

# **Amended Bye-Laws of the Pradeshik Co-operative Dairy Federation Limited**

UTTAR PRADESH

India

## **Amended Bye-Laws of the Pradeshik Co-operative Dairy Federation Limited**

### **Rule**

### **AMENDED-BYE-LAWS-OF-THE-PRADESHIK-CO-OPERATIVE-DAIRY-FEDERATION LIMITED OF 1979**

- Published on 7 February 1979
- Commenced on 7 February 1979
- [This is the version of this document from 7 February 1979.]
- [Note: The original publication document is not available and this content could not be verified.]

Amended Bye-Laws of the Pradeshik Co-operative Dairy Federation Limited Published vide Notification No. 3139/Dugdh, dated February 7, dated 7th February, 1979, published in U.P. Gazette, (Extraordinary)

#### **1. Name and address.**

- The society shall be called the Pradeshik Co- operative Dairy Federation Ltd., Lucknow. Its registered address shall be Pradeshik Co-operative Dairy Federation Ltd., Lucknow, Post Office Lucknow, Tehsil Lucknow, district Lucknow.

#### **2. Definition.**

- In these bye-laws unless there is anything repugnant in the subject or context-(a)'The Act' means the U.P. Co-operative Societies Act, 1965 (Act No. 11 of 1966), as in force in the State of U.P. for the time being and as amended from time to time.(b)'Advisory Board' means the body formed under bye-laws No.38.(c)'Board or Board of Directors' means the Committee of Management of the Federation, constituted as per provision of these bye-laws.(d)'Chairman' means the Chairman of the Federation.(e)'Commodities' mean milk, milk products, cattle feed, raw or processed agri-products, dairy and food packing materials and all other stores and equipments, required for production, procurement and processing of milk and marketing of milk and milk products.(f)'Federation' means Pradeshik Co-operative Dairy Federation Ltd., Lucknow.(g)'General Meeting' means meetings of the General Body including ordinary and special general meeting,(h)'The Milk Act' means the Uttar

Pradesh Milk Act, 1976 (Act No.7 of 1976) as in force in the State of U.P. for the time being and as amended from time to time,(i)'The Milk Rules' means the rules framed by the U.P. Government under the U.P Milk Act, 1976.(j)'Member Society' means a Milk Co-operative Society holding shares in the Federation.(k)'Member' means a member mentioned in bye-laws No.5(l)'Managing Director' means Managing Director of the Federation appointed by Government,(m)'Milk Commissioner' means the Milk Commissioner appointed as such by the State Government and includes Milk Commissioner appointed under Section 7 of the Milk Act.(n)'Milk Union' means a Central Co-operative Society registered as Milk Producers co-operative Union under the U.P. Co- operative Societies Act, 1965.(o)'Near Relation' means a relation as defined in the rules.(p)'Programming Committee' means the committee as constituted under bye-laws No.4.(q)'Registrar' means the person for the time being appointed as Registrar of Co-operative Societies under sub-section (1) of Section 3 and includes any person appointed under sub-section (2) of that section and exercising all or any of the powers of the Registrar i e. Milk Commissioner.(r)'Regulations' means Regulations framed under Sections 121 and 122 of the Act.(s)'Rules' means U.P. Co-operative Society Rules, 1968.(t)'Unit' Fat and SNF in dairy produce will be expressed in terms of unit.

### **3. Area of operation.**

- Its area of operation shall extend to the whole of Uttar Pradesh.

### **4. Object.**

- (A) The main object of the Federation shall be to promote and/or undertake: -(i)Development and expansion of dairy industry and taking up all such activities ancillary there to as may be conducive to dairy industry's improvement and economic betterment of those engaged in milk production,(ii)Production, processing and marketing of milk and milk products.(B)In particular and without prejudice to the generality of the foregoing objects, the Federation may -(a)procure by purchase commodities from members or from other sources without affecting the interest of its members, pool, process, manufacture, distribute and sell the same and for that purpose set up collection and chilling centres, fluid milk plants milk products factories etc;(b)provide breeding and health services to much animal, and follow up stock belonging to members o f primary societies through Milk Unions;(c)organise quality control at different stages o f handling the commodities;(d)encourage and undertake programme for research and development;(e)encourage in the promotion and organisation of primary societies and milk unions and propagate amongst them the principle and practice of co-operation in general and techniques of milk business in particular;(f)render technical, financial, administrative and other necessary assistance to member-societies;(g)take up survey of new areas, assess potentiality of milk production, whenever and wherever necessary;(h)assist member societies in the selection of sites for dairy buildings and chilling centers, preparation of lay-outs, building plans and supervise the construction and setting up of plants;(i)ensure more efficient, better and co-ordinated working of its member societies, advise, guide and assist them in the management and conduct of their business;(j)arrange for collection, haulage and transport of commodities;(k)arrange for the sale of dairy and allied produce of the member to the best advantage;(l)deal with non-members for marketing dairy and allied produce subject on such conditions as may be decided by the Board from time to time;(m)prescribe

