



BYE LAWS UNDER MULTISTATE CO OPERATIVE SOCIETIES ACT
2002.

[Document subtitle]



THE KALYAN JANATA SAHAKARI BANK LTD

Head Office

1) NAME & AREA OF OPERATION

(I) The Name of the Bank shall be “The Kalyan Janata Sahakari Bank Ltd.” and is a society originally registered under Maharashtra State Co-Operative Societies Act 1960 vide registration No. TNA/BNK/173, dtd.20.10.1973 and the bank has been granted license by R.B.I. to carry on banking business vide license no. UBD/MH/980P.20/08/1988 Dated 20/08/1988 and subsequently registered under Multi State, Co-Op Societies Act 2002 vide Registration No. MSCS/CR/1272/2017 dated 24/03/2017.

(II) REGISTERED OFFICE :

The Principal and the Registered Office of the Bank shall be situated at “Kalyanam_astu”, Om Vijaykrishna Apt., Adharwadi, Kalyan (West), District Thane, Maharashtra, PIN 421301. The e-mail address of the Bank shall be response@kalyanjanata.in.

Any change in the address & e-mail address shall be notified to the Central Registrar within 15 days of its change and may be published in a local newspaper and shall be made by an amendment to its Bye-laws after following the procedures laid down in the Section 11 of the Multi State Co Op Societies Act, 2002; with appropriate approval from R.B.I.

(III) COMMON SEAL :

The Bank shall have a common seal which will remain in the custody of the Chief Executive Officer or Any officer authorized by the Board and shall be affixed as decided by the Board to such of the instruments/documents to which Bank is a party in the presence of a Director or the Chief Executive Officer or Any Officer as per specific resolution of the Board of Directors.

(IV)The area of operation of the Bank shall extend to the states of Maharashtra and Gujarat.

(V) The Bank is a body corporate which shall 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:

- I. “The Act” means the Multi-State Cooperative Societies Act, 2002 as amended from time to time;
- II. “Area of Operation” means the area from which the persons can be admitted as members of the Bank;
- III. “Associate/Nominal” member means a person who has been admitted as a nominal member or associate member under these bye-laws;

- IV. "Auditor" means a person appointed by the General Body at the Annual General Meeting from a panel of auditors, if any, prepared by the Bank or from the panel of auditors approved by the Central Registrar to audit the accounts of the Bank;
- V. "B . R . Act" means Banking Regulation Act 1949, as applicable to Co-operative Societies;
- VI. "The Bank" means The Kalyan Janata Sahakari Bank Ltd;
- VII. "Board" means the Board of Directors of the Bank;
- VIII. "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 Act in force and includes amendments thereto which have been duly registered or deemed to have been registered under the Act;
- IX. Central Registrar means the Central Registrar of Co-operative 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.
- X. "Chief Executive Officer" means Chief Executive Officer or Managing Director, or any such officer of the Bank appointed by the Board of the Bank under the provisions of the Act and Rules and these Bye Laws;
- XI. "Co-operative Bank means a State co-operative society/ Multistate Co Operative Society which undertakes Banking business;
- XII. "Co-operative Principles" means the Co-operative principles as specified in the first schedule of the Multi State Co Op Societies Act, 2002;
- XIII. "Financial Year" means the period from 1st of April to 31st March;
- XIV. "Defaulter" means a member who commits a default u/s 29 (d) of Multi State Cooperative Societies Act 2002 and / or has defaulted in payment of any kind of dues payable to the Bank;
- XV. "Deposit Insurance Corporation" means the Deposit Insurance and Credit Guarantee Corporation established under Sec. 3 of the Deposit Insurance Corporation Act, 1961;
- XVI. "Employee" means an individual who is engaged in the employment of the Bank under contractual relationship with the Bank as an employer;
- XVII. "Federal Co-operative" means a federation / association of Co-operative societies registered under the Act and whose membership is available only to a Co-operative society or a Multistate Co Operative Society;
- XVIII. "Functional Directors" means and includes a Managing Director or a Chief Executive Officer by whatever designation called or any of the Head of the Department of the concerned Bank, nominated by the Board of Directors;
- XIX. "General Body", means all the members of the Bank and includes a body constituted under the provisions of the Act;
- XX. "General Meeting" means a meeting of the General Body of the Bank and includes Special General Meeting;

- XXI. "Joint Member" means a member, who holds a share in the Bank jointly with the other, but whose name does not stand first in the Share Certificate of the Bank;
- XXII. "Member" means a person joining in the application for the registration of the Bank and includes a person admitted to membership after such registration in accordance with the provisions of the act, rules and bye laws and members existing at the time of registration under the act and continues to be so for the time being;
- XXIII. Minimum level of service means :
To maintain with the Bank a balance during immediately preceding financial year as under,
a) Deposit of Rs . 500; or
b) Credit facility of Rs . 100000/ – .
(Provided that for practical purpose of deciding availing of Minimum Level of Service, the outstanding balance in the account of member as on 31st March of the concerned year shall be considered .)
- XXIV. "Multi State Cooperative Society" means a cooperative society registered or deemed to be registered under the Multi-State Cooperative Societies Act 2002;
- XXV. "Notification" means a notification published in the official gazette of the Government;
- XXVI. "Officer" means a person elected or appointed by the Bank and includes Chairman, Vice-chairman, Managing Director, Secretary, Manager, Member of the Board, Treasurer, Liquidator, an Administrator appointed under Sec. 123 and includes any other person empowered under Multi State Cooperative Societies Act or the rules or the Bye-laws to give direction in regard to business of the society;
- XXVII. "Person" means an adult individual, competent to contract under Section 11 of the Indian Contract Act, 1872 (9 of 1872) , proprietary concern in proprietor' s individual capacity, registered partnership firm, Limited Liability Partnership, Society registered under the societies registration Act 1860, company or any other body corporate /entity constituted under the law for the time being in force, State Government, Central Government, Self Help Groups, Joint Liability Groups, Joint Ventures , Association of Persons and Public Trust registered under any law for the time being in force for registration of such trusts subject to the provisions in the Act;
- XXVIII. "Reserve Bank", means the Reserve Bank of India constituted under the RBI Act, 1934;
- XXIX. "Rules" means the Multi State Co-operative Societies Rules, 2002 made under the Multi State Co-operative Societies Act 2002 as amended from time to time;
- XXX. "Willful Defaulter" means a member who commits default and is identified as willful defaulter as per the directives and guidelines issued by the Reserve Bank of India from time to time in the matter.

XXXI. Co-operative Ombudsman means the Ombudsman appointed by the Central Government under Section 85 A of the Act.

3) OBJECTS AND FUNCTIONS :

A) Objects– The Principal object of the Bank is to ensure the security of the depositors of the bank and promote the interests of all its members to attain their social and economic betterment through self-help and mutual aid in accordance with the co-operative principles to carry out following functions .

B) Functions–

- i. To encourage thrift, self-help and mutual co-operation amongst the members;
- ii. To accept deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise, for the purpose of lending and or investment;
- iii. To borrow or raise money;
- iv. To lend or to advance money either with security or without security to members and others as permitted by the Central Registrar / Reserve Bank of India .
- v. To draw, make, accept, co – accept, discount, buy, sell, collect and deal electronically or otherwise in bills of exchange, hundies, cheques, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, certificates, scrips and other instruments, Government and other securities whether transferable or negotiable or not, whether secured or not;
- vi. To grant negotiate, endorse, discharge and to issue letters of credit, travelers' cheques and circular notes .
- vii. Contracting for public or private loans and negotiating and issuing the same;
- viii. To buy, to hold and to sell foreign exchange including foreign bank notes and other foreign exchange business as permitted by Reserve Bank of India;
- ix. 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;
- x. To receive all kinds of bonds, scrips, securities, documents, valuables on deposit or for safe custody or otherwise, electronically or otherwise and/ or collection of interest thereon;
- xi. To provide safe deposit vaults and ancillary services;
- xii. To collect and transmit money and securities electronically or otherwise;
- xiii. To sanction, disburse, recover and negotiate loans and advances;

