MODEL BYE-LAWS OF
JANATA SAHAKARI BANK LTD., AJARA
DIST. KOLHAPUR

1. NAME :

The Name of the Bank shall be Janata Sahakari Bank Ltd., Ajara, Dist. Kolhapur and is a society registered under MCS Act. 1960 vide registration No. KPR/BNK/302 dated 5/4/1963 and the bank has been granted license by R.B.I. to carry on banking business vide license No. UBD/MH/451 P dated 1/3/1986.

2. REGISTERED OFFICE :

i) The Principal place and the Registered Office of the Bank shall be situated at Main Road, Ajara, Dist. Kolhapur.

ii) Any change in the address shall be published in local newspaper and shall be made by an amendment to its Bye-laws after following the procedures laid down in the MCS Act. 1960 with prior approval from R.B.I.

3. AREA OF OPERATION :

The area of operation of the Bank shall be confined to the Kolhapur, Sangali, Sindhudurg, Satara, Pune, Mumbai/ Suburbs & Thane districts from Maharashtra State. For any revision in this regard, the prior approval in TE writing of the Reserve Bank of India and also the Registering authority shall be necessary.

4. DEFINITIONS :

i) "Act" means the Maharashtra Co-operative Societies (MCS) Act. 1960 as amended from time to time.

ii) "Rules" means the Maharashtra Co-operative Societies (MCS) Rules, 1961 made under the Maharashtra Co-operative Societies appointed under the provisions of the Maharashtra Co-operative Societies (MCS) Act, 1960 and as amended from time to time.

iii) "Registrar" means the Registrar of Co-operative Societies appointed under the provisions of the Maharashtra Co-operative Societies (MCS) Act, 1960.

iv) "Bye-laws" means the Bye-laws of the Bank for the time being in force which have been duly registered or deemed to have been registered under the Act in force and includes amendments thereto which have been duly registered or deemed to have been registered under the Act.

v) "General Body" means all the Ordinary members (Active members and Non active members).

vi) "Board" means the Board of Directors of the Bank

vii) "General Meeting" means meeting of the General Body of the Bank and includes the Special General Meeting.

viii) "Chief Executive Officer" means the highest executive authority in the bank as may be described by any other name such as General Manager, Managing Director etc.

ix) "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. Hindu undivided family formed under Hindu Law, 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, and 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

x) "Officer" means a Chairman, Vice-Chairman, Chief Executive Officer Members of the Board, Liquidator, an Administrator appointed under Act and includes any other person empowered under Maharashtra Co-operative Societies (MCS) Act, 1960 or the Rules or the Bye-laws to give direction in regard to business of the Bank.

xi) "Ordinary Member" means a person joining in the application for the registration of a Co-operative Bank and includes a person admitted to ordinary membership after such registration in accordance with the provisions of this Act, the Rules and the Bye-laws.

xii) "Nominal" member means a person who has been admitted as a nominal member under the Bye-laws of the Bank.

xiii) "Active Member" means one who participates in the affairs of the bank and utilizes the minimum level of services or products of that bank as may be prescribed in the Bye-laws of the Bank.

xiv) "Associate Member" means a member, who holds a share in the bank jointly with the other, but whose name does not stand first in the Share Certificate of the Bank.

xv) "Co-operative Society" means a Co-operative society registered or deemed to be registered under the MCS Act.

xvi) "Federal Co-operative" means a federation / association of Co-operative societies registered under the Act and whose membership is available only to a Co-operative society which undertakes Banking business.

xvii)"Co-operative Bank" means a co-operative society which undertakes Banking business and registered / deemed to be registered under Maharashtra Co-operative Societies Act. And / or licensed or deemed to be licensed under the Banking Regulation Act, 1949 (AACS).

xviii)"Reserve Bank" means the Reserve bank of India constituted under the RBI Act, 1934 (2 of 1934).

xix) "Deposit Insurance Corporation" means the Deposit Insurance and Credit Guarantee Corporation established under Sec. 3 of the Deposit Insurance Corporation Act. 1961.

xx) "Defaulter" means a member who commits a default u/s 73CA of Maharashtra Co-operative Societies Act 1960. bank and utilizes the minimum level of services or products of that bank as may be prescribed in the Bye-laws of the Bank

xx) "Defaulter" means a member who commits a default u/s 73CA of Maharashtra Co-operative Societies Act 1960.

xxi) "Willful Defaulter" means a member who commits default as per the directives and guidelines issued by the Reserve Bank of India from time to time.

xxii)"Co-operative Year" means the period from 1st of April to 31st March.

xxiii)"Area of Operation" means the area from which the persons can be admitted as members of the Bank.

xxiv)"Co-operative Principles" means the Co-operative principles.

xxv) "State Government" means the 'Government of Maharashtra'.

xxvi) "Employee" means an individual who is engaged in the employment of the Bank under contractual relationship with the Bank as an employer.

xxxvii) "Notification" means a notification published in the official gazette of the Government.

xxxviii)"BANK" means Janata Sahakari Bank Ltd., Ajara, Dist. Kolhapur.\

xxix) B.R. Act means Banking Regulation Act 1949, as applicable to Co operative Societies.

xxx) Functional directors means and includes a Managing Director or a Chief Executive Officer by whatever designation called or any of the head of the Department of the concerned society, nominated by the Board of Directors.

