



BYE – L A W S

(Under Multi-State Cooperative Societies Act, 2002)

of

THE GAYATRI CO-OPERATIVE URBAN BANK LTD.,

Registered Office: #1-5-171/A, Gayatri Towers-II, Karimnagar Road, Jagtial Town,
Dist: Jagtial - 505327, Telangana State.



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THE GAYATRI CO-OPERATIVE URBAN BANK LTD.,

En-Bloc Amendments of B Y E – L A W S

Under Multi-State Cooperative Societies Act, 2002

1. NAME ADDRESS AND AREA OF OPERATION:

1.1. Name: The Bank shall be called as “The Gayatri Co-Operative Urban Bank Ltd.,” and it is a Co-Operative Urban Bank initially Registered under Andhra Pradesh Co-Operative Societies Act (7) of 1964 vide Registration No. 872/TDD, Dated: 22-01-2000 and R.B.I. License No. UBD/HYD/AP/26P, Dated: 24-05-2000 and subsequently Registered under Multi-State Cooperative Societies Act, 2002.

1.2. Registered Office: The Registered Office and principal place of business is and shall be at #1-5-171/A, Gayatri Towers-II, Karimnagar Road, Jagtial Town, Dist: Jagtial - 505327, Telangana State. The e-mail address of the society shall be info@gayatribank.in

Any change in address and e-mail address shall be notified to the Central Registrar and also published in local newspaper, within 15 days of its change and shall be made by an amendment of its Bye-Laws after following the procedures laid down in Sec. 11 of the Multi-State Cooperative Societies Act, 2002.

1.3. Area of Operation: The Area of Operation of the Bank is and shall be confined to the entire States of Telangana, Andhra Pradesh.

1.4. The Bank is a Body Corporate which can sue and be sued in its name.

2. DEFINITIONS:

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

2.1. “Act” means the Multi-State Cooperative Societies Act, 2002 as amended from time to time.

2.2. “Rules” means the Multi-State Cooperative Societies Rules, 2002 made under Multi-State Cooperative Societies Act, 2002 and as amended time to time.

2.3. “Bank” means “The Gayatri Co-Operative Urban Bank Ltd.,”



- 2.4. "Board" means the Board of Directors of the Bank.
- 2.5. "Bye-Laws" means the Bye-Laws of the Bank for the time being in force which have been duly registered or deemed to have been registered under the Multi-State Cooperative Societies Act, 2002 in force and includes amendments thereto which have been duly registered or deemed to have been registered under the Act and Rules.
- 2.6. "Central Registrar" means the Central Registrar of Cooperative Societies appointed as per clause (f) of Article 243- ZH of the Constitution read with sub-section (1) of Section 4 of the MSCS Act, 2002, and includes any Officer empowered to exercise the powers of the Central Registrar under sub-section (2) of that section;
- 2.7. "C.E.O." means Chief Executive Officer as well as Managing Director of the Bank.
- 2.8. "Cooperative Bank" means a Multi-State Cooperative Society which undertakes Banking Business.
- 2.9. "Cooperative Society" means a Multistate Cooperative Society Registered or deemed to be registered under any law relating to Cooperative Societies for the time being in-force in any State or Central or Union Territory.
- 2.10. "Cooperative Year" means the period from 1st of April to 31st March, or as amended by the Government of India from time to time.
- 2.11. "Financial Year" means the year ending on the 31st day of March of the year and where the accounts of such society or class of such societies are, with the previous sanction of the Central Registrar, balanced on any other day, the year ending on such day;
- 2.12. "Cooperative Principles" means the Cooperative Principles as specified in the first schedule of the Multi-State Cooperative Societies Act, 2002.
- 2.13. "D.I.C.G.C" means the Deposit Insurance and Credit Guarantee Corporation established under Sec. 3 of the Deposit Insurance Corporation Act 1961.
- 2.14. "Defaulter" means a member who has defaulted in payment of any kind of dues payable to the Bank as NPA (Non-Performing Asset) as per the guidelines of Reserve Bank of India from time to time.
- 2.15. "Delegate" means a person who is duly appointed/elected by the Members of the Bank or part thereof in accordance with its Bye-Laws as its Representatives to the General Body of the Bank or a Person who is duly authorized by the Board to represent the Bank in General body of the Bank of which the Bank is a Member.



- 2.16. "Federal Cooperative" means a Federation of Cooperative Societies registered under the Multi State Co-Operative Societies Act and whose Membership is available only to a Cooperative Society or a Multi-State Cooperative Society.
- 2.17. "General Body", means all the Ordinary Members/Smaller General Body Members of the Bank.
- 2.18. "General Meeting" means a meeting of the General Body/Smaller General Body of the Bank and includes special General Body Meeting, Special Smaller General Body Meeting.
- 2.19. "Member" means a person admitted as Ordinary Member/Nominal Member of the Bank and continues to be so for the time being.
- 2.20. "Ordinary Member" means a person joining in the Application For the Registration of the Bank and a person admitted to the Membership after such registration in accordance with the provisions of the Act, Rules and Bye-Laws.
- 2.21. "Nominal Member" means a person who has been admitted as a nominal Member under the Act, Rules and Bye-Laws of the Bank.
- 2.22. "Multi State Cooperative Society" means a Cooperative Society registered or deemed to be registered under the Multi-State Cooperative Societies Act, 2002.
- 2.23. "National Cooperative Society" means a Multi-State Cooperative Society specified in the second schedule to the Multi-State Cooperative Societies Act, 2002.
- 2.24. "Officer" means Chief Executive Officer, Managing Director, Secretary, Manager, Treasurer, Liquidator, and Administrator appointed under Sec. 123 of Multi-State Cooperative Societies Act, 2002, and includes any other person empowered under Multi-State Cooperative Societies Act or the Rules or the Bye-Laws to give directions in regard to business of the Bank.
- 2.25. "R.B.I" means the Reserve Bank of India constituted under the Reserve Bank of India Act 1934 (2 of 1934).
- 2.26. "Person" means an adult individual competent to contract under Indian Contract Act, 1872, proprietary concern, Partnership Firm duly registered under the Indian Partnership Act, 1932, Limited Liability Partnership (LLP), Company registered under Companies Act, 2013 or any other Body Corporate, Association of Persons constituted under any law for the time being in force, Society registered under the relevant societies Act, Local Authority, Central Government, State Government and Trust registered under any law for the time being in force for registration of such Trusts and as provided in the Act, Rules and Bye-Laws.
- 2.27. "Willful Defaulter" means a Member who commits default as mentioned in the directives and guidelines issued by the Reserve Bank of India from time to time.



- 2.28. "Notification" means a Notification published in the Official Gazette.
- 2.29. "Notice" means a Notice sent by Post/Courier/ Email/SMS/Whatsapp Message or published in the Notice Board at Head Office or Branches of the Bank.
- 2.30. "Prescribed" means prescribed in accordance with the Rules and Bye-Laws of the Bank.
- 2.31. "Committee" means such committee of the Board or Sub-Committee of Directors or any other Committee constituted by the Board from time to time and includes the committees in existence at the time of registration under the Act.
- 2.32. "Central Government" means the Government of India.
- 2.33. "State Government" means Government of State/Union Territory as defined by the Government of India.
- 2.34. "B.R. Act" means Banking Regulation Act 1949, as applicable to Cooperative Societies.
- 2.35. "Employee" means an individual who is engaged in the employment of the Bank under contractual relationship with the Bank.
- 2.36. "Smaller General Body" means the representative Members of the General Body, who are selected or nominated or appointed or elected by the Board of Directors, from the Ordinary Members of the Bank.
- 2.37. "Authority" means the Co-operative Election Authority established under sub-section (1) of section 45 of the Act.
- 2.39. "Co-operative Ombudsman" means the Ombudsman appointed by the Central Government under section 85A of the Act;
- 2.41. "Active member" means, an ordinary member who have availed Minimum Level of Services or attending not less than three consecutive General Meetings as specified in section 29 of MSCS Act.

3. OBJECTS AND FUNCTIONS:

The objectives of the Bank are to encourage thrift and to promote Cooperation amongst its Members and to provide its products and services to its Members and to engage in all or any one or more forms of business as enumerated in section 6 of the Banking Regulation Act, 1949 and as amended from time to time and in particular to carry out/ engage in the following forms of Business/Activities, namely:

- 3.1. To encourage Thrift, Self-help and Co-operation amongst the Members and to develop their financial and economic conditions.



- 3.2. To accept deposits of money from the public for the purpose of lending or investment, repayable on demand or otherwise and withdrawable by cheque, draft, order, electronic mode or otherwise.
- 3.3. To borrow or raise money.
- 3.4. To lend or to advance money either with or without security to Members and others as permitted by the Reserve Bank of India.
- 3.5. To draw, make , accept , discount , negotiate, endorse , discharge, buy, sell, collect and deal electronically or otherwise in Bills of exchange, Hundies, Promissory Notes, Coupons, Cheques, Banker Cheques, Pay Orders, Drafts, Bills of Lading, Railway Receipts, Warrants, Certificates, Scripts, and Other Instruments, Government and Other Securities whether transferable or negotiable or not, whether secured or not.
- 3.6. To grant, negotiate, endorse, discharge, and to issue Letters of Credit, Travelers Cheques and Circular Notes and to do all forms of Foreign Exchange Business as may be permitted by Reserve Bank of India from time to time.
- 3.7. To buy, to hold and to sell Foreign Exchange including Foreign Bank notes as may be permitted by the Reserve Bank of India.
- 3.8. To acquire, to hold, to issue on commission, to underwrite and to deal in Stocks, Funds, Shares, Debentures, Bonds, Obligations, Securities and Investment of all kinds, irrespective of its form or tenor as may be permitted by the Reserve Bank of India from time to time.
- 3.9. To purchase and to sell Bonds, Scripts, Securities or Other forms of Securities on behalf of Constituents, electronically or otherwise.
- 3.10. To receive all kinds of Financial Bonds, Scripts, Securities, Valuables for Deposit or for Safe Custody or electronically or otherwise.
- 3.11. To provide Safe Deposit Vaults and Ancillary Services.
- 3.12. To collect and transmit Money and Securities electronically or otherwise.
- 3.13. To sanction, disburse, recover and negotiate Loans and Advances (Funded and Non-Funded).
- 3.14. To assign, transfer or sell the rights, title and interest in the loans for raising funds.
- 3.15. To carry on and to transact every kind of guarantee and indemnity business for and on behalf of constituents.



