By Registered Post

No. L-11015/162/2012-L&M
Government of India
Ministry of Agriculture
Department of Agriculture & Cooperation

OFFICE OF THE CENTRAL REGISTRAR OF COOPERATIVE SOCIETIES

Krishi Bhavan, New Delhi.

CERTIFICATE OF REGISTRATION

In pursuance of the provisions of the Multi State Cooperative Societies Act, 2002, a Society by the name of **Stars Multipurpose Co-operative Society Limited, 613, Vayu Block, My Home, Navadweepa, Hitech City, Madhapur, Hyderabad, Andhra Pradesh – 500 081** has been registered as a Multi State Cooperative Society under section 7 of the Multi State Cooperative Societies Act, 2002 (39 of 2002) and the rules framed there under. The Registration Number of the Society is **MSCS/CR/940/2014.** The area of operation of the Society shall be confined to the states of **Andhra Pradesh, Andaman & Nicobar(U.T.), Chhatisgarh, Dadar & Nagar Haveli(U.T.), Daman & Diu (U.T.), Goa, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Puducherry(U.T.), Rajasthan and Tamil Nadu.** The registration of the society is subject to the condition that the society shall not raise deposits or indulge in credit related activities in any form.

The Bye-laws filed by the Society have also been registered.

Given under my hand and seal this the 21st day of January, 2014.

Central Registrar of Cooperative Societies
★ New Delhi ★

21/1/14

(Ashish Kumar Bhutani)
Joint Secretary to the Government of India
&
Central Registrar of Cooperative Societies.

To
The Chief Promoter(Shri Raj Sarin),
Stars Multipurpose Co-operative Society Limited,
613, Vayu Block, My Home, Navadweepa,
Hitech City, Madhapur, Hyderabad,
Andhra Pradesh – 500 081

11. Commissioner for Co-operation &
    Registrar of Cooperative Societies,
    Government of Maharashtra,
    Central building Annexe,
    Pune-1, Maharashtra.

12. The Registrar of Co-operative Societies,
    Government of Puducherry,
    Puducherry-605 001

13. The Registrar of Co-operative Societies
    Government of Rajasthan
    Nehru Sahakar Bhawan,
    Bhawani Singh Road,
    Jaipur-302001

14. Registrar of Cooperative Societies,
    Government of Tamil Nadu,
    NVN Maligai, 170, Periyar,
    EVR, High Road, Kilpauk,
    Madras-600 010

15. Chief Executive, National Cooperative Union of India(NCUI),
    3, Siri Institutional Area,
    August Kranti Marg,
    New Delhi-110 016.

16. Office Copy/Guard File.

PROPOSED BYE –LAWS

STARS MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED

613, VAYU BLOCK, MY HOME, NAVADWEEPA, HITECH CITY, MADHAPUR. HYDERABAD (A.P.)

1. NAME AND AREA OF OPERATION:

1) The Society shall be called **STARS MULTIPURPOSE CO-OPERATIVE SOCIETY LIMITED**.

2) The Society shall have a principal place of business which shall be the registered office of the society. The Headquarter of the society shall be at **613, VAYU BLOCK, MY HOME, NAVADWEEPA, HITECH CITY, MADHAPUR. HYDERABAD (A.P.).** Any change in the address shall be notified to the Central Registrar within 15 days of it's change and also published in local newspaper and shall be made by an amendment of its bye-laws after following the procedures laid down in Section 11 of the Multi State Co-operative Societies Act, 2002.

3) The society shall have a Common Seal. The Common Seal shall be kept in the safe custody of the Officer authorized by the Board and shall be used on the authority of a resolution of the Board constituted under the bye-laws of the society;

4) The area of operation of the 'Society' shall extend to the States of **Andhra Pradesh, Andaman & Nicobar (U.T.), Chhatisgarh, Dadar & Nagar Haveli (U.T.), Daman & Diu (U.T.), Goa, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Puducherry (U.T.), Rajasthan and Tamil Nadu.**

5) The society is body corporate which shall sue and be sued in its name.

2. DEFINITIONS:-

The words/expressions appearing in these bye-laws shall have the following meaning unless otherwise provided:

a) **'Act'** means the Multi-State Co-operative Societies Act, 2002 as amended time to time;

b) **'Area of Operation'** means the area from where the persons are admitted as members of the 'Society'.

c) **'Board'** means the Board of Directors of the Society to which the direction and control of management of the affairs of a society is entrusted to.

d) **'Bye-laws'** means the bye-laws of the 'Society' for the time being in force which have been duly registered or deemed to have been registered under the Multi State Cooperative Societies Act in force and includes amendments thereto which have been duly registered or deemed to have been registered under the Act;

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e) **'Central Registrar'** means the Central Registrar of Co-operative Societies appointed under the provisions of MSCS Act;

f) **'Chief Executive'** means the Chief Executive/Managing Director, by whatever name he may be called, of the society;

g) **'Committee'** means the Committee and Sub - Committee of the 'Society' formed in accordance with the provisions of the bye-laws and provisions of section 53 of the Act;

h) **'Co-operative Bank'** means a multi state cooperative Society which undertakes banking business;

i) **'Cooperative Society'** means a cooperative society registered or deemed to be registered under any law relating to cooperative societies for the time being in force in any State or Union Territory;

j) **'Cooperative Principles'** means the cooperative principles as specified in the first schedule of the Multi State Cooperative Societies Act, 2002.

