

B Y E - L A W S
O F
MILKFED, PUNJAB

T H E P U N J A B S T A T E C O O P .
M I L K P R O D U C E R ' S
F E D E R A T I O N L I M I T E D
S . C . O . N O . 1 5 3 - 1 5 5
S E C T O R 3 4 - A ,
C H A N D I G A R H

MODEL BYE LAWS OF THE PUNJAB STATE COOPERATIVE MILK PRODUCER'S FEDERATION LIMITED

Registered on 01.12.1973 by the Assistant Registrar Cooperative Societies, Ropar of Punjab State under certificate No.191 dated 1.12.73 vide Letter No. 352-54 dated 28.1.91.

1. NAME, ADDRESS & JURISDICTION

The name of the Federation shall be the Punjab State Cooperative Milk Producer's Federation Limited, its registered address shall be Ropar at Chandigarh. The area of operation of the Federation shall extend to the whole of the Punjab State.

2. DEFINATION

In these Bye laws unless there is anything repugnant in the subject or context:-

- 2.1 "ACT" means the Punjab Cooperative Societies Act,1961.
- 2.2 "BOARD" means the Board of Directors of the Federation elected as per provision of the Punjab Cooperative Societies Act 1961 and the rules framed thereunder and the bye laws of the Federation.
- 2.3 "CHAIRMAN" means a member of the Board, who has been elected/nominated as a Chairman of the Federation as per the provisions of the Act, Rules framed thereunder and Bye Laws and he should ensure that the policy decisions taken by the Board are implemented and if not such matters will be referred to the Board.
- 2.4 "DAIRY PRODUCT" means Milk and allied Milk Products.
- 2.5 "FEDERATION" means the Punjab State Cooperative Milk Producer's Federation Limited.
- 2.6 "MILK UNION" means the District Cooperative Milk Producer's Union Limited affiliated with the Federation.
- 2.7 "MANAGING DIRECTOR" means the Managing Director of the Federation appointed by the Board of Directors of the Federation.
- 2.8 "PROGRAMMING COMMITTEE" as constituted under the Bye laws No.31.
- 2.9 "REGISTRAR" means Registrar of Cooperative Societies, Punjab or any officer subordinate to him and vested with the powers of the Registrar under Section 3 (3) of the Punjab Cooperative Societies Act, 1961.
- 2.10 "RULES" means the rules made under the Punjab Cooperative Societies Act,1961.

- 2.11 "UNIT" Fat and SNF in dairy produce, will be expressed in terms of Unit.
- 2.12 "COMMODITIES" means Milk, Milk Products, Cattle Feed, Raw or Processed Agriculture products, Dairy and Food packing material equipment machinery.
- 2.13 "GENERAL MEETING" include Special or Ordinary Annual General Meetings.
- 2.14 "MEMBER" means the member of the Federation enrolled as per the provisions of the ACT, Rules and the Bye laws.
- 2.15 "SOCIETY" means any registered Milk Producer's Cooperative society registered under the Act and affiliated to the respective Distt. Cooperative Milk Producer's Union.

3. OBJECTS:

The fundamental objects of the Federation shall be:

- 3.1 To carry out activities for promoting production, procurement processing and marketing of milk and milk products for economic development of the farming community.
- 3.2 Development and expansion of such other allied activities as may be conducive for the promotion of the Dairy Industry, improvement and protection of milch animals and economic betterment of those engaged in milk production. In particular and without prejudice to the generality of the foregoing objects, the federation may;
 - 3.2.1 Purchase and/or erect building, plants, machinery and other ancillary equipment to carry out business.
 - 3.2.2 Study problem of mutual interest related to production, procurement and marketing of dairy and allied products.
 - 3.2.3. Purchase commodities from the member and deal with non-members for marketing, dairy and allied products subject to such conditions as may be decided by the Board from time to time.
 - 3.2.4 Establish research and quality control laboratories.
 - 3.2.5 Make necessary arrangements for transport of milk, allied milk products & commodities.
 - 3.2.6 Advise,guide,assist and control of the Milk Unions in all aspects of management, supervision and audit functions.
 - 3.2.7 Purchase or assist in purchasing raw material, processing material etc. or to collaborate with any other Cooperative Institution/NDDDB if need arises.
 - 3.2.8 Arrange to impart training to staff of all the member Unions and Societies.

