



new india co-operative bank ltd.

[SCHEDULED BANK]

BYE-LAWS

Established on November 21, 1967

Bye-laws as amended upto January 03, 2023





new india co-operative bank Ltd.
(S C H E D U L E D B A N K)

Registered Office:

New India Bhavan,
Anant V. Nagvekar Road,
Prabhadevi, Mumbai-400 025.

☎ 022-6626 4000

BYE-LAWS

Established on November 21, 1967

Bye-laws as amended upto January 03, 2023



	PAGE NO.
1. NAME	01
2. REGISTERED OFFICE.....	01
3. AREA OF OPERATION	01
4. DEFINITIONS	01
5. OBJECTS & FUNCTIONS.....	02
6. RAISING OF FUNDS	04
7. MAXIMUM BORROWING LIMIT	04
8. AUTHORISED SHARE CAPITAL.....	04
9. MEMBERSHIP.....	04
10. ELIGIBILITY FOR OBTAINING ORDINARY MEMBERSHIP	04
11. THE PROCEDURE FOR OBTAINING ORDINARY MEMBERSHIP OF THE BANK	05
12. CONDITIONS FOR CONTINUING MEMBERSHIP	05
13. NOMINAL OR ASSOCIATE MEMBER	05
14. JOINT SHAREHOLDERS	06
15. SHARE CERTIFICATE	06
16. TRANSFER OF SHARES.....	06
17. CESSATION OF MEMBERSHIP	07
18. NOMINATION	07
19. DEATH OF SHAREHOLDER.....	07
20. DISQUALIFICATION OF MEMBERSHIP.....	07
21. WITHDRAWAL OF MEMBERSHIP	07
22. EXPULSION OF MEMBERS	08
23. LIABILITY	08
24. LIABILITY OF THE PAST MEMBER AND ESTATE OF DECEASED MEMBER	08
25. LIEN OF SHARES, DIVIDENDS & DEPOSITS	08
26. CONSTITUTION OF GENERAL BODY	08
27. POWERS AND FUNCTIONS OF THE GENERAL BODY	08
28. SPECIAL GENERAL BODY MEETING	09
29. NOTICE FOR GENERAL BODY MEETING	09
30. QUORUM OF THE GENERAL BODY MEETING	09
31. CHAIRMAN OF THE GENERAL MEETING	10
32. RIGHTS AND DUTIES OF MEMBERS	10
33. VOTE OF MEMBERS	10
34. MANNER OF EXERCISING VOTE.....	10
35. RESOLUTIONS.....	10

36.	MINUTES OF GENERAL BODY MEETING	11
37.	BOARD OF DIRECTORS.....	11
38.	CHAIRMAN AND VICE-CHAIRMAN OF THE BOARD OF DIRECTORS.....	11
39.	PROHIBITION TO HOLD OFFICE OF CHAIRMAN OR VICE-CHAIRMAN IN CERTAIN CASES	11
40.	FILLING OF VACANCIES IN THE BOARD OF DIRECTORS.....	12
41.	MEETING OF THE BOARD OF DIRECTORS.....	12
42.	POWERS AND FUNCTIONS OF THE BOARD OF DIRECTORS.....	12
43.	REMOVAL OF ELECTED MEMBERS OF THE BOARD BY THE GENERAL BODY	14
44.	DISQUALIFICATION FOR BEING A MEMBER OF THE BOARD.....	14
45.	MINUTES	15
46.	POWERS AND FUNCTIONS OF CHAIRMAN.....	15
47.	CHIEF EXECUTIVE	15
48.	POWERS & FUNCTIONS OF MANAGING DIRECTOR	15
48A.	BOARD OF MANAGEMENT	16
49.	LOANS AND ADVANCES	17
50.	LINKING OF SHARE HOLDING WITH LOAN LIMITS	17
51.	DEPOSITS	17
52.	DISTRIBUTION OF PROFITS.....	17
53.	RESERVE FUND.....	18
54.	DIVIDEND.....	18
55.	ACCOUNTS AND RECORDS	18
56.	AUDIT.....	18
57.	SEAL	19
58.	AMENDMENT TO BYE-LAWS.....	19
59.	SERVICE RULES.....	19
60.	PROVIDENT FUND.....	19
61.	SETTLEMENT OF DISPUTES	19
62.	INVESTMENT OF FUNDS.....	19
63.	MISCELLANEOUS	19

1. NAME

The Bank shall be called NEW INDIA CO-OPERATIVE BANK LTD.

2. REGISTERED OFFICE

- i) The Bank shall have a principal place of business, which shall be the registered office of the Bank. The registered office of the Bank shall be at "New India Bhavan" Plot No.1260, T.P.S. IV, Anant V. Nagvekar Road, Prabhadevi, Mumbai – 400 025.
Electronic address:
Website: www.newindiabank.in
Email: memberservices@newindiabank.in
- ii) Any change in address, shall be notified to the Central Registrar within 15 days of its change and also published in local newspaper and shall be made by an amendment of its Bye-laws after following the procedures laid down in Sec.11 of the Multi-State Co-op. Societies Act, 2002.
- iii) The Bank shall be a body corporate, which can sue and be sued in its name.

3. AREA OF OPERATION

The area of operation of the Bank will be entire Union of India in the interest of its members and its business with the prior approval of the Reserve Bank of India. For any revision in this regard, prior approval in writing of Reserve Bank of India as also of the Registering Authority shall be necessary.

4. DEFINITIONS

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

- a) "Act" means the Multi-State Co-operative Societies Act, 2002 as amended from time to time.
- b) "Rules" mean the Multi-State Co-operative Societies Rules, 2002 made under Multi-State Co-operative Societies Act, 2002 and as amended from time to time.
- c) "Central Registrar", means the Central Registrar of Co-operative Societies appointed under the provisions of the MSCS Act.
- d) "Ordinary Member" means a person admitted as a member of the Bank and continues to be so for the time being.
- e) 'Nominal' member means a person who has been admitted as a nominal member or associate member under the Bye-law of the Bank.
- f) "Bank" means the NEW INDIA CO-OPERATIVE BANK LTD.
- g) "Bye-laws" mean 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.
- h) "CHIEF EXECUTIVE" means Managing Director of the Bank.
- i) 'Person' means an adult individual, proprietary concern, 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, Bank registered under the Societies Registration Act of 1860. State Government and Public Trust registered under any law for the time being in force for registration of such trusts subject to amendment in the Act.