and enforce standards of quality of dairy and allied produce to be marketed by the Federation;(n)purchase and/or erect building, plant machinery and other ancillary equipments for the business of the Federation;(o)study problems of mutual interest concerning marketing of dairy and allied produce;(p)carryout negotiations with other organisations;(q)suggest measures for increasing the productivity of the members and assist in implementing the same;(r)undertake market research;(s)plan overall production programme of the Federation and its members keeping in view their overall benefit;(t)plan development strategy and programmes to increase the volume of procurement and production of the Federation and its member unions and for its effective marketing;(u)make arrangement for transport and storage of dairy and allied produce;(v)arrange for or assist in purchase of much animals by the member milk producers o f the milk unions;(w)insure against risk of all kind for movable and immovable property of the Federation;(x)purchase or assist in purchasing raw material, processing material, packing material, etc. and manufacture or collaborate with someone for the same when required;(y)arrange training of staff;(z)market products under its own trade mark and/or under a uniform single brand name/trade mark;(z-1) undertake export of dairy and allied produce;(z-2) advise the members on price fixation, price policy, public relation and allied matters;(z-3) undertake consultative services in the field of marketing;(z-4) create trusts and funds for the benefit of its employees;(z-5) to establish a Research and Development Association having independent existence, to contribute to its funds and to raise funds for the same from members;(z-6) work as administrator of milk unions if so appointed by the Registrar (Milk Commissioner) or take over management of any milk union on its own request, and;(z-7) generally to do whatever is necessary and proper or conducive or incidental to the attainment of any of the objects and purposes the Federation.(C)The other objects incidental or ancillary to the main objects of the Federation shall be --(i)to own or hold or lease or hire movable or immovable property for the business of the Federation, and to dispose off the same if not required for the business of the Federation.;(ii)to encourage growing of fodder by the member societies or their members;(iii)to own herd of cattle for breeding purposes;(iv)to prepare and encourage schemes of thrift;(v)to encourage thrift self-help and mutual help amongst its members;(vi)to take up all matters of common interest of members societies;(vii)to carry on publicity conducive to the objects and activities of the Federation.;(viii)on being recognised as a Co-operative Federal Authority under Section 123, in respect of milk unions and primary milk societies to arrange for their supervision and for that purpose fix and collect supervision fee at a rate approved by the Registrar, and(ix)without prejudice to the provision of the Act and the Rules and Regulations to maintain a poll or panel of officers for employment in member societies.

## 5. Membership.

- The membership of the Federation shall be open to-(i)State Government;(ii)Milk Unions.These members shall hold, subject to sanction by the Board, as many shares of the Federation as they may desire to purchase.

## 6. Nominal member.

- Besides the members mentioned in bye- laws No.5,there may be nominal members also. The nominal membership shall be open to any person competent to a contract and having business

dealings or any sort of contractual relationship with the Federation. Nominal members shall pay an admission fee of Rs.100 which shall be non-refundable. Nominal members shall have no right to vote in the affairs of the Federation or to seek election to any office under the Federation nor shall they have any right to claim share in the profit of the Federation.

## **7.**

No member, society, once affiliated, can seek disaffiliation except as permitted under the Act and the Rules, unless it is dissolved.

## **8.**

Subject to the provisions of the 'Act and the Rules and after being given an opportunity of being heard, a member may for any one or more of the following reasons be removed or expelled from the membership of the Federation by a resolution carried by the votes of at least two-thirds of the directors present at a meeting of the Board of Directors -(a)A member may be removed from the membership of the Federation, if-(i)he has ceased to fulfill the qualifications or has incurred any of the Disqualifications provided for under the Act. Rules and these bye-laws;(ii)he was admitted to the membership of the Federation in contravention of the provisions of the Act, Rules and these bye-laws.(b)A member may be expelled from the membership of the Federation if-(i)he has caused detriment to the interests of the Federation by breach of the provisions of its bye-laws;(ii)where a declaration made by him in pursuance of any of the provisions of these bye-laws, is found to be either false, or there is suppression of any material information in the declaration and such falsehood or suppression has enabled the member to get undue benefit from the Federation or has put in the Federation to economic or financial loss or other difficulties.A member so removed or expelled shall cease to exercise the rights of membership with effect from the date of removal or expulsion.

## **9.**

(a)Capital may be raised by: -(i)entrance Fees;(ii)issue of shares;(iii)deposits from members;(iv)loans and debentures;(v)grants and subsidies; and(vi)donations.(b)(i)Entrance fees shall be payable by all new members at the rate of Rs.100 each,(ii)Entrance fee shall neither be refundable nor transferable.(c)(i)The share capital of the Federation shall consist of indeterminate number of shares, the value of each share being Rs.1,000 only,(ii)The amount of share money shall be payable all in lump sum on allotment.

## **10.**

Application for shares shall be made in writing and shall be disposed of by the Board of Directors.

**11.**

A share certificate being a distinctive number shall be issued for every share or shares subscribed.

**12.**

Share held by a member society in the Federation shall not be transferable except under conditions laid down in Rule 69.

**13.**

Every member shall hold at least one share.

**14.**

(a) Shares held by a member society shall not be withdrawn or retired except under the provisions of the Act and the Rules. (b) The Federation may retire the shares held by the state Government in accordance with the terms and conditions of share participation agreed to between the parties.

**15.**

The Federation may accept deposit and take loans on such terms as may be approved by the Board subject to the liability fixed at the Annual General Meeting in accordance with the Rules and the Act.

**16.**

The property and fund of the Federation shall be used in carrying out its objects. Any portion of the funds not immediately required shall be invested in accordance with the Act and the Rules.

