

**BYE-LAWS**  
**OF**  
**THE HARYANA STATE CO-OP. DEVELOPMENT FED. LTD;**  
**NAME, ADDRESS & AREA OF OPERATION**

1. The Society shall be called The Haryana State Co-operative Development Federation Limited (Here-in-after referred as "Harcofed").
2. The Headquarter of the Harcofed shall be at Panchkula.
3. The area of operation of the Harcofed shall extend to the entire State of Haryana.

**OBJECTS**

The objects of the Harcofed shall be :-

- i) to promote Cooperative Movement;
- ii) to arrange for and to encourage research in the Development of Cooperative Movement;
- iii) to undertake survey of rural and urban areas on various aspects relating to Cooperative Movement;
- iv) to publish Cooperative Journals & Newspapers;
- v) to act as information bureau on Cooperative matters;
- vi) to buy, maintain and hire cinema-to-graph, films, projects and other materials for propagation of Cooperative Movement and to arrange or help in arranging films shows, songs, dramas etc. connected with development and achievement in Cooperative Sector;
- vii) to advise the Govt. on matter relating to Cooperative Movement from time to time
- viii) to manage a printing press, printed stock and sell books, Bye-Laws registers, pamphlets and other literature so as to feed the requirements of all types of cooperative societies/Board/Corporation/ Government

Department in the State and to undertake all activities relating to this work like securing of orders, purchase of paper and opening of sale points etc.

- ix) to arrange printing work through member cooperative printing presses, if these member presses do not have adequate infrastructure for printing work then the work of printing will be allotted to other printing presses.
- x) to organise public meetings and to convene conferences, seminars, study circles, debates & workshops for the furtherance of Cooperative Movement;
- xi) to undertake training and education of members, potential members, office bearers and committee members of societies and others in cooperative principles and practices;
- xii) to start or take over and manage a training centre to provide educational facilities to various categories of staff employed in the Cooperative Sector, prescribe course of instructions, conduct examination and award certificates/diplomas;
- xiii) to function as focusing centre of non-official opinion of various subjects affecting the movement and for representing it in proper quarters;
- xiv) to raise funds according to these bye-laws and to administer the funds so raised;
- xv) to undertake such other activities as may be conducive to the furtherance of Cooperative Movement and to the attainment of the above said objects.

## **MEMBERSHIP**

- 5. The Membership of the Harcofed shall be open to (a) Govt. and (b) all Cooperative Societies (c) associate member.
- 6. (i) Any person or any statutory body notified by the Govt. under sub-section (i) of section 18 of the Act in this behalf may be admitted as an associate member.
  - (ii) An associate member shall not be entitled to vote or any share in any form whatsoever in the assets or profits of the Harcofed.

7. Application for membership shall be addressed to the Managing Director (by whatsoever name called) of the Harcofed. Each such application shall be disposed off by the Board of Directors.
8. Every member shall pay an entrance fee of Rs. 100/- Every member other than an associate member shall take atleast one share of Rs. 1100/- and the amount shall be payable in lump sum. No share shall be withdrawn except in accordance with the rules.
9. Membership may be terminated on:
  - i) Cancellation of registration of an affiliated society; or
  - ii) expulsion as provided in bye-law No. 11.
  - iii) ceasing to hold atleast one share.
10. A member of the Harcofed may be expelled by the General Body for one or more of the following reasons:
  - i) If the member persistently defaults in payment of subscription to the Harcofed for two years despite due notice;
  - ii) If the conduct of member is prejudicial to the interest or reputation of the Harcofed.
11. The decision of expulsion of member shall be communicated to him who may appeal to the Registrar within 60 days of the communication of the decision.

## **FUNDS**

### **ANNUAL SUBSCRIPTION**

A member shall be required to pay annual subscription at the rates fixed by the Board of Directors from time to time with the approval of Registrar Cooperative Societies, Haryana.

- 12 (ii) Subsidies & Grants from the Govt./Coop. Institutions and donation from Govt./Board/Corporation/companies/societies or Coop. Institutions or individuals.