- j) "General Body" means all the members of the Bank and a body constituted under the provisions of the Act.
- k) "Co-operative Year" means the period from 1st of April to 31st March.
- l) "Area of Operation" means the area from which the persons can be admitted as members of the Bank.
- m) "Co-operative Principles" means Co-operative Principles as specified in the first schedule of the Multi-State Co-operative Societies Act, 2002.
- n) "Board" means the Board of Directors of the Bank.
- o) "General Meeting" means meeting of the General Body of the Bank and includes Special General Meeting.
- p) "Officer" means a President, Vice-President, Chairperson, Vice-Chairperson, Managing Director, Secretary, Manager, Members of the Board, Treasurer, Liquidator, an Administrator appointed under Sec. 123 and includes any other person empowered under Multi-State Co-operative Societies Act or the Rules or the Bye-laws to give direction in regard to business of the Bank.
- q) "Multi-State Co-operative Bank" means a Co-operative Bank registered or deemed to be registered under the Multi-State Co-operative Societies Act, 2002.
- r) "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.
- s) "Co-operative Societies" means a Co-operative society registered or deemed to be registered under any law relating to Co-operative societies for the time being in-force in any State or Union Territory.
- t) "Federal Co-operative" means a federation of Co-operative societies registered under the MSCS Act and whose membership is available only to a Co-operative society or a Multi-State Co-operative Society.
- u) "A Co-operative Bank" means a Multi-State Co-operative Bank which undertakes Banking business.
- v) "Reserve Bank" means the Reserve Bank of India constituted under the RBI Act 1934 [2] of 1934.
- w) "Deposit Insurance Corporation" means the Deposit Insurance & Credit Guarantee Corporation established under Sec. 3 of the Deposit Insurance Corporation Act, 1961.
- x) "Defaulter" means a member who has defaulted in payment of any kind of dues payable to the Bank.

5. OBJECTS & FUNCTIONS

- a) Objects:
 - i) 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.
 - ii) To encourage thrift, self-help and co-operation among members and to provide products and services to its members.
 - iii) To accept deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft order or otherwise.
 - iv) To borrow or raise money.
 - v) To lend or to advance money either upon or without security to members and others as permitted by the Reserve Bank of India.
 - vi) 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.
 - vii) To grant and issue letters of credit, traveller's cheques and circular notes.
 - viii) To buy and to sell foreign exchange including foreign notes.
 - ix) To acquire, to hold, to issue on commission, to underwrite and to deal in stocks, funds, shares,

debentures, debenture stocks, bonds, obligations, securities and investments of all kinds.

- 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 acquire, to construct, to maintain and to alter any building or works necessary or convenient for the purpose of the Bank.
 - xvi) To manage, to sell and to realise any property which may come into the possession of the in satisfaction or part satisfaction of any of its claims.
 - xvii) To open branches and pay offices, with the permission of the Reserve Bank of India within the area of operation of the Bank so as to provide Banking services to the public.
 - xviii) To acquire, to manage and to undertake the whole or part of the business of any other Co-operative society with the prior permission of the Central Registrar.
 - xix) To establish, to support or to aid in establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit members, employees/ex-employees of the Bank or the dependants or connections of such persons and to grant pensions.
 - xx) To prepare and to finance schemes for amelioration of the financial condition of the members.
 - xxi) To provide financial and technical assistance to Small Scale and Cottage Industries and to help self-employed persons for setting up their own business.
 - xxii) To enter into participation, consortium arrangement/arrangements with any other Bank or Banks or financial institutions with the object of making loans and advances with the permission of the Reserve Bank of India wherever necessary.
 - xxiii) To do any other form of business as specified in clause (1) of Section 6 of the Banking Regulation Act, 1949 (as applicable to Co-operative societies.)
 - xxiv) To act as agents for collection of monies of various Government, quasi-Government and Statutory Bodies.
 - xxv) To grant loans to Co-operative Housing Societies for 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 Central Registrar and/or to grant loans to such societies on permanent basis as may be permitted by the Reserve Bank of India and the Central Registrar.
 - xxvi) To undertake any other form of business which the Central or State Government may specify as a form of business in which it is lawful for a Co-operative banking institution to engage.
 - xxvii) To do all such other things as are incidental and conducive to the promotion or advancement of these objects and of the business of the Bank.
- b) Functions:
- In furtherance of the above objects, the Bank may undertake any or all the following activities.
- i) To do merchant banking.
 - ii) To engage in credit/debit cards business.
 - iii) To act as an insurance agent.
 - iv) Undertaking and executing trusts, undertaking the administration of estates as executor, trustee or otherwise with the previous permission of the Central Registrar.
 - v) Doing all such things as are incidental and conducive to the promotion or advancement of the business of the Bank.

6. RAISING OF FUNDS

- a) The Bank may raise funds from any or all the following sources:
 - i) Admission fee.
 - ii) Share capital.
 - iii) Loans and deposits.
 - iv) Grants-in-aid.
 - v) Donations.
 - vi) Contributions.
 - vii) Subscriptions.
 - viii) Profit.
- b) The funds of the Bank shall be applied to achieve the objectives of the Bank.

7. MAXIMUM BORROWING LIMIT

- i) The Bank shall be eligible to receive deposits and loans as also to accept funds or to borrow funds either by way of issuing unsecured non convertible redeemable debentures/bonds or other instruments either from members or from persons other than members upto 10 times of its subscribed Share Capital and Accumulated Reserves – minus accumulated losses, if any.
- ii) To avail itself of rediscounting facilities from time to time from the Industrial Development Bank of India (IDBI) or any such other financial Agency under the Scheme for rediscounting facilities.

8. AUTHORISED SHARE CAPITAL

- i) The Authorised Share Capital of the Bank shall be Rs.150,00,00,000/- (Rs. 150 crores) which shall comprise of 15,00,00,000 shares of the face value of Rs.10/- each.
- ii) No member other than the authorities referred to in clauses (c) to (g) sub-section (1) of Section 25 of the Multi-State Co-operative Societies Act, 2002 shall hold more than 5% of the total paid up share capital of the Bank.

