

BYE-LAWS

THE WEST BENGAL STATE CO-OPERATIVE MARKETING FEDERATION LIMITED (BENFED)

Regd. No. 8 of 4.3.1958

These Bye-laws supersede all previous Bye-laws.

BYE-LAWS OF THE WEST BENGAL STATE CO-OPERATIVE MARKETING FEDERATION LIMITED

[Registered under the West Bengal Co-operative Societies Act, 1983
(Act XIV of 1983)]

WHEREAS it is expedient to make complete amendment of the bye-laws of the West Bengal State Co-operative Marketing Federation Limited, substituting a new set of bye-laws in supersession of all previous bye-laws;

It is hereby amended as follows :—

PRELIMINARY

1. (a) These bye-laws shall come into force with effect from the date of registration thereof under the West Bengal Co-operative Societies Act, 1983 and the Rules framed thereunder.
2. In these bye-laws, unless there is anything repugnant to the subject or context, —
 - (a) "Act" means the West Bengal Co-operative Societies Act, 1983.
 - (b) "Rules" means the West Bengal Co-operative Societies Rules, 1987.
 - (c) "Federation" means the West Bengal State Co-operative Marketing Federation Limited, commonly known as BENFED.
 - (d) "Affiliated Society" means a Co-operative Society which is a member of the Federation.
 - (e) "Financing Institution" means "The West Bengal State Co-operative Bank Limited".
 - (f) "Range" means Co-operative Range.Words and expressions defined in the Act and Rules shall have the meanings assigned to them in the Act and the Rules.

NAME AND ADDRESS

3. "The West Bengal State Co-operative Marketing Federation Limited".
The registered address of the Federation shall for the present be Southend Conclave, 3rd floor, 1582 Rajdanga Main Road, Kolkata - 700 107
4. "The primary object of the Federation will be to promote the object, and to provide facilities for the operation of other Co-operative Societies which are its members.
In furtherance of the primary objective as aforesaid, the Federation shall undertake :—
 - (i) to arrange for the marketing of agricultural and other produce belonging to the affiliated societies and the members/farmers to the best advantage;
 - (ii) to undertake procurement and distribution of chemical fertilisers, seeds, pesticides, insecticides, implements, iron and steel & cement and other building materials for construction of cold storage and godown etc. and other agricultural requirement of the members/farmers;
 - (iii) to undertake inter-State and intra-State business of agricultural commodities for the benefit of the members;
 - (iv) to undertake grading and processing of agricultural produce, manufacture of agricultural implements, preparation of manure mixture and manufacture of chemical and bio-fertilizer;
 - (v) to grant advances in cash or in kind to the members to such terms and conditions as the Managing Committee may determine;
 - (vi) to undertake grading and processing of agricultural produce, Manufacture of agricultural

implements and preparation of manure mixture; and manufacture of chemical and Bio-fertiliser.

- (vii) to set up solvent extraction plants, Rice mills, Dal mills, Cold storages, Jute bailing units, Mini jute plants and other types of Agro-based processing units;
 - (viii) to enter into contract from time to time with Govt. Deptt., Statutory bodies, and/or other parties for purchase or supply of agricultural commodities or various items of agricultural inputs and also to participate, undertake, execute orders/work orders received from Govt. Deptts., Municipalities, Panchayat bodies, Zilla Parishad and other Statutory bodies/parties on terms and conditions mutually agreed upon;
 - (ix) to raise capital by issue of shares, by obtaining loans from Government or from any financial institution;
 - (x) to receive money by way of grants and subsidies from Government and other sources;
 - (xi) to undertake business of jute or jute products;
 - (xii) to open branches and to construct and maintain godowns, warehouses and depots for the benefit of the members;
 - (xiii) to develop, assist, supervise and co-ordinate the activities of the affiliated societies and to impart necessary guidance to them;
 - (xiv) to arrange transport of goods handled by the Federation;
 - (xv) to establish and maintain a common cadre of key personnel for the benefit of the members;
 - (xvi) to establish Technical and Assessment Cell;
 - (xvii) to undertake the agency of General Insurance companies for the benefit of the Federation and its affiliated societies;
 - (xviii) to undertake such other activities as are incidental and conducive to the attainment of its objects and calculated to help the development of Coop. marketing and processing and also any other activities which will improve the financial health of the Federation, as well as its member Socy./farmers;
 - (xix) to undertake, assist, supervise and associate for the production of mineral water and water for use of commercial purpose, its business and marketing in the interest of the Federation.
- The business of the Federation shall include all or any of the aforesaid objects.

AREA OF OPERATION

5. The area of operation of the Federation shall extend to the whole of West Bengal.

MEMBERSHIP

6. (A) There shall be four classes of memberships as under :—
- (i) "A" class open to Co-operative Agricultural marketing Societies;
 - (ii) "B" class, open to the Co-operative Agricultural Processing Societies;
 - (iii) "C" class, open to the State Government; and
 - (iv) "D" class, open to other types of Agricultural Co-operative Societies who have business connection with the Federation. Such members shall be nominal members without any right to vote in the affairs of the Federation or to participate in the management or in any meeting of the Federation or to share in its profits.
- (B) Every members other than the State Government and "D" class members shall, on admission, pay an admission fee of Rs. 5 (Rupees five only). Every society applying for "D" class membership shall, on admission, pay an admission fee of Rs. 500 (Rupees five hundred only).

- (C) Every member other than a "D" class member shall hold at least one share.
- (D) An affiliated society may, by a resolution of its Board of Directors, authorise one of the members of the Managing Committee to act its representative in the affairs of the Federation.

ADMISSION OF MEMBERS

- 7. (i) Every society desirous of being admitted as a member of the Federation shall submit an application to the Board of Directors of the Federation in such form as the Board of Directors may prescribe. The application shall state the number of shares the applicant proposes to subscribe.
- (ii) The Board of Directors of the Federation may after consideration, sanction or under the course refuse an application for membership or sanction, reduce or refuse the number of shares applied for.
- (iii) Every application for admission as a member of the Federation shall be disposed of by it within forty-five days from the date of the application and the decision of the Board of Directors on the application shall be communicated to the applicant within thirty days from the date of the decision.

