

ANNEXURE 'D'



SUGARFED

BYE-LAWS

**THE PUNJAB STATE FEDERATION OF
COOPERATIVE SUGAR MILLS LTD.,
SCO.-7, SECTOR-26, CHANDIGARH**

INDEX

Particulars	Page No.
RCS APPROVAL FOR AMENDMENT OF SUGARFED	
BYE-LAWS	1
1. NAME	2
2. ADDRESS	2
3. AREA OF OPERATION	2
4. DEFINATIONS	2
5. OBJECT OF THE FEDERATION	3-5
6. SHARE CAPITAL	5-6
7. FUNDS	6
8. MEMBERSHIP	6-7
9. LIABILITY	7
10. CESSATION FROM MEMBERSHIP	7
11. MAXIMUM CREDIT LIMIT	7
12. TRANSFER OF SHARES	7
13. GENERAL BODY	7-9
14. BOARD OF DIRECTORS	9-11
15. DIS-QUALIFICATIONS FOR MEMBERS OF THE BOARD	11
16. POWERS AND FUNCTIONS OF THE BOARD	12-14
16.3 POWERS AND DUTIES OF CHAIRMAN	14
17. POWERS AND DUTIES OF MANAGING DIRECTOR	14-16
18. ALLOCATION OF PROFITS	16-17
19. AUDIT AND INSPECTION	17
20. AMENDMENT OF BYE-LAWS	17
21. MISCELLANEOUS	17-18

AMENDMENTS:

- | | | | |
|-----|--|--|--------------|
| i) | Recording of
Decision of BOD/
General Body
Meeting in the
Proceeding Book | -Letter No. RCS/E&T/ISD/Bye-Law/
258-A, dated 17.8.98 | 19-20 |
| ii) | Attending of
Meetings of the
Societies by the Addl.
Registrar Coop.
Societies or his
Nominee. | - Letter No. RCS/E &T/ISD/Bye-Laws
/155 D dated 13.5.99 | 21 |

ਨੰਬਰ ਆਰ. /83●2/-

ਮਿਤੀ 8.11.95

ਵਲੋਂ :

ਅਮਰੀਕ ਸਿੰਘ, ਪੀ. ਸੀ. ਐਸ. (2)
ਸਹਾਇਕ ਰਜਿਸਟਰਾਰ,
ਸਹਿਕਾਰੀ ਸਭਾਵਾਂ, ਜਲੰਧਰ।

ਵੱਲ :

ਮੈਨੇਜਿੰਗ ਡਾਇਰੈਕਟਰ,
ਦੀ ਪੰਜਾਬ ਸਟੇਟ ਫੈਡਰੇਸ਼ਨ ਆਫ ਕੋਆਪ੍ਰੇਟਿਵ ਸ਼ੂਗਰ ਮਿਲਜ਼ ਲਿਮ. ਚੰਡੀਗੜ੍ਹ।

ਵਿਸ਼ਾ : ਅਮੈਂਡਮੈਂਟ ਆਫ ਬਾਈਲਾਜ ਆਫ ਦੀ ਪੰਜਾਬ ਸਟੇਟ ਫੈਡਰੇਸ਼ਨ ਆਫ ਕੋਆਪ੍ਰੇਟਿਵ ਸ਼ੂਗਰ ਮਿਲਜ਼ ਲਿਮ.
(ਸ਼ੂਗਰਫੈੱਡ) ਚੰਡੀਗੜ੍ਹ - ਅਡਾਪਸ਼ਨ ਦਿਅਰ ਆਫ।

ਯਾਦ ਪੱਤਰ :

ਰਜਿਸਟਰਾਰ, ਸਹਿਕਾਰੀ ਸਭਾਵਾਂ, ਪੰਜਾਬ, ਚੰਡੀਗੜ੍ਹ ਜੀ ਦੇ ਦਫਤਰੀ ਪੱਤਰ ਨੰ. ਐਸ. ਐਮ. ਏ./ਆਰ. ਸੀ. ਐਸ./3-14/1427 ਮਿਤੀ 27.4.95 ਅਤੇ ਪੱਤਰ ਨੰ. ਐਸ. ਐਮ. ਏ./ਆਰ. ਸੀ. ਐਸ. (87)/3-14/268 ਏ ਮਿਤੀ 11.1●.95 ਨੂੰ ਮੁੱਖ ਰੱਖਦੇ ਹੋਏ ਦੀ ਪੰਜਾਬ ਸਟੇਟ ਫੈਡਰੇਸ਼ਨ ਆਫ ਕੋਆਪ੍ਰੇਟਿਵ ਸ਼ੂਗਰ ਮਿਲਜ਼ ਲਿਮ., ਚੰਡੀਗੜ੍ਹ ਦੇ ਪੰਜਾਬ ਕੋਆਪ੍ਰੇਟਿਵ ਸੁਸਾਇਟੀਜ਼ ਐਕਟ 1961 ਦੀ ਧਾਰਾ 1●-ਏ (2) (ਸਮੇਂ ਸਮੇਂ ਸਿਰ ਹੋਈ ਸੋਧ ਅਧੀਨ) ਬਾਈਲਾਜ ਵਿੱਚ ਸੋਧ ਕਰਦੇ ਸਮੇਂ ਹੋਏ ਬਾਈਲਾਜ ਦੀ ਕਾਪੀ ਨਾਲ ਨਬੀ ਭੇਜ ਕੇ ਲਿਖਿਆ ਜਾਂਦਾ ਹੈ ਕਿ ਇਹ ਬਾਈਲਾਜ ਅਡਾਪਟ ਕੀਤੇ ਜਾਣ।

