

MODEL BY-LAWS FOR DAIRY COOPERATIVE SOCIETIES

1. Name, Address and Jurisdiction :

- 1.1. The name of this Society shall be Milk Producers' Cooperative Society Limited and shall be hereafter referred as Society.
- 1.2. Its registered address shall be at Village..... Taluka..... District. Any change in this address shall be notified to the Registrar within 30 days of the change of address
- 1.3. The Area of operation of the society shall be village/s in districts of State----- and the society will be affiliated to.....cooperative milk union/. The census code of the village(s) is/are.....

2. Definitions

- 2.1. 'Act': Means theState Cooperative Societies Act, as amended up to date
- 2.2. 'Rules' means the rules made by the State Government under State Cooperative Societies Act.
- 2.3. 'Active Member': Means a member who fulfils the quantum and period of patronage to the society as laid down by the bylaws
- 2.4. 'Audit Officer/Firm': means person appointed under the provisions of the act to audit the accounts of the Society
- 2.5. 'Area of Operation': Means the area from which the membership is drawn
- 2.6. 'Management Committee' Means Management Committee constituted as per provisions of the bylaws or the committee to whom the management of the DCS has been entrusted as per the Act and Rules
- 2.7. 'Cooperative year': Financial year starting from 1st of April and ending on 31st of March of subsequent year
- 2.8. 'Cooperative Society' or 'Society': means an entity registered under the Act mentioned at section 1.1
- 2.9. 'Management Committee Member': Means member of the Managing Committee

- 2.10. 'employee' means a person, not being an office bearer, employed by a registered society on a salary or similar form of remuneration other than advance patronage dividend or payment for goods sold to or through the society
- 2.11. 'Election Authority' means the authority or body, as may be provided by the Legislature of a state on whom the superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to society has been vested
- 2.12. 'Family' Means a person, his/her spouse, widowed/unmarried sister his/her children and parents dependent on him/her and jointly residing with him/her
- 2.13. 'General Body' in relation to society means the highest authority of the society
- 2.14. 'General Meeting' Means a meeting of the general body called and conducted in accordance with the provisions of this act and the bylaws
- 2.15. 'Member' means a person joining in an application for registration of a cooperative society or a person admitted to the membership of a cooperative society after registration in accordance with the provisions of the Act & Rules and the bye-laws made thereunder, and includes a joint member or a SHG and, subject to the provision of Act, Rules & Byelaws.
- 2.16. 'Joint member' shall mean any one or two persons admitted jointly to the membership of a cooperative society under the provisions of state Act, Rules & Byelaws made thereunder.
- 2.17. 'Office Bearer' Means a Chairperson, Secretary, Treasurer of Society
- 2.18. 'Promoter' means any eligible person signing the application of registration of a society
- 2.19. 'Registrar' means the officer appointed by the State Government to perform the duties of Registrar of Cooperative Societies under the act
- 2.20. 'Surplus' means the excess of income over expenditure of a cooperative society arrived at the end of a financial year after payment

of dividend, if any, on share capital and before the allocation of reserves and other funds

2.21. 'Service' means the services provided to members

2.22. 'Union' means the cooperative milk union to which the cooperative society is affiliated.

2.23. 'Expert member' means member of the Management committee co-opted as per the provisions of the Act and rules

2.24. Words importing masculine gender shall be taken to include feminine

3. Objectives of the Society:

3.1. To pool the milk from registered members of society and deal with activities that are required for preservation of quality of milk and their sale to the affiliated Milk Union.

3.2. To provide guidance and assistance to the members undertake efficient milk production practices

3.3. To undertake educational programs, extension services aimed at dissemination on advancements in animal husbandry, dairying to the members

3.4. To provide or arrange to provide technical and managerial services in the areas of breeding, feed/fodder, veterinary services to increase milk production

3.5. To facilitate extension of various financial services availed from various financial institutions to the members of the society but not to stand guarantee to members' liability

3.6. To purchase, rent or lease land, buildings or any other services for the society

3.7. To take up all other allied activities for carrying out the above objectives for the overall development of dairying