RIGHT OF MEMBERSHIP

- 8. A person shall not acquire the rights and privileges of membership until it has—
 - (i) paid the requisite amount of admission fee;
 - (ii) subscribed at least one share and made the payment due on account of such shares; and
 - (iii) sign a declaration to the effect that it shall be bound by the bye-laws.

WITHDRAWAL OF MEMBERSHIP

- 9. A member, if it is not in debt to the Federation or is not a guarantor for any debt, may withdraw from the Federation after giving in writing one month's notice to the Federation.

FINE, SUSPENSION, REMOVAL AND EXPULSION OF A MEMBER

- 10. The Board of Directors may after due investigation and taking such evidence as may necessary, fine, suspend, expel or remove a member by a resolution passed by the votes of two-third of the members of the Board of Directors present and voting at a meeting for any of the following reasons :—
 - (i) Wilful contravention of the Act, the Rules and the Bye-laws of the Federation;
 - (ii) Acts, which in the opinion of the Board of Directors are prejudicial to the interest of the Federation;
 - (iii) Wilful default, dishonesty or infringement of the terms of any of the contract or agreement entered into as a member of the Federation;
 - (iv) Ceasing to be qualified to be a member of the Federation.

PAYMENT TO BE MADE TO MEMBERS WITHDRAWING REMOVED OR EXPELLED

- 11. Subject to the provisions of the Act and the Rules, a member withdrawing, removed or expelled from the Federation shall be entitled to repayment without interest and within such period not exceeding two years as the Board of Directors may decide, any money paid by it towards purchase of shares.

CESSATION OF MEMBERSHIP

12. A member shall cease to be a member if :—
- (i) all the shares held by it are transferred; or
 - (ii) it loses the qualifications for membership; or
 - (iii) it resigns its membership; or
 - (iv) it is expelled.

LIABILITY

13. The liability of the members for the debts of the Federation shall be limited to the nominal value of the shares held by them. Provided that the liability of the "D" class members for the debts of the society shall be limited to the admission fee or Rs. 500 (Rupees five hundred only.)

FUND

14. The funds of the Federation may be raised by—
- (i) issuing shares;
 - (ii) receiving deposits from members and non-members;
 - (iii) taking loans from Government, financing bank and other sources;
 - (iv) issuing debentures; and
 - (v) obtaining grants, donations and subsidies from Government and other sources;
 - (vi) admission fees.
15. (A) The authorised share capital of the Federation shall be Rs. 150,00,00,000/- (Rupees one hundred fifty crores) only divided into : —
- (i) 1 (one) Lakh 'A' Class shares of Rs. 2500/- (Rupees Two thousand five hundred) only each to be subscribed by 'A' class members. Total Rs. 25,00,00,000/-
 - (ii) 1 (one) Lakh 'B' class share of Rs. 2500/- (Rupees Two thousand five hundred) only each to be subscribed by 'B' class members. Total Rs. 25,00,00,000/-
 - (iii) 1 (one crore) 'C' class share of Rs. 100/- each to be subscribed by "C" class members. Total Rs. 100,00,00,000/-.
- (B) Fifty per cent of the value of "A" and "B" class shares shall be paid on allotment and the balance shall represent the reserve liability of the members which shall become payable—
- (i) in case of winding up of the Federation; or
 - (ii) on call being made by the Federation by a resolution of the Board of Directors.
- (C) "C" class shares allotted to the State Government shall be paid up in full and no reserve liability will attach thereto.

SHARE CERTIFICATE

16. (i) A member other than a "D" class member shall be entitled to a share certificate under the common seal of the Federation free of any charge. The share certificate shall specify the number of share/shares held by a members, the amount paid thereon, and the reserve liability payable in respect of each share and shall be signed by the Chairman or in his absence, the Vice-Chairman and the Managing Director of the Federation.
- (ii) A "D" class member shall be entitled to a special type of certificate of membership from the Federation.

TRANSFER OF SHARES

17. (i) A member may transfer its share/shares to another member or to a non-member with the approval of the Board of Directors of the Federation.
- (ii) The transfer of share/shares to a non-member is not complete, and the transferor shall be deemed to remain the holder of the share, until the transferee is admitted to membership and his name entered in the register of members.

FORFEITURE OF SHARES

18. (1) If a member fails to pay any call or instalment of a call on or before the day appointed for payment thereof, the Board of Directors may at any time thereafter during such time as the call or instalment remains unpaid serve a notice on it to pay the same within such period, as it may prescribe.
- (2) The notice shall name a further day (not earlier than the expiration of thirty days from the date of the notice) on or before which the payment required by the notice is to be made and state that in the event of non-payment on or before the time appointed, the share, in respect of which the call was made will be liable to be forfeited.
- (3) If the requirements of any such notice as aforesaid are not complied with, any share, in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited, by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture.
- (4) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board of Directors think fit.
- (5) A member whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall notwithstanding, remain liable to pay to the Federation all money which at the date of forfeiture, were presently payable by it to the Federation.

BORROWINGS

- 18A.(1) The Federation may borrow in accordance with the provisions of the Act and the Rules from either members or non-members and all borrowings, subject to such restrictions as the general meetings may impose, shall be regulated by the Board of Directors.
- (2) The Federation shall not be accepting deposits or loans or in any other way incur liabilities exceeding twenty times the such of paid up share capital and the reserve fund for the time being separately invested outside the business.
- (3) The maximum amount the Federation may borrow in any one year shall be determined annually at a general meeting and the Federation shall not borrow beyond the maximum amount so determined and in force for the time being, provided that the Registrar may at any time revise the limit fixed by a general meeting, and when he does so, the limit fixed by him shall not be exceeded.
- (4) The Federation shall not incur liabilities to non-members in excess of a maximum limit to be fixed from time to time in the general meeting and to be approved by the Registrar.