- xiv. To assign, transfer or sell the rights, title and interests in the loans for raising funds;
- xv. To carry on and to transact every kind of guarantee and indemnity business for and on behalf of constituents;
- xvi. To acquire, to sell, Plot, Land, Building 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;
- xvii. 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;
- xviii. 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;
- xix. To manage, to sell and to realize any property that may come into possession of the Bank in full satisfaction or part satisfaction of any of its claims;
- xx. To formulate a scheme for establishing, managing, undertaking and executing trusts and undertaking the administration or estates as executors, trustees or otherwise;
- xxi. To provide for Cooperative & Banking education & training to its members;
- xxii. To open branches, extension counters, pay offices, currency chests, ATM centers, any other office with permission of the Reserve Bank of India wherever necessary within the area of operation of the Bank so as to provide Banking and other services to the public;
- xxiii. To take over, and acquire whole or part of business of other banks' / co-operative banks' / co-operative societies, to manage and to undertake the whole or part of the business of such institutions with the prior permission of Registrar and Reserve Bank of India;
- xxiv. To establish, to support or to aid in establishment and support of association, institution, funds, trusts of members, employees / ex-employees of the Bank or their dependents or connection of such persons and to grant pension and allowances and making payment towards insurance, subscribing to or guaranteeing money for charitable or benevolent objects or exhibition or for any public general or useful objects and to undertake and execute trusts, undertake administration or estates as Executor, Trustee or otherwise;
- xxv. To establish, to support or to aid in establishment or supporting (a) Provident Fund for the benefit of the members; and (b) Provident Fund and Gratuity Funds for the benefits of the employees of the Bank in accordance with the rules framed by the Board and approved by appropriate authorities;

- xxvi. To prepare and to finance schemes for the betterment of the financial condition of the members;
- xxvii. To provide financial and technical assistance to Industries, Small Scale Industries and Cottage Industries and to help self-employed persons for setting up their own business;
- xxviii. To enter into participation, consortium arrangement / arrangements with any other Bank or Banks or financial institutions with the object of making loans and advances;
- xxix. To securitize assets with Asset Reconstruction Companies, National Housing Bank, NABARD or any other organization as may be permitted by the Reserve Bank of India from time to time;
- xxx. To do any other form of business as specified in clause (1) of section 6 of the Banking Regulation Act, 1949 (as applicable to the Co-operative Societies) ;
- xxxi. To act as agents for collection of monies on behalf of various Government, quasi Government and Statutory Bodies or local authorities or any person or persons and provide ancillary services to them;
- xxxii. To act as agents for collection of taxes, duties etc., on own or through other Banks or through other service providers, on behalf of various governments, its departments, quasi government and statutory bodies or local authorities, either electronically or otherwise;
- xxxiii. Collecting and transmitting monies, insurance policies, pay and pension bills or securities;
- xxxiv. 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 Banking institution to engage;
- xxxv. To provide all financial, technical, legal data based services, computer based and allied services to members, depositors, customers, public institutions, co-operative banks and associate concerns;
- xxxvi. To let, give on hire or share with other organizations, the technologies, assets (immovable or movable, actionable claims and rights and / or information and know how whether tangible or intangible or otherwise) and services of the Bank;
- xxxvii. To acquire on rent or hire or share with other organizations, their technologies, assets (immovable or movable, actionable claims and rights and / or information and know how whether tangible or intangible or otherwise) and their services;

- xxxviii. To undertake insurance business as corporate agents or as brokers or on referral basis to the members, customers and public;
- xxxix. To encourage insurance (life or otherwise) of members and customers;
 - xl. To take or otherwise acquire and hold shares in any other company or society with limited liability, if necessary with the permission of Reserve Bank of India / from appropriate authority;
 - xli. To promote or amalgamate one or more subsidiary organization/s which may be registered under any law for the time being in force and or take over existing company or organization for the furtherance of bank's stated objects with permission from appropriate authorities;
 - xlvi. To engage in Credit / Debit cards business with the permission required, if any, from appropriate authorities;
 - xlvi. 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;
 - xlv. To takeover, acquire whole or part of the Business of Banks, co-operative Banks, credit societies, NBFC with similar objects, Asset Recovery companies and Information Technology companies with the permission of Reserve Bank of India and the Central Registrar;
 - xlv. To do all such other things as are incidental and conducive to the promotion or advancement of objects, functions and the business of the Bank;
 - xlvi. To meet social obligations, give donations to various organizations who serve for betterment of society;
 - xlvii. To sell/ distribute mutual fund or any other products under tie-up arrangement with Mutual Funds/Asset Management Companies or any other Institution or undertake any other business independently as permissible & within the framework of RBI / Registrar of Co-operative Societies guidelines;
 - xlviii. To undertake any other business as permitted by Reserve Bank of India and/or Central Registrar .

4) CAPITAL & FUNDS :

Funds may be raised by the following means : –

- I. Share Capital;
- II. Long Term Deposits;
- III. Entrance / Admission Fees;
- IV. Subscriptions;
- V. Deposits;
- VI. Loans;

- VII. Donations, Grants-in-aid, Subsidies and Contributions;
- VIII. Profit, Interest, Rent, Service Charges, Commission etc. ;
- IX. Floating Secured / Unsecured Bonds;
- X. Refinance / Letter of Credit;
- XI. Issue of non – convertible debentures, Preference Shares or any other instruments as permitted by the Reserve Bank of India;
- XII. Any other means as may be permitted by Reserve Bank of India and / or the Registrar from time to time .

5) UTILIZATION OF FUNDS: The funds of the Bank shall be utilized as approved by Board of Directors or by delegated authority duly approved by the Board of Directors to do so, to achieve the objectives of the Bank. Utilization of these funds shall be decided by the Board of Directors/Delegated Authority keeping in view the co-operative principles with responsibilities and general welfare of members/employees /community subject to provisions of the act, rules and bye laws and RBI's guidelines from time to time.

6) INVESTMENT OF FUNDS: The Bank may invest or deposit its funds as per the provisions of the act, rules and bye laws or in such other modes as approved by the Board of Directors in conformity with the guidelines of the Reserve Bank of India from time to time .

7) AUTHORISED SHARE CAPITAL :

- I. The authorized share capital of the Bank is Rs . 200, 00, 00,000/- (Rupees Two Hundred Crores Only) into 8, 00, 00,000 shares of Rs. 25/- each;
- II. Minimum subscription shall be for 40 shares of Rs. 25/- each and may be increased or reduced with the previous sanction of general body, subject to approval of the Central Registrar .

8) MAXIMUM BORROWING LIMIT :

- (1) The Bank shall be eligible to receive deposits, raise loans and receive grants provided that the total amount of deposits and loans received shall not exceed such multiples as may be determined from time to time by the Central Government of the sum of the subscribed share capital and accumulated reserves minus the accumulated losses.
- (2) Subject to provisions of sub-section (1) , bank may accept funds or borrow funds for the fulfilment of its objects on such terms and conditions as are mutually contracted upon .

- (3) 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 fulfilment of its objectives.

9) MEMBERSHIP :

The Bank shall have following categories of members :

- I. Ordinary Member .
- II. Nominal Member / Associate Member .
- III. Joint Member .

10) ORDINARY MEMBER :

- I. Any person who resides or is engaged in any occupation, profession or business, within the area of operation of the Bank and who genuinely needs the services provided by the Bank and whose business, occupation does not conflict with that of the Bank, may be admitted as an Ordinary member .
- II. No person shall be admitted as an ordinary member of the Bank except the following, namely :
 - a) An individual, competent to contract under section 11 of the Indian Contract Act, 1872;
 - b) Proprietary concern in proprietor's individual capacity;
 - c) Partnership firm duly registered under the Indian Partnership Act, 1932, Limited Liability Partnership Act 2008;
 - d) Company or any other body corporate constituted under the law for the time being in force;
 - e) Local Governing Body/ authority;
 - f) Public Trust registered under any law for the time being in force for registration of such trust;
 - g) Such class or classes of persons or association of persons as may be permitted by the Central Registrar;
 - h) A State Government/ The Central Government;
 - i) The National Co-operative Development Corporation established under the National Co- Operative Development Corporation Act, 1962;
 - j) Any other corporation owned or controlled by the Government;
 - k) Any Government company as defined in the Companies Act;
 - l) Micro Finance Institutions;
 - m) Joint Venture.
- III. No employee of the Bank shall be eligible to become ordinary member of the Bank . Existing employee member shall cease to be a member with immediate effect;

- IV. No co-operative society shall be eligible to become member of the bank;
- V. No right of membership shall be exercisable until a person has made such payments to the Bank in respect of membership or acquire such interest in the Bank as per the bye laws;
- VI. Every member shall pay an admission/entry fees as per the bye laws;
- VII. Every member should fulfill all other conditions laid down in the Act, the Rules and the Bye-laws;
- VIII. The Board of Directors of the Bank should approve his application to admit as a member .