k) **'Deposit Insurance Corporation'** means the Deposit Insurance & Credit Guarantee Corporation established under Sec.3 of the Deposit Insurance Corporation Act, 1961;

l) **'Defaulter'** means a member who has defaulted in payment of any kind of dues payable to the society;

m) **'Delegate'** means a person who is duly appointed/elected by the members of the Society or part thereof in accordance with its bye-laws as its representatives to the General Body of the society or a person who is duly authorized by the Board of the member society to represent the society in General Body of the society of which society is a member.

n) **'Federal Cooperative'** means a federation of cooperative societies registered under the MSCS Act and whose membership is available only to a Cooperative Society or a Multi State Cooperative Society;

o) **'Financial or Cooperative Year'** means the period from 1st of April to 31st March;

p) **'General Body'** means all the members of the 'Society' and in relation to a national cooperative society or a federal cooperative means all delegates of member cooperative societies or delegates of Multi State Cooperative Society and includes a body constituted under the provision of the Act;

q) **'General Meeting'** means a meeting of the general body of the 'Society' and includes Special general meeting;

r) **'Member'** means a cooperative society/ individual who is admitted as member of the society and continues to be so for the time being;

s) **'Multi State Co-operative Society'** means a cooperative society registered or deemed to be registered under the Multi-State Cooperative Societies Act, 2002;

t) **'National Cooperative Society'** means a Multi State Cooperative Society specified in the second schedule to the Multi State Cooperative Societies Act, 2002;

u) **'Nominal Member'** means a person who has been admitted as a nominal or associate member under the bye-laws of the 'Society';

v) **'Officer bearers'** means President, Vice-President, Chairperson, Vice-chairperson, Managing Director or Secretary or Treasurer, Liquidator, Administrator appointed under Sec.123 and includes any person to be elected by the Board of the Multi State Cooperative Society.

w) **'Rules'** means the Multi-State Cooperative Societies Rules, 2002 made under Multi-State Cooperative Societies Act, 2002 and as amended time to time.

x) **'Society'** means Stars Multipurpose Cooperative Society Limited.

3. OBJECTS AND FUNCTIONS OF THE 'SOCIETY'

(A) Main Objects

Promotion and protecting the interests of all its members to attain their social and overall economic betterment through self help and mutual aid in accordance with co-operative principles specified in the first schedule of the Act.

(B) Other Objects and Functions

In furtherance of the main object, the society may undertake any or all the following objects, functions and activities:-

a) To provide clean drinking water.

b) To provide mobile health unit (MHU) equipped with doctors and generic medicines for public at large specifically for weaker section on commercial viable parameters.

c) ~~To provide Shelter Homes / low cost small houses in rural and urban areas.~~ NOT REGISTERED

d) To provide fresh & pure consumer products, grocery items and consumer durable items to the rural and urban areas.

e) To provide warehouses and cold storage chain in selective areas to provide for storage facilities of agriculture and allied products for the farmers specifically for the weaker section.

f) ~~To construct the roads to provide connectivity to the public at large in rural and urban areas.~~ NOT REGISTERED

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g) To provide power resources electrification in villages including rural areas through alternate energy medium like solar energy and wind energy.

h) To provide restaurant, entertainment & education through electronic means as well as traditional methods to the rural & urban area which still lacking basic education.

i) To provide advanced dairy products in villages, rural and urban areas.

j) ~~To acquire /transfer (whether on ownership, rent, lease, license or otherwise) any~~ land & building and to raise construction, maintain such land & building for achieving any of the ~~objects of the Society.~~ NOT REGISTERED

k) To provide health education and sports college/training centers and create infrastructure for the same for the developments of physical health, character, sportsmanship and budding sport persons.

l) To enter into Joint Venture, partnership to open centers which shall provide all kind of education, media, entertainment, consumer merchandise products (FMCG), Healthcare, restaurants, food factory, Dairy, Hospitality, Tours & Tourism, etc for attainment of main objects.

4. SERVICES TO BE PROVIDED TO ITS MEMBERS

(1) To accept the deposits from the members of the society and to provide various services to the members as per the object clause.

(2) To provide loans to Members;

(3) To provide necessary information, education, training and financial support to members;

(4) To provide welfare activities for the Members and their families;

(5) To provide and educate the members and their family regarding the necessity of hygiene health and medical checkup;

(6) To provide for and educate the members and their family as well as local farmers/natives about the proper storage of the agriculture produces and other related products.

(7) To provide other services as per objects of the 'Society'.

5. MEMBERSHIP :

The 'Society' shall have following categories of members:-

(1) Ordinary members

(2) Nominal/ associate members

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WHO CAN BE ORDINARY MEMBER:

i) Any person who resides within the area of operation of the society and who genuinely need the services provided by the society and whose interest does not conflict with the interest of the society;

ii) No person shall be admitted as a member of a multi state cooperative society except the following namely;-

a) An individual, competent to contract under Section 11 of the Indian Contract Act, 1872

b) Any Multi –State Cooperative Society or any co-operative society;

iii) No right of membership shall be exercisable until a person has made such payments to the Society in respect of all dues to the society including the payment in respect of membership and has availed such minimum level of services or has acquired such interest in the society and has attended such minimum level of services as prescribed in the clause 9 (b) of the bye-laws

iv) Every member shall pay an admission fee of Rs.10/-.