EMPLOYMENT OF FUNDS

19. (1) The funds of the Federation may be applied in any or all of the lawful purposes of the Federation and in particular for :—
- (i) installation, purchasing plants, machineries, implements, raw materials or other things necessary for its business, or for the business of the affiliated societies;

- (ii) giving loan and advance to members;
 - (iii) making investments for the benefit of the members;
 - (iv) purchasing lands and buildings and in the erection of buildings for office and other purposes necessary for the proper conduct of business.
 - (v) paying the establishment, contingent, interest, audit fee and all other usual working charges;
 - (vi) creation of "Reserve" and "Bad Debt", and other funds and in payment of dividend, bonus and remuneration; and
 - (vii) any other purpose incidental and conducive to the attainment of the objects.
- (2) Save with the permission of the Registrar no portion of the borrowed capital of the Federation shall be applied in payment of the charges specified in clauses (v) and (vi) except the audit fee.

LOANS AND ADVANCES

20. Loans and advances in cash, and/or kind may be granted to affiliated societies on such terms and conditions as the Board of Directors may determine from time to time.

PURPOSE OF LOANS AND ADVANCES

21. Loans and advances may be granted in cash or in kind for all or any of the following purposes namely :—
- (i) purchase of agricultural produce for the purpose of marketing;
 - (ii) purchase of agricultural inputs, such as, fertilisers, seeds, insecticides and the like;
 - (iii) purchase of implements, plants and machineries and other materials of considerable value.

CUSTODY OF FUNDS

22. All receipts of the Federation shall ordinarily be banked daily unless the amounts are required for its business. Any amounts remaining in the Federation for meeting day to day expenses or other business commitments shall be kept in the custody of a Cashier to be appointed by the Board of Directors on such terms and conditions as to the limit of cash which may be kept in hand and the furnishing of security for the same, as the Board of Directors may determine from time to time. Provided that the person charged with the keeping of accounts shall not be placed in charge of cash.

INVESTMENT OF FUNDS

23. The funds of the Federation not used in the business may be invested or deposited :—
- (i) in a Government Saving Bank; or
 - (ii) in any of the securities specified in section 20 of the Indian Trusts Act, 1882; or
 - (iii) with the sanction of the Registrar, in the shares or debentures or on the security of any other co-operative society with limited liability;
 - (iv) in the State Co-operative Bank; or
 - (v) in any other manner permitted by the Registrar.

GENERAL MEETING

24. (1) The supreme authority of the Federation shall vest in the General Meeting of the representatives of the member-societies (hereinafter called "the delegate") as stated below :—
- (i) one delegate from each of the affiliated societies eligible according to the provisions of the Act, the Rules, and these-Bye-laws to vote in the affairs of the Federation;

- (ii) one representative of the State Government to be nominated by them by virtue of being a share-holder of the Federation.
- (2) Every affiliated society eligible according to the provisions of the Act, the Rules, these Bye-laws to vote in the affairs of the Federation shall before each Annual General Meeting of the Federation where election of Directors is to be held nominate a member of such society, in accordance with the provisions of rule 39 as its delegate to the Federation. Provided that such delegate is not disqualified under the provisions of the Act, the Rules, and these Bye-laws for election as a member of the Board of Directors. Provided further that such delegate shall hold office and attend all General Meetings till fresh delegate is nominated before the subsequent Annual General Meeting of the Federation where election of Directors is to be held or till such delegate is recalled by the concerned affiliated society in accordance with the provisions of rule 39 whichever is earlier.
- (3) The instrument nominating the delegate shall be in writing and in such form as the Board of Directors of the Federation may determine and shall be deposited at the registered office of the Federation.

ANNUAL GENERAL MEETING

- 25. (1) The Annual General Meeting of the Federation shall be held in every Co-operative year in the manner as provided in the Act and Rules.
- (2) The business of the Annual General Meeting shall be
 - (a) election if any in the prescribed manner of the Directors of the Board;
 - (b) consideration and record of the proceedings of the last annual general meetings;
 - (c) approval of the budget, the consideration of the Annual Report and the programme of activities of the Federation for the following Co-operative year prepared by the Board;
 - (d) consideration of the Audit Report referred to in section 91;
 - (e) consideration of any report of inspection of enquiry made in accordance with the provisions of the Act of the Rules;
- (f) (i) consideration of matters relating to loans and advances made to the Directors of the Board and their relatives and actions to be taken for recovery thereof,
- (ii) approval of appointments, if any, of the relatives of the Directors of the Board;
- (g) distribution of the net profits, if any;
- (h) fixation of borrowing limit as may be necessary;
- (i) consideration of any other matter which may be brought to the meeting in accordance with the Rules and the Bye-laws.

SPECIAL GENERAL MEETING

- 26. (1) A Special General Meeting of the Federation may be called at any time by a majority of the Board of Directors of the Federation and shall be held—
 - (a) on the requisition in writing of one-third of the representatives/delegates of the members; or
 - (b) at the direction of the Registrar.
- (2) The special general meeting under clause (a) or clause (b) of bye-law 26(1) shall be called within two months from the date of the requisition or the direction as the case may be.
- (3) A requisition for Special General Meeting by the delegates of the members shall state the object of the meeting shall be signed by the requisitionists and shall be presented at or sent to the registered address of the Federation.
- (4) At a Special General Meeting no subject other than the subjects notified shall be discussed.

NOTICE OF GENERAL MEETING

27. Subject to the provisions of the Act and the Rule in this regard :—

- (1) A Notice of the General Meeting stating the place, date and hour of the meeting together with a statement of business to be transacted thereat shall be sent to the delegate of the members at least 21 clear days before the date of the meeting.
- (2) In the case of meeting called on the requisition of delegates of members, a copy of the requisition together with the names of the signatories shall be sent to all the delegates of the members along with the notice of the meeting.
- (3) Any inadvertent omission to give notice to any delegate or non-receipt of the notice by any delegate shall not invalidate the proceedings of any meeting.

CHAIRMAN OF GENERAL MEETING

28. (1) The Chairman or in his absence the Vice-Chairman of the Federation shall preside over the General Meeting of the Federation. In the absence of the Chairman and the Vice-Chairman, one of the Directors in the panel by Chairman shall preside over the General Meeting.
- (2) The Chairman of the meeting shall maintain order in the meeting and shall control and conduct the proceedings in such manner as may be conducive to expeditious and satisfactory disposal of business. He shall decide all points of order and his decision upon such points shall be final.
 - (3) The Chairman of the meeting may direct the delegates of a member to withdraw for disorderly conduct and the delegate so ordered shall forthwith withdraw and unless otherwise directed by the Chairman shall remain absent during the remaining period of the meeting and shall not be entitled to vote without the permission of the Chairman.
 - (4) In the event of disorder arising, the Chairman of the meeting may suspend the meeting and adjourn it to the same date in the next week at the same place and time. The meeting shall not be adjourned for the second time.