11) NOMINAL MEMBER / ASSOCIATE MEMBER

- I. Any person who is a partner of partnership firm or a director of a company or a trustee or an officer bearer of anybody corporate (where such Partnership Firm, Limited Company, Trust, Corporate Body is a member of the Bank) 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 fees of Rs.100/-, excluding taxes, levies, if applicable, or such an amount as may be fixed by the Board from time to time and upon his agreeing to the condition that he shall cease to be a Nominal Member when corresponding liabilities against him either as a borrower or as a surety are fully discharged, provided that such person is residing or is gainfully engaged in any occupation or business within the area of operation of the Bank .
- II. An employee of the Bank may be admitted as a nominal member and he will be entitled, on merit, to various loan facilities and other schemes on merit sanctioned by the Board of Directors from time to time exclusively for employees .
- III. Nominal/Associate member shall not be entitled : –
 - a) To subscribe to the share capital of the bank;
 - b) To receive a share certificate;
 - c) To receive audited accounts and annual report;
 - d) To attend, participate and vote in the general meeting and or special general meeting of the bank;
 - e) To receive dividend;
 - f) To contest and vote in the election of Director or the Board of Directors;
 - g) And to demand inspection of the books and records of the bank .

12) JOINT MEMBER :

Shares may be purchased in the name of one or more persons provided that where two or more persons are registered as the holders of any shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship, subject to the following provisions,

- I. On death of joint holder, the surviving person shall be recognized as shareholder .
- II. The Bank shall register one or more persons as the holder of any share;
- III. The joint holder of any share shall be liable severally as well as jointly for all payments which are to be made in respect of such share /s .
- IV. Only the person whose name stands first in the register of members as one of the joint holders of any shares shall be entitled to rights of ordinary members and be responsible for all liabilities of a member . He shall be entitled to receive the annual dividend and notice of the general meetings of the Bank;
- V. A joint share holder individually can subscribe to the share capital to the extent of the required percentage of share linking to his borrowing and also entitled for the dividend for the amount of share capital he has subscribed, if and when declared, and can also withdraw his share capital as per the act, rules and bye laws of the Bank;
- VI. On withdrawal of share capital by all the joint holders, the membership will be automatically ceased;
- VII. Where a member holds a share of the bank jointly with a person or more persons, the person whose name stands first in the share certificate, if present, shall have the right to vote . But in his absence the person whose name stands second next on the share certificate, who is present shall have right to vote and so on .

13) APPLICATION FOR MEMBERSHIP AND ITS DISPOSAL :

- I. The application for ordinary membership of the Bank shall be submitted by the applicant to the Chief Executive of the Bank in the prescribed form, accompanied by admission fee of Rs . 100/- . An applicant shall also subscribe to at least 40 shares of Rs . 25/- each fully paid, at the time of application .
- II. The application for membership of the Bank found complete in all respects shall be disposed of within a period of 120 days from the date of receipt of the application by the Bank and the same shall be communicated to the applicant within 15 days of such decision . Provided that if the application is not disposed of within the period aforesaid, or the decision is not communicated within a period of fifteen days of expiry of the aforesaid period of 120 days then the Board of Directors shall be deemed to have made the decision on the date of expiry of such period, refusing admission to the applicant . The application

stands refused in case decision is not communicated within stipulated period as above .)

- III. The Board shall decide the procedure for admission of member from time to time as per the Act, Rules and Bye Laws .
- IV . The applicant should fulfill all other conditions laid down in the Act, the Rules and the Bye-laws .
- V. Identification of Members.(KYC norms as per RBI guidelines as applicable to members)
 - a) For all transactions with the Bank including acquiring membership, identification of the member is necessary . For identification the individual 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 . Identification of the member of the Bank shall be done by a competent authority appointed by the Board, through the official identity card which will be issued free of charge for the first time by the bank;
 - c) Whenever a member desires to exercise his rights as a member of the Bank such as attending the General Body Meeting and voting therein, collecting annual dividends and or occasional gifts, execution of agreements as borrower or guarantor, voting at an election of Director/s of the Bank and for such other purpose which the Bank may notify from time to time, the member may be asked to produce his identity card;
 - d) When unable to produce such identity card on demand, his membership right whatsoever may be refused by the Bank at that time;
 - e) A duplicate identity card may be obtained from the bank in case of loss or mutilation of the original card . However, duplicate card shall be issued at a nominal cost as may be stipulated by the Board from time to time;
 - f) The Board will be permitted to explore the use of advanced technology for the issuance of electronic digital cards or any such electronic media/instrument so as to reduce use of paper .

14) RIGHTS OF MEMBER :

Every ordinary member (other than nominal and associate member) of the bank shall have the following rights :

- I. To vote in the general body meetings of the bank . Every member shall have one vote and shall not be permitted to vote by proxy . Provided that any institution i.e. partnership firm, private limited company etc. which is member of the bank may appoint its representative by authority letter or by a resolution passed by it, as the case may be, to vote on its behalf in the general body meeting of the

bank. Such authority or resolution shall be produced while attending the meeting;

- II. To receive notice of general body meetings as per bye laws of the bank;
- III. To attend and to take active part in the general body meeting of the bank;
- IV. To take part in elections and contest for any post as per provisions of the act, rules and bye laws of the bank;
- V. To have inspection of the records in so far as it relates to members' own transactions, on request to the officer authorized by the Board, during office hours, or at any time fixed for the purpose by the Board;
- VI. To have copies of the records in so far as it relates to members' own transactions, on request in writing to the officer authorized by the Board, on payment of fees of Rs . 10/- per page or as may be specified by the Board .
- VII. No right of membership shall be exercisable until a person has paid all dues which are in default to the Bank including the payment in respect of membership or has availed such minimum level of services as specified in the byelaws from time to time.

15) LIABILITY OF MEMBER :

- I. Liability of the members shall be limited to the share capital subscribed by them .
- II. Liability of every member would continue for a period of two years from the date of ceasing to be member of the society .
- III. The estate of the deceased member shall remain liable to the extent of sums due to the bank for a period of two years from the date of death of the member .
- IV. Notwithstanding anything contained hereinabove, the liability of a past member and estate of a deceased member shall be as per the provisions of the Act and Rules .

16) DISQUALIFICATION OF MEMBERSHIP :

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

- I. his business is in conflict or competitive with the business of the Bank; or
- II. he did not avail during the immediately preceding year the services at minimum level as under :

To maintain with the Bank a balance during immediately preceding financial year as under,

- a) Deposit of Rs . 500; or
- b) Credit facility of Rs . 100000/- .

(Provided that for practical purpose of deciding availing of Minimum Level of Service, the outstanding balance in the account of member as on 31st March of the concerned year shall be considered, provided further that if such member started using required minimum level of service he will again continue as a member) ; or

- III. he did not attend three consecutive General Meetings of the bank and such absence was not condoned by the members in the General Meeting by 2/3rd majority of the members attending the meeting; or
- IV. He has made any default in payment of dues to be paid to the Bank, viz. contributions, subscriptions, admission fees or any dues and /or as decided by the Board of Directors from time to time.

Provided that a member classified as disqualified member shall not be entitled to any concessional/ welfare benefits from the bank till the date of his re-classification as ordinary member .

17) WITHDRAWAL, PARTIAL WITHDRAWAL AND RESIGNATION OF A MEMBER :

- I. A member may withdraw or resign his membership after one year from date of acquisition of membership, by giving at least three months' notice to the bank in writing and withdraw his share capital with the approval of the Board . The approval shall not be given while such a member is indebted to the Bank either as a borrower, guarantor, and surety or otherwise . During any Co-operative year, the aggregate withdrawals shall not exceed 10% of the total Paid-Up Capital as at 31st March of the preceding year . The amount of money refunded shall be as per face value of the share in case of fully paid up shares and actual paid amount in case of partly paid share .
- II. A member is entitled to claim refund of the sum representing the value of the share/s held by him, where such share/s were acquired by him for the purpose of availing credit facility / facilities from the Bank and / or for the purpose of share linkage, and his application for the credit facility / facilities and / or additional facility has been turned down by the Bank . In such cases no minimum period of holding and notice will be applicable .
- III. A member may partially withdraw his shareholding, by retaining minimum shareholding for membership under these bye laws, after one year from the date of his becoming member by making an application in prescribed manner to the board, subject to fulfillment of conditions under bye law number 17/I

18) TERMINATION /EXPULSION OF MEMBER :

- I. On recommendation of the Board, a member may be expelled by a resolution passed in the general body meeting by 2/3rd majority of members present and voting at the General Meeting if he,

- a) is adjudged by a competent court to be an insolvent or an un-discharged insolvent; or
 - b) is convicted of an offence involving moral turpitude; or
 - c) does any act or makes a declaration or statement which is false or which he has reason to believe to be not true with intent to cause loss to the Bank or injure its credit,
 Provided that no such expulsion shall be considered by the general meeting unless the member has been given at least twenty days' notice in writing to make his representation in the matter [except in case of bye law No. 18 (I) a];
 - d) defaults in payment of dues as per bye laws of the bank for a continuous period of one year .
- II. A member expelled under this bye law shall be entitled to the repayment of the sum paid in respect of the shares held by him in the bank together with dividend declared but not drawn, subject to deductions of any moneys due by him to the Bank . However, if the expulsion is under sub clause 18 (I) c of this bye-law, the amount of the shares held by him together with dividend declared but not drawn shall be forfeited to the Bank .
 - III. No member, 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.
 - IV. Any person seeking re-admission to the membership of the Bank shall not be re-admitted as member unless accompanied by an application for membership in the prescribed form for membership together with admission fee of Rs . 100/- .

