

# THE BYE-LAWS OF The Khuda Alisher Cooperative Dairy Society Limited

## NAME AND ADDRESS OF OPERATION

1. The society shall be called the Khuda Alisher Co-operative Dairy Society Limited. It shall be referred to here in-after as the Society.

2. The registered address of the society shall be The Khuda Alisher Cooperative Dairy Society Ltd Post Office Nanda Tehsil and District Chandigarh

3. Area of operation of the society shall cover the following village/  
villages :— Khuda Alisher only

## OBJECTS

4. The objects of the society shall be :—

- [i] to set up dairy on proper and scientific lines and for that purpose to purchase life, take on lease or otherwise acquire dairy equipment including milk recording, milk testing processing plants ;
- [ii] to purchase or take on lease land for dairying and allied purposes ;
- [iii] to construct and repair cattle sheds and build other structures necessary for dairying and allied purposes ;
- [iv] to purchase and sell cattle of improved breed and to arrange for their proper upkeep including medical care ;
- [v] to make arrangements for the marketing of milk of milk products primarily of the society ;
- [vi] to advance loans to members for purchase of milk cattle, cattle feed and other necessary equipment with milk supply and to arrange for the common purchase of cattle for members ;
- [vii] to disseminate knowledge in dairying ;
- [viii] to undertake measures to spread knowledge of co-operative principles and practices ; and

- [ix] to undertake such other activities as are conducive to the attainment of the above objects.

### MEMBERSHIP

5. Subject to the provisions of bye-laws 6. any individual shall be eligible for admission as a member of the society if he is :—

- [i] over 18 years in age and of sound mind ;
- [ii] ordinarily resident in the area of operation of the society ;
- [iii] of good character ; and
- [iv] interested in dairying.

6. No individual shall be eligible for admission as a member of the society if :—

- [i] he has applied for bankruptcy ;  
OR
- [ii] he has been declared as an insolvent ;  
OR
- [iii] he has been sentenced for any offence involving dishonesty or moral turpitude within 5 years preceeding the date of his admission as a member.

7. [i] Application for admission as members and for allotment of share shall be made to the Secretary in the form, if any, laid down by the society for the purpose ;

- [ii] Every such application for admission as members shall be disposed of by the Managing Committee subject to the confirmation of General Body. If the Committee or the general body refuses to admit a person, it shall record its reasons for such refusal and communicate them to the person concerned. Any person, who has been refused admission shall have the right of an appeal to the Registrar within 60 days of the date of communication of refusal. The decision of the Registrar on such appeal shall be binding on the society and the appellant.

8. No member shall be admitted during 15 days preceeding the date fixed for any general body meeting of the society at which office-bearers are to be elected.

9. Every member on admission shall sign his name or make his thumb mark in the Register of members and pay an admission fee of Rs. 4/-

- 10. [i] Every member of the society shall nominate a person or persons to whom his share or interest or such sums out of share or interest as may be specified by the member shall on the death of the member, be transferred or paid as laid down in these bye-laws ;

- [ii] Such nomination may, from time to time, be revoked or modified by the member ;

- [iii] The number of persons who may be nominated by a member

- shall not exceed the number of shares held by the member ;
- [iv] When a member of the society nominates more than one person he shall as far as practicable, specify the amount to be paid for or transferred to each nominee in terms of whole shares and the interest accruing thereon ;
  - [v] The record of nomination shall be kept by the society in such manner as may be laid down by the Registrar from time to time ;
  - [vi] The value of the share of interest transferred or paid to a nominee or nominees shall be determined on the basis of the sum actually paid by the member to acquire such share or interest.

11. No share shall be withdrawn but shares may be transferred to a member or to a person duly qualified for membership and approved by the Managing Committee.

12. The value of the shares shall in no case be more than the sum received by the society in payment thereof.

1. [a] A member may be expelled for one or more of the following reasons :—

- [i] ceasing to reside in the area of operation of the society ;
- [ii] failure to pay the share money or amounts due from him to the society ;
- [iii] conviction of criminal offence involving dishonesty or moral turpitude ;
- [iv] application for bankruptcy ;
- [v] an action which may be held by the general body to be dishonest or contrary to the interest reputation and stated object of the society.

