

By laws –

Bye:- Jharkhand State Minor Forest Produce Co-operative Development and Marketing Federation Ltd., Ranchi.

1. Name and Address :

The Society which is registered under Jharkhand Co-operative societies Act. (Act VI of 1935) shall be called the Jharkhand State Minor forest Produce Co-operative Development and Marketing Federation Limited i.e. in short "JHAMFCOFED" and its registered office shall be at Ranchi. It has been referred to in these bye-laws briefly as "Federation".

In the event of any change in the address of the registered office, notice thereof shall be sent within 15 days of such change to the Registrar Co-operative Societies Jharkhand, to the Jharkhand Co-operative Federation Limited, Ranchi and the Financing Bank if any.

2. Area of Operation :-

The area of operation of the federation shall be the whole state of Jharkhand. It may open branches with the prior approval of Registrar Co-operative Societies Jharkhand inside or outside Jharkhand for carrying out any or all the objectives.

3. Definition :-

In these Bye-laws

- (a) "Act means The Jharkhand Co-operative Societies Act 1935 as amended from time to time.
- (b) "Federation" Means The Jharkhand State Minor Forest Produce Co-operative Development and Marketing Federation Limited.
- (c) "Board means the Board of Directors Constituted in accordance with these bye-laws.
- (d) "Member of the Federation" means a shareholder of the Federation.
- (e) "Registrar" Means the Registrar Co-operative Societies, Jharkhand.
- (f) "Rules" means the rules framed under the Act and in force for the time being.
- (g) "Society" means a Co-operative Society registered under the act.

4. Objects :-

The objects of the federation shall be in general to promote Minor Forest Produce (MFP) industries on Co-operative basis and in particular:-

- (a) To purchase Minor Forest Produce along with other Agricultural produces grown by MFP collectors, villagers such as oil seeds, pulses etc (Nationalised with prior permission from the competent authority) directly or through:-
 - (ii) Primary Agriculture Credit Society. (PACS)
 - (iii) Vyapar Mandal Sahyog Samity (VMSS)
 - (iv) Primary Minor Forest Produce Co-Operative Societies (PMFPCS)
- (b) To provide finance to LAMPS/PACS/VMSS/PMFPCS) for procurement of Minor Forest Produce From Primary growers and Collectors.
- (c) To arrange for marketing of minor forest produce and to its products through concerned government agencies or otherwise.
- (d) To help in the activities of promotion of production of the MFP.
- (e) To enter into all kinds of contracts and transaction relating to purchases and sale of MFP along with other Agricultural produces grown by MFP collectors,

villagers such as oil seeds, pulses etc and its products with a view to the gradual elimination of middle men and to ensure fair price to the MFP growers or collectors.

- (f) To acquire and hold shares in any Co-operative Society in the interest of the Federation.
- (g) To take necessary steps to safeguard the interest of the affiliated societies.
- (h) To encourage thrift, self help and co-operation amongst the members of its affiliated societies and to promote the development of Co-operative industries and enterprises among its members.
- (i) To arrange for the training of the members of the affiliated societies.
- (j) To motivate, help co-ordinate and assist the member societies and their members in adopting cultivation of medicinal plants and collection of medicinal herbs and to grow bio-fuel plants like Jatropha and others.
- (k) Generally to undertake such other business and do such other things as are incidental and conducive to the promotion and attainment of the above objectives.

5. Share Capital :-

- (a) The authorized share capital of the Federation shall be Rupees Fifty Crores (50,00,00,000) divided into one lakh (1,00,000) shares of Rupees Five thousand (5,000) each. The value of each share shall be paid either in one lump sum or in a number of installments as may be fixed by the Board of Directors of the Federation.
- (b) Every member shall on admission pay an admission fee of Rupees Five Hundred (500).
- (c) The State Government may contribute any amount towards the share capital of the federation.
- (d) Every affiliated society shall collect Rs. Five (5) per quintal or part thereof as share capital contribution in a year from each of the grower or collector members of the societies whose MFP it purchases. At least 75% of the total share contribution collected from affiliated societies each should be contributed towards the share capital of the Federation.