**17. Liability and obligations.**

- (i) The liability of a member shall be limited to the nominal value of the shares held by it. (ii) Every member shall - (1) Plan the procurement scheduling as per the directions of the Federation. (2) Process, manufacture and market all of its dairy and allied produce as per the directions of the Federation. (3) Adhere to the programme, schemes and plans provided by the federation in respect of all the activities such as - (a) procurement; (b) production-manufacture under different brand/trade mark; (c) organization of societies; (d) technical inputs programme; (e) administrative and managerial aspect; (f) pricing, standard of quality; and (g) procurement of raw material and packing material. Failure on the part of the members to fulfill the above and such other obligations shall make them liable for consequential losses to the Federation as may be decided by the Board.

## **18. Organisation and Management.**

- The management of the affairs of the Federation shall vest in the following: (a) General body; (b) The Board of Directions; (c) Advisory Board; (d) Chairman; and (e) Managing Director.

## **19. General Body.**

- The final authority of the Federation shall vest in the general Body which shall consist of - (i) The Chairman of each affiliated Milk Union; (ii) Registrar or his nominee; (iii) The Dairy Management expert co-opted by the Board;

## **20.**

(a) A person who is already a delegate shall cease to act as such if, - (i) he incurs any of the disqualification referred to in bye-laws No. 32; or (ii) he ceases to be a member of the society he represents; or (iii) the society he represents ceases to be a member of Federation; or (iv) he ceases to be a member of the society which was a member of another society which elected him as its delegate to represent it in the Federation; or (v) he ceases to hold the office by virtue of which he was a delegate in terms of the bye-laws of the Federation; or (vi) the society of which he was a delegate is wound up under section 72 of the Act; or (vii) the society he represents is amalgamated with any other co-operative society or societies; or (viii) the society he represents is divided into two or more societies, or (ix) he resigns his office as delegate, (b) (i) The State Government as a member shall appoint its delegate for the meeting or the General Body by an order. (ii) A delegate once elected or appointed shall continue to hold office until another delegate is appointed or elected in his place or incurs any of the disqualification laid down in the Act, Rules or the Bye-laws or forfeits his right to held office by virtue in the provisions of the bye-laws of the society he represents.

## **21. Meeting of the General Body.**

- The Meeting of the General Body shall be convened in the manner mentioned below: (a) Ordinary General Meeting. - The Board of Directors may call a General Meeting of the General Body for the transaction of the business of the Federation whenever necessary, which shall be called ordinary General Meeting. (b) Extraordinary General Meeting. - The Board of Directors shall call a General Meeting of the General Body of the Federation within one month after the receipt of a requisition in writing from the Registrar or from at least one-fifth of the members of the General Body of the Federation. In default of the Board of Directors to call such a meeting, the Registrar or any person authorised by him in this behalf shall have the power to call the extraordinary meeting at such place and time as he may direct. Such a meeting shall have all the powers and be subject to the same rules as a meeting called according to these bye-laws, but no business other than that mentioned in the letter of requisition shall be transacted at such a meeting. (c) Annual General Meeting. - The Federation shall hold its Annual General Meeting once every year preferably after the annual returns have been submitted and its accounts have been audited under section 64 of the Act, but not later than 31st December or within such period as may have been extended by the Registrar under

Rule 90: Provided that on introduction of a concurrent Audit, the Federation shall hold its Annual General Meeting before 30th September every year. Without prejudice to the powers conferred under sub-section (2) of section 32 of the Act, Board of Directors shall fix the date and time of the Annual General Meetings. The Annual General Meeting shall transact the following business - (i) To confirm the proceedings of the previous general body meeting, (ii) Approval of the programme of the activities of the Federation prepared by the Board of Directors for the ensuing co-operative year, (iii) Consideration of the Balance sheet and the Annual Report for the previous co-operative year unless the audit has not been completed within the period specified in the Rules, (iv) Consideration in the prescribed manner of the auditors certificate and the audit report for the previous co-operative year unless the audit has not been completed within the prescribed period, (v) Fixation of the maximum liability of the Federation for the ensuing co-operative year, (vi) Disposal of the net profits in accordance with the Act, Rules and these Bye-laws, (vii) Consideration of the budget for the ensuing co-operative year, (viii) To approve the excess expenditure over the sanctioned budget, (ix) To appoint auditors and fix their remuneration, (x) To consider expulsion of members as recommended by the Board in accordance with the bye-laws, (xi) Consideration of other matter which may be necessary under the express provisions of the bye-laws or which may be brought before it either by the Board of Directors or with the permission of the Chairman of the meeting in accordance with the provision of the Act, Rules and these Bye-laws, (xii) Election of the members of the Board of Directors in accordance with the provisions of the Rules and these Bye-laws.

## **22.**

(1) In addition to the powers and the duties of the General Body to transact the above business in its Annual General Meeting and subject to the provisions of the Act, the Rules and these bye-laws, it shall have the following powers and duties - (a) to hear appeals, if any, against the decision of the Board of Directors, (b) to frame business regulations for the conduct of the business of the Federation including I.A. rules for its Directors and the delegates, (c) to amend the bye-laws, (d) to consider the inspection notes of the Registrar or his subordinates along with the report of the Board of Directors thereon, (e) to consider and determine the nature and extent of the promotional activities and other assistance programme for the member societies to be undertaken by the Federation, (f) any other matter except amendment of bye-laws or expulsion of any member with the permission of the Chairman of the General Body Meeting. (2) The powers and duties mentioned in items (a), (b), (d) and (e) of sub-clause (1) above may be exercised by the Annual General Meeting.