- 3.2.9 Own or hold on lease or hire movable or immovable properties to carry on the business of the Federation and to dispose of the same if not required for the business of the Federation.
- 3.2.10 Market its products under its own trade mark/brand name with its Member Union's trade mark/brand name. For marketing such products in up country market, Milkfed may open its Sales offices any where in the country.
- 3.2.11 Promote the organisation of primary societies and assist members in organisation of Primary Societies.
- 3.2.12 Plan developmental strategies and programme to increase the volume of procurement and production of the Federation and its members Unions and for its affective marketing.
- 3.2.13 Render technical, administrative, financial and other necessary assistance to the member Unions and enter into collaboration agreement with any other Cooperative Institution/NDDDB, if need arises.
- 3.2.14 Advise the member Unions on price fixation, Public relations and allied matters.
- 3.2.15 Create funds for the welfare of the employee.
- 3.2.16 Undertake periodical supervision and statutory audit of the member Unions and the Societies affiliated to its member Union if authorised by the Registrar. Federation will have also powers to recommend liquidation of any member Union.
- 3.2.17 Undertake or assist programmes of market research and development.
- 3.2.18 Establish a Research & Development Association having independent existence to contribute to its funds and to raise funds for the same from member Unions as may be decided by the Board.
- 3.2.19 Organise and encourage saving schemes and propagate the concept on benefits of the Cooperative movement.
- 3.2.20 Provide common services cadre for officers and staff of the member Unions.
- 3.2.21 Encourage fodder production by members or members of the affiliated societies.
- 3.2.22 To own and rear herd of cattle as may be required to undertake the breeding programmes in the area.
- 3.2.23 Prescribe and enforce standards of quality of dairy and allied products to be marketed by the Federation.
- 3.2.24 Carry out negotiations with Govt./and or other organisations.
- 3.2.25 Suggest measures for increasing the productivity of the members and assist in implementing the same.

- 3.2.26 Plan overall production programme of the Federation and its members keeping in view the market strategy.
- 3.2.27 To insure against risk of all kind of movable and immovable property of the Federation.
- 3.2.28 To undertake export of dairy and allied produce.
- 3.2.29 To undertake consultative service in the field of marketing.
- 3.2.30 To run a dairy whenever necessary outside the area of operation of the member Union.
- 3.2.31 Add, generally take whatever steps necessary or proper or conducive or incidental to the attainment of any of these objects and purposes of the Federation.
- 3.2.32 To provide financial assistance/credit facilities to member Unions on such rate of interest fixed by the Managing Director, Milkfed Punjab, from time to time.

4 FUNDS

Funds may be raised by :-

- 4.1 Shares.
- 4.2 Debentures.
- 4.3 Deposits.
- 4.4 Loans.
- 4.5 Grants, Aids and Subsidies.
- 4.6 Donations.
- 4.7 Entrance Fees.
- 4.8 The authorised share capital of the Federation shall be Rs.258 crore divided into 5,00,000 shares of Rs.5000 each and shall be paid in full on allotment.
- 4.9 The funds of the kind specified in (4.2),(4.3) &(4.4) above to be raised shall not exceed twelve times of the total of paid up share capital and reserve fund, less accumulated losses as provided in the Act and Rules framed thereunder.
- 4.10 The Federation may accept funds from any development agency or any financial institution by accepting loan etc. as per the terms and conditions prescribed by such institution as may be mutually agreed upon with the prior approval of the Registrar.

5 MEMBERSHIP:

- 5.1. Membership of the Federation shall be of the following types:
 - i. Ordinary

ii. Nominal

5.1.1. Any registered Cooperative Milk Producer's Union falling under the jurisdiction of the Federation shall be entitled to hold an ordinary membership. The bye-laws of such unions shall be in conformity with the Model Bye Laws recommended by the Federation and NDDDB and approved by the Registrar.