QUORUM OF GENERAL MEETING

29. The quorum for a General Meeting shall be one-fifth of the total number of delegates of the members eligible to attend such a meeting as on the date of giving notice of the meeting.

VOTING IN GENERAL MEETING

- 30 (1). Every resolution at a General Meeting shall be decided by a majority of vote of the delegates. In case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote. All voting except in case of election of the Board of Directors shall be by show of hands, provided that for the purpose of election of the Board of Directors, the voting shall always be by ballot. Provided further that when a poll is taken the number of members voting for/against shall be recorded in the proceedings in the same manner as in the case of voting by show of hands and the same shall be conclusive proof of whether the resolution has been carried or lost.
- (2) A resolution which is put to vote at the meeting shall be decided on show of hands and a declaration by the Chairman of such meeting that a resolution has on the show of hands been carried or lost, and an entry to that effect in the book of the proceedings, shall be conclusive proof of the fact that such resolution has been duly carried or lost :
Provided that delegate may demand to have his name recorded as voting for or against any resolution.

MINUTES OF THE GENERAL MEETING

- 31.(1) The Federation shall cause minutes of proceedings of General Meetings to be entered in a book kept for that purpose.
- (2) The minutes shall contain the names of the delegates of the members present and the resolutions and proceedings of the meeting.
- (3) The minutes shall be drawn up and duly signed by the Chairman of the meeting immediately on the termination of the meeting, free from all alternations or corrections, within seventy-two hours from the time when the meeting terminated. The minutes so signed shall be evidence of the proceedings of that meeting.
- (4) Until the contrary is proved, every General Meeting of the Federation in respect of the proceedings whereof minutes have been so recorded shall be deemed to have been duly called and held.

BOARD OF DIRECTORS

32. There shall be a Board of Directors of the Federation to manage its affairs and the Board shall be constituted in accordance with the provisions of the Act, the Rules and these bye-laws. The Board of Directors shall exercise all such powers and perform all Such duties as are required to be exercised and performed by the Act, the Rules and these Bye-laws by the Federation. The Board of Directors shall by resolution enter into all such agreements, make all such arrangements and do all such acts and things as may be necessary for the proper and efficient conduct of the business of the Federation and Management of the affairs of the Federation.
- 33A. The Board of Directors of the Federation shall consist of the following Directors :—
- | | |
|---|---|
| (1) 14 Directors representing "A" class share-holders on the following basis :— | |
| (a) Cooch Behar, Jalpaiguri and Darjeeling Ranges | 1 |
| (b) North & South Dinajpur Range | 1 |
| (c) Malda Range | 1 |
| (d) Murshidabad Range | 1 |
| (e) Nadia Range | 1 |
| (f) 24-Parganas (North) Range | 1 |
| (g) 24-parganas (South) Range | 1 |
| (h) Howrah & Hooghly Range | 1 |
| (i) Burdwan-I | |
| (j) Burdwan-II | 2 |
| (k) Burdwan-III | |
| (l) Birbhum Range | 1 |
| (m) Purulia & Bankura Range | 1 |
| (n) Midnapore-I | |
| (o) Midnapore-II | 2 |
| (p) Midnapore-III | |

Delegates of 'A' Class Share holders shall jointly elect 14 Directors from amongst themselves in the manner specified above.

Provided that the representative/delegates of the 'A' Class Share holders shall submit his nomination for election of Director/Directors for the range/ranges where the member society is situated.

(II) 1 (one) Director from "B" class share-holders to be elected by the delegates of that class only.

(III) Three nominees of the State Government when the State Government decides to make such nominations according to the provisions of the Act.

(IV) The Financing Institution may in accordance with section 27(5) of the Act, may nominate one person on the Board.

(V) One representative to be elected by the employees from amongst themselves by ballot.

(VI) The managing Director shall be an Ex-officio Director of the Board when he is paid out of the fund of the Federation :

Provided that he shall have no right to vote in a meeting of the Board of Directors held for the purpose of election of office bearers or co-option of any Director :

Provided, however, that the Directors elected by the employees shall have no right to vote in any meeting of the Board.

33B. Any casual vacancy in the office of an elected Director shall be filled up by Co-option within one month from the date of vacancy from the delegates of "A" class or "B" class share-holders, as the case may be giving representation to that group from which the vacancy occurs. If the Board fails to do so the vacancy shall be filled up by appointment by the Registrar. The Director so co-opted or appointed shall retire at the annual general meeting where election of Board of Directors is to be held.

33C. Where in the Annual General Meeting required number of Directors cannot be elected as required under these bye-laws due to disqualification non-receipt of number of nomination papers or any other reason the vacancy shall be filled up as specified in rule 34 of the W. B. C. S. Rules, 1987.

33D. The election of the Director of the Federation and its office bearers shall always be held by ballot subject to the provisions of rule 36 at the Annual General Meeting.

33E. A Director elected under sub-clause (i) or (ii) or nominated in terms of sub-clauses (iv) and (v) shall hold office for a period of three years from the date of his election or nomination as the case may be :

Provided that the Director elected under sub-clause (v) shall not be eligible for re-election within a period of three years from the date of expiry of his terms of office.

33F. No delegate shall be eligible to stand for election as a Director unless the society of which he is a delegate is a member of the Federation for a continuous period of twelve months before the first date of filing nomination and the delegate himself is a member of the society for at least twelve months.

33G. A Director shall cease to hold office in the happening of any of the contingencies as provided in rule 40 of the Rules.