9. MEMBERSHIP

The Bank shall have the following categories of members:

- i) Ordinary members.
- ii) Nominal/Associate members

10. ELIGIBILITY FOR OBTAINING ORDINARY MEMBERSHIP

- a) Any person who resides or who carries on business within the area of operation of the Bank and who genuinely needs the services provided by the Bank and whose interest does not conflict with the interest of the Bank, may be admitted as a member of the Bank.
- b) No person shall be admitted as a member of the Bank except the following namely,
 - i) An individual, competent to contract under Section 11 of the Indian Contract Act, 1872.
 - ii) The Central Government.
 - iii) A State Government.
 - iv) National Co-operative Development Corporation established under the National Co-operative Development Corporation Act, 1962.
 - v) Any other Corporation owned or controlled by the Government.
 - vi) Any Government company as defined in Section 2(45) of the Companies Act, 2013.
 - vii) Proprietary concern in proprietor's individual capacity.
 - viii) Partnership firm.
 - ix) A company, Limited Liability Partnership (LLP) or any body corporate constituted under any law for the time being in force.

- x) Local Authority.
- xi) A public trust registered under any law for the time being in force for the registration of trusts.
- c) Such class or classes of persons or association of persons as may be permitted by the Central Registrar having regard to the nature and activities of a Multi State Co-operative Society.
- d) No right of membership shall be exercisable until a person has made full payments to the Bank in respect of minimum qualifying shares.
- e) Every member shall pay an admission fee of Rs.200/- along with the prescribed application form. His application has been approved by a majority vote of members of the Board present at the meeting of the Board of Directors.
- f) An employee of the Bank shall be eligible to be admitted as an ordinary member as per Section 31 of Multi state Co-op. Societies Act, 2002 provided that –
 - a) a member who is an employee of such society shall not be entitled to vote –
 - i) at the election of a member of the board of such society
 - ii) in any general meeting convened for framing the bye-laws of such society or any amendments thereto;

11. THE PROCEDURE FOR OBTAINING ORDINARY MEMBERSHIP OF THE BANK

- a) A person who is eligible to become a member of the Bank may apply in writing in the form prescribed by the Bank.
- b) On receipt of the duly filled in application form from the applicant for membership of the Bank, the particulars furnished therein, will be verified by the Bank. He having fulfilled all the conditions laid down in the Act, Rules and these Bye-laws and his application having being approved by the Board and he having subscribed by making full payment towards 500 shares of Rs. 10/- each may be admitted as a member of the Bank.
- c) Every application for admission as a member of the Bank shall be disposed off by the Bank within a period of four months from the date of receipt of the application and the decision of the Bank on the application shall be communicated to the applicant within fifteen days from the date of such decision. Provided that if the application is not disposed off within the period aforesaid or the decision is not communicated within a period of fifteen days of the expiry of the aforesaid period of four months, the Bank shall be deemed to have made a decision, on the date of expiry of such period, refusing admission to the applicant.
- d) A person applying for membership of the Bank shall pay Rs.200/- as admission fee per member irrespective of shares held by him.
- e) An identity card prescribed by the Bank will be issued to each member at the cost of the member. The identity card shall be produced for any transaction with the Bank if desired by it and for participation in the Annual General and Special General Meetings of the Bank and for the purpose of voting for election to the Board.

12. CONDITIONS FOR CONTINUING MEMBERSHIP

- i) The existing members of the Bank who do not hold the minimum number of shares i.e. 500 shares of Rs.10/- each shall subscribe to the same within a period of ninety days from the date of notice sent by the Bank in this regard.
- ii) If an existing member fails to subscribe to the minimum number of shares within the period stipulated in sub-clause (i) above, the membership shall be ceased and the share money shall be refunded.
- iii) No member shall be entitled to exercise the right of voting and stand for election if he is a defaulter for any amount due and payable to the Bank.

13. NOMINAL OR ASSOCIATE MEMBER

- i) Any person who desires to stand surety for a borrowing member of the Bank or who desires to borrow

occasionally for a temporary period against certain tangible securities such as gold and silver ornaments and other silver articles, Life Insurance Policies and Government and other Trustee securities or such other securities as specified by appropriate authorities from time to time may be enrolled as a nominal member upon his application in the prescribed form on payment of Rs. 100/- (Rupees One hundred only) as non-refundable entrance fee 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 for shares and to receive a share certificate.
 - b) To receive audited accounts and annual report.
 - c) To attend, to participate and to vote in the General Meeting and/or Special General Meeting of the Bank.
 - d) To receive Dividend.
 - e) To contest for post of Director of the Bank.

14. JOINT SHAREHOLDERS

Shares may be purchased in the names of more than one person jointly.

- i) On death of a Joint holder, the surviving person/persons shall be recognised as a shareholder/joint share holders.
- ii) 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/shares.
- iii) The person whose name stands first written on the share certificate shall enjoy all the rights of a member and be responsible for all the liabilities of a member. He shall be entitled to receive the annual dividend and notice of General Meeting.
- iv) 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. In his absence, the person whose name stands second and, in the absence of both, the persons whose names stands next and likewise in the absence of the preceding persons the persons whose name is next on the share certificate, who is present and who is not a minor, shall have right to vote.

15. SHARE CERTIFICATE

- i) Every person admitted as ordinary member shall be entitled to receive a share certificate gratis stating the number of share/s and their distinctive number/s. The share certificates shall be signed by the Chairman, or any Director duly authorised and the Chief Executive . The share certificate shall bear the Bank's seal.
- ii) If any share certificate is worn out, defaced, destroyed or lost, a new share certificate/s may be issued in lieu thereof on payment of a fee of Rs. 50/- per share certificate.
- iii) It shall, however, be necessary to produce evidence to the satisfaction to the Board of Directors that the share certificate is worn out, defaced, destroyed or lost or in absence of such evidence, on such indemnity as the Board of Directors may deem sufficient.

16. TRANSFER OF SHARES

- i) A member may transfer his share or shares after holding them for not less than one year to any person duly approved by the Board of Directors. The transfer shall not be complete until the name of the transferee has been duly entered in the register of members and the transfer fee of Rs. 50/- per share certificate is paid.
- ii) A member may, with the approval of the Board of Directors, transfer his shares to another member or to a non-member who is eligible for membership of the Bank.