3.8. Society may take up activities for general welfare of the members

4. Funds

4.1. Society may raise funds through following

- 4.1.1. Entrance fees
 - 4.1.2. Shares
 - 4.1.3. Debentures
 - 4.1.4. Deposits from members
 - 4.1.5. Borrowing
 - 4.1.6. Grants, Aids, Subsidies, Donations
- 4.2. Entrance fees may be as decided by the society from time to time
- 4.3. The authorised share capital of the society shall be Rs. _____ Lakhs divided in to _____ shares of face value of Rs. 10 each and shall be paid in full on allotment.
- 4.4. The society may from time to time decide on
- 4.4.1. Increase in authorised and Paid up share capital
 - 4.4.2. Consolidate and divide paid up share capital in to shares of larger or smaller amount than its existing share capital subject to the provisions of the act
- 4.5. The funds of the kind specified in 4.1.3, 4.1.4 and 4.1.5 above to the raised together shall not exceed ___ times the total paid up share capital and reserve funds, less accumulated losses

5. Membership :

5.1. Eligibility, Ineligibility for obtaining membership

- 5.1.1. He is residing within the area of operation and is competent to contract
- 5.1.2. No other person from his family is a member of Society
- 5.1.3. His written application in the prescribed form for membership has been approved by the Managing Committee
- 5.1.4. He rears buffalo/cow for milk production and has agreed in writing to supply entire quantity of surplus milk to the society
- 5.1.5. He agrees to supply the good quality milk as per the quality standards set by the society from time to time

- 5.1.6. He or his family is not in the business of milk and milk products.
- 5.1.7. He has taken at least 10 shares (with total value not less than Rs.100/-) and paid an entrance fee as charged at the time of application of membership.
- 5.1.8. A member may start pouring milk from the date of application for membership though such pouring during intervening period may not be considered as patronage of the member
- 5.1.9. Any share capital of union subscribed by the member societies will be suitably appropriated to milk producer members of that Society

5.2. Eligibility, Ineligibility for continuing membership

- 5.2.1. Membership shall continue as long as Member does not fail to meet the criteria as may be prescribed by bylaws based on the provisions of section 5.2.2
- 5.2.2. Member will fulfill the patronage criteria as may be decided by the Society on following parameters
- 5.2.2.1. Minimum number of days of pouring to be ----- days (*but not less than 180 days*) and ----- Ltr/Kg of milk to be poured in a year
- 5.2.2.2. Flush to Lean ratio of milk supply to be -----
- 5.2.2.3. Matching equity contributions to be made against quantity of milk poured during the year as may be decided by Management committee
- 5.2.3. Membership of a member will be terminated if he does not meet the patronage criteria for three consecutive years
- 5.2.4. Membership of a member will be terminated if he does not attend three consecutive Annual General Meeting
- 5.2.5. Membership will be terminated if the member ceases to be a resident of the area of operation of the society

5.3. Procedure for obtaining membership

5.3.1. Applications for the membership of Society may be accepted during the specified period as decided by the Management Committee from time to time

5.3.2. An individual Producer shall become a Member after the Management Committee members pass a resolution accepting his admission as members.

5.3.3. Application of the member will contain the details as provided in the schedule A.

5.3.4. The processing of applications for membership should be completed and acceptance or refusal with reasons should be communicated to concerned applicants within sixty days of receipt of applications. The failure of communication will automatically result in deemed membership. Such members will have all the rights of members.

5.4. Procedure for withdrawing membership

5.4.1. Any member may withdraw from the society at any time by submitting his resignation to the Managing Committee and getting it approved. But such approval shall not be given while he is in debt to the society or he is a surety to another member.

5.4.2. In case a member has no outstanding dues with the society or he is not a surety to another member, his resignation will be considered as accepted after one month from the date of his resignation.

5.5. Procedure for termination of membership

5.5.1. Any member who is not eligible to continue as a Member shall be served a written notice by the management committee for removal as Member.

5.5.2. The member would need to reply to the notice within stipulated period as specified in the notice.

5.5.3. Such notice shall be sent by Ordinary Mail/ Registered Post/Hand delivered to the member at his last known address and be deemed to be served five days after posting. Thereafter, the Management Committee shall take a decision in the matter.