6. NOMINAL OR ASSOCIATE MEMBER

The 'Society' may, in the interest of promotion of the business of the 'Society' admit a person as nominal member or associate member on payment of fee of Rs 5/- only.

Provided that such member will not be entitled to subscribe the share capital of the 'Society'. They will not be allowed to have any interest in the management of the 'Society' including right to vote, contest election as director of the board or participate in the general body meetings of the 'Society'.

7. APPLICATION:

The application for membership of the 'Society' shall be submitted by the applicant to Chief Executive of the 'Society' in the prescribed form and at least face value of one share along with admission fee of Rs. 10/- shall be deposited by the applicant at the time of submission of application;

DISPOSAL:

The applications for membership of the 'Society' found complete in all respect, shall be disposed off within the period of four months from the date of receipt of the application by the 'Society'. The same shall be communicated to the applicant within fifteen days of the decision.

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8. CONDITIONS FOR REGULAR MEMBERSHIP

A person will be enrolled as regular member upon fulfilling the following conditions:

a) Application is made in writing in the prescribed form;
b) Admission fee has been paid and acquired at least one share;
c) Fulfilled all other conditions laid down in the Act, rules and these bye-laws;
d) The Board of Directors of the 'Society' approves the application to admit as a member.

9. DISQUALIFICATIONS OF MEMBERSHIP:

No person shall be eligible for being or continuing as a member of the 'Society' if:-

a) His business is in conflict or competitive with the business of the 'Society'; or
b) He did not make annual transactions of the value of at least Rs. 1000/- in two consecutive years; or
c) He did not attend the three consecutive general meetings of the 'Society' and such absence has not been condoned by the 2/3rd majority of the members attending the meeting;
d) Has defaulted in payment of all dues including contributions and subscriptions if any, as decided by the Board of the 'Society' from time to time and has not made the payment within 30 days after receiving notice of payment.

10. CESSATION OF MEMBERSHIP:

The membership of a cooperative society shall cease in case of:

i) Withdrawal from membership;

ii) Cancellation of registration of the member society;

iii) All the shares are transferred to another member/society;

iv) Expelled by the general body;

v) Incurring any of the disqualifications of membership;

vi) death of the member;

vii) Redemption of Share

11. WITHDRAWAL FROM MEMBERSHIP:

(1) Any member of the society may withdraw from membership of the society only after six months and giving at least 3 months notice and duly approved by the Board of society.

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(2) The withdrawal notice should be in writing of a member addressed to the Chief Executive and such withdrawal shall take effect from the date of acceptance by the Board;

(3) However, during any year, the aggregate withdrawal shall not exceed 10% of the total paid-up share capital as on 31st March of the preceding year;

(4) A member who withdraws the membership will not be allowed to become a member for a period of two years from the date of his/her withdrawal unless he/she repays the amount withdrawn by him/her from the 'Society'.

12. EXPULSION OF A MEMBER:

Member of the society may be expelled by a resolution of the general body passed by a 2/3rd majority present and voting if:

i) Any member has defaulted in payment of dues as per the bye laws of the society for a continuous period of one year;

ii) Any activity of a member is found to be conflicting or competitive with the interest or activities of the society;

iii) Provided that the member concerned shall not be expelled unless he/she has been given a reasonable opportunity of making representation in the matter;

iv) No member of the 'Society' who has been expelled shall be eligible for re-admission as a member of the 'Society' for a period of one year from the date of such expulsion.

13. CONDITIONS FOR CONTINUATION OF MEMBERSHIP

a) Membership of every member of the 'Society' shall remain continued till his resignation, death, withdrawal or cancellation or expulsion or transfer of all the shares he hold;

b) Membership of every member shall be continued only on holding full amount of shares as prescribed in these bye-laws;

c) Membership of a member shall be ceased if any amount due from such member has not been paid by him/her within a period of one year from the due date and such amount has not been paid on receipt of notice for the payment of dues within 30 days of the notice;

d) If a member incurs any disqualification as stated above, he shall be deemed to have been ceased to be a member of the 'Society' from date of incurring such disqualification.

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14. RIGHTS OF A MEMBER:

Every member of the society shall have the following rights:-

a. One vote in the General Body Meetings of the 'Society' and no member shall be permitted to vote by proxy;

   Provided that a multi-state cooperative society or a co-operative society or any other institution which is a member of 'Society' may appoint its representative by a resolution passed by its Board to attend the General Body Meeting and vote on its behalf in the affairs of the 'Society';

b. Right to receive notice of General Body Meetings as per bye-laws of the 'Society';

c. Right to attend and take active part in the proceedings of the General Body Meeting;

d. Take part in elections and contest for any post as per provision of the Act, Rules and bye-laws of the 'Society';

e. Inspect member registers, books of accounts or any other record and obtain certified copies of the resolutions or documents on a payment of fee as may be prescribed by the society from time to time.

f. To frame procedure for the election of delegates by regular member as delegate to represent in Smaller Representative Body.

g. Right to access information relating to his/her own transaction and for this purpose Managing Director shall act as a Information Officer to provide the information within 30 days.

15. VOTES OF MEMBERS AND MANNER OF VOTING

(1) Every member of the 'Society' shall have one vote in the affairs of the 'Society';

(2) In case of equality of votes the Chairperson shall cast his vote;

Provided that a member who is an employee of society shall not be entitled to vote

i) at the election of a member of the board of such society;

ii) in any general meeting convened for framing the bye –laws of society or any amendment thereto.