5. OBJECTS :

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

i) To encourage thrift, self help and mutual co-operation amongst the members.

ii) To accept deposits of money from the public, repayable on demand or otherwise and with draw able 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 fund based or non fund based facility either with or without security to members and others as permitted by the Registrar/ Reserve Bank of India.

v) To draw make, accept, co accept, discount, buy, sell, collect and deal in bills ofexchange, hundies, promissory notes, coupons, drafts, bills of lading railway receipts, warrants, certificates, scrip's and other instruments and other securities whether transferable or negotiable or not.

vi) To grant and to issue letter of credit, travelers cheques and circular notes.

vii) To buy and sell Gold, Silver, Bullion and other species and foreign exchange including foreign Bank notes and to undertake foreign exchange business with the permission of Reserve Bank of India.

viii) To acquire, to hold, to issue on commission, to underwrite and to deal in stocks, funds, shares, debentures, debenture stock, bonds, obligations, securities and investment of all kinds.

ix) To purchase and to sell Bonds, Shares, Debentures, Scrip's or other forms of securities on behalf to constituents.

x) To receive all kinds of bonds, scrip's, 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, debenture stocks or other loans of any State, Municipal Corporation, company, corporation or association and to lend money for the purpose of any such issue.

xvi) To acquire, to sell, to construct, to maintain and to alter any Building of the Bank or work necessary or convenient for the purpose of the Bank and also to acquire, hold and deal in property or title, right, interest, in with security for any loans and advances.

xxiv) 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 Reserve Bank of India wherever necessary.

xxv) To do any other form of business as specified in clause (1) of section 6 of the Banking Regulation Act. 1949 (as applicable to the Co-operative Societies)

xvii) To manage, to sell and to realize any property which may come into possession of the Bank in full satisfaction or part satisfaction of any of its claims.

xviii) To provided for Co-operative & Banking education & training to its member.

xix) To open branches, extension counters, pay offices, ATM centers, any other office with permission of the Reserve Bank of India wherever necessary within the area of operation of the Bank so as to provide Banking and other services to the public.

xx) 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 Registrar and Reserve Bank of India.

xxi) To establish, to support or to aid in establishment and support of association, institution, funds, trusts of members, employees / ex-employees of the Bank or their dependents or connection of such persons and to grant pension and allowances and making payment towards insurance, subscribing to or guaranteeing money for charitable or benevolent object or exhibitor or for any public, general or useful objects and to undertake and execute trusts, undertake administration or estates as Executor, Trustee or otherwise.

xxii) To prepare and to finance schemes for the betterment of the financial condition of the members.

xxiii) To provide financial and technical assistance to Small Scale and Cottage Industries and to help self-employed persons for setting up their own business.

xxiv) 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 Reserve Bank of India wherever necessary.

xxv) To do any other form of business as specified in clause (1) of section 6 of the Banking Regulation Act. 1949 (as applicable to the Co-operative Societies)

xxvi) To act as agents for collection of monies of various Government, quasi Government and Statutory Bodies.

xxvii) To grant loans to Co-operative Housing Societies for temporary period pending reimbursement from Maharashtra Co-operative Housing Finance Society Ltd, LIC, 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 Reserve Bank of India / the Registrar as applicable.

xxviii) To undertake any other form of business which the State Government may specify as a form of business in which it is lawful for a co-operative Banking institution to engage.

xxix) To provide all financial, technical, legal data based services, computer based and allied services to members, depositors, customers, public institutions, Banks and associate concerns.

xxx) To undertake insurance business as corporate agents/ on referral basis.

xxxi) To promote one or more subsidiary organization 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.

xxxii) To engage in Credit / Debit cards business with the permission of Reserve Bank of India.

xxxiii) To do Merchant Banking and to act as a Depositary Participant for D'mat services, with the permission of Reserve Bank of India.

xxxiv) To merge, takeover, acquire Banks, Co-operative Banks with similar objects with the permission of Reserve Bank of India and the Registrar

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xxxv) To do all such other things as are incidental and conducive to the promotion or advancement of objects and the business of the Bank.

xxxvi) To do any other business as permitted by Reserve Bank of India.

6. FUNDS :

a) Funds may be raised by the following means :

i) Share Capital
ii) Entrance Fees
iii) Subscriptions
iv) Deposits.
v) Loans
vi) Donations, Grants-in-aid, Subsidies and Contributions.
vii) Profit
viii) External Commercial Borrowings (ECB)
ix) Floating Secured / Unsecured Bonds.
x) Refinance / Letter of Credit
xi) Issue of non – convertible debentures or other instruments as permitted by the Reserve Bank of India.
xii) Any other means as may be permitted by Reserve Bank of India, and / or the Registrar from time to time.

b) The funds of the Bank shall be utilized to achieve the objects of the Bank.

7. MAXIMUM BORROWING LIMIT :

The maximum borrowing limit of the Bank during any financial year shall be regulated in accordance with the provision of the Act & Rules or as per the permission from Registrar.

8. SHARES :

The Authorized share capital of the bank is Rs. 25,00,00,000/- (Rupees Twenty Five Crores) divided into 25,00,000 shares of Rs. 100/- each.

9. MEMBERSHIP :

The Bank shall have following categories of members :

a) Ordinary Members.
   i) Active Members
   ii) Non-active Members.
b) Nominal Members.
c) Associate Members.

10. ORDINARY MEMBER :

i) Any person who resides or is engaged in any occupation, profession or business within the area of operation of the Bank and he shall have any type of account with a minimum credit balance of Rs. 500/- and who genuinely needs the services provided by the Bank and the Bank is capable and in a position to fulfill his needs and whose business, occupation does not conflict with that of the Bank may be admitted as an Ordinary member.

ii) No person shall be admitted as an ordinary member of the Bank except the following, namely.
   a) An individual, competent to contract under section 11 of the Indian Contract Act. 1872.
   b) Proprietary concern in proprietor's individual capacity.
   c) Partnership firm duly registered under the Indian Partnership Act. 1932.
   d) Hindu undivided family.
   e) Company or any other body corporate constituted under the law for the time being in force.
   f) Local authority.
   g) Public Trust registered under any law for the time being in force for registration of such trust.

h) Such class or classes of persons or association of persons as may be permitted by the Registrar having regard to the nature and activities of persons or association of persons or a society.

iii) State / Central Government.

iv) No employee of the Bank shall be eligible to become ordinary member of the Bank Existing employee member shall cease to be a member with immediate effect.

v) No Co-operative society shall be eligible to become member of the bank.

