



BYE-LAWS OF BHARATI SAHAKARI BANK LTD., Pune

(Multi-State Scheduled Bank)

: Registered Office :

Bharati Vidyapeeth Bhavan, 1st Floor,
13, Sadashiv Peth, Lal Bahadur Shastri Marg,
Pune - 411 030.

www.bharatibankpune.com

BHARATI SAHAKARI BANK LTD., PUNE-30

Bharati Vidyapeeth Bhavan
1st Floor,
13, Sadashiv Peth, L . B. Shastri Marg,
Pune - 411 030.

AMENDED BYE-LAWS NO.1 - 57

1. Name :

The name of the Bank shall be BHARTI SAHAKARI BANK LTD.,PUNE Maharashtra. The Bank was originally registered under Maharashtra Co-operative Societies Act 1960 vide Registered No. PNA/BNK/187 dated 8/9/1971. Subsequently, the Bank was converted as a Multi-State Co-operative Bank under the provision of the Multi-State Co-operative Societies Act, 1984 vide Registration No.MSCS/CR/87/99 dated 29/4/1999. Now the Bank deemed registered under this provision of the Multi-State Co-operative Societies Act, 2002 and the rules framed thereunder.

2. Registered Office :

The registered office and the Principal place of business of the Bank shall be situated at 13, Sadashiv Peth, Lal Bahadur Shastri Marg, Bharati Vidyapeeth Bhavan, Pune-411030. Any Change in the address shall be notified to the Central Registrar within 15 days of its change and also published in local newspapers and shall be made by an amendment of its Bye-laws after following the procedures laid down in Section 11 of the Multi-State Co-operative Societies Act, 2002.

3. Area of Operation :

The area of operation of the bank shall be confined to Districts of Pune, Satara, Sangli, Solapur, Kolhapur and Ahmednagar and the area covered by Corporation and Cantonment Boards in these Districts and Urban / Semi-Urban Centres in Thane and Raigad Districts and New Mumbai including 10 kms. peripheral rural areas to these Urban and Semi-Urban Centres, New Delhi in Delhi State and Worli (Greater Mumbai). For any amendment in this regard, prior permission of the Reserve Bank of India and the Central Registrar of Co-operative Societies shall be necessary.

4. Definitions :

- (i) 'Act' means the Multi-State Co-operative Societies Act, 2002 as amended from time to time.
- (ii) 'Area of Operation' means the area from which the persons can be members of the Bank.
- (iii) 'Bank' means The Bharati Sahakari Bank Ltd.
- (iv) 'Board' means the Board of Directors of the Bank.

- (v) '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 Co-operative Societies Act in force and includes amendments thereto which have been duly registered or deemed to have been registered under the Act.
- (vi) 'Central Government' means the 'Government of India'
- (vii) 'Central Registrar' means the Central Registrar of Co-operative Societies appointed under the provisions of the Multi-State Co-operative Societies Act, 2002.
- (viii) 'Chief Executive' means the Chief Executive Officer appointed by the Board of Directors as per Section 51 of the Act.
- (ix) 'Co-operative Bank' means a Multi- State Co-operative Bank, which undertakes Banking business.
- (x) 'Co-operative Principles' means the co-operative principles as specified in the first schedule of the Multi-State Co-operative Societies Act, 2002.
- (xi) 'Co-operative Society' means a Society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in any state or union territory.
- (xii) 'Co-operative Year' means the year ending on the 31st day of March of the year.
- (xiii) 'Defaulter' means a member who has defaulted in payment of any kind of dues, in the capacity of borrower or guarantor, payable to the Bank on due date.
- (xiv) 'Deposit Insurance Corporation' means the Deposit Insurance & Credit Guarantee Corporation established under Section 3 of the Deposit Insurance Corporation Act, 1961.
- (xv) 'Employee' means an individual who is engaged in the employment of the Bank by a contractual relationship with the Bank as an employer.
- (xvi) 'Federal Co-operative' means a federation of co-operative societies registered under the Multi-State Co-operative Societies Act 2002 and whose membership is available only to a co-operative society or a multi-state co-operative society.
- (xvii) 'General Body' means all the members of the Bank.
- (xviii) "Member" means persons admitted as member of the Bank and continues to be so for the time being.
- (xix) 'Multi-State Co-operative Society' means a co-operative society registered or deemed to be registered under the Multi-State Co-operative Societies Act, 2002.
- (xx) 'National Co-operative Society' means a Multi-State Co-operative Society specified in the second schedule to the Multi-State Co-operative Societies Act, 2002.
- (xxi) 'Nominal Member' means a person who has been admitted as nominal member under the Bye-laws of the Bank.
- (xxii) 'Notification' means a notification published in the official gazette by the Government of India.

- (xxiii) 'Officer' means a President, Vice-President, Chairperson, Vice-Chairperson, Chief Executive Officer, Secretary, Chief General Manager, General Manager, Assistant General Manager, Manager, Members of the Board, Treasurer, Liquidator, an Administrator appointed under Act and includes any other person empowered under the Multi-State Co-operative Societies Act or Rules or the Bye-laws to give direction in regard to business of the Bank.
- (xxiv) '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, partnership firm duly registered under the Indian Partnership Act, 1932, company or any other body corporate constituted under the law for the time being in force, society registered under the Societies Registration Act of 1860, State Government and Public Trust registered under any law of the time being in force for registration of such trust, Hindu undivided family formed under Hindu Law.
- (xxv) 'Representative' means an individual appointed, nominated or delegated by a partnership firm, a private/public limited company incorporated under the Companies Act, a Charitable Trust, a co-operative institution or any other institution, who is a partner, director, trustee, member or officer of such organisation.
- (xxvi) 'Reserve Bank' means the Reserve Bank of India constituted under the RBI Act, 1934.
- (xxvii) 'Rules' means the Multi-State Co-operative Societies Rules, 2002 made under the Multi-State Co-operative Societies Act, 2002 and as amended from time to time.
- (xxviii) 'State Government' means Government of all States and Union Territories where the Bank has its area of operation.

