

THE BYE-LAWS
OF
THE BIHAR STATE CO-OPERATIVE MILK PRODUCERS'
FEDERATION LIMITED

CONTENTS

Bye-laws No.	Particulars	Pages
1.	Name, Address and Jurisdiction	
2.	Definitions	
3.	Objectives	
4.	Funds: Authorised capital, value of one share, maximum power of the Federation.	
5.	Membership: Application fee and membership fee for a nominal member and an ordinary member, State Government as ordinary member	
6.	Liability of a share-holder	
7.	Issue of Share Certificate and its Duplicate	
8.	Investment of funds	
9.	Disaffiliation of a member	
10.	Expulsion of members	
11.	Transfer of shares & transfer fee	
12.	Cessation of membership	
13.	Obligation of members	
14.	Organisation & Management	
15.	General Body: Constitution, chairmanship, Issue of Notices convening Annual General Body and Extra - ordinary General Meetings.	
16.	Functions of Annual General Meeting	
17.	Voting rights	
18.	Quorum of Annual General Meeting	
19.	Casting vote of the Chairman	
20.	Constitution of Board of Directors	
21.	Duration of membership of the Board	
22.	Disqualification of a member of the Board of Directors	
23.	Validity of an action notwithstanding improper appointment of Board of Directors	
24.	Frequency of Board Meeting	
25.	Powers, responsibilities & functions of the Board: Appointment & qualifications of Managing Director, and Expert panel for recruitment of staff	

26. Framing of subsidiary Rules
27. Common Seal of the Federation
28. Powers of the managing Director
29. The Constitution of Programming Committee and frequency of its meetings
30. Functions of the Programming Committee
31. Decision of the Board through circulation of papers
32. Distribution of Profits
33. Reserve Fund
34. Accounts & Records
35. Conflict between the Bye-laws of the Federation & member unions
36. Amendment of Bye-laws
37. Service of Notice

THE BYE-LAWS OF THE BIHAR STATE CO-OPERATIVE

MILK PRODUCERS' FEDERATION LTD., PATNA.

(Registered on 18-04-83 by the Registrar, Co-operative Societies of Bihar State under Certificate No. 2 (HQR.)/83, dated 18-04-83.)

1. Name, Address and Jurisdiction:

The name of the Federation shall be "The Bihar State Co-operative Milk Producers' Federation Ltd." Its registered address shall be at Patna. The area of operation of the Federation shall be the whole of Bihar.

2. Definitions:

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

- 2.1 'Act' means the Bihar Co-operative Societies Act, 1935.
- 2.2 "Board" means the Board of Directors of the Federation as mentioned in these bye-laws.
- 2.3 "Chairman" means the Chairman of the Federation.
- 2.4 "Commodities" means milk, milk products, cattle feed, raw or processed agricultural products, dairy and food packaging material, equipment, machinery, etc.
- 2.5 "Federation" means the Bihar State Co-operative Milk Producers' Federation Ltd.
- 2.6 "Member" means the member of the Federation enrolled as prescribed in these bye-laws.
- 2.7 "Milk Union" means the District / Milk Shed Area Co-operative milk Producers' Union Limited.
- 2.8 "Managing Director" means the M.D. of the Federation appointed by the Board of Directors of the Federation.
- 2.9 "Programming Committee" means the Committee as constituted under the provisions of these bye-laws.
- 2.10 "Registrar" means the Registrar of Co-operative Societies as defined in the Co-operative Societies Act, 1935.
- 2.11 "Rules" means the Rules made under the Bihar Co-operative Societies Act, 1935.
- 2.12 "Unit" Fat and S.N.F. in dairy product will be expressed in terms of Unit.
- 2.13 "General Meeting" includes ordinary, extraordinary, and Special General Meeting.