5.1.2. State Govt. where the Government has subscribed share capital to the Federation.

5.2 **“Nominal Membership”** The persons having financial dealing with the federation such as suppliers, contractors, selling agents, their sureties etc. may be admitted by the Board as nominal members of the Federation. Such nominal members shall not be required to hold the shares, but each shall have to pay Rs.1000/- as fee. They shall have no right to vote or to participate in the management of the Federation or in the distribution of profits. They shall continue as members so long as they have business relating with the federation. They shall incur no liabilities in any events and in binding up of the federation.

5.2.1. Milk Unions, which have signed the Bye-Laws and the application for registration of the Federation shall be deemed to be ordinary members.

5.3 Every member Milk Union shall subscribe atleast Rs.20,000/- as share capital.

5.3.1 The Federation will have the right to call upon members to subscribe as share capital and/or debentures in proportion to the business transacted through the Federation, as may be prescribed by the Board from time to time.

5.3.2. If the amount of share and/or debentures remains unpaid for more than six months from the due date, the Board of Directors may take suitable action on the members as they may deem fit.

6. The liability of member shall not exceed the amount of share capital subscribed.

6.1 The members will have to subscribe the amount in full on allotment of share.

7. No member other than the Government or a Cooperative Society shall hold more than 1/10 of the share capital of a Cooperative Society or have or claim any interest in the shares of such a Cooperative Society exceeding Rs.50,000/- whichever is less.

7.1 A share certificate shall be issued every time, when a share is subscribed by a member.

7.2 A duplicate share certificate will be issued in the event of loss or damage of the share certificate(s) by a member with the written approval of the Board of

Directors on payment of Rs 5/- per share against an indemnity bond to be furnished by the member.

8. The properties and funds of the Federation shall be invested in accordance with the Rules and Act.
9. No member once affiliated can seek disaffiliation without the permission of the Registrar, unless it is dissolved.
10. Subject to the provision of the State Cooperative Societies Act any member shall be expelled by a resolution of 3/4th member present at the General Meeting and voting for any of the following reasons:-
 - 10.1 If the member is a persistent defaulter and habitually fails to carry out his obligations to the Federation.
 - 10.2 If the member willfully deceives the Federation by false statements.
 - 10.3 If any member does any act likely to injure the reputation of the Federation. The Board of Directors shall give such member 15 days written notice of the proposal to expel the member. Expulsion may involve forfeiture of all shares held by the member.
11. The member may transfer the share(s) over and above the maximum limit after holding for atleast one year to another member with the approval of Board of Directors of the Federation. No transfer shall be considered complete, until the name of transferee has been entered into the share transfer register and a fee of Rs.5.00 per share has been paid.
12. Every member shall hold atleast one share.
13. A member will cease to be a member :-
 - 13.1 On acceptance of resignation by the competent authority.
 - 13.2 On liquidation.
 - 13.3 On expulsion.
 - 13.4 On failure to fulfill the obligations mentioned in the Bye-Law No.-14.
 - 13.5 On failure to pay shares on debentures as called upon by the Board.
 - 13.6 If it has less 20% of its milk and milk products per year units dealing through the Federation continuously for three years.

14. OBLIGATIONS OF MEMBER

Every member shall:

- 14.1 Plan the procurement scheduling as per the directions of the Federation.

- 14.2 Process, manufacture and market all of its dairy and allied produce as per the directions of the Federation. Marketing of milk and milk products outside the jurisdiction of the Union shall be undertaken only through the Federation.
- 14.3 Adhere to the programme schemes and plans provided by the Federation in respect of all the activities such as;
- 14.3.1 Procurement,
 - 14.3.2 Production manufacture under different brand/trade marks,
 - 14.3.3 Organisation of societies,
 - 14.3.4 Technical inputs programme,
 - 14.3.5 Administrative and Managerial aspects,
 - 14.3.6 Pricing standard of quality and
 - 14.3.7 Procurement of raw material and packing material.
 - 14.3.8 Manufacture of dairy and allied products as per quality and standard fixed by the Federation. 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.