19) CESSATION OF MEMBERSHIP :

Membership will cease : –

- I. On death of an individual member or dissolution or liquidation in case of a firm or a company or other corporate body;
- II. On being adjudged as insolvent or legally disqualified from continuing as a member;
- III. On transfer of all the shares to another member;
- IV. On resignation or withdrawal of membership having been accepted;
- V. On expulsion from the Bank in accordance with the provisions of the Act and the Rules . Such expulsion may involve forfeiture of shares;
- VI. On incurring any of disqualification as per the provisions of Section 29 of MSCS Act, 2002 & Rules there under & under these bye-laws;
- VII. On exercise of right of lien by the bank;

- VIII. On his failure to hold such minimum number of shares as may be prescribed by the Board from time to time .

20) SHARE CERTIFICATE :

- I. Every person admitted as an ordinary member shall be entitled to receive a share certificate gratis stating the number of shares and their distinctive numbers. The Share Certificate shall be signed by the Chairman or any director duly authorized & the Chief Executive Officer or any other Executive or Officer duly authorized by the Board of Directors. The share certificate shall bear the Bank's seal.
- II. If any certificate be worn out, defaced, destroyed or lost, a new share certificate/s may be issued in lieu thereof on payment of fee per share certificate, as prescribed by the Board . It shall however be necessary to produce evidence to the satisfaction of the Board that the share certificates were worn out, defaced, destroyed or lost, or in absence of such evidence, on such indemnity as the Board may deem sufficient .

21) TRANSFER OF SHARES : A member may transfer his share or shares (where there shall not be any accumulated losses) after holding them for not less than one year to a member duly approved by the board of directors . The transfer is not complete until the name of the transferee has been duly entered in the register of members and on payment of transfer fees as may be decided by the board from time to time (presently Rs .100/-) .

Transfer of shares shall be refused to a member if,

- I. The member is indebted to the bank either as borrower or as a surety; or
- II. It is detrimental to the interest of the bank; or
- III. The transferee does not fulfill conditions prescribed under bye laws applicable to ordinary member .

22) NOMINATION :

Individual member/s may nominate a person to receive the member's interest in the Bank after his death . Nomination shall be made in the prescribed form and entered in the register kept at the Bank's registered office . Prior approval of the Board shall be necessary if the person to be nominated is an employee of the Bank . Nomination can be revoked and fresh nomination can be made any number of times after due intimation in writing to the Bank and on payment of prescribed fee as decided by the Board from time to time for every subsequent nomination .

23) DEATH OF A MEMBER :

On death of a member, the Bank may pay to the person nominated a sum representing the value of the member's interest in the society within 6 months from the date of receipt of the claim from the nominee . In the absence of nomination, the Bank may

pay to such person or persons as may appear to the Board to be entitled to receive the same as heir or legal representative of the deceased member on his or their executing an appropriate deed of indemnity in favor of Bank and on complying with any other conditions as stipulated by the Board .

24) LIABILITIES OF PAST MEMBERS AND ESTATE OF A DECEASED MEMBER :

- I. The liability of a past member or of the estate of a deceased member of the Bank for the debts due to the Bank as it existed,
 - a) in the case of a past member, on the date on which he ceased to be a member;
 - b) in the case of a deceased member, on the date of his death;shall continue for a period of 2 years from such date .
- II. Where the Bank is ordered to be wound up under the Act, the liability of a past member who ceased to be a member or of the estate of a deceased member who died within 2 years immediately preceding the date of the order of winding up, shall continue until the entire liquidation proceedings are completed, but such liability shall extend only to the debts of the Bank as they existed on the date of cessation of membership or death, as the case may be .

25) LIEN ON SHARES, DIVIDENDS AND DEPOSITS :

The Bank shall have the first and paramount lien or charge upon all the shares, dividends and deposits of any member or past member for all moneys due from him to the Bank from time to time . The Bank may at any time set off any sum credited by or payable to the member or past member towards payment of any liability of such member or past member .

26) CONSTITUTION OF GENERAL BODY :

- I. General body of the Bank shall consist of all the members of the Bank .
- II. Subject to the provisions of the Act, the Rules and Bye- laws, the ultimate authority of the bank shall vest in the general body of its members .

27) ANNUAL GENERAL MEETING :

The Board of the Bank under a resolution shall call the Annual General Meeting in the town/city where the registered office of the bank is located within a period of six months after the close of financial year for following purpose –

- I. Consideration of the annual report;
- II. Consideration of the audited statements of accounts;
- III. Consideration of the audit reports;
- IV. Consideration of audit compliance report;
- V. Disposal of net profits;

- VI. Review of Operational Deficit, if any;
- VII. Creation of specific reserves and other funds;
- VIII. Approval of annual budget;
- IX. Review of actual utilization of reserves and other funds;
- X. Approval of the long-term perspective plan and the annual operational plan;
- XI. Review of annual report and accounts of subsidiary institution, if any;
- XII. Expulsion of members, if any;
- XIII. Amendment of Bye-laws, if any;
- XIV. Approval for appointment of Auditors and fixation of their remuneration;
- XV. List of employees who are relatives of members of the board or of the chief executive;
- XVI. Formulation of code of conduct for the members of the board and officers;
- XVII. Election and removal of members of the Board, if any;
- XVIII. Considering a statement showing the details of the loans and advances, if any, given to any director or to the spouse of the director or his/her son or daughter during the preceding year or outstanding against any of them;
- XIX. To place any other information required by the Central Registrar in pursuance of any of the provisions of the Acts and rules;
- XX. Any other matter laid before it by the board of Directors .

28) SPECIAL GENERAL MEETING :

The Chief Executive Officer, may at any time, on the direction of the Board, shall call a Special General Meeting of the Bank or on receipt of a requisition in writing from the Central Registrar or on requisition in writing from not less than 1000 members or from 1/5th of the total number of members of the Bank, whichever is less, stating the business to be transacted at the meeting . Such requisitioned meeting shall be called, in the town/city where the registered office of the bank is located , within one month after the receipt of the written requisition .

29) NOTICE: ANNUAL GENERAL MEETING AND SPECIAL GENERAL MEETING :

- I) Annual General Meeting of the Bank may be called by giving not less than fourteen days' notice and in the case of a Special General Meeting ,not less than seven days' notice in writing to all the ordinary members of the Bank by ordinary post or by such other mode/s as may be decided by the board, to their registered address either postal or otherwise, as per the records of the bank, a copy of the notice shall be displayed digitally or on the Notice Board at the Registered Office of the Bank and its branches .
- II) The notice of the general meeting shall contain the place, date, time and agenda for the meeting and also state the place, date and time of holding adjourned meeting, should it be necessary to adjourn it in the absence of required quorum . Copy of

each of the, audited balance sheet, profit and loss account together with the auditor's report relating to the preceding year and the report of the board of directors thereon will be made available to the ordinary members through any of the following modes,

- a) at registered office and at all the branches of the bank;
- b) in electronic form at their registered email addresses; or
- c) on bank's website .
- d) by ordinary post .

III) Non-receipt of notice by members shall not be valid ground for invalidating or postponing or adjourning the General Meeting .

IV) Notice of the meeting shall be signed by the Chief Executive Officer of the Bank .

30) QUORUM OF THE GENERAL MEETING AND SPECIAL GENERAL MEETING :

- I. The quorum for the general meeting shall be one fifth of the total number of members or 500 members whichever is less .
- II. 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 .
- III. If at the time fixed for the general meeting, quorum is not constituted, the meeting shall stand adjourned and would be held after half an hour at which the quorum will not be required, provided that a meeting which is convened upon a requisition of the members shall not be adjourned but dissolved .
- IV. If at any time during the meeting sufficient number of members are not present to form the quorum, the Chairman or the member presiding over the meeting on his own, or on his attention being drawn to this fact, shall adjourn the meeting and the business that remains to be transacted at this meeting, if any, shall be disposed of in the usual manner at the adjourned meeting for which the quorum will not be required .
- V. Where a meeting is adjourned under sub-clause (iii) or (iv) 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, but within seven days of the adjourned meeting .
- VI. No business shall be transacted at any adjourned meeting other than the business on the agenda of the adjourned meeting .
- VII. The adjourned meeting will transact its regular business even without the quorum being present at the meeting .
- VIII. The Quorum for the Special general meeting shall be one fifth of the total number of members or 500 members whichever is less . However, for a special general meeting requisitioned by members, the quorum shall be half the number of members signing the requisition .

