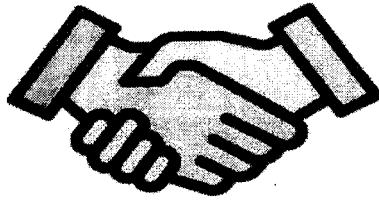


**BYE-LAWS  
OF THE  
NATIONAL CO-OPERATIVE ORGANICS LIMITED**

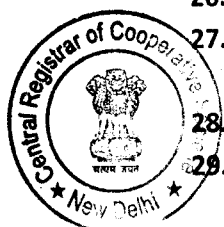


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**CHIEF PROMOTER**  
**NATIONAL COOPERATIVE ORGANICS LIMITED**

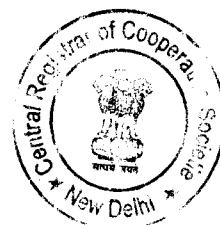
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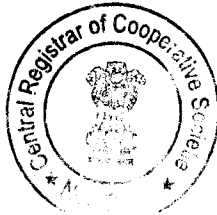


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**CHIEF PROMOTER  
NATIONAL COOPERATIVE ORGANICS LIMITED**

## Chapter-1: PRELIMINARY, DEFINITIONS & OBJECTIVES

### 1. Name of the Society.-

Name of the Society shall be the "National Co-operative Organics Limited" and in Hindi version as: "राष्ट्रीय सहकारी आर्गेनिक लिमिटेड" (hereinafter it shall be referred to as the 'Society').

### 2. Principal place of business and registered office.-

(1) The principal place of business and the Registered Office of the Society shall be situated at:-

Office of National Dairy Development Board, Anand, Gujarat 388001.

(2) Any change in the address of the Society shall be notified to the Central Registrar within 15 days of its change and also published in local newspaper and shall be made by an amendment of its bye-laws after following the procedures laid down in section 11 of the Multi-State Co-operative Societies Act, 2002.

### 3. Area of operation.-

The area of operation of the Society shall extend to whole of Union of India.

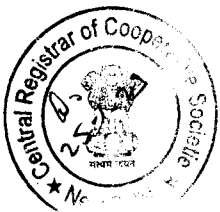
### 4. Definitions.-

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

- "Act" means the Multi-State Co-operative Societies Act, 2002, as amended from time to time;
- "Area of operation" means the area from which the persons can be admitted as members of the Society;
- "Board" means the Board of Directors or Governing Body of the Society to which the direction and control of the management of the affairs of the Society is entrusted;
- "Bye-laws" means the Bye-laws of the Society for the time being in force which have been duly registered or deemed to have been registered under the Act in force and includes amendments thereto which have been duly registered or deemed to have been registered under the Act;



- e) "Central Registrar" means the Central Registrar of Co-operative Societies appointed by the Central Government in relation to the multi-State co-operative societies;
- f) "Chairperson" and "Vice-Chairperson" mean the elected persons by the Board of Directors among themselves;
- g) "Chief Executive" means Chief Executive or Managing Director, by whatever designation called, of the Society appointed under Section 51 of the Act;
- h) "Clause" or "sub-clause" means a clause or sub-clause of these bye-laws;
- i) "Co-operative Bank" means a co-operative Society or a multi-State co-operative Society which undertakes banking business;
- j) "co-operative or co-operative Society" means a co-operative society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in any State or Union Territory and includes a State or apex, secondary or district and primary co-operative society;
- k) "Co-operative Principles" means the co-operative principles as specified in the First Schedule of the Multi-State Co-operative Societies Act, 2002;
- l) "Co-operative year" means the period from 1<sup>st</sup> April to 31<sup>st</sup> March;
- m) "Defaulter" means a member who has defaulted in payment of any kind of dues payable to the Society;
- n) "Delegate" means delegates elected or selected by each class of members for representing them on the smaller representative body of general body;
- o) "Federation" means a federation of co-operative societies registered under any law relating to co-operative societies for the time being in force and whose membership is available only to a co-operative society or a multi-State co-operative society;
- p) "General Body" means all members of the Society, and includes a smaller body consisting of delegates of members of the Society, if any, constituted in accordance with the provisions of sub-section (1) of section 38 of the Act;
- q) "General Meeting" means a meeting of the general body of the Society and includes special general meeting;
- r) "Member" means persons joining in the application for registration of the Society and includes a person admitted to membership after such registration in accordance with the provisions of the Act, rules and Bye laws of the Society and includes a nominal or associate member;
- s) "Member co-operative" means a co-operative society or a multi-State co-operative society which is a member of the Society;
- t) "Multi-State co-operative society" means a co-operative society with objects not confined to one State and registered or deemed to be registered under the Multi-State Co-operative Societies Act, 2002 or



