

Assistant Registrar
Co-operative Societies Rohtak
Exercising the Power of the Registrar
Co-operative Societies Haryana

MODEL BYELAWS

OF

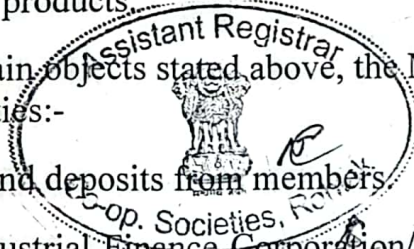
A COOPERATIVE SUGAR MILLS

I. NAME/ADDRESS & AREA OF OPERATION.

1. The name of society shall be the Meham Co-op. Sugar Mills Ltd., (hereinafter called Mills) and its registration address shall be The Meham Coop. Sugar Mills Ltd., Tehsil Meham, Distt. Rohtak.
2. Any change of address shall be notified to the Registrar, Cooperative Societies, Haryana within 14 days.
- 3.(a) Mill jurisdiction as assigned by competent authority/Cane Commissioner from time to time for purpose of cane supply, producer membership etc.
(b) District Rohtak for other legal/statutory purpose.

II. OBJECTS

4. The main objects of the Mills shall be:
 - a) To establish a factory for the manufacturing of sugar out of sugarcane supplied to it primary by its members, and sell the same to the best advantage of the members. It shall also be open to the Mills to undertake or assist in the establishment of Industries based on by products.
 - b) In pursuance of the main objects stated above, the Mills may undertake one or more of the following activities:-
 - i) To raise share capital and deposits from members
 - ii) To raise loan from Industrial Finance Corporation/Industrial Development Bank of India and other Financing Institutions/Bank for the investment in block assets and allied purposes against the mortgage/hypothecation of machinery/store & spares, sugar & molasses stock in favour of financing institution/Bank.
 - iii) To raise supplementary and interim loans for investment in block assets and allied purposes from the State Bank of India, Life Insurance Corporation, State/Central Cooperative Banks and other sources.
 - iv) Other necessary purposes.
 - v) To own transport vehicles and make other arrangements for transport and ancillary services.



Managing Director,

- vi) To recruit and appoint staff on permanent or temporary basis or by contract or any other manner considered necessary.
- vii) To undertake measures for development of sugarcane including supply of seed, manure, implements, irrigation, facilities and other production requisites, provision of technical advice regarding improved cultivation practices.
- viii) To make advances to members to be adjusted against the cane price payable to them.
- ix) To undertake recovery of Co-operative loans advance to members for production of sugarcane from the cane price payable to them.
- x) To encourage saving, thrift and cooperation among members and to undertake measure for spreading the knowledge of cooperative principles and practices.
- xi) To undertake such other activities as are incidental or conducive to the attainment of objects of the Mills.

III. MEMBERSHIP

5. There shall be five types of members:-

- a) Producer Member;
- b) Non-Producer Members;
- c) Nominal Members;
- d) State Government; and
- e) Employee of Sugar Mills.




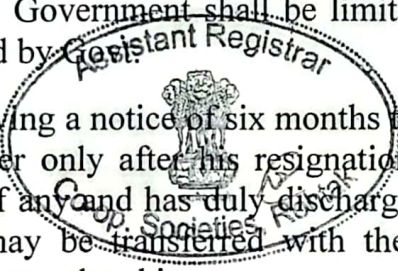
6. Producer membership shall be open to individuals & Co-operative Institutions who are growers of sugarcane. No person shall be eligible for membership unless:-

- a) He holds land as an owner or a tenant and grows sugarcane within the area of operation of the Mills.
- b) In case of an individual, he has completed 18 years of age and is competent to contract.


7. No person shall be admitted as a producer members unless:

- a) His written application for membership contract for the supply of sugarcane is approved by the BOD.
- b) He has paid an entrance fee of Rs. 5/-and has paid the required amount of the share/ shares allotted to him.


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- c) He enters into an agreement with the Mills to carry out the plans, programme and methods of cultivation of sugarcane under the direction of The Board of Directors or person authorised by them in that behalf.
8. Non producer membership shall be open to cooperative societies other than producers of sugarcane in the area of operation of the society.
9. No person shall be admitted as non-producer member unless:
- His written application for membership is approved by the Board of Directors.
 - He has paid an entrance fee for Rs. 5/- and has paid the required amount of share or shares allotted to him.
10. Subject to the provisions of the Act and Rules, an appeal shall lie to the Registrar against the decision of the Board of Directors rejecting an application for membership and the order of the Registrar shall be final.
11. The liability of a producer member shall be limited to:
- Ten times the value of the share held by him during pendency of the loan of the Industrial Finance Corporation of India or other agency to the Mills which is guaranteed by the Government and for the specific purpose of repayment of this loan, this liability shall extend to ten times the value of the share held by such a member.
 - The liability of the State Government shall be limited to the amount so paid, if any; in respect of shares held by ~~any~~  Assistant Registrar
12. A member may resign by giving a notice of six months to the Board of Directors, but he shall cease to be the member only after his resignation is accepted by the Board, provided he has paid the dues if any and has duly discharged all other liabilities due to the mills. His share amount may be transferred with the approval of the Board of Directors to a person eligible for membership.
13. No person shall exercise any right or privilege as a member until he has paid all calls, for the time being due from him on every share held by him or if he is a defaulter in respect of any sum due on any account or in any other manner, whatsoever, to the mills.
14. A producer member shall cease to exercise any right/privilege to which he may otherwise be eligible in his capacity as such including the right or privilege or tendering to the society sugarcane grown by him if he commits any breach at any time in due observances of the provisions of byelaws.

The provisions for non-exercise of any right or privilege as a member and for cessation of such right or privilege as set out in the above byelaws shall be operative without prejudice to the liability of a member to be expelled from the mills under byelaws No. 16(b) and to the forfeiting of his shares under byelaws No. 29.


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15. A person shall cease to be a member:-

- a) On death; or
- b) On expulsion from Mills under Byelaws No. 16; or
- c) On transfer of all shares standing in his name, or
- d) On resignation of his membership under Byelaws 12

16. A Member may be expelled from the membership of the Mills for any of the following reasons:-

- a) If he is a persistent defaulter,
- b) If he does any act prejudice to the interest of the Mills,
- c) If he is declared insolvent or of unsound mind,
- d) If he is convicted of any offence involving dishonesty or moral turpitude,
- e) If he fails to carry out any of the obligations imposed under the Act Rules & these byelaws.

IV. FUNDS

17) Funds may be raised by/through -

- a) Entrance Fee,
- b) Issue of shares,
- c) Deposits from members/non members,
- d) Loan, cash credit & overdrafts; and
- e) Donations and grants.



18. Notwithstanding anything contained in these byelaws, the Mills may raise interim finance or additional loan from sources other than the Industrial Finance Corporation of India to meet shortfall in the capital expenditure as originally approved or duly revised thereafter by the Corporation.

V. SHARES

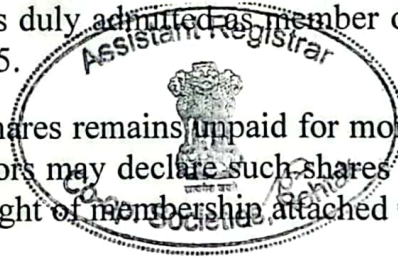
19. The authorised share capital of the mills shall be Rs. 70,00,00,000/- (Rs. Seventy Crore Only) and shall consist of 70,00,000 shares of the value of Rs. 100/- each.

20. The Board may determine the relationship between the acreage of sugarcane owned by the producer member and share money held by him from time to time.

21. No member other than the Government or a Cooperative Society shall held shares worth more than Rs. 50,000/-.

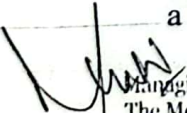

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22. The amount of shares held by a member shall not be refunded until after one year from the date of his ceasing to be a member under bylaws No.15 except that the share held by Cooperative Bank shall be retired in accordance with the conditions specified by R.B.I. under provision of Banking Regulation Act.
23. Application for shares shall be made in the prescribed form with an amount of Rs.100/-per share alongwith the entrance fee.
24. a) The mills shall have a common seal and Managing Director shall provide safe custody thereof. The seal shall be affixed on any instrument by the Managing Director on the authority of Board of Directors by resolution to be passed in the presence of Chief Account Officer.
- b) A share certificate bearing a distinctive number shall be issued for every share or shares, subscribed, signed by any two directors to be authorised by the Board and countersigned by the Managing Director with the seal of the Mills.
25. Subject to the provisions of the Haryana Cooperative Societies Act 1984 and Rules made there under, share (s) be transferred with the previous sanction of the Board of Directors. The transfer fee shall be Rupee one per share.
26. Any member of the mills may nominate in writing any person to whom whole or part of his interest in the society shall be transferred in the event of his death.
27. Subject to the provision of the Haryana Cooperative Societies Act 1984. the share(s) held by a deceased member may be transferred to his heir or legal representative where no nominee is there provided he is duly admitted as member of the Mills in accordance with the provision of bye-law No. 5.
28. If the installment amount of shares remains unpaid for more than 6 months from the date it is due, the Board of Directors may declare such shares forfeited together with all payments made there on and the right of membership attached to these shares, shall there upon stands extinguished.