11. CONDITIONS FOR AN ORDINARY MEMBERSHIP :

I) An applicant will be enrolled as an ordinary member upon fulfilling the following conditions if he :

a) Has applied in writing in the prescribed format.

b) Has paid admission fee of Rs. 100/- or as may be stipulated by the Board of Directors from time to time and paid at least value of One share of the Bank.

c) has fulfilled all other conditions laid down in the Act, the Rules and the Bye-laws.

ii) The Board of Directors of the Bank approves his application to admit as a member.

iii) No person shall be eligible for admission as a member of the bank if he

a) Has not attained the age of 18 years.

b) Has been adjudged by a competent court to be an insolvent or an undischarged insolvent.

c) Has been sentenced for any offence, other than offence of a political character or an offence not involving moral turpitude and dishonesty and a period of 5 years has not elapsed from the date of expiry of the sentence.

12. RIGHTS AND DUTIES OF MEMBER :

1) A member shall be entitled to exercise such rights as provided in the Act. Rules and byelaws.
Provided that no member shall exercise the rights of member of a society, until he has made such payment to the society in respect of membership, or acquired such interest in the society as may be prescribed by the rules and the bye-laws of the society, from time to time.
Provided further that, in case of increase in minimum contribution of member in share capital to exercise right of membership, the society shall give a due notice of demand to the members and give reasonable period to comply with.

2) It is a duty of every member of a society –
   a) to attend at least one general body meeting in the previous five consecutive years.
   b) to utilize minimum level of services at least once in the previous five consecutive years as prescribed in the byelaws.

Provided that a member who does not attend at least one meeting of the general body as above and does not utilize minimum level of services as prescribed in the bye-laws shall be classified as non-active member to the concerned member within 30 days from the date of close of financial year.

Provided further that, non-active member who does not attend one meeting of the general body and does not utilize minimum level of services as prescribed in the byelaws, in next five years from the date of classification as non-active member Such non-active member shall be liable for expulsion under section 35 of the Act.

Provided also that a member classified as non-active member shall not be entitled to any concessional benefit from the society till the date of his re-classification as active member by the society.

Provided also that if a question of a member being active or non-active arises an appeal shall lie with the Registrar within 60 days from the date of communication as non-active member.

Provided also that, so far as the elections which will be conducted immediately after promulgation of this amendment Act, all the existing members of a society shall be eligible for voting unless otherwise they are not declared as ineligible to vote.

13. APPLICATION OF MEMBERSHIP AND IT'S DISPOSAL :

a) The application for ordinary membership of the Bank shall be submitted by the applicant to the Chief Executive of the Bank in the prescribed form, accompanied by admission fee of Rs. 100/- An applicant shall also subscribe to at least One share of Rs. 1000/- fully paid, at the time of application.

b) The application for membership of the Bank found complete in all respects shall be disposed of within a period of 90 days from the date of receipt of the application by the Bank and the same shall be communicated to the applicant within 60 days of the decision.

14. ACTIVE MEMBER :

"Active Member" means a person who has been admitted as an 'Ordinary Member' under the Bye-laws of the Bank and who complies following conditions

i) To attend at least one general body meeting in the previous five consecutive years.

ii) To utilize minimum level of services as provided in bye-laws no 15 as following.

15. MINIMUM LEVEL OF SERVICES FOR BECOMING ACTIVE MEMBER :

The minimum level of services to become active member are prescribed bellow **depending upon size of the Bank**

Sr. No.	Size of Bank (Deposit in Cr.)	Minimum share Capital holding	And Minimum Deposits required	Or loan
1.	Rs.100.00 Cr. toRs. 500.00 Cr.	1000	3000	50000

Proviso – I

Provided that a "Depositor" means a ordinary member, who has been holding aggregate deposits (in all types of accounts) not less than the amount prescribed above in the Bank in his name or in the name of the firm / company/ society / trust, to whom he is representing as a proprietor / Director / Office bearer / Trustee.

Proviso – II

Provided that a "Borrower" means an ordinary member, who is enjoying any type of sanctioned and availed credit facility of the Bank.

16. RIGHTS OF ACTIVE MEMBER :

I) Right to vote in the general election to the Board of the bank, however no member shall be permitted to vote by proxy.

Provided that, any institution, company, partnership firm, a registered trust may appoint its representative to vote on its behalf in the general election to the Board of the Bank.

ii) An active member can exercise all other rights of an ordinary member as mentioned in this Bye-laws.

17. VOTING RIGHTS FOR GENERAL ELECTION OF THE BANK :

i) Only active member shall have one vote irrespective of the number of shares held.

ii) Individual active member 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

election to exercise the right of vote.

iii) Active member shall not be eligible to vote who has become defaulter as provided in Explanation to Clause (i) of sub Section (1) of section 73 CA.

18. ASSOCIATE MEMBERSHIPS – RIGHTS & LIABILITIES :

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

ii) On death of associate holder the surviving person / persons shall be recognized as shareholder / joint shareholders.

iii) The associate 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 notice of the General Meeting and the divided as declared.

v) Where an active member hold a share of the bank jointly with 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.

19. NOMINAL MEMBER :

I) Any person who resides or operates his business/profession within the area of operation of the bank and who genuinely need the services provided by the bank and whose interest does not conflict with the interest of the bank and who is co parsener 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 or who avails locker facility or any other services provided by the bank or who acts in the capacity of valuator, appraiser, advisor or in the interest of promotion of the business of the bank may be enrolled as nominal member upon his application in the prescribed form and on payment of nonrefundable entrance fee as specified by the Board of Directors from time to time presently Rs. 100/-(or as may be decided by Board from time to time which shall not exceed Rs. 1000/-) 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.

ii) An employee of the Bank may be admitted as a nominal member and he will be entitled to various loan facilities and other schemes on merit sanctioned by the Board from time to time exclusively for employees.

iii) Nominal member shall not be entitled
   a) 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 and
   e) To contest and vote in the election to the Board.

20. LIABILITY OF A MEMBER :

The liability of a member shall be limited to the capital represented by the share or shares of which such member is the registered holder. 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 to the bank for a period of two years.

21. IDENTIFICATION OF MEMBER (Applicability Of KYC Norms Of RBI To Members) :

For all transactions with the bank, identification of member is necessary.