- under any law for the time being in force relating to such co-operatives societies;
- u) "National co-operative society" means a multi-State co-operative society specified in the Second Schedule to the Multi-State Co-operative Societies Act, 2002;
  - v) "Nominal member" means a person who has been admitted as a nominal member or associate member under the bye-laws of the Society;
  - w) "Officer" or "office bearer" means a President, Vice-President, Chairperson, Vice-chairperson, Chief Executive or Managing Director, Secretary, Manager, Members of the Board, Treasurer, Liquidator, an Administrator appointed under Sec.123 of the Act and includes any other person empowered under the Act or the rules or the Bye-laws to give direction in regard to the business of the Society;
  - x) "Prescribed" means prescribed by the Multi-State Co-operative Societies Rules, 2002;
  - y) "Regulations" means regulations of the Society on various matters as adopted by the Society and includes all subsequent amendments thereto;
  - z) "Rules" means the Multi-State Co-operative Societies Rules, 2002, as amended from time to time; and
  - aa) "Society" means the '**National Co-operative Organics Limited**' and in Hindi version as "राष्ट्रीय सहकारी आर्गेनिक लिमिटेड" (hereinafter referred to as 'the Society'.

## 5. Objectives and functions.-

(1) Subject to the provisions of the Act, the principal object of the Society shall be to promote and safeguard the economic interests of all its members by conducting its affairs in professional, democratic and autonomous manner for attaining social and economic betterment of its members through self-help and mutual aid in accordance with the Co-operative Principles, inter alia, to:-

- (i) undertake and promote aggregation, branding and marketing of organic products through facilitating various activities including certification, production, testing, procurement, storage, processing, labelling, packaging, logistics support, etc., of organic products besides creation of knowledge repository, research and development in the field of organic farming with the support of relevant ministries especially Ministry of Commerce and Industry, Ministry of Agriculture and Farmers Welfare, Ministry of Food Processing Industries, Ministry of Health and Family Welfare and Ministry of development of North Eastern region (MDONER) etc., following the 'Whole of the Government Approach' through their schemes and agencies, produced by cooperatives and related entities;



- (ii) help organic producers from cooperative sector and related entities in arranging finance, training and capacity building; provide technical guidance; develop and maintain market intelligence system; implement related government schemes and undertake any such activities which will provide thrust to organic products.

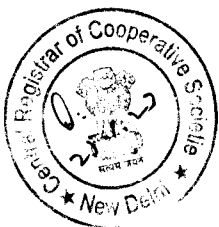
(2) Without prejudice to the generality of the provisions contained in sub-clause (1), the Society may undertake any or all of the following activities, but not limited to, namely:—

- (i) to ensure compliance of the co-operative principles;
- (ii) to act as an Umbrella Organization for aggregation, certification, production, testing, procurement, storage, processing, testing, branding, packaging, labelling, marketing of organic products of co-operatives and related entities and to represent the co-operative organic producers at different national/international forums;
- (iii) to pass on the benefits of high price of organic products to the producers through member;
- (iv) to make reliable and authentic organic products available in domestic as well as international market;
- (v) to increase the reach/demand of Indian organic products in the global market;
- (vi) To utilize brand & networks of GCMMF (AMUL) and other agencies in domestic marketing coupled with national level multi-state cooperative export society in international marketing and simultaneously to develop its own brand & distribution channel;
- (vii) to procure, process, trade and market goods and services either at its own or in collaboration with other Indian or foreign organizations or enterprises of organic products related agencies;
- (viii) to facilitate or extend financial support in setting up collection centers for aggregation, processing units, storage units for organic goods by itself or in collaboration with any other agency;
- (ix) to undertake standardization of organic products produced by co-operatives and related entities in order to market the quality organic product in domestic as well as international market;
- (x) to undertake research and development and such other activities as are incidental and conducive to the promotion and development of organic products;
- (xi) to work for enhancing qualitative production of organic produce of various sectors such as agriculture, horticulture, dairy, forest produce, processed food products, spices, herbal products, animal feed, etc. at all levels of cooperatives and related entities and make a significant contribution to the country's domestic as well as