POWERS OF THE BOARD OF DIRECTORS

34. The Board of Directors of the Federation shall have full control over the administration and business of the Federation and shall exercise all or any of the following powers :—

- (i) to admit new members;
- (ii) to fine, suspend, remove or expel existing members by the votes of two-thirds of the members of the Board of Directors present and voting at a meeting :
Provided that no such action shall be taken by the Board without giving the member concerned an opportunity of being heard and the decision is taken by a resolution in the meeting called for the purpose;
- (iii) to raise funds;
- (iv) to invest funds;
- (v) to appoint salaried or non-salaried employees in accordance with law for conduct of the business of the Federation and to define their duties and responsibilities and also to determine the securities to be furnished by them;
- (vi) to compound or abandon or suspend or enforce any debt or demand of the Federation with the prior permission of the Registrar or to institute, defend or compromise legal proceedings;

- (vii) to dispose of applications for shares and transfer of shares and issue shares against rebates as declared by the Board of Directors, subject to directions given by the General Meeting from time to time;
- (viii) to dispose of applications for loans and to determine the security to be taken;
- (ix) to appoint committees or any special committee as may be deemed necessary from time to time and to define their powers and duties;
- (x) to frame regulations for conduct of the business of the Federation including laying down of rules regulating the conditions of service, privileges, rights and obligations of all categories of employees of the federation but not inconsistent with the provisions of the Act, the Rules and these Bye-laws and/or of any other law for the time being in force;
- (xi) to exercise supervision over the activities of all affiliated societies through any officer or members of the paid staff of the Federation. Every officer and every member of the paid staff of an affiliated society shall furnish such information in regard to the transactions or workings of the society as may be required of him by such an officer or member of the paid staff of the Federation;
- (xii) to allocate the duties and define the responsibilities of the officers and employees of the Federation. Provided that in case of urgency, the Managing Director of the Federation may, in consultation with the Chairman, re-allocate the duties of the employees and officers temporarily, which shall be subject to confirmation by the Board within a period of two months from the date of re-allocation;
- (xiii) to take disciplinary action against any paid staff of the Federation and to suspend, discharge, dismiss, remove a paid staff of the Federation;
 Provided that no employee of the Federation shall be dismissed or removed from service except after an enquiry in which he has been informed of the charges against him and given a reasonable opportunity of being heard in respect of those charges, and where it is proposed, after such enquiry, to dismiss or remove him, until he has been given a reasonable opportunity of making representation on the penalty proposed;
- (xiv) to compound or abandon or delay to enforce any debt or demand of the Federation or to institute, defend or compromise legal proceedings;
- (xv) to dispose of applications for shares and transfer of shares and issue shares against rebates as declared by the Managing Committee, subject to directions given by the General Meeting from time to time;
- (xvi) to dispose of applications for loan and to determine the security to be taken;
- (xvii) to appoint sub-committees or any other special committee as may be deemed necessary from time to time and to define their powers and duties;
- (xviii) to frame regulations for conduct of the business of the Federation including laying down of rules regulating the conditions of service, privileges, rights, and obligations of all categories of employees of the Federation consistent with the provisions of the Act; the Rules and these bye-laws or any other law for the time being in force.

DUTIES OF THE BOARD OF DIRECTORS

35. The Board of Directors shall observe in the transaction of the business of the Federation, the provisions of the Act, The Rules and the Bye-laws and shall subject to any direction of the General Meeting cause to perform the following duties :—
- (i) to receive and disburse money;
 - (ii) to determine from time to time at a meeting of the Board of Directors the minimum number of paid staff required for the business of the Federation and shall employ such staff in accordance with law;
 - (iii) to maintain true and regular accounts in regard to the monetary transactions of the Federation, all sales and purchases of goods by the Federation and accounts of the Assets and Liabilities;
 - (iv) to prepare and submit to the Annual General Meeting an Annual Report on the working of the Federation, the audited statements of accounts, proposals for distribution of profit, if any, the annual budget estimate and the programme of activities of the Federation for the ensuing year;
 - (v) to prepare the statements of accounts including detailed lists of assets and liabilities and lists of bad and doubtful debts, if any, required at audit and to place them before the Auditors;
 - (vi) to prepare and submit all statements and returns required by the Registrar in such forms as he may direct;
 - (vii) to maintain such books and registers as may be necessary for proper conduct of the business of the Federation; and shall in particular maintain and corrected up-to-date—
 - (a) a register of nominal members;
 - (b) a register of affiliated societies in the form set forth in the Rules;
 - (c) a register of Directors in the form set forth in the Rules;
 - (d) a register of delegates of the affiliated societies;
 - (e) a minute book; and
 - (f) such other books and registers and in such form as the Registrar may direct; and
 - (g) such other books and registers as laid down as provided under rule 70 of the books;
 - (viii) to enter the accounts of the Federation regularly and punctually in proper books;
 - (ix) to facilitate the inspection of books of the Federation by those entitled to inspect them;
 - (x) to convene General Meetings on requisition;
 - (xi) to convene Annual General Meeting in due time;
 - (xii) to watch that the loans and advances are applied to the purposes for which they are made and that they are punctually repaid;
 - (xiii) to examine and take prompt action in cases of all arrears and defaults in repayment of loans and advances;
 - (xiv) to keep open for inspection free of charges at all reasonable times at the address of the Federations—
 - (a) a copy of the Act and the Rules with the latest corrections, if any;
 - (b) a copy of the Bye-laws of the Federation;
 - (c) a register of delegates of members;
 - (d) a register of Directors;
 - (e) a copy of the latest audited balance sheet;
 - (xv) to publish the balance sheet of the Federation in the manner as laid down in the Rules;
 - (xvi) to remove and rectify the defects and irregularities pointed out at Audit;
 - (xvii) to perform such other duties as may be entrusted from time to time by the General Meeting.

