

BYE LAWS OF NAFSCOB

(with amendments upto 27.10.2005)

Amendments registered under:

- i). Section 11 of The Multi State Cooperative Societies Act, 2002 (39 of 2002) vide Registration Certificate No. L - 11015/3/75 – L&M/Vol. II dated 18th January, 2005.**
- ii). Section 11 of The Multi State Cooperative Societies Act, 2002 (39 of 2002) vide Registration Certificate No. L - 11015/3/75 – L&M dated 27th October, 2005.**



**National Federation of State Cooperative Banks Ltd.
J.K. Chambers, 510-519, Fifth Floor
PlotNo.76, Sector-17, Vashi,
Navi Mumbai-400703
INDIA**

**BYE LAWS
OF
NATIONAL FEDERATION OF STATE COOPERATIVE BANKS LTD
NAVI MUMBAI**

(Amendments up to 27.10.2005)

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**BYE LAWS
OF
NATIONAL FEDERATION OF STATE COOPERATIVE
BANKS LTD
NAVI MUMBAI**

(Amendments up to 27.10.2005)

1. NAME:

- a) **The name of the society shall be ‘National Federation of State Cooperative Banks Ltd.’, (NAFSCOB) and its Registered office as well as principal place of business shall be at J. K. Chambers, 510-519, Fifth floor, Plot No. 76, Sector-17, Vashi, Navi Mumbai – 400 703. Any change in the address shall be notified within 15 days of such change to the Central Registrar of Cooperative Societies.**
- b) **The Name and Address of the Registered Office of NAFSCOB shall be painted in bold letters and affixed outside the office in a prominent place.**
- c) **The NAFSCOB shall have its name engraved on its seal.**
- d) **The NAFSCOB shall have the name and address of its Registered Office on the letterhead, bills, etc.**

2. AREA OF OPERATION:

The area of operation of NAFSCOB shall extend to the whole of the Republic of India.

3. DEFINITIONS:

In these Bye-Laws, unless there is anything repugnant in the subject or context:

- a) The ‘Federation’ means National Federation of State Cooperative Banks Limited (NAFSCOB).
- b) ‘Act’ means the Multi State Cooperative Societies Act, 2002 (No.39 of 2002) as amended from time to time.
- c) ‘Rules’ means the ‘Multi State Cooperative Societies Rules, 2002 made under the Multi State Cooperative Societies Act, 2002 and as amended from time to time.
- d) The ‘Central Registrar’ means the Central Registrar of Cooperative Societies appointed under the provisions of the Multi State Cooperative Societies Act, 2002.
- e) ‘Bye-laws’ means the ‘Bye-laws’ of the Federation for the time being in force, which have been duly registered or deemed to have been registered under the provisions of the Multi State Cooperative Societies Act, 2002 and includes amendments thereto which have been duly registered or deemed to have been registered under the Act.
- f) ‘General Body’ means all the delegates of member State Cooperative Banks and includes a body constituted under the first proviso to Sub-section (1) of Section 38 of the Act.

- g) 'Delegate' means Chairman or President or the Chief Executive or a member of the elected Board of the State Cooperative Bank who is duly nominated by the Board of the respective State Cooperative Bank to represent the said Bank in the General Body of the Federation of which the said Bank is a member.
- h) 'General Meeting' means a meeting of the General Body of the Federation and includes Special General Body Meeting.
- i) The 'Board' means the Board of Directors of the Federation.
- j) 'State Cooperative Bank' (SCB) means the principal Cooperative Society in a State, the primary objective of which is the financing of other Cooperative Societies in the State:

Provided such SCB is registered under State Cooperative Societies Act/the Multi State Cooperative Societies Act and has affiliation of District Central Cooperative Banks as Central Financing Agencies (CFAs) in a three tier Cooperative Credit Structure or functions as CFA for its affiliates in a two tier Structure.