16. LIABILITY:

1) Liability of the members shall be limited to the share capital subscribed by them.

2) i) In the case of a past member, on the date on which he/she ceased to be a member;

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ii) In the case of a deceased member, on the date of his/her death and shall continue for a period of two years from such date.

Notwithstanding anything contained in the sub-section(1), where the 'Society' is ordered to be wound up under section 86 of the Act, the liability of a past member who ceased to be a member or of the estate of a deceased member who died within two years immediately preceding date of the order of winding up, shall continue until the entire liquidation proceedings are completed, but such liability shall extend only to the debts towards the 'Society' as they existed on cessation of membership or death, as the case may be.

17. EDUCATIONAL COURSES FOR MEMBERS

The 'Society' shall organize or participate in co-operative educational programmes, refresher courses, conferences and seminar for its members, directors and employees and sufficient funds in this regard shall be earmarked as per provisions of the Act and requirement.

18. CHANGE OF NAME

The society may change its name, but such change shall not affect any right or obligation of the society or any of its members or past members, and any legal proceedings which might have been continued or commenced by or against the society by its former name, may be continued or commence by or against its new name.

19. AUTHORISED SHARE CAPITAL:

The Authorized Share Capital of the 'Society' shall be Rs.60,00,00,000 divided in to 1,20,00,000 shares of the face value of Rs.50/- each;

20. i) A member shall subscribe to minimum 1 (One) number of share and full value shall be paid at the time of application;

ii) Manner of allotment, transfer, redemption and/or repatriation shall be at face value and as per the provisions of the Act.

iii) No member other than the authorities referred to in clauses (c) to (g) of sub section (1) of section 25 of the Act, shall hold more than one-fifth of the total share capital of the society as stated under the section 33 of the Act.

iv) The 'Society' at its General Meeting, may from time to time, increase the authorized share capital by creation of new shares of such number and amount as may be deemed expedient with the prior approval of the Central Registrar.

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21. SHARE CERTIFICATE:

Every person admitted as member of the 'Society' shall be entitled to receive a share certificate stating the number of share/s and their distinctive number/numbers. The share certificates shall be signed by the Chairman, or any Director duly authorized and the Chief Executive Officer. The Share Certificates shall bear the seal of the 'Society'.

If any certificate is worn out, defaced, mutilated, destroyed or lost, new Share Certificate/s shall be issued in lieu thereof on payment of a fee as prescribed by the Board per Share Certificate upon the delivery of the original if worn out or defaced or mutilated, upon production of proper security and indemnity to the satisfaction of the Board in case of destroyed or lost and upon such terms and conditions as the Board of Directors may think fit.

22. TRANSFER OF SHARES:

i) A member may transfer his/her share/s after holding them for not less than one year to any another member subject to approval of the Board of Directors on compliance of such terms and conditions as may be prescribed by the Board of Directors.

ii) The transfer of share of a member in the capital of the 'Society' shall be subject to such conditions as to maximum holding of transferee-member as specified in the section 33 of the Act;

iii) A member may, with the approval of the Board of Directors, transfer his/her share or shares to another member. A transfer fee of Rs. 1/- per share subject to minimum of Rs. 10/-, shall be payable to the 'Society' for each such transfer;

iv) The transfer shall not be complete until the name of the transferee has been duly entered in the register of share holders;

v) No such transfer shall be registered and approved by the Board of Directors within 30 days prior to the date of the Annual General Meeting.

23. REDEMPTION OF SHARES

1) Shares held by members may be redeemable in such manner as may be agreed between the society and member.

2) The redemption of shares referred to above shall be on the face value of the shares.

24. NOMINATION

A member may nominate maximum two persons to receive member's share capital and interest in the 'Society' after his/her death on a predefined ratio. Nomination shall be made in a form prescribed by the board and the name of the nominee shall be entered in the register kept by the 'Society' for this purpose. Prior approval of the Board shall be

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necessary if the person to be nominated is an employee of the 'Society' on the date of nomination.

A member may, at any time, revoke or change such nominations after due intimation in writing to the 'Society' along with payment of a fee as prescribed by the Board of Directors for such each amendment in nomination.

25. TRANSFER OF INTEREST ON DEATH OF MEMBER

On the death of a member, the 'Society' may pay to the person or persons nominated a sum representing the value of the member's interest in the society within six months of the death of the member. In the absence of nomination, the society may pay to such person or persons as may appear to the Board of Directors to be entitled to receive the same as heir or legal representative of the deceased member on his or their executing an appropriate deed of indemnity in favour of society.

26. LIEN ON SHARES, DIVIDENDS AND DEPOSITS

The 'Society' shall have the first and paramount lien or charge upon all the shares, dividends and deposits of any member or past member for all the moneys due from him/her to the 'Society' from time to time. The 'Society' may at any time set off any sum credited by or payable to the member or past member towards payment of any liability of such member or past member.

27. CAPITAL AND FUNDS

The 'Society' may receive funds from any or all of the following sources:-

i) Admission fees;
ii) Share Capital;
iii) Subscriptions;
iv) ~~Deposits;~~ NOT REGISTERED
v) Loans including Cash Credits and Overdrafts from financial Institutions;
vi) Non-convertible bonds;
vii) Grants- in- aid, donations and subsidies;
viii) Contributions;
ix) Profit.

28. MAXIMUM BORROWING LIMIT

(1) The 'Society' shall be eligible to receive deposits and loans from members and upto ten times of the sum of its subscribed share capital plus accumulated reserves minus accumulated losses, if any.