## **23.**

Notice of the agenda of the meeting of the General Body mentioning date, place and the time of the meeting shall, except as otherwise provided in Rule 25, be issued in writing to all its members at least 15 clear days in advance with a copy thereof to the Registrar, if so, desired by him provided that at least 45 days clear notice shall be necessary for a meeting in which regular election of the office-bearers is to be held. A copy of the agenda notice shall be placed on the notice board of the Federation on the date of issue of the notice: Provided further that in case of Annual General Meeting it may also be accompanied by a copy of the Annual Business report, the Audit Certificate

(if available) and the balance sheet. Non receipt of such a notice by any member of the General Body not invalidate the proceeding of the meeting.

## **24.**

(a) A member of General Body desiring to propose resolution at a General Meeting shall have to give written particulars thereof to the managing Director at least 7 days before the date of the meeting. The Chairman may, however, allow a notice of shorter period in special cases. (b) previous notice is not necessary in respect of the following: (i) A motion for a change in the order of the business of the agenda; (ii) A motion for adjournment or dissolution of the meeting; (iii) A motion that the meeting may pass on to the next item on the agenda paper; (iv) A motion to refer the matter under consideration for discussion of report to the Board of Directors; (v) A motion for the appointment of a committee to enquire into or report upon any matter before the meeting; (vi) A motion that the question be now out to put to vote; (vii) A motion to take up any business referred to the General Body by the Board as being urgent; (viii) A motion allowed by 2/3rd of the members present.

## **25.**

A quorum of more than 50 per cent of the ordinary members of the General Body shall be necessary for the disposal of any business at a General Meeting. One half of the above quorum shall, except as otherwise adjourned for want of quorum. All matters (except those for which specific majority has been laid down in the Act and the Rules), before the General Body shall be decided by a majority of votes.

## **26. Voting Rights.**

- (i) Each member of a general body shall ordinarily have one vote. Proxies shall not be allowed. (ii) Besides above the ordinary member shall have one additional vote for every 5 lakh units transacted through the Federation in the previous financial year. The voting rights shall be determined along with annual accounts on the above basis and will be effective for the year till the next Annual General Meeting. The new Board will, however, exercise these voting rights only after the Annual General Meeting. Notwithstanding anything mentioned above, a person co-opted by the Board as Dairy Management Expert and the Registrar Co-operative Societies shall each have votes equal to the average of the institutional members total votes ignoring fractions.

## **27.**

The Chairman shall preside at a meeting of the General Body. If Chairman is absent, the members present may elect one from amongst themselves to preside at the meeting. The Chairman of the meeting shall, in case of a tie, have second or casting vote. No person including the Chairman shall participate in a meeting when matters in which he has a personal interest are to be discussed



**28.**

(1) If within half an hour of the time appointed for the General Meeting, the quorum is not complete, the meeting, shall if it is annual General Meeting stand adjourned to the 16th Day (counted from the date of adjournment) at the same time and place: Provided that if the meeting has been called on the requisition of the members of the General Body, it shall stand dissolved in the absence of the quorum within an hour of the appointed time. (2) In cases not covered under sub-clause (i), the adjourned meeting shall be held on such date and time as the Board may fix and notify in the agenda for such meeting. (3) No business other than the business left unfinished at the original meeting shall be transacted at any adjourned meeting.

**29.**

All business discussed or decided at a General Meeting shall be recorded in the proceeding book to be kept for the purpose and the minutes shall be signed by the person presiding at the Meeting as well as by the Managing Director of the Federation, members present may also sign, if so required by the Chairman or desired by them.

**30.**

(a) Board of Directors shall consist of 12 directors as detailed below.

(1) Nominees of the State Government	.. .. 2
(2) Representatives of affiliated Milk Unions	.. .. 7
(3) Representative of NDDB	.. .. 1
(4) Representative of financing agency	.. .. 1
(5) Managing Director, PCDF	.. .. 1

(b) The Board of Directors shall from amongst its members elect a Chairman. The Chairman so elected shall hold the office as per provisions in the Act and the Rules. (c) (i) Notwithstanding anything contained in the bye-laws, if the State Government exercise powers under Section 34 of the Act, the Board shall be reconstituted as per provisions under Section 34 (5) replacing the desired number of directors of the existing Board other than the Managing Director and at least three directors representing Milk unions. (ii) In the event of expiration of the period of nomination by the Government under sub-clause (i) of clause (c) above, the Board of Directors shall be reconstituted as per provision of Section 34(6) of the Act.

**31.**

(a) (i) The elected member of the Board of Directors shall hold office for a period as prescribed in the Rules: Provided that 1/3rd of the elected Directors shall retire every year by rotation. If necessary, the retirement will be by draw of lots during the first and second year in the beginning. (ii) The period of office held by a person as a member of the Board of Directors constituted under Rule 435

or under sub-clause (a) of sub-section (3) of Section 35 of the Act shall not count for reckoning the period under the Bye-law for the purpose of eligibility.(iii)If any casual vacancy occurs amongst the elected Directors it shall be filled up by the remaining Directors by co- option from amongst those who are qualified for election as a Director for the unexpired period of the vacant office of such Director.(b)The nominated Directors shall hold office during the pleasure of the nominating authority.