The Board may allow such shares to be restored provided:

- a) That all arrears together with such interest as the Board may be demand, are paid up, and
- b) That such payment is made within 3 months of the date the forfeiture.
29. The shares may be liable to forfeiture after giving due notice of such forfeiture to the defaulting member if:-
- a) A producer member fails to carry-out the agreement relating to supply of sugarcane to the mills.
- b) If any member fails to pay any money due from him in respect of any share or shares on the day appointed for payment, the Board may, at any time; thereafter give a notice to such member requiring payment on a specific day on which the same is to


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be paid and also that in the event of non payment thereof on the appointed day, forfeit the share or shares in respect of which the notice was given.

30. If any notice of forfeiture is not complied with, every share in respect of which the notice is given may, at any time thereafter; be declared forfeited by a resolution of the Board of Directors to that effect, and notice of such forfeiture shall be given to the member, whose shares are so forfeited.

31. Every share forfeited shall, there upon; be the property of the society and may at any time thereafter be transferred/allocated to any other members.

32. The shares issued to the State Govt. and or other Cooperative Institutions shall be non redeemable during the currency of the Institutional loans except with the prior approval of the lenders. Further the dividend payable on the share capital subscribed by the State Govt. and/or Cooperative Institutions shall be non-cumulative.


VI. Loans & Deposits

33. The Society shall collect non-refundable deposit each year from the cane price payable to a producer member at the minimum rate of 25 paise per ton of sugarcane supplied by him to the society. The rate of such deposit in any particular year shall be determined by the Board of Directors. Until the loan from the Industrial Finance Corporation of India is repaid and the shares subscribed by the Government of Haryana have been retired, the mills shall not make any deviation in regard to collection or utilisation of the said Compulsory Deposits without obtaining prior permission of the guarantor Governments, such deposits shall carry interest at a rate to be fixed by the Board with approval of the Registrar. The deposits shall not be refunded in cash but shall be converted into shares and each producer share holder shall be entitled to receive the shares of the value of amount of his deposit standing to his credit, as and when such deposit reach the level of the value of a share.

34. If any member who has been allotted a sugarcane area for cultivation fails to rear the crop as required in the contract, it will be competent for the mills to cause the crop being reared up and to incur any expenditure incidental there-to and to debit the same as loan advanced to the member and such advance shall be recoverable from out of the produce of the members and any balance left thereafter shall be recoverable as a loan advanced by the Mills to the member with interest.

35. Any debt due from a member shall have a first charge on the sugarcane cultivated by him and shall be recovered from its sale proceeds.

36. The credit limit of Mills shall not exceed 10 times of its own funds. This limit shall not apply to loan raised against pledge of sugar stock & stores.


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VII. General Body Meeting.

37. The final authority shall vest in the general body meeting which shall be held at least once in a year. At least 15 days clear notice shall be necessary for holding a general body meeting. The meeting shall be held when summoned by the Registrar under the law or the Board of Directors of their own or at the written request of not less than one fifth of the total delegates or twenty whichever is less.

The quorum of the general body meeting shall be 30 or one third of the total delegates whichever is less.

ELECTION OF DELEGATE

38. The General Body shall be constituted by the delegates to be elected in the manner given as under:-

a) Every 100 member or fraction thereof shall elect one delegate to represent them in the general body.


b) The election of the delegates shall be made in the presence of any person appointed by the Assistant Registrar, Cooperative Societies who will also record the proceedings. The delegates shall be elected every year during the month of May-June.

c) Zones for election of delegates shall be prepared by the Managing Director on the basis of Geographical inhabitation of members with the approval the Board of Directors. A Zonal list shall be exhibited next day at the notice board of the mills and in the office of respective Assistant Registrar, Cooperative Societies, Block Development and Panchayat Officer and the concerned branch of the Central Cooperative Bank for a week.

Any dispute arising out of the constitution of the Zones shall be referred/within thirty days from the date of approval of the Zones by the Board of Directors to the Registrar or any officer appointed to assist him for decision and his decision shall be final.

d) The details of the Zones and list of members shall be sent to the Assistant Registrar concerned who will conduct the election of delegates. The Managing Director shall provide all necessary assistance to the Assistant Registrar for convening such meeting zone wise. Election of delegates shall be conducted as per provision contained in part-III of Appendix A annexed with the Haryana Cooperative Societies Rules, 1989. The Assistant Registrar shall send the details of the elected delegates zone wise to the Managing Director, who shall prepare the list of delegates & exhibit the same at the notice board of the Mills as well as in the office of the Assistant Registrar, Block Development and Panchayat Officer and the concerned Branch of the Central Cooperative Bank.

e) Any dispute arising out of election of delegates shall be referred to the Registrar or any person authorised by him in writing. The members shall exercise their votes through delegates.


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Baham Co-op. Sugar Mills Ltd

f) A delegate shall cease to be a delegate if he resigns, becomes of unsound mind; declared insolvent or defaults in payment of dues to the Mills or convicted of any offence involving dis-honesty or moral turpitude.

39. The following business shall be transacted at a General Meeting:-


- a) To confirm the minutes of the last General Meeting.
- b) To receive from the Board, report on the working of the Mills, for the preceding year.
- c) To consider the audit memorandum and audit rectification report from the Board and any communication from the Registrar.
- d) To receive and adopt the statement of accounts of profits and loss of the preceding year.
- e) To approve the budget of the Mills for the next year, prepared by the Board of Directors with modification if any, and to authorise the board to raise funds and capital as per byelaw No. 4.
- f) To add, alter, vary or amend the bye-laws as and when necessary.
- g) To elect the Board of Directors.

40. A Special General Meeting shall be called within one month from the date of requisition from one fifth of the delegates of the Mills, in writing stating the business to be transacted at such a meeting or from the Registrar, or, at any time if required by the Board of Directors for any specific purpose.

41. The Chairman shall preside over the Annual or Special General Meeting. In the absence of the Chairman, the Vice Chairman shall preside and in the absence of Chairman & Vice Chairman, member present in the meeting shall elect a Chairman from amongst themselves. The Chairman shall have casting vote in addition to his ordinary vote in case of equality of votes.

42. $\frac{1}{3}^{\text{rd}}$ of the total number delegates or 30 whichever is less, shall form a quorum at a General Meeting. In the absence of a quorum, meeting shall be adjourned for at least 7 days and a notice of the adjourned date shall be affixed on the notice board of the Mills specifying the place, date and time of the adjourned meeting, at least for 7 days prior to the date of next meeting; and if on the day to which the meeting is adjourned there is no quorum, the business shall be disposed of by the delegates present.

43. In the case of Annual or Special General Meeting, 15 days notice shall be given in writing to all delegates. The notice shall specify the date, hour and place fixed for holding the meeting and shall state the nature of business to be transacted at the meeting.


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VIII. The Board of Directors

44. The Board of Directors shall be constituted as under:-

- a) Six Directors to be elected by producer member admitted under by law No. 5 (a).
- b) Two Directors to be elected by non-producer members admitted under by-law No. 5 (b).
- c) Till the share capital contributed by Government is fully retired and until the loan from the Industrial Finance Corporation is repaid, the State Govt. may nominate 3 Directors who should have intimate knowledge of Corporation and Sugar industry.
- d) One nominee of each participating financial Institution/Banks until the loan taken from financial institutions/Bank by the Mills is repaid.
- e) One Director out of employee member of the Mills as per provision of section 28(5) of the Act.
- f) Managing Director appointed by State Govt.
- g) Two Directors to be appointed by State Govt. having sufficient knowledge of sugar industry and are professionally qualified.

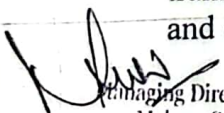
45. Notwithstanding anything contained in the Act, Rules and these byelaws; the first committee of the mills shall be elected by the promoter members as per provision contained in section 32 of the Act. The tenure of said committee shall not exceed one year from the date of its registration of society.

46. Seven or 1/3rd of the total directors whichever is less, shall form a quorum at a meeting of the Board.

47. Interim vacancies amongst the elected Directors on the Board occurring during the term of its office, on account of death or any other cause; shall be filled by co-option out of the same category in which the vacancies so occurred, by the Board for the unexpired portion of the term.

48. The Board of Directors will elect a Chairman and Vice-Chairman from amongst themselves. The Chairman, when present; shall preside over the meeting of the Board. In the absence of the Chairman, the Vice Chairman shall perform the duties of the Chairman at the meeting, in the absence of the Chairman & the Vice Chairman the member present shall elect a Chairman to preside over the meeting. The Chairman may exercise a casting vote in addition to his ordinary vote in the event of equality of votes.

49. Subject to the provisions of By-laws and direction, if any; conveyed in the resolution of the General meeting, the Board of Directors shall have full authority to carry on the business on the society. The Board may meet, as often as it consider necessary; for the transaction of business but it shall meet at least three times during the crushing season and once in two months during non crushing season.


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50. If a member of the Board remains absent for 3 consecutive meeting of the Board without showing adequate cause, he may be ceased to be a member of the Board by the competent authority.


51. No member of the Board shall be present at a meeting when any matter in which he is personally interested, is being discussed; nor shall he vote there upon.

52. Every Director shall vacate his office if,

- a) He becomes insolvent,
- b) By reason of mental infirmity,
- c) He is absent at more than three consecutive meeting of the Board without showing adequate cause,
- d) He defaults the debts due to the mills, or otherwise incurs any disqualifications as per requirement of Act & Rules.