(2) Subject to the provisions of sub-section (1), a society may accept funds or borrow funds for the fulfillment of its objects on such terms and conditions as are mutually contracted upon.

(3) The society may issue non-convertible debentures or any other instruments subject to the provisions of any laws for the time being in force to raise resources for the fulfillment of its objects to the extent of twenty–five percent of its paid up share capital.

29. CONSTITUTION OF A GENERAL BODY

(1) The General Body of the 'Society' shall consist of all the regular members of the 'Society';

(2) Subject to the provisions of the Act, Rules and these Bye-Laws, the ultimate authority of the 'Society' shall vest in the General Body.

30. ANNUAL GENERAL MEETING AND POWERS AND FUNCTIONS OF THE GENERAL BODY:

The Board of the 'Society 'under a resolution shall within six months after the close of the corresponding year call the Annual General Meeting at the principal place of business of the 'Society' for the purpose of:

(a) consideration of the audited statement of accounts;

(b) consideration of the audit report and annual report;

(c) consideration of audit compliance report;

(d) disposal of net profits;

(e) review of operational deficit, if any;

(f) creation of specific reserves and other funds;

(g) approval of the annual budget;

(h) review of actual utilisation of reserve and other funds;

(i) approval of the long-term perspective plan and the annual operational plan;

(j) review of annual report and accounts of subsidiary institution, if any;

(k) expulsion of members;

(l) List of employees who are relatives of members of the board or of the Chief Executive.;

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(m) amendment of bye-laws, if any;

(n) formulation of code of conduct for the members of the board, officers and employees;

(o) election & removal of members of the board, if any;

(p) Approval for appointment of auditors and to fix their remunerations;

(q) consider the statement showing details of loans or goods on credit if any given to any director or to the spouse of the director or his/her son or daughter during the preceding year or outstanding against any of them;

(r) any other matter laid before it by the Board of Directors.

31. AMENDMENT TO BYE-LAWS:

The amendment to the bye-laws shall only be passed by a resolution of the meeting of the general body in which a quorum is present by a vote of not less than two third of members present there and not less than 15 clear days' notice for considering of such amendment has been previously given.

32. SPECIAL GENERAL MEETING

The Chief Executive, may at any time, on the direction of the Board, call a Special General Body Meeting of the 'Society' and shall call such meeting within one month after the receipt of a requisition from the Central Registrar or l/5th of total number of members of the 'Society' to transact the business as stated in the notice of the meeting.

33. NOTICE FOR THE GENERAL MEETING AND SPECIAL GENERAL MEETINGS:

a) Annual General Meeting of the society may be called by giving not less than fourteen days notice in writing to all the members of the society.

b) Special General Meeting of the society may be called by giving not less than seven days notice in writing to all the members of the society.

c) The notice of the Annual General Meeting shall be accompanied by a copy of each of the audited balance sheet, profit & loss account together with the auditor's report relating to the preceding year and the report of the Board of Directors thereon.

d) The Notice of general body meeting shall be sent to the members by the following modes, namely:-
   i) By local delivery or

ii) Under Postal Certificate. Besides, notice shall also be published in the local news papers having wide circulation.

Notice of the general body meeting shall also be affixed on the notice board of the society and its branches, if any.

34. QUORUM OF THE MEETING:

i) The quorum for a General Meeting of the society shall be 1/5 (one fifth) of the total number of members or 50 whichever is less or 1/5 of the total number of delegates of the smaller representative general body(as applicable);

ii) No business shall be transacted at any General Meeting unless there is a quorum at the time when the business of the meeting is due to commence;

iii) If within half an hour from the time appointed for the meeting, quorum is not present, the meeting shall stand adjourned and would be held after half an hour at which quorum will not be required;

iv) If at any time during the meeting sufficient numbers of members are not present, to form the quorum, the Chairman or the member presiding over the meeting on his own, or on his attention being drawn to this fact, shall adjourn the meeting and the business that remains to be transacted at this meeting, if any, shall be disposed off in the usual manner at the adjourned meeting;

v) Where a meeting is adjourned as per sub-clause (iii) or (iv) the adjourned meeting shall be held either on the same day or on such date, time and place as may be decided by the Chairman or the member presiding over the meeting, but within seven days from the date of the adjourned meeting;

vi) No business shall be transacted at adjourned meeting other than the business on agenda of the adjourned meeting;

vii) The adjourned meeting will transact its regular business even without the quorum being present at the meeting.

35. VOTING IN GENERAL MEETING

(1) All resolutions which are put to vote at the general meeting shall be decided by a majority of the members present and voting shall be done by show of hands unless 1/5th of the members so present demand poll. In case of demand of poll is accepted, that resolution shall be decided by polling;

(2) In the event of an equality of votes, the Chairperson of the meeting shall have a second or casting vote.

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36. PROCEDURE FOR CONDUCT OF ELECTION

(1) The election of members of the board shall be conducted in accordance with the provisions of the Multi-State Co-operative Societies Act, 2002 and the rules framed thereunder or as per the guidelines issued by the Central Government from time to time.;

(2) The election of the members of the board shall be conducted by secret ballot in the manner as specified in the schedule to the Rules.

37. BOARD OF DIRECTORS:

(1) The affairs of the 'Society' shall be managed by the Board of Directors consisting of 9 members in addition to the Chief Executive.