15. **ORGANISATION AND MANAGEMENT**

- 15.1 i. General Body.
- 15.2 ii. Board of Directors.
- 15.3 iii. Chairman.
- 15.4 iv. Managing Director.

16. **GENERAL BODY**

- 16.1 The supreme authority of the Federation shall be vested with the General Body subject to the ACT, Rules and Bye Laws.
- 16.2 The General Body of the Federation shall consist of one representative from each affiliated Milk Union. All the nominated members shall also attend the meeting. The Chairman of the Board of Directors will preside over the General Meeting. In case of his absence, the meeting will elect a Chairman from among the representative of the Unions present. General meeting may be called once in every year within the quarter ending on 30th June. This shall be called Annual General Meeting.
- 16.3 A special general meeting may be called at any time by a majority vote of the Board of Directors and shall be called within the one month on requisition in writing by atleast 1/5th of the members of the Federation or by the Registrar.

16.4 The first meeting of the members after registration shall have the same powers as are given to the Annual General Meeting.

17. ANNUAL GENERAL MEETING

The annual general meeting shall among other things, deal with the following:-

17.1 To confirm the proceedings of the previous general meeting.

17.2 To approve the excess expenditure over the sanctioned budget.

17.3 To approve the budget and programme of work of the Federation for the ensuing year recommended by the Board.

17.4 To receive from the Board Annual Report together with the balance sheet as on 31st March, Profit and loss account and trading account for the proceeding financial year of the Federation and to sanction the appropriation of profits.

17.5 To review the audit memorandum and audit rectification report received from the Board of Directors and any other communications from Registrar.

17.6 To consider expulsion of members if any, as recommended by the Board in accordance with the provision of the ACT.

17.7 To fix the allowances to be paid to the members of the Board for attending the Board and other meetings and to approve the expenditure in this regard.

17.8 To add, alter and amend the bye laws as and when necessary.

17.9 To consider removal of the Managing Director as recommended by the Board.

17.10 To approve the expenditure incurred on the members of the Board.

17.11 Notice of the Agenda of the General Meeting mentioning date, place and time of the meeting shall be issued in writing to all its members atleast 15 days in advance. Provided further that in case of Annual General Meeting, it may also be accompanied by a copy of the Annual Administration Report, the audit certificate if available and the balance sheet.

17.12 Prior notice is not necessary in case of the following:-

i. A motion for a change in the order of the business of the Agenda.

ii. A motion for adjournment of the meeting.

iii. A motion to refer the matter under consideration for discussion or report to the Board of Directors.

iv. A motion that the meeting to pass on to the next time on the Agenda paper.

v. A motion allowed by 2/3rd of the members present.

18. VOTING RIGHT

Each member shall have one vote by virtue of its membership proxies shall not be allowed. In case of equality of vote the Chairman of the meeting shall have the casting vote.

19. A special general meeting of the Federation shall be called on with 15 days notice, stating the date, time and place at which and the Agenda for which such meeting will be held.
- 19.1 Presence of 50% of ordinary members shall form a quorum of any meeting.
- 19.2 The special general meeting may transact any business that would have been normally transacted by the Annual General Meeting.
- 19.3 If at any general meeting or special general meeting there is no quorum within an hour of the time fixed for the meeting it shall be adjourned and a first general body meeting or special general meeting as the case may be shall be reconvened after giving due notice. If at the reconvened meeting also, there is no quorum within an hour of the time appropriated for the meeting then after the expiry of one hour, the members present shall constitute quorum, but no business other than that specified in the notice shall be transacted.
- 20.0 Decision shall be taken by the majority of votes. In the case of any equality of votes, the Chairman shall have a casting vote except in case of election of Chairman and the office bearer.