For Identification, the individual member shall comply with the Know Your Customer (K.Y.C.) guidelines issued by the Reserve Bank of India from time to time. The existing members shall also comply with such K.Y.C. norms. Identification of the member of the 'Bank' shall be done by an officer of the Bank or competent authority through the official idently Cardwhich 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 there for, collection annual dividends and / or occasional gifts, execution of agreements as borrower or guarantor, voting at an election of directors of the 'Bank' and for such other purpose which Bank may notify from time to time the member may be asked to produce his Identify Card.

For the election purpose the voter shall produce any photo identification as prescribed by the election commission of India from time to time.

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 any person's nominated by the 'Bank' for this purpose.

22. WITHDRAWAL AND RESIGNATION OF A MEMBER :

I) A member may withdraw or resign his membership after one year and giving at least one month notice in writing and withdraw his share capital with the approval of the board. The approval shall not be given while such a member is indebted to the Bank either as a borrower or surety. During any co-operative year, the aggregate withdrawals shall not exceed 10% of the total Paid-Up Capital as at 31st March of the preceding year. The money refunded shall be as per the valuation of share or face value of the share whichever is less as on last preceding financial year.

ii) A member who withdraws his membership shall not be allowed to become a member again for a period of one year from the date of withdrawal of membership.

23. EXPULSION OF A MEMBER :

i) Expulsion of a member from the Bank shall be in accordance with the provisions of the Act and the Rules, by Resolution passed by a majority of not less than three-fourth of the members present and voting at a general/special meeting of members held for the purpose. Bank shall expel a member for the acts which are detrimental to the proper working of the Bank.

ii) On approval from Registrar for expulsion the person will cease to be a member. Provided that the member concerned shall not be expelled unless he has been given a reasonable opportunity of making representation in the matter as per Act and Rules.

iii) No member of the Bank, who has been expelled, shall be eligible for readmission as a member of the Bank for a period of one year from the date of such expulsion.

24. CESSATION OF MEMBERSHIP :

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 disqualified from continuing as a member.
c) On transfer of all the shares to another member, (this will applicable only to those banks having positive net-worth)
d) On resignation or withdrawal of membership having been accepted.
e) On expulsion from the Bank in accordance with the provisions of the Act and the Rules, Such expulsion may involve forfeiture of shares.
f) On disqualification as per the provisions of the MCS Act. Rules & bye-laws.
g) On exercise of right of lien by the bank.

25. SHARE CERTIFICATE :

I) Every person admitted as an ordinary member shall be entitled to receive a share certificate gratis stating the number of shares and their distinctive numbers. The share certificate shall be signed by the Chairman or any Director duly authorized and the Chief Executive. The share certificate shall bear the Bank's seal.

ii) If any certificate be worn out, defaced, destroyed or lost, a new share certificates may be issued in lieu thereof on payment of fee per share certificate as prescribed by the Board. It shall however be necessary produce evidence to the satisfaction of the Board that the share certificates were worn out, defaced, destroyed or lost, or in absence of such evidence on such indemnity as the Board may deem sufficient.

26. 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 benominated 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 as decided by the Board from time to time for every subsequent nomination.

27. DEATH OF A MEMBER :

On death of a member the Bank may pay to the person or persons nominated a sum representing the value of the member's interest in the society within 12 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 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 and on any other conditions as laid down by the Board.

28. LIABILITIES OF PAST MEMBERS AND ESTATE OF A DECEASED MEMBER :

i) The liability of a past member or of the estate of a deceased member of the Bank for the debts due to the Bank as it existed.

a) In the case of a past member on the date on which he ceased to be a member.

b) In the case of a deceased member, on the date of his death. Shall continue for a period of 2 years from such date.

ii) Where the Bank is ordered to be wound up under the Act, the liability of a past member who ceased to be a member or of the estate of a deceased member who died within 2 years immediately preceding the date of the order of winding up shall continue until the entire liquidation proceedings are completed but such liability shall extend only to the debts of the Bank as they existed on the date of cessation of membership or death as the case may be.

29. LIEN ON SHARES, DIVIDENDS AND DEPOSITS :

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

30. TRANSFER OF SHARES :

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

a) The member is indebted to the Bank either as a borrower or as a surety.
b) It is detrimental to the interest of the Bank.
c) If the transferee does not fulfill conditions prescribed under Bye-laws No. 11
d) If the transferor does not want to transfer all the shares held by him.

31. GENERAL BODY :

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

32. POWERS AND FUNCTIONS OF THE GENERAL BODY :

The Board of the Bank under a resolution shall call the Annual General Meeting within a period of six months after the close of financial year to transact following business –

a) To read & confirm the proceedings of last general body meeting.
b) Consideration & adoption of the annual report.
c) Consideration & adoption of the audited statements of accounts.
d) Consideration & adoption of the audit reports.
e) To consider and adopt rectification report of earlier audit.
f) Appropriation of net profits and as recommended by the board as per Act. Rules and Bye-laws.
g) To take note of the annual budget & development plan.
h) Approval of the long-term perspective plan and the annual operational plan.
i) Expulsion of members, if any.
j) Amendment of Bye-laws, if any.

k) Approval for appointment of Auditors and fixation of remuneration as provided in act.
l) Approval of staffing pattern, as and when necessary.
m) Considering a statement showing the details of the loans and advance to directors and their relatives.
n) Approval, the purchase of land or building or construction of building for Banking purpose.
o) To take note of the efforts taken by the by the bank for the education & training to its member & also prepare a next year plan for the same.

Any other matter to be placed before it with the permission of the Chairperson of the meeting.

33. SPECIAL GENERAL BODY MEETING :

The Chief Executive, may at anytime, on the direction of the Board, call a Special General Body Meeting of the Bank and shall call such meeting within 30 days after the receipt of requisition from the Registrar or on requisition in writing from not less than 250 members or from 1/5 th of the total number of members of the Bank whichever is less to transact the business as stated in notice of the meeting.