[b] No member shall be expelled except by a resolution passed by two-third majority in the general meeting. The member so expelled shall have right to appeal to the Registrar against the decision of the general body within 60 days of the date of such decision. The order of the Registrar on appeal shall be binding on the society and the appellant.

14. A person shall cease to be a member of the society in one or more of the following circumstances :—

- [i] death ;
- [ii] ceasing to hold at least one share ;
- [iii] withdrawal after six months notice to the Secretary of the society provided that the member withdrawing is not indebted to the society and is not surety for an unpaid debt ; and provided further that the share/shares held by the member are disposed of in accordance with bye-laws.

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Notwithstanding any thing contained in the by-laws, the financing instruction of the Co-Operative Society shall be admitted as nominal members in Payment of Rs. 5/- as admission fee.

in the event of its being wound up shall be limited to <sup>fifteen</sup> times the value of the share capital subscribed by him.

### FUNDS

- [i] issuing of shares of the value of Rs. 50/- each ;
- [ii] acceptance of deposits from members ;
- [iii] raising of deposits and loans from members ;
- [iv] Government grants and loans ;
- [v] Accumulation of profits ;

17. [i] Each member shall take atleast <sup>four</sup> ~~one~~ share of the value of Rs. 50/-. At the time of admission each member shall pay Rs. 20/- towards the value of share and the rest shall be paid in three equal six monthly instalments.

[ii] Nothing in the above sub-clause shall prevent a member from payment of the value of shares in lump sum.

18. No member shall hold shares of which the nominal value exceeds Rs. 5000/- or 1/5th of the total share capital actually subscribed whichever be less. If any member by inheritance or otherwise becomes possessed of more than the maximum holding permitted by this rule, the Managing Committee shall have power to sell the excess number or to buy them on behalf of the society and to hold the proceeds at his disposal.

19. If the payment due on account of shares remains unpaid, for more than three months, the Managing Committee may declare such shares forfeited together with all payments made thereon and the rights of membership attaching to those share shall there upon be distinguished. The committee may allow such shares to be restored provided:—

- [i] that all arrears together with such interest as the committee may demand are paid up, and
- [ii] that such payment is made within three months of the date of forfeiture.

### MAXIMUM CREDIT LIMIT

20. The maximum credit limit of the society shall be fixed by the General Body in accordance with the instructions laid down by the Registrar from time to time. The limit thus fixed shall be subject to the approval of the Registrar who may at any time reduce it.

### GENERAL BODY

21. All members on a given date shall constitute the General Body of the society.

22. The General Body of the members shall meet at least once a year. The general meeting of the Cooperative Society may be called by the Committee or by an officer of the Cooperative Society under the directions of the Committee.

A general meeting of Cooperative Society shall be called by the Committee on the receipt of a requisition for such a meeting from one fifth of the total number of members.

If on the receipt of the requisition the Committee fails within a reasonable time to call the general meeting the signatories of the requisition may refer the matter to the registrar who may if he thinks fit, summon the general meeting.

23. At least a fortnight's Notice, specifying the date, place and time and agenda of the general meeting, shall be given to all members. The notice of a general meeting may be given in one or more of the following modes:—

- [i] Affixing a copy of the notice at the society's office or at some conspicuous of the area of operation of the society.
- [ii] By circulation of the notice book and getting signatures of members on it.
- [iii] By post.

The quorum for the general meeting shall be one-fourth of the total number of members or 500, whichever is less. If at the hour fixed for a general meeting the 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.

24. The president or in his absence, the Vice-President shall preside over meetings of the General Body. When both of them are absent, the members present shall elect a Chairman for the meeting.

25. Every member of the General Body shall have one vote. Voting by proxies shall not be allowed at the General Body. Unless otherwise provided in these bye-laws, all questions shall be decided by a majority of vote of the members present. When the votes are equal, the Chairman of the General Body shall have a casting vote.

26. Unless otherwise provided in these bye-laws the ultimate authority in all matters relating to the administration of society shall vest in the General Body.

27. Without prejudice to the general provisions of the preceding bye-laws, the General Body shall have the following powers and duties :—

- (i) The election, suspension, and removal of the elected members of the Managing Committee ;
- (ii) the consideration of the annual report of the society is audited balance sheet and profit and loss account and the inspection notices ;
- (iii) disposal of profits ;
- (iv) the fixation of the maximum credit limit of the society consistent with these bye-laws, subject to the approval to the Registrar ;
- (v) confirmation of admission of members ;
- (vi) amendment of bye-laws ;
- (vii) transaction of any other business with permission of the Chairman of the general duty.