6. Funds :-

The Federation may obtain funds from the following sources:-

- (1) Share subscription
- (2) Depositors.
- (3) Borrowing.
- (4) Subsidy.
- (5) Admission fee.
- (6) Miscellaneous.

7. Borrowing Powers :-

The maximum borrowing power of the Federation shall not exceed 15 times its paid up share capital and the reserve fund except with the special sanction of the Registrar co-operative societies Jharkhand.

8. Member Ship:-

The following shall be eligible for membership of the Federation:-

- (a) Large Area Multipurpose Society (LAMPS) Primary Agriculture Credit Society (PACS) Vyapar Mandal Sahyog Samity (VMSS) Self Supporting Co-operative Society of MFP Producing areas.
- (b) Primary Minor Forest Produce Co-operative Society.
- (c) Government of Jharkhand.
- (d) Any Statutory body with the prior approval of Registrar, Co-operative Societies Jharkhand.

9. The following shall be the members of the Federation:-

In addition to those who joined in the application for registration and those who subsequently admitted by the Board of Directors in accordance with the bye-laws.

10. Cessation of Membership :-

An affiliated society shall cease to be a member of the Federation when :-\

- (i) It is expelled.
- (ii) Is disqualified.
- (iii) Dissolved or liquidated.

11. Suspension and expulsion of members.

(a) The Board of Directors may expel or suspend pending completion of equity any affiliated society for :-

- (i) Being guilty of carelessness or bad working.
- (ii) Willful disobedience of these byelaws or any rules which may from time to time be drawn up by the Fedration for the guidance of the society members.
- (iii) Willful default or acts contrary to the interest of the Federation.

(b) All cases of suspension or expulsion shall be reported to the next general meeting confirmation. An appeal shall lie to the Registrar, Co-operative Societies, Jharkhand within 30 days or confirmation of the decision by the general meeting against the order of suspension or expulsion and his decision shall be final.

12. Refund of shares:-

In the event of cessation of membership on any ground other than default of share payment the net value of the share held by a member after deduction of the members dues to the Fedration shall be paid to the member within six months from the date of cessation of membership except in case of dissolution of the society when such amount shall be paid to the Liquidator of the society or to the person who is legally in possession of the assets of the society.

13. Transfer of Shares :-

Shares may be transferred with the approval of the Board of Directors to a member of the society who is eligible for admission and whom the Board of Directors is willing to admit as a member, but shares must be held for a period of at least 12 months before they can be transferred.

14. Share Certificate:-

Share holders shall be entitled to certificate under the common seal of the Federation specifying the share or shares held by them. If such certificates are lost or worn out they may be renewed on payment of Rupees five.

15. Liability :-

- (a) The liability of the member for the debts of the federation shall be limited to the face value of the shares held by them.
- (b) The liability of a past member to extent mentioned in clause (a)I... federation as they existed on the date of its ceasing to be a member shall continue for a period of two years from such date.

16. General Body :-

The supreme authority of the Federation is vested in the General BODy consisting of the following members:-

- (i) One representative from each member's society to be elected by the General Body for the purpose by such society from time to time.
- (ii) Representative of the State Government.

17. General Meeting :-

The General meeting of the Federation shall be of the following kinds:-

- (a) Annual General Meeting.
- (b) Extra-ordinary General Meeting.
- (c) Special General Meeting.

The General meeting shall maintain a general supervision over the business of the federation especially over the acts of the Board of Directors and shall take all steps that may be considered necessary in the interests of the Federation.

18. Annual General meeting:-

An Annual General Meeting shall be convened within six months of the close of the Co-operative year by the Board of Directors:-

- (i) To receive and consider the annual report and the statement of accounts submitted by the Board of Directors and to review the work of the Federation during the past year. In case the audited statement of accounts is not ready the same be considered at the next General meeting.
- (ii) To review the work of its officers and to hear and decide all appeals from the decision of the Board of Directors.
- (iii) To decide the maximum amount of liabilities which may be incurred by the Federation subject however, to the provision of bye-laws No.6.
- (iv) To take notice of all subjects which affect the financial position of the Federation.
- (v) To transact any other business that may be brought up.