5.6. Circumstances under which membership ceases

5.6.1. The membership of a person shall be treated as discontinued or he ceases to be a member on any one of the following reasons

5.6.1.1. On death of the member

5.6.1.2. On resignation of the member duly accepted by the Management Committee

5.6.1.3. If all shares belonging to the member are transferred to another member

5.6.1.4. Termination as per the section 5.5 of the bylaws

5.6.2. The membership of a person shall also be ceased if he has not fulfilled the criteria as stipulated in sub-section 5.2

5.6.3. The membership of a person shall be ceased if he is removed according to any other provisions of the Act and Rules

5.7. Procedure upon cessation of membership

5.7.1. When a person ceases to be a member, nominee of the person will be informed within 15 days. In case of absence of nominee, legal heir of the person will be informed within 15 days. The society shall refund all his dues including the share capital at prevalent share price (book value) within six months.

5.7.2. The person will make application for return of share capital in writing and shall be disposed off by the Managing committee within six months

5.7.3. No person can seek return of share capital within one year of obtaining membership

6. Member, rights, obligations and liabilities

6.1. The liabilities of a member shall not exceed any unpaid amount on share subscribed.

6.2. Every member will have one vote in the General meeting subject to his fulfilment of patronage criteria as per subsection 5.2.2 in every preceding financial year

6.3. Initial promoters and persons becoming members of the society in the first year operation are exempted from sub-section 6.2 for the first two financial years

6.4. Member may transfer the whole or part of his shares to another member after prior approval of the management committee

7. General Meeting

7.1. Society shall in each year, hold, in addition to any other meetings, a General Meeting, as its Annual General Meeting within six months of completion of a financial year

7.1.1. Society may call Special General Meeting as per provisions of the Act & Rules

7.2. All the members of general body shall be eligible to attend the General Meeting

7.3. The voting rights in the General Meeting will be subject to the criteria as may be specified by the Society in sub-section 6.2

7.4. Chairperson of the Management Committee will preside over the meeting. In case of his absence, the members present would elect the Chairperson from amongst themselves for the meeting

- 7.5. Annual General meeting shall deal with matters as specified in the Act and any other matter which is deemed fit to be taken up for discussion with the permission of chair
- 7.6. Secretary will place report on attendance of Management Committee member in the meetings held during the financial year and also details of quantity, number of days and quality of milk supplied by Management Committee Members
- 7.7. A General meeting of the society shall be called by giving not less than fourteen days prior notice in writing
- 7.8. ____th of the members or 25 number of members present will form the quorum of the General Meeting. In case of absence of quorum the process as per State Cooperative Act will be followed

8. Management Committee

- 8.1. The society shall be governed by the Management committee, which will oversee the functions of the society
- 8.2. Management committee will consist of ____members(shall not exceed 21) who shall be elected amongst the members of the society
- 8.3. Reservation on Management Committee shall be provided in accordance with provisions of the Act and Rules
- 8.4. The term of the Managing Committee will be of five years from the date of first meeting
- 8.5. Every member who fulfils all the criteria as specified in section 5.1 and 5.2 of the bylaws and provisions as laid down in Act shall be eligible to become member of the management committee
- 8.6. Vacancies if any in the elected management committee will be filled by nominations out of the same class of members in respect of which the casual vacancy has arisen, in case, the term of the management committee remains less than half of its original term, else elections shall be conducted for the vacant seat.
- 8.7. Management committee may co-opt two expert members as below
 - 8.7.1. One of the officials of the union

8.7.2. One progressive dairy farmer from the area of operation of the Society

8.8. Every Managing Committee shall elect a Chairperson whose term will be co-terminus with that of the Managing Committee

8.9. Chairperson will chair all the meetings of the managing committee. In the absence of Chairperson, Management Committee will nominate a member present to chair the meeting of Management Committee

8.10. All the decisions in the management committee meetings will be taken by majority of votes. In case of tie, the Chairperson or Management Committee member presiding over the meeting will have an additional casting vote

8.11. Power and function of the Management committee

8.11.1. To confirm the minutes of the previous meeting.

8.11.2. To dispose off the applications for membership, resignations, demand for shares, transfer of shares and refund of shares and to take necessary steps to recover the unpaid instalments of shares.