17. CESSATION OF MEMBERSHIP

The membership of the shareholder may cease in case of:

- i) Resignation or death of the member.
- ii) Cancellation of registration of the member Bank.
- iii) All the shares are transferred to another person.
- iv) Expelled by the General Body.
- v) Incurring any of the disqualification of membership.
- vi) On his being declared insolvent or held to be insane.
- vii) If it is a firm, if any of the partners is in-eligible to continue in the partnership including for the reasons of insolvency or dissolution having being convicted for any offence involving moral turpitude or the firm has been declared insolvent.
- viii) If corporate body, the directors are insolvent or the corporate body has been liquidated or has been taken into liquidation.
- ix) On his failure to hold such minimum number of shares, as may be prescribed under the Act or these Bye-laws from time to time.

18. NOMINATION

A member may nominate a person to receive the Members interest in the Bank after his death. Nomination shall be made in the prescribed form and recorded or entered in the special 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 nominations can be made any number of times after due intimations in writing to the Bank and on payment of prescribed fee of Rs.50/- for every subsequent nomination.

19. DEATH OF SHAREHOLDER

On death of a shareholder the Bank may pay to the person or persons nominated a sum representing the value of the shareholder's interest in the Bank within 6 months from the death of the shareholders. 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 heirs or legal representatives of the deceased shareholders or his or their executing an appropriate deed of indemnity in favour of the Bank.

20. DISQUALIFICATION OF MEMBERSHIP

No person shall be eligible to continue as a member of the Bank if :

- a) His/Her business is in conflict or competition with the business of the Bank
- b) He/She does not hold the minimum number of shares i.e. 500 shares of Rs.10/- each and has not availed the minimum level of services as defined below:
 - i. A Savings Account or a Current Account held singly or jointly by the member and
 - ii. Fixed deposit of Rs. 50,000/- held singly by the member only
or
 - iii. Loan/s of any type for an amount aggregating to Rs.1.01 lakh and above.
- c) He/She did not attend three consecutive General Body Meetings and such absence was not condoned by the members attending the meeting
- d) He/She has defaulted in payment of any dues including contributions, subscriptions, if any, as decided by the Board of the Bank from time to time.

21. WITHDRAWAL OF MEMBERSHIP

Any member of the Bank may withdraw from membership of the Bank only after one year by giving

notice and duly approved by the Board of Directors of the Bank.

22. EXPULSION OF MEMBERS

- a) The Bank may, in accordance with the provisions of Section 30 (1) of the Act, by the 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 provided that the member shall not be expelled unless he has been given a reasonable opportunity of making a representation in the matter.
- b) No member of the Bank who has been expelled under the Bye-law number 22(a) shall be eligible for readmission as a member of the Bank for a period of one year from the date of such expulsion.

23. LIABILITY

Liability of the members shall be limited to the share capital subscribed by them.

24. LIABILITY OF THE PAST MEMBER AND ESTATE OF DECEASED MEMBER

- a) The liability of the past member or the estate of the deceased member of the Bank for the debts to the Bank as they existed.
 - i) In case of a past member on the date on which he ceased to be a member and
 - ii) In the case of the deceased member on the date of his death.Shall continue for a period of two years from such date.
- b) Notwithstanding anything contained in Bye-law number 24 (a), where the Bank is ordered to be wound up under Section 86 of the Act, the liability of the past member who ceased to be a member or of the estate of a deceased member who died within two 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 to the Bank as they existed on the date of cessation of membership or death, as the case may be.

25. LIEN OF SHARES, DIVIDENDS & 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 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 payments of any liability of such member or past-member.

26. CONSTITUTION OF GENERAL BODY

- a) The General Body of the Bank shall consists of all the members of the Bank.
- b) Subject to the provisions of the Act, Rules and these Bye-laws, the ultimate authority of the Bank shall vest in the General Body of its members.

27. 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 call the Annual General Meeting for the following purposes:

- a) To read and confirm the Minutes of the last General Meeting.
- b) Consideration of the audited statements of accounts.
- c) Consideration of the audit report and annual report.
- d) Consideration of the audit compliance report.
- e) Disposal of net profits.
- f) Approval for appointment of Auditors and fixation of remuneration.
- g) Review of operational Deficit, if any.
- h) Creation of specific reserves and other funds.

- i) Approval of annual budget.
- j) Review of actual utilisation of reserve and other funds.
- k) Approval of the long-term perspective plan and the annual operational plan.
- l) Review of annual reports and accounts of subsidiary institution, if any.
- m) Expulsion of members.
- n) List of employees who are relatives of members of the Board or of the Chief Executive.
- o) Amendment of Bye-laws, if any.
- p) Formulation of code of conduct for the members of the Board and Officers.
- q) Election and removal of members of the Board, if any.
- r) Consider the statement showing details of loans, 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.
- s) Any other matter laid before it by the Board of Directors.

28. SPECIAL GENERAL BODY MEETING

The Chief Executive shall, at any time, on the direction of Board call a Special General Meeting of the Bank and shall hold such meeting within one month after the receipt of a requisition in writing from the Central Registrar or from not less than one fifth of the total number of members of the Bank.

29. NOTICE FOR GENERAL BODY MEETING

- a) Annual General Body Meeting of the Bank shall be called only after giving not less than fourteen clear days' notice in writing.
- b) Special General Body Meeting of the Bank shall be called by giving not less than seven days' notice in writing.
- c) The notice for an Annual General Body Meeting and Special General Body Meeting, as the case may be, shall be given in any three of the following modes, namely:
 - i) Notice shall be displayed on the notice board kept at Registered Office of the Bank and its branches.
 - ii) By publication in the newspaper having wide circulation.
 - iii) Bank's website.
 - iv) Email to members.
- d) The notice of Annual General Body Meeting shall be accompanied by a copy each of the Audited Balance Sheet, Profit and Loss Account together with the auditor's report thereon relating to the preceding year and the report of the board, amendment to the Bye-laws, if any and election of members of the board, if any.
- e) The Chief Executive of the Bank shall sign the notice of the General Body Meeting or the Special General Body Meeting, as the case may be.