MEETING OF THE BOARD OF DIRECTORS

36. (i) The Board of Directors shall meet for the transaction of the business of the Federation at least once in every two months and more often as may be necessary.
- (ii) Notice of a meeting of the Board of Directors in writing shall be sent to every Director specifying the place, date and hour of the meeting together with a statement of business to be transacted thereat not less than 7 clear days' before the date of the meeting;
Provided that the Chairman may, in the event of urgency, convene an emergent meeting of the Board of Directors, on giving 3 (three) clear days' notice before the date of the meeting :
Provided further that any urgent business though not included in the statement accompanying the notice may be brought up and considered with the consent of two-third the Directors present at the meeting.
- (iii) The chairman of the Federation shall preside over all meetings of the Board of Directors at which he is present. In the absence of the Chairman, the Vice-Chairman shall take the chair and in his absence the Directors present shall elect from the panel of Chairman in order of seniority to preside over the meeting.
- (iv) The quorum at a meeting of the Board of Directors shall be one-third of the total number of the Directors.
- (v) No business shall be transacted at any meeting including an adjourned meeting of the Board of Directors unless there is a quorum at the time when the business of the meeting is scheduled to commence or within half an hour from the time appointed for the meeting and a fresh notice in terms of foregoing clause (ii) shall be issued for holding the next meeting.
- (vi) Every resolution at any meeting of the Board of Directors shall be decided by majority of votes and if the votes be equal, the Chairman shall have a second or casting vote.
- (vii) One-third of the Directors may requisition a special meeting of the Board of Directors on giving seven clear days' notice.
- (viii) The requisition shall specify the object of the meeting and shall be signed by the requisitionists and shall be delivered at the office of the Federation.
- (ix) At such special meeting no business other than that specified in the notice shall be transacted.
- (x) Minutes, in which shall be recorded the names of the Directors present at, and the proceedings of the meeting of the Board of Directors shall be drawn up and fairly entered in a book to be kept for that purpose and shall be signed by the Chairman within seventy-two hours of the close of the meeting. The minutes shall be laid before the next meeting of the Board of Directors for confirmation and shall be signed at such meeting by the Chairman thereof in token of confirmation.

ELECTION OF CHAIRMAN, VICE-CHAIRMAN AND OTHER OFFICE-BEARERS

- 37.(i) The Board of Directors shall, in conformity with the provision of rule 36(25) within a period not exceeding 30 days after the General Meeting, elect at a meeting convened for the purpose a Chairman and a Vice-Chairman and a panel of Chairman from amongst themselves.
- (ii) If any casual vacancy occurs in the office of the Chairman or the Vice-Chairman, the members of the Board of Directors shall elect Director from amongst themselves to fill such vacancy and the Chairman or the Vice-Chairman so elected shall continue in office so long only as the person in whose place he is appointed would have been entitled to continue in office.

POWERS AND DUTIES OF THE CHAIRMAN AND THE VICE-CHAIRMAN

- 38(i) The Chairman and in his absence the Vice-Chairman shall exercise general supervision over the affairs of the Federation.
- (ii) The Chairman and in his absence the Vice-Chairman shall exercise such powers and perform such duties as are conferred or imposed on them by the Act, the Rules and these Bye-laws and which from time to time, be conferred upon him by the General Meeting or the Board of Directors.
- (iii) The Chairman or the Vice-Chairman in the absence of the Chairman shall for the transaction of the business of the Federation in cases of urgency, exercise all the powers and perform all the duties required to be exercised except the power of sanctioning loans, bonus or ex-gratia payments. The Chairman, or in his absence, Vice-Chairman, shall have the full control over the administration and business of the Federation and shall supervise the functions of the Federation on behalf of the Board and shall have power to call for any record of the Federation or any report from the Managing Director to satisfy himself that the affairs of the Federation are being managed in accordance with the resolutions of the Board. Provided further that all orders passed and all acts done by the Chairman, or by the Vice-Chairman in the absence of the Chairman, in exercise of the power and performance of the duties as stated hereinabove shall be placed for confirmation before the Board in its next meeting, immediate following such passing of order or such performance of duties :
- Provided that the Chairman or the Vice-Chairman, as the case may be, shall not act in opposition to or in contravention of any order given or decision taken by the Board of Directors at a meeting.

LIMIT OF EMOLUMENTS ALLOWANCES OR HONORARIUM

39. The Directors shall be entitled to travelling allowance, daily allowance and sitting fee for attending meeting of the Board of Directors or of Committees or for attending any other lawful duties relating to the affairs of the Federation, at such rates as laid down in rules 59 of the West Bengal Co-operative Societies Rules, 1987.

MANAGING DIRECTORS

40. The Board of Directors shall appoint, with the approval of the Registrar of Co-operative Societies, West Bengal a qualified person to be the Managing Director for the conduct of the affairs of the Federation. The Managing Director shall be the Chief Administrative Officer of the Federation.
- 41.(1) Subject to the control of the Board of Directors, the Managing Director shall exercise the following powers laid down in rule (57(2)) :
- (i) Control the indoor and outdoor staff of the Federation including powers to grant leave, suspend and dismiss any member of the staff. Provided that the power of suspension, dismissal cannot be exercised except with the concurrence of the Board of Directors :
- (ii) Institute, defend and conduct legal proceedings on behalf of the Federation in law Courts and other places ; and
- (iii) Call the General Meetings and the meetings of the Board of Directors and attend such meetings;
- (iv) Enter into compromise or refer any dispute to arbitration;
- (v) Operate bank account;

- (vi) Buy, sell, pledge, endorse or transfer promissory notes, securities standing in the name of the Federation subject to the approval of the Board of Directors;
- (vii) Accept payments and issue receipts therefor;
- (viii) Delegate any of his powers to any officer of the Federation with the approval of the Board or in case of emergency of the chairman;
- (ix) Allocate duties to the officers and employees with the approval of the Chairman;
- (x) Transfer any employee from one office of the Federation to another office of the Federation with the approval of the Chairman.
- (xi) Place, subject to the approval of the Board of Directors, an employee under suspension, where the disciplinary proceeding is pending or contemplated or a departmental enquiry against him in respect of any criminal offence is contemplated or pending or where a case against him in respect of any criminal offence is under investigation or trial.
- (xii) Impose upon an employee of the society the following punishments namely :—
 - (a) fine, (b) censure, (c) withholding of increments or promotions, (d) recovery from pay of the whole or part of any pecuniary loss caused to the Federation by negligence or breach of orders (e) reduction to a lower stage in the time scale of pay for a specified period with further direction as to whether or not the employees will earn increments of pay during the period of such reduction, (f) reduction to a lower time scale of pay, grade post or service :
Provided that no such punishment shall be imposed on any employee except after an enquiry in which he has been informed of the charges against him and given a reasonable opportunity of being heard in respect of those charges, and where it is proposed, after such enquiry to impose on him any such penalty, until he has been given a reasonable opportunity of making representation on the penalty proposed.
- (2) He shall exercise such other powers which the Board of Directors may, from time to time confer on him.
- (3) The duties of Managing Director shall be—
 - (i) to prepare and place before the Board of Directors an estimate—
 - (a) of the expenditure which should in his opinion be incurred by the Federation in the next ensuing year, and
 - (b) of the receipts from all sources during the said year, in such form and at such time as the Board of Directors may direct;
 - (ii) to receive all moneys on behalf of the Federation and to issue receipts other than contractual receipts in effectual discharge of the money state to have received therein;
 - (iii) to pay all costs of management and working expenses out of the funds of the Federation such as salaries of staff, legal expenses, charges on account of postage, telegrams, stationery, printing, advertisement, travelling allowance, daily allowance and sitting fee to the Directors, telephone bills electric charges and like all expenses;
 - (iv) to deposit all moneys and other properties received on behalf of the Federation in such bank as the Board of Directors may direct;
 - (v) to maintain proper and accurate records of the working of the Federation and its accounts;
 - (vi) to place from time to time before such authorities as the Board of Directors may direct statement of receipts and disbursement for examination and approval; and
 - (vii) to perform such other duties as the Board of Directors may direct; and
 - (viii) the conferred on the Managing Director may be conferred and imposed and the duties of the Managing Director may be conferred and imposed by the Board of Directors upon any other officer of the Director may be conferred and imposed by the Board of Directors upon any