- k) 'Member' means State Cooperative Bank, which is admitted as member of the Federation under the provision of the Bye-law No.5 and continue to be so for the time being.
- l) 'Reserve Bank' means the Reserve Bank of India constituted under the RBI Act 1934 - 2 of 1934.
- m) 'NABARD' means National Bank for Agriculture and Rural Development constituted under the National Bank for Agriculture and Rural Development Act 1981 - 61 of 1981.
- n) 'Cooperative Principles' means the Cooperative Principles as specified in the First Schedule of the Multi State Cooperative Societies Act, 2002.
- o) 'Subscription' means the payments required to be made by the member institutions on annual basis towards basic membership including additional payment of subscription as may be decided by the Board of Directors from time to time, however does not include the payments towards the annual membership fee payable by the member participant banks towards the 'All India Mutual Arrangement Scheme' (AIMAS).
- p) 'Admission Fee' means the prescribed fee payable by the State Cooperative Bank at the time of Admission to the basic membership of the Federation.
- q) 'Defaulter' means a member who has defaulted in payment of dues on account of Annual Subscription and/or additional subscription payable to the Federation, within the assigned time frame.
- r) 'Financial Year' means the year beginning from 1st April and ending on 31st day of March
- s) 'Chief Executive' means the Chief Executive/Managing Director of the Federation appointed under Section 51 of the Act.
- t) Masculine Gender such as 'Chairman', 'Vice Chairman', he includes feminine gender such as 'Chairperson', 'Vice Chairperson', 'she'.

4. OBJECTS AND FUNCTIONS:

i. Objects:

- a) To provide a common forum for Social and Economic betterment of its members through Self - Help and Mutual - Aid in accordance with the Principles of Cooperation.
- b) To provide a common forum for discussing technical and practical problems relating to Cooperative and other banking business and allied problems of its Member Banks and to devise ways and means to solve those problems.
- c) To promote and protect the interests of Member Banks in all spheres of their activities and to give expression to the views of the Member Banks.
- d) To coordinate and liaise with the Government of India, State Governments, Reserve Bank of India, National Bank for Agriculture and Rural Development and other allied Institutions and Organisations of National and International levels for the development of Cooperative credit on behalf of Member Banks.
- e) To acquire membership of Cooperative and other connected Institutions and Associations of National and International levels.
- f) To introduce consultancy services in banking.
- g) To promote harmonious relation amongst member Cooperatives.
- h) To promote National Level Organisations in the interest of the Member Banks.

ii. Functions:

- a) To organise conferences, conventions, seminars and workshops relating to banking, credit, rural development, management etc. as well as conduct necessary education and training programmes for the benefit of the member institutions and their affiliates.
- b) To arrange publication of periodicals, news bulletins and journals and to exchange information of common interest of Member Banks and to cooperate with the National Cooperative Union of India in the field of education and publicity.
- c) To administer the All India Mutual Arrangement Scheme for Cooperative Banks and to take such actions and/or enter into such agreements as may be necessary for the furtherance of the scheme.
- d) To assist the State Cooperative Banks to establish common cadres for the staff and their training.
- e) To undertake studies, research, evaluation and assist in preparation of perspective development plans for its member Cooperatives.
- f) To purchase and/or acquire a building/premises for the Federation's office and/or a guest house and such other assets as may be considered necessary for the working of the Federation.
- g) To provide specialised training, education and database information.
- h) To promote subsidiary institution/s for furtherance of the objectives of the Federation.
- i) To undertake such economic activity/activities directly or through strategically collaborative joint ventures or partnerships with the Cooperative organisations as may be considered necessary for consolidation of the financial position of the Federation or for furtherance of any or all of the above stated objectives.

iii. Other Functions:

- a. To ensure compliance of the Cooperative Principles among the member State Cooperative Banks.
- b. To facilitate model Bye-Laws and policies for consideration of the member State Cooperative Banks.
- c. To help member State Cooperative Banks to settle disputes among themselves and maintain harmonious relations amongst the member Banks.
- d. To undertake business services on behalf of the member State Cooperative Banks on specific request from the member Banks.
- e. To provide management development services to member State Cooperative Banks.
- f. To evolve code of conduct for observance by member State Cooperative Banks.
- g. To evolve viability norms for member State Cooperative Banks.
- h. To provide legal aid and advice to member State Cooperative Banks.
- i. To assist member State Cooperative Banks in organising self-help.
- j. To develop market information system, logo brand promotion, quality control and technology up gradation for the benefit of the member State Cooperative Banks.
- k. To undertake all other activities and discharge all other functions of a Federal Cooperative as envisaged in Section 24 of the Multi State Cooperative Societies Act, 2002.
- l. To do all other things as are incidental or conducive to the promotion and advancement of the activities and compliance of the objectives of the Federation and facilitate democratic functioning of Cooperatives.