Provided further that the board may co-opt two directors in addition to the maximum director specified as above.

Provided that one seat shall be reserved for the Scheduled Castes or Scheduled Tribes and two seats shall be reserved for the women in the Board of the Society.

(2) All the Directors except the Chief Executive and co-opted members shall be elected by the members in the General Body Meeting;

(3) An elected Director shall hold office for a period of five years from the date of election;

(4) If as a result of vacancies in the Board of Directors of the 'Society', the minimum membership in the Board falls below the limit specified in clause 41(1) of the bye-laws, the vacancies shall be filled by duly conducted election as per rule 19 of the Multi State Co-operative Societies rules, 2002.

Provided that the Board may fill a casual vacancy on the Board by nomination out of the same class of the members in respect of which the casual vacancy has arisen, if the term of the office of the Board is less than half of its original term.

38. MEETINGS OF THE BOARD OF DIRECTORS:

i) The Board of Directors shall meet at least once in every quarter;

ii) The meetings of the Board of Director shall normally be held at the registered office of the 'Society'. In exceptional cases, the meetings of the Board may be held at any other place but within the area of operation of the 'Society';

iii) The meeting of the Board of Directors shall presided over by the Chairman or in his absence by the Vice-Chairman and in the absence of both the Chairman and Vice-Chairman, the Directors present in the meeting shall elect a Chairman for the meeting amongst themselves;

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iv) 14 days notice shall ordinarily be necessary for the meeting of the Board of Directors;

v) The quorum of the meeting of the Board of Directors shall be 5 Directors.

39. TERM OF THE BOARD OF DIRECTORS:

The term of office of elected members of the Board and its office bearers shall be five years from the date of election and the term of office bearers shall be conterminous with the term of the board. The board may fill a casual vacancy on the board by nomination out of the same class of members in respect of which the casual vacancy has arisen, if the term of office of the board is less than half of its original term. It shall be the responsibility of the board to take all the required measures to ensure that the election of a board is conducted before the expiry of the term of the board so as to ensure that the newly elected members of the board assume office immediately on the expiry of the office of members of the outgoing board.

The elected members of the Board shall be eligible for re-election.

40. POWERS & FUNCTION OF THE BOARD OF DIRECTORS:

i) to admit members;

ii) to elect Chairman and Vice-Chairman of the society;

iii) to authorize convening of Meetings of the General Body;

iv) to interpret the organizational objectives and set up specific goals to be achieved towards these objectives;

v) to make periodic appraisal of objectives;

vi) to appoint, suspend or remove the Chief Executive and such other employees of the 'Society' as may be prescribed;

vii) to make provisions for regulating the appointment of the 'Society' and the scales of pay, allowances and other conditions of service of including disciplinary action against such employees;

viii) to place the annual report, annual financial statements, annual plan and budget for the approval of the general body;

ix) to consider audit and compliance report and place the same before the general body;

x) to acquire or dispose off immovable property;

xi) to review membership in other cooperatives;

xii) to approve annual and supplementary budget;

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xiii) to recommend to the General body distribution of profits;

xiv) to raise funds;

xv) to sanction loans to the members;

xvi) to fill any vacancy/ vacancies in the Board by election;

xvii) to approve the panel of auditors for placing in the General Body;

xviii) to appoint such Committees, Sub- Committees as may be necessary and delegate to them such powers as may be appropriate;

xix) to frame regulations for the election of delegates of the general body, members to the Board of Directors and for the conduct of meetings of the General Body and the Board of Directors as per the provisions of the Act;

xx) to determine all policy matters of the 'Society' ;

xxi) to enter into all sorts of agreements, execute documents and do or get done compliance of all necessities for the purpose;

xxii) to authorize officers and employees to sign documents and to institute and defend suits and other legal proceedings on behalf of the 'Society';

xxiii) to achieve the objectives of the 'Society' and to frame all sorts of schemes and execute the same in accordance with the provisions contained in the Act, the Rules and the 'Bye-laws' of the 'Society' for the betterment and development of the 'Society' and its members.

xxiv) to take such other measures or to do such other acts as may be prescribed or required under the Act or the bye-laws or as may be delegated by the general body.

41. DISQUALIFICATION FOR BEING A MEMBER OF THE BOARD

1. No member of the 'Society' shall be eligible for being chosen as, or for being, a member of the board of the 'Society', if such member-

(a) has been adjudged by a competent court to be insolvent or of unsound mind;

(b) is concerned or participates in the profits of any contract with the 'Society';

(c) has been convicted for an offence involving moral turpitude;

(d) holds any office or place of profit under the 'Society'.

Provided that the Chief Executive or such full time employee of the 'Society' as may be notified by the Central Government from time to time or a person elected by the

2. A person shall not be eligible for being elected as member of Board of the 'Society' for a period of five years if the Board of society fails-

   (a) to conduct elections of the Board under section 45 of the Act; or

   (b) to call the Annual General Meeting under section 39 of the Act; or

   (c) to prepare the financial statement and present the same in the Annual General Meeting.

42. REMOVAL OF THE ELECTED MEMBER OF THE BOARD BY THE GENERAL BODY

An elected member of the Board, who has acted adversely to the interest of the 'Society', may on the basis of a report of the Central Registrar or otherwise be removed, from the Board, upon a resolution of the General Body passed at it's meeting by a majority of not less than 2/3rd of the members present and voting at the meeting;

Provided that the member concerned shall not be removed unless he has been given a reasonable opportunity of making representation in the matter.