other officer of the Federation..... (a) during the period of absence of Managing Director from the.....(b) and with the prior approval of the Registrar during any other period.

REMOVAL, EXPULSION ETC. OF THE CHAIRMAN, DIRECTORS AND OTHER OFFICERS OR PAID EMPLOYEES

42. (1) The Chairman or any other Officer elected under bye-law 37(1) of these Bye-laws may be removed from his office by a resolution of the Board of Directors at a meeting specially convened for the purpose.
- (2) the Board of Directors may remove any Director who fails to attend six consecutive meetings of the committee without previous permission of the Chairman obtained in writing.
- (3) Unless otherwise provided in these Bye-laws or in the terms of his appointment any officer or a paid employee of the Federation appointed by the Board of Directors may be removed from this office by the Board of Directors in conformity with the procedures laid down in these Bye-laws and the conditions of service of the employees of the Federation.

DISPOSAL OF PROFIT

- 43.(1) Subject to the provisions of the Act and Rules the net profits of the Federation of any year shall be distributed by the General Meeting in the manner as follows :—
- (i) not less than ten per centum or such higher proportion as the General Meeting may decide to the Reserve Fund and not less than fifteen per centum or sum higher proportion as the General Meeting may decide to the Bad Debt Fund.
- (ii) after there has been carried to the Reserve Fund the Proportion of the next profits as stipulated in clause (i) of this Bye-law contribute and amount equal to five per centum of its net profit subject to a maximum of Rs. 7,500 for being credited to the Co-operative Education Fund maintained by the West Bengal State Co-operative Bank Limited;
- (iii) after providing for Reserve Fund and Co-operative Education Fund may create and contribute to all or any of the funds mentioned section 67 and rule III of the Rules.
- (2) The balance together with undistributed profits of past years if any may subject to the provisions of the Act and the Rules be distributed by the General Meeting for all or any of the following purposes :—
- (i) payment of a dividend not exceeding 12 per centum on the amount paid up on shares out of the balance of the net profit after transferees to the Reserve Fund, and Bad Debt Fund and other funds;
- (ii) provided that no dividend shall be paid by the Federation unless such dividend is recommended by the Board of Directors and approved by the General Meeting which may reduce the rate of dividend recommended by the Board of Directors but shall have no power to increase the same;
- (iii) payment of rebate on the total amount of payment made by a member during a Co-operative year towards its purchase of goods from the Federation during that year not exceeding 50 per cent of the balance remaining other the contribution to Reserve Fund, Bad debt Fund, Co-operative Education Fund and other funds;
- (iv) contribution to any charitable purpose permitted by the Act and the Rules subject to ten per cent of the balance;
- (v) allotment to such special fund or funds as may be recommended by the Board of Directors and approved by the General Meeting or to carry forward to next years account.

- (3) No dividend or bonus shall be paid—
 - (i) otherwise than out of profits certified by the Audit Officer to have been actually realised; or
 - (ii) without the previous sanction of the Registrar of the Audit Officer reports that any assets is bad or doubtful and also recommends that such sanction is necessary.
- (4) No contribution to any charitable purpose shall be paid otherwise than out of the profit actually realised.
- (5) All dividends remaining for three years after declaration thereof unclaimed by a person entitled and competent to receive and give a valid receipt for the same may at the end of the period and after giving due notice to the payee at the discretion of the Board of Directors be forfeited to the Federation and cease to be payable.
- (6) No dividend shall bear interest against the Federation.

RESERVE FUND

- 44.(1) The Federation shall maintain a reserve fund out of net the profits, if any, from its transactions.
- (2) The Reserve Fund shall consist of—
 - (i) a minimum of ten per centum or such higher proportion of net profits annually carried to the fund;
 - (ii) admission fee;
 - (iii) the value of all shares forfeited, and
 - (iv) the lapsed dividends and fines.
- (3) The Reserve Fund shall belong to the Federation and shall be indivisible and no member shall have any claim to a specified share in it :
 Provided that in case of division of the Federation into two or more new societies, the Reserve Fund may, with sanction of the Registrar be distributed equitably amongst the new societies.
- (4) The Reserve Fund, with the previous sanction of the Registrar, shall be available for all or any of the following purposes :—
 - (i) to cover any loss, such drawing upon it being reimbursed from the profit;
 - (ii) to meet any call on the Federation which cannot be met otherwise, such payments being reimbursed when fresh collections are made; and
 - (iii) to serve as security for loans which the Federation may contract.
- (5) The Federation may in special cases, if the Registrar so permits, draw on the Reserve Fund without being required to reimburse the same from the next accruing profit.

USE OF RESERVE FUND IN BUSINESS

45. The Federation may subject to such condition, if any, as the Registrar may impose, use in its business—
 - (i) up to one-fourth of its Reserve Fund when the owned capital is less than the borrowed capital;
 - (ii) up to one-half if it's Reserve Fund when the owned capital is equal to or exceeds the borrowed capital, and
 - (iii) the entire Reserve Fund when there is no borrowed capital.