5. Objects :

The principal object of the Bank will be to 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.

- i) To encourage thrift, self-help and co-operation among 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 or investment.
- iii) To borrow or raise money.
- iv) To lend or to advance money either upon or without security to members and others as permitted by the Reserve Bank of India.
- v) To draw, make, accept, discount, buy, sell, collect and deal in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, certificates, scrips and other instruments and other securities whether transferable or negotiable or not.
- vi) To grant and to issue letters of credit, travelers' cheques and circular notes.
- vii) To buy and sell foreign exchange including foreign Bank notes and to undertake full-fledged foreign exchange business.

- viii) To acquire, to hold, to issue on commission, to underwrite and to deal in stocks, funds, shares, debenture, debentures-stocks, bonds, obligations, securities and investments of all kinds.
- ix) To purchase and to sell bonds, scrips or other forms of securities on behalf of constituents.
- x) To receive all kinds of bonds, scrips, valuables on deposit or for safe custody or otherwise.
- xi) To provide safe deposit vaults and ancillary services.
- xii) To collect and transmit money and securities.
- xiii) To negotiate loans and advances.
- xiv) To carry on and to transact every kind of guarantee and indemnity business on behalf of constituents.
- xv) 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, debentures stock or other loans of any State, Municipal Corporation, Company, Co-operative society, Corporation or Association and to lend money for the purpose of any such issue.
- xvi) To acquire, to sell, to construct, to maintain and to alter any building, equipment, furniture, fixtures, etc., or work necessary or convenient for the purpose of the Bank.
- xvii) To manage, to sell and to realise any property which may come into the possession of the Bank either in full or part satisfaction of any of its claims.
- xviii) To open branches, extn.counters, pay offices, ATM Centres, any other office with the 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.
- xix) To acquire, to manage as an administrator and to undertake the whole or part of the business of any other co-operative society / Bank with the prior permission of the Registering Authority and Reserve Bank of India.
- xx) To establish, to support or to aid in establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit members, employees/ex-employee of the Bank or the dependents or connections of such persons and to grant pensions.
- xxi) To prepare and to finance schemes for amelioration of the financial condition of the members.
- xxii) To provide financial and technical assistance to Small Scale and Cottage Industries and to help self-employed persons for setting up their own business.
- xxiii) To enter into participation, consortium arrangement/ s with any other bank or banks or financial institutions with the objects of making loans and advances.
- xxiv) To do any other form of business as specified in clauses (1) of section 6 of the Banking Regulation Act, 1949 (as applicable to co-operative societies)
- xxv) To act as agents for collection of monies of various Government, quasi-Government and Statutory Bodies.

- xxvi) To grant loans to Co-operative Housing Societies for a temporary period pending reimbursement from the Maharashtra co-operative Housing Finance Society Ltd., L.I.C., Government, Semi-Government, Institutions or other financing agencies with the prior permission of the Registering Authority and / or to grant loans to such societies on project basis as may be permitted by the State Registrar/ Central Registrar.
- xxvii) To undertake any other form of business which the Central Government may specify as a form of business which is lawful for a co-operative banking institution to engage.
- (xxviii) To provide all financial, technical, legal, data based services, computer based and allied services to members, depositors, customers, Public Institutions, Banks and associate concerns;
- (xxix) To act as an agent for insurance services for Life and General Insurance
- (xxx) To undertake research, evaluation and assist in preparation of perspective development plans for its members and other Co-operative Banks;
- (xxxi) To promote harmonious relations amongst member co-operatives;
- (xxxii) To promote one or more subsidiary entities which may be registered under any law for the time being in force for the furtherance of its stated objects with permission of the Reserve Bank of India;
- xxxiii) To do all such other things as are incidental and conducive to the promotion or advancement of objects and the business of the Bank.

6. Membership:

The Bank shall have two categories of members viz. Ordinary members and Nominal /Associate members

a) Ordinary Members :

- 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, 1972;
 - b) The Central Government;
 - c) A State Government;
 - d) Any other Corporation owned or controlled by the Government;
 - e) Any Government Company as defined in Section 617 of the Companies Act, 1956 (1 of 1956);
 - f) Proprietary concern in proprietor's individual capacity

- g) Partnership Firm duly registered under the Indian Partnership Act, 1932;
 - h) Company or any other Body Corporate constituted under the law for the time being in force
 - i) Society registered under the Societies Registration Act of 1860 ;
 - j) Local Authority;
 - k) Public Trust registered under any law for time being in force for registration of such trust;
 - l) Hindu undivided family formed under Hindu Law.
- iii) To become a member of the bank, a person shall have to subscribe at least 20 shares of the Bank by making full payment of the share amount to the Bank.
 - iv) Every member shall pay an admission fee as fixed by the Board of Directors from time to time.
 - v) No right of membership shall be exercisable until a person has made such payments to the Bank in respect of membership and admission fee.
 - vi) No employee of the Bank shall be eligible to become a member of the Bank

b) Nominal / Associate Member :

- (i) Any person who is co-parcener or who desires to stand surety for a borrowing member of the Bank or who desires to borrow occasionally as permitted by Reserve Bank of India may be enrolled as a nominal member upon his application in the prescribed form on payment of non-refundable entrance fee and also an annual nominal membership fee, both to be decided by the Board of Directors from time to time and upon his agreeing to the condition that he shall cease to be a nominal member when all liabilities against him either as a borrower or as a surety are fully discharged provided that such person is one who resides or is gainfully engaged in any occupation within the area of operation of the Bank
- ii) The Nominal Member shall not be entitled-
 - a) to subscribe to the shares of the Bank and to receive a share certificate;
 - b) to attend, to participate and to vote in the General Meeting and/or Special General Meeting of the Bank;
 - c) to receive dividend; and
 - d) to contest and vote in the election to the Board.