- 3.16. To effect, to insure, to guarantee, to underwrite, to participate in managing and carrying out any issue, Public or Private, of State, Municipal or other loans or of Shares, Stocks, Debentures, Debenture stock of any Company, Corporation or Association and to lend money for the purpose of any such issue.
- 3.17. To acquire, hold and deal in property or title, right, interest in such property which may form security / part of security or connected with security for any loans and advances.
- 3.18. To manage, to sell and to realize any property, which may come into the possession of the Bank in full or part satisfaction of any of its claims.
- 3.19. To open Branches, Extension Counters, Banking Outlets, Off-Site/On-site ATM's, Cash Deposit Machines and Recyclers, E-Lobby and Offices, to appoint Business Correspondents/Business Facilitators, wherever necessary, within the area of operation of the Bank so as to provide Banking services and to carry on Banking Business.
- 3.20. To merge with, amalgamate with, takeover, acquire other Bank/s Co-operative Bank/s, Cooperative Societies to manage and to undertake the whole or part of the business of any other Bank/ Co-Operative Bank/ Society with the prior permission of the Reserve Bank of India or the Central Registrar.
- 3.21. To establish, to support or to aid to an establishment of Associations, Institutions, Funds, Trusts for the benefit of Members, Employees / Ex-Employees of the Bank or the dependents of such persons and to grant pensions or any others.
- 3.22. To prepare and to finance schemes for the amelioration of the financial condition of the Members.
- 3.23. To provide financial and technical assistance to industries and Cottage Industries and to help self-employed persons for setting up their own business.
- 3.24. To enter into participation, consortium arrangement / arrangements with any other Bank or Banks or financial institutions with the object of granting loans and advances.
- 3.25. To do any other form of business as specified in clause (1) of section 6 of the Banking Regulation Act, 1949.
- 3.26. To act as agents for collection of monies of various Government, Quasi Government and Statutory Bodies or Local Authorities and to provide ancillary Services to them.



- 3.27. To grant loans to Co-operative Societies.
- 3.28. To undertake any other form of business which the State/Central Government may specify as a form of business in which it is lawful for a Co-operative Bank to engage.
- 3.29. To act as Trustees and Executors of Will and Probate etc.
- 3.30. To promote the interests of Members to attain their social and economic betterment through self-help and mutual aid in accordance with the Co-operative Principles.
- 3.31. To serve interests of Members.
- 3.32. To promote one or more Subsidiary Companies, which may be registered under the law for the time being in force for furtherance of its stated objects.
- 3.33. To undertake insurance business as Corporate Agents or on referral basis to the Members and Public.
- 3.34. To take or otherwise acquire and hold shares in any other Bank with limited liability.
- 3.35. To take all necessary effective measures to recover over dues and to take necessary actions under the provisions of various Acts applicable to the Bank from time to time.
- 3.36. To develop and build Brand Image of the Bank and to do all such things incidental to building the Bank's Brand/Image.
- 3.37. To acquire, let, give on hire or share with other organizations, the technologies, assets (immovable and movable, auctionable claims and rights and/ or information and know-how whether tangible or intangible or otherwise) and services of the Bank.
- 3.38. To securitize assets with Asset Reconstruction Companies/ National Housing Bank or any other organization as may be permitted by the Reserve Bank of India from time to time.
- 3.39. To do all such other things as are incidental and conducive to the promotion or advancement of objects and the business of the Bank.
- 3.40. To meet social obligations, give donations to various organizations who serve for betterment of the society.
- 3.41. To engage in Credit Cards, Debit cards, Prepaid Cards, any other Digital Payments business with the permission required, if any, from appropriate authorities.
- 3.42. To do Merchant Banking and to act as a Depository Participant for Demat Services, with the permission of Reserve Bank of India and/or other Regulators, if required.



- 3.43. To provide all financial, technical, legal, data based services, computer based, Technology enabled, and allied services to Members, Depositors, Customers, Account Holders, Public Institutions, Co-Operative Banks and Associate concerns.
- 3.44. Collecting and transmitting monies, Distribute insurance policies, pay pension bills or dealing securities.
- 3.45. To establish, to support or to aid in establishment of Provident Fund and Gratuity Fund and Pension Fund or any other fund for the benefit of the employees of the Bank in accordance with the rules framed by the Board.
- 3.46. To provide for Cooperative and Banking education and training to its Members, employees of the Bank.
- 3.47. To formulate a scheme for establishing, managing, undertaking and executing Trusts and undertaking the administration or estates as Executors, Trustees or otherwise.
- 3.48. To acquire and to sell, Plot, Land, Apartment, Building, any movable or immovable property and to construct, to maintain and to alter any of the Bank's building/property or works necessary or convenient for the purpose of the Bank and to let out accommodation in excess of its requirements.
- 3.49. To effect, to insure, to guarantee, to underwrite, to participate in managing and carrying out any issue, whether Public or Private, of Shares, Stocks, Bonds, Debentures, Debenture Stocks or other loans of any State, Municipal Corporation, Company, Corporation or Association and to lend money for the purpose of any such issue.

4. FUNDS:

4.1. Raising of Funds: The Bank may receive funds from any or all of the following sources:

- a. Share Capital.
- b. Savings and Thrifts.
- c. Long Term (Subordinated) Deposits (LTDs)
- d. Entrance/ Admission Fee.
- e. Subscriptions.
- f. Deposits, debentures, preferential shares, Call Borrowing and /or any other instruments.



- g. By raising Loans, Overdrafts and Advances, Loans against Gold Ornaments pledged with the Bank by the borrowers, Line of Credit or by availing Re-discounting Facilities from other financial institutions.
- h. Donations, Grants-in-aid, Subsidies etc.
- i. Contributions.
- j. Profit, interest, rent, service charges, commission etc.
- k. Dividend.
- l. External Commercial Borrowings (ECB).
- m. Floating Secured / Unsecured Bonds.
- n. Refinance / Letter of Credit.
- o. Issue of Non-Convertible Debentures, Preferential Shares or any other instruments as permitted by the Reserve Bank of India.
- p. Any other means as may be permitted by the Reserve Bank of India from time to time.

5. AUTHORISED SHARE CAPITAL:

- 5.1. The authorized share capital of the Bank is Rs.300,00,00,000/- (Rupees Three Hundred Crores only) divided into 3,00,00,000 (Three Crores) shares of the face value of Rs.100/- each.
- 5.2. The Bank at its general meeting may increase the Authorized Share Capital by creation of new shares of such number and amount as may be deemed expedient from time to time, as approved by the Central Registrar.

6. MEMBERSHIP:

The Bank shall have following categories of Members:

- 1) Ordinary Member
- 2) Nominal Member

- 6. 1. Ordinary Member:** Any person who is admitted as a member and is of sound mind and who resides within the area of operation of the Bank or is gainfully engaged in any occupation in the area of operation of the Bank and who genuinely needs the services provided by the Bank and whose interest does not conflict with the interest of the Bank, may be admitted as a member of the Bank, if he/she has submitted application along with Officially valid KYC documents and subscribing minimum five fully paid shares of the Bank.



6.1.1. No person shall be admitted as a member of the Bank except the following namely:

- a. An individual, competent to contract under section 11 of the Indian Contract Act, 1872.
- b. The Central Government.
- c. A State Government.
- d. The National Co-operative Development Corporation established under the National Co-operative Development Act, 1962.
- e. Any other Corporation owned or controlled by the Government.
- f. Any Government company as defined in the Companies Act.
- g. Proprietary concern in proprietor's individual capacity.
- h. Partnership firm.
- i. A company, LLP or any Body, Corporate Body, AOP, constituted under any law for the time being in force.
- j. Local Authority.
- k. A Public Trust registered under any law for the time being in force for the registration of Trusts.
- l. Such class or classes of persons or association of persons as permitted by the Central Registrar.
- m. An employee of the Bank.

6.1.2. No right of membership shall be exercisable until a person has paid all dues to the Bank including the payment in respect of membership and has availed such minimum level of services as specified the Bye-law No. 23.

6.1.3. Every member shall pay an Admission Fee of Rs. 50/- along with the application for the Membership.

6.2. Nominal Member: Any person who is a partner of a Partnership Firm or a Partner of LLP or a Director of a Company or a Trustee of a Public Trust, Private Trust or an Office Bearer of any other Corporate Body, or a person who desires to stand surety for a borrowing member of the Bank or a person who desires to borrow occasionally as permitted by the Reserve Bank of India, may be enrolled as a Nominal Member upon his application in the prescribed form and on payment of non-refundable entrance fee of Rs. 50/-.



- a. A nominal member shall not be entitled:
 - i. To receive a Share Certificate.
 - ii. To receive Audited Accounts and Annual Report.
 - iii. To attend, to participate and to vote in the General Meeting or Special General Meeting of the Bank.
 - iv. To receive Dividend.
 - v. To contest and vote in the election to the Board.
 - vi. To demand inspection of the books and records of the Bank.
- b. Such Nominal Members will not be allowed to have any interest in the management of the Bank including right to vote, contest election as director of the Board or participate in the General Body meetings of the Bank.
- c. The Bank can issue non-voting shares to such Nominal Members, which may not confer any interest or any right in the management of the Bank, as noted in these Bye-laws.