53. The following business shall be transacted by the Board of Directors:-

- a) To dispose of the applications for membership transfer or allotment of shares.
- b) To grant or refuse admission or transfer of shares by assigning reasons.
- c) To determine from time to time, the terms of deposits including the quantum and the rate of interest.
- d) To appoint the Executive Committee and sub-Committee if necessary, for facilitating the work of different departments of the Mills.
- e) To prepare annual report, balance sheet, budget and the programme of work to be placed before the General Meeting.
- f) To fix within the frame work of the relevant regulations, the price for the purchase of sugarcane and the terms and conditions thereof.
- g) To fix the scale of Traveling Allowance and the sitting fees of Directors for attending the meeting with the approval of Registrar.
- h) To arrange for block capital and other loans required by the Mills and to settle the terms and conditions thereof.
- i) To approve schemes of expansion of crushing capacity, bye-products industries & subsidiary activities.
- j) To purchase or obtain on lease, land required for the erection of the factory and other buildings & to determine the terms and conditions thereof with the approval of Registrar.
- k) To approve purchase and erection of the plants, buildings, machinery and other equipment for the business of the Mills.


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- l) To approve the programme of land improvement and crop planning, and to sanction expenditure for the execution of the programme.
- m) To approve sale of lands and other moveable & immoveable properties belonging to the Mills, if not required as per provision of Act Rules and Byelaws.
- n) To appoint bankers.
- o) To appoint legal adviser (s) and to fix his/their remuneration.
- p) To frame rules and regulations for the proper conduct of the business of the Mills. Such rules and regulations shall be recorded in the minute books.
- q) To constitute Executive Committee as per bye-law No. 54.
- r) To frame service rules for the employees of the Mills as per provision of Rule 29 of the Haryana Coop. Societies Rules, 1989.
- s) To generally conduct the business of the Mills and to do all such other acts as are necessary to carry out the objects laid down in byelaw No. 4.

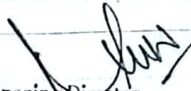
IX. Executive Committee

54. (a) There shall be an Executive Committee consisting of 7 persons as follows:-

1. Chairman
 2. Vice-Chairman
 3. One nominee Director of the financing institution.
 4. Three Directors to be nominated by the Board where in at least one of them shall be State/Government nominee.
 5. Managing Director who shall be the Ex-officio Member convener.
- (b) The quorum of the Executive Committee meeting shall be three only.

55. The duties and powers of the Executive Committee shall be as under:-

- a) To appoint, suspend or dismiss the employees subject to the rules that may be framed by the Board of Directors as per rules made under the Haryana Cooperative Societies Act, 1984.
- b) To purchase or authorise the Managing Director to purchase stores and other production requisites for the working of the Mills.
- c) To appoint various categories of personnel within the sanctioned scale of establishment or posts to be decided by Board of Directors from time to time.
- d) To appoint agent(s) for the supply or sale of goods, services and equipments pertaining to the business of the Mills.


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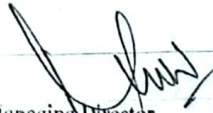
- e) To establish and support funds created for the benefit of employees, ex-employees or their dependents.
- f) To execute all deeds, agreements and other documents that may be necessary or expedient for the business of Mills.
- g) To compromise any debit or claim or refer the same to arbitration or to give time to any debtor for the payment of his debt
- h) To commence, institute, prosecute and to defend all such action and suit, as deemed necessary and proper; or compromise or refer the same to arbitration.

X. Managing Director

56. The Managing Director shall be appointed as per provision of Haryana Cooperative Societies Act, 1984.

57. All functions delegated by the Board of Directors and/or Executive Committee to the Managing Director shall be performed by him. He shall also perform all other functions assigned to him by the Govt./Registrar within the provisions of law. In particulars, he shall perform the follow:-

- i) He shall have general control over the administration of the Mills.
- ii) He shall be responsible for the general conduct, supervision and management of the day to day business and work of the Mills.
- iii) He shall receive all moneys and securities on behalf of the Mills and shall make arrangement for proper maintenance and custody of cash balance and other properties of the Mills.
- iv) He shall have power for and on behalf of the Mills to endorse and transfer promissory notes, Govt. and other securities and to endorse, sign, negotiate cheques and other negotiable instruments on behalf of the Mills. He shall also sign all deposit receipt and operate on the accounts of the Mills with any Bank along with another officer authorised in this behalf by the B.O.D.
- v) He shall appoint member of staff within the sanctioned strength as assigned to him by the Board of Directors from time to time.
- vi) He shall give all type of punishments to the employees as assigned to him by the Board from time to time.
- vii) He shall determine from time to time the powers, duties and responsibilities of the various employees.
- viii) He shall make/permit all purchases and expenditure to a limit to be fixed by BOD from time to time.
- ix) He shall maintain proper accounts .


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x) He shall convene the meetings of the General Meeting, Board of Directors, Executive Committee & other sub-committee(s) as per provisions of Act, Rules & Byelaws.

XI. Supply of Cane

58. The Board of Directors shall draw up a programme for sugarcane cultivation within the area of operation and shall assign such cultivation to producer members including cooperative farming societies. Every member who has been holding an area for growing sugarcane crop shall enter into a contract to rear-up the crop according to the programme and to deliver the same to the mills. The variety of sugarcane, period of plantation, irrigation and manuring shall be followed as decided by the Mills. Any member failing to carry out the programme of cultivation and supply of sugarcane shall be liable to such penalty as may be provided for, by the agreement entered into by the member with the Mills. The penalty and damages thus payable shall be recoverable as if these were debts due to the Mills and shall be recoverable as per the provision in accordance with law.


59. The producer member shall, if so desired by the Mills, be bound to supply the entire sugarcane grown on all his lands in the area of operation, to the factory. The factory shall be bound to buy sugarcane only upto total acreage covered by the shares held by the producer member.

60. The price to be paid for sugarcane supplied shall be determined after assessing the financial results of the working of the Mills for the year. No payment of cane price higher than the statutory minimum price and not warranted by the financial results of the Mills would, however, be made without the approval of the guarantor Government till the Industrial Financial Corporation Loan is repaid fully. An interim advance payment may, however, be made on delivery as may be decided by the Board.

XII. Profits

61. Before arriving at the net profits, the Board of Directors shall provide for:-

- i) Interest payable on loans, deposits and debentures.
- ii) Working expenses including land assessment, municipal or other rates or taxes or rent paid or payable.
- iii) Depreciation of machinery, dead stock and rolling stock, buildings and live stock as are admissible under Income Tax Act/Rules.
- iv) The balance remaining thereafter as per audited balance sheet shall be deemed to be net profit and shall be available for distribution as under:-
 - a) 10% shall be carried to Capital Redemption fund which shall be utilised for redeeming share issued to the Government of Haryana.
 - b) Atleast 10% shall be carried to the Reserve fund.


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- c) 10% shall be carried to bad and doubtful debt fund.
- d) To pay dividend upto 10% on the paid-up share capital.
- e) A sum not exceeding 2% on the paid-up share capital may be credited to the Dividend Equalisation fund until the total amount of such fund amounts to 6.1/4% of the paid up share capital. Except for the purpose of paying dividend, no withdrawal from this fund shall be made without the sanction of the Registrar. A sum shall be set aside for contribution towards the Education Fund at the rate to be fixed by Registrar from time to time.
- g) In any other fund to be created with the approval of the Board.

The distribution of profits shall be made by the Board with the approval of Registrar.

62. In addition to the sum prescribed in Byelaw No. 61(iv), all entrance and share fees, share transfer fees and share deposits forfeited shall be carried to Reserve Fund.


XIII. Amendment

63. None of the byelaws herein contained shall be altered or rescinded and no byelaw shall be added except by a vote of a majority consisting of not less than 2/3rd of the member present at the General Meeting convened for the purpose. The notice convening the meeting shall specify the proposed alterations, additions or recessions and shall be given not less than 15 days prior to the meeting. The amendment shall not take effect until it has been registered by the Registrar. Provided that model bye-laws of amendments previously approved by the Registrar may be adopted by a simple majority at a general meeting with an ordinary quorum.

XIV. Service of Notice

64. Where it is provided by these bye-laws that written notice shall be given to any member or members, the delivery of such notice at the house at which such member ordinary resides, shall be sufficient proof of such notice.

65. If any doubt arises at any time as to the interpretation of these bye-laws, or their application, notwithstanding anything contained in these bye-laws; the matter shall be referred to Registrar whose decision shall be final.


 Managing Director,
 The Meham Co-op. Sugar Mills Ltd
 MEHAM (Rohtak)



**Service Rules
&
Amended
Qualifications
(Cooperative Sugar Mills)**

Haryana State Federation of Cooperative Sugar Mills Ltd.

Bay No.49-52, Sector-2, Panchkula (Haryana)

Ph.: (0172) - 2590821, 702 Fax: (0172)-2590701

E-mail: haryanasugarfed@gmail.com; Website: www.haryanasugarfed.com

THE SERVICE RULES FOR THE EMPLOYEES OF THE COOPERATIVE SUGAR MILLS IN THE STATE OF HARYANA

1. Short title and Commencement

- a) The service rules shall be called "The Service Rules for the employees of the Cooperative Sugar Mills in the State of Haryana.
- b) These service rules shall come into force immediately.
- c) These service rules shall be read with and subject to the Haryana Cooperative Societies Act, 1984 and rules made there under as amended from time to time.