43. FILLING UP OF CASUAL VACANCIES ON THE BOARD

If as a result of vacancies in the Board of Directors of the 'Society', the minimum membership in the Board falls below the limit specified in clause 41(1) of the bye-laws, the vacancies shall be filled by duly conducted election as per rule 19 of the Multi State Co-operative Societies rules, 2002.

Provided that the Board may fill a casual vacancy on the Board by nomination out of the same class of the members in respect of which the casual vacancy has arisen, if the term of the office of the Board is less than half of its original term.

44. MINUTES OF PROCEEDINGS OF BOARD OF DIRECTORS AND COMMITTEES

The minutes of the meetings of the Board of Directors and Committees shall be recorded within period of 30 days in the minute book kept for the purpose and the pages of which shall be duly numbered. The Chairman of the meeting and the Chief Executive of the 'Society' shall sign the minutes of each such meeting.

45. COMMITTEES OF THE BOARD:

The Board of Directors shall constitute an Executive Committee and other Committees or Sub-Committees as may be considered necessary. Provided that other committees or Sub-Committees, other than the Executive Committee shall not exceed three at a given point of time.

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46. CHAIRMAN AND VICE-CHAIRMAN

There shall be a Chairman and a Vice-Chairman elected by the members of the Board of Directors from among themselves. The Chairman and in his absence, the Vice-Chairman shall preside over the meeting of the General Body and the Board of Directors.

The term of the office of the Chairman and Vice-Chairman shall be co-terminus with the term of elected Members of the Board unless Chairman or Vice-Chairman ceases to be Director earlier. In case of any vacancy within this period, the Board shall fill up the vacancy through re-election for the un-expired term of the Board.

47. POWER AND FUNCTIONS OF THE CHAIRMAN

The Chairman shall have the following powers and functions:

i) He/She shall preside over the meeting of the General Body, Board of Directors and Executive Committee;

ii) The Chairman shall sign the proceedings of all the meetings presided over by him/her;

iii) In the event of equality of votes on a resolution the chairman shall have casting vote in the meeting;

iv) To convene the meeting of the Board of Directors, Executive Committee and other committees of which he is the Chairman;

v) The Chairman may delegate any of his/her powers and functions to the Vice-Chairman;

48. PROHIBITION TO HOLD OFFICE OF CHAIRMAN OR VICE CHAIRMAN IN CERTAIN CASES

(1) No member of the Board shall be eligible to be elected as Chairman or Vice-Chairman of the 'Society' if such member is a minister in the Central or State Government;

(2) No member of the Board shall be eligible to be elected as Chairman of the 'Society', if he has hold office as such during two consecutive terms whether full or part.

Provided that a member who has ceased to hold the office of the Chairman continuously for one full term shall be eligible for election to the office as such.

49. HOLDING OF OFFICE IN CO-OPERATIVE SOCIETY

No person shall be eligible to hold at the same time, office of the Chairman or Vice-Chairman on the Board of more than two Multi-State Cooperative Societies.

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(xiii) To determine powers, functions and responsibilities of the employees of the society of all categories;

(xiv) To maintain a list of members correct and up-to-date;

(xv) To exercise administrative control in respect of all officers and staff, including granting of leave, granting of annual increments and other matters relating to the service conditions of the employees;

(xvi) To delegate power to other officers of the society;

(xvii) To sign on behalf of the society and conduct its correspondence;

(xviii) To present the draft annual report and financial statements for the approval of the Board;

(xix) To record proceedings of the meeting and have duly signed;

(xx) To perform all duties entrusted to him and to exercise such other powers as may be delegated to him by the Board of Directors, executive committee and Chairman from time to time.

52. DEPOSITS:

i) Deposits may be received from members at any time within the limits determined under the Cooperative Societies Act, Rules, on such rates of interest and subject to such rules and regulations as may be fixed by the Board of Directors.

ii) Deposits may be received on current, savings, fixed, recurring, cumulative and under any other special scheme/s.

53. LOANS, ADVANCES:

Loans, advances and credit facilities may be granted to members of the 'Society' on security or securities as prescribed or approved by the Board of Directors and shall be granted subject to the schemes, guidelines, instructions and orders issued by the Board of Directors with reference to rate of interest, quantum, period, securities and other terms & conditions in general and for special cases.
However, loans, advances and credit facilities shall be made subject to restrictions imposed under Section 66 of the Act.

54. LINKING OF SHAREHOLDING WITH LOAN LIMITS:

A borrower should hold at least 1 per cent of his borrowings if such borrowings are on an unsecured basis, i.e. in the form of clean overdrafts, loans against one or two personal sureties and purchase/discount of clean bills and cheques.

55. DISPOSAL OF NET PROFIT:

(A) Subject to the provisions of the Act and Rules framed there under, the net profits of the 'Society' shall be distributed by the General Body as follows:

(a) transfer at least 25% of net profit to the reserve fund;

(b) credit one per cent of its net profit to the cooperative education fund maintained by the National Co-operative Union of India;

(c) an amount of at least 10% shall be transferred to reserve fund for meeting unforeseen losses.