34. NOTICE : ANNUAL GENERAL BODY MEETING AND SPECIAL GENERAL MEETING :

a) Annual General Meeting of the Bank may be called by giving not less than 14 days prior notice in writing to all the members of the Bank.
b) Special General Meeting of the Bank may be called by giving not less than 7 days prior notice in writing to all the members of the Bank.
c) The notice of the General Meeting shall be accompanied by unsigned Certificate of the Attendance. This certificate shall be signed by Authorized persons of the bank at time of General Meeting. This shall be the conclusive proof of attendance.

d) The notice of the Annual General Meeting / Special General Meeting shall be displayed on the Notice Board at the Registered Office of the bank and its branches and published in a widely circulated newspaper and notice accompanied by a copy of each of the audited balance-sheet, profit and loss account together with the auditors certificate relating to the preceding year and the report of the Board thereon, notice of election to the Board if any and amendment to Bye-laws, if any.

e) The above said notice of the General Meeting shall be made available to both. Active and Non-active members by the following modes, namely :
   i) By local delivery or
   ii) By ordinary post.

f) Notice of the General Meeting shall state the place, date and time of the meeting. It shall also state the place, date and time of holding of the adjourned meeting should if be necessary to adjourn it in the absence of quorum.

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

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

35. QUORUM OF THE GENERAL BODY MEETING :

i) The quorum for the general meeting shall be one fifth of the total number of members or 300 members whichever 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 at the time fixed for the meeting quorum is not constituted, the meeting shall stand adjourned and would be held after half an hour at which the quorum will not be required.

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 a meeting is adjourned under sub-clause (iii) or (iv) the adjourned meeting shall be held either on the same day or on such date, time and place as may be decided by the Chairman or the member presiding over the meeting but within seven days of the adjourned meeting.

vi) No business shall be transacted at any adjourned meeting other than the business on the agenda of the adjourned meeting.

vii) The adjourned meeting will transact its regular business even without the quorum being present at the meeting.

viii) The Quorum for the Special general meeting shall be one fifth of the total number of member or 300 members whichever is less.

36. 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 and in their absence the members of the Board shall elect one of the members to preside over the General Body Meeting.

37. RESOLUTIONS :

Unless otherwise specifically provided in the Act. Rules and these Bye-laws resolutions shall be carried by a majority of votes.

38. MINUTES OF THE GENERAL BODY MEETING :

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

39. BOARD OF DIRECTORS :

The Executive management of the bank shall vest in the hands of Board of Directors of the bank. The Board shall consist of 15 (fifteen) elected Directors as following excluding Co-opted Directors & Chief Executive Officer :

Constituency	Category	Numbers
Members from HO branch Ajara	General	10
Members from all branches in area of operation.	S.C/S.T	1
Members from all branches in area of operation.	Women	2
Members from all branches in area of operation.	OBC	1
Members from all branches in area of operation.	DTNT/VJNT/SBC	1

Note : All the members eligible for voting shall vote to all above fifteen seats.

ii) Co opted expert Director :
In addition to 15 (fifteen) elected directors, Bank may co-opt Two (2) Directores having experience (at middle / senior management level) in the field of banking, management, finance, law or specialization in any other field relating to objects and activities undertaken by the bank as per the RBI guidelines issued from time to time such as Chartered Accountant / ICWA / CS / CAIIB / MBA (Banking / Finance), Law Graduate or Faculty in banking field having a experience in the middle / senior / top level management for minimum 10 years. 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. The period of Co-opted Directors shall be co-terminus with the Board of Directors.

ii) Chief Executive Officer shall be Ex-Officio member of the Board of Directors

iv) Bank may nominate functional director as per provision of section 73 AAA of the Act. 39(A) Elections of the members of the Board :

vii) The conduct of the elections to the Board of the Bank shall be the responsibility of the existing Board

ii) The election of members of Board shall be held in the manner as may be prescribed by the election schedule annexed with the MSC Act 1960 (AACS)

iii) The elected members of the Board shall be eligible for re-election.

iv) Where the Board fails to conduct election of the members of Board, the State Registrar shall hold the election within a period 180 days from the date when such elections become due.

v) No person shall be eligible to be elected as a member of the Board of the Banks unless he is a member of the General Body of the bank.

vi) Board may keep the director's seat vacant occurred due to his death, resignation, disqualification, removal for any reason. However Board shall fill up such vacant post by election. Provided that such vacant seat shall be filled by Board by nomination out of the same class of members in respect of which the vacancy has arisen, if the term of office of the Board is less than half of its original term. The tenure of such director will be coterminous with the remaining tenure of other members of the Board.

vii) For the election of the Board of Directors if some of the contesting candidates form a panel or panels then all the candidates from such panel will be eligible to get a common symbol for each panel.

39(B) Term of the Board of Directors :

The term of the office of the elected members of the Board of Directors shall be 5 years from the date of election. The elected members of the

Board shall be eligible for re-election. However the elected members shall continue to hold office till their sucessors are elected or nominated under the provisions of the Act/Rules and Bye Laws and assume charge of their office. Elections of Board of Directors shall be held as per the provisions of MSC Act 1960 (AACS) and Rules made there under.

Explanation :

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

b) One seat shall be reserved for the active member belonging to the Other Backward Class.

c) One seat shall be reserved for the active member belonging to the Dnotified Tribes (Vimukta Jatis), Nomadic Types or Special Backward Classes.

NOTE : If no person is elected to any of the above three reserved seats, then such seat or seats shall be filled in by nomination from amongst the persons entitled to contest the election under sub section (3) of section 73 B.

d) Two seats shall be reserved on the Board of Directors for Active Women members. (Section 73 C of the Act.) NOTE : An individual Active Women member of the Bank shall be eligible to contest the election. Where no woman member or women members are elected then such seat or seats shall be filled in by nomination from amongst the women members entitled to contest the election under sub section (2) of section 73 C.

40. ELIGIBILITY OF BOARD OF DIRECTORS :

A Ordinary member shall be eligible to be elected as Director if :

i) He is a member of the bank at least 24 months prior to the date of election.

ii) He is not guarantor to the defaulter borrower of the bank.

iii) He should not be defaulter to any Co-operative Society registered under MSC Act 1960 and Multi State Co-op societies Act 2002.

iv) He held shares of at least Rs. 20,000/- and (lien free) Deposit of at least Rs. 1,00,000/- at least 12 months prior to the date of election.

v) Provided that the elected Directors shall keep the above deposits for the entire tenure of the Board.

vi) The persons contesting from reserve seat under section 73B and 73C shall comply with 50% of the criteria required for general category at least 12 months prior to the date of election.

vii) A member should not be a director of any other co-operative bank, urban co-operative credit society (excluding Primary Agricultural co-operative credit society) registered under State registrar and central registrar.