5. MEMBERSHIP:

- a) The membership of the Federation shall be open to all the 'State Cooperative Banks' in the Republic of India.
- b) The membership of the Federation is non-transferable.

6. PROCEDURE FOR OBTAINING MEMBERSHIP:

- a. A State Cooperative Bank intending to become a member of the Federation shall submit a written application addressed to the Chief Executive of the Federation along with the official resolution adopted by its Board of Directors detailing the proposal to become a member of the Federation and the person authorized to submit the application for membership, an attested copy of the Registered Bye-laws of the Bank, a copy of the latest Annual Report, if any, the Audit Report of the Bank, an attested copy of the Registration Certificate of the Bank and non-refundable admission fee of Rs.2000/-.
- b. Upon receipt of the application for membership along with all other particulars as detailed under 'a' above, the same shall be placed before the Board of Directors of the Federation for their consideration within a period of four months of the receipt of such application.
- c. On consideration of the Board of Director of the Federation, the applicant State Cooperative Bank shall be intimated of the acceptance/rejection of the application within fifteen days of such acceptance/ rejection, by registered post and shall be advised to remit the prescribed Annual Subscription Fee, if the application is accepted. However the entire process shall be completed within four months of the receipt of application for membership of the Federation.
- d. Upon receipt of the prescribed Annual Subscription from the State Cooperative Bank, such State Cooperative Bank shall be deemed as a member of the Federation.

7. PROCEDURE FOR WITHDRAWAL OF MEMBERSHIP:

Any member State Cooperative Bank desiring to withdraw from the membership of the Federation shall:

- a. have produced a resolution adopted by a 2/3rd majority of the General Body of the respective bank resolving to withdraw the membership of the Federation.

8. DISQUALIFICATION FROM MEMBERSHIP:

The membership of a State Cooperative Bank shall cease:

- a) When the Annual Subscription and/or Additional Subscriptions due from it has not been paid for a period of two years unless otherwise determined by the Board.
OR
- b) On the cancellation of the registration of the bank.
OR
- c) On withdrawal of membership.
OR
- d) Absence for three consecutive General Body Meetings of the Federation and such absence was not condoned by the 2/3rd majority of the members attending the meeting.
OR

e) Expelled by the General Body of the Federation for the reason of any activity found to be conflicting or competitive with the interests and activities of the Federation.

OR

f) If any State Cooperative Bank fails to utilize even the minimum level of services of the Federation for two consecutive years.

OR

g) If the objectives and functions of any member State Cooperative Bank is in conflict or in competition with the objectives and functions of the Federation.

9. TERMINATION OF MEMBERSHIP:

a) The membership of the member State Cooperative Bank in the Federation may be terminated by resolution of the General Body passed by 2/3rd majority present and voting in the meeting, if,

i) any member Bank has defaulted in payment of dues as per the provisions of the Bye-laws of the Federation.

ii) any activity of a member Bank is found to be conflicting or competitive with the interest or activities of the Federation.

Provided that the member Bank concerned is given a reasonable opportunity for making representation in the matter.

b) No terminated member Bank shall be eligible for re-admission as member of the Federation for a period of one year from the date of such termination of membership.

10. MEMBERSHIP ADMISSION FEE:

a) Any State Cooperative Bank desirous of obtaining the membership of the Federation shall pay a non-refundable 'Membership Admission Fee' of Rs.2, 000/- (Rupees Two thousand only) at the time of applying for membership of the Federation.

11. RIGHTS OF MEMBERS:

Every member of the Federation, otherwise eligible, shall have the following rights:

a. Right to vote.

b. Right to receive notice and attend the General Body Meetings.

c. Right to attend and take active part in the proceedings of the Committee/s of which he is a member.

d. Right to take part in elections and contest for any post as per provisions of the Act, Rules and Bye-laws of the Federation.

12. LIQUIDATION :

- a) In the event of liquidation of the Federation, if there is deficit, the liability of the members shall be limited to the amount of subscription/contribution payable by them on the date of liquidation.
- b) Liability of every member bank would continue for a period of five years from the date of ceasing to be a member of the Federation.
- c) If there is any surplus, the same shall either be distributed amongst the members of the Federation in the proportion of the Annual Subscription/contribution payable by members at the time of liquidation or be transferred to a new body of the members as may be mutually agreed upon at the time of liquidation.