8.11.3. To raise necessary funds for the working of the society and to decide the conditions to receive deposits and to invest the excess of the funds of the society according to the provisions of the State Cooperative Societies Act.

8.11.4. To open necessary accounts in the Bank in the name of the society and to delegate necessary powers to transact money.

8.11.5. To depute representatives to the cooperative institutions to which the society is affiliated as and when required.

8.11.6. To verify the member register, books of account and other registers and to take necessary actions to have these written systematically and completely.

8.11.7. To inspect the accounts of society, to verify the cash physically and to authorise the Chairman or any other member of the Committee to sign the cash book regularly.

- 8.11.8. To decide the maximum limit of cash to be kept on hand by the secretary.
- 8.11.9. To decide date, time, place and agenda of the General Meeting; to make necessary arrangements to call Special General Meeting according to provisions of the State Cooperative Societies Act and to see that Annual General Meeting is held in the prescribed time limit.
- 8.11.10. To file claims, protect, defend and compromise legal suits and hear other complaints and dispose them off.
- 8.11.11. To hire buildings and/or go-downs for the office of the society and/or for storing or selling goods or to build or purchase these by getting prior approval of the General Meeting and the Cooperative Department.
- 8.11.12. To prepare Annual Report and accounts in time and to authorise the chairman of the committee to publish them and to recommend the distribution of profits to the Annual General Meeting.
- 8.11.13. To frame administrative rules not contrary to the Cooperative Act, Rules and bye-laws and resolutions of General Meeting for the efficient working of the society. Such administrative rules should be recorded in the minute book of the Managing Committee and shall come into force only after getting the approval of the General Meeting.
- 8.11.14. To take note of Audit Report of the society and arrange to execute the instructions given in the audit reports. To rectify the defects shown in the Audit reports and to send Rectification Reports within a month after receiving the same. This report along with rectifications will be presented for approval in the next General Meeting. To furnish necessary facilities, information and statements to auditors and other officers of the Audit Department, bank and authorized officers of the Union.
- 8.11.15. To recommend to the General Meeting the amendments, alterations and rescinding of the byelaws and rules of the society.

- 8.11.16. To demand from the Secretary of the Society, the monthly statement of accounts of the society such as trading accounts, profit and loss accounts, stock of goods, etc. for inspection and approval and to approve the expenditure within the limit of the budget provisions approved by the General Meeting.
- 8.11.17. To fix specific responsibilities for records, equipment, stock of goods, etc. of the society.
- 8.11.18. To take necessary insurance policy for the properties of the society and against loss of cash and other commodities.
- 8.11.19. To arrange the purchase/sale of milk, ghee, cattle feed etc., as per the instructions of the District Cooperative Milk Producers' Union and to carry out all the instructions of the Union.
- 8.11.20. To take necessary steps to recover any outstanding debt of the society.
- 8.11.21. To take all steps to increase milk production and conduct necessary animal husbandry activities including animal breeding as per the directives of the Union.
- 8.11.22. To dispose off the disputes
- 8.11.23. To appoint the Secretary of the society and all other paid employees and to relieve them or to dismiss them or take disciplinary actions against them if necessary.
- 8.11.24. To fix job profile, to fix the pay, conditions of services and qualifications of all paid employees of the society and authority and responsibilities of all the employees.
- 8.11.25. To frame staff provident fund rules for the employees of the society and to execute them after approval of the General Meeting and the Cooperative Department.
- 8.11.26. The Managing Committee may invest money within the limits of provisions of the State Cooperative Societies Act, but if such investment is to be made in land and building, it cannot be done without the prior approval of the General Meeting and District Registrar.

8.11.27. To consider inspection, supervision and visit reports and to take necessary actions for the same.

8.12. Managing Committee must meet at least 10 times a year

8.13. Generally a minimum of seven days' notice shall be served to the members for convening a Management committee meeting. If required a notice may also be called at shorter notice

8.14. No management committee member will participate in a discussion and vote on Agenda item in meeting in which he has personal interest.