31) CHAIRMAN OF THE GENERAL MEETING :

The Chairman of the Board of Directors shall preside over the General Meeting . In his absence, the Vice-Chairman and in absence of both, the members of the Board shall elect one of the members as chairman of the meeting and shall preside over the General Meeting .

32) VOTING :

I) Unless otherwise specifically provided in the Act, Rules and these Bye-laws, resolutions shall be carried by a majority of members present and voting by voice or show of hands . On votes being so taken, the Chairman shall declare the result of the voting . In case of equality of votes, the Chairperson will have a casting vote .

II) In case, more than 50% of the members present, demand for poll, the polling shall be done forthwith for respective resolution .

33) MINUTES OF THE GENERAL MEETING :

Minutes of the proceedings of the General Meetings shall be entered in a minute book kept for the purpose within thirty days of the conclusion of every such meeting concerned and shall be signed by the Chairman and Chief Executive Officer of the Bank . The minutes so signed, shall be an evidence of the correct proceedings of the meetings .

34) BOARD OF DIRECTORS :

I) The Executive management of the Bank shall vest in the hands of Board of Directors consisting of Directors as under :

General Category	12
SC or ST	1
Women	2
Total	15

II) Two directors to be **co-opted** from ordinary members of the bank with suitable banking experience of middle management in any bank for a minimum period of 10 years or having relevant professional qualifications . For the purpose of the sub-clause the professional qualification means a person with suitable banking experience (at middle/ senior management level) or with professional qualification in the fields of Law, accountancy, finance . If the elected members of the Board consist of at least two directors complying with the provisions of qualification prescribed for Expert Directors, the Board may not co-opt expert directors .

III) Reserved Seats :

a) One seat shall be reserved for the member belonging to SC or ST .

b) In addition to above two seats shall be reserved on the Board of Directors for women members .

IV) Chief Executive Officer of the Bank, by whatever name called will be ex-officio member of the Board of Directors .

35) ELECTION OF MEMBERS OF THE BOARD :

- I. The conduct of election to the members of the board shall be the responsibility of the existing board when its term expires .
- II. 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 to the MSCS Act 2002 .
- III. The election of the members of the board shall be held in the general meeting of the members of the bank .

36) ELIGIBILITY FOR ELECTION AS A MEMBER OF THE BOARD :

- I) A member shall not be eligible to be elected as Director unless he has not incurred any disqualification under the provisions of Section 43 of the MSCS Act 2002, Rules and the bye-laws thereunder . He has not availed any loan or advance (except against Fixed Deposits) from the Bank or is not a surety to any borrower of the bank as on the date of nomination for election .
 - II) The proposer or seconder in the application for candidature in election should not be a borrower or a surety to any borrower of the bank .
 - III) He has not defaulted in dues to any co-operative society, Bank, NBFC and Govt . Dues .
 - IV) To contest the election of Board of Directors, the ordinary member should comply following criteria:
 - a. Minimum Shares – Amount Rs.50,000/- (Rupees Fifty Thousand Only) And
 - b. Minimum Deposit Rs.2,00,000/- (Rupees Two lakh only)
-)Note: The elected directors shall continue to keep the above deposits for the entire tenure of the board.(
- c. The individual contesting the election to the Board / appointed on the Board should be member of the Bank for a period of more than twenty-four months immediately preceding the elections/ the date of appointment .
 - d. The person contesting from Reserve Seat shall comply with 50% of the criteria required for the General Category under a & b above .

37) CHAIRMAN AND VICE-CHAIRMAN :

I) The Board of Directors at its first Meeting after the election of the Board shall elect a Chairman and Vice-Chairman from amongst the elected Directors . The term of office of the Chairman and Vice-Chairman shall be co terminus with the term of elected members of the board unless Chairman or Vice-Chairman ceases to be a director earlier . (This meeting shall be presided over by the Returning Officer appointed by the Board or by appropriate authority under the MSCS Act . If there is equality of votes in the election of the Chairman and/or the Vice–Chairman of the Board of the Directors, the decision will be taken by drawing lot/lots) .

II) The Chairman shall preside over all meetings of the Board . In the absence of the Chairman, Vice–Chairman shall preside over the meetings and in the absence of both the Chairman and the Vice–Chairman, the Directors shall elect the Chairman for that meeting from amongst those present in the meeting of the Board .

The Expert Director (If co–opted) shall not have a right to vote in the election of Chairman / Vice – Chairman .

38) POWERS AND FUNCTIONS OF THE CHAIRMAN :

I) The Chairman shall have the following powers and functions :

- a) Chairman shall preside over the meeting of General Body, Board of Directors and sub- committees & /or Executive committee of which he is a member.
- b) The Chairman shall sign the proceedings of all the meetings presided over by him;
- c) In the event of equality of votes on a resolution the Chairman shall have additional casting vote in the meeting;
- d) To convene the meeting of the Board of Directors, Executive Committee and other Committees of which he is Chairman;
- e) The Chairman may delegate any of his powers and functions to the Vice– Chairman;
- f) Perform such other duties and exercise such other powers as may be specified in the bye laws .

II) In the absence of the Chairman, the Vice–Chairman shall look after the work of the chairman .

39) POWERS & FUNCTIONS OF THE BOARD OF DIRECTORS :

A. The Board of Directors may exercise all such powers as may be necessary or expedient for the purpose of carrying out its functions under the various Acts applicable .

B. Without prejudice to the generality of the foregoing powers, such powers shall include the following powers :

- I. To make, vary or repeal rule /rules for efficiently carrying on the business of the Bank;
- II. To admit members and approve transfer of shares and resignation of member;

- III. To withhold payment of any money due to a member or appropriate it towards his liabilities to the bank;
- IV. To elect Chairman and Vice–Chairman of the Bank;
- V. To interpret the organizational objectives and set up specific goals to be achieved towards these objectives;
- VI. To formulate and appoint various sub committees as per the guidelines issued by the Reserve Bank of India and as per the MSCS Act 2002, Rules and Bye laws, from time to time;
- VII. To make periodic appraisal of objectives & operations;
- VIII. To recruit employees through a transparent, objective and adequately publicised competitive process, and as per specified educational and experience criteria as laid down in these Bye-laws.
- IX. To appoint, suspend, remove, dismiss, or terminate the Chief Executive Officer or other employees of the Bank;
- X. To make provisions for regulating appointment of employees of the bank, make appointment of the salaried employees or otherwise on such terms and conditions, either by direct recruitment or by promotion from the existing employees and fix their eligibility norms, scales of pay, allowances, other conditions of service and to control, suspend, fine, dismiss and /or to take such other disciplinary action as deemed fit and necessary;
- XI. To place the annual report and annual financial statements for consideration of general body and place annual plan and budget for the approval of the general body;
- XII. To consider audit and compliance report and place the same before the general body;
- XIII. To review membership in other co–operatives;
- XIV. To approve, review annual and supplementary budget;
- XV. To raise funds;
- XVI. To sanction, deal with and dispose applications for loans and advances and discounting of bills as deemed fit;
- XVII. To invest Bank' s Funds in permissible securities and to determine investment policy from time to time;

- XVIII. To consider proposals for opening or discontinuing branches, extension counters, Currency Chests, ATM centers and any other working offices of the bank within area of operations;
- XIX. To fix the rates of interest on loans and advances and deposits as per directions of the Reserve Bank of India issued from time to time;
- XX. To arrange for election of the Board of Directors of the Bank;
- XXI. To prepare policies and regulations required to conduct the banking business as per RBI guidelines;
- XXII. To take such other measures or to do such other acts as may be prescribed or required under the Act or these Bye-laws or as may be delegated by the general body;
- XXIII. To consider and approve the settlement proposals, reconstruct, reschedule, fix, vary, modify or extend the period and conditions of any loans and advances as per the guidelines issued by the Reserve Bank of India from time to time;
- XXIV. To consider and approve OTS (one-time settlement) / Compromise settlement scheme/s, waiver of loans of the borrowers;
- XXV. To allow a remission or rebate of interest on loans and other costs/expenses;
- XXVI. To raise, with or without security, loans, overdrafts, cash credit limits and obtain refinance within maximum limit of borrowing and to approve the terms and conditions of such borrowings or refinance;
- XXVII. 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 as per RBI guidelines;
- XXVIII. To approve purchase, sale and/or pledge of Govt. and Trustee securities and other approved securities on behalf of the bank and to delegate, jointly to any two of the Directors and/or Chief Executive Officer and/or other officers either singly or jointly, powers for the purpose of purchase, sale and/or pledge, as the case may be, of such securities;
- XXIX. 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;
- XXX. To institute defend, conduct, compromise, abandon or withdraw any legal proceedings by or against the bank or the Board or its officers or employees;