13. FUNDS :

The funds of the Federation shall be raised as under:

- a) Annual Subscriptions, contributions, service charges, etc. at the rates fixed by the Board from time to time.
- b) Donations, contributions, grants from members and others and also by way of loans obtained from the financing institutions and others.
- c) Income from publications and journals, etc.
- d) Grants and Loans from the State Governments, the Central Government, National and International Institutions/Organisations.
- e) Income generated through any such economic activity directly or through strategically collective joint ventures or partnerships with the Cooperative organisations.

14. CONSTITUTION OF FUNDS:

The Federation shall constitute various statutory and other funds such as:

- i) 'General Reserve Fund',
- ii) 'Building Fund',
- iii) 'Development Fund',
- iv) 'Employees Retirement Benefit' by way of:
 - 'NAFSCOB Bombay's Employees Provident Fund Trust'
 - 'NAFSCOB Employees Gratuity Fund Trust'.
- v) 'Welfare Fund'

15. PAYMENT OF ANNUAL SUBSCRIPTION/ADDITIONAL SUBSCRIPTION:

If the Annual Subscriptions and/or Additional Subscriptions are not paid before the end of June every year, the defaulting members shall not exercise the rights of membership till the arrears of subscription are paid. In the event of default by a member in the payment of Annual Subscription and/or Additional Subscriptions, the representative of such Member Bank if holding an office in the Federation, shall cease to hold such office with effect from the 1st of July that year and his position of office is declared as vacant which shall be filled up through election as per the provisions of the MSCS Act and Rules, 2002.

16. RESTORATION OF MEMBERSHIP/OFFICE BEARER:

- a) A Member Bank, which has ceased to be a member under Bye-Law No.8 (a) may be deemed to have been restored its membership on payment of arrears of Annual Subscription/ Additional Subscriptions.
- b) The representative of a member bank if holding an office in the Federation shall cease to hold such office due to non-payment of annual subscription and/or additional subscription, by the member bank represented by him/her, on/or before the end of June every year and such position shall deem to be vacant.
- c) Restoration of membership as per the provisions of Bye-law No. 16(a) shall not automatically restore the position of office bearer, though the representative concerned shall be eligible to contest for such vacancy after due restoration of the membership of the bank which he/she is representing.

17. GENERAL BODY:

- a) The ultimate authority in all matters relating to the Federation shall vest in the General Body.
- b) The General Body of the Federation shall consist of the Chairman or President or the Chief Executive or a member of the elected Board, as may be so nominated by each member State Cooperative Bank.
- c) Provided that in case elected Board of a Member Bank does not exist, then the Chairman or President of the nominated Board of such bank or its Chief Executive and in case the elected or nominated Board does not exist, then, any person designated as Administrator, Officer-In-Charge, Person-in-charge or Special Officer or by whatever name he is designated shall be the representative of that bank on the General Body of the Federation.
- d) The General Body shall not interfere with the actions of the Board of Directors and of the Executive and other Committees or any officer, performed in the exercise of the powers conferred on them under the Act, Rules and the Bye-Laws.
- e) **The General Body shall be the competent authority to:**
 - i) approve the Annual Budget of Income and Expenditure.
 - ii) consider the Annual Audit Report.
 - iii) consider the Audit Compliance Report.
 - iv) review the Annual Report and Accounts of any subsidiary institution/s.
 - v) adopt the Annual Report and Statement of Accounts.
 - vi) decide upon the disposal of net surplus funds.
 - vii) review any operational deficits.