ਸਹੀ/-

ਨਬੀ : ਸੋਧੇ ਹੋਏ ਬਾਈਲਾਜ ਦੀ ਕਾਪੀ

(ਅਮਰੀਕ ਸਿੰਘ) ਪੀ. ਸੀ. ਐਸ. (2)

ਸਹਾਇਕ ਰਜਿਸਟਰਾਰ,
ਸਹਿਕਾਰੀ ਸਭਾਵਾਂ, ਜਲੰਧਰ।

ਰਜਿਸਟਰਾਰ ਸਹਿਕਾਰੀ ਸਭਾਵਾਂ, ਪੰਜਾਬ ਦੇ
ਅਧਿਕਾਰਾਂ ਦੀ ਵਰਤੋਂ ਕਰਦੇ ਹੋਏ।

ਪਿੱਠ ਅੰਕਣ ਨੰ. ਆਰ. ਕੇ./

ਮਿਤੀ :

ਉਪਰੋਕਤ ਦਾ ਉਤਾਰਾ ਹੇਠ ਲਿਖੀਆਂ ਨੂੰ ਸੂਚਨਾਂ ਹਿੱਤ ਅਤੇ ਅਗਲੀ ਜਰੂਰੀ ਲੋੜੀਂਦੀ ਕਾਰਵਾਈ ਲਈ ਭੇਜਿਆ ਜਾਂਦਾ ਹੈ :-

1. ਰਜਿਸਟਰਾਰ, ਸਹਿਕਾਰੀ ਸਭਾਵਾਂ, ਪੰਜਾਬ, ਚੰਡੀਗੜ੍ਹ ਜੀ ਨੂੰ ਉਹਨਾਂ ਦੇ ਦਫਤਰੀ ਪੱਤਰ ਨੰਬਰ ਐਸ. ਐਮ. ਏ./ਆਰ. ਸੀ. ਐਸ./87 (3-14/268 ਏ ਮਿਤੀ 11.1●.95 ਦੇ ਹਵਾਲੇ ਵਿੱਚ।
2. ਮੈਨੇਜਿੰਗ ਡਾਇਰੈਕਟਰ, ਦੀ ਪੰਜਾਬ ਸਟੇਟ ਕੋਆਪ੍ਰੇਟਿਵ ਬੈਂਕ ਲਿਮ., ਚੰਡੀਗੜ੍ਹ।
3. ਚੀਫ ਆਡੀਟਰ, ਸਹਿਕਾਰੀ ਸਭਾਵਾਂ, ਪੰਜਾਬ, ਚੰਡੀਗੜ੍ਹ।
4. ਮੈਨੇਜਰ, ਦੀ ਜਲੰਧਰ ਕੇਂਦਰੀ ਸਹਿਕਾਰੀ ਬੈਂਕ ਲਿਮ., ਜਲੰਧਰ।
5. ਆਡਿਟ ਅਫਸਰ, ਸਹਿਕਾਰੀ ਸਭਾਵਾਂ, ਜਲੰਧਰ।

ਸਹੀ/-

ਸਹਾਇਕ ਰਜਿਸਟਰਾਰ,
ਸਹਿਕਾਰੀ ਸਭਾਵਾਂ, ਜਲੰਧਰ।

**THE BYE-LAWS
OF
The Punjab State Federation OF
Cooperative Sugar Mills Limited Bhogpur
At
Chandigarh As Amended In 1995**

1. NAME:

The Cooperative Society hereinafter referred to as Sugarfed shall be called "The Punjab State Federation of Cooperative Sugar Mills Ltd".

2. ADDRESS:

The registered address of the Sugarfed shall be Bhogpur at Chandigarh. Any change in its address shall be communicated to the 'Registrar'.

3. AREA OF OPERATION:

The area of operation of the Federation shall be whole of Punjab State. However, the business activities may be carried out anywhere in India and abroad in accordance with the objects of the Federation.

4. DEFINATIONS:

The words and terms used in these bye-laws, unless the context otherwise requires, shall have the meaning as has been assigned to them hereunder:-

- (a) "Act" means the Punjab Cooperative Societies Act, 1961.
- (b) "Rules" means the Punjab Cooperative Societies Rules, 1963.
- (c) "Bye-laws" mean the registered Bye-laws of the Sugarfed.
- (d) "Registrar" means the Registrar, Cooperative Societies Punjab or any officer subordinate to him and vested with the powers of the Registrar under Section 3 (3) of the Punjab Cooperative Societies Act, 1961.
- (e) "General Body" means the General Body of the Sugarfed duly constituted as per provisions of the Act, Rules and Bye-laws.
- (f) "Employee" means a member of the service of Sugarfed.