28. Each member present at general meeting shall be entitled to exercise one vote only. The President shall have a casting vote. No member who is in arrears of his share instalments, shall be entitled to vote.

29. All business discussed or decided at a general meeting shall be recorded in a proceedings book which shall be signed by the Chairman of the meeting.

#### MANAGING COMMITTEE

30. The Managing Committee shall consist of not more than seven members of the society, *including one nominee of the*  
*Financing Bank.*

31. No person shall be eligible for election as a member of the Managing Committee of the society if he :—

- (a) is below 21 years of age ; or
- (b) is a paid employee of the society of the financing bank ; or
- (c) is convicted of any offence involving dishonesty or moral turpitude ; or
- (d) has applied for insolvency or is declared insolvent ; or
- (e) is of unsound mind ; or
- (f) is in default in the payment of the debts due to the society for a period exceeding six months from the date on which the payment fell due ; or
- (g) holds any office of profit under the society or receives any honorarium.

32. The election of the Managing Committee shall be held in accordance to the procedure laid down in the Act, the Rules, and the instructions issued by the Registrar in the behalf from time to time and period of an election Committee shall be three years.

33. A member of the Committee shall cease to hold office if he :—

- (i) ceases to be a share holder of the society ; or
- (ii) applies for insolvency or is declared insolvent ; or
- (iii) is convicted of any offence involving dishonesty or moral turpitude ; or
- (iv) holds any office or place of profit under the society or receives any honorarium ; or
- (v) resigns and his resignation is accepted by the Committee ; or
- (vi) absent himself from three consecutive meetings of the Managing Committee ; or
- (vii) defaults in the payments of his debt due to the society for a period exceeding six months from the date on which the payment fell due ; or
- (viii) a paid employee of the society of the financing bank ; or
- (ix) falls in arrears of his share instalments.

34. The members of the Managing Committee shall elect from amongst themselves the President and the Vice President.

35. Meeting of the Managing committee shall be held when necessary. 1/3 of the members shall form a quorum. The President or the Vice-President or in his absence, a member elected by those present in a meeting shall preside. Unless otherwise provided in these bye-laws, all questions shall be decided by a majority of votes. Each member shall have one vote. In case of equality of votes, the Chairman shall have a casting vote.

36. The Managing Committee shall exercise all the powers and discharge all the duties of the society except those reserved for general body subject to any regulations or restrictions duly laid down by the society in a general meeting or in the bye-laws. In particular, the Managing Committee shall have the following powers and duties :—

- (i) to observe in all their transactions, the Act, the notified rules and this bye-laws ;
- (ii) to maintain true and accurate accounts of all money received and expended and all stock bought and sold ;
- (iii) to keep a true account of the assets and liabilities of the society ;
- (iv) to keep a register of members correct and up-to-date ;
- (v) to prepare and lay before the annual general meeting a profit and loss account and audited balance sheet ;
- (vi) to examine the accounts, sanction contingent expenditure and supervise the maintenances of the prescribed registers ;
- (vii) to consider the inspection notes of the Registrar or his staff and audit notes of Chief Auditor or his staff and necessary action ;

