of its own capital. Any sum to be borrowed against stock in trade shall not be subject to the said limit.

VIII. Management:

18. Constitution of Board of Directors.

The affairs of the Federation shall vest in the Board of Directors, which shall be constituted as follows:

- (i) The Registrar, Cooperative Societies, Haryana, or his nominee;
- (ii) The Director of Agriculture or his nominee;
- (iii) The Director of Food & Supplies or his nominee;
- (iv) The Managing Director of the Federation;
- (v) A nominee of the Financing Institution;
- (vi) Government nominees equal to 1/3rd of the elected members or 3 whichever is less.
- (vii) One representative for every ten member societies or part thereof subject to a maximum of seven members elected out of the member societies.

19. **Office Bearers**

The Chairman of the Board of Directors shall be appointed by the Government from amongst its nominees if it has contributed to the share capital of the Federation to the extent required for the purpose under the Act. Such person shall hold office during the pleasure of Government. His tenure shall not exceed the tenure of the Board in any case.

Provided, if the Government has not contributed to the share capital to the required extent, the Chairman of the Board shall be elected from amongst the members of the Board of Directors and his term shall be co-terminus with that of the Board.

20. The Vice Chairman shall be elected from amongst the members of the Board. The term of the person so elected shall be co-terminus with that of the Board.

21. A member of the Board shall cease to hold office if:

- (i) he ceases to be member of the society he represents;
- (ii) the society which he represents is included in the list of 'D' Class societies maintained by Registrar;
- (iii) the society which he represents is brought under winding up or its registration is cancelled.
- (iv) he abstains from three consecutive meetings of the Board of Directors without sufficient reasons.

22. Any vacancy occurring in the Board shall be filled by Co-option from amongst the member societies. Provided that the term of the member so co-opted shall be co-terminus with that of the Board.

23. At least 15 days' notice (specifying the date, time, place and agenda) of the meeting of Board of Directors shall be given to the members before the meeting is held.

Provided that 7 days' notice of the meeting of Executive Committee, Administrative Committee or any other Sub Committee constituted by the Board shall be given to the members of such Committee before its meeting is held.

24. The Board of Directors shall meet at least once in three months. One third of the total members shall form quorum for meeting of the Board. The Chairman or in his absence Vice Chairman and if both are absent, a member elected by those present in the meeting shall preside over the meeting of the Board. Each member shall have one vote. Unless otherwise provided in these bye-laws or by the Statutory rules notified by the Government all questions shall be decided by a majority of votes. In case of equality of votes, the Chairman of the meeting shall have a casting vote.

Any five members of the Board of Directors may give requisition for a special meeting of the Board of Directors by giving seven days notice to the Managing Director of the Federation. On the receipt of the requisition, the Managing Director shall convene a meeting of the Board of Directors at the Headquarters of the Federation. If he fails to do so within 30 days, the Registrar on the application of the signatories of the requisition may summon a meeting of the Board of Directors. The Registrar may on his own motion at any time summon a meeting of the Board of Directors.

25. **Powers & Duties of Board**

The powers and duties of the Board of Directors shall be :-

- a) to elect the Chairman and the Vice-Chairman of the Board of Directors.
- b) (i) to appoint the Executive Committee;
- (ii) to appoint the Administrative Committee or other Sub Committee.

Provided that in the absence of such committees the powers shall vest in Board of Directors/Board of Administrators.

- c) to hear and decide appeal against the order of the Executive Committee in cases expressly provided for in these bye-laws;
- d) to appoint staff within the sanctioned strength as may be necessary and to determine their conditions of service subject to the approval of the Registrar.
- e) to give directions to the Managing Director for convening a meeting of the General Body of the Federation and to present the Annual Report and Balance Sheet in the Annual General Body meeting;
- f) to open branch offices at suitable centres and fix their jurisdiction, and to appoint local committees, if necessary, from amongst the share holders for supervising the business and working of such branches, and to define the power of such local committees;
- g) to frame and subsequently amend rules for regulating the business and working of the Federation consistent with the provisions of these bye-laws;
- h) to purchase shares of other co-operative institutions and to invest the surplus funds of the Federation according to the Act and Rules framed thereunder;
- i) to open and to operate accounts with cooperative banks and other commercial banks approved by the Registrar and to raise loans on suitable terms and conditions.
- j) generally to supervise all affairs of the Federation.
- k) to appoint persons to represent the Federation on other cooperative societies and other institutions whenever and where-ever required.
- l) To allocate the profits of the Federation as per provisions of Act, Rules and Bye-laws.

26. **Executive Committee-Constitution**

There shall be an Executive Committee of the Federation consisting of seven Directors constituted in the following manner:

- a) Chairman of the Board of Directors.
- b) Vice-Chairman of the Board of Directors;
- c) Registrar, Co-operative Societies, Haryana or his nominee;
- d) Managing Director of the Federation;
- e) Three Directors to be appointed by the Board of Directors out of its remaining members.