21.0 **BOARD OF DIRECTORS**

- 21.1 The Board of Directors of the Federation shall be constituted in the following manner:-
- 1 One Director from each affiliated Milk union to be elected in accordance with the provisions of the Punjab Cooperative Societies Act 1961 and Rules 1963.
 2. Registrar Cooperative Societies Punjab or his nominee.
 3. Three nominee of State Govt.
 4. One nominee of the National Dairy Development Board.
 5. Financial Commissioner & Secretary to Govt. of Punjab, Department of Animal Husbandry or his nominee.
 6. The Managing Director of the Federation (Ex.Officio).
- 21.2 The term of the office of the elected Board/Managing committee shall be five years from the date of its election.
- 21.3 The Chairman of the Board of Director shall be elected from amongst the elected members. The term of the Chairman shall be co-terminus with term of the board.

Provided that the Chairman can be removed by a vote of no confidence through a resolution passed by 2/3rd majority of the total elected members of the Board/Managing Committee. The nominated members shall have no right to vote in the election or removal of the Chairman. There shall be no post of Vice Chairman on the Board. All the members of the Board including Chairman of the Federation shall be honorary and shall not draw any honorarium from the Federation.

21.4 Each member shall have one vote by virtue of its membership and proxies shall not be allowed. In case of equality of votes, the Chairman shall have the casting vote. Provided he shall not exercise the casting vote in case of the election of the Chairman or the office bearer.

21.5 The elected member of the Board who fails to fulfill the obligations as laid-down in Act, Rules and Bye laws shall cease to continue as the member of the Board.

22. A An elected member of the Board shall cease to hold office, if he:-

- i. Cease to be the representative of the Milk Union represented by him ; or
- ii. Is declared insolvent; or
- iii. Becomes of unsound mind; or
- iv. Is convicted of any offence involving dishonesty or moral turpitude; or
- v. Holds any office of profit under the Federation or receives any honorarium; or
- vi. Resigns & his resignation is accepted by the Board of Directors of the Federation; or
- vii. Absent himself from three consecutive meetings of the Board without valid reasons; or
- viii. Acquires as interest, directly or indirectly, in any contract with the Federation or in any sale or purchase made by the Federation privately or in auction; or
- ix. Incurs any other disqualifications laid in the Act and the Rules which would have prevented him from seeking election had he incurred that disqualifications before election.

Provided that any vacancy so caused shall be filled in through election in accordance with the provisions of the Act & Rules framed thereunder for the unexpired period of the tenure of the Board of Directors.

22.B No member shall be allowed to participate or vote in the proceedings of any matter in which he has personal or any other interest.

23.0 All acts done by the Board or any person acting in his capacity 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.

24.0 The Board may meet as often as it considers necessary, but shall meet once in every two months. The meeting shall be called generally with 15 days clear notice specifying the date, place, time and agenda for the meeting. The quorum of the meeting shall be 1/3rd of the total members.

25.0 POWERS RESPONSIBILITIES AND FUNCTIONS OF THE BOARD

Without prejudice to the General powers conferred by these Bye Laws, the following powers and authorities are given to and conferred upon the Board :-

25.1 To purchase or take on lease or otherwise acquire land or building/buildings and/or construct building and/or buildings for value exceeding Rs.1.00 lakhs.

25.2 Deleted.

25.3 To borrow funds required from time to time to carry on the business of the Federation in accordance with and subject to the provisions of these bye laws and instructions of the Registrar, issued from time to time.

25.4 To apply to Govt. for exemption from holding license required for undertaking process of Dairy produce to generate electricity for plants etc.

25.5 To apply for the licenses required under the Rules of the State.

25.6 To apply for outright purchase or otherwise by way of license or otherwise, any patent, patents rights of inventions trade rights, copy rights of secret process or technical aid or know-how which may be useful to achieve the objects of Federation and to grant licenses to use the same.

25.7 To lay down rules and determine the conditions of service including qualifications, emoluments, incentives etc. of employees of the federation subject to the prior approval of the Registrar.

25.8 Deleted.

25.9 To create funds for the welfare of the employees of the Federation.

25.10 To institute, conduct, defend, compound or abandon any legal proceedings by or against the Federation or its officers or otherwise concerning the affairs of the Federation and also to allow time for payment or satisfaction of any debts due and to settle any claims and or demands by or against the Federation by arbitration or otherwise.