- (viii) to elect new members, to issue new and transfer old shares ;
- (ix) to arrange for the recovery of shares instalments and interest on overdue instalments ;
- (x) to give direction to Secretary to summon general meetings in accordance with these bye-laws ;
- (xi) to contract loans subject to any restrictions imposed by the general body or by the Registrar ;
- (xii) to decide the terms on the period for, the rates of interest at which deposits are to be received and to arrange for the payment or return of deposits ;
- (xiii) to assist the inspection of the books by any person authorised to see them ;
- (xiv) to appoint, suspended, dismiss or punish employees subject to any conditions laid down by the Registrar from time to time and to take proper securities from them as determined by the Registrar ;
- (xv) through any member, or officer, or employees of the society, or any other persons specially authorised to institute, conduct, defend, compromise, refer to arbitration, or abandon legal proceedings by or against the society or committee or officers, employees concerning the affairs of the society ;
- (xvi) to acquire on behalf of the society shares in other registered Co-operative Societies ;
- (xvii) to arrange for the sale of books and to appoint one of its members or one of the officers of the society resident in the village, to take charge of all the registers and papers prescribed in these bye-laws ; and to send the original charge report to the Registrar for record ;
- (xviii) to appoint one of the members of the committee to take charge of all money received and generally to carry on the duties of a treasurer in the absence of the treasurer. The person thus appointed shall hand over the money thus received to the treasurer immediately on his return ;
- (xix) to accept or reject the resignation from the Committee member and in the case of acceptance, to co-opt. another member till the election of a committee member by the General Body in his place ;
- (xx) to invest the surplus funds of the society in accordance with the Co-operative Societies Act or Rules framed thereunder ;
- (xxi) to purchase, hire, take on lease or otherwise acquire dairy equipment ;
- (xxii) to purchase or take on lease land for dairy, agriculture and allied purposes .

- (xxiii) to construct or repair cattle sheds and build other structures necessary for dairying and allied purposes ;
- (xxiv) to fix the rate at which milk or milk products shall be sold to ensure their purity and to arrange for their collection, grading storage, transportation, sale ;
- (xxv) to arrange for the purchase milk cattle and their maintenance
- (xxvi) to arrange for medical aid to animals belonging to the society
- (xxvii) to purchase, sell, hire or otherwise acquire or dispose of property on behalf of the society ;
- (xxviii) generally to carry on the business of the society ;

37. It shall be competent for the Managing committee to frame subsidiary rules for the conduct of the business of the society consistent with these bye-laws. Such subsidiary rules shall be entered in the minute book of the society and shall take effect only after their approval by the Registrar.

38. The Managing Committee may constitute an executive committee and delegate to it such powers and functions as it considers fit.

39. In the conduct of the affairs of the society the, members of the Managing or Executive Committee shall exercise the prudence and diligence of ordinary men of business and shall be responsible for any loss sustained through acts contrary to the law, the bye-laws and the objects of the society.

40. All business discussed or decided at a meeting of the Managing or Executive committee shall be recorded in a proceeding book which shall be signed by the Chairman of the meeting and all the member of the Committee present.

#### SECRETARY

41. The powers and duties of the Secretary shall be as follows:—

- (i) to maintain correctly and up-to-date the prescribed papers and registers;
- (ii) to procure from borrowers the due execution of bonds with security when required under the bye-laws;
- (iii) to prepare all receipt, vouchers and documents required by the Rules or the bye-laws or called for by the Committee;
- (iv) to sign on behalf of the society and to conduct its correspondence;
- (v) to summon and to attend general meetings;
- (vi) to record the proceedings of such meetings and have them duly signed;
- (vii) to prepare the annual statements and submit them to the Registrar within the period prescribed by him;
- (viii) to control the staff under him;

- (ix) to certify copies of entries in the books under the Co-operative Societies Act;
- (x) to incur contingent expenditure within limit fixed by the Managing Committee;
- (xi) generally to conduct the current business of the society and perform all duties entrusted to him by the Committee;

### TREASURER

42. Treasurer shall be elected by the Managing Committee and he shall take charge of all money received by the society from any source and shall make disbursement in accordance with the directions of the Committee. He shall sign the cash book in the token of its correctness and produce the cash balance whenever called upon to do so by the President, Committee or Auditor or any Officer of the Co-operative Department.

### REGISTERS

43. The following books and papers shall be maintained :—

- (i) a register of members ;
- (ii) cash book ;
- (iii) ledger account for each member, depositor, creditor, miscellaneous and contingent income and expenditure and the purchase and sale of milk and other goods ;
- (iv) proceedings book ;
- (v) Share list or register of shares ;
- (vi) A stock register ;
- (vii) Cash memos with duplicate copies ;
- (viii) Any other register prescribed by the Registrar or required by the society for its business ;
- (ix) A pass book for each member and depositor.

44. The books of the society shall be open to inspection to any one interested in the funds of the society except that on one shall be allowed to see the deposit account of any person without that person's consent in demand to any member.