30. QUORUM OF THE GENERAL BODY MEETING

- i) The quorum of the General Body Meeting shall be one fifth of the total number of members of the Bank or 500 members whichever ever is less.
- ii) No business shall be transacted at any General Body Meeting unless there is a quorum at the time when the business of the meeting is due to commence.
- iii) If within half an hour from the time appointed for the meeting, quorum is not present, the meeting shall stand adjourned and would be held after half an hour at which the quorum will not be required.
- 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 off in the usual manner at the adjourned meeting.
- v) Where the 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.

31. CHAIRMAN OF THE GENERAL BODY MEETING

The Chairman of the Board of Directors shall preside over the General Body Meeting. In his absence, the Vice Chairman will preside over the meeting. In the absence of both one of the elected Directors present in the meeting will preside over the General Body Meeting.

32. RIGHTS AND DUTIES OF MEMBERS

Every Ordinary member of the Bank shall have the following rights and duties.

- a) One vote in the General Body Meeting of the Bank.
- b) An Ordinary member who is not disqualified as per the criteria laid down in Bye-law No.20 (b), shall have the right to vote in the General Body Meeting for the purpose of Election of the Board of the Bank.
- c) A Multi-State Co-operative Society or a Co-operative Society or any other institution which is a member of any Multi-State Co-operative Society may appoint its representative by a resolution passed by his Board to vote on its behalf in the affairs of the Bank.
- d) Right to receive notice of General Body Meeting as per Bye-laws of the Bank.
- e) Right to attend and take active part in the proceedings of the General Body Meeting.
- f) Take part in elections and contest for any post as per provision of the Act, Rules and Bye-laws of the Bank.
- g) Obtain certified copies of documents in which member's own transactions are recorded as per provision of the Act and Rules on a payment of fee as may be prescribed by the Bank from time to time.
- h) To utilize minimum level of services as prescribed in Bye-Law No.20 (b).

33. VOTE OF MEMBERS

- a) An ordinary member of the Bank who has availed the minimum level of services as prescribed in Bye-law no.20 (b) shall have one vote in the General Body Meetings, Special General Body Meetings and election of Board of Directors.
- b) To be eligible to vote in the election of the Board of Directors, the member should have availed the minimum level of services as prescribed in Bye-law no.20 (b) for a minimum continuous period of 12 months prior to finalisation of the Voter's List.
- c) In the case of an equality of votes, the Chairperson shall have a casting vote.
- d) No member shall be permitted to vote by proxy.

34. MANNER OF EXERCISING VOTE

Every member of the Bank shall exercise vote in person and no member shall be permitted to vote by proxy.

35. RESOLUTIONS

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 200 (Two hundred) members demand a ballot in which case a ballot shall be taken forthwith. However the election to the Board of Directors shall be a secret ballot as per the procedure maintained in the Election Schedule annexed in the MSCS Rules, 2002.

36. MINUTES OF GENERAL BODY MEETING

Minutes of the General Body Meeting shall be entered in the minutes book kept for the purpose within thirty days of the conclusion of the meeting and shall be signed by the Chairman and Chief Executive of the meeting. The minutes so signed, shall be conclusive.

37. BOARD OF DIRECTORS

- a) The Management of the Bank is vested in the Board of Directors consisting of the following:
 - i) Candidates from amongst the Members of the Bank residing in and/or carrying on business and/or engaged in gainful occupation within India for ten seats to the Board.
 - ii) Only those who have availed the minimum level of services as prescribed in Bye-law no.20 (b) (i) & (ii) for a minimum continuous period of two years, prior to the date of filing the nominations, for the election to the Board of Directors, shall be eligible for candidature for the elections to the Board of Directors.
 - iii) The Chief Executive is the ex officio member on the Board of Directors.
 - iv) Apart from the above the Board of Directors may co-opt 2 professional directors i.e., persons with suitable banking experience or with professional qualification in the fields of Law, accountancy or finance.
- b) All the seats mentioned in Bye-law 37 (a) i) shall be filled by election by the eligible members of the Bank as per the criteria prescribed in Bye-law No.33 (a & b).
- c) The election to the Board of Directors shall be conducted in accordance with the provisions of the Bye-laws and the provisions under the Multi State Co-operative Societies Act, 2002 and Rules framed thereunder.
- d) The term of the office of the elected Members of the Board of Directors shall be for a period of five years from the date of declaration of result.

38. CHAIRMAN AND VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

- i) There shall be a Chairman and a Vice-Chairman elected by the Board of Directors from among themselves. The Chairman and in his absence, the Vice-Chairman shall preside over the Meeting of the General Body and the Board of Directors.

The terms of office of the Chairman and Vice-Chairman shall be co-terminus with the term of the elected Members of the Board unless the Chairman or Vice-Chairman ceases to be a Director earlier. In case of any vacancy within this period, the Board shall fill up the vacancy through re-election for the remaining term of the Board.
- ii) The Chairman of the meeting shall have a casting vote, except in case of the election of the Chairman and/or of the Vice-Chairman of the Board of Directors if there is equality of votes in the election of the Chairman and/or the Vice-Chairman of the Board of Directors the decision will be taken by drawing a lot/lots.

39. PROHIBITION TO HOLD OFFICE OF CHAIRMAN OR VICE-CHAIRMAN IN CERTAIN CASES

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



40. FILLING OF VACANCIES IN THE BOARD OF DIRECTORS

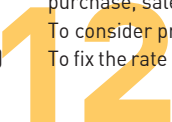
If any vacancy arises in the Board of Directors, it shall be filled by election by the members in the General Body for the remaining un-expired term of the Board. However, if the term of the office of the Board is less than half of its original term, then the Board may fill the casual vacancy by nomination out of the same class of members in respect of which the casual vacancy has arisen.