3. Objectives :

The fundamental objective of the Federation shall be:

- 3.1 **To carry out activities for promoting production, procurement, processing and marketing of milk and milk product 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 commodities from the members or from other sources, without affecting the interests of its members, pool, process, manufacture, distribute and sell the same.
 - 3.2.2 study problem of mutual interests related to production, procurement and marketing of dairy and allied products.
 - 3.2.3 purchase and / or erect buildings, plant, machinery and other ancillary equipment to carry out business.
 - 3.2.4 establish research and quality control laboratories.
 - 3.2.5 provide veterinary aid and Artificial Insemination services and to undertake Animal

Husbandry activities, so as to improve the animal healthcare and disease control; facilities and assist the member unions in doing the same.

- 3.2.6 make necessary arrangements for transport of milk, allied milk products and commodities.
- 3.2.7 advise, guide, assist and control of the member Milk Unions in all aspects, of management, supervision and audit functions .**
- 3.2.8 purchase or assist in purchasing raw material, processing materials. etc. or to collaborate with someone if need arises.**
- 3.2.9 arrange to impart training to staff of all the member unions and societies.
- 3.2.10 one 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.
- 3.2.11 market its products under its own trade mark /.brand name or with its member union's trade mark / brand name.
- 3.2.12 promote the organization of the primary societies and assist members in organization of the primary societies.
- 3.2.13 plan developmental strategies and programme to increase the volume of production and procurement of the Federation and its member unions and for effective marketing of the same.
- 3.2.14 render technical, administrative, financial and other necessary assistance to the member unions and enter into collaboration agreement with some one, if the need arises.
- 3.2.15 advise the member unions on price fixation, public relations and allied matters.**
- 3.2.16 create trust and funds for the welfare of the employees.
- 3.2.17 undertake periodical supervision of the member unions and the societies affiliated to its member unions. Federation shall also have powers to recommend liquidation of any member union or primary co-operative societies subject to the Acts and the Rules.
- 3.2.18 undertake or assist programme of research and development.
- 3.2.19 establish a Research and Development Association having independent existence, to contribute to its funds and to raise funds for the same from member unions.
- 3.2.20 organise and encourage saving schemes and propagate the concept and benefits of the co-operative movement.
- 3.2.21 (a) work as an administrator of its member unions at the instance of the Registrar and may take over the management of member unions under Section 41 of the Bihar Co-operative Societies Act.**
(b) the Federation may take 'over the management of a member union fully or partially on request of such union.
- 3.2.22 encourage fodder production by member and members of the affiliated societies.
- 3.2.23 to assist the member unions to own and rear herd of cattle as may be required to undertake the breeding programme in the area.
- 3.2.24 Arrange for or assist in purchase ofmilch animals by the member milk producers.
- 3.2.25 And generally take whatever steps necessary or proper or conducive or incidental to the attainment of any of these. Objectives of the Federation.

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 Federation may accept funds from any development agency or any financial institution by accepting loans, etc. as per the terms and conditions prescribed by such institutions as may be mutually agreed upon.
- 4.9 The authorized share capital of the Federation shall be Rs.15 crores divided into 150 thousand shares of Rs - one thousand each and shall be paid in full on allotment.
- 4.10 The funds of the kind specified in (4.2), (4.3) and (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 Act or Rules there under.

5. Membership ;

The membership of the Federation shall be of the following types:

- (i) Ordinary
- (ii) Nominal

- 5.2.1 Any registered Milk Union falling under the jurisdiction of Federation shall be entitled to hold a nominal or ordinary membership.
- 5.2.2 A milk Union desiring to enroll itself as a nominal member shall have to make an application to the Federation in writing, in the prescribed form along with application fee of Rs.1 01 and annual membership fee of Rs.1,000/-. However, nominal members would not have voting right or share in the profits.
- 5.2.3 A nominal member shall be allowed to apply to the Federation to enrol itself as ordinary member provided it has dealing with the Federation of two lakh units during the previous financial year. A nominal member, eligible for ordinary membership shall make an application to the Federation in the prescribed form with an entrance fee of Rs.2511~ and required amount for the member of shares as prescribed in these bye-laws. However, the membership to such nominal member shall be given subject to the approval of the General Meeting.
- 5.2.4 Besides the nominal members mentioned in bye-laws no. 5.2.2 & 3., the nominal membership shall also be open to any person competent to contract and having business dealings or any sort of contractual relationship with the Federation. Such nominal member shall be required to pay only an admission fee of Rs.2511- which shall be non-refundable. These nominal members shall not have to subscribe to the share capital of the Federation nor they shall have any right to vote in the affairs of the Federation, Or to seek election to any office under the Federation, nor they shall have any right to claim share in the profits of the Federation.
- 5.2.5 **Milk Unions who have signed the Bye-laws and the application of registration will be considered enrolled as ordinary members.**
- 5.2.6 Besides the Milk Unions, the ordinary membership of the Federation shall also be open to the State Government who will not be required to pay an admission fee as prescribed for the other members.
- 5.3 Every member shall hold at least one share. However, initially, every ordinary member milk union shall subscribe Rs.20,000/- as share capital (This can be issued in instalments).
- 5.3.1 The Federation shall have the right to call upon ordinary members to subscribe 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 1 or debenture 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 a member shall be limited to the face value of the shares purchased by him.
- 7.** A share certificate shall be issued every time, when a share is subscribed by a member.
- 7.1 A duplicate share certificate will be issued in the event of loss of. the shall certificates by a member with the written approval of the Board an indemnity bond to be furnished by member.
- 8.** The properties and funds of the Federation shall be invested in accordance with the Act and Rules of the State.
- 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 Co-operative Societies Act, any member may be expelled by a Resolution of 3/4th members present at the General Meeting and voting for any of the following reasons:
- 10.1.1 If the member is persistent defaulter and habitually fails to carry out its obligation to the Federation.
- 10.1.2 If the member will fully deceives the Federation by false statements.
- 10.1.3 If the member does any act likely to injure the reputation of the Federation.
- 10.2 The Board of Directors shall give such member fourteen days written notice of the proposal to expel the member. Expulsion may involve for refeiture of all shares held by the member,
- 11.** The member may transfer the *share/s* after holding for at least one year to another member with the approval of the Board of Directors of the Federation. No transfer shall be considered complete, until the name of the transfer shall be considered complete, until the name of the transferee has been entered into the Share Transfer Register and a fee of RS.5.00 per share has been paid.
- 12. Cessation of membership :**
An ordinary member will cease to be a member;
- 12.1 On resignation.
- 12.2 On liquidation.
- 12.3 On expulsion.
- 12.4 On failure to fulfil the obligations mentioned in the bye-law no. 13.
- 12.5 On failure to pay shares and / or debentures as called upon by the Board; or
- 12.6 If it has less than two lakh units dealing through the Federation continuously for three years.
- 12.7 An ordinary member, ceasing to be a member, shall be entitled to receive back the amount not exceeding the actual sum paid by it, on account of shares within a period of one year unless his shares are forfeited as a result of expulsion- under bye-laws no. 10.2,
- 13. Obligations of members:**
Every member shall -
- 13.1 Plan the procurement scheduling as per the directions of the Federation.
- 13.2 process, manufacture and market all of its dairy and allied produce as per the directions of the

Federation. Marketing of milk products outside the jurisdiction of the Union shall be undertaken only through the Federation.

- 13.3 Adhere to the programme schemes and plans provided by the Federation in respect of all the activities such as-
 - 13.3.1 procurement;
 - 13.3.2 production manufacture under different brand / trade marks.
 - 13.3.3 organisation of societies;
 - 13.3.4 technical inputs programme;
 - 13.3.5 administrative and managerial aspects;
 - 13.3.6 pricing, standard of quality;
 - 13.3.7 procurement of raw material and packing material; and failure on the part of the members to fulfil the above and such other obligations shall make them liable for consequential losses to the Federation as may be decided by the Board.

14. Organisation and Management :

- (i) General Body.
- (ii) Board of Directors.
- (iii) Chairman.
- (iv) Managing Director.