7. APPLICATIONS FOR MEMBERSHIP AND ITS DISPOSAL:

7.1. Ordinary Membership: The application for Membership of the Bank shall be submitted by the applicant to the Bank in such form and with such non-refundable admission fees of Rs. 50/-. The Applicant shall also subscribe for at least five fully paid shares at the time of application.

7.2. Nominal Membership: The application for nominal Membership of the Bank shall be submitted in prescribed form.

7.3. Identification of Member

- a. For all transactions with the Bank, identification of member is necessary. For identification, the member shall comply with the Know Your Customer (KYC) guidelines issued by the Reserve Bank of India from time to time and duly adopted and approved by the Board of Directors of the Bank.
- b. The existing Members shall also comply with such KYC norms.

7.4. Every application for admission as a member of the Bank shall be disposed by the Bank within a period of Four months from the date of receipt of the application, and the decision of the Bank on the application shall be communicated to the applicant within fifteen days from the date of such decision.



7.5. Provided that if the application is not disposed off within the period aforesaid, or the decision is not communicated within a period of fifteen days from the expiry of the aforesaid period of Four months, the Bank is deemed to have made a final decision, refusing admission to the applicant.

8. RIGHTS AND DUTIES OF MEMBERS:

8.1. Every Ordinary Member of the Bank shall have following rights and duties:

A. Rights:

- i. To vote in the General Meetings of the Bank as per Bye-Laws of the Bank. However no member shall be permitted to vote by Proxy.
- ii. To receive notice of general meetings as per Bye-Laws of the Bank.
- iii. To attend and participate in the proceedings of general meetings as per Bye-Laws of the Bank.
- iv. To ask Statement of Accounts and papers involving/relating to his own transactions, on payment of fees as may be prescribed by the Board from time to time.

B. Duties:

- i. To promote and protect the interest and objects of the Bank.
- ii. To attend at least one out of three consecutive General Meetings.
- iii. To utilize minimum level of services every year as prescribed in the Bye-Laws of the Bank.

8.2. Whenever a Member desires to exercise his right as a member of the Bank, the Member may be asked to produce his/her Member Identity Card. When unable to produce such identity card on demand, his Membership right whatsoever, may be refused by the Bank at that time.

9. SHARE CERTIFICATE:

Every person who admitted as Ordinary Member shall be entitled to receive a share certificate in such form as prescribed by the Board of Directors from time to time stating the number of share/s held and their distinctive number/s and Membership number. The Share Certificates shall be signed by any two jointly by the Chief Executive Officer and General Manager or Deputy General Manager or any other Officer authorized by the Board/Chief Executive Officer. The Share Certificate shall bear the Bank's seal.

10. DISQUALIFICATION OF MEMBERSHIP:

No person shall be eligible for being or continuing as a member of the Bank if:

- i. His/her/it's business is in conflict or competitive with the business of the Bank. or
- ii. He/she/it remains absent for the three consecutive General Meetings and such absence was not condoned by the Members attending the meeting. or



- iii. He/she/it has made any default in payment of any amount to be paid to the Bank under these bye-laws. or
- iv. He/she/it being an existing ordinary member, has failed to subscribe to the required additional shares as per Bye-Laws of the Bank, within the given period. or
- v. He/she/it has not availed 'Minimum Level of Services' of the Bank as defined in Bye-Law No. 23 of the Bank, for two consecutive financial years. or
- vi. Has been adjudged by a competent Court to be insolvent or un-discharged insolvent or of unsound mind. or
- vii. Has been sentenced for any offence involving moral turpitude, such sentence not having been reversed and a period of Three years has not elapsed from the date of expiration of the sentence and/or
- viii. Fails to give information relevant to him to the Bank as specified in the Bye-Laws.
- ix. The Membership of a Member who is disqualified to continue for the above reasons shall be cancelled. The Bank shall communicate about this, to the concerned Member/s, within 90 Days from the date of closure of the Financial Year in which the default occurs, by notice sent to them by Post/Courier/Email/SMS/Whatsapp Message or published on Notice Board at Head Office or Branches of the Bank. In case of such Member/s whose non-compliance continues for further 30 Days from the date of the notice, their Membership shall stand cancelled and the Bank will refund the share capital held by them.

11. EXPULSION OF MEMBERSHIP:

- i. On the recommendation of the Board, the Bank may by a resolution passed by a majority of not less than two third of the Members present and voting at a general meeting held for the purpose, expel a member for acts which are detrimental to the interest, repute or proper working of the Bank or if the Member has defaulted in payment of dues as per Bye-Laws of the Bank for a continuous period of one year, provided that the member concerned shall not be expelled unless he has been given a 15 days prior notice for making representation in the matter.
- ii. On expulsion from the Bank, in accordance with provisions of the Act, Rules and Bye-Laws, a person shall cease to be a Member. Such expulsion may involve forfeiture of Shares at the sole discretion of the Bank.



iii. No Member of the Bank who has been expelled shall be eligible for re-admission as a Member of the Bank for a period of three years from the date of such expulsion.

12. TRANSFER OF MEMBERSHIP:

A member may transfer only entire holding of his/her interest in the shares of the Bank after holding them for not less than one year, to any Ordinary Member by giving at least one month's notice in writing to the Bank in such form and along with prescribed fee of Rs.50/- per Transfer. The transfer is not complete until the name of transferee has been duly entered in the Register of Members and subject to the eligibility conditions stipulated in the Bye-Laws.

The approval to such transfer shall not be given by the Board if,

- a. Member is indebted, either directly as a borrower or indirectly as a guarantor, to the Bank.
- b. The transferee does not fulfill the conditions prescribed under bye-law No (6).

13. WITHDRAWAL FROM MEMBERSHIP:

Any ordinary member may withdraw and resign from his Membership by surrendering all shares held by him after one year and giving at least one month's prior notice to the Bank in writing in such form and with such fees as prescribed by the Board. The Board shall not give approval to such withdrawal or resignation while such member is indebted, either directly as a borrower or indirectly as a guarantor, to the Bank. During any co-operative year, the aggregate withdrawals shall not exceed 10% of the total paid up share capital as on 31st March, of the preceding year.

13. A. SHARE REDEMPTION:

Redemption of shares by authorities mentioned under Section 25 of the MSCS Act, 2002, shall be subject to the exceptions under Section 33 of the MSCS Act, 2002, and shall be undertaken in the MSCS Act, 2002 and the Bye-Laws of the Bank.

14. CESSATION OF MEMBERSHIP:

A person shall cease to be a member of the Bank in the following circumstances:

- i. Resignation or Death of the member or dissolution of a firm or liquidation of a company, LLP or other Corporate Body.
- ii. On withdrawal of all shares
- iii. On transfer of all the shares to another Ordinary Member.



- iv. Expulsion by the General Body.
- v. Disqualification as per the provisions of the Act, Rules and Bye-Laws.
- vi. Cancellation of registration of the Bank.
- vii. Incurring any of the disqualifications of Membership.

15. NOMINATION:

- i. An ordinary member may appoint any individual/Individuals as nominee to receive the member's interest in the shares after his/her death.
- ii. Nomination can be revoked and fresh nomination can be made in such form and on payment of such fees of Rs. 50/-.

16. DEATH OF SHAREHOLDER (MEMBER):

- i. On death of a shareholder, in case nomination has been made by the member, the nominee can make an application to the Bank in the form prescribed by the Board for getting the value of the shares held by the deceased member. Such application can be made as per the provisions of the Act, Rules and Bye-Laws of the Bank. The Board, after following such procedure as may be decided by it from time to time, may pay the value of the share held by the deceased member to the nominee.
- ii. On the death of the member, in case nomination has not been made by the member, the legal heir(s) or legal representative(s) can make an application to the Bank in the form along with the documents as prescribed by the Board for getting the value of the shares held by the deceased member.
Such application can be made as per the provisions of the Act, Rules and Bye-Laws of the Bank. The Board, after following such procedure as may be decided by it from time to time, may pay the value of shares held by the deceased member to such legal heir(s) or representative(s) as may be deemed fit by the Board.

17. LIABILITY OF A MEMBER:

- a. Liability of a member shall be limited to the share capital subscribed by the Member.
- b. Liability of a past member and estate of a deceased member shall be as per the provisions of the Act and Rules.



18. LIEN ON SHARES, DIVIDENDS AND DEPOSITS:

The Bank shall have a charge on the Share or Contribution or Interest in the Capital and on the Deposit of a Member of Past or Deceased Member and on any Dividend, Bonus or Profits payable to a Member or Past Member or the estate of such Deceased Member to the Bank and may set off any sum credited or payable to a Member or Past Member or the estate of Deceased Member in or towards payment of any such debt receivable from the Member or the Past Member or Deceased Member.

19. GENERAL BODY:

- i. The General Body of the Bank shall consist of all the Ordinary Members of the Bank.
- ii. Subject to the provisions of the Act, Rules and Bye-Laws, the Final authority of the Bank shall vest in General Body.
- iii. In case of Partnership Firm, Company, LLP, Trust or other Body Corporate, the same shall be represented in General Meeting by a person who is its Partner or Director or Trustee or Other Office Bearer and having such authority as prescribed by the Board.

20. SMALLER GENERAL BODY:

When the Ordinary Membership exceeding 1000, the Board of Directors shall constitute the "Smaller General Body" from the Ordinary Members of the Bank, which is a substitute to the General Body. The composition of Smaller General Body is as follows.