19. Extra ordinary General meeting :-

- (a) The Board of Directors may, whenever, it thinks fit and shall upon a requisition in writing made by one tenth of members of the general body convene an extra-ordinary General meeting within a month from the date of such requisition.
- (b) Notice of a General meeting mentioning the place, date and hour of the meeting and the business to be transacted there at, shall be circulated at least ten days before the date of the meeting.

20. Special General Meeting :-

- (i) A special General meeting shall be called at the requisition of the Registrar other officers authorised by him at the head quarter of the Federation and at such time and date as specified in such requisition for consideration of such matter as may be specified therein.

- (ii) Special General meeting shall be held for the election of the members of Board of Directors, office bearer there of and the delegates of the Federation in accordance with rule 21-B to 21-X of the Jharkhand Co-operative Societies Rule 1959.

21. Quorum :-

One fifth of the members of the General Body shall constitute the quorum. If at the hour fixed for an Annual or Extra-ordinary General Meeting Quorum is not forthcoming the Chairman shall if the meeting has been called on the requisition of members, dissolve it, if otherwise convened he shall postpone the meeting to a date not less than seven days and not more than a fortnight later and the business to be transacted at the postponed meeting shall be the same and no other than that proposed for the original meeting. At such postponed meeting of a quorum is still not forthcoming resolutions may be carried by majority of three-fourth of the number of delegates present.

22. Management :-

- (a) The Executive Management of the Federation shall vest in a Board of Directors consisting of 22 Member. The constitution of the Board of Directors shall be.
 - (i) Secretary, Department of Co-operation Jharkhand-Chairman.
 - (ii) Registrar Co-operative Societies, Jharkhand-Director.
 - (iii) Managing Director to be appointed from State Co-operative service by the state Government.
 - (iv) Managing Director, Jharkhand State Co-operative Bank Ltd.,- Director.
 - (v) One Nominee of Department of Finance.
 - (vi) One Nominee of Department of Forest.
 - (vii) Director, Institute of Forest Productivity Jharkhand- Director.
 - (viii) Managing Director, Jharkhand State Forest Development Corporation-Director.
 - (ix) Ten Directors to be elected from amongst the delegates of the affiliated societies out of which 6 must be from schedule tribe class.
- (b) Four Directors to be nominated by State Government from the delegates of the affiliated VMSS/LAMPS/PACS/Primary Minor Forest Produce Co-operative Societies with a view to safeguard the interest of the MFP Growers and collectors in general (Preferably) from amongst Schedule Tribe and Schedule Caste MFP Growers and collectors.
- (c) The first board will be nominated by the state Govt. for one year.
- (d) The office of a director shall ipso facto be vacated:
 - (i) If the membership of the society he represents stands terminated under Byelaws No.10.
 - (ii) If he ceases to be member-society he represents, or
 - (iii) If he resigns his office by a notice in writing and is accepted by the Board of Directors.
 - (iv) If he acquires a disqualification under the act and rules. And
 - (v) If he absents himself from four consecutive meetings of the Board without permission of the Board and his absence is not condoned by the Board, or
 - (vi) The State Government shall have power to substitute at any time to the nomination of any Director of Directors nominated by it.