2. Definition

In these rules unless there is anything repugnant to the subject of context:-

- a) "Registrar" means the Registrar, Cooperative Societies, Haryana.
- b) "Chairman" means the Chairman of the Sugar Mills.
- c) "Managing Director" means the Managing Director of the Sugar Mills.
- d) "Society" means Cooperative Sugar Mills located in the State of Haryana.
- e) "Bye-Laws" means the bye-laws of the Society.
- f) "Board" means the Board of Directors or the Board of Administrators of the Society, as the case may be.
- g) "Executive Committee" means the Executive Committee appointed by BOD of the Society.
- h) "Employees" means any person in the employment of the Society.
- i) "Direct Recruitment" means the appointment made otherwise than by promotion/on deputation from open market or from within serving employees of the Society.
- j) "Equivalent Post" means any two or more posts in the service carrying identical time scales.
- k) "Salary" means the basic monthly pay which shall also include other emoluments.
- l) "Pay" means the basic monthly pay.
- m) "Substantive Pay" means pay to which an employee is entitled on account of his post to which he has been appointed substantively or by reason of his substantive position in a cadre.
- n) "Year" means the Financial Year of the concerned Society i.e. from 1st April to 31st March.
- o) "Penalty" means censure, with-holding of increment, demotion/reduction to lower post of time scale, suspension, removal or dismissal, termination of any employee.
- p) "Act" means Haryana Cooperative Societies Act, 1984.
- q) "Standing Orders" means the Standing Order under the Industrial Employment (Standing Order) Act, 1946 as applicable from time to time.
- r) "Appointment Authority" means the Authority in which the powers of appointment of personnel of a particular category vests.
- s) "Competent Authority" means the Authority in which the powers by the appointing authority have been delegated for accomplishment of certain purposes.
- t) "Family" means an employee's spouse, parents/step parents, children/step children wholly dependent on the employee and actually residing with the employee.
- u) "Notice" means a notice in writing required to be given or to be posted for the purpose of these rules.
- v) "Factory" means the premises of the mills as defined under section (2m) of the Factory Act, 1948.
- w) "Medical Certificate" means a certificate regarding illness issued by a registered Medical Practitioner or from a doctor to be prescribed by MD from time to time.

3. Applicability

These rules shall apply to all the employees of the Society with the exception of :-

- a) On deputation to the society.
- b) Employees in respect of whom matters referred to in these rules are governed by standing orders under the Industrial Employment(Standing Orders) Act, 1946 or any other legislation or statutory orders for the time being in force.
- c) Employees whose service conditions are regulated by a contract entered into by them with Society

Provided that the services of such employees will be regulated by the terms and conditions contained in the contract.

Provided further that where the Standing Orders, the legislation or orders aforesaid are silent on any matter for which provision has been made in these rules, the provision of these rules shall apply to such extent to such categories of employees also.

4. The Authority for implementation / interpretation / Amendment

- I. The implement to these rules will be the concerned society through its Board of Directors.
- II. If any doubt arise at any time as to the interpretation of these rules or their application notwithstanding anything contained in these rules, the matter shall be referred to the Registrar whose decision shall be final.

5. Recruitment

The power of recruitment in the service of the mills shall vest in the authority specified in the Bye-Laws of the respective society.

6. Method of recruitment

The method of recruitment will be as under :-

- a) By Promotion.
 - b) On Deputation.
 - c) Direct Recruitment.
- a) By Promotion
By promotion from the permanent/temporary employee of the Society fulfilling the qualification and experience of the post and having good work and conduct.
 - b) On Deputation
By taking on deputation from the Govt. or coop. sugar mills in the state of Haryana
 - c) Direct Recruitment
Direct Recruitment through advertisement /employment exchange as per instructions of Govt. issued from time to time.

7. Reservation

Reservation in appointments for the candidates belonging to SC, ST, BC, Ex-servicemen and physical handicapped category etc shall be given as per the Govt instructions issued from time to time.

The Ex-servicemen if selected for the service of the Society will be given benefit of the military service as per practice and rules followed by the State Govt. from time to time.

8. **Seniority**

Seniority in each category will be fixed as per selection list for direct recruitment. For promotion, seniority will be fixed on the basis of the length of service in that category in the society.

9. **Lien of service**

If an employee is promoted from the junior post to higher post, and at the higher promoted post till he is not confirmed due to any reason, he shall be having lien on the post held by him earlier than his promotion on the present post.-

10. **Job inheritance**

As per the Haryana Compassionate Assistance to the dependents of deceased Cooperative Sugar Mills employees rules, 2005 amended from time to time.

11. **Appointment**

Every employee shall at the time of his appointment produce as proof for :-

i) **Qualification and Experience**

He shall be required to produce the original certificates alongwith attested copies of the said certificates for the qualifications and experience claimed by him enabling him to be a candidate for the relevant post.

ii) **Proof for Reservation**

Persons belonging to ST, SC & BC shall furnish his certificate in original from the Distt. Magistrate/Sub-Divisional Magistrate/City Magistrate of the District to which they belong

Every person who is appointed from the category of Ex- servicemen shall produce discharge certificate alongwith other certificates as proof in respect of his previous service making him Ex-army personnel.

The persons who are physically handicapped have to produce proof for their being fully or partially handicapped from the authorised Medical Officer.

iii) **Proof of Age**

Every employee shall at the time of his appointment produce as proof of his age of the following :-

- a) School leaving certificate or High School certificate containing the date of birth of the person.
- b) Date of birth as certified by Municipal Board or any other relevant authority for the purpose.
- c) An insurance policy taken out before January, 1st, 1984 .
- d) A certificate from Medical Officer of the Society.

iv) **Fitness Certificate**

Every person before joining the service of the society shall furnish a medical fitness certificate from the Chief Medical Officer/Medical Officer of any Civil hospital in the district or from Medical Officer to be presented to MD.

Rule 11 - Appointment

11(A)

- (a) Type test is substituted with State Eligibility Test in Computer Appreciation and Applications (SETC) as a part of service requirement for Clerks, Steno-typists, Stenographer-cum-PA/MD. State Eligibility Test in computer Appreciation and Applications (SETC) which shall be post requisite condition/qualification and all the newly recruited/appointed Clerks, Steno-typists, Stenographer-cum-PA/MD shall have to qualify the State Eligibility Test in Computer Appreciations and Applications (SETC) in the organization. The existing Clerks who have been promoted from Cane Kamdar/Daftri/Centre Chowkidar/Peon or similar equal posts and have not passed the type test till date as required under the Service Rules shall have an option either to pass the Type test or State Eligibility Test in Computer Appreciation and Applications (SETC). Besides, Steno-typist, Stenographer-cum-PA/MD shall have also to qualify stenography test as prescribed in the service rules of the Department.
- b) The candidates shall have to qualify the State Eligibility Test in Computer Appreciation and Applications (SETC) within the probation period of one year, extendable by one year in case of direct recruitment. The candidate appointed against the aforesaid categories of posts in Group C shall not be entitled to earn any increment in his/her pay scale till he/she qualifies the said test failing which the services of such employees shall be dispensed with. The persons who are promoted to the post of Clerk, Steno-typist, shall also have to qualify the State Eligibility Test in Computer Appreciation & Applications (SETC) within the probation period of one year, extendable by one year failing which he/she will be reverted back.
- c) The Government of Haryana hereby authorize Haryana State Electronic Development Corporation Ltd.,(HARTRON) or any other Agency as prescribed by the Govt., as the authorized agency for conducting State Eligibility Test in Computer Appreciation and Applications (SETC) alongwith a test in typing speed in accordance with the syllabus as the State Govt. may specify in this regard from time to time besides the syllabus already provided in Para-d of these Rules. The pass certificate issued by HARTRON or any other agency as approved by the Government would be accepted as an evidence of the fulfillment of the prescribed condition of the Service Rules.
- d) The syllabus for the State Eligibility Test in Computer Appreciation and Applications (SETC) would contain Word processing, Internet Browsing and E-mail management only.
- e) In the case of Clerks, typing speed of 30 words per minute in English and 25 Words per minute in Hindi converted with equivalent key depressions in both cases as the typing speed would be tested on computers.
- f) The Employees possessing any of the following qualification are exempted from taking the State Eligibility Test in Computer Appreciation and Applications (SETC):-
- (i) M.Tech/B.Tech(Computers),MCA, BCA or Diploma in Computers from recognized institutions e.g.Polytechnics
 - (ii) Basic Computer literacy certificate from any recognized centre established under the National Institute of Electronics & Information Technology (NIELIT) (erstwhile DOEACC Society).

- (iii) Haryana State - Certificate in Information Technology (HS-CIT) from the Authorised Learning Centres (ALCs) of the HKCL.
- (iv) Candidates/ employees who have already passed the SETC and the same are valid at the time of joining the service. The State Eligibility Test in Computer Appreciation and Applications (SETC) passed by any candidate earlier shall be considered valid for a period of 5 year from the date of issue of such certificate by HARTRON or any other agency authorized by the Government.
- (v) Physically disabled candidates i.e amputation of hand (Left and Right), Amputation of upper limbs, Paralysis of Radial Nerve (Radial Nerve Palsy) either upper limbs, Declination degenerative disorder effecting the nervous system which may cause paralysis and atrophy of the hand and its muscles and Visually Handicapped.