- i. Total Ordinary Members would be divided into Smaller General Body Divisions consisting of 250 Ordinary Members in each division, according to the serial number of Membership in the admission/Membership register. If any member left over after this process, they would be added in the last Smaller General Body Division.
- ii. The Board of Directors shall select or nominate or appoint or elect Smaller General Body Members to each Smaller General Body Division from the Ordinary Members of the Bank.
- iii. The Board of Directors shall review the Smaller General Body divisions as per latest Admission Member Register and arrive vacancies, fill up the vacancies if any, through selection or nomination from Ordinary Members into Smaller General Body, at least once in a year.
- iv. The Smaller General Body member shall be removed from Smaller General Body, if
 - a. He/she fails to attend any one of the three consecutive General Meetings/Special General Meetings and absence if any was not condoned by the Board of Directors or
 - b. He/she has made any default in payment of any amount due to the Bank.



- v. The tenure of Smaller General Body shall be co-terminus with the tenure of Board of Directors.
- vi. That Smaller General Body shall exercise all such powers of the General Body except election of Board of Directors.
- vii. The Smaller General Body is authorized to add, modify and delete any of the above guidelines as and when necessary, from time to time, by way of a resolution.

21. POWERS AND FUNCTIONS OF GENERAL BODY:

The Board shall not later than six months after the close of corresponding year, call the Annual General Body/Smaller General Body meeting at the principle place of the Bank, in the manner prescribed, in accordance with rule 13(1)

- i. Consideration of the audited statement of accounts:
- ii. Consideration of the audit report and annual report.
- iii. Consideration of audit compliance report
- iv. Disposal of net profits
- v. Review of operational deficit, if any
- vi. Creation of specific reserves and other funds
- vii. Approval of the Annual Budget
- viii. Review of actual utilization of reserves and other funds
- ix. Approval of long term perspective plan and the annual operational plan.
- x. Review of annual report and accounts of subsidiary institution, if any
- xi. Expulsion of Members if any
- xii. List of employees who are relatives of Members of the Board or of the Chief Executive
- xiii. Amendment of Bye-Laws, if any.
- xiv. Formulation of code of conduct for the Members of the Board and Officers
- xv. Elections of the Members of the Board, if any.
- xvi. Removal of Members of the Board, if any.
- xvii. Consider the statement showing details of loans/advances, if any given to any Director as specified under section 39(3) of Multi-State Co-Operative Societies Act, 2002.
- xviii. To condone the absence of the Members at the General Body Meeting.



- xix. Any other matter laid before it by the Board of Directors.
- xx. Appointment of auditor;

22. GENERAL MEETING:

22.1. General Meeting shall be of two kinds, viz: - Annual General Meeting and Special General Meeting. The final authority of the Bank shall vest in the General Body. The General Meeting shall be held at principal place of the Bank.

- a. **Annual General Meeting:** The Board of the Bank under a resolution shall, within six months after the close of the corresponding co-operative year, call for the Annual General Meeting. The Business of the Annual General Meeting shall be such as provided in the Act, Rules and Bye-Laws and as determined by the Board from time to time.
- b. **Special General Meeting:** The Chief Executive Officer, at any time, on the direction of the Board, shall call a Special General Meeting of the Bank or shall call such meeting within one month after the receipt of a requisition in writing from the Central Registrar or from 1/5th of the total number of Members of the Bank. The business of Special General Meeting shall be the business as stated in the notice of the meeting.

22.2. Notice:

- a. Annual General Meeting of the Bank may be called by giving not less than 14 days as per rule 15, notice in writing to all the ordinary Members of the Bank. The Notice of the Annual General Meeting or Special General Body Meeting shall be sent to Members by any of the following modes viz; a) On Bank's Website. b) On the Notice Boards of the Bank and or at its Branches. c) by publication in the local newspaper.
- b. Special General Meeting of the Bank may be called by giving not less than seven days' notice in writing to all the ordinary Members of the Bank. The Notice of the Annual General Meeting or Special General Body Meeting shall be sent to Members by any of the following modes viz; a) On Bank's Website. b) On the Notice Boards of the Bank and or at its Branches. c) by publication in the local newspaper.
- c. Notice shall contain the place, date, time and agenda for the meeting.
- d. Non receipt of notice by any member shall not be a valid ground for invalidating or postponing or adjourning the General Meeting or special General Meeting.
- e. Notice of the meeting shall be signed by the Chief Executive Officer of the Bank.



22.3. Quorum:

- a. One fifth of the total number of Ordinary Members or 50 Ordinary Members whichever is less shall constitute quorum for the General Meeting. Provided that if such general meeting is called at the requisition of the Members then quorum shall be at least 1000 Members.
- b. In case of Smaller General Body, one fifth of the total number of Smaller General Body Members or 50 Smaller General Body Members whichever is less shall constitute quorum for the Smaller General Meeting.
- c. No business shall be transacted at any General Meeting unless there is a quorum at the time when the business of the meeting is due to commence.
- d. If within one hour from the time appointed for the meeting if quorum is not present, the meeting shall stand adjourned: PROVIDED that a meeting which has been called on requisition of the Members shall not be adjourned but dissolved.
- e. Where a meeting is adjourned under sub-clause (d), the adjourned meeting shall be held either on the same day or on such date, time and place as may be decided by the Chairman or the Member presiding over the meeting, within seven days from the date of adjourned meeting.
- f. No business shall be transacted at any adjourned meeting other than the business on the agenda of the meeting.
- g. The adjourned meeting will transact its regular business even without the quorum being present at the meeting.

22.4. Voting:

- a. An ordinary member of the Bank who has availed the minimum level of services as prescribed in Byelaw no.23 shall have one vote in the General Body Meetings, Special General Body Meetings and election of Board of Directors.
- b. Every ordinary member of the Bank shall exercise his vote in person and no member shall be permitted to vote in proxy.
- c. Individual ordinary members of the Bank shall vote in person, while a firm or a company or any other body corporate constituted under any law for the time being in force, or Government which is an ordinary member, may appoint one of its partners, directors or officers or as the case may be, to participate in the meeting to exercise the right to vote.



d. In the case of an equality of votes, the Chairperson shall have a casting vote.

22.5. Conduct of the Meeting: The Chairman of the Bank shall preside over the General Meeting, Special General Meeting. In case, the Chairman is not present, Vice-Chairman shall preside over the General Meeting. In case, all the Chairman and Vice-Chairman are not present, the Members present will elect one of the Directors present as Chairperson to preside over the said General Meeting, Special General Meeting.

22.6. Minutes: Minutes of the Board of Directors meeting, General Meeting, Special General Meeting shall be entered in the Minutes Book kept for the purpose within thirty days of the conclusion of the meeting and shall be signed by the Chairman of the meeting or Chief Executive Officer. The minutes so signed, shall be conclusive, final and effective.

23. MINIMUM LEVEL OF SERVICES:

An Ordinary Member shall fulfill the following criteria under “Minimum Level of Services”.

- a. Member should have availed any one of the following services of the Bank.
 - i. Having Savings Account or a Current Account by the member and maintain an average balance of Rs. 25000/- during immediately preceding financial year.
 - ii. Having Fixed Deposit of Rs. 1,00,000/- at the end of immediately preceding financial year.
 - iii. Having monthly Recurring Deposit of at-least Rs. 2,500/- per month continuously during preceding 12 months at the end of the previous Financial Year.
- b. He/She has not defaulted in payment of any dues including contributions, subscriptions, if any, as decided by the Board of Directors of the Bank from time to time.

24. BOARD OF DIRECTORS:

- a. The Board of Directors shall consist of not more than 11 Directors in the following manner.
 - i. Out of 11 Directors elected by the members as per provisions of the Act, one seat shall be reserved for Scheduled Castes or the Scheduled Tribes and two seats shall be reserved for women, consisting of individuals as members from such class or category of persons.
 - ii. In addition to the above, the Board of Directors may Co-Opt two Directors having experience in the field of Banking, Management, Cooperative Management, Law, Commerce, Information Technology, Accountancy, Costing or Finance or having specialization in any field relating to the objects and activities undertaken by the Bank. The tenure of such co-opted Directors shall be co-terminus with the tenure of elected Board of Directors and such co-opted Directors shall not have right to vote in any election to be eligible to be elected as office bearers of the Board.



- iii. As per section 50 (2) of the Multi State Cooperative Societies Act, 2002, Board of the Bank may invite not more than two persons, in its meeting as invitee.
- b. The term of office of the elected members of the Board shall be five years from the date of election and the term of office bearers shall be co terminus with the term of the board.
- c. The Chief Executive Officer shall be the Ex-officio Member of the Board.
- d. The Chairman and Vice-Chairman are elected by the Board of Directors.

25. ELECTION:

25.1. Eligibility for election as a member of the Board of Directors:

To contest the election of Board of Directors, the Ordinary Member should fulfill following eligibility criteria:

- i. Has not incurred any disqualification under the provisions of Section 43 of the MSCS Act 2002, Rules and the bye-laws of the Bank.
- ii. Has availed the Minimum Level of Services as prescribed in Bye-Laws of the Bank, for a minimum continuous period of two years, immediately preceding the date of filing the nominations.
- iii. Shall not avail or have availed loan from the Bank, however, he is entitled to avail loans as prescribed by the Reserve Bank of India from time to time.
- iv. Is not a surety to any borrower of the bank as on the date of nomination for election.
- v. No person shall be eligible to be elected as a member of the board or office bearer of Bank, unless he is an active member of the general body of the Bank.
- vi. To be nominated as a candidate for election to fill a seat on the Board, the candidate must have the following qualifications:
 - 1. Possess Graduation Degree from any recognized University in any discipline or its equivalent.
And
 - 2. Having experience in any one of the fields of Banking, Management, Cooperative Management, Law, Commerce, Information Technology, Accountancy, Costing or Finance or having specialization in any field relating to the objects and activities undertaken by the Bank.



- vii. As per Section 19-J(5) of MSCS Rules, no person shall be nominated as a candidate for election to fill a seat on the Board if he
- Is ineligible to vote
 - Is not qualified or is disqualified to be the Member of the Bank or a Member of the Board under the provisions of the MSCS Act, 2002, and the MSCS Rules, 2002; and
 - Does not possess the necessary qualifications specified above for election as Member of the Board.