13. The funds of the Harcofed may be raised by :

- i) Admission fee, share capital and annual subscription from members;
- ii) Subsidies, grants and donation from the Govt. or Coop. Institutions or individuals.
- iii) Borrowings;
- iv) Education fund as defined under the Haryana Cooperative Societies act, 1984 and the Rules.

13. (a) The maximum credit limit of the Federation shall be fixed by Board of Directors. Provided this shall not at any time exceeds five times of the share capital plus reserve.

14. Annual subscription and the contribution from the education fund pertaining to the preceding cooperative year shall be deposited with the Harcofed before 31st December, every year.

15. In the event of the Harcofed being wound up the liability of a member towards deficit in its assets shall be limited to the paid up share capital holding by him.

### **GENERAL BODY**

16. The General Body of the Harcofed shall consist of the followings:

- i) One representative of each member Cooperative society;
- ii) All persons as may be nominated by the Govt. on the board of Directors.
- iii) Registrar, Coop. Societies or his nominee.

17. The General Body of Harcofed shall meet from time to time and atleast once a year. A meeting of the General Body shall be convened by the Managing Director (by whatever name called) of the Harcofed under the direction of the Board of Directors. A meeting of the General Body shall also be convened if the requisition for such a meeting, signed by not less than one fourth of the total members, is received by the Board of Directors. If on the receipt of a requisition, the B.O.D. fails, within a reasonable time to convene the meeting the signatories to the requisition may refer the matter to the Registrar, who

may, if he thinks fit, summon the meeting. The Registrar may on his own motion at any time summon a meeting of the General Body of the Harcofed.

18. Atleast a fortnight's notice, specifying the date, place and time and agenda of the meeting, shall be given to all members. The notice of a meeting may be given in one or more of the modes :
  - i) By affixing a copy of the notice at the Harcofed office or at some conspicuous place in the area of operation of the Harcofed.
  - ii) Under postal cover.

The quorum for the meeting shall be one-third of the total numbers or 30, whichever is less. If at the hour fixed for a meeting, the quorum is not forthcoming, the Chairman of the meeting shall, if the meeting has been called on the requisition of the members adjourn it and no further meeting shall be convened on the strength of the requisition. If the meeting is convened otherwise than on requisition, the Chairman shall postpone the meeting to a further date. A fresh notice of the subsequent meeting shall be given to all members. The business at the subsequent meeting may be transacted with the number of members present.

19. The President or, in his absence, the Vice President of Harcofed shall preside over meetings of the General Body. When both of them are absent, the members present shall elect a Chairman for the meeting.
20. Subject to the provision of section 20 of the Haryana Co-op. Societies Act, 1984 every member of the General Body shall have one vote irrespective of the number of shares held by him. Member societies shall be represented by one of its members. No proxies shall be allowed, unless otherwise provided in the Act and Rules. All questions shall be decided by a majority of votes of the members present. When votes are equal the Chairman of the meeting of the General Body shall have a casting vote.
21. All discussions held or decision taken in a meeting of the General Body shall be recorded in a proceeding book which shall be signed by the Chairman of the meeting.

## **BOARD OF DIRECTORS**

### **22. The Board of Directors shall be constituted in the following manner :**

- (a) 3 nominees of Apex Institutions in alphabetical orderly rotation.
  - (b) 3 Directors to be elected from Central Societies.
  - (c) 3 Directors to be elected from Primary Societies.
  - (d) Registrar, Cooperative Societies, Haryana or his nominee.
  - (e) Managing Director of the Harcofed.
  - (f) Government nominee as may be appointed under section 29 of the Act.
  - (g) Regional Director RICM, Chandigarh or nominee.
  - (h) Director Public Relations (DPR) Haryana or his nominee.
- (A) Provided the committee shall, unless superseded earlier by the Registrar, hold office for a period of five years from the date of election and the term of office bearers shall be coterminous with the term of the committee:
- (B) Provided further that irrespective of anything contained in the Bye-Laws, the committee may fill a casual vacancy in the committee by election, if the term of office of the committee is more than half of its original term, or by cooption, if the term of office of the committee is less than half of its original term, as the case may be out to the same class of members in respect of which the casual vacancy has arisen.