41. MEETING OF THE BOARD OF DIRECTORS

- i) The Board shall meet at least once a month for the transaction of business at a time and place to be fixed. The proceedings of the meetings of the Board shall be recorded in the minute book to be kept for the purpose.
- ii) The meetings of the Board of Directors shall normally be held at the registered office of the Bank. In the 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 and/or by way of circulation.
- iii) The meetings of the Board of Directors shall be presided over by the Chairman or in his absence by the Vice-Chairman and in the absence of both Chairman & Vice-Chairman, the Directors present in the Meeting shall elect a Chairman for the Meeting from among themselves.
- iv) 5 days notice shall ordinarily be necessary for the meeting of the Board of Directors.
- v) The quorum for the meeting of the Board of Directors shall be 6 elected directors.
- vi) All communication in respect of the Board / Committee meetings and administration shall be via electronic means i.e video / tele-conferencing, e-mails, etc
- vii) The Directors of the Bank will be permitted to attend Board / Committee meetings by electronic means i.e video / tele-conferencing.

42. POWERS AND FUNCTIONS OF THE BOARD OF DIRECTORS

- i) To consider application for membership, allotment of shares, refund of share amount transfer of shares and acceptance of the resignation.
- ii) To raise with or without security, loans, overdrafts and cash credits within the maximum limit of borrowing and to approve the terms and conditions of such borrowings.
- iii) To approve the annual balance sheet, statement of profit and loss account and other statements for being placed before the members at the Annual General Meeting.
- iv) To consider application for loans and advances and discounting of bills and to determine the terms and conditions thereof.
- v) 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.
- vi) To consider cases of arrears and defaults of loans, overdrafts, advances and cash credits due from constituents and approve the actions to be taken for recovery of the same.
- vii) To consider the proposal to modify, alter, delete and to add to the terms and conditions governing the outstanding loans, overdrafts, cash credits and advances due from constituents.
- viii) To approve investment of funds in Government and other Trustee securities, deposits and other approved securities.
- ix) To approve purchase, sale and/or pledge of Government and Trustee securities and other approved securities on behalf of the Bank and to delegate jointly to any two from amongst Chairman, Vice-Chairman and Chief Executive of the Bank or jointly to any one from amongst Chairman, Vice-Chairman and Chief Executive and a Manager/Officer of the Bank, powers for the purpose of purchase, sale and/or pledge, as the case may be, of such securities.
- x) To consider proposals for opening branches.
- xi) To fix the rate of interest on loans and deposits as per directions of the Reserve Bank of India issued



from time to time.

- xii) To refer any matter or dispute by or against the Bank to the Central Registrar or any other authority duly appointed for this purpose, as the case may be.
- xiii) To institute, defend, conduct, compromise, abandon or withdraw any legal proceedings by or against the Bank or the Board of its Officers or employees.
- xiv) To approve appointment of brokers, agent, experts, consultant, advocate(s) and enquiry officers and any other personnel or agency or a firm and to fix their remuneration.
- xv) To consider proposals for creating posts of officers and junior and other staff on the Bank's establishment and to frame Rules prescribing the procedure for filling the vacancies either by direct recruitment or by promotion from the existing members of staff and fix their qualifications, scales of pay and allowances and regarding disciplinary action against erring employees etc.
- xvi) To appoint a Chief Executive for efficient conduct of the Bank's business and to fix his remuneration.
- xvii) To consider payment of compensation, advance rent or long term advance with or without security for the purpose of securing premises for the Bank's offices on ownership, lease or tenancy basis.
- xviii) To prepare annual budget estimates and sanction the expenditure for proper and efficient working of the Bank.
- xix) To interpret the organisational objectives and set-up specific goals to be achieved towards these objectives.
- xx) To make periodic appraisal of objectives.
- xxi) To appoint, suspend or remove the Chief Executive and such other employee of the Bank as may be prescribed.
- xxii) To make provisions for regulating the appointment of the Bank and the scales of pay, allowances and other conditions of service, including disciplinary action against such employees.
- xxiii) To place the annual report, annual financial statements, annual plan and budget for the approval of the General Body.
- xxiv) To consider audit and compliance report and place the same before the General Body.
- xxv) To acquire or dispose of immovable property.
- xxvi) To review the membership in other Co-operatives.
- xxvii) To approve annual and supplementary budget.
- xxviii) To recommend to the General Body distribution of profits.
- xxix) To raise funds.
- xxx) To sanction loans to the members.
- xxxi) To approve the panel of auditors for placing in the General Body.
- xxxii) To frame regulations for the election of delegates to the General Body, Members to the Board of Directors and for the conduct of Meetings of the General Body and the Board of Directors as per the provisions of the Act.
- xxxiii) To take such other measures or to do such other acts as may be prescribed or required under this Act or the Bye-Laws or as may be delegated by the General Body.
- xxxiv) The Board of Directors shall constitute an Executive Committee and other Committees as may be considered necessary, provided that other Committees or Sub-Committees other than the Executive Committees shall not exceed three.
- xxxv) To delegate the powers to the Chief Executive Officer or any other Officer of the Bank in respect of sanction of loans and advances upto prescribed limits and to authorise any of them to represent the Bank in legal proceedings.
- xxxvi) To arrange for election of Directors of the Board.
- xxxvii) To open Bank accounts with any Bank or financial institution and to authorise officers of the Bank to deal with the same.

- xxxviii) To secure membership of or affiliation to appropriate institutions.
- xxxix) To establish and support the Provident Fund Scheme for the benefit of the staff.
- xxxx) To nominate representatives of the Bank of the various committees, General Body Meetings whenever necessary and for attending conferences, seminars etc.
- xxxxi) To make, alter, rescind or abrogate the Rules from time to time regarding the following:
 - a) Deposits of all types.
 - b) Loans, advances and other banking business.
 - c) Travelling allowances to Directors and salaried staff.
 - d) Provident Fund, Bonus and Gratuity.
 - e) Recruitment of the staff.
 - f) Service conditions of the staff.
- xxxiii) To undertake all activities and business in furtherance of the aims and objects of the Bank.
- xxxiii) The Board may delegate any of their powers mentioned in the Bye-Law to an Executive Committee consisting of not more than six members of the Board including the Managing Director. Four Members shall form the quorum of the meetings of the Executive Committee.

43. REMOVAL OF ELECTED MEMBERS 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 a resolution of the General Body passed at its meeting by a majority of not less than two-third of the quorum required for the General Body 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.

44. DISQUALIFICATION FOR BEING A MEMBER OF THE BOARD

1. A member of the Bank shall be ineligible for being elected as, or for being a 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 under the Bank.