25.2. Election of Board of Directors:

- The General Body shall elect the Board of Directors under the Act and Rules of the Multi-State Cooperative Societies Act, to execute and govern the Bank.
- Election of Board of Directors and Chairman/Vice Chairman as per the Acts and Rules of Multi State Co-Operative Societies Act.
- The Board may fill casual vacancies up to one-third of number of elected Directors on the board by nomination out of the same class of members in respect of which the casual vacancy has arisen, if the term of office of the Board is less than half of its original term. In case the number of such casual vacancies in the same term of the board exceeds one-third of number of elected directors, such vacancies shall be filled by elections.
- The tenure of such Director shall be co-terminus with the remaining tenure of other Members of the Board.
- To conduct the elections of the Board of the Bank shall be the responsibility of the existing Board. The Chairperson or the Chief Executive of the Bank shall inform the Co-operative Election Authority, six months before the expiry of the term of the existing Board, to conduct the elections within time, and shall provide all necessary support to the Authority to conduct elections for the Bank.
- The election of Members of the Board shall be held in the General Meeting of the Members of the Bank.



- vii. The election of Members of the Board shall be held by secret Ballot in the manner as may be prescribed by the election schedule annexed with the Multi-State Cooperatives Societies Act, 2002.
- viii. No act of the General Body or the Board of Directors shall be deemed invalid by reason of any defect in the election of a member thereof or by reason of any vacancy therein not having been filled in.
- ix. The elected Members of the Board shall be eligible for re-election.
- x. The election of the Board shall be conducted before the expiry of the term of the Board.
- xi. Where the Board fails to conduct election of the Members of Board, the Central Registrar shall hold the election within a period of ninety days from the date of expiry of the previous Board of Directors.
- xii. The Bank shall bear all expenses related to the elections & follow all the directions of the Cooperative Election Authority in this matter.
- xiii. The Chief Executive Officer or Election Officer is authorized to supply a copy of the list of members/ delegates eligible to vote as upon request by a Member on payment of rupees ten per page or as decided by the Board from time to time.

25.3. Election of Chairman and Vice-Chairman: There shall be a Chairman and a Vice-Chairman elected by the Board of Directors. The Chairman and in his absence, the Vice Chairman shall preside over the meetings of the Board of Directors. The terms of office of the Chairman and Vice-Chairman shall be co-terminus with the term of the elected Members of the Board unless Chairman and Vice-Chairman, resigns from the said post or ceases to be a Director earlier. In case of any vacancy within this period, the Board shall fill up the vacancy through re-election for the remaining term of the Board.

The Chairman of the meeting shall have a casting vote, except in case of the election of the Chairman and/or of the Vice-Chairman of the Board of Directors if there is equality of votes in the election of the Chairman and/or the Vice-Chairman of the Board of Directors the decision will be taken by drawing a lot/lots.

No confidence motion against Office Bearers can be moved by not less than 2/3rd of the total Board of Directors. The meeting shall be called within 15 days from the date of receipt of the notice. This office bearer can be removed from holding the office only if 2/3 of the Directors vote in favour of the motion.



26. DISQUALIFICATION FOR BEING DIRECTOR:

26.1. No member of the Bank shall be eligible for being chosen as, or for being, a member of the Board, if such member:

- a. Has been adjudged by a competent Court to be insolvent or un-discharged insolvent or of unsound mind.
- b. Is concerned or participates in the profits of any contract or agent with the Bank.
- c. Has been convicted for an offence involving moral turpitude.
- d. Holds any office or place of profit under the Bank.
- e. Has interest in any business of the kind carried on by the Bank of which he is a Member.
- f. No Director or Candidate for election to the Board of Directors of the Bank at the time of nomination shall draw or have drawn loan from the Bank. However, he is entitled to avail loans as prescribed by the Reserve Bank of India from time to time.
- g. Is a person against whom any amount due under a Decree, Decision or Order is pending for recovery under the Act.
- h. Is retained or employed as a Legal Practitioner on behalf of or against the Bank, or on behalf of or against any other Multi-State Cooperative Society which is a member of the Bank.
- i. Has been convicted for any offence.
- j. Is disqualified for being a Member under Bye-Laws of the Bank.
- k. Has been expelled as a Member under the Act.
- l. Absents himself from three consecutive Board Meetings and such absence has not been condoned by the Board.
- m. Absents himself from three consecutive General Body Meetings and such absence has not been condoned by the Members in the General Body.

26.2. A person shall not be eligible for being elected as a Member of the Board of the Bank for a period of five years if the Board of such Multi-State Cooperative Society fails—

- a. To conduct elections of the Board under section 45 of the Act. or
- b. To call the Annual General Meeting under section 39 of the Act. or
- c. To prepare the financial statement and present the same in the Annual General Meeting.



26.3. An elected Member of the Board of the Bank removed by the General Body who has acted adversely to the interest of Multi-State Cooperative Bank, may on the basis of a report of the Central Registrar or otherwise be removed from the Board upon a resolution of the General Body passed at its meeting by a majority of not less than two third of the Members present and voting at the meeting, provided that the member concerned shall not be removed unless he/she has been given a reasonable opportunity of making a representation in the matter.

27. PROHIBITION TO HOLD OFFICE OF CHAIRPERSON/PRESIDENT, VICE-CHAIRPERSON IN CERTAIN CASES:

- a. A member of the Bank shall not be eligible to be elected as the Chairperson or President or Vice Chairperson or Vice President of a Bank if such member is a Minister in the Central Government or a State Government.
- b. No member of a Board shall be eligible to be elected as the Chairperson or President of a Bank, after he has held the office, for two consecutive terms, whether full or part. Provided that a member who has ceased to hold the office of the Chairperson or President continuously for one full term shall again be eligible for election to the office as such.
- c. No person shall be eligible to hold, at the same time, office of a President or Chairperson or Vice President or Vice Chairperson on the Board of more than two Multi State Co-operative Societies.

28. VACATION OF OFFICE BY A DIRECTOR:

A Member of the Board shall be deemed to have vacated his office:

- a. By death, or
- b. By resignation duly accepted by the Board, or
- c. By reason of any of the disqualification as per the Act, Rules and Bye- laws.

29. COMMITTEES/ SUB COMMITTEES:

- a. The Board shall constitute an Executive Committee and other committees or sub-committees as may be considered necessary.

Provided that the Board shall constitute—

- (i) an Audit and Ethics Committee;
- (ii) a Committee on prevention of sexual harassment at workplace.



- b. The Composition, scope and functions of the Executive Committee, other Committees/ Sub Committees, shall be as decided by the Board of Directors from time to time.

30. MEETINGS OF THE BOARD OF DIRECTORS:

- a. The Board of Directors shall meet as often as is necessary to transact the Business and at least once in every quarter. The proceedings of the meetings of the Board shall be recorded in the Minute Book to be kept for the purpose.
- b. The meeting of the Board of Directors shall be held at the Registered Office or at such other place in the area of operation of the Bank as may be decided by the Board from time to time.
- c. The Meetings of the Board of Directors shall be presided over by the Chairman or in his absence by the Vice- Chairman, and in the absence of both of them, the Directors present in the meeting shall elect the Chairman for the meeting from amongst themselves.
- d. The notice for the Board Meeting shall be issued by the Chief Executive Officer at least 5 days before the date of the meeting, and 3 days notice for the meeting of sub-committees/ executive committee. However, in case of urgency any shorter notice may be given.
- e. All communications, notices in respect of the Board / Committee meetings and administration shall be via electronic means i.e SMS, e-mails, etc, issued by Chief Executive Officer.
- f. The meeting shall be convened by the Chief Executive of the Board at the instance of the Chairperson of the Bank. In a situation where the Chairperson fails to direct the Chief Executive to convene the meeting of the Board within the quarter, such Chief Executive shall convene the meeting on the basis of requisition of the Vice-Chairperson or any other Member of the Board. The Chief Executive may also convene the meeting on the basis of requisition from at least fifty per cent of Members of the Board.
- g. One third of the total strength of the elected Board of Directors shall form a quorum for a Board Meeting and participation of the Directors by video conferencing and other electronic means shall also be counted for the purpose of quorum.



31. POWERS AND FUNCTIONS OF THE BOARD OF DIRECTORS:

The powers and functions of the Board of Directors shall be as under:

- 31.1. Make, vary or repeal Rule/ Rules for efficiently carrying on the business of the Bank.
- 31.2. To consider application for Membership, Allotment of Shares, Refund of Share Amount, Transfer of Shares and Acceptance of the Resignation.
- 31.3. To elect Chairman and Vice Chairman of the Bank.
- 31.4. To raise with or without security, Loans, Overdraft, Cash Credits, Advances, Refinance, Line of Credit and Re-discounting Facilities, from other Institutions and to raise funds from money market within the maximum limit of borrowing and to approve the terms and conditions of such borrowings.
- 31.5. To approve and place the Annual Report, Financial Statements, Annual Plan and Budget for the approval of the General Body.
- 31.6. To deal with and dispose-off applications for loans and credit facilities (funded and non-funded) and to sanction the same on such terms and conditions as may be deemed fit and proper and to reject any such application, at its sole discretion.
- 31.7. To enter into participation and consortium arrangements with any commercial or Co-operative Bank and Financial Corporation for the purposes of loans and advances and to determine the terms and conditions of participation/consortium.
- 31.8. To allow a remission in principal and or interest on loans or other costs/ expenses as decided by the Board from time to time.
- 31.9. To compound any claim by or against the Bank or allow time for their payment or satisfaction of any debt due or condone delay in payment of installments, on such terms as it thinks fit.
- 31.10. To classify the loan accounts as NPA as per the Reserve Bank of India guidelines and to recall a credit facility.
- 31.11. To consider cases of arrears and defaults in loans, advances and other dues due from Members and others and take/ approve action to be taken for recovery of the same.
- 31.12. To consider the proposal to modify, alter, delete and add to the terms and conditions governing the outstanding loans, overdrafts, cash credits and advances due from Members and others.
- 31.13. To formulate and review various Policies, Rules, and Procedures as required for smooth functioning of the Bank, from time to time.