INVESTMENT OF RESERVE FUND

46. The Reserve Fund used in the business of the Federation shall be invested or deposited—
 - (i) in the Government Saving Bank; or

- (ii) in any of the securities specified in section 20 of the Indian Trusts Act, 1882 other than those specified in clause (e) of the Societies;
- (iii) in the West Bengal State Co-operative Bank Limited; or
- (iv) in any other Bank approved by the Registrar.

SUPPLY OF BYE-LAWS & BALANCE SHEET TO MEMBERS

47. The Federation shall supply to all members—
- (i) a copy of the Bye-laws, and
 - (ii) a copy of the Annual Balance Sheet on payment of such fees, if any, as the Board of Directors may determine.

INSPECTION OF BOOKS BY MEMBERS

48. The Board of Directors shall from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts and book of the Federation or any of them shall be open to the inspection of members, and no member (not being a Director) shall have any right of inspection any other account or book or document of the Federation except as authorised in law and these Bye-laws.

INSPECTION OF BOOKS BY MEMBERS

49. (1) The Federation shall keep open to inspection free of charge at all reasonable times at its office all books and registers as mentioned in rule 68, more particularly the following books/ registers :-
- (i) a copy of the Act.
 - (ii) a copy of the Rules;
 - (iii) a copy of these Bye-laws;
 - (iv) a copy of the (latest audited) Balance Sheet;
 - (v) the register of members; and
 - (vi) the register of Directors;
 - (vii) the register of delegates.
- (2) Certified copies of any document which a member of the public has a right to inspect shall on application be supplied under such terms and conditions as the Board of Directors may determine.
- (3) The fees for supply of such copies shall be a sum calculated at the rate of Rs. 2/- (Rupees two) for each foolscap page, typed in double space.

SETTLEMENT OF DISPUTES

50. Any disputes provide in Chapter XI of Act which cannot be decided by the Board of Directors shall be referred to the Registrar in the manner as prescribed in the Rules.

AMENDMENT OF BYE-LAWS

51. Any of these Bye-laws may be altered or rescinded or new bye-laws may be made in complete amendment at a General Meeting in accordance with the law in this behalf and such amendment will come into force after it has been registered by the Registrar.

ACCOUNTS

- 52.(1) The Board of Directors shall cause proper books of accounts to be kept in respect to—

- (i) all sums of money received and expended by the Federation and the matter in respect of which the receipt or expenditure takes place;
 - (ii) all sales and purchases of goods by the Federation;
 - (iii) the assets and liabilities of the Federation; and
 - (iv) all vouchers, documents, receipts and such other papers and books to support the entries in the books of accounts.
- (2) The books of accounts shall be kept at the registered office of the Federation and shall at all reasonable times be open to the inspection of the Directorate.

INTERNAL AUDIT & SUPERVISION

53. The Board of Directors may arrange for such internal supervision and audit as it may deem proper.

AFFILIATION

54. The Federation shall be affiliated to the West Bengal State Co-operative Union in accordance with law.

REPRESENTATION

55. (1) The Chairman and the Managing Director or in the absence of the Chairman, the Vice-Chairman and the Managing Director or in the absence also of the Vice-Chairman, the Managing Director and any two Directors of the Federation duly authorised by the Board of Directors in this behalf, shall be competent to execute and sign all deeds, documents, creating, disposing or otherwise negotiation the properties and funds of the Federation and in particular, shall draw, accept, make, endorse and negotiate all bills of exchange, cheques, promissory notes, debenture, securities and other documents standing in the name of or held by the Federation :
- Provided that in the case of cheque up to Rs. 10,000/- (Rupees ten thousand only), the Managing Director of the Federation shall be competent to sign for and on behalf of the Federation.
- (2) The Managing Director or a paid official of the Federation duly authorised by the Board of Directors in this behalf, may sign all receipt by way of acknowledgment for and on behalf of the Federation.

COMMON SEAL

56. (1) The Board of Directors shall provide a common seal for the Federation. The common seal be kept in the custody of the Managing Director or any other paid official of the Federation duly authorised by the Board of Directors in this behalf.
- (2) The Common Seal shall not be affixed to any instrument or document except under the general or special authority of the Board of Directors and in the presence of the Managing Director or any other paid official of the Federation duly authorised by the Board of Directors in this behalf, who shall sign every instrument or document to which the seal of the Federation is so affixed.

EVIDENCE

57. On the trial or hearing of any dispute or action or suit to be brought by the Federation against any member or his representative to recover any debt or money claimed to be due to the Federation in respect of his shares, it shall be sufficient to prove that the name of the defendant or of the person whom he represents is or was, when the claim arose, on the register of member of the Federation as a holder of the shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Federation and it shall not be necessary to prove that requisite quorum of the Board of Directors was present at the Meeting any call was made was duly convene or constituted or any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

NOTICE

58. (1) Any notice required to be served by the Federation on a member or its delegate shall subject to the provisions of the Act, Rules and these Bye-laws be given in writing and delivered or sent by post to the registered address of the member/delegate.
- (2) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and proof of posting a letter containing the notice.
- (3) All notice to be given on the part of any member or its delegate shall be left at or sent through the post to the registered office of the Federation.
- (4) The non-receipt of any notice by a member or its delegate shall not affect the validity of the proceedings of any meeting or of the liability attaching to such notice.

DISSOLUTION

59. The Federation may be wound up with the approval of the Registrar upon a resolution carried by three-fourths of the delegates of the members present at a Special General Meeting called for the purpose.

GENERAL

60. If any of the above provisions be found repugnant to any provision of the West Bengal State Co-operative Societies Act, 1983 or West Bengal State Co-operative Societies Rules, 1983 or any other law for the time being in force, it shall be void to the extent of such repugnancy and in such cases, the provision of the Act, and the Rules or other laws will prevail. Provided further that any matter not expressly provided under these Bye-laws shall be governed by the provision of the West Bengal Co-operative Societies Act, 1983 and the Rules framed thereunder.



BENFED

BYE-LAWS

**THE WEST BENGAL STATE
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(BENFED)

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