*Explanation:* "Rotation" shall mean rotation commencing with the tenure of the Board of Directors.

23. No person shall be eligible for election/nomination as a member of the Board of Directors of Harcofed if he :-
- a) is below 21 years of age; or
  - b) is convicted of any offence involving dishonesty or moral turpitude during the preceding five years; or
  - c) has applied for insolvency or has been declared insolvent; or
  - d) is of unsound mind; or
  - e) is related to any of the employees of the Harcofed provided that the Registrar shall be competent to grant exemption from this clause; or
  - f) is a representative of a society which is a defaulter in respect of the annual subscription, contribution to education fund or any other sum payable to the Harcofed.

- g) incurs any other disqualification laid down in the Rules.
24. An elected/nominated member of the Board shall cease to hold office if he :-
- i) is or was in default regarding any payment due from him or the society he represents, to any cooperative society for a period of three months from the date on which the payment fell due. Such a member shall not be eligible for cooption or election/nomination to the Board of Directors for a period of one year after the date on which the default is cleared; or
  - ii) resigns; or
  - iii) ceases to be the representative of the society he represents; or
  - iv) if an elected member fails without sufficient reasons to attend three consecutive meetings; or
  - v) becomes subject to any disqualification mentioned in the Rules.
25. The members of the committee including those nominated under section 29 of the Act shall elect from amongst themselves a President and a Vice President. The President or in his absence, the Vice President shall preside over the meeting of Board of Directors. In their absence a Chairman for the meeting shall be elected from amongst the Directors present.
26. The members of the Board of Directors shall hold office for a period of five years from the date of election.
27. The Board may fill up a casual vacancy caused by death, cessation, resignation, expulsion etc. by cooption. Such coopted member shall be a representative of co-operative societies on whose account the vacancy is occurred. The terms of such coopted member shall be coterminus with the terms of the Board.
28. The Board of Directors shall exercise all the power and discharge all the duties relating to the affairs of the Harcofed except those reserved for the General Body. The meeting of Board of Directors shall be convened by Managing Director by whatsoever name called. The quorum for the meeting shall be one

third of the total numbers of members of the Board. Atleast 15 days clear notice shall be given for holding a meeting of the Board.

In particular, the Board of Directors shall have the powers to :

- i) appoint a sub committee or sub committees for specific work;
  - ii) determine service conditions of employees of the Harcofed consistent with the provisions of the Act and Rules.
  - iii) give directions to the Managing Director for convening the meeting of the General Body of the Harcofed and to submit to the general meeting the annual report, audited balance sheet and profit and loss account;
  - iv) frame and subsequently amend regulation for conducting the business and working of the Harcofed with the provisions of these bye-laws;
  - v) delegate any of its powers and duties to the President or Vice-President or the Managing Director;
  - vi) appoint a representative to represent the Harcofed in the managing committee or the general body of any cooperative institution;
  - vii) act on behalf of the National Cooperative Union of India in all matters pertaining to the Haryana State;
  - viii) grant admission to new members; and
  - ix) distribution of net profits.
29. In the conduct of the affairs of the Harcofed the Board shall exercise the prudence and diligence of an ordinary man of business and shall be responsible for any loss sustained through acts contrary to the bye-laws and the stated objects of the Harcofed.
30. All discussion held or decision taken at a meeting of the Board shall be recorded in a proceeding book which shall be signed by the Chairman of the meeting.

## **SUB-COMMITTEE**

31. The board of Directors may from time to time, appoint a sub-committee or sub-committees of its members as it may consider necessary for the efficient management of the affairs of the Harcofed. A Sub Committee may associate with its working persons other than the members of the Board who may have specialised knowledge of the subject to be dealt by a sub-committee.