### **32.**

No person shall be eligible to be or to continue as a member of the Board of Directors of the Federation, if-(a)he is under 21 years of age;(b)he is of unsound mind, deaf and dumb or blind or suffers from leprosy;(c)he is declared insolvent;(d)he has been convicted for any offence involving, in the opinion of the Registrar, moral turpitude such conviction not having been set aside in appeal, provided that this disqualification shall cease to operate on the expiry of five years after the payment of fine or serving out the sentence for conviction as the case may be;(e)he or, in the opinion of the Registrar, any member of his family enters into or carries on without the permission of the Registrar, within the area of the operation of the Federation the same kind of business as is done by the Federation itself;(f)he enters into any transaction or contract against the provisions of the Act or the Rules or the Bye-laws of the Federation;(g)he accepts or holds any office of the profit under the Federation or any member society of the Federation;(h)he is not a member of General Body of the Federation provided that this restriction shall not apply to the nominated and co-opted members of the Board of Directors;(i)if he has been convicted of any offence under the Act or Rule, unless a period of three years has elapsed from the date of conviction;(j)he is a person against whom an order under Section 71 has been obtained by a co-operative society and is pending satisfaction;(k)he is in default to the Federation in respect of any loan taken by him and the default has continued for a period of six months at least;(l)he is already a member of the Committee of Management of three other co-operative societies of any other Apex Society of the State;(m)he has been dismissed for practising fraud or bad or dishonest conduct from Government service or from the service of co-operative society or of a body corporate, such order of dismissal having not been set aside in appeal:Provided that this disqualification shall cease to operate after the expiry of five years from the date of order of dismissal;(n)he joined in the application for the registration of, or was a member of the Committee of Management of a co-operative society which was subsequently wound up by the Registrar under clause (a) of sub-section(2) of Section 72 on the ground that the registration of the society was obtained by fraud, such as order of the Registrar not having been reversed in appeal;(o)he resigns and his resignation is accepted by the Board; and(p)he is otherwise disqualified under any of the provision of the Act, Rules and these Bye-laws.

### **33.**

The Board may meet as often as it may consider necessary for transaction of the business, but it shall meet at least fix once in a month. The date of the next meeting shall be fixed in the monthly meeting itself. The Managing Director will issue ten days notice shall ordinarily be necessary. In emergent cases five days notice may be given.The quorum of at least seven members of the Board shall be necessary for the disposal of any business.Meeting of the Board of Directors shall be

convened by the Managing Director, at the instance of the Chairman whenever necessary, or on the written request of at least five Directors or whenever requisitioned by the Registrar. No member shall participate in any discussion or vote in any matter in which he has a personal interest.

### **34.**

All acts done by the Board or any person acting as a member of the Board, notwithstanding that it is afterwards discovered that there was some defect in the appointment of such Board or person, shall be valid as if the Board or any such person had been duly appointed.

### **35.**

The Board of Directors shall have the following powers and duties: (i) to elect a Chairman as per Bye-laws No. 30(b) in its first meeting held after the Annual General Meeting every year; (ii) to admit new members; (iii) to dispose of application for allotment and transfer of shares; (iv) to raise loans, debentures and to prescribe the conditions on which deposits may be accepted; (v) to submit, before the Annual General Meeting, every year the Annual Report, the balance sheet and such other statements as may be prescribed by the Registrar; (vi) to appoint sub-committees for specific purpose as and when necessary; (vii) to make recommendations to the Annual General Meeting for Annual Budget; (viii) to arrange for insurance against damage or loss of Federation's property; (ix) to subject to the provisions of the Act, the Rules, the Regulations and these bye-laws and the Service Rules framed under Bye-laws No. 36--(a) appoint senior officer, under Rule 128 and sub-section (3) of Section 31, to assist the Managing Director in discharge of the duties and to fix remunerations and duties of such officers; (b) appoint, dismiss, remove, suspend or otherwise punish other salaried employees of the Federation and to require all or any of them to furnish securities; (x) to endorse, sell, transfer and otherwise deal with Government securities and other securities held by the Federation; (xi) to sell movable and immovable property belonging to the Federation; (xii) to conduct the business of the Federation; (xiii) to frame Service Rule under Bye-laws No. 36; (xiv) to lay down rules for travelling and other allowances for the employees of the Federation; (xv) to institute, conduct, defend, compromise, refer to arbitration through the Managing Director or any other officer legal proceeding or claims by or against the Federation or the officers of the federation concerning the business of the Federation; (xvi) to arrange for the processing grading, storage, transport and marketing of milk and milk products of its members wherever and whenever necessary; (xvii) (a) to sanction purchase of land, building, machinery, etc. for the use of Federation or for the purpose of letting the same to the members on hire and to acquire or to take on rent or on lease premises for accommodation of Federation's Office and for storing goods; (b) to construct the building for the business of the Federation buy tools, machinery, raw material and other goods required for establishing and running rural milk collection and chilling centre milk or milk products factories, workshops and laboratories set up in pursuance of the objects of the -Federation; (xviii) to arrange for the dissemination of marketing intelligence among the members of the Federation so far as the dairy business is concerned; (xix) to raise capital not exceeding the amount fixed as maximum liability for the year in the Annual General Meeting; (xx) to make proposals to the Annual General Meeting for payment of dividend and the disposal of profits and reserve fund in accordance with these bye-laws, the Act and the Rules; (xxi) to fix from time to time the rate of interest on