15. General Body:

- 15.1 The supreme authority of the Federation shall vest in the General Body subject to the Act, Rules and Bye-laws.
 - 15.2.1 The General Body will consist of:
 - (i) The Chairman of each affiliated Milk Union enrolled as ordinary member.
 - (ii) The Registrar, Co-operative Societies, Bihar, Patna.
 - (iii) All the ex-officio and nominated members of the Board of Directors.
 - 15.2.2 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 amongst the members present.
 - 15.3.1 The General Meeting shall be called every year within six months of the close of Co-operative year, i.e. by 31 st March. This shall be called Annual General Meeting,
 - 15.3.2 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 at least 14 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. Non-receipt of such a notice by any member of the General Body shall not invalidate the proceedings of the meeting.
 - 15.3.3 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 or dissolution of the meeting.
 - (iii) A motion that the meeting to pass on to the next time on the Agenda paper.
 - (iv) A motion to refer the matter under consideration for discussion or report to the Board of Directors.
 - (v) A motion allowed by 2/3rd of the members present.
 - 15.4.1 An Extraordinary General Meeting may be convened at any time by the Board of Directors of the Federation, or on the latter case the Managing Director shall call the Extraordinary Meeting within a month from the date of the requisition.
 - 15.4.2 A special general meeting may be convened by the Registrar of Co-operative Societies or by

any person authorised by him in that behalf in accordance with the Rules.

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

16. Annual General Meeting :

The Annual General Meeting shall, among other things, deal with the following:

- 16.1 To confirm the proceedings of the previous General Meeting.
- 16.2 To approve the budget and programme of work of the Federation for the ensuing year as recommended by the Board.
- 16.3 To approve the excess of expenditure incurred over the sanctioned budget.
- 16.4 To receive from the Board the Annual Report together with the Trading and Profit Loss Accounts, for the preceding financial year of the Federation and Balance Sheet as on 30th June and to sanction the appropriation of profits.
- 16.5 To review the Audit Memorandum and Audit Rectification Report received from the Board of Directors and any other communications from Registrar, Co-operative Societies.
- 16.6.1 To consider expulsion of members, if any, as recommended by the Board in accordance with the provisions of the Bye-laws.
- 16.6.2 To consider removal of the Managing Director. So long as Indian Dairy Corporation loan/grant is not fully repaid by the Federation the M.D. shall not be removed without the consent of the I.D.C.
- 16.7 To fix the allowances to be paid to the members of the Board for attending the Board and other meetings.
- 16.8 To add, alter and amend the Bye-laws as and when necessary.
- 16.9 To fix the maximum liability of the Federation for the ensuing co-operative year.
- 16.10 To approve the expenditure incurred on the members of the Board.
- 16.11 To elect the Board of Directors in accordance with the Rules and these Bye-laws.
- 16.12 To consider any other business brought forward by or with the consent of the Chairman.

17. Voting Rights :

Each member shall have one vote by virtue of its ordinary membership, proxies shall not be allowed. Besides this one vote, the ordinary member shall have one additional vote also for every two lakh units transacted through the Federation during the previous financial year. The voting right shall 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, the nominated members of the Board shall each have votes equal to the average of the institutional members' total votes ignoring fractions.

- 18.** Presence of fifty per cent of the members shall form a quorum of any general meeting on the date of issue of the notice.
- 18.1** An extraordinary general meeting or a special general meeting may transact all the business that would have been transacted by the Annual General Meeting.
- 18.2** If at any general meeting there is not quorum within an hour of the time fixed for the meeting, the meeting shall stand adjourned to a date not earlier than 7 days and not later than 21 days.
- 18.3** Provided that if it is a requisitioned meeting it shall stand dissolved if there is no quorum within the prescribed time. No quorum shall be necessary for an adjourned meeting but an adjourned meeting shall not transact any business other than specified in the notice given for the meeting..