- XXXI. To approve appointment of brokers, agents, experts, consultants, advocate (s) and enquiry officers and any other personnel or agency or a firm and to fix their remuneration;
- XXXII. To appoint the auditors and fix their remuneration as per the decision of the general body;
- XXXIII. 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 on tenancy basis as per RBI guidelines;
- XXXIV. The Board of Directors may appoint Sub-committee (s) of Directors not exceeding eight Directors including the Chairman, Vice-Chairman and the MD/CEO/GM and delegate to such sub-committee(s) such powers as it may deem fit, subject to the provisions of the Act, rules and Bye laws.
- XXXV. To authorize any officer of the bank either singly or jointly, to grant loans/credit facility up to such limits for such period and upon such terms and conditions as it may deem fit;
- XXXVI. To delegate the powers to The Chairman, Chief Executive Officer or any other Officer of the bank in respect of, to accept deposits, sanction of expenses & sanction of loans and advances, up to prescribed limit and to authorize any of them to represent the Bank in legal proceedings and other matters;
- XXXVII. To open bank accounts or deposit accounts subject to the provisions of the MSCS Act 2002 with any bank or financial institution and to authorize officers of the bank to deal with the same;
- XXXVIII. To fill in by co-option / nomination, any vacancy/ vacancies occurring in the Board of Directors;
- XXXIX. To secure membership of or affiliation to appropriate institutions;
- XL. To establish and support the Provident Fund Scheme for the benefit of the staff, subject to the provisions of the Employees Provident Fund and Misc . Provisions Act 1952;
- XLI. To make, alter, rescind or abrogate the rules from time to time regarding the following by remaining compliant with the guidelines of RBI & Co-operative Department :
 - a. Deposits of all types;
 - b. Loans, advances, investments and other banking business;
 - c. Traveling allowances to Directors and salaried staff;
 - d. Provident Fund, Bonus and Gratuity;
 - e. Recruitment of the staff;
 - f. Service conditions of the Staff .

- XLII. To nominate representative/s of the bank on managing committee of any trust, institution, organization or society, on the management of a debtor firm or on the management or board of Debtor Company or at general meetings of cooperative or other institutions;
- XLIII. To acquire or dispose of immovable property on such terms and conditions as may be decided from time to time;
- XLIV. To recommend distribution of profit to the General Body;
- XLV. Board of directors are authorized to consider, scrutinize, appraise, evaluate and accept any proposal for merger and acquisition of any other bank 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 into implementation;
- XLVI. 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 .

40) MINUTES OF THE MEETINGS OF BOARD OF DIRECTORS :

Minutes of the of the Board meetings, the committee or sub- committee meetings shall be recorded in the minute book kept for the purpose within thirty days . The minutes shall be signed by the Chairman of the meeting and Chief Executive Officer of the Bank . The minutes so sealed and signed, shall be an evidence of the correct proceedings of the meetings .

41) TERM OF OFFICE OF THE BOARD OF DIRECTORS :

- I. The term of office of the elected members of the board shall be five years from the date of election .
 - a. 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:
 Provided further that 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, if not kept vacant, shall be filled by elections.
- II. The term of the co-opted directors shall be for a period of one year from the date of co-option . If the remaining term of the elected board is less than one year from the date of such co-option, then the term of co-opted directors will be co terminus with that of elected directors .
- III. The election of members of the board shall be held by secret ballot .

- IV. The election of the members of the board shall be held in the general meeting of the members of the bank .
- V. The elected members of the board shall be eligible for re–election .
- VI. The elected members of the board shall continue to hold office till their successors are elected or nominated under the provisions of the Act, Rules or the Bye laws and assume charge .
- VII. The election to the board of directors will be held as per the procedure prescribed under the election schedule annexed to the rules of the Act .

42) REMOVAL OF A MEMBER OF THE BOARD BY THE GENERAL BODY :

An elected member of the Board, who has acted adversely to the interests of the bank may on the basis of a report of the central registrar or otherwise be removed from the board upon 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 has been given a reasonable opportunity of making a representation in the matter .

43) VACATION OF OFFICE BY A DIRECTOR :

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

- I. By death; or
- II. By resignation duly accepted by the Board; or
- III. By reason of any disqualification as per the Act, Rules & By–Laws .

44) DISQUALIFICATIONS FOR BEING A MEMBER OF THE BOARD :

- I. No member of the Bank shall be eligible for being elected, or for being a member of the Board if such member –
 - a) has been adjudged by a competent Court to be insolvent or has been a director of an insolvent company or of unsound mind;
 - b) is concerned or participates in the profits of any contract with the Bank;
 - c) has been convicted for an offence involving moral turpitude;
 - d) holds any office or place of profit in the Bank . However, this will not be applicable to Chief Executive Officer of the Bank who is ex–officio member of the Board or any such employee of the bank;
 - e) has interest in any business of the kind carried on by the bank of which he is a member, has taken loan or goods on credit from the bank of which he is a member, or is otherwise indebted to the bank and after the receipt of notice of default issued to him by the bank, has defaulted
 - i) in repayment of such loans or debts or in payment of price of the goods taken on credit, as the case may be , within the date fixed for such repayment or payment or where such date is extended , which in no case shall exceeds six months, within the date so extended or

ii) When such loan or debt or the price of the goods taken on credit is to be paid in installments in payment of any installments and the amount in default or any part hereof has remained unpaid on the expiry of six months from the date of such default

Provided that a member of the board who has ceased to hold office as such under this clause shall not be eligible, for a period of one year, from the date of which he ceased to hold office, for reelection as a member of the board of the bank of which he was a member or for the election of any other multi state co-operative society .

- f) has interest in any property in his personal interest or any of his family member is having any interest in the property purchased or acquired on lease/rental basis by the Bank;
- g) is a person against whom any amount is due under a decree, decision or order is pending recovery under this Act or under any other Act specified in the "Third Schedule";
- h) is retained or employed as a legal practitioner on behalf or against the Bank,
Explanation – for the purposes of this clause "legal practitioner" has the same meaning as in the clause (i) of sub-section (1) of the section 2 of the Advocates Act, 1961 (25 of 1961) ;
- i) has been convicted for any offence under this Act;
- j) is disqualified for being a member under section 29 of the MSCS Act 2002;
- k) has been expelled as a member under section 30 of the MSCS Act 2002;
- 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 Meetings and such absence has not been condoned by the members in the General Meeting;
- n) if he withdraws the eligible deposits as per Bye Law No . 36 any time before the completion of the entire tenure of the board;
- o) has been a member for less than twenty-four months immediately preceding the date of such election or appointment .
- p) A person shall not be eligible for being elected as member of board of the bank for a period of five years if board of the bank fails to
 - 1) to conduct elections of the board under section 45; or
 - 2) to call the annual general meeting u . s . 39;
 - 3) to prepare the financial statements and present the same in the annual general meeting .
- q) Any director of the board who violates the provision of sub-section (6) of section 41, shall be disqualified for being a member of the board and deemed to have vacated his office from the date of such meeting of the board as is referred to in the said sub-section and such proceedings shall be deemed to be void.

- II. No member shall be eligible to hold, at the same time, office of the Chairman or Vice Chairman of more than two multi state co-operative societies .
- III. No member of the board shall be eligible to be elected as the chairman or vice chairman of the bank if such member is a minister in the central government or a state government
- IV. No member of a board shall be eligible to be elected as a chairman of the bank after he has held the office as such during two consecutive terms, whether full or part; Provided that a member who has ceased to hold the office of chairman continuously for one full term shall again be eligible for election to the office as such .
- V. A member who has been a director of the board of any Multi-State co-operative society or co-operative bank, where such board has been superseded, shall not be eligible to be elected as director of the board of another Multi-State co-operative society or co-operative bank for a period of five years, from the date of such supersession.
Provided that no member shall be declared ineligible under this sub-section unless an opportunity of being heard has been given to such member by the Central Registrar and declaration for ineligibility shall be made only after ascertaining that the member concerned has been responsible by acts of omission or commission leading to such supersession.

45) QUORUM FOR MEETING OF BOARD OF DIRECTORS :

The quorum for the meeting of Board of Directors shall be $\frac{1}{3}$ rd of the total strength of the Board of Directors and participation of a director /s by video conferencing and/ or other electronic means shall also be counted for the purpose of quorum .

Note : If $\frac{1}{3}$ rd number of the total number of Directors is a fraction figure, it shall be rounded to the nearest figure on upper side, and such rounded figure shall constitute a quorum .