- viii) create specific reserve and other funds.
 - ix) review the utilisation of reserve and other funds.
 - x) consider the writing off of property, losses or bad debts.
 - xi) review the work and formulate the programme of activities for the ensuing year.
 - xii) amend the Bye-Laws.
 - xiii) conduct election to the Board of Directors.
 - xiv) expel member/s from the membership for acts which are detrimental to the proper working of the Federation and readmission of such expelled member/s after a minimum period of one year.
 - xv) disqualify member/s from being member/s of the Board.
 - xvi) remove elected member/s from the Board.
 - xvii) formulate code of conduct for the members of the Board and Officers.
 - xviii) decide upon by a majority of members present to promote one or more subsidiary institutions, which maybe registered under any law in force without transferring or rearranging its substantive part of business or activities undertaken for the furtherance of its stated objects.
 - xix) appoint Auditor from the 'Panel of Auditors' maintained, if any, at the level of Federation or from the 'Panel of Auditors' approved by the Central Registrar and fix their remuneration.
- f) The General Body Meeting shall be held annually within six months after the close of the corresponding year.
- g) Every representative of the Member Bank present at the Annual General Body Meeting shall have one vote each. The Chairman shall have a casting vote in the event of equality of votes.
- h) The quorum for the General Meeting shall be one fifth of the total number of delegates of the General Body. No business shall be transacted at any General Meeting unless there is quorum at the time when the business of the meeting is due to commence. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned, provided that a meeting, which has been called on requisition of members, shall not be adjourned but dissolved. If at any time during the meeting sufficient number of members is not present to form a quorum, the Chairman may adjourn the meeting and the business that remains to be transacted shall be disposed of in the usual manner at the adjourned meeting. Where a meeting is adjourned, 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. No Business shall be transacted at any adjourned meeting other than the business on the agenda of the previous adjourned meeting.
- i) All resolutions, which are put, to vote at the General Body Meeting shall be decided by a majority of the members present and voting. Voting shall be by show of hands, unless a poll is demanded by at least one third (1/3) of the total or five members present at the meeting.

18. SPECIAL GENERAL BODY MEETING :

- a) A Special General Meeting of the General Body may be convened by the Chief Executive and only in his absence by the Officer authorised by the Board or Chief Executive and in the absence of Chief Executive, the Chairman :
- i) on the direction of the Board;
 - ii) on a requisition from the Central Registrar; or
 - iii) on a requisition by at least one half of the members of the Federation, specifying the subjects for discussion, in accordance with Section 40(1) of the Act.

- b) The Special General Meeting shall be called within one month of such direction /requisition.
- c) The Special General Body Meeting shall transact only the subjects specified in the notice.

19. NOTICE FOR THE GENERAL BODY MEETING AND SPECIAL GENERAL BODY MEETING:

- a) The Annual General Meeting may be called by the Chief Executive at the instance of the Board by giving not less than 14 days notice in writing.
- b) The Notice of the Annual General Body Meeting shall be accompanied by a copy each of the audited Balance Sheet, Income & Expenditure Account together with the Auditor's Report relating to the preceding year and the Annual Report.
- c) Special Annual General Meeting shall be convened by giving not less than 7 days notice in writing except in the case of such a meeting convened for the purpose of amending the By-laws.

20. CHAIRMAN OF THE GENERAL BODY MEETINGS:

The Chairman of the Federation and in his absence, one of the Vice-Chairmen and in the absence of the Vice-Chairmen, any member elected by the General Body shall preside over the General Body Meetings (Annual and Special).

21. ELECTION OF BOARD OF DIRECTORS:

- a) The existing Board shall be responsible for timely conduct of elections to the next Board of Directors of the Federation.
- b) The election of members of the Board of Directors of the Federation shall be held by secret ballot.
- c) The election of members of the Board of Directors of the Federation shall be held in the General Body Meeting as per the Multi State Cooperative Societies Act, 2002 and Rules, 2002.
- d) The elected members of the Board of Directors of the Federation shall be eligible for re-election.
- e) The term of office of the elected members of the Board shall be not exceeding five years from the date of elections but shall be co-terminus with the term of office of the Board of Directors.
Provided that elected members of the Board of Directors shall continue to hold office till their successors are elected and assume charge of their office.
- f) If the General Body fails to conduct elections of the members of the Board of Directors of the Federation, the Central Registrar shall hold the election within the period of Ninety days from the date of which the election became due.
- g) No person shall be eligible to be elected as member of the Board of Directors unless he/she is a member of the General Body of the Federation.
- h) The expenses for holding election by the Central Registrar shall be borne by the Federation.