41. CHAIRMAN AND VICE-CHAIRMAN :

a) The Board of Directors at its first Meeting after the election of the Board shall elect a Chairman and Vice-Chairman from amongst the elected Directors for the period of five years. This period of five years start from the date of election of the society. This meeting shall be presided over by the Returning Officer appointed by the SCEA as provided in the MCS Act. 1960 and Rules there under.

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

c) The Chairman presiding over the meeting shall have a casting vote in case there is equality of votes.

d) The Co-opted expert director shall not have a right to vote in the election of Chairman / Vice-Chairman.

42. POWERS AND FUNCTIONS OF THE CHAIRMAN AND VICE-CHAIRMAN

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

a) He shall preside over the meeting of the General body, Board of Directors and any two sub-committees of the board of Directors only.

b) The Chairman shall sign the proceedings of all the meetings presided over by him.

c) In the event of equality of votes on a resolution the Chairman shall have a casting vote in the meeting.

d) To convene AGM, the meeting of the Board of Directors, Executive Committee and other Committees of which he is the Chairman.

e) The Chairman may delegate any of his powers and function to the Vice-Chairman.

f) 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.

2) In the absence of the Chairman, the Vice-Chairman shall look after the work of the Chairman.

43. MINUTES OF THE MEETING OF BOARD OF DIRECTORS :

Minutes of the proceedings of the Board of Directors shall be entered in a minute book kept for the purpose, of the conclusion of every such meeting concerned and shall be signed by the Chairman and Chief Executive of the Bank before next date of meeting in which the minutes will be confirmed. The minutes so sealed and signed shall be an evidence of the correct proceedings of the meetings.

44. 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 various Acts applicable.

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

a) To admit members and to approve the list of Active and non active members.
b) To interpret the organizational objectives and set up specific goals to be achieved towards these objectives.
c) To formulate and appoint various subcommittees as per the guidelines issued by the Reserve bank of India and Co-operative department from time to time.
d) To make periodic appraisal of operations.
e) To appoint and remove a Chief Executive or other employees of the Bank.
f) To make provisions for regulating the appointment of employees of the Bank and the scales of pay, allowances and other conditions of service, including disciplinary action against such employees.
g) To place the annual report, annual financial statements, annual plan and budget for the approval of the general body.
h) To consider audit and compliance report and place the same before the general body.
i) To review membership in other co-operatives.
j) To review annual and supplementary budget.
k) To raise funds.
l) To sanction loans to the members.
m) To invest Bank's Funds in permissible securities and to determine investment policy from time to time.
n) To consider proposal for opening branches, extension counters, pay offices, ATM centers and any other working offices of the bank.
o) To fix the rates of interest on loans and advances and deposits.
p) To arrange for election of the Board of Directors of the Board.
q) To prepare policies and regulations required to conduct the banking business as per RBI guidelines.

r) To take such other measures or to do such other acts as may be prescribed or required under the Act or these Bye-laws or as may be delegated by the general body.

s) To reconstruct, reschedule of any loans and advances as per the guidelines issued by the Reserve Bank of India and Co-operative department from time to time.

t) To arrange for proper training and education to its members.

45. DISQUALIFICATION FOR BEING A MEMBER OF THE BOARD :

1) No member of the Bank shall be eligible for being elected or for being a member of the Board if such member.

a) has been adjudged by a competent Court to be insolvent or 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 of the Bank as may be notified by State 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) is a director of any other Urban Co-operative Bank or Urban Co-op Credit Society.

f) Has interest in any property in his personal interest or any of his family member is having any interest in the property purchased or acquired on lease/rental basis by the Bank.

g) is a person against whom any amount due under a decree under the Act.

h) is retained or employed as a legal practitioner on behalf or against the Bank.

Explanation – for the purposes of this clause "legal practitioner" has the same meaning as in the (i) of sub-section (1) of the section 2 of the

Advocates Act. 1961 (25 of 1961)

I) has been convicted for any offence under this Act.
j) is disqualified for being a member under the MCS Act. 1960.
k) has been expelled as a member under the MCS Act. 1960.
l) absents himself from three consecutive Board meetings and such absence has not been condoned to by the Board.
m) Absents himself from two consecutive General Body Meetings and such absence has not been condoned by the members in the General Body.
n) If he withdraws the eligible deposits as per Bye-Laws No. 40 any time before the completion of the entire tenure of the board.

46. QUORUM OF BOARD OF DIRECTORS :

Half the number of the total strength of the Board of Directors shall form a quorum. Note : If half number of the total number of Directors is a fraction figure it shall be rounded to the nearest figure on upper side and such rounded figure shall constitute a quorum.

For the purpose of quorum of Board of directors functional directors shall not be counted. Other than the meeting to elect the office bearer in all other meeting the expert directors shall be counted for quorum.

47. VACANCY IN THE BOARD OF DIRECTORS :

If any vacancy arises in the Board, it shall be filled as per section 73AAA (4) of the Act.

48. MEETINGS OF THE BOARD OF DIRECTORS :

The majority shall decide any question brought forward for discussion at the meeting of the Board. In case of equality of votes, the Chairman shall have casting vote.

The proceedings of the meetings of the Board shall be recorded in the minute book to be kept for this purpose.

The Chief Executive shall convene the meeting of the Board at the instance of the Chairman of the Bank.

The Board shall meet at least once in every month.
The meetings of the Board shall normally be held at the Registered Office of the Bank or at any branch of the bank.

The meetings of the Board shall be presided over by the Chairman or in his absence by the Vice-Chairman and in the absence of both Chairman and Vice-Chairman, the Directors present in the meeting shall elect a Chairman for the meeting from amongst themselves.

Seven days prior notice shall ordinarily be necessary for the meeting of the Board.

The chairman of the Board of the director shall be the chairman of the Board and the Executive Committee only.