- 19.** Decision shall be taken by majority of votes. In the case of an equality of votes, the Chairman shall have a casting vote in addition to the votes to which he may be entitled to as a member.
- 20. Board of Directors ;**
- 20.1.1 Board will consist of the following:**
- (i) **Chairman to be elected by the General Body of the Federation from amongst the Chairmen of the member unions.**
 - (ii) **Chairman of the affiliated Union enrolled as ordinary member.**
 - (iii) **Registrar. Co-operative Societies.**
 - (iv) **One nominee of N.D.D.B.**
 - (v) **One nominee of the Financing Agency (I.D.C.)**
- 20.1.1. (vi) Amended Clause :**
Two nominees of the State Govt. as under:
- (a) **Milk Commissioner.**
 - (b) **A representative of the State Finance Department.**
- 20.1.1. (vii) Amended Bye-laws:**
The Board shall hold office for one full term as per the Co- operative Act, provided that the first Board of Directors shall be a nominated Board consisting of the following-
- 1. Milk Commissioner-Chairman.**
 - 2. Managing Director of the Federation-Ex-officio.**
 - 3. Registrar, Co-op. Societies.**
 - 4. One nominee of NDDB.**
 - 5. One nominee of 1De. -**
 - 6. One nominee of the State Govt. (representing the State Finance Deptt..)**
 - 7. Managing Director, Bihar State Co-operative Bank Ltd., Patna,**
 - 8. Chairman of the Unions as and when they are affiliated. The notified Board shall hold office for one full term as per the Act, provided that the term may be extended by the State Govt. further till deemed necessary.**
- 20.1.2. Each member of the Board shall have voting right as fixed under these bye-laws.**
- 21. Duration of Membership of the Board :**
When a person becomes a member of the Board of Directors by reason of the office or post he holds in his Milk Union, his membership of the Board shall be terminated when he ceases to hold that office or post and his successor shall automatically replace him in the Board provided he fulfils the qualifications as are required in the bye-laws.
- 21.1** The Union which fails to hold the qualification and fulfill the obligations as laid down in the bye-laws, the Chairman of such union shall cease to continue as a member of the Board.
- 22** No member shall be allowed to participate or vote on the proceedings of any matter in which he had personal or any other interests.
- 23** 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 persgn had been duly appointed.
- 24** The Board may meet as often as it considers necessary, but it shall meet once in every two months.
- 25. Power, responsibilities and functions of the Board:**
Power to decide the policy of the Federation shall rest with the Board of Directors. The

Board of Directors shall have and exercise all such powers and enter into all such agreements, make all such arrangements, take all such proceedings and do all such acts and things. as may be necessary or proper, for the due management of the Federation and for carrying out the objects for which the Federation is established and for securing and furthering its interests subject to the provisions of the Act, or such Act as shall hereafter take its place, and to any Rules which may be passed by the State Government in pursuance of the said Act and subject also to these bye-laws and for any bye-laws which may be duly made by the Federation without prejudice to the general powers conferred by these bye-laws, the following powers and authorities are given to the conferred upon the Board:

- 25.1 To approve the proceedings of the previous meeting.
- 25.2 To purchase or take on lease or otherwise acquire land and / or buildings, and / or construct buildings for value exceeding Rs.1.00 lakh.
- 25.3 To borrow funds required from time to time to carry on the business of the Federation in accordance with the subject to the provisions of these bye-laws.
- 25.4 To apply to Govt. for exemption from holding the licence required for undertaking processing of dairy product, to generate electricity for plants. etc.
- 25.5 To apply for the licence required under the rules of the State.
- 25.6 To apply for outright purchase or otherwise by way of the licence or otherwise, any patent, patent rights of inventions, trade rights, copy-rights of secret process of technical and / or know-how which may be useful to achieve the objects of Federation and to grant I icences to use the same.
- 25.7 To create funds and trusts for the welfare of the employees or ex- employees of the Federation or their connections or dependents of such persons and to support the same.
- 25.8 **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 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.**
- 25.9 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'h majority of member present at the meeting,
- 25.10 To admit members and allot share and / or debentures.
- 25.11 To call upon the members to subscribe to share capital and / or debentures as prescribed in these bye-laws, in proportion to their dealings in terms of unit, with the Federation.
- 25.12 **To receive Audit Note and approve its rectification report for placing before the next General Meeting.**
- 25.13 **To approve the Annual Accounts, Annual reports and to recommend distribution of profits earned by the Federation.**
- 25.14 To fix the rate of service charges for procuring, manufacturing, processing, and marketing of raw materials and allied dairy products through the Federation.
- 25.15 **To decide the pricing structure, rate of commission to be paid to the Primary Societies / Unions on procurement of milk and other commodities.**
- 25.16 **To decide the pricing structure for the dairy and allied products supplied by the member.**
- 25.17 **To decide taking over the managements of member unions as and when requested or required.**