- 31.14. To formulate from time to time policy for Investments of Funds of the Bank and to invest or deposit accordingly.
- 31.15. To consider proposals for opening Branches/ Offices, extension counters, ATM's to appoint business correspondents or business facilitators.
- 31.16. To consider proposals for creating posts of officers and other staff on the Bank's establishment and to frame rules prescribing the procedure for filling the vacancies either by direct recruitment or by promotion from the existing Members of staff and fix their qualification, scales of pay and allowances and regarding disciplinary action against erring employees including their suspension or removal in any manner as may be deemed fit and proper.
- 31.17. To appoint a Chief Executive Officer/Managing Director for efficient conduct of the Bank's business and to fix his remuneration.
- 31.18. To recruit employees through a transparent, objective, and adequately publicized competitive process, and as per specified educational and experience criteria as laid down in Service Rules of the Bank.
- 31.19. To fix the rate of interest on loans and deposits as per directions of the Reserve Bank of India issued from time to time.
- 31.20. To decide the scope and functions of the Executive Committee and other Committees or Sub Committees.
- 31.21. To delegate powers to the Chief Executive Officer or to any other officer/s of the Bank in respect of sanction of loans and Advances and to authorize them to represent the Bank in legal proceedings and other matters, as it may deem fit.
- 31.22. To make, alter, rescind or abrogate the rules from time to time.
- 31.23. To institute, defend, conduct, compromise, abandon or withdraw any legal proceedings by or against the Bank or its Officers or Employees.
- 31.24. To refer to the Central Registrar or any other duly appointed authority any claims, disputes or demands by or against the Bank or its Officers or Employees for arbitration.
- 31.25. To secure Membership or affiliation to appropriate institutions and to nominate representatives of the Bank on such institutions.
- 31.26. To engage Brokers, Agents, Experts, Consultants, Advocates and Enquiry Officers and other Personnel or Agency or a Firm and to fix their remuneration or fees.



- 31.27. To incur expenditure necessary for efficiently carrying on the business of the Bank and examine and check accounts.
- 31.28. To hear and dispose-off complaints.
- 31.29. Notwithstanding anything contained in any other Bye-law for the time being in force, the Board may, by a resolution or by a power of attorney, authorize any officer, either singly or jointly with another Officer.
- 31.29.1. To authorize the rediscounting of Bills/Promissory Notes of whatever description or nature discounted by or with the Bank from time to time in such manner and upon such terms and conditions as the Officer may think fit or as any other Financial Agency, Institutions / Bank may impose or require.
- 31.29.2. To transfer, accept or endorse Promissory Notes, Bill of exchange, Hundies or other Negotiable Instruments.
- 31.29.3. To enter into, make, sign, execute and to do all such Contracts, Arrangements, Undertakings, Receipts, Payments, Letters, Certificates, Declarations, Instruments and things as may in their opinion be necessary or convenient or as may be required by any such other Bank/Financial Agency / Institution from time to time and in particular to waive presentations of Bills of Exchange and Promissory Notes on behalf of the Bank.
- 31.29.4. To execute documents on behalf of the Bank to which Bank is a Party.
- 31.29.5. To present documents for registration at the offices of the Sub registrar and to admit on behalf of the Bank, execution of documents to which Bank is a party and to identify its seal.
- 31.30. To interpret the organizational objectives and set up specific goals to be achieved towards the objectives of the Bank.
- 31.31. To appoint the Auditors and fix their remunerations.
- 31.32. To authorize convening of meetings of the General Body/ Special General Body.
- 31.33. To consider Statutory Audit report and place the same before the General Body.
- 31.34. To acquire or dispose-off movable and immovable property for the Bank on such terms as may be decided from time to time.
- 31.35. To review the Membership in other co-operatives.



- 31.36. To review, approve annual and supplementary budget and sanction the expenditure for proper and efficient working of the Bank.
- 31.37. To recommend to the General Body for distribution of profits and payment of dividend not exceeding 18% p.a.
- 31.38. To prepare the Panel of Auditors as per the decision of the General Body.
- 31.39. To appoint Committees, Sub Committees, Board of Management as may be necessary and delegate to them such powers as may be appropriate.
- 31.40. To decide upon payment of conveyance, travelling expenses, sitting fees etc., to the Members of the Board.
- 31.41. To frame regulations for the elections of delegates to the General Body, Members to the Board of Directors and for the conduct of meetings of the General Body and the Board of Directors as per the provisions of the Act.
- 31.42. To formulate policy for floating subsidiary companies, form such companies and control their affairs.
- 31.43. To arrange for election of the Directors of the Board.
- 31.44. To open a Bank Account or Deposit Accounts with any Bank or Financial Institution and to authorize Chief Executive Officer/ Officers of the Bank to deal with the.
- 31.45. To make , alter, rescind or abrogate the rules from time to time regarding the following:
 - a. Deposits of all types.
 - b. Loans, advances and other Banking Business.
 - c. Travelling allowance to Directors and Salaried staff.
 - d. Provident fund, Bonus, Gratuity and other Allowances.
 - e. Recruitment of the Staff.
 - f. Service conditions of the Staff.
 - g. Digital Services/Electronic Services.
- 31.46. To perform all acts connected with the administration of the Bank and to undertake all activities and business in furtherance of the aims and objects of the Bank.
- 31.47. To take such other measures or to do such other acts as may be required under guidelines of the Reserve Bank of India.
- 31.48. To take such other measures to do such other acts as may be prescribed or required under the Act and the Rules framed there under or the Bye-Laws or as may be delegated by the General Body.



- 31.49. To decide or provide for Arbitration Agreement in respect of dispute between Bank and Members regarding recovery of dues and other matters on the aspects as provided in the Arbitration and Conciliation Act, 1996 or the relevant law as may be applicable.
- 31.50. To fix or decide the procedure to be followed regarding the transaction of the Bank with non-Members including provision for suitable Arbitration Agreement wherever applicable or necessary.
- 31.51. To consider payment of compensation, advance rent or long term advance with or without security for the purpose of securing premises for the Bank's offices on ownership, lease or tenancy basis.
- 31.52. Board of Directors are authorized to consider, scrutinize, appraise, evaluate and accept any proposal for merge with, amalgamate with, takeover, acquire other bank/s, Co-operative Bank/s, Cooperative Societies on suitable terms and conditions and seek approval for the same from Reserve Bank of India, the Registrar of Cooperative Societies of the respective State and the Central Registrar of Cooperative Societies, New Delhi and thereafter put the merger issued by the competent authority for implementation.
- 31.53. Board of Directors are authorized to decide, process, apply for voluntary transition of the Bank into Small Finance Bank or Private Bank or Joint Stock Companies, as eligible under concerned schemes of Reserve Bank of India, and seek approval for the same from Reserve Bank of India, and thereafter put the same for implementation, as issued by the competent authority.
- 31.54. To make periodic appraisal of objectives.
- 31.55. To make provisions for regularizing the appointment of employees in the Bank and the scales of pay, allowances and other conditions of service, including disciplinary action against employees.
- 31.56. The Board may delegate any of their powers mentioned in the Bye-Laws to any Sub-Committee/ Executive Committee consisting of not more than six Members of the Board including the Chief Executive Officer.

32. MINUTES:

All proceedings of every general meeting and of all proceedings of every meeting of its Board or of every Committee of the Board, to be recorded within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered. The same shall be signed by the Chairperson of the meeting or the Chief Executive Officer of the Bank.



33. POWERS AND FUNCTIONS OF THE CHAIRMAN:

The Chairman shall have the following powers and functions:

- i. He shall preside over the meetings of the General Body, Board of Directors and Executive Committee.
- ii. In the event of equality of votes on a resolution, the Chairman shall have a casting vote.
- iii. To convene the meeting of the Board of Directors, Executive Committee and sub Committees of which he is the Chairman:
- iv. The Chairman may delegate any of his powers and functions to the Vice-Chairman or Chief Executive Officer or Both.
- v. Perform such other duties and exercise such other powers as may be specified in the Act, Rules and Bye-Laws or delegated by the Board from time to time.

34. CHIEF EXECUTIVE OFFICER:

34.1. The Chief Executive is called Chief Executive Officer and he/she shall be appointed by the Board as per the MSCS Act, 2002, the MSCS Rules, 2002 and any other norms issued by the Central Government in this regard. The Chief Executive shall aid and assist the Board in its functions. The Chief Executive Officer shall be an Ex-officio member of the Board and of the Executive Committee and such other Committees or Sub Committees as may be constituted.

34.2. **Powers and Functions of Chief Executive Officer:** The Chief Executive Officer, under the general supervision, direction and control of the Board shall exercise the powers and discharge the functions specified below: -

- 34.2.1. Day- to-day management of the Business of the Bank.
- 34.2.2. Convening meeting of the General Body of the Bank, the Board and the Executive Committee and other Committees or Sub-Committees constituted under sub section(1) of Section 53 of the Act in consultation with the Chairman and maintaining proper records for such meetings.
- 34.2.3. Operating the Accounts of the Bank and for making arrangements for safe custody of cash and safety of the funds.
- 34.2.4. Signing on the Documents for and on behalf of the Bank.
- 34.2.5. Making arrangements for the proper maintenance of various books and records of the Bank and for the correct preparation, timely submission of periodical statements and returns in accordance with the provision of the Act, Rules and Bye-Laws.