23. (a) The Board of Directors shall meet at every three months or as often as necessary to conduct the affair of the Federation. The quorum for a meeting of the Board of Directors shall be eight.
- (b) If an elected member of the Board of Directors ceases to be member of the Federation the Board shall appoint another member to take his place till the next general meeting of the Federation. The vacancy caused in the panel of the nominated member, will be filled in by the State Government. No defaulter shall be eligible for election as member of Board of Directors of the Federation if he defaults after election he shall be removed by the Board of Directors.
- (c) A Minute Book shall be maintained by Managing Director in which the name of members presents and the proceedings of each meeting shall be recorded and proceedings of each meeting shall be signed by the chairman and the members of the Board present in the meeting. In case of every resolution an item of business involving any money transaction the voting of each member shall be recorded. It shall be open to inspection by all members.
24. No member shall be present at any meeting of the Board which he has a personal interest in which he himself or his conduct is a subject of discussion except with previous permission of the Chairman.
25. Subject to these bye-laws and resolution passed at a general meeting. The Board of Directors shall have full authority to carry on the business of the federation. The powers and duties of Board of Directors shall in particular be:-
- (a) To arrange for the purchase of MFP from Societies affiliated to the Federation.
- (b) To maintain an efficient system of transport for the activities of the Federation.
- (c) To arrange for the efficient system and quick processing of the MFP.
- (d) To arrange for the sale of MFP directly of through State agencies.
- (e) To secure reasonable prices to the MFP, growers and collectors.
- (f) To provide finance and to determine the rate and amount of commission payable to the affiliated Societies for purchase of MFP through them.
- (g) To arrange for the efficient storage of MFP and other stores and proper maintenance of stock registers.
- (h) To exercise full administrative powers, such as of appointment promotion and punishment etc. over the staff of the Federation, who will not be the government employees, subject to the instructions issued from time to time by the Registrar Co-operative Societies, Jharkhand and the State Government.
- (i) To examine and check the Books and record maintained by the Federation.
- (j) To prepare annual balance sheet.
- (k) To raise funds for the Federation.
- (l) To institute, defend or compromise legal proceeding on behalf of the federation.
- (m) To generally conduct the business of the Federation.
- (n) To fix the duties of the Secretary, Treasurer and the office bearers.
- (o) To frame rules regarding any matter affecting the conduct of the Federation. In consistent with the provision of the bye-laws Jharkhand Co-operative Societies Act. 1935. (VI of 1935) and rules there under.
- (p) The Board of Directors shall have powers to constitute one or more sub-committee consisting of the members of the Board of Directors and other share holders of Federation and society and any person having experience and knowledge for MFP Growing. Marketing and industry and to frame such

subsidiary rules as may be necessary to regulate the work of such sub-committee and from time to time shall determine the duties and functions of sub-committee.

- (q) To determine the duties of the office bearers and servants of the Federation.
- (r) To entertain and consider complaints regarding the quality and price of goods conduct of the officers and servants of the Federation.

26. Managing Director :-

The managing Director of the Federation shall be appointed from the officer of state Co-operative service by the State Government on such terms and conditions as the State Government may deem necessary and proper. He shall be the Chief Executive authority or the day to day working of the Federation and shall work under the general control and supervision of the Board of Directors.

27. Powers and duties of Managing Director :-

The Managing Director shall subject to the general control of the Board of Director be responsible for the executive administration of the Federation. He shall be the officers to sue and be sued on behalf of the Federation. All bonds and other legal documents shall be executed by him. He shall exercise such other powers as the Board may delegate to him from time to time and in particular shall have the following duties and powers:-

- (i) To guide and supervise the business of the Federation in all matters.
- (ii) To exercise general control and supervision on the administration of the Federation.
- (iii) To appoint subject to Act and Rules as many as sanctioned from time to time by the Board or the Chairman all paid staff of the Federation except those appointed or deputed by State Government and the Registrar, Co-operative Societies Jharkhand.
- (iv) To appoint from time to time such number of casual workers or persons needed for special activities in smooth running of the MFP processing units as may be necessary for the business of the Federation and terminate their services provided that no regular appointments shall be made except in accordance with rule 33.
- (v) To Suspend, remove, dismiss, fine or otherwise punish all paid staffs of the Federation in accordance with rules, made in this behalf by the Board subject to approval of the Government.
- (vi) To sanction leave and increments to the paid employees of Federation.
- (vii) To fix the amount and nature of security, if any, to be given by the members of staff subject to the rules framed under the Act.
- (viii) To exercise such power as may be delegated or assigned to him by the board and the Chairman.
- (ix) To depute person or persons to attend conferences or meetings whenever necessary except those provided under the byelaws.
- (x) To carry on all business and correspondences on behalf off the Federation.
- (xi) To determine the powers and duties and different categories, of staff of the Federation and to delegate power and assign duties to them working under him.
- (xii) To anticipate Board's decision in matters that cannot wait for a Board meeting without prejudice to the interest of the Federation provided that in all such

matters the Chairman's approval, if possible, shall be taken and all matters decided by the Managing Director in anticipation of Board's approval shall be brought before the next meeting of the Board for confirmation.