- g) "Board" means the Board of Director of the Sugarfed duly constituted as per provisions of the Act, Rules and Bye-laws.
- h) "Chairman" means the Chairman of the Board of Directors of the Sugarfed.
- i) "Managing Director" means the Managing Director of the Sugarfed.
- j) "Sugar Mills" means any Cooperative Sugar Mills (including its ancillary and allied industries) registered in the State of Punjab under the Punjab Cooperative Societies Act, 1961.
- k) "Government" means the Government of the State of Punjab.
- l) "Financing Institution" means the State Cooperative bank, the Industrial Development Bank of India, the Industrial Finance Corporation of India ,the Industrial Credit and Investment Corporation of India, the national Cooperative Development Corporation of any other Corporation or Bank providing term loan to the Sugarfed;
- m) "Cooperative Year" means the years beginning with 1st of April and ending on 31st March; and
- n) The words and expression defined in the Act and Rules and used in these Bye-laws shall, unless the subject and contents otherwise require have meaning assigned to them in the Act and Rules.

5. OBJECT OF THE FEDERATION:

- 5.1 The Sugarfed shall assist in the promotion and organisation of Sugar Mills and shall facilitate and coordinate the working of such mills, in the State of Punjab.
- 5.2 In pursuance of the objects stated above in bye-laws 5.1, the Sugarfed may:
 - i) provide technical know-how and other assistance in the selection, purchase, installation and maintenance of plant, machinery and other equipments including expansion proposal's co-generation and down-stream industrialisation;
 - ii) select key Administrative and Technical Personnel and constituting Common Cadre for such post in the Sugar mills with M.D. Sugarfed responsible for administering the Common Cadre;
 - iii) recommend for implementation measures for improving the operational efficiency of the Sugar mills and the quality of sugar and of by products of such mills;

- v) render technical, administrative and financial assistance to the Sugar Mills and assist mills in standardizing the accounting, costing and evaluation methods and practices;
- v) assist the sugar mills in securing, financial assistance from the State or Central Government or from other 'Financing Institutions';
- vi) purchase or assist in purchase in bulk, gunny bags sulphur, limestone ,coal, lubricants, chemicals spares and stores required by the sugar mills for their use and for the use of their ancillary units and allied industries;
- vii) negotiate on behalf of the mills , the sale of sugar and other products/by Products of mills with a view to ensure remunerative prices;.
- viii) appoint agents on payment of remuneration or commission for such sales and establish depots if required for the sale of sugar and other products /bye-products;
- ix) under take export of sugar;
- x) disseminate knowledge relating to taxation, industrial and Labour Laws and other related laws to the sugar Mills;
- xi) represent the Sugar Mills on such bodies as may be established from time to time by the state or central Government or other Institutions;
- xii) take up research studies connected with the working of Sugar Mills and may create research and development cell in the Sugarfed ;
- xiii) furnish market intelligence to the sugar mills connected with procurement of law material, store articles etc. and sale of finished products/by products;
- xiv) hold periodical meetings, seminars and conferences, workshops and arrange training courses for all or any of the matters related with the functioning of sugar mills and also to find means for improving yield of sugarcane /sugar beet;
- xv) under take research for the development of sugarcane of sugar beet and may establish demonstration centres for helping the growers to adopt better management techniques, and take up cultivations of improved varieties of such crops and plant protection measures;
- xvi) establish subsidiary, ancillary and allied industries which may be conducive for the establishment, development and maintenance of sugar industry in the State;
- xvii) run the sick Sugar Mills at their own risk and cost with the approval of the Registrar ;or to acquire, purchase ,take on lease or otherwise take over any other sugar mills as approved by the Registrar;

- xviii) purchase, acquire on lease or hire land or building as may be necessary and may establish godowns and show room for its use and or for use by the mills;
- xix) assist the sugar mills in the procurement and distribution of seed fertilizers, insecticides, pesticides, weedicides and chemicals as may be necessary for raising sugarcane or sugar-beet crops and improving yield there-of ;
- xx) make arrangements in consultation with the mills for aerial spray of sugar cane or sugar beet crops on custom basis;
- xxi) provided credit of stand guarantee for securing credit for the sugar mills to overcome financial difficulties ;
- xxii) subscribe to the share capital of sugar mills and other cooperative societies, with the approval of Registrar.
- xxiii) raise funds for its business;
- xxiv) guide, assist, advise and supervise the working of member sugar mills;
- xxv) enter into collaboration with Cooperative Societies or other organisations/undertakings in India or abroad in fulfillment of any of its objects. However, collaboration with institutions other than cooperatives shall be with the approval of Govt. under Section 77 of the Act; and
- xxvi) undertake periodical inspection of the functioning of the sugar Mills.

5.3. Sugarfed shall undertake all activities and shall take all other steps as may be necessary, incidental and conducive for the attainment and fulfillment of all or any of the objects mentioned in 5.2 above.

6. SHARE CAPITAL:

- 6.1 The authorised share-capital of the Sugarfed shall be Rupees twenty crore comprising 2,00,000 shares of the value of Rupees one thousand each. The authorised share capital of the Sugarfed may be raised with the permission of the Registrar.
- 6.2 The application for allotment of shares shall be made to the Managing Director in the form prescribed for the purpose.
- 6.3 The Sugarfed shall issue to the members Share Certificates bearing distinctive numbers duly embossed with the seal of the Sugarfed and signed by the Managing Director and or one of the Director authorised by the Board to do so.
- 6.4 The Sugarfed may, in the event of loss of the original certificates issue duplicate certificate on payment of Rs.50/- per certificate. Before doing so,

the Sugarfed shall obtain indemnity bond and the Board shall resolve to issue duplicate share certificates.