7. Resignation, Cessation, Expulsion and Disqualification of a member :

- (i) Resignation of a Member :

A member may resign from his membership and withdraw his capital with the approval of the Board of Directors. The approval shall not be given while such a member is indebted, either as a borrower or surety of the Bank. During any co-operative year, the aggregate withdrawals shall not exceed 10% of the total paid-up share capital as at 31st

March of the immediately preceding year provided the real and exchangeable value of paid-up share capital and reserves does not stand reduced to less than the amount as prescribed under Section 11 (1) of the Banking Regulation Act, 1949 (as applicable to co-operative societies) as a result of such withdrawals.

(ii) Cessation of a Member :

Membership will cease-

- a) on death of an individual member or dissolution or liquidation in case of a firm or a company or other corporate body;
- b) on being adjudged as insolvent or legally disabled from continuing as a member,
- c) on breach of any conditions prescribed under Bye-law no.6; (a) (i to iv);
- d) on transfer of all shares to another member of the Bank;
- e) on resignation or withdrawal of membership having been accepted;
- f) on expulsion from the Bank in accordance with the provisions of the Act and the Rules;
- g) on disqualification as per the provisions of the Act or Rules or Bye-laws.

(iii) Expulsion of a Member :

Bank may, by resolution passed by a majority of not less than two-thirds of the members present and voting at a general meeting of members held for the purpose, expel a member for acts which are detrimental to the proper working of the Bank:

(iv) Disqualification of a Member:

No person shall be eligible for being a member of the Bank if-

- a) his business is in conflict or competitive with the business of the Bank;
- b) he has not used for two consecutive years, the services of the Bank, without maintaining the deposits or taking loan above the minimum level of Rs.5,000/- per annum; or
- c) he has not attended three consecutive general meetings of the Bank and such absence has not been condoned by the members in the general meeting; or
- d) he has made any default in payment of any amount to be paid to the Bank as decided by the Board of Directors

8. Rights and duties of Ordinary Members :

Every ordinary member of the Bank shall have the following rights-

- (i) Right to vote in the general body meeting of the Bank. However, no member shall be permitted to vote by proxy. Provided that any institution, company, partnership firm, trust (Registered under the law of the land) may appoint its representative to vote on its behalf in the affairs of the Bank
- (ii) Right to receive notice of the general body meetings as per Bye-laws of the Bank;
- (iii) Right to attend and take active part in the proceedings of the General Meetings;

- (iv) Take part in the elections and contest as per provisions of the Act, Rules and Bye-laws of the Bank
- (v) Right to ask inspection of the Member Register, Books of Accounts of the Bank, Statements of Accounts in which member's own transactions are recorded. Also, obtain certified copies of the resolutions or documents (which are connected to him) on payment of fee as may be prescribed by the Bank from time to time.

9. Liability of a Member :

The liability of a member shall be limited to the share capital subscribed by him. The liability of a past member to the extent of shares as they existed at the time when he ceased to be a member, shall continue for a period of two years from the date of cessation. The estate of the deceased member shall remain liable to the extent of sums due for a period of two years from the date of his death.

10. Educational courses for members :

The Bank shall organise co-operative educational programmes for its members, directors and employees and sufficient funds in this regard shall be earmarked as per the requirement.

11. Identification of a member :

For all transactions with the Bank, identification of member is necessary. Identification of member of the 'Bank' shall be done by an officer of the 'Bank' or a competent authority through the official Identity Card which will be issued free of charge for the first time by the 'Bank'. Whenever a member desires to exercise his right as a member of the 'Bank' such as attending the General Body Meeting and Voting therefor, 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 Bank may notify from time to time the member may be asked to produce his Identity Card.

When unable to produce such Identity Card on demand, his membership right whatsoever may be refused by the 'Bank' at that time.

A Duplicate Identity Card may be obtained from the 'Bank' in case of loss or mutilation of the original card. However, duplicate cards shall be issued at a nominal cost, as may be determined by the Bank, from time to time.

Note : In this bye-law Competent Authority means, Election Officer or any other person/s authorised by the 'Bank' for this purpose.

12. Authorised Share Capital :

The authorised Share Capital of the Bank shall be Rs. 1,00,00,00,000/- divided into 2,00,00,000 shares of Rs. 50/- each.

13. Joint Share-Holders :

- (i) Shares may be purchased in the names of more than one person jointly.
- (ii) On death of a joint holder, the surviving person/persons shall be recognised as shareholder/joint share-holders.

- (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 or shares.
- iv) The person whose name stands first written on the share certificate shall enjoy all the rights of a member and shall be entitled to receive the annual dividend and notice of the General Meeting.
- (v) Where a share of the Bank is held jointly by more than one person, 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 and in absence of both, the person whose name stands next and likewise in the absence of preceding persons, the person whose name is next on the share certificate, who is present and who is not a minor, shall have right to vote.

14. Share Certificate :

- i) Every person admitted as a member shall be entitled to receive a share certificate gratis stating the number of share/shares and their distinctive number/numbers. The share certificate shall be signed by the Chairperson or any Director duly authorised and the Chief Executive Officer. The share certificate shall bear the Bank's seal.
- ii) If any share certificate worn out, mutilated, defaced, destroyed or lost, a new share certificate/s may be issued in lieu thereof on payment of a fee as may be prescribed by the Board per share certificate. It shall, however, be necessary to produce evidence to the satisfaction of the Board of Directors that the share certificate/s were worn out, mutilated, defaced, destroyed or lost, or in absence of such evidence, on such indemnity as the Board of Directors may deem sufficient.