49. COMMITTEES OF THE BOARD :

The Board shall constitute an Executive Committee and other committees or subcommittees as may be considered necessary. Each committee shall consists of not more than five members.

50. CHIEF EXECUTIVE OFFICER AND POWERS AND FUNCTIONS OF THE CHIEF EXECUTIVE OFFICER :

The Chief Executive Officer of the Bank shall be appointed by the Board as per fit and proper criteria issued by the **RBI** Registrar time to time. He shall be a full time employee of the Bank and he shall aid and assist the Board in their functions.
The Chief Executive under the general superintendence, direction and control of the Board shall exercise the powers and discharge the functions specified below –

a. day-to-day management of the business of the Bank.
b. operating the accounts of the Bank and will be responsible for making arrangements for safe custody of cash.c. signing on the documents for and on behalf of the Bank.
d. 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.
e. convening meetings of the General Body, of the Bank, the Board and the Executive Committee and other committees or sub-committees constituted under the Act and maintaining proper records for such meetings.
f. making appointments to the posts in the Bank as may be approved by the Board of Directors.
g. assisting the Board in the formulation of policies, objectives and planning.
h. furnishing to the Board periodical information necessary for appraising the operations and functions of the Bank, as per calendar of reviews issued by RBI.
i. To give proper suggestion & clear opinion in writing for all the matters placed before the board of directors.
j. appoint the person to sue or be sued on behalf of the Bank.
k. present the draft annual report and financial statements for the approval of Board within thirty days of closure of the financial years.
l. performing such other duties and exercising such other powers as may be specified in the Bye-laws of the Bank or as delegated by the Board of Directors.
m. The Chief Executive can delegate any if its power to any of the official of the Bank with prior permission of the Board of Directors for such delegation.
n. It shall be the duty of the CEO to maintain and record the presently of the members attending General Body neatly and keep that record in his personal custody.

o. It shall be the duty of the CEO to send the list of members who attended the AGM within 1 month to the office of the Registrar. He shall also display the same list on the notice board of all branches and at Registered HO of the bank.

1	50 A	The Bank shall constitute a Board of Management (BOM) to facilitate professional management & focused attention to the banking related activities. The size of BOM, functions of BOM, qualifications of members of BOM & conduct of its meetings shall be as per guidelines issued by RBI vide its circular DOR (PCB).BPD.CIR.No.8/12.05.002/2019-20 dated 31/12/2019 and guidelines which may be issued from time to time by RBI in this regard.
	50 A(i)	Board of Director (BOD) shall appoint/remove/fill up vacancy of members of BOM as per guidelines issued by RBI from time to time. If necessary 50% of BOM shall be appointed from BOD.
	50 A(ii)	The tenure of the BOM shall be co terminus with the tenure of BOD
	50 A(iii)	New Insertion Members of BOM shall be paid allowance / sitting fees, for their services, as may be fixed by the BOD from time to time or as may be prescribed by RBI & / or State Registrar from time to time.

51. DEPOSITS :

a. Deposits may be accepted at any time limits determined under the Act and Rules, on such rates of Interest and subject to such Rules and regulations as may be approved by the Board of Directors and also subject to the directives issued by the Reserve Bank of India in this behalf from time to time.
b. Deposits may be received in current savings, fixed recurring, and cumulative and under any other Special Scheme(s) subject to KYC norms.
c. 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.
d. The Bank shall follow all the instructions, guidelines and directives issued by RBI from time to time in regard to opening and conduct / monitoring of deposit Accounts.

52. LOANS AND ADVANCES :

a. Loans, cash credits and / or overdrafts and discount and purchase of bill may be granted to members on security or securities mentioned below or other security or securities approved by the Board or without security.
Personal security and/or surety/sureties of other member(s) or nominal member (s) Collateral security of movable and immovable property.
Industrial, mercantile, agricultural and other marketable commodities or machinery under pledge hypothecation or charge of the Bank.
Pledge of Government Trustee Securities Shares of approved companies debentures and fixed deposits with the Bank.
Insurance policies assigned to the Bank within the surrender value warehouse receipts.
Gold and Silver Ornaments/bullions.
Any other tangible security e.g. – vehicles.
Any other security as permitted by Reserve Bank of India.

b. Loans and advances may be granted to nominal members as per RBI guidelines.

c. Loans may be granted to nominal members as per RBI guidelines.

d. The board shall frame detailed loan regulations/Policy prescribing the procedure for sanction of loans, margins to be maintained proportion o unsecured loans, proper terms and conditions and the nature of securities acceptable for loans and advances for different purposes in accordance with the guidelines of the Reserve Bank of India, higher financing agency and the Registrar from time to time.

e. The application for Loans/Advances shall be dealt with by the Board/Subcommittees who may grant the same or any portion thereof on such terms and conditions as they think fit or may refuse the same without being under any obligation to assign reason for doing so. The board of directors shall give valid reason while sanctioning the loan proposals / taking favorable decisions for which the chief executive officer has given adverse remarks.

f. All loans and advances shall be governed by guidelines issued by Reserve Bank of India from time to time.

53. MAXIMUM LIMIT FOR NON BANKING EXPENSES :

a. The bank shall not give any donation or advertisement to any concern in which the Director's or his family members are having personal interest.
b. The bank shall not sponsor third party advertisement.
c. For incurring any expenses of social nature, bank shall form a social obligation fund and prepare a separate Rules to distribute the same.
d. The Bank shall restrict its yearly expenses towards donation, social help etc. within the limit of 1% of the last years declared Net profit.

54. DISPOSAL OF NET PROFIT :

The net profit of the Bank shall be calculated and disposed off in accordance with the provisions of the MCS Act. 1960 and Rules framed there under.

1) The General body on the recommendations of the Board may appropriate the net profit as under –

a) To carry not less than 25% of the net profit to the Reserve Fund.

b) To transfer an additional amount not less than 10% of net profit to Reserve Fund for meeting unforeseen losses, subject to availability of Net Profit.