7. FUNDS:

The Sugarfed may raise funds by way of :

- i) admission fee;
- ii) share capital;
- iii) grants subsidies, donation, contribution, securities, deposits, and other financial assistance from state and central Govt. members and others.
- iv) debentures; and
- v) Loans from the financing institutions, scheduled banks, Govt.(Central) and State , members and others;
- vi) production cess.

8. MEMBERSHIP:

8.1 The membership of the Sugarfed shall be open to:-

- a) the Sugar Mills, registered under the Punjab Cooperative Societies Act 1961;
- b) Cooperative Societies registered for the purpose of setting up any unit using sugarcane/beat as raw material of using by products of Sugar Mills;
- c) Punjab Government;
- d) any other Cooperative Societies/Class of Cooperative Societies as permitted by Registrar for the purpose.

8.2 The Sugarfed may admit 'nominal' and 'associate' members.

8.3 Every member shall have to apply in writing for membership to the Managing Director of Sugarfed and pay Rs.100/- on account of admission fee and at least Rs.1000/- on account of the value of one share of the Sugarfed. Such application shall be disposed of by the Board with in one month from the date of its receipt and the decision shall be communicated to the applicant. No person shall be treated to have been admitted to membership unless the Board has resolved to admit him as such with the approval of Registrar, the Board may at any time require the members to make additional contribution to the share capital of Sugarfed.

8.4 REMOVAL OR SUSPENSION OF COMMITTEE OR MEMBER THERE OF:

If the opinion of the Registrar, Committee or any member of BOD persistently make default or is negligent in the performance of the duties imposed on it or him by this Act or the Rules or bye-laws made there under , or commits any act which is prejudicial to the interest of the Sugarfed or its member or makes default in the implementation production or development programmes undertaken by the Sugarfed, the Registrar may remove any Director of Board or any member as per provision of section 27(1) of the Punjab Cooperative Societies Act;1961.

9. LIABILITY:

The liability of a member for deficit in the assets of the Sugarfed in the event of its being wound up shall be equal to the value of shares subscribed by the member.

10. CESSATION FROM MEMBERSHIP:

A person shall cease to be member of the Sugarfed:

- a) on ceasing to be body corporate;
or
- b) on expulsion from membership by the authority competent to do so;
or
- c) on ceasing to hold at least one share.

11. MAXIMUM CREDIT LIMIT:

The maximum credit limit of the Sugarfed shall be determined by the General Body, from time to time, subject to the approval of the Registrar.

12. TRANSFER OF SHARES:

The shares may be transferred only to members with the approval of the Board.

13. GENERAL BODY:

- 13.1 The final authority of the Sugarfed shall vest in the General Body subject to the provision of the Act, Rules and the Bye-laws.

- 13.2 The General Body of the Sugarfed shall comprise:
- a) representatives (one each) of all the member cooperative societies.
 - b) nominees of the Government if Government has subscribed to the shares capital of Sugarfed.
 - c) Registrar or his nominee.
- 13.3 The General Body of the Sugarfed shall meet from time to time but at least once in a year. The meeting of the General Body shall be convened by the Managing Director under the directions of the Board. A special General meeting shall be convened if a requisition, for holding such a meeting, signed by one fifth of the total number of members, is received by the Sugarfed. If the special general meeting is not convened within 30 days from the receipt of the requisition, the signatories to the requisition, may refer the issue to the Registrar. Who may if he thinks fit, summon the General Body meeting. Registrar may on his own motion summon a meeting of the General Body at any time, if he thinks it necessary to do so.
- 13.4 At least 15 days clear notice, specifying the date, place ,time and agenda of the general meeting shall be given to all members under, certificate of posting. The meeting of the General Body shall be convened at the headquarters of the Sugarfed. The quorum at a general meeting or a special general meeting shall be 1/4th of the total number of members of the Sugarfed on the date of notice. If there is no quorum within one hour of the time fixed for the meeting, the meeting shall stand adjourned, and if the meeting had been called on the basis of requisition, the same shall stand cancelled. A fresh general meeting or a special general meeting may be called after giving due notice. If there is no quorum, at the reconvened meeting, within one hour of the appointed time for the meeting, then members present shall constitute quorum.
- The Chairman or in his absence, Vice Chairman shall preside over the meeting of the General Body. When both of them are absent, the members present shall elect a Chairman for the meeting.
- 13.5 Unless otherwise provided in the Act, Rules or these Bye-laws, every resolution at a general meeting or a special general meeting shall be passed by majority of votes. In the event of equality of votes, the Chairman of the meeting shall have a casting vote.
- 13.6 Every member of the General Body shall have one vote and the representatives of member societies shall cast their votes in person.
- 13.7 Notwithstanding any-thing contained in these bye-laws the General Body shall meet once in a year and shall have following powers and duties:-

- a) approval of the programme of activities of the Sugarfed prepared by the Board for the ensuing year;
- b) election , if any of members of the Board other than nominated members in case the election is not held by formation of Zones;
- c) consideration of the audit report and the annual report;
- d) disposal of the net profits;
- e) fixation of maximum credit limits;
- f) expulsion of members from membership of the Sugarfed.