deposits;(xxii)to consider and take necessary action on the inspections and audit notes of the Federation, its branches and sub-offices;(xxiii)to assist and co-operate with the milk unions in the formations of societies;(xxiv)generally to supervise the business of the Federation and to do all such acts may be necessary for fulfillment of the objectives of the Federation or as may have been conferred or imposed upon by the Act the Rules and these bye-laws;(xxv)to delegate from time to time any of the powers and duties; to any Committee, Chairman or Managing Director subject to the conditions mat the powers mentioned in sub-clauses (i), (ii), (iii),(iv), (v), (vii), (viii), (xi), (xiii), (xiv), (xvii) (a), (xv), (xx), (xxi), (xxii) and (xxiii) shall not be transferable. The powers may be delegated with such restrictions and conditions as the Board may deem fit;(xxvi)to enter into and execute any agreement and sign, seal and deliver such deed document, assurance bond or any other document as may be required to be executed by the Federation for carrying out object and purposes of the Federation and in the normal course of its business.

### 36.

(a)Subject to the provisions of the Act, the Rules, Regulations and these Bye-laws, appointment, dismissal, removal, suspension and punishment of the employees and their emoluments and conditions of services shall be regulated and governed by the provisions of the service rules framed by the Board:Provided that no person shall be eligible for any paid appointment under the Federation, if he is near relation of Director of the Federation.(b)In respect of other matters relating to the fulfillment of the objects and conduct of the business of the Federation, Managing Committee of the Federation may frame appropriate regulations in consistent with the provisions of the Act, the Rules and the bye-laws and the directors of the General Body and or Registrar, if any.(c)The service rules and the regulations referred to in (a) and (b) above require for their adoption, a majority of not less than 2/3rd of the Directors present and no modification or amendments there to shall be valid unless carried by the same majority:Provided that adoption as well as amendments, if any, shall be taken up in a meeting of the Board called for this purpose with at least 10 days notice.

### 37.

(a)The meeting of the Federation (General Body and Board of Directors) shall be presided over by the Chairman If Chairman is absent, the Directors present at the meeting may elect any one amongst themselves to preside over the meeting:Provided that any person including the Chairman who presides at such meeting, shall himself not be a candidate for election as an office-bearer of the Federation.(b)In the meeting, whether of General Body, Board of Directors or any other meeting, every member present shall have votes as per provisions in these bye-laws and all matters before the meeting shall, unless otherwise provided in the rules or the bye-laws be, decided by majority of voles in the event of equality of votes, the chairman of the meeting shall have a right to give a second or casting vote subject to the condition that if the matter relates to the election or appointment of any office-bearer, it shall be decided by drawal of lots instead of casting vote No person shall be entitled to vote on any matter in which he has a personal interest.

### 38. Advisory Board.

- There shall be an Advisory Board consisting of the following seven members:

- |   |                       |
|---|-----------------------|
| (i) Agriculture Production Commissioner-cum Secretary, U.P. Shasan                        | ... Chairman          |
| (ii) Registrar, Co-operative Societies  | ... Member            |
| (iii) Director of Animal Husbandry, U.P.  | ... Member            |
| (iv) Milk Commissioner, U.P.  | ... Member            |
| (v) Representative of Indian Co-operation/ Co-operation/National Dairy Development Board. | ... Member            |
| (vi) Chairman of the Federation   | ... Members           |
| (vii) The Managing Director of the Federation   | ... Member-Secretary. |

The Advisory Board will advise the Board of Directors in respect of all the matters related to the business, management and administration as stated by in Bye-laws No. 35. The Advisory Board will meet as often as necessary but at least once in three months.

### 39. Chairman.

(a) The Chairman shall be the Chief Controlling and Supervising Officer of the Federation and may in emergent cases exercise any of the powers of the Board, subject to the condition that such a matter shall have to be placed before the next meeting of the Board which shall be convened not later than sixty days after such exercise of powers. He shall see that the business of the Federation is carried on sound lines smoothly and according to the provisions of the Act, the Rules and the Bye-laws. (b) Any casual vacancy occurring in the office of the Chairman shall be filled up by the Board from amongst its members for the unexpired period.

### 40. Managing Director.

(1) The Managing Director shall be appointed by the State Government as provided under the Act. He shall be an ex officio member of the Committee of Management. (2) The Managing Director shall be the Chief Executive Officer of the Federation and shall (subject to the provisions of the Act, the Rules and the Bye-laws) - (i) be responsible for the sound management of the working of the Federation and its efficient administration; (ii) carry on the authorised and normal business of the Federation; (iii) convene and attend all meetings of the General Body and Board of Directors, and record and sign proceedings of such meetings; (iv) convene and attend meetings also of any sub-committee and record and sign its proceedings or may depute any subordinate officer to perform such duties; (v) see that the proceedings of the meeting are recorded in a minute book which shall also be signed by the Chairman or other person who presided over the meeting; (vi) draft the annual report of the Federation; (vii) fix the duties of employees of the Federation, supervise the work of the office and generally to carry on correspondence on behalf of the Federation; (viii) admit, subject to the approval of the Board, nominal members on payment of admission for which he shall