28. Deposits :-

Deposits may be received by the Federation according to such rules as the Board of Directors may frame for the purpose, consistently with these byelaws and rate of interest on such deposits shall be determined by the Board Directors from time to time but it shall not exceed Rs. 6-5% percent per annum.

29. Register & Accounts:-

The following books shall be maintained by the Federation:-

- (a) A Register of members.
- (b) A Register of Shares
- (c) A Minute Book of the meeting of the General Body
- (d) A Minute Book of the meetings of the Board of Directors.
- (e) Cash book.
- (f) A Ledger.
- (g) Stock Register of Stores, and
- (h) Any other register that may be considered necessary and may be prescribed by the Board of Directors.

30. Audit :-

The accounts of the Federation shall close on 31 March of each year. The statutory audit of the Federation will be done in accordance with the provisions of the Co-operation Societies Act (VI of 1935) and the rules framed there under.

In addition to the statutory audit, the accounts of the Federation may be audited by auditors appointed at the annual General meeting.

31. Disposal of profits :-

After payment of remuneration to the office establishment and other charges incidental to management the balance will be considered as net profit which shall be disposed off by the general meeting in the following order of priority:-

- (a) 35% shall go into the reserve fund.
- (b) Up to 10% may be set apart towards bad debts fund.
- (c) Up to 10% may be set apart towards common good fund for the common benefit of affiliated societies.
- (d) Up to 10% may be set apart towards dividend equalization fund.
- (e) 10% or more may be set apart towards Building fund.
- (f) Up to 10% may be set apart towards development fund for pursuing the objective of the federation.
- (g) A dividend not exceeding 10% or any other limit fixed by the Registrar Co-operative Societies may be paid on paid up share held by its member for at least a year.
- (h) The bonus to paid servants at a rate to be determined by the general body may be paid not exceeding two months pay.
- (i) Balance, if any, may be carried forwards.

32. Reserve Fund:-

The Reserve Fund shall consist :-

- (a) 35% of profits annually placed in the fund.
 - (b) Any further sum allotted to it out of the profits or otherwise.
 - (c) Admission fee after deduction of preliminary expenses incurred in constitution of the Federation.
 - (d) The Value of all shares forfeited to the Federation.
33. The reserve fund shall belong to the Federation as a whole and is intended to meet any unforeseen losses. No member can claim a share in it. It shall be invested in such manner as the Registrar, Co-operative Societies, Jharkhand may prescribe and not be drawn upon except with his sanction.
- 34. The Reserve Fund shall with the previous sanction of the Registrar be available for the following purpose :-**
1. To cover any losses arising from any unforeseen circumstance, such drawing upon is being reimbursed to the fund from the next accruing profits.
 2. To meet any call on the Federation which cannot be met otherwise such payments being re-imbursed to the fund from the next accruing profit.
 3. To serve as security for any loans which the Federation has to contract in the case dissolution of the Federation Reserve Fund shall be applied to such purpose, for the benefit of Co-operative Movement as may be determined with approval of the Registrar Co-operative Societies Jharkhand by the majority members.

35. Disputes :-

Any dispute which cannot be settled by the Managing Committee or by the General Meeting shall be referred to the Registrar for decision which shall be final.

36. Dissolution:-

The Federation may be wound/or amalgamated with another society with the approval of the Registrar if fourths of the total number of members and representative of the societies presents at the General Meeting specially summoned to consider the question for it,

37. Miscellaneous :-

Every share holder shall be supplied with copy of the bye-laws.

38. Any of these byelaws may be altered or rescinded or new byelaws may be made at a General Meeting and such amendment will come into force after it has been approved and registered by the Registrar "And in case any additional financial liabilities is created by amendment in the Bye-laws of the Federation the same will be registered after the prior approval State Government".

39. The Federation shall keep a copy of the Jharkhand Co-operative Society (1935) the rules framed there under and copy of these byelaws open to its charge at all reasonable times at its charge at reasonable times at its registered office:-

40. All matters not specially provided for shall be decided according to the provision of Jharkhand Co- operatives Act 1935 (VI of 1935) and rules framed.