Other than the meeting to elect the office bearer, in all other meetings the co-opted expert directors shall be counted for the quorum .

46) MEETINGS OF THE BOARD OF DIRECTORS :

- I) The majority shall decide any question brought forward for discussion at the meetings of the Board . In case of equality of votes, the Chairman of the Meeting shall have casting vote .
- II) The proceedings of the meetings of the Board shall be recorded in the minute book to be kept for this purpose .

- III) The Chief Executive shall convene the meetings of the Board at the instance of the Chairman of the Bank .
- IV) The Board shall meet at least once in every quarter .
- V) The meetings of the Board shall normally be held at the Registered Office of the Bank or at any place as decided by the Board of directors from time to time .
- VI) The meetings of the Board shall be presided over by the Chairman or in his absence by the Vice–Chairman and in the absence of both Chairman and Vice– Chairman, the Directors present in the meeting shall elect a Chairman for the meeting from amongst themselves,
- VII) Five days’ prior notice shall ordinarily be necessary for the meeting of the Board, and three days’ prior notice for the meetings of the Executive Committee or other committees . However, in case of urgency any short notice may be given conducting such meetings .
- VIII) The Chairman of the Board of Director shall be chairman of the Board Meeting and sub-committees & /or Executive Committee of which he is a member.

47) COMMITTEES OF THE BOARD :

- I) The Board shall constitute an Executive Committee and such other committees or sub-committees as may be considered necessary, provided that other committees or sub committees, other than the Executive Committee shall not exceed eight at a given point of time as per the provisions of the Act, Bye laws and Rules . Each committee shall consist of not more than eight members .
Provided that the board shall constitute –
 - a) an Audit and Ethics Committee
 - b) a Committee on prevention of sexual harassment at work place.
- II) The Chairman of the Committee or Sub–Committee will act as the Chairman at every meeting of the Committee or Sub–Committee . In the absence of the Chairman, one of the members present thereat shall elect one amongst them, as the Chairman of that meeting .

48) CHIEF EXECUTIVE OFFICER AND POWERS AND FUNCTIONS OF THE CHIEF EXECUTIVE OFFICER :

The Chief Executive Officer of the Bank shall be appointed by the Board . He shall be ex– officio member of the board of directors . He shall be member of all the

committees, sub committees and sub groups of the Board of Directors as may be constituted . He shall be a full time employee of the Bank and he shall aid and assist the Board in their functions . The Chief Executive, under the general superintendence, direction and control of the Board shall exercise the powers and discharge the functions specified below : –

- I. day-to-day management of the business of the Bank;
- II. operating the accounts of the Bank and will be responsible for making arrangements for safe custody of cash;
- III. signing on the documents for and on behalf of the Bank;
- IV. to sign on behalf of the bank and conduct its correspondence;
- V. 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 provisions of this Act, the Rules and the Bye-laws;
- VI. convening meetings of the General Body, of the Bank, the Board and the Executive Committee and other committees or sub-committees constituted under the Act and maintaining proper records for such meetings;
- VII. making appointments to the posts in the Bank as may be approved by the Board of Directors;
- VIII. assisting the Board in the formulation of policies, objectives and planning;
- IX. furnishing to the Board periodical information necessary for appraising the operations and functions of the Bank, as per calendar of reviews issued by RBI;
- X. To give proper suggestion & clear opinion for all the matters placed before the board of directors;
- XI. To appoint the person to sue or to defend on behalf of the Bank;
- XII. To present the draft annual report and financial statements for the approval of the Board;
- XIII. The Chief Executive can delegate any of his powers to any officer or employee of the Bank as deemed fit;
- XIV. To take action on the resolutions and decisions taken by the General Body & Board of Directors;
- XV. To receive applications for enrolment of nominal members and pass orders thereon;

- XVI. To receive application (s) for membership of the bank and for additional share (s) and place the same before the Board of Director's with his report and recommendations;
- XVII. To receive application (s) for loans and advances and to place the same for consideration before the Board of Directors/ Sub-Committee together with a detailed report containing his specific comments / recommendations;
- XVIII. To arrange to accept money deposits of all types and to arrange for issue of receipt statements and Pass Books;
- XIX. To arrange to disburse money on behalf of the bank;
- XX. To arrange for the custodian of cash on hand, property, both moveable and immoveable, documents, securities, bonds etc . ;
- XXI. To appoint necessary staff or officers at suitable levels on such scales of pay and allowances as deemed fit for running business operations smoothly;
- XXII. To allot work amongst the Bank's staff and supervise their work;
- XXIII. To determine powers, functions and responsibilities of the employees of the bank of all categories;
- XXIV. To take disciplinary action against the Bank's staff or officers in accordance with the Service Rules /Standing orders;
- XXV. To issue orders of transfer of staff whenever and wherever necessary;
- XXVI. To pass orders on leave application, traveling bills, medical bills and all other matters relating to the service conditions of the employees and officers;
- XXVII. To incur expenditure within the budget approved by the Board of Directors;
- XXVIII. To arrange for investments of money in accordance with the Board's policy and to report the same to the Board of Directors in their next meeting;
- XXIX. To exercise such other powers and discharge such other duties as may be delegated or entrusted to him by the Board of Directors, Executive Committee or by the Chairman;
- XXX. 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 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 before the meeting of the Board of Directors as early as possible;

- XXXI. To institute, defend, conduct, compromise, abandon, withdraw or represent the Bank in legal proceedings by or against Board of Directors, the Bank, its officers or employees and / or appoint any officer, person to represent the Bank for any purpose mentioned herein and fix their remuneration .
- XXXII. To inform Election Authority, along with Chairperson, six months before the expiry of the term of the existing board, to conduct the elections within time.

49) DEPOSITS: –

- I. Deposits may be accepted at any time as per the provisions of the Act and Rules, on such rates of Interest and subject to such Rules and regulations as may be approved by the Board of Directors and also subject to the directives issued by the Reserve Bank of India in this behalf from time to time .
- II. Deposits may be received in current, savings, fixed, recurring, and cumulative 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 .
- III. All the deposits of the Bank shall be insured under DICGC Act, 1961 and shall be governed by the various sections of the DICGC Act .
- IV. The Bank shall follow all the instructions, guidelines and directives issued by RBI from time to time in regard to opening and conduct / monitoring of deposit Accounts .

50) LOANS AND ADVANCES :

- I. Loans, cash credits and / or overdrafts and discount and purchase of bill facilities may be granted to members on security or securities mentioned below or other security or securities approved by the Board or without security .
 - a. Personal security and / or surety / sureties of other member (s) or nominal member (s) .
 - b. Security of movable and immovable property .
 - c. Industrial, mercantile, agricultural and other marketable commodities or machinery under pledge, hypothecation or charge of the Bank .
 - d. Mortgage of commercial/residential/agricultural properties
 - e. Pledge of Government, Trustee Securities, and Shares of approved companies, debentures and fixed deposits with the Bank .

- f. Insurance policies assigned to the Bank within the surrender value .
 - g. Warehouse receipts .
 - h. Gold and Silver Ornaments .
 - i. Any other tangible security .
 - j. Any other security as permitted by Reserve Bank of India .
- II. Loans and advances may be granted to non-members against the security of term deposits with the Bank .
 - III. Nominal members can borrow loans against the pledge of gold /silver ornaments, National Savings Certificates, Kisan Vikas Patra, Life Insurance Policies and other tangible securities pledged to the Bank and also can avail loan/s as per the guidelines of the Reserve Bank of India from time to time and can stand as a guarantor/s
 - IV. The Board shall frame detailed loan regulations/ policy prescribing the procedure for sanction of loans, margins to be maintained, proportion of unsecured loans, proper terms and conditions and the nature of securities acceptable for loans and advances for different purposes in accordance with the guidelines of the Reserve Bank of India, higher financing agency and the Registrar from time to time .
 - V. The board may modify / review the terms of sanctions if it deems fit .
 - VI. The board may approve loans against any tangible security with appropriate margin without insistence of additional / any personal surety .
 - VII. All loans and advances shall be governed by guidelines issued by Reserve Bank of India from time to time .

51) MAXIMUM SHAREHOLDING LIMIT :

No member shall hold more than 5% of the total paid up share capital of the bank or up to the limit as specified by RBI from time to time .

A borrower should hold shares of the Bank in such proportions to his borrowing as may be fixed by the Board of Directors on the basis of Reserve Bank of India guidelines from time to time .

52) MAXIMUM LIMIT FOR NON BANKING EXPENSES :

- a) The bank shall not give any donation or advertisement to any concern in which the Director/s or his family members are having personal interest .
- b) The bank shall not incur any expenses nor sponsor third party advertisement .
- c) For incurring any expenses of social nature, bank shall form a social obligation fund and prepare separate Rules to distribute the same .
- d) The Bank shall restrict its yearly expenses towards donation, social help etc . within the limit prescribed, as permitted by RBI .