13.8 The matters resolved as per agenda at a general meeting or a special general meeting shall be recorded in the proceedings book of the Sugarfed and shall be signed by the Chairman of meeting and the Managing Director.

14. BOARD OF DIRECTORS:

The Board shall comprise the following:-

- a) One each representation from members Sugar Mill.
- b) One nominee of the Financing Institutions.
- c) Nominees of the Government if Government has subscribe towards the share capital of the Sugarfed.
- d) Registrar or his nominee.
- e) The Managing Director, and
- f) The Director Sugarcane Research Station of the Punjab Agricultural University, Ludhiana as Technical expert.

14.2 The elected members of the Board shall elect one of them as Chairman and another as Vice Chairman. The term of the Chairman and Vice Chairman shall be co-terminus with the term of the Board. The elected Chairman or/and elected Vice Chairman can be removed by vote of no confidence by a resolution passed by 2/3 majority of the elected members of the Board. The new Chairman and Vice Chairman shall be elected for the remaining term of the Board. The nominated members of the Board shall not vote in the election or removal of the Chairman/Vice Chairman.

14.3 The term of office of the Board shall be five years from the date of its election. No person shall be eligible for being elected to the Board of the Sugarfed after he has served on the Board for two continuous terms unless a period of not less than one term has expired since he last so

serve. An interim vacancy caused in the Board shall be filled by election in the concerned Zone for the remaining term of the Board.

- 14.4 The Board shall meet at least once in three months. The meeting of the Board shall be summoned by the Managing Director at a clear cut notice of 15 days. The notice shall contain items of agenda to be considered in the meeting, and also the date, place and time of such a meeting. An emergent meeting of the Board may be convened by the Managing Director with the prior permission of the Registrar, one third of total number of members of the Board shall form quorum for the meeting of the Board. The meeting shall be presided over by the Chairman or in his absence by the Vice-Chairman. If both of them are absent, one of the Directors may be chosen to preside over such a meeting. Each member of the Board shall have one vote. All decisions shall be taken by the majority of votes. In the event of equality of votes the matter shall be postponed to the next meeting. If there is again equality of votes, the Chairman shall have an additional casting vote.
- 14.5 Any three or one third of the total members of the Board, which ever is less, may, in writing request the Managing Director to summon a special meeting of the Board and may propose items of agenda to be considered in such a meeting. On receipt of such a requisition the Managing Director, shall convene a meeting of the Board. If within seven days of the receipt of the requisition, the Managing Director fails to summon the meeting, the Registrar, on the application of the signatories of the requisition, may summon a meeting of the Board after giving due notice to all the members as may be required under the Rules or the Bye-laws.
- 14.6 The Board may from time to time, constitute its smaller Committees not more than two Committees with specific terms of reference at a time for discharging any specific functions of the Board subject to the provision of the Bye-laws, Act and Rules. Such Committee shall comprise of not more than five members provided further that Managing Director and Registrar or his nominee on the Board shall be the member of such a smaller committee. In case of difference of opinion between the Managing Director/Registrar or his nominee and the remaining members of the Committee the matter shall be placed before the Board, whose decision shall be taken as per the provision of Act, Rules and Bye-laws.
- 14.7 The matters resolved in the meetings of the Board as per agenda or in its committee including marking of attendance shall be recorded in the proceedings book and shall be signed by the Chairman and the Managing Director.
- 14.8 The services of the members of the Board, the Chairman and the Vice Chairman shall be honorary but traveling allowance for attending the

meeting shall be paid according to the scale prescribed by the Board and approved by the Registrar.

15. DIS-QUALIFICATIONS FOR MEMBERS OF THE BOARD :

- 15.1 No person shall be eligible for election as a member of the Board, if he :-
- a) is not a member of the Managing Committee of the Sugar Mills he represents; or
 - b) is below 25 years of age; or
 - c) is a paid employee of Government, the Sugarfed, any other body Corporate;
 - d) has been convicted of any offence involving moral turpitude and dishonesty; or
 - e) has been dismissed from any service; or
 - f) is related to any officer of the Sugarfed; or
 - g) holds an office of profit under the Sugarfed or the Sugar Mills; or
 - h) is a representative of a Sugar Mill, which has not made payments of its dues as per provisions of section 17 of the Act; or
 - i) is subject to any disqualification as laid down in the Act and the Rules.

15.2 AN ELECTED MEMBER OF THE BOARD SHALL CEASE TO HOLD OFFICE IF HE:

- a) incurs any dis-qualification laid down under the Act or Rules or the Bye-laws; or
- b) ceases to be a member of Board of Directors/Managing Committee of the Cooperative Society he represents; or
- c) absents himself from three consecutive meetings of the Board without sufficient cause; or
- d) resigns his office: or
- e) is interested or becomes interested directly or indirectly in any contract/transaction involving financial interest, made with the Sugarfed or in any sale/purchase made by the Federation privately or in auction.

16. POWERS AND FUNCTIONS OF THE BOARD :

- 16.1 Management of the Sugarfed shall vest in the Board of Directors. The Board shall exercise all such powers as may be necessary or proper for the management of the Sugarfed and of carrying out the objects for which

the Sugarfed has been established, subject, however, to the provisions of the Act, Rules and the Bye-laws.