Three members shall form quorum of the Executive Committee. In case of emergency an item can be got sanctioned from the Executive Committee

members through circulation and the same shall be placed before the next Executive Committee meeting for its confirmation.

27. Executive Committee- Powers & Duties

The powers and the duties of the Executive Committee shall be:-

- i) to grant admission to new members and allot shares;
- ii) to arrange for procurement and sale of agricultural and allied produce
- iii) to ensure compliance of suggestions and instructions contained in inspection or audit note relating to the Federation;
- iv) to perform any other duties or exercise any other powers which may be assigned to it by the Board of Directors.

28. Administrative Committee- Constitution

There shall be an Administrative Committee of the Federation consisting of the five Directors constituted in the following manner:

- a) Chairman of the Board of Directors.
- b) Registrar, Cooperative Societies Haryana or his nominee.
- c) Managing Director of the Federation.
- d) Two Directors to be appointed by the Board of Directors from amongst other Directors of the Board.

Three members shall form the quorum.

29. Administrative Committee- Powers & Duties

The powers and duties of the Administrative Committee shall be:

- (i) To administer the Common Cadre Rules and to issue such instructions or directions as may be considered necessary from time to time to give effect or to carry out the provisions of the Common Cadre Rules in force.
- (ii) To issue such instructions or directions as may be considered necessary from time to time for regulations and conditions.

30. Managing Director

The Managing Director of the Federation shall be appointed by the State Government.

31. The Managing Director of the Federation shall be its Chief Executive Officer and the employees of the Federation shall exercise their powers and perform their duties under his superintendence and control. He shall exercise his powers and perform his duties as under:

- (i) To superintend and control the affairs of the Federation and be responsible for the proper and punctual maintenance of accounts.
- (ii) To maintain the register of members and share list.

- (iii) To refund or transfer the shares of affiliated societies.
 - (iv) To receive deposits and surplus funds from members and non-members including the public banks, local bodies and public institutions.
 - (v) To receive money due to the Federation and give receipt thereof.
 - (vi) To incur expenditure up to the limit authorised by the Board of Directors.
 - (vii) To pay money due from the institution.
 - (viii) To invest surplus funds, to discharge, buy, sell and collect interest on govt. promissory notes and securities on behalf of the Federation.
 - (ix) To make investments in Governments/Securities or in other Federation/ Corporations/ Undertakings.
 - (x) To make appointment of the staff authorized by the Board of Directors or staff service rules.
32. The instruments executed on behalf of the Federation, except receipts shall bear the signature of such officers of the Federation as may be appointed by the Board of Directors or the Managing Director from time to time.
33. The Board shall provide a common seal for the purpose of the Federation and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the same for the time being and the seal shall never be used except with the previous authority of the Board of Directors of the Federation.
34. Every deed or document to which the seal of the Federation is required to be affixed, shall be signed by the Managing Director or such other person (s) as may be appointed by the Board in this regard.
35. The Federation shall create a common cadre for its employees in such manner as may be provided in the rules governing the common cadre. The services of the incumbents on the cadre may be lent on deputation to cooperative marketing societies or any other such societies as may be specified in the Rules.
36. The services of employees of the Federation and other societies covered under the Common Cadre Rules shall be governed by the service rules as may be framed, amended or modified by Registrar in consultation with the Board of Directors.

IX General Body

37. The General Body members of the Federation shall meet from time to time and at least once a year. A meeting of the General Body shall be convened by the Managing Director of the Federation under the directions of the Board of Directors. A General Meeting shall also be convened if the requisition of such meeting signed by not less than one fourth of the total members is received by the Board of Directors through Chief Executive Officer. If on the receipt of the requisition, the Board of Directors fails within a reasonable time, not exceeding 30 days, to convene the General Meeting, the signatories to the requisition may

refer the matter to the Registrar, who may, if he thinks fit summon the General Meeting. The Registrar, may, on his own motion, at any time summon a General Meeting of the Federation. Every society shall be represented by one person duly authorised by the member society and the person concerned shall deposit the instrument so appointing him before the General Meeting.