However, these employees with the exception of those mentioned under sub para (v) above, shall be required to clear the 'typing test' being part of the State Eligibility Test in Computer Appreciation and Applications(SETC)..

- g) Test will be applicable from the date of issue of Govt. instructions dated 7.11.2013.

12. Character Verification

Every person selected for the post shall have to furnish particulars required to be verified by the police alongwith 3 copies of his passport sized photograph. The character verification shall be got carried out before any person joins the duty of regular nature in the service of the society.

The person who join the service of the society by leaving their earlier employment, shall furnish a character certificate of acceptable nature from his previous employer. It will be within the rights of the society who may ask for fresh character verification of any employee at any time, if situation so warrants and decided by the society.

13. Conditions of Service

i) Probation

All the appointments shall ordinarily be made in the first instance on probabtion for a period of one year. **This probation period shall be extended as per the conditions as specified under Rule 11A for the posts wherever applicable.** This will be mentioned in the appointment order/letter. This probation period can be extended by the appointing authority at its sole descretion without any reason, from time to time. The probation period shall, however, not be extended more than one year. Thus, the total probation period shall not go beyond 2 years.

During the period of probation the service of any employee can be terminated by the Appointing Authority by giving a notice of one month, if the performance of the employee is not found satisfactory **and non clearance of SETC as provided under Rule 11(a) & 11(b) for the posts wherever applicable** or if there is any reason sufficient for the action. For this purpose whether the reason is sufficient or will be decided by the Appointing Authority.

The Society shall have the right to transfer one employee from one department/section to another or from one machine to another at its sole descretion not affecting his salary/wages and class or service provided, such transfer does not affect the functioning of the mills.

ii) **Confirmation**

a) Upon the satisfactory completion of probation period an employee shall be eligible for confirmation.

b) **After confirmation**

After confirmation unless otherwise agreed upon in writing between the society and the employee, no employee of the society shall resign from the service of the society, at time, without giving the society atleast 3 months notice in writing of his intention to do so or on surrender of salary of the equivalent period i.e. 3 months in lieu thereof or salary for the unexpired period of notice. Similarly, after confirmation of an employee unless, otherwise, agreed to in writing between the society and the employee, the society shall have the right to terminate the service of the employee on giving him not less than three months notice in writing or salary of 3 months period in lieu thereof or salary of the unexpired period of his notice.

Provided that no such notice or payment of equivalent salary in lieu thereof will be required when an employee is retired at attaining the age of super-annuation or dismissed from the service as a result of an enquiry conducted against him.

13A. **Annual Confidential Reports**

The Annual Confidential reports of the employees of the Coop. Sugar Mills in the State of Haryana shall be written every year and maintained in accordance with the instructions/guidelines issued by the Managing Director, Haryana State Federation of Coop. Sugar Mills Ltd. Panchkula from time to time.

Service Rules amended (new clause added) vide letter No.SMF-03/AR/589-600 dt.28.4.03.

14. **Retirement**

All the employees except covered under Sugar Wage Board shall retire from the service of the society on attaining the age of 58 years. However, this age limit can be extended by a period of 2 years, in case the employee is found to be outstanding and competent for the duties and the health of the employee so permits subject to the approval of Registrar. The retirement age for the employees whereby Sugar Wage Board will be as per the retirement age mentioned in the Wage Board recommendation.

15. **Duty of the employees**

Every employee shall perform the duties entrusted to him, from time to time in accordance with and in implementation of the policy laid down by the society.

No employee shall divulge any secret or any confidential information pertaining to the working of the society to any person other than his immediate superior.

16. **Facilities**

i) Contributory Provident Fund:- As per the Provident Fund Act.

ii) Gratuity:- As per Gratuity Act.

17. Leave

The following types of leave will be admissible to the employee of the Society:-

- i) Casual Leave
- ii) Earned Leave
- iii) Sick Leave
- iv) Maternity Leave
- v) Compensatory Leave
- vi) Extra-ordinary Leave

No leave can be claimed as a matter of right

Full descretion shall rest with the leave sanctioning authority to grant, refuse or revoke any kind of leave at any time according to the exigencies of the service of the society.

i) **Casual Leave**

Casual Leave upto a maximum of 10 days in each year shall be admissible to cover the usual absence of an employee for personal reasons provided not more than 6 days casual leave will be admissible to an employee whose services with the society does not exceed six months. On leave shall be admissible for every one month of service.

Casual Leave will be non-cumulative and the balance if any at the credit of an employee on his 31st December, will lapse automatically. An employee will not be allowed to avail more than four days casual leave at one time.

ii) **Earned Leave**

Earned leave shall be admissible to an employee at the rate of one leave for every 20 days work performed in the service of the society. The total earned leave in one Calender year will be 18. The earned leave can be accumulated upto a maximum 180 days. When an employee who has to his credit 180 days of Earned Leave applies such leave and that leave is refused, he shall be entitled in respect of the period covered by such refusal, to an amount which could have been payable to him as salary in case he had been sanctioned earned leave during that period, provided that the amount of such payment shall not in any case exceed the amount of salary for 30 days.

The amount payable to the employee under the provision of this sub-rule shall be in addition to his salary for the period for which leave has been refused. On an employee receiving the said amount the earned leave to his credit shall be reduced by the number of days in respect of which such amount has been paid.

For the purpose of the rule "Salary" shall be deemed to mean basic pay and dearness allowance if admissible and shall not include House Rent Allowance or any other type of allowance.

Where an employee has to his credit minimum 45 days or more of Earned Leave, he shall be entitled, at the time of his availing duly sanctioned Earned Leave for 11 days or more to encash Earned Leave lying to his credit on that date upto a maximum of 30 days, to meet his leave expenses, and in that case his Earned Leave shall stand reduced to the extent of Earned Leave encashed by him as aforesaid. The encashment will be permissible only if the employee goes out of station for any personal reason.

Where the services of an employee are terminated or where the employee terminates the employment after giving the due notice, he shall be paid salary for the number of days for which the earned leave is due to him, on the basis of last pay drawn up to a maximum of 180 days.

An employee who is due to retire on his completing 58/60 years of age will be entitled before retirement to avail of the earned leave at his credit, or encashment as per his choice. Such encashment will be upto a maximum of 180 days on the basis of last pay drawn.

iii) **Sick Leave**

- a) Maximum 10 days sick leave will be allowed to an employee in each year.
- b) Sick Leave may be availed of only on Medical grounds duly supported by a medical certificate from a Registered Medical Practitioner, Govt./Factory Medical Officer to the satisfaction of the leave sanctioning authority. **Indoor expenses actually paid for treatment in a Govt. Hospital will be re-imbursed to the employee on the certification of the concerned Medical Officer.**
- c) Sick leave is like the medical leave (Half pay leave) admissible to Govt. employees. The sick leave admissible to the workers in a year will not lapse in that year like casual leave. The unavailed sick leave in the year will be carried forward and credited to the account of the employee concerned. The accumulation of sick leave will commence w.e.f. 1.12.2001".

Qualification amended by RCS(SM) vide letter No.SMF-01/AR/9748 dt.13.12.01

iv) **Extra-ordinary Leave (Leave without Pay)**

- a) Extra-ordinary leave without pay may be sanctioned to an employee in special circumstances when no other kind of leave is admissible to him.
- b) The period of extra-ordinary leave granted to an employee on one occasion shall not exceed 90 days.
- c) The Society may retrospectively convert periods of absence without leave into Extra-ordinary leave even when any other kind of leave was admissible at the time when absence without leave commenced.
- d) No pay or allowance of any kind shall be admissible during the period of extra-ordinary leave.
- e) Where an employee fails to resume his duties on the expiry of of extra-ordinary, he shall be deemed to have resigned his appointment and accordingly cease to be in the employment of the society unless the Managing Director may determine otherwise in view of the exceptional circumstances of the case.

v) **Maternity Leave**

A female employee of the society shall be entitled to maternity leave benefits in accordance to maternity benefit Act, 1961 in force and amendments made from time to time.

vi) **Compensatory Leave**

The employees will be entitled for compensatory leave for extra work got done from them. These leaves can only be availed after the close of the crushing season and purely at the discretion of the Managing Director. The Managing Director will also be competent to decide whether compensatory leave is admissible or not.

vii) **Sundays & Holidays**

- a) Sundays or Holidays immediately preceding or followed any type of leave shall be deemed to be prefixed or sufficed to that leave in the normal course unless specifically ordered otherwise by the leave sanctioning authority and they shall not be counted as part of the Earned Leave.
- b) As Sunday or Holiday falling between the first and the last day of leave period shall count as part of that leave.

viii) **Combination of Leave**

Any kind of leave permissible under these rules may be granted in combination with or in continuation of another type of leave except that casual leave can not be combined with and availed of in continuation with any other type of leave.

18. **Rate of Salary during Leave Period**

During the period of all types of leave, except extra-ordinary leave an employee shall be entitled to the same pay and allowance as would have been admissible to him had he not proceeded on leave.