15. Transfer of Shares :

- (i) A member may transfer his share or shares after holding them for not less than one year to any person with approval by the Board of Directors. The transfer is not complete until the name of the transferee has been duly entered in the register of the members and the transfer fee of Rupees twenty five is paid per share certificate.
- (ii) Transfer of shares shall be refused in the following circumstances.
 - a) if the transferor is indebted to the bank either as a borrower or as a surety;
 - b) if it is not in the interest of Bank.

16. Nomination :

A member 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 made any number of times, after due intimation in writing to the Bank and on payment of prescribed fee of Rupee one for every subsequent nomination.

17. Death of a Share-holder :

On the death of a member, the Bank may transfer the share along with interest thereon to the person or persons nominated or pay a sum representing the value of the member's interest in the Bank within six months from the death of the member. In the absence of nomination, the Bank may pay to such person or persons as may appear to the Board of Directors 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 favour of the Bank. Interest of the deceased shall be the amount of the shares and dividend together with amounts due to him on account of deposits and interest thereon or on any other account less the amounts due by him to the Bank.

18. Lien on Shares, Dividends, Deposits, Goods, Vehicles, Immovable Property :

The Bank shall have the first and paramount lien or charge upon all the shares, dividends, deposits and also goods, vehicles, immovable property, etc. already hypothecated/ mortgaged to the Bank for whatsoever reason, of any member or past member for all monies 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.

19. Funds :

Funds may be raised by the following means -

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|---|--------------------|
| (i) Share capital, | (ii) Entrance Fee, |
| (iii) Subscriptions, | (iv) Deposits, |
| (v) Loans, | (vi) Donations, |
| (vii) Grants-in-aid, | (viii) Subsidies, |
| (ix) Contributions, | (x) Profit, |
| (xi) External Commercial Borrowings (ECB), | |
| (xii) Long Term (Subordinated) Deposits for Tier - II Capital augmentation. | |
| (xiii) Any other means as may be permitted by Reserve Bank of India and / or Central Registrar from time to time. | |

20. Maximum Borrowings Limit :

The Bank shall be eligible to receive a total amount of Deposit and loans from members and other during any Financial year not exceeding 10 times of the sum of subscribed share capital and accumulated reserves minus accumulated losses, if any

21. General Body :

- (i) The General Body of the Bank shall consist of all the members of the Bank.
- (ii) Subject to the provisions of the Act and Rules, the final authority of the Bank shall vest in the General Body.
- (iii) General Meetings shall be of two kinds, viz. Annual General Meeting and Special General Meeting.

22. Powers and functions of the General Body :

The Board of the Bank under a resolution shall within six months after the close of the corresponding year, convene the Annual General Body Meeting at the Principal Place of business of the Bank for the following purpose-

- (i) Consideration of the annual audited statement of accounts;
- (ii) Consideration of the audit report and annual report;
- (iii) Consideration of audit compliance report;
- (iv) Disposal of net profits and declaration of dividend;
- (v) Approval for appointment of Auditor/s and fixation of his / their remuneration;
- (vi) Review of operational deficit, if any;
- (vii) Creation of specific reserves and other funds;
- (viii) Approval of the Annual Budget;
- (ix) Review of actual utilisation of reserves and other funds;
- (x) Approval of the long term perspective plan and the annual operational plan;
- (xi) Review of Annual Reports and accounts of subsidiary institution, if any;
- (xii) Expulsion of members, if any;
- (xiii) List of employees who are relatives of members of the Board and / or the Chief Executive Officer;
- (xiv) Amendment of Bye-laws, if any,
- (xv) Formulation of code of conduct for the members of the Board and Officers;
- (xvi) Election of the members of the Board;
- (xvii) Removal of members of the Board, if any;
- (xviii) Consider the statement showing details of loans/ advances, if any, given to any Director or to the relatives of the Director as specified under section 39(3) of the Multi-State Co-operative Societies Act, 2002;
- (xix) To read and confirm the minutes of the previous General Meeting (s);
- (xx) To condone the absence of the members at the General Body Meeting;
- (xxi) To consider any other subject of which proper notice has been given as prescribed, provided that the subject put forward does not relate to the expulsion of a member or amendment to Bank's Bye-laws or reconsideration of a subject within six months;
- (xxii) With permission of two-thirds of the members present at the Annual General Meeting, any member may bring forward any subject which is not included in the agenda provided that the subject put forward does not relate to expulsion of a member or removal of a member of the Board of Directors or amendment to Bank's Bye-laws or reconsideration of a subject within six months.
- (xxiii) Any other matter laid before it by the Board of Directors;

23. Special General Meeting :

The Chief Executive may at any time on the direction of the Board, call a Special General Body Meeting of the Bank and shall call such meeting within one month of a requisition in writing from the Central Registrar or 1/5th of the total numbers of ordinary members of the Bank or 500 members whichever is less.

The business to be transacted at the Special General Meeting shall be the business as stated in the notice of the meeting.

24. Notice for Annual General Body Meeting And the Special General Meeting :

- a) Annual General Meeting of the Bank shall be called by giving not less than 14 days notice in writing to all the members of the Bank;
- b) Special General Meeting of the Bank shall be called by giving not less than 7 days notice in writing to all the members of the Bank;
- c) The notice of the Annual General Meeting shall be accompanied by a copy of each of the audited balance-sheet, profit and loss account together with the auditors report relating to the preceding year and the report of the Board of Directors thereon, notice of election to the Board of Directors, and amendments to bye-laws, if any.
- d) I) The notice of the general meeting shall be sent to members by any of the following modes, namely-
 - i) by local delivery, or
 - ii) under postal certificate, or
 - iii) by publication in the news papers having wide circulation.II) Notice of the General Meeting shall also be affixed on the notice board of the Bank and its branches,

25. Quorum for Annual General Meeting and Special General Meeting :

One-fifth of the total number of members or 500 members whichever is less, shall constitute quorum.