22. BOARD OF DIRECTORS:

- a) The affairs of the Federation shall be managed by the Board of Directors elected in the General Body of the Federation, as per the provisions contained in the Multi State Cooperative Societies Act 2002 and Rules, 2002.
- b) The composition of the Board shall be consisting of Twenty One (21) Directors, duly elected in the General Body from among the Member Banks based on the criteria spelt out below.
 - i. Fifteen (15) Directors to be elected from among the Member Banks who remit Annual Subscription of Rs. 3 lakhs.
 - ii. Two (2) Directors to be elected from among the Member Banks who remit Annual Subscription ranging between Rs. 2 and 2.5 lakhs
 - iii. Three (3) Directors to be elected from among the Member Banks who remit Annual Subscription ranging between Rs. 1 and 1.5 lakhs
 - iv. One (1) Director to be elected from among the Member Banks who remit Rs. 1 lakh or less than Rs. 1 lakh as Annual Subscription
 - v. The Chief Executive of the Federation shall be the Ex-officio member of the Board of Directors.
 - vi. Two (2) Co-Opted Directors to be duly Co-Opted by the Board of Directors in the first meeting of the newly constituted Board.
- c) The term of office of the elected members of the Board of Directors shall be five (5) years from the date of election. The term of office of the Co-opted Directors shall be co-terminus with that of the elected members of the Board of Directors. The term of office of the Chairman and Vice Chairmen shall be co-terminus with the term of office of the elected members of the Board of Directors.
- d) The conduct of election to the next Board shall be the responsibility of the existing Board. The Board of Directors in Office shall meet at least 60 clear days in advance of expiration of its term and by resolution determine the date, time and place for convening the General Body meeting for the conduct of elections of its successor Board and would also resolve to request the Central Registrar of Cooperative Societies to appoint a Returning Officer as per the power vested with him under Rule No. 19(1) of the Multi State Cooperative Societies Rules, 2002.
- e) The Returning Officer so appointed by the Central Registrar of Cooperative Societies shall initiate, conduct and complete the process of election to the General Body, Board of Directors as well as the Office Bearers of the Federation as per the provisions contained in the Multi State Cooperative Societies Act and Rules, 2002.

23. POWERS OF THE BOARD OF DIRECTORS:

The Board may exercise all such powers, as may be necessary or expedient for the purpose of carrying out its functions under the Act. Without prejudice to the generality of the foregoing power, such power shall include the power:

- a. To admit members;
- b. To decide upon the Admission Fee of membership of the Federation;
- c. To interpret the organizational objectives and set up specific goals to be achieved towards fulfillment of these objectives;
- d. To make periodic appraisal of operations;

- e. To elect a Chairman among the elected Board of Directors;
- f. The Chairman so elected shall also represent the Region to which the Member Bank he represents belongs to and in such case there shall not be a separate Vice-Chairman from that particular Region;
- g. To elect five (5) Vice- Chairmen to represent the remaining five Regions;
- h. The newly constituted Board shall authorise, by name, one of the Vice-Chairmen to perform the duties and responsibilities of Chairman of the Federation in case there is a vacancy or the elected Chairman is unable to perform the duties and responsibilities of Chairman for one or the other reason;
- i. To decide from time to time the groupings of Member Banks under different Regions for the purpose of electing the Vice- Chairmen of the Federation;
- j. The existing Regions as specified by the Board are as follows:

Sr. No.	Region	Name of the SCBs
1	Western	Maharashtra, Gujarat, Goa (3)
2	Southern	Kerala, Tamil Nadu, Andhra Pradesh, Karnataka, Pondicherry (5)
3	Eastern	Bihar, Orissa, West Bengal, Andaman & Nicobar (4)
4	North-Eastern	Arunachal Pradesh, Assam, Manipur, Meghalay, Mizoram, Nagaland, Sikkim, Tripura (8)
5	Nothern	Rajasthan, Haryana, Punjab, Himachal Pradesh, Jammu & Kashmir, Chandigarh (6)
6	Central	Madhya Pradesh, Uttar Pradesh, Delhi, Chattisgarh (4)

- k. To request the Central Registrar of Cooperative Societies to appoint the Returning Officer as per the powers vested with the Central Registrar and as per the provisions contained in the Multi State Cooperative Societies Rule, 2002 for conduct of elections to the members of the Board of Directors and Office Bearers.
- l. To hold elections to fill up the vacancy if any, in the position of the Chairman and/or Vice-Chairmen, members of the Board of Directors as the case may be for the unexpired term of his/their tenure.
- m. To observe in all their transactions the provisions of the Act, Rules and the Bye-Laws.
- n. To prepare, consider and place before the General Body the Annual Report, Balance Sheet, Income and Expenditure Statement, Audit Report, its Compliance and the Budget of the Federation and of any other subsidiary Institution/s.
- o. To approve the 'Panel of Auditors' for placing in the General Body.