19. **Absence without sanction of Leave**

1. Leave shall in the ordinary course be got sanctioned before it is availed of otherwise it may be treated as absence without leave. The leave sanctioning authority may, in that event retrospectively convert the period of absence without leave into extra-ordinary leave without pay, even when any other kind of leave was admissible to the employee at the time when the absence without leave commenced.
2. An employee who remains absent continuously for 10 days without making any leave application it shall be presumed that he has left the services of the society and his name shall be struck-off from muster- roll of the factory and an intimation to this effect will be sent to the employee concerned, in the manner possible.
3. An employee shall be deemed to be absent if he fails to attend to his duty, unless he has obtained prior permission for such absence from the competent authority and in case of unforeseen circumstances has made an application to this effect within 24 hours of the commencement of the absence.
4. If an employee is absent from premises of the establishment during the hours of his duty without proper permission he shall be treated as absent for whole day.

20. **Leave Sanctioning Authority**

- a) Casual Leave will be sanctioned by such authority as may be notified in this behalf by the Managing Director.
- b) Earned Leave upto a period not exceeding 3 days where no substitute is required may be sanctioned by such authority as may be notified in this behalf by the Managing Director.
- c) All other type of leave will be sanctioned by the Managing Director.

21. **Recall from Leave**

1. The leave sanctioning authority shall with the previous permission of the Managing Director have discretion to recall an employee to duty before expiry of his leave, if the emergencies of service of the society so require.
2. If an employee is out of his headquarter at the time when he is so recalled, he shall be treated as on duty from the date of which he starts for the station to which he is

ordered to report provided that the leave is curtailed by a period equal to not less than one third of the total leave sanctioned to him.

22. Miscellaneous about Leave

If a workman who falls sick and has no sick leave to his credit or he is not entitled to such leave, then he may avail the earned leave/privilege leave to cover the period of his illness duly certified to the satisfaction of the management.

No person in the service of the mills shall accept other service during the period of leave.

If the workman remains absent beyond the period of leave originally granted or subsequently extended, he shall lose his lien on his appointment automatically unless he returns within eight days of the expiry of the leave and explains to the satisfaction of the Managing Director/Manager, his inability to return before the expiry of his leave.

No person shall be allowed leave for the absenting period. He should apply for leave before he proceeds, except in some genuine casuality or emergency. Absenting period will be treated as absent from duty.

Any employee who after coming to his work in the deptt. in which he is employed, is found absent from his proper place of work during working hours without permission of the appropriate authority or without any sufficient reason shall be liable to be treated as absent for the period of his absence.

Notwithstanding any thing mentioned above any workman remain absent without reasonable cause, will render himself liable for disciplinary action.

No leave shall be granted to an employee who is under suspension.

Two hours short leave will be allowed to an employee in a month and not more than 24 hours in a year. Short leave above this period shall be adjusted against his leave a/c.

Short leave means to leave the mills premises for a short time of not more than 2 hours and resume his duty (short leave will not be allowed for late comers), during short leave.

23. National and Festival Holidays

All the employees shall be granted 15 Festival Holidays and 3 National Holidays with wages in a calander year. The National and Festival Holidays to be observed by the society are as under :-

A) National Holidays

- i) Republic Day
- ii) Independence Day
- iii) Gandhi Jayanti

B) Festival Holidays

- i) 15 holidays to be decided by the Management according to the local conditions.

- ii) Should an employee be required to work on a National or Festival holidays, he shall at his option and entitled to twice his average daily wage for that day, or his average daily wage for that day and a substituted holiday with his average daily wage on any other day within ninety days from the day on which he so works.
- iii) In the majority of the employees desire and give in writing that they want to enjoy festival holiday on any other day in addition to the days as already agreed in(i) above and agree to work in lieu of that holiday on preceding or next, weekly off-day, the management may declare such other day as holidays for the purpose of this order.

DISCIPLINARY PROCEDURE

24. Punishment for misconduct

"Any employee is found, after proper enquiry, to be guilty of mis-conduct shall be liable for imposition of penalty prescribed in Appendix-'B'.

The affected employee can file an appeal to the appellate authority against the punishment awarded within 60 days of the receipt of the order of final punishment awarded to him, provided further that the appellate authority may condone the delay in filing of appeal depending upon the exceptional circumstances of the case and by passing a speaking order.

Qualification amended by RCS(SM) vide letter No.SMF-05/AR/3399-3401 dt.7.7.05

25. Misconduct

Without prejudice to the general meaning of the terms misconduct, it shall deem and mean, all acts of misconducts and other acts of omissions specifically provided herein below:-

- 1) Insubordination, refusal to work or disobedience whether alone or with others, of any lawful and responsible orders of supervisors including the orders which the Managing Director may issue under these Service Rules.
- 2) Theft, fraud or dishonestly in connection with the employer's business or property, the theft or property of another person or employee on the premises of the establishment or unauthorised retention of any property or quarters of the society.
- 3) Habitual absence without leave or absence without leave for more than seven consecutive days or over staying the sanctioned leave without sufficient cause.
- 4) Breach of any Service Rule or any law applicable to the establishment or any rule made thereunder.
- 5) Soliciting or collecting contribution for any purpose whatsoever including Union dues or subscription or confessing union membership at anytime in the establishment without the written permission of the Managing Director.
- 6) Engaging in trade including money lending or borrowing within the premises of the establishment without the written permission of the Managing Director.
- 7) Riotous, disorderly or indecent behavior or wrongfully interfering with the work of other employees or any improper act within the establishment premises or preaching or inciting violence.
- 8) Damage whether willful or due to irresponsible action or negligence to any plant, machinery or work in process or to any property of establishment.

- 9) Disclosing to any unauthorized person any information in regard to the process or relating to business of the establishment which may come into possession of employee in the course of his employment.
- 10) Distributing or exhibiting or causing to distribute or exhibit hand bills pamphlets, posters and/or such other things or causing to be displayed by means of signs or writing or other visible representation of any matter within factory premises without previous sanction of Managing Director in writing.
- 11) Taking or smuggling or being found in possession of any lethal weapon in the establishment.
- 12) Doing private, personal or which work within the establishment with or without tools or materials belonging to the establishment without the previous permission of the Managing Director.
- 13) Making false, derogatory, defamatory or malicious statements against the establishment or its officer or any employee of the establishment.
- 14) Willful falsification, defacement or destruction of records of the establishment.
- 15) Allowing an unauthorized person to operate his machine.
- 16) Any act of bad faith towards the superiors or any intentional act likely to harm the interest of the superiors.
- 17) Blocking or obstructing the gate or gates of the establishment factory or office.
- 18) Any other act, though not specified but which would constitute gross misconduct in general law or which is incompatible with the employment of the employee.
- 19) Hunger strike within factory premises, go slow dharnas, stay in strike for any reason whatsoever.
- 20) Habitual late attendance for more than 3 times in a month.
- 21) Resorting to illegal strike or inciting others to resort to such strike.
- 22) Smoking at workshop floor and places where smoking is prohibited.
- 23) Sleeping, napping or dozing while on duty.
- 24) Willful or deliberate or intentional or knowingly slowing down of production or inciting others to slow down.
- 25) Conviction by a court of law for any offence involving moral turpitude.
- 26) Committing or including in anti-social act or involvement in act or moral turpitude.
- 27) Threatening, intimidating, insulting, abusing, using abusive language or assaulting any superior or co-employee in connection with the employee's business, either inside or outside the factory.
- 28) Preaching or inciting to violence likely to jeopardise the safety of the establishment or threatening, intimidating any person inside the factory.
- 29) Borrowing money from a subordinate.
- 30) Tampering with any safety devices installed in the establishment or not following the given instructions pertaining to safety or refusal to use safety apparatus/equipment.

- 31) Drunken or intoxication or gambling while on duty.
- 32) Refusal to undertake training in First-Aid, fire fighting and Air Raid precaution without cogent reasons.
- 33) Distributing of pamphlets and holding of meetings in the premises without permission.
- 34) Refusal to receive official communications.
- 35) Willful absence from duty or making application for leave on false grounds
- 36) Unauthorized occupation or use of Society's quarters, telephones, conveyance or other property.
- 37) Going on strike, joining or calling other to go on strike without giving 15 days notice.
- 38) Making false complaints, statements, representations to any body which is likely to bring the Society and officers of the society into disrepute or defamation in public or in the eyes of laws.
- 39) Refusal to be transferred from one job to another, from one shop to another, from one work to another.
- 40) Acting, agitating against or breaking violating any agreement settlement or award, applicable to binding upon the society and the employee.
- 41) Divulging of official secret or trade secret giving out informations which may come to his notice during the course of employment.
- 42) Operating or attempting to operate or use of any machine without specific permission or instruction of the Head of the Department.
- 43) Any other act subversive of discipline.

NOTE: The above list is only illustrative and not exhaustive. The other acts and omission will also be misconduct as provided anywhere else.

26. Enquiry into misconduct

If any report or complaint verbal or written is received and if disclosed on the fact of it that the accusation made against an employee constitute a major misconduct and disciplinary action is contemplated, the employee shall be given a charge-sheet in writing. The employee so charge-sheeted shall be given atleast 48 hours to enable to him to prepare and submit his explanation. The employee may at the discretion of the Managing Director, be granted extension of time for submission of the explanation, if the employee refused to accept the charge-sheet, it shall be sent to him by registered post and simultaneously displayed on the Notice Board. The charge sheet so served will contain the statement of charge or charge setting out the alleged misconduct and also may contain suspension from duty. Where the employee who has been served with a charge sheet has denied or controverted the charges levelled against him, his explanation shall be considered. In case the Managing Director/Competent Authority is satisfied with the explanation submitted by the employee he shall be absolved of all the charge. Otherwise, the employee will be issued an enquiry notice containing the name of the Enquiry Officer, date, time and place where the enquiry shall be held.