16.2 Without prejudice to the general powers conferred by these by-laws, the Board shall have the power to :

- i) elect Chairman and Vice Chairman of the Board;
- ii) observe in all their transactions, the provisions of the Act, Rules, framed thereunder, and the Bye-laws;
- iii) set up industrial units for value addition to Sugar mills products/by-products;
- iv) purchase or hire plant, machinery and other assets for the business of the Sugarfed;
- v) sell, or otherwise dispose of, any land, machinery or any other movable property, if not required for the business of the Sugarfed;
- vi) maintain or cause to be maintained a true and accurate account of all monies received and disbursed and all stocks bought and sold;
- vii) keep or cause to be kept a true account of all assets and liabilities of the Sugarfed;
- viii) consider the audit notes and take necessary action on them;
- ix) prepare and lay or cause to be prepared and laid before the annual general meeting, profit and loss account and audited balance sheet;
- x) dispose of applications for membership and to admit members;
- xi) give directions to the Managing Director to summon general meeting in accordance with these by-laws;
- xii) prepare agenda for the General Meeting and fix the time, place and date of such a meeting;
- xiii) contract loans or otherwise raise funds subject to any restrictions imposed by the General Body or the Registrar;
- xiv) take on lease or buy land required for the business of the Sugarfed;
- xv) on the recommendation of M.D Sugarfed, create regular posts of officers/officials of all categories for running the business of the Sugarfed, subject to the prior approval of Registrar;
- xvi) frame guidelines for regulating the business and working of the Sugarfed consistent with provisions of these bye laws with the prior approval of the Registrar;
- xvii) acquire on behalf of the Sugarfed shares of other registered cooperative institutions;

- xviii) acquire, purchase or take on lease or otherwise take over any sugar mills with the prior approval of the Registrar;
- xix) advise the sugar mills in the selection of machinery, sites and appointment of managerial or technical personnel and, if necessary, to constitute a common cadre of key personnel of the sugar mills;
- xx) fix allowances to be paid to the member of Board for attending the Board and other meetings subject to the approval of the Registrar;
- xxi) advise the sugar mills on matters relating to insurance, finance and production;
- xxii) run workshops, research laboratories, set up sugarcane farms, demonstration centres, etc. and to undertake other business relating to sugar industry and to purchase, or take on lease necessary sites, farms etc. for the same;
- xxiii) arrange for publication of market intelligence through periodicals or bulletins pertaining to the sugar industry or cultivation of sugarcane or sugar beet;
- xxiv) represent the sugar mills on Government or other bodies as and when required and to depute representative to take part in conferences connected with Sugar industry;
- xxv) determine the rate of commission to be charged for arranging sale and purchase on behalf of the sugar Mills;
- xxvi) prepare and approve annual budget of Sugarfed;
- xxvii) authorise the Managing Director or other officers to jointly operate upon the accounts of the Sugarfed maintained with banks;
- xxviii) authorise an officer or officers, in the absence of Managing Director, to sign on behalf of the Sugarfed all bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents;
- xxix) delegate all or any of the powers, except those specifically vested in the Managing Director by these byelaws, to the Managing Director or any other officer of the Sugarfed;
- xxx) set off accumulated losses and deferred expenses against income of the year;
- xxxi) write off bad debts, as may be assessed by the auditors in their report, subject to the prior approval of the Registrar;
- xxxii) authorise one of the Directors to take part in the election of other cooperative societies of which Sugarfed is member;

- xxxiii) authorise one of the Directors and the Managing Director to sign the share certificate and other instruments and to affix common seal of the Sugarfed on such documents;
- xxxiv) Levy production Cess and fix Supervisory Service charges on the sugar mills subject to the approval of the Registrar; and
- xxxv) make arrangements ninety days before the expiry of its term, for the constitution of a new Board.
- xxxvi) to hear and decide appeal of an employee against the orders of the Managing Director awarding punishment provided it is filed within 60 days of communication of such order. The board may constitute a sub Committee in this behalf.
- xxxvii) to approve and authorise the recruitment of staff within sanctioned staff strength in accordance with Service Rules.
- xxxviii) to lay down rules and to determine the conditions of service including qualifications, emoluments, incentives, punishment etc. of employees of the federation subject to the approval of the Registrar.

16.3 CHAIRMAN :

The Chairman of Sugarfed shall have following duties and powers :-

- i) To preside over the meetings of the Board and General Body. However, in the absence of Chairman, his powers/function shall be exercised/performed by Vice-Chairman or as provided in the Act, Rules and the Bye laws.
- ii) To exercise right of casting vote in the event of equality of votes on any issue in a meeting of the Board/General Body.
- iii) To sign the proceedings of the meetings of the Board/General Body.
- iv) To have a right to seek information from the Managing Director relating to performance of the Sugarfed and its functions including the information relating to financial matters. For this purpose the channel of communication would be through the Managing Director.

17. MANAGING DIRECTOR :

- 17.1 The Managing Director shall be the whole time Chief Executive Officer of the Sugarfed. He shall be appointed by the Govt. The Managing Director shall have all the powers and duties to run the business and administration of the Sugarfed and all the employees of Sugarfed and the employees constituting the Common Cadre shall exercise their powers

and perform their duties under his Administrative Superintendence and Control.

