

SD B with 20/2

# THE BY-LAWS

OF

## The \_\_\_\_\_ Co-operative Marketing Cum-Processing Society Ltd.

### NAME, ADDRESS AND AREA OF OPERATION.

1. The society shall be called the \_\_\_\_\_ Cooperative Marketing Cum-Processing Society Limited. It shall be referred to hereinafter as the society.

2. The registered address of the society shall be The \_\_\_\_\_ Coop. Marketing Cum-Processing Society Ltd. Post Office \_\_\_\_\_ Tehsil \_\_\_\_\_ District \_\_\_\_\_

3. "The area of operation of the society shall extend over the \_\_\_\_\_ operation of the Market Committee of the place or the area of the block provided that in the latercase the area of operation of the Marketing Society does not over-lap the area of operation of another Marketing Society."

### OBJECTS

4. The objects of the society shall be :--
- (i) to make arrangements for the storage and marketing of agricultural produce primarily of its members;
  - (ii) to supply seed, manure, agricultural implements and other requirements of the members;
  - (iii) to arrange grading and processing of agricultural produce primarily of its members and purchase or hire and instal suitable machinery for this purpose;
  - (iv) to hire or own godown and cold storages and to establish and undertake running of warehouses for the storage of produce;

- (v) to act as agent of the Government for the procurement of agricultural produce;
- (vi) to act as agent of the member credit societies for the recovery of loans given by them to their members;
- (vii) to grant advances to members on security of their produce;
- (viii) to undertake measures to spread knowledge of co-operative principles and practices;
- (ix) to disseminate among its members knowledge of the latest improvement in agriculture and to provide a news service to members about the market rates and allied matters; and
- (x) to undertake such other activities as are conducive to the attainment of above objects.

### MEMBERSHIP

5. (a) Membership of the society shall be open to persons who are :—

- (i) over 18 years in age and of sound mind;
- (ii) of good character;
- (iii) ordinarily residing in the area of operation of the society; and
- (iv) growers of agricultural produce;

(b) The following shall also be eligible for admission as a member of the society :—

- (i) agricultural credit societies including agricultural multipurpose societies;
- (ii) such other type of co-operative societies as are approved by the Registrar;
- (iii) Central or State Warehousing Corporation;

(c) Assistant Registrar, Co-operative Societies..... shall be an *ex officio* member without incurring any liability or holding any share.

(d) Notwithstanding the provision of any other bylaw the merchants, traders and commission agents included in the approved list of the society,

who are engaged in business in agricultural produce and have dealing with the society, may also be admitted as nominal members on payment of admission fee but without holding any share. Such members shall have no right to vote or to participate in the management of the society and shall have no share in the dividend or bouns distributed by the society.

6. Notwithstanding the provisions of any other bylaw, the State Government may contribute to the share capital of the society. The share capital so contributed shall be retired in such period and manner as may be determined by the State Government.

7. 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 preceding the date of his admission as member; or
- (vi) he is a trader in the relevant agricultural produce on his own account.

8. Application for admission as members shall be addressed to the Manager of the society. Every such application shall be disposed of by the Managing Committee. If the committee refuses to admit a person, it shall record its reasons for such refusal and communicate them to the persons concerned. Any person who has been refused admission shall have the right of an appeal to the Registrar within one month of the date of communication of refusal. The decision of the Registrar on such appeal shall be binding on the society and the appellant.

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

10. Every individual member on admission shall sign or make his thumb-mark in the register of members or on a form specially provided for the purpose.

11. Every member shall, on admission, pay an admission fee of Rs. 5.

12. (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 by-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 or transferred to each nominee in the 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 or 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.

13. 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.

14. Any money due on any account from the society to a member or past member or persons claiming through him may be set off in payment of any such sum which he owes or for which he stands surety.

15. (a) A member of the society may be expelled by the Managing Committee subject to the confirmation of General body 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 amounts due from him to the society;
- (iii) conviction of a criminal offence involving dishonesty or moral turpitude;
- (iv) application for bankruptcy;
- (v) ceasing to be a grower of agricultural produce or becoming a trader in such produce;

(vi) wilful omission to sell produce through the society during two consecutive harvests;

(vii) action which may be held by the general body to be dishonest or contrary to the interest reputation and stated objects of the society, such as adulteration of produce;

(b) In the case of a member society, the membership shall be terminated by cancellation of registration of a member society.

(c) No member shall be expelled except by a resolution passed by two-third majority in a general meeting in which at least half the members are present. The member so expelled shall have the right of appeal to the Registrar against the decision of the general body within one month of the date of such decision. The order of the Registrar on such appeal shall be binding on the society and the appellant.

16. 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 6 months notice to the Manager of the society provided that the member withdrawing is not indebted to the society and is not surety for unpaid amount and provided further that the share/shares held by the member are disposed of in accordance with by-law 12 ;

(iv) permanent insanity ;

(v) declaration of bankruptcy.

### LIABILITY

17. The liability of a member for deficit in the assets of the society, in the event of its being wound up, shall be limited to 5 times the value of the share capital subscribed by him.

18. Notwithstanding the provisions of by-law 17, the liability of the State Government in respect of the share capital subscribed by it shall not exceed the face value of the share subscribed.

### FUNDS

19. The society may raise funds by :—

- (i) issuing of share of the value of Rs. 50 each;
- (ii) raising of loans from Government, Co-operative Banks and with the previous approval of the Registrar, from the commercial banks and others;
- (iii) acceptance of deposits from members and non-members;
- (iv) acceptance of grant, subsidy or other financial assistance from the Government or other institutions or individuals.

20. Each member shall take at least one share of the value of Rs. 50 payable in lump sum at the time of admission.

21. No member shall hold shares of which the nominal value exceeds Rs. 25,000 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.

### MAXIMUM BORROWING LIMIT

22. 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

23. The General Body of members of the society shall meet from time to time and at least once a year. A meeting of the General Body shall be convened by the Manager of the society under the directions of the Managing Committee. A general meeting shall also be convened if the requisition for such a meeting, signed by not less than one-fourth of the total members, is received by the Managing Committee. If on the receipt of the requisition, the Managing Committee fails, within a reasonable time, to convene the general meeting, the signatories to the requisition may refer the matter to the Registrar, who may, if he thinks fit, summon the general meeting. The Registrar may, on his own motion, at any time, summon a general meeting of the society.

24. 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 modes:

(i) Affixing a copy of the notice at the society's office or at some conspicuous place in the area of operation of the society.

(ii) By post.

The quorum for the general meeting shall be one-third of the total number of members or 30, whichever is less. If at the hour fixed for a general meeting, the quorum is not forth-coming, 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.

25. 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.

26. Every member of the General Body shall have one vote irrespective of the number of shares held by him. Member societies shall be represented by one of its members. No other proxies shall be allowed. Unless otherwise provided in these by-laws, all questions shall be decided by a majority of votes of the members present. When the votes are equal the Chairman of the General Body shall have a casting vote.

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

28. Without prejudice to the general provisions of the preceding by-law, 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, its audited balance sheet and profit and loss account and the inspection notes;
- (iii) disposal of profits;
- (iv) the fixing of maximum credit limit of the society consistent with these by-laws, subject to the approval of the Registrar;
- (v) amendment of by-laws;