53) DISTRIBUTION OF PROFITS

Subject to the provisions of the act and rules framed thereunder, the net profit of the Bank shall be distributed by the General Body as follows .

- I. To carry not less than 25% of the net profit to the Reserve Fund .
- II. To transfer an additional amount not less than 10% of net profit to General Free Reserve for meeting unforeseen losses, subject to availability of Net Profit .
- III. To credit one percent of its net profit to the co-operative education fund maintained by the Central Government.
- IV. To credit one crore rupees or one percent of the net profits, whichever is less, to Co-operative Rehabilitation, Reconstruction and Development Fund; provided that Bank is in profit for the preceding three financial years.

54) UTILISATION OF NET PROFITS

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

- I. To transfer for payment of dividend to members on their paid up capital as prescribed in the MSCS Act 2002, and as amended from time to time .
- II. 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
- III. To transfer to investment fluctuation reserve as per RBI guidelines .
- IV. To transfer to the Charity Fund amount not exceeding 1% of the net profit .
- V. To transfer to Development Reserve fund or other Special Reserve Funds an amount not exceeding 25 % of the balance of net profit as may be recommended by the Board of Directors .
- VI. 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 Bank .
- VII. To transfer any special reserve or special fund as may be decided and recommended by Board of Directors from time to time .
- VIII. For payment of Bonus, Ex-gratia amount, incentive etc . to the members of the staff; amount not exceeding 25% of the net profit as may be recommended by the Board of Directors .
- IX. Remaining net profit, if any, may be transferred to building fund or carried forward .

55) INVESTMENTS OF FUNDS :

The Funds may be deposited or invested in State Co-operative Bank or a Central Co Operative Bank or in any of the securities specified in section 20 of the India Trust Act

1882 (2 of 1882) or in the shares or securities or assets of a subsidiary institution or any other institution, or with Any Other Bank or in Government Securities as per guidelines of Reserve Bank of India. The funds may be deposited in co-operative banks for availing specific services like clearing, foreign exchange transactions, etc. from such Banks subject to guidelines of RBI in this regard. The interest accruing thereon shall form part of the general revenue .

56) RESERVE FUND :

- I. In addition to the sum prescribed under the Act, Rules and Bye-laws, all admission fees, entrance fees, nominal membership fees, and amount of forfeited shares, forfeited dividends and donations, if any, shall be carried to the Reserve Fund .
- II. The Reserve Fund shall be separately invested as per Act & Rules .
- III. Bank may utilize an amount from the Reserve Fund for purchase of any assets or meeting any contingency to meet the cause of furtherance of the objects of the Act with the prior permission of the Central Registrar, if required, and as per provisions of the MSCS Act & Rules .

57) DIVIDEND :

- I. The dividend declared shall be paid to the person whose name stands as the registered share holder in the books of the Bank on the last day of the Financial year to which dividend relates.
- II. Dividend shall be proportionate to the amount paid on shares and the period in whole months for which the amount stood to the credit of the shareholder .
- III. Dividend shall be generally credited to Members' A/c maintained at The Kalyan Janata Sahakari Bank Ltd . , as per records .
- IV. If member does not have S.B. / C.D. / C.C. A/c with The Kalyan Janata Sahakari Bank Ltd . , in such case, dividend shall be payable at par at the Bank's Head Office as well as at the branch offices. In such case, it will be the responsibility of the member to collect the dividend from Bank's Head Office / Branch where he maintains relationship .
- V. Any dividend remaining undrawn for three years after having been declared shall be forfeited and shall be carried to the Reserve Fund of the Bank .
- VI. The Bank may distribute the dividend subject to the provisions of the MSCS Act 2002 and upon compliance of parameter/s as may be prescribed by RBI in this regard from time to time .
- VII. Unpaid dividend shall be payable on application provided the same has not been forfeited and such unpaid dividend shall not bear any interest .

58) ACCOUNTS AND RECORDS & AUDIT :

- I. Accounts & Records shall be maintained in the forms prescribed or approved by the registrar & RBI . Any member of the bank may inspect any of the registers or

records during office hours in so far as it relates to his/her own business transactions .

- II. The accounts of the Bank shall be audited by an auditor appointed from the panel of auditors approved by the Central Registrar, if any, at least once in each year and the remuneration of auditors shall be fixed by the Central Registrar or the Bank as the case may be .
- III. The appointment of the auditor and his remuneration shall be approved in the General Meeting of the Bank . The qualifications / disqualifications, powers, rights and duties of the auditor shall be as prescribed under the MSCS Act and RBI guidelines .
- IV. Bank shall constitute Audit Committee of the Board to look into implementation of guidelines issued by RBI from time to time in this regard .

59) AMENDMENT TO BYE-LAWS :

- I. For making any amendments to the Bye-laws of the Bank, fifteen days' clear notice shall be given to the members of the Bank .
- II. None of these Bye-laws shall be amended, altered or rescinded or any addition to be made thereto except by a vote of the majority consisting of not less than two third of the members present and voting at a General Meeting .
- III. Any addition amendment, alteration or rescission resolved upon at such meeting shall take effect from the date of receipt of the Central Registrar' s approval in writing .

60) PROVIDENT FUND

The Bank shall also maintain a Contributory Provident Fund or contribute equally to the EPF Department as the case may be for the benefits of its employees in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 .

61) SERVICE RULES :

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 .

62) SETTLEMENT OF DISPUTES:

All the disputes & complaints shall be referred to arbitration & / or Co-operative Ombudsman in accordance with the provisions of the MSCS Act, rules & bye-laws.

63) LIMITATIONS:

The limitation period in disputes filed under the MSCS Act 2002 shall be as provided in section 85 of the act .

64) WINDING UP :

If winding up of the Bank is necessary, it shall be done in accordance with the provisions of the MSCS Act 2002 and Rules thereof .

65) ASSOCIATION OF EMPLOYEES IN THE MANAGEMENT DECISION MAKING PROCESS :

The Bank shall devise the procedure through administrative instructions for the association of employees in the management decision making process .

66 (RECRUITMENT OF EMPLOYEES:

The Bank shall recruit employees as per the Recruitment Policy of the Bank, approved by Board of Directors from time to time.

67) MISCELLANEOUS :

(A) I. The Bank may become member of the Maharashtra State Co-op. Bank, any other State Co-Operative Bank and/or any District Central Co-operative Bank as decided by the Board of Directors from time to time. The Bank may be a subscribing member of the following:

- a. The State Federation of Urban Co-operative Banks;
 - b. The State Association of Urban Co-operative Banks;
 - c. The Regional / District Association of Urban Co-operative Banks;
 - d. The Maharashtra Rajya Sahakari Sangh / the District Co-operative Board;
 - e. Indian Institute of Banking and Finance;
 - f. Indian Banks' Association;
 - g. National Co-operative Union of India;
 - h. National Federation of Urban Co-operative Banks and Credit Societies Ltd .
 - i. Any other Federation / Associations / Sangh / Board related to the Banking sector .
- II. No act of the General Body or the Board 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 .
- III. If any doubt arises in the interpretation of the Bye-laws of the Bank, the same shall be referred to the Central Registrar for his advice and his decision shall be final .
- IV. Execution of Decrees, orders and decisions shall be as per the provisions of Law .
- V. Appeals and reviews shall be as per the provisions of Law .
- VI. Offences and penalties shall be as per the provisions of Law .

- VII. Every certified copy issued by the bank shall bear the signature of the Chief Executive Officer or any other Director or any Officer of the Bank who is empowered by the Board in that behalf and the stamp of the Bank .
- VIII. The Chief Executive Officer or any Director 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 .
- IX. The matters which have not been provided in the above Bye-laws shall be decided in accordance with the provisions of Act and Rules .
- (B) Filing of returns to the Registrar shall be as per the provision of Law .

68) Board of Management

- I) The Bank shall constitute a Board of Management to facilitate professional management and focused attention to the banking related activities. The size of BOM, functions of BOM, qualifications of members of BOM and conduct of its meetings shall be as per guidelines issued by RBI vide its circular DOR(PCB).BPD.CIR No. 8/12.05.002/2019-20 dated 31/12/2019 and guidelines which may be issued from time to time by RBI in this regard.
 - II) B.O.D. shall appoint members of BOM as per guidelines issued by RBI from time to time.
 - III) The tenure of BOM shall be co terminus with the tenure of B.O.D.
 - IV) Members of BOM shall be paid allowance / sitting fees, for their services, as may be fixed by the B.O.D. from time to time or as may be prescribed by RBI or /& Central Registrar from time to time.
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