- foreign exchange earnings through branding and marketing of such goods;
- (xii) to enter into contracts/agreements and to collaborate with any person or agency for promotion and development of organic products;
  - (xiii) to maintain logistic facilities of its own or in collaboration with any other organization for shipment of organic goods by any means of transportation;
  - (xiv) to establish branch and/ or regional/ zonal offices, processing and packaging units and sales depot, etc., in India and abroad;
  - (xv) to offer professional advice and commercially useful information to cooperatives in areas such as technology up-gradation, quality, standards and specifications, product development, innovation, etc.;
  - (xvi) to build a statistical base and provide data on the organic sector of the cooperatives;
  - (xvii) to encourage cooperatives to set up start-ups in organic production by providing them required guidance and assistance;
  - (xviii) to provide technical guidance and support to cooperatives and related entities in organic farming, certification, testing, value addition, branding, labeling, packaging, etc., of their organic produce;
  - (xix) to facilitate in setting up testing and certification facilities at close proximity for ease of organic certification and testing at affordable cost;
  - (xx) to empanel all available accredited organic testing laboratories and certification bodies that meet the criteria prescribed by the Society to bring down the cost of testing/certification charges;
  - (xxi) to take all possible steps for training and capacity development activities for organic co-operatives and related entities;
  - (xxii) to undertake business and promotional services on behalf of its member co-operatives if specifically required by or under the resolution of the general body or the board, or bye-laws of a member co-operative;
  - (xxiii) to develop and maintain market information systems including market intelligence, logo, branding, brand promotion, etc.;
  - (xxiv) to create awareness on various government schemes and benefits related to organic products and to promote organic farming through fairs, exhibitions, workshops, etc.;
  - (xxv) to facilitate and access Government schemes or Government sponsored support systems for the benefit of the member co-operatives;
  - (xxvi) to provide policy advocacy, advisory functions and services to member co-operatives;



- (xxvii) to act as an implementing agency for organic promotion schemes of Government for passing on the benefits to member cooperatives;
- (xxviii) to provide financial assistance and help in arranging finance to members;
- (xxix) to subscribe to the shares of other cooperatives, promote new co-operatives and invest in cooperatives; and
- (xxx) to perform such other activity or do such acts in furtherance of the stated objects as are conducive or incidental thereto and which the Board from time to time may determine to perform or do.

(3) The Society may receive subscription and accept grant of money, securities, endowments, and property of any kind from Central and State Governments and other public or private organizations, co-operatives and individuals, etc. on such terms as may deem expedient.

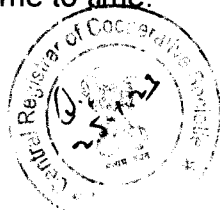
(4) The Society may acquire, purchase, sell, exchange, lease, license, relinquish, hire or otherwise transfer all or any portion of the property, movable or immovable, which may be necessary or convenient for its purpose and build, construct, improve, alter, demolish and repair such buildings, works and constructions, as may be necessary, for carrying out the objectives of the Society.

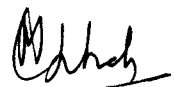
(5) The Society may draw, make, accept, endorse and discount cheques, notes or other negotiable instruments in pursuit of its objectives.

(6) The Society may create administrative, technical, clerical and other posts and make appointments thereto, subject to the Bye-Laws and service regulations.