(B) The balance of the net profit may be utilised for all or any of the following purposes:-

(a) Payment of dividend to members on their paid up capital at the rate not exceeding 50%;

(b) Any other privileges to members; if any; as specified in the bye-laws;

(c) Contribution to the educational fund at the rate of 2% or more but not exceeding 10%. The fund may be utilized for education and training of members, directors and employees as approved by the Board of Directors;

(d) Donation for the development of cooperative movement or charitable purpose as defined in section 2 of the Charitable Endowments Act, 1980 not exceeding 5%;

(e) Payment of ex-gratia/bonus amount to employee as approved by the Board of Directors;

56. INVESTMENT OF FUNDS:

The 'Society' may invest or deposit its funds -

(1) in a Co-operative Banks, State co-operative bank, co-operative land development bank or Central co-operative bank; or

(2) in any of the Securities specified in Section 20 of the India Trusts Act, 1882 (2 of 1882); or

(3) in the shares or securities of any other multi-State co-operative society or any co-operative society; or

(4) in the Shares, securities or assets of a subsidiary Institution or any other institution;

(5) with any other bank; or

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(6) in the Bonds, Shares & Securities, Debentures, Education, Reality, Banking, Power, FMCG, Media, Entertainment, IT Sector, Healthcare, Dairy, Food factory, Hospitality, Travel & Tourism.

57. RESERVE FUNDS

a) In addition to the sum prescribed under the Co-operative Societies Act and Bye-laws, all admission fees, entrance fees, nominal membership fees, amount of forfeited shares/ unclaimed dividends and donations shall be carried to the Reserve Fund;

b) The Reserve Fund to meet unforeseen losses, shall be available by resolution of the General Body Meeting to cover deficiencies which may arise from unforeseen losses;

c) Any loss occurring as the net result of the year's working shall be recovered from the profits of the next ensuing year or years subject to clause (b) above.

58. DIVIDEND:

(1) The dividend declared shall be paid to the person whose name stands as the registered shareholder for not less than 12 months in the books of the 'Society' on the last day of the co-operative year to which the dividend relates;

(2) Dividend shall be proportionate to the amount paid on shares and the period in whole months for which the amount stood to credit of the shareholder.

(3) Any dividend remaining undrawn for three years after having been declared shall be forfeited and shall be carried to the Reserve Fund of the Society.

Unpaid dividend shall be payable on application provided the same has not been forfeited.

59. ACCOUNTS AND RECORDS

Accounts and records shall be maintained in the forms prescribed or approved by the Registrar with such additions as the Board of Directors consider necessary. Any member of the 'Society' may inspect any of the registers or records during office hours in so far as they relate to his own business transactions.

60. AUDIT

(1) The Accounts of the 'Society' shall be audited by Auditors appointed from the panel of auditors approved by the Central Registrar or from a panel of auditors prepared by the 'Society' at least once in each year and the remuneration of auditors shall be fixed by the Central Registrar or the 'Society', as the case may be, as per the provisions of Section 70 of the Act.

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(2) Any subsidiary institution promoted under sub-section (1) shall exist only as long as general body of the society deems its existence necessary.

Provided that a society while promoting such a subsidiary institution, shall not transfer or assign its substantive part of business or activities undertaken in furtherance of its stated objects.

For this purpose, subsidiary institution is an institution as defined in an Act.

65. AMALGAMATION OR TRANSFER OF ASSETS AND LIABILITIES, OR DIVISION OF MULTI-STATE COOPERATIVE SOCIETIES

(1) The society may, by a resolution passed by a majority of not less than two-thirds of the members, present and voting at a general meeting of the society held for the purpose,-

a) transfer its assets and liabilities in whole or in part to any other multi-state cooperative society or cooperative society;
b) divide itself into two or more multi-state cooperative societies;
c) divide itself into two or more cooperative societies.

(2) Any two or more multi-state cooperative societies may, by a resolution passed by a majority of not less than two-thirds of the members present and voting at a general meeting of each such society, amalgamate themselves and form a new multi-state cooperative society.

(3) The resolution of a multi-state cooperative society under sub-section (1) or sub-section (2) shall contain all particulars of the transfer or division or amalgamation, as the case may be.

(4) When a Society has passed a resolution under sub-section (1) or sub-section (2), it shall give notice thereof in writing to all the members and creditors, and, notwithstanding anything contained in the bye-laws or contract to the contrary, any member or creditor shall, during the period of one month of the date of service of the notice upon him, have the option of withdrawing his share, deposits or loans, as the case may be.

(5) Any member or creditor who does not exercise his option within the period specified in sub-section (4) shall be deemed to have assented to the proposals contained in the resolution.

(6) (a) A resolution passed by a society under this section shall not take effect until the assent thereto of all the members and creditors has been obtained.

(b) The society shall make arrangements for meeting in full or otherwise satisfying all claims of the members and creditors who exercise the option within the period specified in sub-section (4).

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66. SETTLEMENT OF DISPUTES:

All the disputes shall be referred to Arbitration in accordance with the provisions of the Multi-State Co-operative Societies Act and Rules.

67. LIMITATIONS:

The Limitation period in disputes shall be as per the provisions of the Act.

68. WINDING UP

The Society, if deemed necessary, under provision of section 86 of the Act may be wound up as per the provisions of the Act and rules.

69. MISCELLANEOUS

No act of the General Body or the Board of Directors shall be deemed invalid by reason of any defect in the election of a Member thereof or by reason of any vacancy therein not having been filled in;

70. SERVICE RULES:

The society shall have service rules for regulating the service conditions of its employees formulated and amended by the Board from time to time.

The Society shall maintain a Contributory Provident Fund for the benefit of its employees in accordance with the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952.

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