The enquiry will be conducted by the Managing Director/Competent Authority. The Enquiry Officer will hold enquiry proceedings and employee will be given full and fair opportunity to defend himself or to present his case. In case, the employee fails to participate or present himself in the enquiry proceedings, the Enquiry Officer will be within his right to proceed ex-parte in the absence of the employee.

The Enquiry Officer after recording the evidence will submit his findings to the Managing Director. The Managing Director/Competent Authority will consider the examine all the records of the Enquiry will pass an order either of punishment or of withdrawing the charges as the case may be. The order of punishment shall be communicated to the concerned employee.

27. PUNISHING AUTHORITY

The Managing Director/BOD of the society will be Punishing Authority as per the provision of bye-laws of the Society. If any minor punishment as mentioned in Section 29, i to v the punishing authority will be the MD.

28. NATURE OF PENALTIES

The nature of penalties which may be imposed, the authority empowered to impose such penalties and appellate authority shall be such as specified in appendix 'B' to these rules. No order of punishment falling under penalties shall be made except after holding an enquiry against the employee concerned.

29. SUSPENSION

1. If having regard to the nature of the misconduct, the society is satisfied that it is necessary or desirable to place under suspension the employee against whom an enquiry is being made, the society may pass an order placing him under suspension.
2. An employee of the society who is arrested & detained in official custody whether on a criminal charge or otherwise, for a period longer than fortyeight hours shall be deemed to have been suspended by the society with effect from the date he was placed under custody.
3. An employee who is placed under suspension shall be entitled to receive payment from the society as subsistence allowance a sum not exceeding half the pay to which he would have been entitled but the order of suspension.
4. If however, the employee is punished after the enquiry or permission to punish is granted by the authority concerned he shall not be entitled to wages for the period of suspension.
5. A employee who is suspended shall not during the period of his suspension enter the factory without permission of the Management in writing.
6.
 - i) On notice of termination of service being given to an employee, the accrual of any kind of leave shall stop with effect from the date of notice.
 - ii) On notice of resignation from services being given by an employee, he will not be entitled any unavailed portion of casual and sick leave, but shall be given the privilege/earned leave already earned.
 - iii) On notice of termination of services being given to an employee, the unavailed portion of his earned/privilege leave, if any, will be paid equivalent wages to which he would have been entitled to for that period if he would have remained in the service of the mills.

7. An employee can leave the mills service by giving three month's notice or three month's salary in lieu of notice period. Similarly, the Management can terminate the service of the employee by giving three month's notice or three months salary in lieu of notice. However, this condition does not apply if employee is terminated on the basis of mis-conduct.

8. **Duties of an employee on termination of service**

- i) An employee under orders of transfer or on termination of his service must return and submit forthwith and in any case within 24 hours of such orders of termination all books, papers, documents, files, diaries, drawings, maps, charts, instrument tools, cash and all other articles whatsoever, belonging to the mills in his possession, given charge of the same to the person or the persons duly authorised to receive them.
- ii) He shall vacate the house within 24 hours of termination if provided by the mills unless specially permitted in writing to stay longer.
- iii) His accounts will be settled and final payment will be made to him on getting a clearance certificate in respect of above items.

30. **RECEIPT OF CASH**

- i) No employee shall unless duly authorised in writing by the Managing Director of the Society, receive, collect or realise any cash, property or assets of the Society.
- ii) Every employee shall before the close of the day deposit with cashier or any other person authorised to receive cash, as the case may be all the cash received or collected by him on behalf of the Society during the course of the day.
- iii) Every employee dealing in cash or store of the Society shall have to furnish cash security or other guarantee as and when required from time to time, as decided by the Managing Director.

31. **HANDING OVER OF PROPERTY**

Every employee shall on termination of his service or on retirement or at any time during his term of services as and when called upon by the society shall hand over of all the money, files, registeres and other properties of the society in his custody or control and vacate handover possession of the accommodation or quarter if any of the society allotted to him. the said accommodation or quarter being deemed to have been occupied by him under lease/licence of the society for convenient performance of his duty and not as a tenant.

Failure on the part of the employee to handover charge and possession as aforesaid shall entitle the society to forfeit the salary, security deposit and other dues, if any, of such employee payable by the society without any prejudice to the rights of action which the society may have in law or under its regulation against such employee.

32. **Private trade or Employment**

- (1) No employee of the society, shall except with the previous sanction of the society obtained in writing, engaged directly or indirectly in any trade or business or undertake any employment.

Provided that an employee of the society may without such sanction, undertake honorary work social or charitable nature or occasional work of a literary, artistic or scientific character, subject to the condition that his official duties do not thereby suffer; but he shall not undertake or shall discontinue such work if so directed by the Society.

Explanation

Canvassing by an employee of the Society in support of the business of insurance agency or commission agency, owned or managed by his wife or any other member of the family shall be deemed to be a breach of this sub-rule.

- (2) Every employee of the society shall, if any member of his family is engaged in a trade or business or owns or manages an insurance agency or commission agency, report that fact to the society.
- (3) No employee of the society shall, without the previous sanction of the society obtained in writing or except in the discharge of his official duties, take part in the registration, promotion or management of any company registered under the companies Act, 1956 or any other law for the time being in force or any cooperative society the primary object of which is commercial purpose.

Provided that any employee of the society may take part in the registration, promotion or management of the cooperative society substantially for the benefit of the society employees or of a literary, scientific or charitable society registered under the Societies Registration Act or any other corresponding law in force.

Explanation

In this sub-rule 'Cooperative Society' means a Society registered or deemed to be registered in the cooperative societies Act or any other law relating to the cooperative society for the time being in force in any state .

- (4) No employee of the society shall accept any fee for any work done for any public body or for any private person without the sanction of the society.

33. TAKING PART IN POLITICS AND ELECTION

- (1) No employee of the society shall be a member of or be otherwise associated with any political party nor shall he take part or subscribe in aid of or assist in any other manner, any political movement or political activity.

Provided that nothing contained in this rule shall debar an employee from taking part in any form of legitimate trade union activity.

Provided further that on a question arising, the decision of the Managing Director as to the legitimacy of the trade union activity shall be final.

- (2) It shall be the duty of every employee of the society to endeavour to prevent any member of his family from taking part in or subscribing in aid of or assisting in any other manner, any movement or activity which is or tends directly or indirectly subversive of a Government as by law established and where an employee of the society is unable to prevent a member of his family from taking part or subscribing in aid of or assisting in any other manner, any such movement or activity, he will make a report to that effect to the society.
- (3) No employee of the society shall canvass or otherwise interfere with or use his influence in connection with or take part in election to any legislature or local body.

Provided that an employee of the society qualified to vote at any such election may exercise his right to vote but while doing so he shall give no indication of the manner in which he proposes to vote or has voted.

Explanation

The display by an employee of the society on his person/vehicle or residence or any electoral symbol shall amount to using his influence in connection with election within the meaning of the sub rule.

34. CONNECTION WITH PRESS OR RADIO

1. No employee of the society shall except with the previous sanction of the society, own wholly or in part or Conduct or participate in the editing or Management of any newspaper or other periodical publication.
2. No employee of the society shall except with the previous sanction of the society or by any other authority empowered by it in this behalf or except in the bona-fide discharge of his duties.
 - a) Publish a book himself or through a Publisher or contribute an article to a book or a compilation of articles or
 - b) Participate in a radio broadcast or contribute an article or write a letter to a newspaper or periodical:-

either in his own name or anonymously or in the name of any other person:-

Provided that no such sanction shall be required:-

- i) If such publication is through a publisher and of a purely literary, artistic or scientific character or
- ii) If such contribution broadcast or writing is or a purely literary, artistic or scientific character.

35. CRITICISM OF GOVERNMENT OR SOCIETY

No employee of the Society shall in any radio broadcast or any document published anonymously or in his own name or in the name of any other person in any communication to press or in any public utterance make any statement of fact or opinion:

- i) Which has the effect of an adverse criticism of any current or recent policy or action of the society or the central or State Government.
- ii) Which is capable of embarrassing the relation between the central or any State Government.

Provided that nothing in this rule shall apply to any statement made or views expressed by an employee or the Society in his official capacity and in the due performance of the duties assigned to him.

36. GIFTS

- (1) Save as provided in these rules no employee of the Society shall accept or permit his wife or any other member of his family or any other person acting on his behalf to accept any gift exceeding Rs.100/- in value without the previous sanction of the society.
- (2) Where it is not practicable for an employee of the society to obtain previous sanction of the society under preceding rule for accepting or permitting his wife or any other member of his family or any other person acting on his behalf to accept any gift exceeding Rs.100/- in value. he shall within one month of the acceptance

of such gift make a report to the society stating the circumstances under which such gift was accepted, and if the society does not approve of such acceptance, he shall return the gift to the donor or deposit the same with society.

- (3) On occasion, such as wedding anniversaries, funerals, religious functions, when making of gifts is in conformity with the religious or social custom, gifts may be accepted:-
 - a) From near relations, provided that a report shall be made to the society if the value of any such gift exceeds Rs.500/-.
 - b) From personal friends having no official dealings with the employee of the society, provided that a report shall be made to the society if the value of any such gift exceeds Rs.200/-.