Provided that the Chief Executive 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 such Bank to represent them on the board of such 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 of which he is member.
 - g) 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 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 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 exceed six months, within the date so extended, or
 - ii) when such loan or debt or the price of goods taken on credit is to be paid in instalments, in payment of any instalment 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, for

re-election as a member of the board of the Bank of which he was a member or for the election to the board of any other Multi-State Co-operative Society.

- 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 Society which is a member of the former Society. Explanation-For the purpose 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 30.
 - m) absents himself from three consecutive Board Meetings and such absence has not been condoned 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 Board of the Bank for a period of five years if, the Board fails:
- a) to conduct election of the Board under Section 45 of the Act, or
 - b) to call the General Body Meeting under Section 39 of the Act, or
 - c) to prepare the financial statement and present the same in the Annual General Meeting.

45. MINUTES

The Minutes of the meetings of the Board of Directors, Executive Committees and the Sub-Committees shall be recorded in the Minutes Books, the pages of which shall be duly numbered. The Minutes shall be signed by the Chairman of the Meetings and the Chief Executive Officer of the Bank.

46. POWERS AND FUNCTIONS OF CHAIRMAN

The Chairman shall have the following powers and functions:

- i) He shall preside over the meeting of the General Body, Board of Directors and Executive Committee.
- ii) The Chairman shall sign the proceedings of all the meetings presided over by him.
- iii) In the event of equality of votes on a resolution, the Chairman shall have an additional casting vote in the meeting.
- iv) To convene the meeting of the Board of Directors, Executive Committee and other committees of which he is the Chairman.
- v) The Chairman may delegate any of his powers and functions to the Vice-Chairman.
- vi) The Chairman may take decisions as of an urgent and emergent nature affecting the policy of the Bank on behalf of the Board of Directors, Executive Committee or any other committees. The matter will be placed before the next meeting of the concerned committee for ratification.

47. CHIEF EXECUTIVE

The Chief Executive of the Bank is called Managing Director and he shall be appointed by the Board of Directors. He is a full time employee of the Bank. He shall aid and assist the Board of Directors in the functions. He shall be ex-officio member on the Board of Directors.

48. POWERS & FUNCTIONS OF MANAGING DIRECTOR

Subject to overall control and general supervision of the Board of Directors, the Managing Director shall have the following powers, functions and responsibilities.

- i) To assist the Board of Directors in the formulation of policies, objectives and planning.

- ii) To implement the policies and plans duly approved by the General Body or the Board and furnish to the Board of Directors periodical information necessary for appraising the activities and progress of achievement towards implementations of the policies and programmes.
- iii) To summon meetings of various committees including the General Body under the instructions of the Chairman.
- iv) To maintain proper records of the Bank.
- v) To manage the funds of the Bank, cause proper accounts to be maintained and audited.
- vi) To attend to all correspondence of the Bank.
- vii) To be responsible for collection and safety of the funds.
- viii) To execute the policies/programmes and business of the Bank and take such action as is necessary to give effect to the resolutions of the General Body, Board of Directors or any other committee constituted under Bye-laws.
- ix) To sign all deposit receipts of the Bank with Banks in accordance with the resolution of the executive committee.
- x) To endorse and transfer promissory notes and other securities and to endorse, sign, encash cheques and negotiate instruments on behalf of the Bank.
- xi) To be the office of the Bank to sue or to be sued on behalf of the Bank and sign all books and arrangements in favour of the Bank.
- xii) To appoint such personnel in the Bank as may be approved by the Board of Directors.
- xiii) To determine powers, functions and responsibilities of the employees of the Bank of all categories.
- xiv) To maintain a list of members correct and up-to-date.
- xv) To exercise administrative control in respect of all officers and staff, including granting of leave, granting of annual increments and other matters relating to the service conditions of the employees.
- xvi) To delegate powers to other officers of the Bank.
- xvii) To sanction contingent expenditure in so far as the amount involved is within the delegated powers as may be decided by the Board.
- xviii) To sign on behalf of the Bank and conduct its correspondence.
- xix) To present the draft annual report and financial statements for the approval of the Board.
- xx) To record proceedings of meeting and have duly signed.
- xxi) Day to day management of the business of the Bank.
- xxii) To operate the accounts of the Bank.
- xxiii) To perform all duties entrusted to him and to exercise such other powers as may be delegated to him by the Board of Directors, Executive Committee and Chairman from time to time.

48A. BOARD OF MANAGEMENT

The Board of Management (BOM) shall exercise oversight over the Banking related functions of the Bank, assist the Board of Directors (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 BOM (excluding CEO) shall have a minimum of five members. The maximum number of members in BOM shall not exceed nine. The CEO would be a non-voting member.

The Chairman of the BOM may be elected by the members of the BOM from amongst themselves or appointed by the BOD. The quorum for the meeting shall be two- third of the total members of the BOM.

Members of BOM shall consist of persons having special knowledge or practical experience in respect of one or more of the following matters, namely, Accountancy, Agriculture & Rural economy, Banking, Co-operation, Economics, Finance, Law, SS Industry, IT, any other subject in opinion of the Reserve Bank to be useful to the UCB.

Members of the BOM may be drawn from the members of the BOD. However, not more than 50 percent of the BOM members shall be from BOD. Under all circumstances, BOM shall have atleast two members

from outside BOD.

The tenure of BOM shall be co-terminus with the tenure of BOD.

49. LOANS AND ADVANCES

Loans, cash credits and/or overdrafts on current accounts may be granted to members on security or securities mentioned below or other security or securities approved by the Board of Directors or without security.

- i) Personal security and/or surety/sureties of other member/ members.
- ii) Collateral security of moveable and immovable property.
- iii) Industrial, mercantile, agricultural and other marketable commodities or machinery under pledge, hypothecation or charge of the Bank.
- iv) Pledge of Government, Trustee Securities, shares of approved companies, debenture and fixed deposits.
- v) Insurance policies assigned to the Bank within the surrender value.
- vi) Warehouse receipts.
- vii) Gold and Silver ornaments.
- viii) Any other tangible security.
- ix) Loans and advances may be granted to non members against the security of their term deposits with the Bank.
- x) The Board may frame detailed loan regulations prescribing proportion of unsecured loans to total loans and advances, proper terms and conditions and the nature of securities acceptable for loans and advances for different purposes.
- xi) Short-term loans will be for periods upto 15 months, medium-term loans for 15 months to 5 years and long-term loans over 5 years.
- xii) The Bank shall in the event of default being committed by the borrowing member be entitled to charge penal interest at 2% p.a. or such other rate if any, prescribed by Reserve Bank of India.