2) Subject to such conditions as may be prescribed the balance of net profit may be utilized for all or any of the following purposes.

a. To transfer for payment of dividend to members at the rate decided by the annual general body as per Act & Rules.

b. To transfer for contribution to the education fund at the rate of 5% or more but not exceeding 10% of the balance of net profit to be utilized for the education and training of directors. Employees and member as may be recommended by the Board of Directors.

c. To transfer to investment fluctuations reserve as per RBI guidelines.

d. To transfer to technological development fund amount not exceeding 10% of the balance of net profit as may be recommended by the Board of directors.

e. Remaining net profit, if any shall be transferred to building fund.

55. LINKING OF SHARE HOLDING WITH LOAN LIMITS :

The shareholding of a member in the Bank shall be in the following proportion to his borrowings.

a. 5% of the borrowings if such borrowings are unsecured basis
b. 2.5% of the borrowings in case of secured borrowings.
c. 2.5% of the borrowings in case of small scale industrial units, of which 1% to be collected initially and the balance 1.5% to be collected in the course of next 2 years.

Provided that no member shall hold more than 5% of the total paid up share capital of the Bank.

Provided further that any change in the percentage of the share linking by the Reserve Bank of India shall be binding on the borrower.

Provided further that if the capital adequacy ratio of the bank is more than 12% then the bank shall change the share linking percentage as per guidelines of Reserve Bank of India in case of secured loans.

56. INVESTMENTS OF FUNDS :

The Bank may invest or deposit its funds.

a. In a State Co-operative Bank or District Central Co-operative Bank having audit class "A" for last Consecutive three years.
b. In any of the securities specified in Section 20 of the Indian Trust Act or
c. In the shares or securities or assets of a subsidiary institution or any other institution or
d. In such other mode as may be prescribed or permitted by RBI Explanation : Bank means any banking company as defined in the Banking Regulation Act. 1949 an includes.

The State Bank of India constituted under the State bank of India Act 1955 and the amendments thereto from time to time.

A subsidiary bank as defined in the State Bank of India (Subsidiary Banks) Act. 1959 and the amendments thereto from time to time.

A nationalized/strong scheduled commercial banks

A corresponding new bank constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act. 1970 or a corresponding new bank constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act. 1980 and the amendments there to from time to time.

Any Multistate scheduled Co-operative Bank and any other strong scheduled co-operative bank having profit for continuous period of last three years along with audit classification with "A" or "B"

57. RESERVE FUND :

a. In addition to the sum prescribed under the Act & Rules and Bye-laws, all admission fees, entrance fees, nominal membership fees, amount of forfeited shares, forfeited dividends and donations shall be carried to the Reserve Fund.
b. The Reserve Fund shall be separately invested as per Act & Rules.
c. Bank may utilize an amount from the Reserve Fund for purchase of any assets with the prior permission of the Registrar and as per provisions of the MCS Act & Rules.

58. DIVIDEND :

a. The dividend declared shall be paid to the person whose name stands as the registered share holder in the books of the Bank on the 31st march of the year to which dividend relates.
b. 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.
c. Dividend shall be payable at par at the Bank's Head Office as well as at the branch offices.
d. 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.

e. The Bank shall distribute the maximum dividend of 15% when the CRAR is at minimum level as prescribed by RBI time to time for the preceding financial year.

59. ACCOUNTS, RECORDS & AUDIT :

a. Accounts & Records shall be maintained in forms prescribed or approved by the registrar & RBI Any member of the bank may inspect any of the registers or records during officer hours in so far as it relates to his own business transactions.

b. The accounts of the Bank shall be audited by an auditor appointed from the panel of auditors approved by the Registrar, at least once in each year and the remuneration of auditors shall be fixed by the Registrar or the Bank as the case may be.

c. The appointment of the auditor and his remuneration shall be approved in the General Body Meeting of the Bank. The qualifications/disqualifications powers, rights and duties of the auditor shall be as prescribed under the Act and RBI guidelines.

60. COMMON SEAL :

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

61. AMENDMENT TO BYE-LAWS :

a. For making any amendments to the Bye-laws of the Bank, 14 days clear notice shall be given to the members of the Bank.

b. None of these Bye-laws shall be amended altered or rescinded or any addition to be made thereto except by a vote of the majority consisting of not less than two third of the members present and voting at a General Meeting.

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

e. The Bank shall distribute the maximum dividend of 15% when the CRAR is at minimum level as prescribed by RBI time to time for the preceding financial year.

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62. EDUCATIONAL COURSE FOR MEMBERS :

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

63. PROVIDENT FUND :

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

64. 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.

65. 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 there under.

66. ASSOCIATION OF EMPLOYEES IN THE MANAGEMENT DECISION MAKING PROCESS :

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

67. MISCELLANEOUS :

1) The Bank shall become member of the Maharashtra State Co-op Bank and District Central Co-operative Bank. The Bank may be a subscribing member of the following.

a. The State Federation of Urban Co-operative Banks.
b. The State Association of Urban Co-operative Banks.
C. The Regional/District Association of Urban Co-operative Banks.
d. The Maharashtra Rajya Sahakari Sangh/the District Co-operative Board.
e. Indian Institute of Banking and Finance.
f. Indian Bank's Association.
g. Notional Co-operative Union of India.
h. National Federation of Urban Co-operative Banks and Credit Societies Ltd.
I. Any other Federation/Associations/Sangh/Board related to the Banking sector.

2) No act of the General Body or the Board shall be deemed invalid by reason of any defect in the election of a member thereof or by reason of any vacancy therein not having been filled in

a. If any doubt arises in the interpretation of the Bye-laws of the Bank the same shall be referred to the Registrar for his advice and his decision shall be final.
b. Execution of Decrees, orders and decisions shall be as per the provisions of Law
c. Appeals and reviews shall be as per the provisions of Law.
d. Offence and penalties shall be as per the provisions of Law.
e. Filing of returns to the Registrar shall be as per the provisions of Law.
f. The matters which have not been provided in the above Bye-laws shall be decided in accordance with the provisions of Act & Rules.

28 OCT 2025

28 OCT 2025

JANATA SAHAKARI BANK LTD. AJARA DIST. KOLHAPUR

Manager Chairman