26. Adjournment of Annual General Meeting and Dissolution of Special General Meeting:

- (i) 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.
- (ii) If within half an hour from the time appointed for the Annual General Meeting a quorum is not present, the meeting shall stand adjourned to a later hour on the same day and place as may have been specified in the notice convening the meeting or to a subsequent date not later than seven days from the date of the adjourned meeting.
- (iii) In the case of a Special General Meeting convened on requisition of members, if within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand dissolved.

- (iv) No business shall be transacted at any adjourned meeting other than the business on the agenda of the adjourned meeting.
- (v) No quorum shall be necessary in respect of an adjourned general meeting.

27. Chairperson of the General Meeting :

The Chairperson of the Board of Directors shall preside over the General Meeting. In his absence, the Vice Chairperson and in the absence of both, one of the Directors from the Board may preside over the General Body Meeting.

28. Voting Rights :

- (i) Each member shall have one vote irrespective of the number of shares held.
- (ii) Individual members 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 a member, may appoint one of its partners, directors or officers to participate in the meeting to exercise the right of vote as per Section 38 (3) of the Act.
- (iii) The Chairperson presiding over the meeting shall have a casting vote in case there is equal of votes.

29. Resolutions :

- (i) Unless otherwise specifically provided in the Act, Rules and these Bye-laws, resolutions shall be carried by a majority of votes. Votes shall be taken by show of hands unless 300 members demand a poll in which case a poll shall be taken forthwith. However, election to the Board of Directors of the Bank shall be held as per the procedure specified in the election scheduled annexe with the Multi State Co-operative Societies Rule 2002.
- (ii) Unless specifically directed in this behalf by the Central Registrar, no resolution concerning-
 - (a) election of an office-bearer and / or
 - (b) resolution passed in the previous General Body Meeting, can be placed before a General Meeting for reconsideration unless six clear months have elapsed from the date the original resolution was passed.

30. Minutes of the General Meeting :

The minutes of the General Meetings shall be recorded in the minute book kept for the purpose and signed by the Chairperson and Chief Executive of the Bank within 30 (thirty) days of the meeting. The Minutes so recorded shall be read and confirmed in the next General Meeting.

31. Board of Directors :

- a) Executive Management of the Bank shall vest in the hands of the Board of Directors consisting of 15 (Fifteen) Directors, elected as shown below from the various constituencies of members of the Bank.
 - (i) 12 (Twelve) Directors to be elected from amongst the members of the Bank

(ii) 2 (Two) positions of Directors are reserved for women to be elected by the Members of the Bank.

(iii) 1 (One) position of the Director is reserved for the person belonging to scheduled Caste / Scheduled Tribe, to be elected by the members of the Bank.

Note : Any individual member of the Bank, belonging to women category and Scheduled Caste or Scheduled Tribe category, shall be eligible to contest the election to a reserved seat who is entitled to vote.

- b) Apart from the above, 1(One) seat on the Board of Directors shall be reserved for Employees' Representative. The seat so reserved shall be filled by nomination made by the union approved by the Board, from amongst all full-time confirmed salaried employees of the Bank. If there be no such union approved by the Board, the member representing such employees may be nominated by the Board. However, any employee nominated as a member on the Board shall not be entitled to be elected as Chairperson or Vice-Chairperson or be entitled to vote at any election of Chairperson or Vice-Chairperson. Notwithstanding anything contained in these Bye-laws, the tenure of this Employee Representative shall be co-terminus with the tenure of the Board of Directors.
- c) In addition to elected Directors, the Board of Directors may co-opt 2(Two) Directors from amongst Economists, Co-operators, Chartered Accountants, from Banking field, etc. However, such co-opted Directors shall not be entitled to vote at the meeting of the Board of Directors or shall not be entitled to be elected as Chairperson or Vice-Chairperson. Notwithstanding anything contained in these Bye-laws, the tenure of the Co-opted Directors shall be co-terminus with the tenure of the Board of Directors.
- d) The Chief Executive Officer shall be ex-officio member of the Board of Directors.
- e) The term of the office of the elected members shall be five years from the date of elections. However, the elected members shall continue to hold office till their successors are elected or nominated under the provisions of the Act/ Rules and Bye-laws, and assume charge of their office.

32. Powers and Functions of the Board of Directors :

- 1. The Board of Directors may exercise all such power as may be necessary or expedient for the purpose of carrying out its function under the Act.
- 2. Without prejudice to the generality of the foregoing powers, such power shall include the following powers:
 - a. to admit members,
 - b. to enterpret the organizational objectives and set up specific goals to be achieved towards these objectives,
 - c. to make periodic appraisal of operations.
 - d. to appoint and remove a Chief Executive Officer or other employees of the Bank as are not required to be appointed by the Chief Executive,

- e. to make provisions for regulating the appointment of employees of the Bank and the scales of pay, allowances and other conditions of service of, including disciplinary action against, such employees,
- f. to place the annual report, annual financial statements, annual plan and budget for the approval of the general body,
- g. to consider audit and compliance report and place the same before the General Body.
- h. to acquire or dispose of immovable property,
- i. to review membership in other co-operatives,
- j. to approve annual and supplementary budget,
- k. to raise funds,
- l. to sanction loans to the members, and
- m. to take such other measures or to do such other acts as may be prescribed or required under this Act, the Bye-laws or as may be delegated by the General Body.