50. LINKING OF SHARE HOLDING WITH LOAN LIMITS

- a) The Bank shall follow guidelines issued by the Reserve Bank of India from time to time, in respect of linking of Share Holding.
- b) No member shall hold shares more than 5% of the paid up share capital of the Bank. Provided that the Board may stipulate the maximum limit of shareholding within the above ceiling for linkage of shareholding to borrowing in accordance with the directions given by the Reserve Bank of India and / or the Central Registrar of Co-operative Societies from time to time.

51. DEPOSITS

- i) Deposits may be received at any times within the limits determined under the Multi-State Co-operative Societies Act, 2002 and Rules, at such rates of interest and subject to such Rules and Regulations as may be fixed by the Board of Directors and also subject to the directives issued by the Reserve Bank of India in this behalf from time to time.
- ii) Deposits may be received as current, savings, fixed, recurring, cumulative and under any other special scheme/s.
- 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.

52. DISTRIBUTION OF PROFITS

- a) Subject to the provisions of the Act and Rules framed thereunder, the net profits of a Multi-State Co-operative Bank shall be distributed by the General Body as follows:
 - i) transfer at least 25% of net profit to the reserve fund.
 - ii) credit one percent of its net profit to the Co-operative education fund maintained by the National

Co-operative Union of India.

- iii) An amount of at least 10% of the net profit shall be transferred to the reserve fund for meeting unforeseen losses.
- b) The balance of the net profit may be utilised for all or any of the following purposes.
 - i) Payment of dividend to members on their paid up capital at the rate not exceeding 15%.
 - ii) Contribution to the education fund at the rate of 5% or more and not exceeding 10%. The fund may be utilised for the education and training of members, directors and employees as approved by the Board of Directors.
 - iii) Donation for the development of the Co-operative movement or charitable purpose as defined in Section 2 of the Charitable Endowment Act, 1890 not exceeding 1%.
 - iv) Payment of ex-gratia amount to employees as approved by the Board of Directors.
 - v) The remaining net profit if any shall be added to the reserve fund.

53. RESERVE FUND

- i) In addition to the sum prescribed under the Multi-State Co-operative Societies Act, Rules and Bye-laws, all admission fees, entrance fees, nominal membership fees, amount of forfeited shares, forfeited dividends and donations shall be carried 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 Central Co-operative Bank or the Maharashtra State Co-operative Bank.
- iii) Any loss occurring as the net result of the year's working may with the previous sanction of the General Body, be made good from the "Reserve Fund For Meeting Unforeseen Losses" or from the profits of the next ensuing year or years.

54. 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) In the case of Joint holdings of shares, the dividend declared shall be paid to the person whose name stands first in the books of the Bank on the last day of the Co-operative year to which the dividend relates.
- iii) 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.
- iv) Dividend shall be credited / transferred to Savings/ Current account of the Member with any Bank.
- 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) Unpaid dividend shall be payable on application provided the same has not been forfeited.

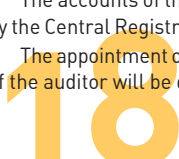
55. ACCOUNTS AND RECORDS

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 any of the registers during office hours in so far as they relate to his own business transaction.

56. AUDIT

The accounts of the Bank shall be audited 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 at least once in each year.

The appointment of the auditor will be done with approval of the Reserve Bank of India. The remuneration of the auditor will be decided by the Board.



57. SEAL

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

58. AMENDMENT TO BYE-LAWS

The amendments of these Bye-laws shall only be passed by a resolution of the meeting of the General Body in which a quorum is present by a vote of not less than two thirds of the members present thereat and not less than 15 clear day's notice for considering of such amendments has been previously given.

59. 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.

60. PROVIDENT FUND

The Bank shall maintain a contributory Provident Fund for the benefit of its employees in accordance with the provisions of Employees Provident Fund & Miscellaneous Provision Act, 1952.

61. SETTLEMENT OF DISPUTES

All the disputes between the Bank and its members shall be referred to Arbitration in accordance with the provisions of the Multi-State Co-operative Societies Act and Rules.

62. INVESTMENT OF FUNDS

The Bank may invest or deposit its funds in:

- i) In any of the securities specified in Section 20 of the Indian Trusts Act, 1882 (2 of 1882) or
- ii) In the shares or securities of any other multi state co-operative society or any co-operative society; or
- iii) In the shares, securities or assets of a subsidiary institution; or
- iv) With any other Bank or
- v) In such other mode as may be permitted by R.B.I. and or as provided in the bye-laws.

63. MISCELLANEOUS

- i) The Bank may be a subscribing member of the following:
 - a) The State Federation of Urban Co-op. Banks.
 - b) National Federation for Co-operative Banks and Credit Societies Limited, New Delhi.
 - c) The Maharashtra Rajya Sahakari Sangh /the District Co-op. Board. Any other institutions the Board of Directors may deem necessary.
 - d) The Regional/District Federation or Association of Urban Co-operative Banks.
 - e) National Co-operative Union of India Limited, New Delhi.
- ii) No act of the General Body or the Board of Directors shall be deemed invalid by reason of any defect in the election of a Member thereof or by reason of any vacancy therein not having been filled in Service Rules.
- iii) The Bank will strictly follow the guidelines of the Reserve Bank of India in all its business dealings.
- iv) If any matter is not provided in these Bye-Laws it shall be decided as per the provisions of the Multi State Co-operative Societies Act and Rules.
- v) The filing of returns to the Central Registrar shall be as per provisions of Section 120 of the Act. The Bank shall also file the returns in the Electronic Form.



Registered Office:

New India Bhavan,
Anant V. Nagvekar Road,
Prabhadevi, Mumbai-400 025.

☎ 022-6626 4000

www.newindiabank.in

Customer Care ☎ (022) 6658 6658