- 25.18 To insure against the risk of all kinds for movable and immovable properties of the Federation.
- 25.19 To fix the charges for use of its trade mark / brand name.
- 25.20 To approve the plans, estimates and erection of plant, machinery and other assets for the business of the Federation.
- 25.21 To approve sale of any land and any other movable properties if not required for the business of the Federation, provided that no property acquired through or from the State Govt. shall be sold without prior approval of the State Govt. .
- 25.22 To charge the fees for the services rendered by the Federation.
- 25.23 To review periodically and decide the conversion factor for expression of Fat and SNF of dairy produce into units on the recommendation of the Programming Committee.**
- 25.24 To prepare Agenda for the General Meeting and fix the time, place and date of the Meeting.
- 25.25 Appointment of Managing Director:**
To Board shall have powers to suspend or otherwise punish him provided that so long as IDC loan / interest is not fully repaid by the Federation, this power will be exercised only with the prior consent of the (DC. Appointment of Managing Director and Senior Executive shall be made by the Board of Directors on the recommendation of the panel formed for the purpose. Qualification for the post of Managing Director shall be as under:
Good degree in Food Technology / Engineering/ Dairy Technology/ Animal husbandry, preferably with a post-graduate qualification in Business Management. Must have at least 10 years' managerial experience out of which three years as over all Incharge of a large dairy / food consumer products processing unit. Should be a man of proved managerial competence, or an officer drawn from Indian Administrative Service who shall be appointed by the State Govt. in consultation with NDDDB, provided that consultation with NDDDB shall only be necessary till the loan to NDDDB is repaid.
- 25.26 **The expert panel shall decide the administrative set up which shall include the staff required, qualification, experience, job requirements, scale etc. and will submit its recommendation to the Board for its approval. The panel shall be formed of the following members:**
- (i) A nominee of the Government.**
 - (ii) The Managing Director of the Federation.**
 - (iii) Representative of the IDC/NDDDB.**
- After the approval of the recommendation of these panels the Managing Director shall invite application for recruitment of the staff and the expert panel shall recruit suitable candidates. This panel shall be responsible for the selection of candidates for the post of Senior Officers except the Managing Director. For selection and requirement of Managing Director, the expert panel shall comprise of the following members:
- (i) Representative of Government.
 - (ii) Chairman of the Federation.
 - (iii) Representative of FOC / NDDDB.
- "Provided that if the Managing Director is appointed by the State Govt. the procedure for selection and recruitment of Managing Director as provided under this clause shall not apply".
 For recruiting junior staffs of the Federation the Managing Director shall have powers to form the panel of at least three officers of the Federation. .
- 25.27 To ensure compliances of terms and conditions of agreement with the financing institution for loan and grant as mutually agreed upon.
- 26 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 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 / or the chairman as may be decided by the Board,

28. Power of the Managing Director:

28.1 **In addition to the powers mentioned under, 28.2, the Board may by resolution vest in the Managing Director further powers and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restriction as it may determine.**

28.2 **The General powers, duties and responsibilities of the Managing Director are as under :**

28.2.1 He shall have general control over the administration and business of the Federation.

28.2.2 He shall purchase or take on lease or acquire any land, building or properties not exceeding the value of one lakh rupees.

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

28.2.4 He shall have powers 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 accounts of the Federation with any bank.

28.2.5 He shall award punishment including dismissal from service to employees for whom he has powers of appointment.

28.2.6 **He shall allow credits to buyers within limits fixed by the Board from time to time.**

28.2.7 He shall undertake to import and export business for / on behalf of the Federation.

28.2.8 He shall carry out negotiation with the Government and other organization.

28.2.9 He shall make necessary arrangements for transport and storage of dairy and allied produce.

28.2.10 He shall arrange to insure all properties of the Federation against risks of all kinds.

28.2.11 He shall arrange to impart training to the staff members of the Federation, union and societies.

28.2.12 He shall enter into agreements or contract for purchase, sales, 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 institute by or on behalf of the Federation.