issue receipts;(ix)sanction within approved budget limits -(a)working expenditure of the Federation;(b)expenditure on trading stock;(c)other expenditure within limits fixed by the Board.(x)open, with the resolution of the Board, account of the Federation with any Bank or Banks approved by the Registrar (Milk Commissioner) and operate the accounts and the funds of the Federation,(xi)sign on behalf of the Federation all receipts and other documents executed by the Board, provided that share certificate and such other documents as the Board may specify shall be signed by the Managing Director as well as Chairman;(xii)receive, withdraw, disburse and invest the funds of the Federation subject to such restrictions and instructions as the Board may lay down and to arrange for the safe custody of cash, documents, trading and other stock;(xiii)subject to the provisions of the bye-laws, service regulations and such conditions as the Board may lay down have the power to-(a)appoint, suspend dismiss, remove or otherwise punish salaried employees of the Federation and to require all or any of them to furnish security provided that the Board delegates the concerned power;(b)transfer the employees of the Federation;(xiv)to verify or get verified the stock of goods, equipments, dead stock, etc. at least once in three months and put up verification report before the Board;(xv)exercise such other powers and perform such other duties as may be conferred or imposed upon him under the provisions of the Act and the Rules or assigned or delegated to him by the Board. The managing Director may delegate any of his power in writing to other officers of the Federation with the approval of the Board.

#### **41. Programming Committee.**

(a)There shall be Programming Committee with the following members:

- |  |                      |
|--|----------------------|
| (i) The Managing Director of the Federation                                | ... Chairman         |
| (ii) The General Manager of the Federation                                 | ... Member-Secretary |
| (iii) The Chief Executive (Secretaries) of all the affiliated Milk Unions. | ... Member           |
| (iv) The Chief Quality Control Officer of the Federation.                  | ... Member           |

The Programming Committee shall meet as and when necessary but at least once in three months.(b)Functions of the Programming Committee. - The Programming Committee will perform the following functions:(1)To recommend the manufacturing programme for the ensuing year and to review it periodically.(2)To fix the minimum standards of the products to be manufactured and marketed through the Federation.(3)To recommend the rate of various costs for manufacture, processing and packing charges, subscription and royalty on brand name/trade mark.(4)To prescribe and recommend the terms and condition for marketing of dairy and allied produce.(5)To recommend price of raw materials and/or finished products and for the matter to recommend periodically the conversion factor for expressing fat and SNF into units.(6)To recommend marketing policy and to review it periodically.(7)To recommend procurement programme for raw materials (other than milk), processing material and packing materials.(8)To suggest measures for increasing the productivity of the members and assist in implementing the same.(9)To suggest to undertake market research and development.(10)To plan production keeping in view the market strategy.(11)To advise and assist milk unions in all aspects of management.(12)To recommend financial, technical, administrative and other necessary assistance to the members and to recommend to enter into collaboration agreements.(13)To advise members on price fixation, price

policy, public relations and allied matters. The Programming Committee may if it feels necessary, appoint sub-committee to report on any specific problem and may if necessary co-opt on the sub-committee a specialist in the field from amongst the staff members of the affiliated milk unions. (c) In case of urgency when a particular decision cannot wait till the Board meets the decision may be carried out by a circular resolution among all its members and any resolution so approved by all the members signing shall be as effective and binding as if such resolution had been passed at a meeting of the Board.

## **42. Form and Register.**

- The Federation shall keep and maintain upon date in such forms as the Registrar may specify from time to time, The undermentioned accounts books and register for recording to business transactions of the Federation: (a) Minute books or books for recording the proceedings of the meetings of the General body, Board of Directors and any other committee or sub-committee of the Federation. (b) Register of applications for membership or the Federation containing the name and address of the applicants, The number of the share applied for and in case of refusal, the date of communication of the decision refusing admission to the applicant. (c) Register of member showing the name and address of each member, the date of admission, the share taken and the amount paid by the member to us such shares and the date of and the reason for cessation of his membership. (d) Register of Delegates. (e) Receipts book. (f) A ledger for each member of the Federation. (g) Cash-book showing daily receipts and expenditures and the balance at the end of each day. (h) Voucher file containing all vouchers for expenditure made by the Federation numbered serially and filled chronologically. (i) A general ledger showing day to day receipts and disbursements and the outstanding under various heads. (j) Register of dividend and bonus. (k) Register of officers and office bearers including delegates appointed, if any. (l) Such other books and registers as may be prescribed by the Board the Managing Director or specified by the Registrar from time to time.