- 34.2.6. Making appointments to the posts in the Bank as may be approved by the Board of Directors.
- 34.2.7. To determine powers, functions and responsibilities of the employees of the Bank in all the categories.
- 34.2.8. Assisting the Board in the formulation of Policies, Objectives and planning and also implementation of the policies and plans approved by the Board.
- 34.2.9. Furnishing to the Board, periodical information necessary for appraising the operations and functions of the Bank.
- 34.2.10. To be the office of the Bank to sue or be sued on behalf of the Bank and sign all the books and documents of the Bank.
- 34.2.11. To appoint the person to sue or to defend on behalf of the Bank.
- 34.2.12. Present the draft annual report and financial statements for the approval of the Board within Forty Five days of closure of the financial year.
- 34.2.13. Performing such other duties and exercising such other powers as may be specified in the Bye-Laws of the Bank.
- 34.2.14. To sanction credit facilities up to such limits and upon such terms and conditions and safeguards as the Board may decide and to exercise such other powers and discharge duties as may be delegated to him by the Board, having regard to the policies laid down in pursuance of guidelines or directives issued by the Reserve Bank of India or any other competent authority, on loans and advances, from time to time. He shall, thereafter, place a statement of such credit facilities sanctioned by him before the Board as early as possible.
- 34.2.15. To institute , defend, conduct, compromise, abandon, withdraw or represent the Bank in legal proceedings by or against the Board of Directors, the Bank, its officers, or employees and / or appoint an Officer, Advocate, Auditor, Person etc., to represent the Bank for any purpose mentioned there in and to fix their remuneration.
- 34.2.16. To appoint/nominate/select, dismiss/remove Legal Advisers, Valuers (Engineers), Appraisers for Gold, any other professionals or technicians as per the requirement of the Bank and to fix their remuneration.
- 34.2.17. To approve, purchase, sale and / or pledge of Government and Trustee Securities and other approved securities on behalf of the Bank and to delegate powers to any other Officer, for the purpose of purchase, sale and/ or pledge, as the case may be, of such securities. However, statement of such investments will be placed before the next meeting of the Board of Directors, for ratification.



- 34.2.18. To acquire or dispose-off movable and immovable properties of the Bank with the approval of Board of Directors.
- 34.2.19. To delegate any or all such powers granted herein to any officer in the hierarchy of the Bank as deemed fit and necessary.
- 34.2.20. Exercise such other powers, duties and functions as the Board may from time to time deem necessary.
- 34.2.21. To take disciplinary action against the Bank's Staff in accordance with the policy of the Bank.
- 34.2.22. To sanction contingent expenditure within the powers decided by the Board.
- 34.2.23. To exercise the administrative control to delegate powers like including granting of leaves, granting of Annual Increments, Transfer of employees, and other matters relating to the service conditions of the employees.
- 34.2.24. Execution of Decrees, Orders and Decisions shall be as per the provisions of Chapter XI of the Act.
- 34.2.25. Appeals and Review shall be as per the Provisions of Chapter XII of the Act.
- 34.2.26. Offences and penalties shall be as per the provisions of Chapter XIV of the Act.
- 34.2.27. Every certified copy issued by the Bank shall bear the Signature of the Chief Executive Officer or any officer of the Bank who is empowered by the Board in that behalf and the stamp of the Bank.
- 34.2.28. The Chief Executive Officer or any Officer of the Bank who is empowered by the Board in that behalf shall be entitled to issue certified copy of any entry in the Books maintained by the Bank.
- 34.2.29. To execute the Policies/programs and business of the Bank and take such action as is necessary to give effect to the resolutions of the General Body, Board of Directors or any other committee constituted under Bye-Laws.
- 34.2.30. In the interest of the Bank, the Chief Executive Officer may take any decisions from time to time, on behalf of the Bank or Board of Directors or any other committees, which affects financials or non-financials of the Bank.



34. A. CO-OPERATIVE INFORMATION OFFICER

- a. The Bank shall designate a Co-operative Information Officer at Head Office of the Bank.
- b. The Co-operative Information Officer shall provide information to its Members regarding the affairs and management of the Bank, upon receiving an application for the same as prescribed under the MSCS Rules, 2002, which shall be confined to information falling under the disclosure norms specified by the Board from time to time.
- c. Any active member of the bank shall make an application in prescribed format and accompanying such fee as may be prescribed, to get information specified in sub-section (b) mentioned above.
- d. The Co-Operative Information officer shall within thirty days from the date of receipt of application, either provide the information or reject the application specifying the reason to do so.
- e. Any active member of the Bank whose application has been rejected may prefer an appeal to the cooperative Ombudsman within a period of one month from the date of such rejection and his decision shall be final and binding.

35. BOARD OF MANAGEMENT:

The Board of Directors shall constitute Board of Management consisting of members having special knowledge and practical experience in Banking to facilitate professional management and focused attention to Banking related activities.

Such constitution, functioning of Board of Management shall be in accordance with the guidelines that may be issued by the Reserve Bank of India from time to time.

36. LOANS AND ADVANCES:

- 36.1. Subject to Reserve Bank of India guidelines, the Board may keeping in view the conditions in Economy, Money Market, Industry, Trade, frame policy on Loans & Advances and grant Loans & Advances for different purposes, segments, sectors subject to ceiling on individual Borrower/ Group Borrowers in the form of Term Loans, Cash Credits, Overdrafts on Current Accounts, other Financial Assistance.
- 36.2. The maximum limit of total loans and Advances of the Bank shall be as per guidelines of RBI and availability of loanable funds.



- 36.3. The board may decide minimum and maximum lending rate of interest from time to time depending upon financial condition of Market and considering cost of funds, transaction cost etc., to be incurred by the Bank.
- 36.4. The Bank may grant/ give loans and advances on the security of the following:-
- On the security/ guarantee of industrial, mercantile, agriculture produce, consumer goods and other marketable commodities or machinery under pledge, hypothecation or charge of the Bank.
 - On government papers, trust securities, shares of approved companies, debentures and recognized securities of Reserve Bank of India and on fixed deposits of the Bank.
 - On life insurance policy assigned to the Bank with in surrender value.
 - On warehouse and cold storage receipts under proper documentation.
 - On gold and silver ornaments.
 - On other tangible securities/Assets.
 - Against securities of Book debts, bill discount/purchase of Hundies bills, bills of exchange etc. movable and immovable properties, all types of vehicles, consumer durables.
 - For housing purpose and educational purpose.
 - To industries, small scale industries, traders, self-employees persons etc., against security of raw, semi-finished and finished goods, plants and Machinery, land and building, sheds, office premises and other related materials/goods
 - To the members/nominal members against any other securities for the lawful purposes only.
 - To members/Nominal Members without any security as per guidelines of Reserve Bank of India.
 - Board may frame loan policy for different types of advances as per directives /guidelines of Reserve Bank of India.
- 36.5. The Board may frame, rules and regulations for secured/unsecured advances and for maintaining margin money, stock etc and terms and conditions for different types of advances.
- 36.6. Long term, medium term and short term advances for the period as per guidelines of Reserve Bank of India issued from time to time.



- 36.7. The proportion of medium term loans and long term loans shall be decided by the Board of Directors as per availability of loanable funds and considering the change in economic scenario and liquid funds of the Bank as per RBI guidelines from time to time.
- 36.8. Bank may issue letter of credit (Including Foreign LC) and Bank guarantees (Including Foreign BGs) on behalf of its members as per guidelines of Reserve Bank of India.
- 36.9. Bank may enter into an agreement of consortium advances with other Banks/Financial Institutions.
- 36.10. Bank may enter into an agreement with other Banks for opening of foreign Letter of Credits/Bank Guarantees and Deferred Payment Guarantees arrangements on behalf of its members for all permitted purposes.
- 36.11. Restrictions on grant of loans
- The Bank shall not grant loan or make advances against the security of its own shares.
 - The Bank shall not give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any shares in the Bank".

37. LINKAGE OF SHARE HOLDING WITH LOAN LIMITS AND RESTRICTIONS THEREOF:

- 37.1 A borrower should hold shares of the bank in such proportion to his borrowings as may be prescribed by the Board of Directors in accordance with the guidelines laid down by the Reserve Bank of India from time to time.
- 37.2 The share linking prescribed in the clause shall not however apply to the loans granted to nominal member against pledge of gold jewels and silver and any other scheme framed by the Board.
- 37.3. Loans may however be granted to non-Members on the security of their deposits with the bank and against other securities, subject to strictly adhering the provisions of BR Act 1949 and guidelines/ norms issued by RBI from time to time duly taking sufficient surety.
- 37.4. No member shall hold shares more than 1/5th of the paid up Share Capital of the Bank. Provided that the Board may stipulate the maximum limit of shareholding within the above ceiling for linkage of shareholding to borrowing in accordance with the directions given by the Reserve Bank of India and / or the Central Registrar of Co-operative Societies from time to time.



38. DEPOSITS:

- 38.1. Deposits may be received at any time within the limits determined under the Act, Rules and Bye-Laws, on such rates of interest and subject to such rules and regulations as may be fixed by the Board of Directors and also subject to the directives issued by the Reserve Bank of India in this regard from time to time.
- 38.2. Deposits may be received in current, savings, fixed, recurring, daily and cumulative, term and under any other Special Scheme(s), subject to observation of KYC norms and conforming to the directives of the Reserve Bank of India issued from time to time.
- 38.3. Deposits of the Bank shall be insured under Deposit Insurance and Credit Guarantee Corporation Act 1961 and shall be governed by the various sections of Deposit Insurance and Credit Guarantee Corporation of India Act.
- 38.4. The Bank shall follow all the instructions, guidelines and directives issued by Reserve Bank of India from time to time in regard to opening and conduct / monitoring of Deposit Accounts.