33. Meetings of the Board of Directors and Notice of the Meeting :

- (i) The Board shall meet as often as is necessary to transact business and at least once in every month.
- (ii) The meetings of the Board of Directors shall normally be held at the registered office of the Bank. In exceptional cases, the meetings of the Board may be held at any other place as decided by the Board but within the area of operation of the Bank.
- (iii) The meetings of the Board of Directors shall be presided over by the Chairperson or in his absence by the Vice-Chairperson and in the absence of both the Chairperson and Vice-Chairperson, the Directors present in the meeting shall elect a Chairperson for the meeting from among themselves.
- (iv) 5 (five) clear days notice shall be necessary for the meeting of the Board of Directors.

34. Quorum for a meeting of the Board :

The quorum for a meeting of the Board of Directors shall be 8 (eight) elected Directors.

35. Minutes of the Board Meetings / Sub-Committee Meetings :

The minutes of the Board Meetings / Sub-Committee Meetings of the Board of Directors shall be recorded in the minute book within 30 days, the pages of which shall be duly numbered. The minutes shall be signed by the Chairperson of the meeting and the Chief Executive Officer of the Bank. The minutes so signed shall be an evidence of the correct proceedings of that meeting.

36. Chairperson and Vice-Chairperson of the Board of Directors :

- (i) The Board of Directors, at its first meeting after the election of the Board, shall elect a Chairperson and Vice-Chairperson among the Board of Directors. Further, the Board of Directors at its first meeting after the close of every financial year of the Bank, i.e. 31st March every year, shall elect a Chairperson and a Vice-Chair person for the year, among the Board of Directors, within 30 days from the date of the beginning of the new financial year. The tenure of the Chairperson/Vice-Chairperson shall be 1 year.

- (ii) The Chairperson shall preside over all meetings of the Board. In the absence of the Chairperson, the Vice-Chairperson shall preside over the meetings and in the absence of both Chairperson and the Vice-Chairperson, the Directors shall elect the Chairperson for that meeting from among those present in the meeting of the Board.
- (iii) The Chairperson of any meeting shall have a casting vote except in case of election of the Chairperson and / or the Vice-Chairperson of the Board of Directors. In case there is equality of votes in the election of the Chairperson and / or Vice-Chairperson of the Board of Directors, the decision shall be taken by draw of lots.
- (iv) The representative of the employee, the Co-opted Director and the Chief Executive Officer under Bye-law no. 31 (b) to (d) shall not have a right to vote in the election of Chairperson / Vice-Chairperson.
- (v) In the event the office of the Chairperson and / or Vice-Chairperson falls vacant on account of death, resignation, disqualification or otherwise, such vacancy shall be filled by the Board of Directors by electing the Chairperson as the case may be and the person so elected shall hold office for the unexpired period of the office for which the person is so elected.

37. Prohibition to hold office of Chairperson or Vice-Chairperson :

- (i) No member of the Board shall be eligible to be elected as Chairperson or Vice- Chairperson of the Bank if-
 - a) he is minister in the Central or State Government;
 - b) at the same time, he is holding the position of Chairperson or Vice-Chairperson of the Board of more than two Multi-State Co-operative Society;
- (ii) No member of the Board shall be eligible to be elected as Chairperson of the Bank if he has held office during the two consecutive terms whether full or part.

38. Disqualification for being members of the Board :

- 1) A member of the Bank shall be ineligible for being elected as or for being member of the Board, if such member-
 - a) has been adjudged by a competent court to be insolvent 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;

Provided that the Chief Executive Officer or such full-time employee of the Bank as may be notified by the Central Government from time to time or a person elected by the employees of the Bank to represent them on the Board of the Bank shall be eligible for being chosen as, or for being, a member of such Board;

- e) has been a member of the Bank for less than twelve months immediately preceding the date of such election or appointment;
- f) has interest in any business of the kind carried on by the Bank;
- g) has taken loan or any services on credit from the Bank, or is otherwise indebted to the Bank and after the receipt of a notice of default issued to him by the Bank, has defaulted-
- (i) in repayment of such loan or debt or in payment of the charges of the services, 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 exceed six months, within the date so extended, or
- (ii) when such loan or debt or the charges of services is to be paid in installments, in payment of any installment, and the amount in default or any part thereof 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 on which he ceased to hold office, of re-election as a member of the board of the Bank.

- h) is a person against whom any amount due under a decree, decision or order is pending recovery under this Act;
- i) 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 co-operative Bank which is a member of the former Bank.

Explanation - For the purposes of this clause, 'Legal Practitioner' has the same meaning as in clause (i) of sub-section (1) of section 2 of the Advocates Act, 1961 (25 of 1961);

- j) has been convicted for any offence under this Act;
- k) is disqualified for being a member under section 29;
- l) has been expelled as a member under section 39;
- m) absents himself from three consecutive Board meetings and such absence has not been condoned to by the Board.
- n) absents himself from three consecutive General Body Meetings and such absence has not been condoned by the members in the General Body.

- 2) A person shall not be eligible for being elected as member of a Board of the Bank for a period of five years if the board of the Bank fails -
 - (a) to conduct elections of the board under section 45; or
 - (b) to call the Annual General Meeting under section 39; or
 - (c) to prepare the financial statement and present the same in the Annual General Meeting.

39. Vacancy in the elected Board of Directors :

Vacancies in the Board of Directors occurring through death, removal, resignation or any other reason shall be filled by members in the general body of the Bank for the remaining unexpired term of the Board.

40. Chairperson :

The powers and duties of the Chairperson shall be as under -

- (i) To preside over the General Meeting, meetings of the Board of Directors, Sub-Committee Meetings;
- (ii) To sign the proceedings of all the meetings presided over by him;
- (iii) In the event of equality of votes on a resolution, the Chairperson shall have a casting vote in the meeting;
- (iv) The Chairperson may delegate any of his powers and functions to the Vice-Chairperson.