## **43. Distribution of Profits.**

(a) Out of annual net profits the Federation shall - (i) transfer an amount not less than 25 per cent to a fund to be called the reserve fund, and (ii) credit not less than 1 per cent to the Co-operative Education Fund to be established in accordance with the Rules: Provided that when the amount to be contributed towards Co-operative Education Fund exceeds Rs. 2,500 in a particular Year it shall be open to the Federation to contribute or not to contribute such amount as is in excess of Rs. 2,500. (b) Out of the balance of the net profits as remains after allocation under sub-clauses (i) and (ii) above, the following shall be excluded to arrive at the distributable profits - (i) all interests which is overdue; (ii) all interests earned, but not due from members from whom interest is overdue; (iii) commissioning or profits margin earned on such credit sale recovery of which is overdue. (c) The distributable profits arrived at after exclusion of the amount mentioned above may, subject to the conditions laid down in the Act and the Rules, be utilised for all or any of the following purposes - (i) payment of dividend to the members on their paid-up share capital at the rate not exceeding 9 per cent; (ii) payment of bonus to members on the amount or volume of business done by them with the Federation subject to a maximum, if any provided in the Act or the Rules or the bye-laws; (iii) constitution of or contribution to bad debt fund, national defence fund, building fund,

development fund, depreciation fund, share transfer fund, price fluctuation fund and any other fund created by the general body;(iv)donation of amounts not exceeding 5 per cent for any charitable purpose as defined in Section 2 of the Charitable Endowment Act, 1890;(v)payment of bonus to the employees of the federation to the extent and in the manner determined by the general body with due regard to the provisions of the Bonus Act.(vi)carrying over the balance to next year's profit.

#### **44.**

The funds shall be invested in accordance with the provisions of the Act and the Rules, in force.

#### **45.**

(i)In the case of winding up of the Federation, the reserve and other funds belonging to the Federation shall be applied first to discharging the liabilities of the Federation in accordance with the priority laid down in sub-rule (i) of Rule 271,than to the repayment of the share capital paid-up and thereafter, if for any period dividend for such period at a rate not exceeding 9 percent.(ii)Any surplus remaining after payments mentioned in clause (i) above, shall be applied for contribution to National Defence Fund or to such charitable purposes or local objects of public utility as may be selected by the Board of Directors and approved by the Registrar (Milk Commissioner). If the Board of Directors fail to make any selection of such object that is approved by the Registrar (Milk Commissioner) within the time specified by the Registrar. The latter may use the surplus funds either in contributing the National Defence Fund or to Co-operative Education Fund.

#### **46. Disputes.**

- All disputes touching the business of the Federation between parties mentioned in Section 70 of the Act, shall be decided by the arbitration in accordance with the Act and the Rules.

#### **47. Amendments.**

(a)All amendments in the bye-laws of the Federation shall be made by a resolution passed by the vote of at least two-thirds of the members present at a General Meeting called for the purpose, provided that model bye-laws of amendments previously approved by the Registrar (Milk Commissioner) or amendments required by the Registrar (Milk Commissioner) to be made under sub-section (1) of Section 14,may be adopted by simple majority only.(b)Thirty days notice for calling a General Meeting for consideration of an amendment in the bye-laws along with a copy of the proposed amendment shall be given to all t he members:Provided that 15 days notice shall suffice where a meeting has been called in pursuance of an order received from the. Registrar (Milk Commissioner) under sub-section (1) of section 14 of the Act:Provided further that where a meeting is summoned under the second proviso to clause (c) of this bye-law with reduced quorum under Registrar (Milk Commissioner) permission seven days notice shall suffice for such a meeting.(c)A quorum of more than 50 per cent of the members of the General Body shall be required for such a meeting:Provided that, if the requisite quorum cannot be obtained at a meeting, the Registrar (Milk



commissioner) may direct the Federation to call another meeting at which the required quorum will be reduced to one-third and also to inform the members in writing of the fact: Provided further that in case of adoption of model bye-laws of amendments previously approved by the Registrar or directed by the Registrar (Milk Commissioner) under sub-section (I) of section 14 to be adopted by the Federation, the required quorum may with the permission of the Registrar (Milk Commissioner) be further reduced to one-fifth. The fact that the meeting shall be held with further reduced quorum of one-fifth shall be mentioned in the notice of agenda for such meeting. (d) No amendment in the bye-laws of the Federation shall be operative unless it is duly registered by the Registrar (Milk Commissioner) under the Provision of the Act and the Rules.

#### **48. Election.**

- The Federation shall conduct elections as per the rules relating to the elections in co operative societies.

#### **49. Miscellaneous.**

(1) In case of any consistency or conflict between the bye-laws of an affiliated members society, and those of the Federation, the latter shall prevail subject to the provisions of the Act and the Rules. (2) The Federation may by a resolution passed by the Board become member of another, Apex Level Co-operative Society of the State or the National Level Co-operative Society, provided that such membership is in the interest of the Federation and also conform to the provisions of the Act and the Rules.

#### **50.**

Removal of elected Chairman by the vote of no confidence shall be governed by the provisions of the Rules.

#### **51.**

(i) Certified copies of any one or more of the documents referred to in Rule 64 may be issued in the manner and on payment of a fee as provided in the Act or the Rules or bye-laws from time to time. (ii) Any member of the Federation, through his authorised representative, may, at any time during office hours, by making an application to the Managing Director of the Federation and on payment of a fee of Rs. 500 inspect the accounts and the records of the Federation only in so far as they relate to the transactions of the member with the Federation.

#### **52.**

The federation shall have a common seal bearing the name and emblem (if any) of the federations approved by the Board. The common seal shall remain in the custody of the Managing Director and shall be used under the authority of the resolution of the Board. The common seal shall be affixed to

any deed, document or instrument to which it is required to be affixed only under the authority of the Board and in the presence of two of the members of the Board and the Managing Director or a person appointed by the Board in place of the Managing Director.

### **53. Interpretation.**

- For the interpretation of these by-laws the Federation may refer them to the Registrar (Milk Commissioner) whose decision shall be final and binding.