28.2.13 **He shall arrange to maintain proper accounts of the Federation.**

28.2.14 **He shall arrange to prepare Annual Report, Balance Sheet of the proceeding financial year and Budget of the Federation for the ensuing year for placing before the Board of Directors.**

28.2.15 **He shall convene the meeting of the Board of Directors as required under these bye-laws and General Meeting as and when directed by the Board or found necessary or on receipt of requisition from the required number of members or upon requisition from the Registrar.**

28.2.16 **He shall arrange to supervise the member unions and the societies or member unions.**

28.2.17 He shall appoint consultants / experts and fix their remunerations.

28.2.18 Managing Director may delegate his powers to such assisting officers as he may deem fit.

29. Programming Committee:

The Programming Committee will consist of the following:

- (i) The Managing Director of the Federation who shall be the Chairman of the Committee.
- (ii) The General Manager of the Federation who shall be the Secretary of the Committee.
- (iii) Chief Paid Executives of all the affiliated ordinary member milk-unions.
- (iv) The Chief Quality Control Officer of the Federation.

The Programming Committee shall meet as and when necessary but at least once in three months.

30. Function of the Programming Committee:

30.1 The Programming Committee will perform the following functions

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

30.1.2 **To fix the minimum standard of the products to be manufactured and marketed by the Federation.**

30.1.3 **To recommend the programme for organizing the milk co-operatives and milk routes in Member-milk unions.**

30.1.4 **To recommend the rate of various costs for manufacture, processing, commissions, packaging charges, overhead charges, subscriptions, royalty, etc.**

30.1.5 To recommend prices of raw materials and / or finished product~ and for that matter recommend periodically the conversion factor for expressing Fat and SNF into units

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

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

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

30.1.9 To suggest to undertake market research and development.

30.1.10 **To plan production, procurement keeping in view of the market strategies.**

30.1.11 **To advise and assist members in all aspect of management.**

30.1.12 **To recommend financial, technical, administrative and other necessary assistance to the member unions and to recommend to enter into collaboration agreement.**

30.1.13 To advise member unions on public relations and allied matters.

30.1.14 **The Programming Committee may, if it finds necessary, appoint a sub-committee to report on any specific problem and may, if necessary, eo-opt on the sub-committee, a specialist in the field from amongst the staff members of the affiliated milk unions.**

31. In case of urgency, when particular decision cannot wait till the Board meets, the decision may be carried out by a circular resolution' amongst all its members and any resolution so approved by all-the members duly signed shall be considered as effective and binding, as if such resolution had been passed at a meeting of the

Board.

32. Distribution of the profits:

At the Annual General Meeting, the net profit shall be distributed as follows:

32.1 25% shall be carried to Reserve Fund.

32.2 To contribute towards the educational fund of the Bihar Co-operative Federation as and when required under the Co-operative Societies Act.

32.3 An amount not exceeding 12% per annum shall be distributed as dividend on the paid up share capital. The balance amount of net profit, after above mentioned statutory deductions, shall be taken to General Fund and / or will be distributed as Bonus to Member Unions in proportion to their business through the Federation and / or will be utilized for research and development as may be decided by the General Meeting.

33. Reserve Fund:

In addition to the sum in the bye-laws, 32., all entrance fees, donations, other than those for specific purposes and receipt on account of forfeited shares and fines, other than those collected from employees, shall be carried to the Reserve Fund.

34. Accounts and Records :

The Financial year of the Federation shall be from \,1 April to 31'1 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 Directors of the Board consider necessary.

35. 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 provision of the Act and Rules.

36. Amended Clause :

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 of two third members present at the general meeting. The notice convening meeting shall specify the proposed alteration', addition or recession. The amendment shall not take effect until it is approved by the Registrar.

37. Service of Notice :

Whereby, in these bye-laws, it is proposed that written notice shall be given to any member, the delivery of such notice at the registered office of any member. Institution shall be considered as sufficient service of such notice.