41. Chief Executive:

- a) A Chief Executive of the Bank is the ' Chief Executive Officer' appointed by the Board of Directors, who shall be a full time salaried employee of the Bank. The Chief Executive Officer shall be an Ex-Officio member of the Board of Directors. He shall aid and assist the Board of Directors in their functions.
- b) The Chief Executive Officer shall under the general superintendence, direction and control of the Board, exercise the powers and discharge the functions specified below viz-
 - i) day to day management of the business of the Bank.
 - ii) operating the accounts of the Bank and be responsible for making arrangement for safe custody of cash,
 - iii) signing the documents for and on behalf of the Bank,
 - iv) 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.
 - v) convening the meetings of the General Bodies of the Bank, the Board and the Executive Committee, and other Committees constituted under Sub-Section (1) of Section 53 of the Act and maintaining proper records of such meetings,
 - vi) making appointments to the posts in the Bank as may be approved by the Board of Directors.
 - vii) assisting the Board in the formulation of policies, objectives, and planning,
 - viii) furnishing to the Board periodical information necessary for appraising the operations and functions of the Bank;
 - ix) appoint the person to sue or be sued on behalf of the Bank,

- x) present the drafts annual report and financial statements for the approval of the Board within 30 days of closure of the financial year.
- xi) performing such other duties and exercising such other powers, as may be specified in the Bye-laws of the Bank.

42. Deposits :

- (i) Deposits may be accepted at any time within the limits determined under the Act and Rules at 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, cumulative and under any other special scheme(s).

43. Loans and Advances :

- (i) Loans, cash credits and / or overdrafts on current accounts may be granted to members who are not indebted to any other Urban Bank or Urban or Salary Earners Credit Society on security or securities mentioned below or other security or securities approved by the Board of Directors or without security subject to the directives issued by the Reserve Bank Of India from time to time relating to the loans and advances of the Bank -
 - (a) Personal security and / or surety / sureties of other member/s or Nominal member/s
 - (b) Collateral security of movable and / or immovable property.
 - (c) Industrial, mercantile, agricultural and other marketable commodities or machinery under pledge, hypothecation or charge of the Bank.
 - (d) Pledge of Government / Trustee Securities, Shares of approved companies, debentures and fixed deposits with Bank.
 - (e) Life Insurance policies assigned to the Bank within the surrender value
 - (f) Ware-house receipts
 - (g) Gold and Silver ornaments
 - (h) Any other tangible security.
- (ii) Loans and advances may be granted to non-members against the security of their term deposit with the Bank.
- (iii) The Board shall frame detailed loan regulations 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 instructions of the Reserve Bank of India, higher financing agency and the Central Registrar, issued from time to time.

44. Linking of Share Holding with Loan Limits :

A borrower should hold shares of the Bank in such proportion to his borrowings as may be fixed from time to time by the Reserve Bank of India. The total amount of share capital to be held by a member will, however, have to be within the limits laid down under the Act. No member other than the authorities referred in clause (c) to (g) of sub-section 1 of section 25 of the Act, shall hold more than 5% of the total share capital of the Bank.

45. Appropriation of Profits :

The net profit of the Bank shall be calculated as per the provisions of the Multi-State Co-operative Societies Act and Rules made thereunder

- i) The General Body on the recommendations of the Board of Directors shall appropriate the net profit in any year as under
 - (a) To carry not less than 25% to the Statutory Reserve Fund.
 - (b) To credit 1% of its profit to Co-operative Education Fund maintained by the National Co-operative Union of India Limited in the manner as may be prescribed.
 - (c) To transfer an amount not less than 10% to Reserve Fund for meeting unforeseen losses.
- ii) Subject to such conditions as may be prescribed, the balance of net profit may be utilized for all or any of the following purposes viz.
 - a) to transfer for payment of dividend to members at the rate of not exceeding 20% of the paid-up share capital of the members as may be recommended by the Board of Directors.
 - b) to transfer to Building Fund at the rate not exceeding 5% of the net profit as may be recommended by the Board of Directors
 - c) to transfer for charitable and co-operative purpose at the rate not exceeding 5% of the net profit as may be recommended by the Board of Directors.
 - d) to transfer to the Development Fund at the rate not exceeding 15% as may be recommended by the Board of Directors. The fund shall be used for the benefit of members viz.. , education, sports, health, etc. .
 - e) remaining net profit, if any, shall be added to the Reserve Fund .

46. Reserve Fund :

The Bank may invest or deposit its Reserve Fund as under -

- (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, donations and excess cash received, shall be carried forward to the Reserve Fund.
- (ii) The Reserve Fund shall be separately invested in Government and Trustee securities or other approved securities or in fixed deposits with the District or State Co-operative Bank(s), nationalised / scheduled Banks and as permitted by the Reserve Bank Of India from time to time;

47. Investment of Funds :

The Bank may invest or deposit its Funds in -

- i) Securities specified in Section 20 of the Indian Trust Act, 1882;
- ii) Shares and Securities of any other co-operative society / subsidiary institution, company as permitted by the Reserve Bank Of India
- (iii) Any other mode approved by the Reserve Bank Of India from time to time.

48. Dividend :

- (i) The dividend declared shall be paid to the person whose name stands as the registered shareholder in the books of the Bank on the last day of the co-operative year to which the 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 payable at par at the Bank's Head Office as well as at the branch offices.
- (iv) Any dividend remaining unclaimed for three years after having been declared shall be forfeited and shall be carried to the Reserve Funds of the Bank.
- (v) Unpaid dividend shall be payable on application provided the same has not been forfeited.