37. CONSUMPTION OF INTOXICATION DRINKS AND DRUGS

An employee of the society shall:-

- (a) Strictly abide by any law relating to intoxicating drinks or drugs in force in any area in which he may happen to be for the same time being.
- (b) Not be under the influence of any intoxicating drinks or drug during the course of his duty and shall also take due care that the performance of his duties at any time is not affected in any way by the influence of such drink or drug.
- (c) Not appear in a public place in a state of intoxication.
- (d) Not use such drinks or drugs to excess.

38. IMMOVABLE/MOVABLE PROPERTY

At the time of joining the service and on the 31st of March every year thereafter/movable property possessed by him and its market value and situation thereof in such form as may be prescribed.

39. EMPLOYMENT OF NEAR RELATIVES OF EMPLOYEES IN FIRMS ENJOYING SOCIETY'S PATRONAGE:

No employee holding a supervisory post, shall except with the previous sanction of the society permit any member of his family to accept any employment with any private firm with which he had official dealings.

40. CONVICTION OR ARREST OF AN EMPLOYEE:

An employee convicted by a court of law or arrested shall report the fact of his conviction/arrest to his department superiors promptly and failure to do so shall be considered as misconduct within the meaning of rule 25.

41. BIGAMOUS MARRIAGE

- (1) No employee who has a wife living shall contract another marriage without first obtaining the permission of the Society, notwithstanding the such subsequent marriage is permissible under the personal law for the time being applicable to him.
- (2) No female employee shall marry any person who has a wife living and vice versa, without first obtaining the permission of the society.

42. FORWARDING APPLICATIONS:

(1) No employee shall forward any application for employment elsewhere, except through proper channel and after approval of MD or any body authorised.

(2) No employee shall forward an application for an award of a fellowship, scholarship etc. directly to the authority concerned, unless he is sponsored by the society or is permitted to take up such scholarship or fellowship.

43. PAY AND ALLOWANCE:

Employees covered under Sugar Wage Board will be governed in the matter of pay and allowances as per the Sugar Wage Board recommendations. The pay of other employees will be as per Annexure 'A' and their allowances will be as per Govt. rules.

44. QUALIFICATIONS:

No person shall be appointed to any post in the service unless he is in possession of qualifications and experience specified in column 3 of Appendix 'C' to these rules in case of direct recruitment and those specified in Column 4 of the aforesaid Appendix in case of appointment other than by direct recruitment.

45. RELAXATION OF QUALIFICATION:

In case of appointment of deceased employee, relaxation in qualification will be allowed in special circumstances with the prior approval of Registrar, Cooperative Societies, Haryana.

46. AGE:

No person shall be appointed to any post by direct recruitment who is less than 18 years or more than 42 years except technical posts and senior post mentioned below. For the technical post, the upper age limit for direct appointment will be 45 years. The upper age limit for recruitment for Chief Engineer, Chief Chemist, Cane Manager, Chief Accounts Officer will be 50 years. Reservation in upper age of recruitment will be given as per Govt. instruction issued time to time.

Amended by RCS(SM) vide letter No. SMF-2019/AR/8012-21 dt. 15.1.19

47. BONUS:

The employees shall be allowed Bonus as per the provision of the Bonus Act as amended from time to time.

48. RELAXATION OF RULES:

Where the Managing Director is of the opinion that it is necessary or expedient to do, so he may be, by order, for reasons to be recorded in writing, relax of the provisions of these rules with respect to any class or category of persons with the prior approval of Board of Directors and the Registrar.

Note:-Advice has been issued by RCS(SM) vide letter No. HCSMF-Estt/AR/9821-30 dt. 21.2.07 not to recommend any cases of relaxation in basic academic qualifications. Similarly, cases for relaxation in age and experience should be recommended when these two requirements are well compensated by other merits of the candidate, i.e. either higher academic qualification or higher academic merit or established credentials for meritorious work done by the candidate during his tenure.

(Coop.)
Directors of
Societies,

Asst. Registrar (Coop.)
Haryana Sugarcord,
Exercising the powers of
Registrar, Coop. Societies,
Haryana.

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43. PAY AND ALLOWANCE

Employees covered under Sugar Wage Board will be governed in the matter of pay and allowances as per the Sugar Wage Board recommendations. The pay of other employees will be as per Annexure'A' and their allowances will be as per Govt. rules.

44. QUALIFICATIONS

No person shall be appointed to any post in the service unless he is in possession qualifications and experience specified in column 3 of Appendix 'C' to these rules in case of direct recruitment and those specified in Column 4 of the aforesaid Appendix in case of appointment other than by direct recruitment.

45. RELAXATION OF QUALIFICATION

In case of appointment of deceased employee, relaxation in qualification will be allowed in special circumstances with the prior approval of Registrar, Cooperative Societies, Haryana.

46. AGE

No person shall be appointed to any post by direct recruitment who is less than 18 years or more than 40 years except technical posts and senior post mentioned below. For the technical post, the upper age limit for direct appointment will be 45 years. The upper age limit for recruitment for Chief Engineer, Chief Chemist, Cane Manager, Chief Accounts Officer will be 50 years. Reservation in upper age of recruitment will be given as per Govt. instruction issued time to time.

Qualification amended by RCS(SM) vide letter No.SMF-01/AR/3410-21 dt.5.10.01

47. BONUS

The employees shall be allowed Bonus as per the provision of the Bonus Act as amended from time to time.

48. RELAXATION OF RULES

Where the Managing Director is of the opinion that it is necessary or expedient to do, so he may be, by order, for reasons to be recorded in writing, relax of the provisions of these rules with respect to any class or category of persons with the prior approval of Board of Directors and the Registrar.

Note:- Advice has been issued by RCS(SM) vide letter No.HCSMF- Estt/AR/9821-30 dt.21.2.07 not to recommend any cases of relaxation in basic academic qualifications. Similarly, cases for relaxation in age and experience should be recommended when these two requirements are well compensated by other merits of the candidate i.e. either higher academic qualification or higher academic merit or established credentials for meritorious work done by the candidate during his tenure.

48(a) Board shall be competent to amend any of the provisions of these rules with the prior approval of the Registrar and the Finance Department/ HBPE through Administrative Deptt.

(Amendment made by RCS(SM) vide letter No.SMF-2017/AR/72-81 dt.6.4.17)

49. SAVING CLAUSES

Where these rules are silent or in case of by doubt then shall be referred to RCS where decision shall be final.

ANNEXURE-A

Sr. No.	Name of Posts	Revised pay scales applicable w.e.f. 01.09.09	Corresponding level in pay matrix w.e.f. 01.01.16
1.	Chief Engineer	Rs. 15600-39100+Grade Pay Rs.6400	11
2.	Chief Chemist	Rs. 15600-39100+Grade Pay Rs.6400	11
3.	Cane Manager	Rs. 15600-39100+Grade Pay Rs.6400	11
4.	Chief Account Officer	Rs. 15600-39100+Grade Pay Rs.6000	11
5.	Deputy Chief Engineer	Rs. 9300-34800+Grade Pay Rs.4200	7
6.	Deputy Chief Chemist	Rs. 9300-34800+Grade Pay Rs.4200	7
7.	Deputy Chief Accounts Officer	Rs. 9300-34800+Grade Pay Rs.4200	7

Note :-

1. On the recommendation of the sugar mills, the Registrar shall fix the staff strength in consultation with the sugar mills Federation, **with the approval of the Finance Department/ HBPE through Administrative Deptt.**
2. Pay scale and allowances of those employees who are covered under the Sugar Wage Board shall be determined by the mills as per direction of the State Government from time to time **with the prior approval of Registrar and the Finance Department/HBPE through Administrative Deptt.**
3. The categories of the employees which are covered by the Sugar Wage Board but the pay scales are to be determined by the mills according to the duties and qualification shall be determined by the Board with the approval of the Registrar **and the Finance Department/HBPE through Administrative Deptt.**
4. The pay scales and allowances of those categories not covered by the Sugar Wage Board, shall be fixed by the Registrar, Coop. Societies, Haryana in consultation with Sugarfed **with the prior approval the Finance Department/HBPE through Administrative Deptt.**

APPENDIX - 'B'

<u>Sr.No.</u>	<u>Nature of penalty</u>	<u>Authority empowered to impose penalty</u>	<u>Appellate Authority</u>
a)	Warning with a copy on Personal file.	Managing Director	Board of Directors
b)	Censure	-do-	-do-
c)	Recovery from the pay of the whole or part of any pecuniary loss caused to the Society by willful default, negligence or breach of orders.	-do-	-do-
d)	With-holding of increments Or promotion, including stoppage at any efficiency Bar, if any.	-do-	-do-
e)	Suspension without pay	-do-	-do-
f)	Termination/dismissal of Services	Appointing Authority	Board in case MD is appointing authority. RCS in all other cases.
g)	Reversion to the lower Grade.	-do-	-do-

(In other cases where orders have been passed by MD, the appellate authority shall be Board and cases where appellate authority is Board, RCS shall be authority).

Authority empowered to impose penalty shown in column 3 be delegating its powers shown in column.2 subject to the superintendent and control of the authority delegating its powers.