- 25.11 To recommend to the General Body, expulsion of any member, whose conduct in the opinion of the Board is detrimental to the interests of the Federation by 3/4 majority of the member present at the meeting.
- 25.12 To confirm the proceedings of the previous meeting.
- 25.13 To admit members and allot shares and/or debentures.
- 25.14 To call upon the members to sub-scribe to the share capital and or debentures as per bye-laws no. 5.3.1 in proportion to their dealings in terms of units, with the Federation.
- 25.15. To receive and review audit note and approve rectification report for placing before the next general meeting.
- 25.16 To approve the Annual Accounts, Annual Report and to Recommend distribution of profits earned by the Federation.
- 25.17 To fix the rate of service charges for manufacturing processing, procuring and marketing of raw material and allied dairy products through the Federation.
- 25.18 To decide the pricing structure, rate of commission to be paid to the Primary Societies/Unions on procurement of milk and other commodities.
- 25.19 To decide the pricing structure for the dairy and allied products supplied by the members.
- 25.20 To approve the Audit Programme for the societies, Union members if authorised by the Registrar.
- 25.21 To fix the charges for use of its trade mark/brand name.
- 25.22 To approve the purchase and erection of plant machinery and other assets for the business of the Federation.
- 25.23 To approve sale of any land and any other movable and immovable properties if not required for the business of the Federation.
- 25.24 To charge the fees for the services rendered by the Federation.
- 25.25 To review periodically and decide the conversion factor for expressing FAT and SNF of dairy produce into Units on the recommendations of the Programming Committee.
- 25.26 To prepare agenda for the General Meeting and fix the time, place and date of the meeting.
- 25.27 To insure against the risk of all kinds for movable and immovable properties of the Federation.
- 25.28 The Board may from time to time constitute its smaller committees not more than two at a time, for discharging any specific terms of reference. Such

committees shall consist of not more than six members comprising the Chairman, Managing Director, Registrar or his nominee. Nominee of NDDB and two Directors of the Board, atleast one of whom should be elected. In case of difference of opinion between the Managing Director/Registrar or his nominee and remaining members of the committee, the matter shall be placed before the Board whose decision shall be final as per provisions of the Act, Rules and Bye-Laws.

25.29 To hear and decide the appeal of employees against the orders of the Managing Director awarding punishment provided it is filed within 30 days of communication of such orders. The Board may delegate its powers to a Sub-Committee constituted for this purpose.

26.0 The Board shall be competent to frame subsidiary rules consistent with the provisions of the ACT, Rules and Bye Laws for the proper conduct of the business of the Federation. These rules shall be implemented after the approval of the Registrar.

27.0 The Board shall have power to issue a common seal for the business of the Federation and it shall not be used except by the Authority of the Board or the Managing Director. Every deed or document to which the seal is affixed, shall be countersigned by the Managing Director and the Chairman or as may be decided by the Board.

28. Deleted.

29. Deleted.

30. MANAGING DIRECTOR

30.1 The Board of Directors shall appoint the Managing Director and determine his conditions of service including qualification, recruitment, emoluments, incentives, punishment, retirement etc. with the approval of Registrar.

30.2 The general powers, duties and responsibilities of the Managing Director shall be as under:-

30.2.1 He shall have general control over the administration management, finance and business of the Federation.

30.2.2. He shall purchase or take on lease or acquire any land building, plant & machinery or construction work not exceeding the value of Rs.10 lacs per item after completing requisite formalities and adopting necessary procedure.

30.2.3 He shall be the officer to sue or to be sued on behalf of the Federation and all bonds and agreements made in favour of the Federation shall be in his name.