49. Account and Records :

Accounts and records shall be maintained in forms prescribed or approved by the Central Registrar and the Reserve Bank of India with such additions as the Board of Directors consider necessary. Any member of the Bank may inspect during office hours any of the registers or records in so far as it relates to members' own transaction.

50. Audit :

The accounts of the Bank shall be audited at least once in each year by an auditor appointed from the panel of auditors approved by the Central Registrar or from a panel of auditors, if any, prepared by the Bank. The remuneration of auditors shall be fixed by the Central Registrar or the Bank, as the case may be, as per Sec. 70 of the MSCS Act, 2002.

51. Amendment of Bye-laws :

- (i) For making any amendments to the Bye-laws of the Bank, 15 (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 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.

- (iv) Such application for registration of the same should be submitted to Central Registrar within 60 days from the date of General Meeting / Special General Meeting at which such amendments to the Bye-laws were passed.

52. Settlement of Disputes :

- (i) All disputes shall be referred to Arbitration in accordance with the provisions of the Multi-State Co-operative Societies Act and Rules, 2002.

53. Limitations :

The limitation period for filing disputes shall be as per the provisions of the Multi-State Co-operative Societies Act, 2002.

54. Seal :

The Bank shall have a common seal which will remain in the custody of the Chief Executive Officer and shall be affixed in the presence of a Director /Officer of the Bank and the Chief Executive Officer as per specific resolution of the Board of Directors.

55. Winding up :

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

56. Miscellaneous :

- (i) The Bank may become member of District Central Co-operative Banks and State Co-operative Banks, in which state the Bank is having its Branch/es.
- (ii) The Bank may be a subscribing member of the following -
 - (a) The State Federation of Urban Co-operative Banks,
 - (b) The Regional / District Federation or Association of Urban Co-operative Banks,
 - (c) The Maharashtra Rajya Sahakari Sangh / The District Co-operative Board,
 - (d) National Federation of Urban Co-operative Bank and Credit Societies Ltd.,
 - (e) Indian Banks' Association,
 - (f) National Co-operative Bank, New Delhi,
 - (g) Any other institution, which the Board of Directors may deem necessary from time to time.
- (iii) The matters which have not been provided in these Bye-laws should be decided in accordance with provisions of the Multi State Co-operative Societies Act, 2002 and Rules made thereunder.

57. Constitution of Board of Management

- (i) There shall be a board of management in every UCB with deposit size of Rs.100.00 Crore and above in addition to the Board of Directors. BoM shall be constituted by the Board of

Directors' and may delegate such powers as deemed necessary for the proper functioning of the Bank.

Functions of Board of Management

- (ii) The BoM shall exercise oversight over the banking related functions of the UCBs, assist the BoD on formulation of the policy and any other related matters specifically delegated to it by the Board for proper functioning of the bank. The functions of the BoM shall include the following:
- i. Rendering expert advice on all proposals being put up to the Board or any Committee of the Board for sanction of loans.
 - ii. Recommending action for recovery of NPAs, One Time Settlement or Compromise Settlement and assisting the Board in monitoring the same.
 - iii. Overseeing the management of funds and borrowings in the bank.
 - iv. Recommending proposals for investment of bank's funds as per the board approved policy.
 - v. Oversight on internal controls and systems and risk management in the bank.
 - vi. Exercising oversight on implementation of computerisation, technology adoption and other incidental issues in the bank.
 - vii. Overseeing internal audit and inspection functions including compliance.
 - viii. Oversight on complaint redressal system.
 - ix. Assisting the Board in formulation of policies related to banking functions, illustratively loan policy, investment policy, recovery policy, ALM and Risk management, etc. to ensure that policies are in tune with RBI guidelines.
 - x. Any other responsibility as may be delegated to it by the BoD.

NB

In the event where the BoD differs with the recommendations of BoM, it shall do so by recording, in writing, the reasons thereof.

(iii) Size of BoM

The BoM (excluding CEO) shall have a minimum of five members. The maximum number of members in BoM shall not exceed twelve. The CEO would be a non-voting member.

(iv) Qualifications of Members of BoM

- (i) All the members of BoM shall consist of persons having special knowledge or practical experience in respect of one or more of the following matters, namely :

- a. Accountancy
 - b. Agriculture and rural economy
 - c. Banking
 - d. Co-operation
 - e. Economics
 - f. Finance
 - g. Law
 - h. Small scale industry
 - i. Information Technology
 - j. Any other subject, which would, in opinion of the Reserve Bank, be useful to the UCB
- (ii) The members of BoM shall at all times satisfy the 'Fit and Proper' Criteria as furnished in Appendix I.
- (iii) Members of the BoM may be drawn from the members of the Board of Directors provided they meet the criteria specified. However, not more than 50 per cent of the BoM members shall be from BoD. Under all circumstances, BoM shall have at least two members from outside the BoD.
- (iv) A member of BoM can be appointed in more than one bank, subject to a maximum of three, provided that there is no overlapping in area of operation.
- (v) (v) Any disqualification prescribed for member of a BoD under respective co-operative societies act will also apply to a member of a BoM.

(v) **Meetings of BoM**

BoM may hold meetings at such periodicity as deemed necessary. The Chairman of the BoM may be elected by the members of BoM from amongst themselves or appointed by the BoD. Under no circumstances the Chairman of the BoD shall be appointed as Chairman of the BoM and every UCB shall maintain proper record of the minutes of the meeting and the same shall be put up to BoD. The quorum for the meeting shall be two-third of the total members of BOM.

(vi) **Sitting fees**

Members of BoM may be paid allowance / sitting fees for their services as may be provided for in the bye-laws of UCB or with the approval of BoD.

(vii) **Tenure of BoM**

The tenure of BoM shall be co-terminus with the tenure of BoD.