39. Investment of Funds:

The Bank may invest or deposit its funds in:-

- a) District Central Co-Operative Bank and/or State Co-Operative Bank including Co-operative Bank including Co-operative land development Bank.
- b) Securities specified in Section 20 of the Indian Trust Act, 1882.
- c) Shares and securities of any District Central Co-Operative Bank and/or State Co-operative Bank / Subsidiary Institutions.
- d) State Bank of India/Nationalized Banks/Public Sector Banks.
- e) With any other scheduled or Nationalized bank;
- f) Central & State Government Securities, and other SLR Securities, Non SLR Securities, Commercial Papers, Call Money, Certificate of Deposit etc.,
- g) Any other mode duly approved by the Board of Directors in conformity with guidelines issued by Reserve Bank of India from time to time.
- h) In any of the securities issued by the Central Government, State Government, Government Corporations, Government Companies, Authorities, Public Sector Undertakings or any other securities ensured by Government guarantees:



- i) In such other manner as may be determined by the Central Government, Reserve Bank of India from time to time.

40. DISTRIBUTION OF PROFIT:

40.1. Subject to the provisions of the Act and Rules framed there under, the net profits of the Bank shall be distributed by the General Body as follows:

- a. To carry not less than 25% of the net profit to the Statutory Reserve Fund.
- b. Credit annually one per cent of net profit to co-operative education fund to be maintained by the Central Government.
- c. To transfer an amount not less than 10% of net profit to Reserve fund for meeting unforeseen losses.
- d. To Transfer not more than 5% of net profit to Dividend Equalization fund, subject to availability of Net Profit.
- e. If the Bank is in profit for the preceding three financial years, 1% of its net profits, or Rs. 1 crore (whichever is less) shall be credited to the Co-operative Rehabilitation, Reconstruction and Development Fund maintained by the Central Government.

40.2. Utilization of Balance of Net Profit:

The balance of the net profit may be utilized for all or any of the following purposes:

- a. To transfer for payment of dividend to Members on their paid-up share capital at a rate not exceeding 18%.
- b. To transfer for contribution to the Education Fund at the rate not exceeding 10% of the balance of net profit to be utilized for the education and training of Directors, Employees and Members as may be recommended by the Board of Directors
- c. Donation for the charitable purpose as defined in section 2 of the Charitable Endowment Act, 1890 not exceeding 5% of the Net Profit.
- d. Not more than 2% of the Net Profit may be carried to Members' Welfare Fund, the Rules for the same shall be framed by the Board of Directors of the Bank.
- e. Transfer to any other funds as approved by the General Body for the time being.
- f. Remaining net profit, if any, may be carried forward to next Financial Year, as opening balance.



41. RESERVE FUND:

- 41.1. In addition to the sum prescribed under the Act, Rules and Bye-laws, all admission fees, entrance fees, nominal Membership fees, amount of forfeited shares and dividends and donations and any unclaimed amounts since last three years and penalties shall be carried to the Reserve Fund.
- 41.2. Any loss occurring as the net result of the year's working may with the approval of the General Body, be made good from the "Reserve Fund to meet unforeseen losses" or from the profits of the next ensuing year or years.
- 41.3. The Reserve Fund shall be separately invested in Government and Trustee Securities or other Approved Securities or in Fixed Deposits with any Commercial Bank or in any of the Securities specified in Section 20 of the Indian Trust Act, 1882, or in the Shares or Securities or Assets of a Subsidiary Institution or any other Institution as per guidelines of the Reserve Bank of India or with any other Bank and as permitted by the Reserve Bank of India.

42. UTILIZATION OF SPECIAL/ GENERAL RESERVES/UNFORESEEN CONTINGENCY RESERVE:

No amount shall be drawn from or debited to the Reserves created unless such amount is necessary to be utilized for the purpose for which these Reserves was/were created, provided that the Board may write off a bad debt against the reserve of Bad and Doubtful Debts or against current revenue. In such a case the Board shall show the amount so written off either in the Annual Statement of Accounts or by a separate note in the Annual Report, as the case may be, provided further that on the Recommendations of the Board, General Body may sanction transfer of an amount from one kind of Reserve to another kind where Board considers such transfer to be advisable and in the interest of the Bank.

43. DIVIDEND:

- 43.1. The Dividend declared for any Financial Year shall be paid to the member who was an Ordinary Member during the said financial year and whose name stands as the registered share holder in the books of the Bank at the time of Declaration/ payment of such dividend.
- 43.2. Dividend shall be proportionate to the amount paid on shares and the period in whole days for which the amount stood to the credit of the shareholder.
- 43.3. Any dividend remaining un-drawn for three years after having being declared shall be forfeited and shall be carried to the Reserve Fund of the Bank.



43.4. Unpaid dividend shall be payable on application provided the same has not been forfeited.

Dividend remaining unpaid or un-drawn shall not bear any interest.

43.5. The dividend shall be payable at par at the Bank's Head Office as well as at the Branches through their accounts by Electronic Mode/NEFT/RTGS/Pay Order/Demand Draft or any other mode that prescribed by the board from time to time.

44. ACCOUNTS AND RECORDS:

- a. Accounts and records shall be maintained in forms prescribed or approved by the Registrar and the Reserve Bank of India with such additions as the Board of Directors consider necessary.
- b. The Bank shall adopt the standards of accounting and auditing, if any, laid down by the Reserve Bank of India from time to time.

45. AUDIT:

- 45.1. The accounts of the Bank shall be audited by an Auditor appointed from the Panel of Auditors, maintained by the Central Registrar, and the remuneration of Auditors shall be fixed by the Bank. The auditor shall submit the audit of accounts report to the Bank within six months from the date of closing of the financial year, to which such accounts relate.
- 45.2. Bank shall constitute Audit Committee of the Board to look into implementation of guidelines issued by RBI from time to time in this regard.
- 45.3. The Bank shall ensure the compliance of the 97th constitutional amendments in provisions relating to Audit.
- 45.4. Internal Auditors, Concurrent Auditors and other Auditors for various purposes shall be appointed as per the decisions of the Board from time to time.
- 45.5. The Bank may fill any casual vacancy in the office of an auditor; but while any such vacancy continues, the remaining auditor or auditors, if any, may act, where such vacancy is caused by the resignation or death of an auditor, the vacancy shall be filled by the Board from the panel of auditors maintained by Central Registrar.
- 45.6. In case the Bank meets the criteria laid down under Section 70A of the MSCS Act, 2002, a concurrent audit shall be carried out by an auditor appointed from a panel of auditors approved by the Central Registrar.

**46. WINDING UP:**

In case of winding up of the bank is necessary, it shall be done in accordance with the provision of the Multi-State Cooperative societies Act and Rules, 2002 made there under.

47. SETTLEMENT OF DISPUTES:

All the disputes shall be referred to Arbitrator in accordance with provisions of the Act, Rules.

48. SERVICE RULES:

- a. The Bank shall have service rules for regulating the service conditions of its employees as formulated and amended by the Board from time to time.
- b. The Bank shall maintain a Contributory Provident Fund for the benefit of its employees in accordance with the provisions of Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- c. The Bank shall recruit employees as per the educational and experience criteria as framed by the Board of Directors from time to time.

49. MAXIMUM BORROWAL LIMIT:

- 49.1. The Bank shall be eligible to receive deposits, raise loans, during any financial year shall not exceed such multiples as may be determined by the Central Government, of the sum of subscribed share capital and accumulated reserves minus the accumulated losses.
- 49.2. Subject to the provisions of sub-section (1), the Bank may accept Funds or Borrow Funds for the fulfillment of its objects on such terms and conditions as are mutually contracted upon.
- 49.3. The Bank may issue non-convertible debentures or other instruments subject to the provisions of any law for the time being in force to raise resources for the fulfillment of its objects to the extent of Twenty Five percent of its paid up share capital.

50. MISCELLANEOUS:

- i. The Bank may become member of any State or District Co-operative Banks as decided by the Board of Directors from time to time within the Area of Operation.
- ii. The Bank may subscribe to the following:
 - a. The National/ State Federation of Urban Co-Operative Banks.
 - b. The Regional/ District Federation or Association of Urban Co-operative Banks.



- c. Indian Institute of Banking and Finance.
 - d. Indian Banks' Association.
 - e. National Co-operative Union of India.
 - f. Any other Federation / Associations / Sangh / Board related to the Banking sector.
 - g. Any other such organizations as decided by the Board of Directors from time to time.
- iii. The matters which have not been provided for herein shall be decided in accordance with provisions of the Act and Rules.
- iv. The Bank shall comply with the directions of the Co-operative Ombudsman as appointed under Section 85A of the MSCS Act, 2002, and the MSCS Rules, 2002.

51. AMENDMENT TO BYE-LAWS:

The amendments to these Bye-laws shall only be passed by a resolution of the Meeting of the General Body in which a quorum is present by a vote of not less than two thirds of the Members present therein and not less than 15 clear days, notice for the considering of such amendment has been previously given.

Any addition, amendment, alteration or rescission resolved upon at such Meeting shall take effect from the date of receipt of Central Registrar's approval in writing.

52. COMMON SEAL:

The Bank shall have a Common Seal. The Common Seal shall be kept in the safe custody of the Officer authorized by the Board and shall be used on the authority of a resolution of the Board constituted under the Bye-Laws of the Bank.

53. FILING OF RETURNS:

Every year within six months of the closure of the accounting year Bank shall file the following returns with the Central Registrar, namely:

- a) Annual report of the activities including details of Board decisions which were not unanimous;
- b) Audited statement of accounts;
- c) Plan for surplus disposal as approved by the general body;
- d) List of amendments to the bye-laws of the Multi-State Co-operative Society;
- e) Declaration regarding date of holding of general body meeting and conduct of elections where due;



- f) Any other information required by the Central Registrar in pursuance of any of the provisions of this Act.
- g. Disclosure regarding employees who are relatives of Members of Board;
- h. Declaration of any related party transactions by the Board; and
- i. Any other information required by the Central Registrar in pursuance of any of the provisions of this Act.