- 30.2.4. He shall have power for and on behalf of the Federation to endorse sign, negotiate cheques and other negotiable instruments on behalf of the Federation. He shall also sign all deposit, receipts and operate on the account of the Federation with any Bank.
- 30.2.5. He shall appoint members of staff within the sanctioned strength of establishment upto and inclusive of the cadre of officer provided that the approval of the RCS shall be obtained before the appointment of the officers of the rank of General Managers & above.
- 30.2.6 He shall award punishment including dismissal from service to employees for whom he has powers of appointment.
- 30.2.7 He shall allow credits to buyers within limits fixed by the Board from time to time.
- 30.2.8 He shall undertake import and export business for/on behalf of the Federation.
- 30.2.9 He shall carry out negotiations with the Government and other organisations.
- 30.2.10 He shall make necessary arrangements for transport and storage of dairy and allied produce.
- 30.2.11 He shall arrange to insure all properties of the Federation against risks of all kinds.
- 30.2.12 He shall arrange to impart training to the staff members of the Federation, Unions and Societies.
- 30.2.13 He shall enter into agreements or contracts for purchase, sale, lease of land, buildings required for the working of the Federation and to execute documents on behalf of the Federation and to represent it in all legal actions instituted by or on behalf of the Federation.
- 30.2.14 He shall arrange to maintain proper accounts of the Federation.
- 30.2.15 He shall arrange to prepare Annual Report, balance sheet of the preceding financial year and budget of the Federation for the ensuing year for placing before the Board of Directors.
- 30.2.16 He shall convene the meeting of the Board of Directors as required under Bye Laws No.24 and General Body meeting and such other committee meetings as and when directed by the Board or found necessary or on receipt of requisition from requisite number of members or upon requisition from the Registrar.
- 30.2.17 He shall arrange to supervise the member Unions and audit of Societies of member Unions, if authorised by the Registrar.
- 30.2.18 He shall appoint consultants/Experts and fix their remuneration.

30.2.19 The Managing Director may delegate any of his powers conferred on him by these bye laws, service rules or any power delegated to him by the BODs to any of the Senior Executive of the Federation.

30.2.20 In the absence of the Managing Director, the work of the Managing Director shall be discharged by the next Senior Executive.

31.0 PROGRAMMING COMMITTEE.

The Programming Committee will consist of the following:

- i. The Managing Director of the Federation who shall be Chairman of the Committee.
- ii. Chief Executives of all the affiliated Milk Unions.
- iii. The Chief Quality Control Officer or any other officer from the headquarter as may be nominated by the Managing Director.

32.0 FUNCTIONS OF THE PROGRAMMING COMMITTEE.

32.1 The Programming Committee will perform the following functions:-

32.1.1 To recommend the manufacturing programme for ensuing year and to review it periodically.

32.1.2 To fix the minimum standard of the product to be manufactured and marketed by the Federation.

32.1.3 To recommend the Programme for organising the Milk Cooperatives and Milk routes in different Milk Unions.

32.1.4 To recommend the rate of various costs of manufacture processing commissions, packing charges, over head charges subscriptions, royalty etc.,

32.1.5 To recommend prices of raw materials and /or finished products and for that matter recommended periodically the conversion factor for expressing FAT and SNF into Units.

32.1.6 To prescribe and recommend the terms and conditions for procurement, chilling, processing and marketing of dairy and allied products.

32.1.7 To review the policies regarding procurement, processing and marketing periodically.

32.1.8 To suggest measures for increasing the productivity of the members and assist in implementing the same.

32.1.9 To suggest to undertake market research and development.

32.1.10 To plan production, procurement keeping in view the market strategies.

32.1.11 To advise and assist Milk Unions in all aspects of management.

- 32.1.12 To recommend financial, technical, administrative and other necessary assistance to the member unions and to recommend to enter into collaboration agreements.
- 32.1.13 To advice member Unions on Public relations and allied matters.
- 32.1.14 The Programming Committee may, if it feels necessary appoint sub-committee to report on any specific problems and may, if necessary, Co-opt on the Sub-committee, specialist in the field from amongst the staff members of affiliated Milk Unions.
- 32.1.15 To recommend procurement,programme for raw material (other than Milk) processing material and packing material.
- 32.1.16 To review, assist, advise, guide and render all necessary help for implementing the projects/programmes under the Operation Flood.