17.2 Without prejudice to the general powers conferred by those byelaws, the Managing Director shall have the following powers and duties;

- i) exercise general control over the administration of the Sugarfed;
- ii) convene meetings of the Board and its committees as and when required, and record proceedings of such meetings;
- iii) administer the day-to-day affairs and supervise and manage day to day business of the Sugarfed and issue directions, orders or instructions to any functionary of the Sugarfed;
- iv) receive all copies and securities on behalf of the Sugarfed and make arrangements for proper maintenance and custody of cash balance and other properties of the Sugarfed;
- v) endorse and transfer promisory notes, Govt and other securities and to endorse, sign, encash, cheques and other negotiable instruments on behalf of the Sugarfed;
- vi) sign all deposit receipt and operate on the accounts of the Sugarfed with the banks and the financing agencies jointly with another officer as authorised by the Board;
- vii) appoint, suspend, dismiss or otherwise punish employees of the Sugarfed in accordance with service rules or otherwise as per conditions laid down by the Registrar, or provisions of any other state applicable to them;
- viii) take securities from such employees as are determined or laid down by the Registrar or the Board;
- ix) institute, conduct, defend, compromise, refer to arbitration or abandon legal proceedings in favour of or against the Sugarfed or its officers or employees through any officer or employee of the Sugarfed or otherwise through legal practioners or any other person authorise by him, in this behalf;
- x) sanction establishment and contingent expenses;
- xi) determine, powers, duties and responsibilities of the employees of the Sugarfed subordinate to him;
- xii) enter into negotiations and contracts and rescind and make such notes, deeds and instruments as may be necessary on behalf of the Sugarfed in relation to any of the aforesaid, or otherwise in the interest of the Sugarfed;

- xiii) take necessary steps in emergent cases as may be necessary to avoid any loss, or prevent damage or loss to the assets, properties and interests of the Sugarfed, subject to ratification by the Board;
- xiv) appoint custodians of books and records and other properties of the Sugarfed;
- xv) provide for the safe custody of the 'Common Seal' of the Sugarfed;
- xvi) abide by the provisions of the Act, Rules and the byelaws of the Sugarfed and any other regulation, and to faithfully implement, the decisions taken by the General Body, Board or its sub-committees;
- xvii) exercise such powers as may be delegated to him by the Board of Directors of Sugarfed;
- xviii) conduct sale and purchase for the mills and Sugarfed subject to the general guidelines issued by the Board;
- xix) sanction payment of additional cane price and transportation charges by the mills with the approval of the Registrar;
- xx) invest surplus funds of Sugarfed;
- xxi) call for periodical reports/returns from sugar mills;
- xxii) certify copies of entries in the books of Sugarfed;
- xxiii) plan and prepare programme and policies of Sugarfed and placing the same before the Board for their approval;
- xxiv) delegate any of his powers and duties to the Additional Managing Director and or other officers of Sugarfed.

17.3 The Managing Director may delegate any of his powers to an officer next below him effective and efficient working of the Sugarfed.

17.4 The Managing Director and Additional Managing Director shall stand indemnified for all actions if the same were taken in good faith and in the interest of the business of the Sugarfed.

18. ALLOCATION OF PROFITS :

18.1 The net profits of a cooperative year, as per audited balance sheet, shall be allocated in the manner prescribed below.

18.2 Atleast 10% shall be carried to reserve fund.

18.3 Not more than 5% of the net profits shall be contributed to the Cooperative Education fund.

18.4 The remaining profit may be utilised for one or more of the following purposes:

- i) Payment of dividend to members at a rate not exceeding 20% per annum on the value of the paid up shares.
- ii) After one tenth of the net profit has been carried to reserve fund contribute an amount not exceeding 5% of the remaining net profit towards Cooperative Development Fund, which shall be utilised on the directions of the Registrar.
- iii) Creation of building fund, Bad and doubtful debt fund, depreciation fund, shares transfer fund or any other fund created by the Sugarfed.

19. AUDIT AND INSPECTION :

- 19.1 The accounts of the Sugarfed shall be audited atleast once a year by the person appointed or authorised under the Act.
- 19.2 The Sugarfed shall pay such audit fee as may be assessed from time to time by the competent authority .
- 19.3 If the Sugarfed is indebted to a Financing Institution it shall be competent for the representative of such Institution to inspect the books and record of the Sugarfed and the Managing Director shall arrange for the production of the books and record before such person.

20. AMENDMENT OF BYE-LAWS:

None of the Bye-laws herein contained shall be altered or rescinded and no bye-laws shall be added to except by vote of majority consisting of atleast two-third of the members present and voting at the general meeting specially called for the purpose or otherwise carried out under the provisions of the Act. The amendment so arrived at shall not take effect unless it is registered by the Registrar.

21. MISCELLANEOUS:

- 21.1 The Sugarfed may constitute a Common Cadre of employees of member sugar mills in such a manner as may be provided in the Rules governing the common cadre. The common cadre shall be governed by the service Rules framed by Sugarfed with the prior approval of the Registrar, Cooperative Societies, Punjab.
- 21.2 All disputes relating to business of the Sugarfed shall be disposed off in the manner provided in the Act and the Rules framed thereunder.
- 21.3 In the conduct of affairs of the Sugarfed the Board of Directors and the Managing Director shall exercise due prudence and diligence expected in an ordinary course of business.