(7) The Society may provide for different classes of membership and specify the obligations, rights and privileges of such different members;

(8) The Society may make Bye-Laws and Regulations on various matters, including service matters, for the conduct of its affairs and add, amend, vary or rescind them from time to time.





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**CHIEF PROMOTER**  
**NATIONAL COOPERATIVE ORGANICS LIMITED**

## Chapter-2: MEMBERSHIP, ELIGIBILITY, RIGHTS & LIABILITY

### 6. Membership.-

The Society shall have following types of membership:

- i) Ordinary Members; and
- ii) Nominal or associate members.

### 7. Ordinary Members.-

(1) No person shall be admitted as a member of the Society except the following, namely-

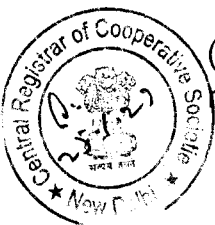
- a) any multi-State co-operative society or any co-operative society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in any State or UT;
- b) the National Co-operative Development Corporation (NCDC) established under the National Co-operative Development Corporation Act, 1962 (26 of 1962);
- c) any other corporation owned or controlled by the Government;
- d) such class or classes or persons or associations of persons as may be permitted by the Central Registrar having regard to the nature and activities of the Society:

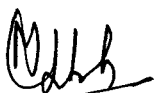
Provided that no person shall be admitted as member, unless the Board is satisfied, by enquiry or otherwise, that the applicant for membership is interested in activities related to organic products or beneficial to achieve the objectives and functions of the Society:

Provided further that no individual shall be eligible to become ordinary member of the Society.

(2) No right of membership shall be exercisable until a person has made such payments to the Society in respect of membership or acquired such interest in the Society as may be specified by the Society in its bye-laws as per the provisions of the Act and rules.

(3) Every member shall pay an admission fee of ₹500/- or such amount as may be specified by the Board from time to time.



  
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**8. Nominal or associate member. -**

The Society may, in the interest of promotion of its business, admit any person, including cooperative banks, as nominal member or associate member in accordance with the provisions of the Multi-State Co-operative Societies Act on payment of a non-refundable fee of ₹1,00,000/- (Rupees One lakh only).

**9. Application for membership.-**

The application for membership of the Society shall be submitted by the applicant to the Chief Executive or Managing Director, by whatever designation called, of the Society in the form, if any, specified along with full value of shares and admission fee.

**10. Disposal of application.-**

The application for membership of the Society found complete in all respects shall be disposed of by the Board within a period of four months from the date of receipt thereof by the Society and the decision of the Board thereon shall be communicated to the applicant by Registered Post or through electronic mode within fifteen days of the date of decision.

**11. Conditions to be complied with for membership.-**

(1) No person shall be eligible for being or continue to be a member of the Society if:-

- a) the business of the member is not conducive to the organic promotion activities of the society;

**Explanation:** For the purpose of this clause, the members who are already performing organic product related activities may continue to perform them at their discretion and such activities would not be deemed to be non-conducive to the business of the Society.

- b) the person has not applied in writing in the form, if any, laid down by the Society or in the form specified by the Central Registrar, if any, for membership;
- c) the person has not fulfilled all other conditions of membership laid down in the Act or the rules or these bye-laws;
- d) the member incurs any disqualification laid down under the Act or the rules or these bye-laws for being a member of the Society;



- e) the application for membership is not approved by the Board of the Society;
- f) the person, except in the case of members joining in for the application for registration of the Society, has not subscribed the minimum number of shares and paid full value thereof along with admission fee as specified in the bye-laws and/ or decided by the Board;
- g) in the case of a multi-State co-operative society or a co-operative society or a National co-operative society or body of persons whether incorporated or not, the application for membership is not accompanied by a resolution of the Board of such co-operative or authority letter from a competent authority of such organization, as the case may be, authorizing it to apply for such membership;
- h) the member has not attended last three consecutive general body meetings of the Society and such absence has not been condoned by the members in the general body meeting of the Society;
- i) the member has not used for two consecutive years any of the services provided by the Society;
- j) the member does not promote and protect the interests and objects of the Society; and
- k) the member has made any default in payment of any amount pertaining to share contributions, fee, subscriptions, if any, as decided by the Board from time to time to be paid to the Society under Bye Laws and has not cleared the amount even after 30 days notice for clearance of default.