38. At least 15 day's clear notice, specifying the date, place and time and the agenda of the General meeting shall be given to all members by issue of letters and publications in press also. The quorum for the General Meeting shall be one-fifth of the total number of members or 40 whichever is less. If at the hour fixed for a General meeting, a quorum is not forthcoming, the chairman of the meeting shall, if the meeting has been called on the requisition of the members, adjourn it and no further general meeting shall be convened on the strength of the requisition. If the General Meeting is convened otherwise than on requisition, the Chairman shall postpone the meeting to a further date. A fresh notice for the subsequent general meeting shall be given to all members. The business at the subsequent general meeting may be transacted with the number of members present.
39. The Chairman or in his absence, the Vice-Chairman shall preside over meetings of the general body; when both of them are absent the members present shall elect a Chairman for the meeting.
40. Every member of the General Body shall have one vote. Voting by proxies shall not be allowed at a General meeting. Unless otherwise provided in these Bye laws, all questions shall be decided by a majority of votes of the members present. When the votes are equal, the Chairman of the General meeting shall have a casting vote.
41. Unless otherwise provided in these Bye - laws, the ultimate authority in all matters relating to the administration of the Federation shall vest in the General Body.
42. Without prejudice to the general provisions of the preceding Bye-laws, the General Body of members shall have the following powers and duties:
 - i) Approve the programme of activities of the Federation prepared by the Board for the ensuing year.
 - ii) Consider the Audit Report and the Annual Report.
 - iii) Consider the performance of the Federation for the preceding year.
 - (iv) Fixation of the maximum borrowing limit of the Federation consistent with these Bye laws, subject to the approval of the Registrar.
 - (v) Amalgamation of other similar Co-operative Institutions with the Federation.
 - (vi) Amendment of Bye - laws.

X. Distribution of Profit

43. After making provisions for depreciation on the building, machinery and other stocks as decided by the Board of Directors, the net audited profits of the Federation shall be disposed off in the following manner:

- i) At least 10% shall be carried to the Reserve Fund.
- ii) 10% shall be carried to the Price Fluctuation Fund.
- iii) Such proportion, not exceeding 5% of the net profits as may be determined by the Registrar by the General or Special order shall be carried to Cooperative Education Fund to be administered in accordance with the instructions from the Registrar issued from time to time.
- iv) The remainder may be utilized for one or more of the following purposes:-
 - a) Distribution of dividend amongst members at a rate not exceeding 10% per annum on the value of the share actually paid up;
 - (b) Rebate to members in proportion to their purchases made by them from the Society.
 - (c) Creation of a Welfare Fund for the employees not exceeding 2% of net profits.
 - d) Creation of Building fund, loss adjustment fund, and any other fund required by the Federation.
 - (e) A sum not exceeding 9% of the net profits may be spent on any charitable purpose as defined in Section 2 of the Charitable Endowment Act, 1890 or be allocated to a Common Good Fund devoted to any of these purpose;
 - (f) Any surplus may be credited to Reserve Fund or carried to next year's profit.

44. The allocation of net profits shall be decided upon by the Board of Directors and placed before the General Body for its information.

XI. Amendment Of Bye-laws:

45. No amendment to these Bye - laws shall be carried out save in accordance with a resolution passed in the General Meeting of the Federation of which due notice of the intention to discuss the amendment has been given:
- (i) Provided that no such resolution shall be valid unless it is passed by a majority of members present at the General Meeting at which not less than two third of the members for the time being of the Federation are present.
 - (ii) Provided further that amendments previously approved by the Registrar may be adopted by a majority at an ordinary General Meeting.
 - (iii) The amendments shall come into force after they are registered by the Registrar.

XII. Miscellaneous:

46. The accounts of the Federation shall be audited at least once a year by the person appointed by competent authority under the Act and Federation shall pay such audit fee as may be assessed from time to time, by the authority competent to do so.

47. The services of the members of the Board of Directors, the Executive committee and Administrative Committee except the Managing Director and Chairman (when appointed by the Government) shall be honorary but they may be paid travelling and daily allowance on a scale approved by the Registrar. Payment of honorarium will disqualify a Director.
48. In the conduct of the affairs of the Federation, the Board of Directors, Executive Committee and Officials of the Federation shall exercise prudence and diligence of ordinary men of business.
49. The reserve fund of the Federation shall be indivisible and no member shall be entitled to claim a specified share in it, it shall be invested and utilized in such manner as the statutory rules notified by Government may specify.
50. Should any doubt arise with regard to the interpretation of these Bye - laws, the matter shall be referred to the Registrar whose decision shall be final.
51. All disputes relating to the business of the Federation shall be disposed of in the manner provided by the Statute governing the Cooperative Societies in Haryana and the rules framed thereunder.
52. The Federation shall maintain such books of accounts as are necessary besides those directed by the authority specified in Act, Rules and Bye-Laws.
53. The Federation shall prepare and submit such returns, and statements as the Registrar may, from time to time, specify. Its members shall also submit such returns that the Federation may ask for from time to time.
54. The Federation may, in the event of its unsatisfactory working, be wound up and cancelled by the order of Registrar, in accordance with the law for the time being in force.

CERTIFICATE

It is certified that the proposed amendments made in the Bye-Laws has been approved and adopted by the General Body in its meeting held on 17.10.2003.

Sd/-
S.K.GUPTA
ADDL.G.M.(F&A)

Sd/-
DEVENDER SINGH, IAS
MANAGING DIRECTOR
HAFED, PANCHKULA

Registered on the 7th day of June 2004 under my hand and seal.

Sd/-
ABHILAKSH LIKHI, IAS
REGISTRAR
COOPERATIVE SOCIETIES, HARYANA,
CHANDIGARH.