- 21.4 The Reserve fund of the Sugarfed shall be indivisible and no member shall be entitled to any part of it.
- 21.5 Should, However, any doubts arise with regard to the interpretation of any of these bye-laws, the matter shall be referred to the Registrar whose decision shall be final.
- 21.6 The Sugarfed, may in the circumstances specified in the relevant provisions of the Act, be wound up and its registration cancelled by the Registrar in accordance with the procedure laid down therein.
- 21.7 The revision against the appellate order of the Board of Directors shall lie to the Registrar provided it is filed within 30 days of communication of such order.

No. RCS/E&T/ISD/Bye-laws/257A

Dated :17.8.98

From

The Registrar,
Cooperative Societies, Punjab, Chandigarh.

To

All Managing Directors,
Apex Cooperative Institutions in the State.

Subject : Notice U/s 10-A (I) for addition of clause in the Bye-laws of the Apex Cooperative Institutions in the State of Punjab.

Memo :

Under the provisions of the Punjab Cooperative Societies Act and Rules framed there under, no procedure has been prescribed about the manner of the proceedings of a Committee of the Society are to be recorded.

It has come to the notice of this office that generally the discussions of the Committee or Board of the Apex Cooperative Institutions in the State of Punjab are recorded and circulated under the signatures of the Chairman of the Committee/ Board who presides over the Committee/Board meeting. Such minutes are thereafter placed before the Committee/Board in its next meeting for confirmation. In some cases the proceedings recorded are not confirmed and the true and correct version of the decisions is again discussed and separately recorded. Thus, a uniform system needs to be devised for recording the minutes of the Apex Cooperative Institutions. In the interest of smooth functioning of the Apex Cooperative Institutions, suitable amendments need to be incorporated in the Bye-laws of th Apex Cooperative Institutions to the effect that the proceedings of the meetings of the Board of Directors/General Body would be initiated by the Managing Directors and would be signed both by the Chairman and the Managing Director of the Institution after due consultation with each other.

Under the above circumstances, I, J.R. Kundal, IAS Registrar, Cooperative Societies, Punjab, Chandigarh do hereby direct to add/adopt the new clause inthe Bye-laws of the Apex Cooperative Institutions where necessary under section 10-A (I) of the Punjab Cooperative Societies Act, 1961, which read as under :-

"All business discussed or decided at Board of Directors/General Body Meetings shall be recorded in the proceeding book by the Managing Director/Chief Executive Officer which shall be signed both by the Chairman of the meeting or the member so, elected/nominated to be the Chairman for the specific meeting and Managing Director by consulting each other."

Sd/-
Registrar, Cooperative Societies,
Punjab, Chandigarh

Endst. No. RCS/E&T/ISD/Bye-Laws/258-A

Dated 17.8.98

A Copy of the above is forwarded to the Assistant Registrar, Cooperative Societies, Ropar for information and necessary action.

Sd/-
Registrar, Cooperative Societies,
Punjab, Chandigarh

No. RCS/E&T/ISD/Bye-laws/155 D

Dated : 13.5.99

From

The Registrar,
Cooperative Societies, Punjab, Chandigarh.

To

1. The Managing Director, P.S.I.B. Ltd., Chandigarh
2. The Managing Director, Markfed, Punjab, Chandigarh
3. The Managing Director, Housefed, Punjab, Chandigarh
4. The Managing Director, Milkfed, Punjab, Chandigarh
5. The Managing Director, Puncofed, Punjab, Chandigarh
6. The Managing Director, S.A.D.B. Ltd., Chandigarh
7. The Managing Director, Sugarfed, Punjab, Chandigarh
8. The Managing Director, Spinfed, Punjab, Chandigarh

Subject : Amendment in the Bye-laws.

Memo :

As per the bye-laws of these Apex Societies, Registrar, Cooperative Societies, Punjab or his nominee is a member of their Board of Directors. The Registrar, Cooperative Socs. Punjab is to perform multifarious duties and is heavily burdened. In view of his busy schedule, it is very difficult to attend all the meetings of these societies. Therefore, it is decided to amend the bye-laws of these societies as under.

Existing Bye Laws

Registrar, Cooperative Societies
Punjab or his nominee

Proposed Amendment

Additional Registrar, Cooperative
Societies or his nominee.

Therefore, I, G.S. Pirzada, IAS, Registrar, Cooperative Societies, Punjab Chandigarh in exercising the powers under section 10-A (I) of Punjab Cooperative Societies Act, 1961 vested in me do hereby call upon you to adopt the amendments in bye laws of your societies within a period of 3 months from the date of the receipt of this notice.

Sd/-
(G.S. Pirzada) I.A.S.,
Registrar, Cooperative Societies,
Punjab, Chandigarh

Endst. No. RCS/E&T/ISD/Bye-Laws/156-D
13.5.99

Dated

Copy of the above is forwarded to the following for information and necessary action.

1. All the Gazetted Officer in H.O.
2. All Superintendents in H.O. except Admn. Enforcement and Recovery Branch.
3. Joint Registrar, Cooperative Societies, Patiala.
4. Deputy Registrar, Cooperative Societies, Ropar.
5. Assistant Registrar, Cooperative Societies, Ropar.

Sd/-
Joint Registrar (F)
Cooperative Societies, Punjab,
Chandigarh