8.15. When the management committee members vote for a resolution, or approve by any other means, anything done in contravention of the provisions of the Act or any other law for the time being in force or the byelaws they shall be jointly and severally liable to make good any loss or damage suffered by the society by that resolution

9. Elections

9.1. Elections of Management committee of the Society will be held as per Act and Rules

10. Secretary

10.1. Management committee will appoint a secretary for General control over administration and business of the society

10.2. Powers and functions of the Secretary

10.2.1. To call meetings of the General Meeting, Managing Committee according to the Instructions of the Chairman and to remain present at these meetings and to record the proceedings of such meetings in separate minute books.

10.2.2. To spend, withdraw and recover money according to the instructions of the Managing Committee.

10.2.3. To receive all communications addressed to the society and to draw the attention of the Committee on any important matter.

- 10.2.4. To prepare all receipts, vouchers, annual reports, trading and profit/loss account, balance sheet and other necessary statements for the society, and to furnish in time the required information, records, etc., to the Cooperative Department, the bank and the milk union.
- 10.2.5. To do all the necessary correspondence pertaining to the routine administration of the society and to furnish all the required information to members and to correspond with the prior approval of Chairman in Special matters.
- 10.2.6. To place before the Managing Committee without delay, the Audit reports and to rectify immediately the discrepancies shown in the report and submit the same to the Auditor within one month after getting it approved by the Managing Committee.
- 10.2.7. To guide the other employees of the society and to supervise and control their work and to inform the Managing Committee regarding their work and to fix up their duties and responsibilities in consultation with the Managing Committee.
- 10.2.8. To write or to get written the cash book and other books of account of the society regularly.
- 10.2.9. To withdraw money for the milk purchase and to collect every day the sale proceeds of local sale of milk and other sales from the concerned persons of the society.
- 10.2.10. To produce for approval, monthly trading, profit/loss account and other statements of sale/purchase etc. before the Managing Committee.
- 10.2.11. To deposit the surplus cash in the Bank. To take necessary steps, subject to the bye-laws for increasing the business of the society in consultation with the Chairman.
- 10.2.12. To see that the dues of the society are regularly recovered and if it is not possible, to prepare required

statements for legal action in consultation with the Managing Committee.

10.2.13. To do all other works as directed by the Chairman and the Managing Committee.

10.2.14. In the absence of the Secretary, Managing Committee can authorise any other person to attend to the work of the Secretary, if such authority is not given by the Managing Committee, the next senior most staff will be responsible for the secretarial work.

10.2.15. Management committee may from time to time vest any other responsibility on the secretary as it may deem fit to do so.

11. Disposal of Surplus

11.1. The distribution of surplus will be done as per Act and rules. In any year Union shall allocate towards a deficit cover fund, reserve funds, deferred payment to the members as patronage rebate in proportion to their use of the cooperative society's services, and payment on share capital of interest not exceeding the rate of interest paid by scheduled banks, such percentages of the surplus arising from its business transactions in the previous year, as may be approved by the general body in accordance with provisions of act

12. Reserve fund and General reserve

12.1. Apart from the provision made in 11.1.2 all entrance fees, receipts on account of forfeited share and fines other than those collected from the employees shall be carried to the reserve funds

12.2. Any other income other than as provided in 12.1 and excess provisions and donations other than for specific purposes will be carried to General reserve with a permission of Management Committee

13. Accounts and Records

13.1. The accounting year for the Society shall be from 1st April to 31st March. The books of accounts and other records shall be maintained

as prescribed in the rules and such other records as may be prescribed under the act or any other provisions applicable

13.2. Any member of the society may inspect any of the register of accounts during the office hours so far as they relate to his own business transactions

13.3. Bylaws of the Union shall prevail in case of any absence of provision or inconsistency subject to provisions of the act and rules

14. Amendments in the bylaw

14.1. None of the amendment in bylaws shall be carried out without obtaining 2/3rd majority of members present in AGM. The notice convening such meeting shall specifically mention alteration, addition or deletion in bylaws.

14.2. No amendment will take in to effect until it is approved by the Registrar Deemed amendment 6 months

15. Appeal

15.1. An appeal for any decision taken by Management Committee shall be made to General Body of the society

15.2. In case of difference of opinion in interpretation of bylaws decision of Registrar shall be final and binding on both sides.