### DISTRIBUTION OF PROFITS

45. That net profit of the society, as per audited balance sheet, shall be distributed as follow :—

- (i) At least 10 percent shall be carried to the Reserve Fund ;
- (ii) Such proportions, not exceeding 5 percent of the net profits shall be carried to the Co-operative Education Fund to be administered in accordance with the instructions from the Registrar issued from time to time ;
- (iii) 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 percent per annum on the value of the shares actually paid up ;

- (b) a sum not exceeding 9 percent 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 purposes ;
- (c) creation of a Depreciation Fund, or any other fund required by the society.
- (iv) Any surplus may be credited to reserve fund or carried to the profit of the next year.

46. It shall be competent for the society to incur expenditure on such measures as are conducive to the imparting of a knowledge of co-operative principles and practices. For this purpose, the society shall contribute to the Punjab Co-operative Union every year such amount exceeding Rs. 10/- as may be directed by the Registrar.

47. The Reserve Fund shall be indivisible and no member shall be entitled to claim a specific share in it ; provided that, in exceptional circumstances with the prior approval of Registrar the Reserve Fund may be utilized in meeting losses.

#### AMENDMENT OF BYE-LAWS

48. Subject to the provision of the Act and the Rule, no amendment to these bye-laws shall be carried out save in accordance with a resolution passed at a general body meeting of which due notice of the intention to discuss the amendments has been given ;

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 thirds of the members, for the time being, of the society are present ;

Provided further that model bye-laws or amendments previously approved by the Registrar may be adopted by a simple majority at a general meeting which an ordinary quorum.

#### MISCELLANEOUS

49. The society shall pay such audit fee as may be assessed from time to time by the authority competent to do so.

50. If the society is indebted to a co-operative centre financing institution, it shall be competent for a representative of the latter to inspect the books and record of the society and the Managing Committee of the society shall arrange the production of books and record before such representatives.

51. The services of the members of the Managing Committee shall be honorary but they may be paid travelling and daily allowance on a scale fixed by the committee and approved by the Registrar.

52. Should any doubt arise with regard to the interpretation of any of these bye-laws the matter shall be referred to the Registrar whose decision shall be final.

53. Work relating to execution of awards in favour of the society shall be carried out by an execution union or execution agent approved by the Registrar and the society shall not withdraw any award unless the dues of execution union of the execution agents have been paid.

54. (a) No person shall be employed by the society unless he satisfies the qualifications that may be laid down by the Registrar from time to time.

(b) No person shall be employed by the society without obtaining from him security in such form and according to such standards as may be laid down by the Registrar from time to time.

55. If any dispute, other than a dispute, regarding disciplinary action taken by the society or its managing committee against a paid servant of the society, touching the constitution of business of the society, Arise between the members and past members of the society or other person referred to in the relevant provision of the Punjab Co-operative Societies, Act and Rules framed thereunder it shall be disposed of in the manner provided in such an act and the rules.

56. The society shall maintain such accounts and other record connected with accounts in such form or manner as any be directed by the authority competent to do so under the Co-operative Societies Act.

57. The society shall prepare and submit such returns and statements at the Registrar may from time to time specify.

58. The society may, in the circumstances specified by the relevant provisions of the Punjab Co-operatives Societies Act, be wound up and cancelled by the Registrar in accordance with the procedure laid down by such an Act, and the Rules framed thereunder.

59. In these bye-laws, unless there is anything repugnant to the context the Registrar shall include an officer subordinate to him and authorised by him in this behalf.

*Sh. Sarup Singh Managing Committee Member*

*Certified that we have studied and adopted these bye-laws on behalf of the Socy.*

*Sh. Karam Singh President*

*2.7.72*

*Sarup Singh*

*Attested.*

*Sundar Singh*  
*Secy U.F. 4/8/72*  
*Chdigarh*

*Attested.*  
*Surinder Singh*  
*Secy U.F. 4/8/72*  
*Chdigarh*

1. It is certified <sup>28</sup> that the <sup>48</sup> three copies of bye-laws tally with each other
2. That these are the model bye-laws approved by the Registrar Coop Soci Punjab, and all the amendments have been made
3. There is nothing contrary to act, rules and bye-laws

Countersigned

Inspected

19/8/72

Inspector  
Co-operative Societies,  
Union Territory, Chandigarh.

SPECIMEN

Sunder Singh 4/9/72  
Sub-Inspector Co-op Soci  
T. Chandigarh.