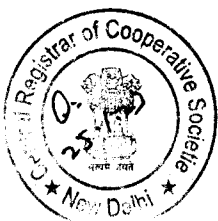
(2) The Society shall not admit members within thirty days prior to the date of the meeting of its General Body.

## 12. Cessation of membership.-

The membership of the Society may cease in case of,-

- i) Resignation of the member, duly approved by the Board;
- ii) Cancellation of registration of the member co-operative;
- iii) Transfer of all the shares to another member of the Society.
- iv) Expulsion of member by the general body;
- v) Incurring any of the disqualifications of membership:

Provided that except in the case of sub-clauses (i), (ii) and (iii) of this clause, the cessation of membership shall not take effect unless the member concerned has been given a reasonable opportunity of being heard and making representation in the matter.



### 13. Withdrawal or resignation from membership.-

- (1) A member may withdraw or resign from the membership of the Society after five years from the date on which it was admitted as a member and giving at least 3 months notice to the Board in writing and withdraw its share capital with the approval of the Board.
- (2) The approval shall not be given while such a member is indebted to the Society.
- (3) A member who withdraws or resigns from the membership will not be allowed to become a member again for a period of one year from the date of resignation unless the member repays the amount withdrawn by it from the Society.

### 14. Expulsion of a member.-

- (1) The Society may, by a resolution passed by a majority of not less than two thirds of the members present and voting at a general meeting held for the purpose, expel a member for acts, which are detrimental to the interest and proper working of the Society; or for making default in payment of dues as per the Byelaws for a continuous period of one year.
- (2) On expulsion, the person will cease to be a member of the Society. Such expulsion may involve forfeiture of shares at the sole discretion of the Society, provided that the member concerned shall not be expelled unless it has been given a reasonable opportunity of making representation in the matter. Pending expulsion by the General Body, the Board may suspend the member till the next General Body meeting.
- (3) No member of the Society who has been expelled shall be eligible for readmission as a member of the Society for a period of one year from the date of such expulsion.

### 15. Rights and duties of ordinary members.-

(1) **Rights of ordinary members:** Every ordinary member shall be entitled to exercise rights as a member from the date of admission as a member in the Society and shall have the following rights, namely:-

- (i) Right to vote in the general body meeting;
- (ii) Right to receive notice of general body meeting as per the bye-laws;



- (iii) Right to attend and take active part in the proceedings of the general body meeting;
- (iv) Right to take part in elections and contest for any post as per provision of the Act, Rules and Bye- laws for participation in the management of the Society; and
- (v) Inspect member registers, books of accounts or any other record and obtain certified copies of the resolutions or documents on a payment of such fee as may be specified by the Board from time to time.

Provided that the Society will designate one of its officers to act as information officer for providing access to the books, information and accounts kept in regular transaction of its business with such member.

**(2) Duties of ordinary members:**

- (i) It shall be the endeavour of every member to observe and comply with the provisions of bye-laws and decisions made by the General Body and Board of the Society in accordance with such bye-laws.
- (ii) It shall be the responsibility of every member to subscribe required number of shares and pay-up for shares and make such other payments and within such time as specified in the bye-laws.
- (iii) It shall be the duty of every member to attend regular meetings and members' education programs regularly.
- (iv) It shall be the duty of every member to patronize the products and services of the Society.
- (v) The members dealing in organic products can sell their products preferably through the Society so that the benefits of large scale business can be realized.

**16. Votes of ordinary members and manner of voting.-**

- (1) Every ordinary member of the Society shall have one vote in the affairs of the Society.
- (2) In case of equality of votes, the Chairperson shall have a casting vote.
- (3) Every ordinary member of the Society shall vote in person and no member shall be permitted to vote by proxy.

Provided that a multi-State co-operative society or a co-operative society or any other institution which is a member of this Society, may appoint