## **MANAGING DIRECTOR**

32. Subject to the approval of the Registrar Cooperative Societies, the Harcofed shall appoint a whole time paid Managing Director. He shall have the following duties and powers :-
- i) to generally administer the affairs of the Harcofed subject to the direction of the Board;
  - ii) to supervise and control the work of the employees of the Harcofed.
  - iii) to maintain proper and accurate accounts of all money received and expended and all stock bought and sold;
  - iv) to keep the accounts of assets and liabilities of the Harcofed;
  - v) to maintain up-to-date registers of members;
  - vi) to receive deposits and other money and issue receipts of and also to pay amount due from the Harcofed.
  - vii) to summon and attend meetings of the General Body or Board of Directors and any other committee under these bye-laws;
  - viii) to fix prices of registers, bye-laws and other printed matters etc. sold by the Harcofed.
  - ix) to certify copies of entries in the books of the Harcofed as per provision of the Act;

- x) to facilitate the inspection of the Harcofed by any person authorised in this behalf.
- xi) to act for and on behalf of the Harcofed in implementing the decision of the General Body, Board of Directors;
- xii) to inflict punishment of censure, withholding of increment on or to suspend an employee of the Harcofed;
- xiii) to institute and defend suits and other legal proceedings on behalf of the Federation;
- xiv) to incur contingent expenditure within the limit fixed by the Board of Directors;
- xv) to perform all other duties and to exercise all such powers as are assigned to him by the Board;
- xvi) to recruit employees equivalent to the class IV employees in the Government.

#### **SECRETARY**

33. The HARCOFED shall appoint a Secretary to assist the Managing Director in discharging his/her duties. The Secretary shall work under the control and supervision of the Managing Director.

#### **DISPOSAL OF PROFITS**

34. The net profits of every year of the Harcofed as per audited balance she shall be distributed as follows :-
- i) atleast 10% shall be carried to the Reserve Fund and the bad and doubtful debts fund;
  - ii) two per cent of the net profits shall be carried to Education Fund to be administered in accordance with the instructions from the Registrar issued from time to time;
  - iii) The remainder may be utilised for one or more of the following purposes;

- a) distribution of dividend amongst members at a rate not exceeding 10 percent per annum on the value of the share actually paid up :
- b) creation of building fund, loss adjustment fund and any other fund required by the Harcofed;
- c) a sum not exceeding 5 percent of the net profits may be carried to a Common Good Fund to be utilised for any purpose defined in Section 2 of the charitable Endowment Act, 1890.
- d) any surplus may be credited to Reserve Fund or carried over to the profits of the next year.

### **MISCELLANEOUS**

- 35. The Harcofed shall pay such audited fee as may be assessed from time to time by the authority competent to do so.
- 36. If the Harcofed is indebted to a cooperative financing institution, it shall be competent for an authorised representative of the later to inspect the books and record of the Harcofed and the Board of Directors of the Harcofed shall arrange the production of books and records before such representatives.
- 37. The Services of the members of the Board of Directors shall be honorary but they, may be paid travelling and daily allowance/Boarding/Lodging on a scale fixed with the approval of the Registrar.
- 38. The Harcofed shall maintain such accounts and other record in such form or manners as may be specified under the Act and the Rules.
- 39. The Harcofed shall prepare and submit such returns and statements as the Registrar may from time to time specify.
- 40. Should any doubt 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.
- 41. All disputes relating to the constitution, establishment, management or business of the Harcofed shall be disposed of in the manner provided in the Act and the Rules.

42. The Harcofed may in the circumstances specified on the relevant provisions of the Act be wound up and cancelled by the Registrar in accordance with the procedure laid down in the Act and the Rules.
43. The words and phrases used in these bye-laws shall have the same meaning as is assigned to them in Haryana State Cooperative Societies Act, 1984 and the Rules.

[As approved by the Registrar as Model bye-laws and adopted by the General Body meeting of the Harcofed on 21.03.1986 and registered by the Assistant Registrar, Cooperative Societies Ambala City exercising the powers of Registrar Cooperative Societies Haryana on 17th April, 1986 alongwith an amendment in the bye-laws No. 32 (xvi) registered on 14th October, 1987] and further amendment in the Bye-laws No.22,32 and 33 registered on 23-08-1988. Amendment in Bye-law No. 13-A Registered on 25-01-1991 and further amendment in the Bye-Laws Sr. No. 4(viii), 8, 12, 13(a), 22,25,32 (xvi) 33 & 37 has been registered by ARCS Ambala exercising the power of RCS, Haryana on 26.10.2015 under reference no. 3490.