33.0 DISTRIBUTION OF PROFIT

At the Annual General Meeting the net profit shall be distributed as follows, subject to prior approval of the RCS, Punjab :-

- 33.1 Reserve fund = 25% of the net profit of each year.
- 33.2 Milk Unions Rehabilitation Fund=15% of the net profit of each year.
- 33.3 Cooperative Education Fund = 2% of the net profit of each year subject to maximum ceiling fixed by RCS Punjab from time to time.
- 33.4 Bad & Doubtful Debts Fund = 3% of the net profit of each year.
- 33.5 Cooperative Development Fund = 3% of the net profit of each year.
- 33.6 Common Good Fund = 7% of the net profit of each year.
- 33.7 Dividend = Not exceeding 20% P.A. on the outstanding amount of share capital shall be distributed as dividend to Shareholders.

The balance amount of net profit after above mentioned statutory deductions shall be taken to General fund and will be utilised for research and development activities of the Federation as may be decided by the General Body.

34.0 RESERVE FUND

In addition to the sum in the Bye Laws 33.1 all entrance fees, donations, other than those specified purposes and receipts on account of forfeited shares and fines other than those collected from employees, shall be carried to the Reserve Fund.

35.0 ACCOUNTS AND RECORDS

The financial year of the federation shall be from 1st April to 31st March. Books of accounts and other records shall be maintained as prescribed in the

Rules and also as directed by the Registrar with such additions as the Board of Directors consider necessary.

- 36.0 In case of absence of provisions or inconsistency or repugnancy in the bye laws of the member Unions, the bye laws of the Federation shall prevail subject to the provisions of the Act and Rules.

37.0 AMENDMENTS

None of the Bye laws herein contained shall be altered or rescinded and no bye laws shall be added except by vote of majority consisting of at least two thirds members present at the General Meeting. The notice convening the meeting shall specify the proposed alteration addition or recession. The amendment shall not take effect until it is approved by the Registrar.

38.0 SERVICE OF NOTICE

Whenever any notice is required to be served upon any member under these bye laws, it shall be given:-

- i. By affixing a copy of the notice at the office of the Federation and
- ii. a) By circulation of the notice book and getting the signature of the member on it.
b) By sending the notice to the members under registered post or through Speed Post or Courier or by Hand.

39.0 MISC

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

- 40.0 If the Federation is indebted to an Cooperative financing institutions it shall be competent for the representative of the letter to inspect the books and record of the society and the Managing Director of the Federation shall arrange the production of books and record before such representatives.
- 41.0 The services of the members of the Board of Directors shall be honorary but they may be paid travelling and daily allowance on the scale fixed by the Board of Directors and approved by the Registrar, Cooperative Societies Punjab.
- 42.0 Should any dispute arises with regard to the interpretation of these bye laws, the matter shall be referred to the Registrar, Cooperative Societies Punjab whose decision shall be final.
- 43.0 a) No person shall be employed by the Federation unless he satisfies the condition regarding qualification, experience as may be laid down by the Registrar Coop.Socs. Pb. from time to time.

- b) No person shall be employed by the Federation without obtaining from him security in such form and according to such standard as may be laid-down by the Registrar, Coop Socs. Pb. from time to time.
- 44.0 If any dispute other than the disputes regarding disciplinary action taken by the Board of Directors or the Managing Director against servant of the Federation touching the constitution or business of the Federation arises between the members and the past member of the Federation or other persons referred to in the relevant provisions of Act and Rules framed thereunder, it shall be disposed of in the manner provided in the said Act and Rules.
- 45.0 The Federation may in the circumstances, specified under the relevant provisions of the Act be wound up & cancelled by the Registrar Cooperative Societies Punjab in accordance with the procedure laid down in the Act and Rules framed thereunder.
- 46.0 The Federation shall prepare demand and submit such returns and statements as the Registrar may demand from time to time.
- 47.0 The words and phrases used in these bye laws shall have the same meaning as is assigned to them under the Cooperative Societies Act and Rules framed thereunder.