- p. To prepare the annual plan/programme of work including the educational/ training programmes and place before the General Body.
- q. To place the list of employees who are relatives of members of the Board or of the Chief Executive
- r. To accept or reject the resignation of the Chairman and/or Vice-Chairmen.
- s. To appoint, suspend and remove the Chief Executive and such other employees of the Federation as may be prescribed.
- t. To Co-Opt two (2) Directors.
- u. To invite not more than two persons to the Meetings of the Board.
- v) To arrange for carrying on the administration of the Federation and to initiate action that may be necessary on the resolutions passed by the General Body.
- w) To consider and express opinions on the problems of common interest concerning the Cooperative Credit and Banking Institutions on its own initiative or as referred to it by member State Cooperative Banks.
- x) To consider matters of common interest and to advise and assist member State Cooperative Banks in furtherance of their interests.
- y) To consider any other subjects/issues and place them before the General Body with its recommendations.
- z) To appoint the Executive Committee and also other Committees or Sub-Committees not exceeding three (3) as may be necessary from time to time and delegate to them such powers as may be appropriate.
- aa) To decide upon the rate of Annual Subscription from Member State Cooperative Banks as well as the quantum of Additional Subscription, if any.
- bb) To decide upon the annual contributions payable by the member State Cooperative Banks and other Cooperative Banks participating in the All India Mutual Arrangement Scheme.
- cc) To frame rules regarding traveling and halting allowance payable to the Chairman, Chief Executive, Co-Opted Directors and Invitees from out of the funds of the Federation.
- dd) To frame regulations regarding scales of pay and allowances of various categories of posts, recruitment, appointment, probation, promotions, staff conduct and discipline rules, staff traveling rules, staff gratuity and provident fund rules, etc. for the paid staff of the Federation.
- ee) To nominate four member Trustees to the 'NAFSCOB Bombay's Employees Provident Fund Trust' viz. Chairman of the Federation as de-facto Chairman of the Trust and one of the Vice Chairmen as members representing the Employers and two employees of the grade of Officers to represent the employees.
- ff) To delegate any or all its powers to the Chairman, Chief Executive, Executive Committee, other Committees or Sub-Committees duly appointed.

- gg) To acquire membership of Cooperative institutions at National and International levels and review such membership from time to time.
- hh) To appoint Editor/s for the Federation's journal/publications.
- ii) To select representatives/candidates from among the members of the Board for participation in the international conferences/seminars, workshops, study tours, training courses held abroad. The cost shall be borne by the Member Bank, which is represented by the person so selected. However, in the case of the Chairman of the Federation getting invitation in his capacity as Chairman or as selected by the Board for attending aforesaid programmes or meetings of different international organisations, the cost will be borne by the Federation.
- jj) To consider and finalise the terms and conditions of collaboration with Cooperatives and others in India and abroad.
- kk) To raise resources/funds for the Federation.
- ll) To acquire or dispose of immovable property.
- mm) To authorize the Chief Executive or any other officer to sign the documents and to institute as well as defend suits and all other legal proceedings on behalf of the Federation.
- nn) To decide on terms on which the Federation may deal/associate with the members, non-members, other cooperatives and organizations.
- oo) To do all such acts, and take such steps as are incidental or conducive to the attainment of the objectives of the Federation
- pp) To take such other measures or to do such other acts as may be prescribed or required under the Act or the Bye-laws or as may be delegated by the General Body.

24. MEETING OF THE BOARD OF DIRECTORS:

- a) The Chief Executive shall convene the meetings of Board at the instance of the Chairman. In the event of the resignation by the Chairman of the Federation or as and when he ceases to be the Chairman of the Federation as per Bye-Law No. 25, the Chief Executive shall convene the meeting of the Board.
- b) The Board shall meet at least once in every quarter provided that the number of meetings shall not ordinarily exceed six in a year. The meetings of the Board shall ordinarily be held at the Registered Office of the Federation. However, the Board may also decide to hold their meeting in any of the States in the country.
- c) One third of the members of the Board shall form the quorum.

25. NOTICE FOR THE MEETING OF THE BOARD OF DIRECTORS:

- a) Meeting of the Board of Directors may be called by giving not less than 14 days notice in writing.

26. CEASING TO BE OFFICE BEARERS:

- a) The Chairman/Chairperson and/or Vice-Chairman/Vice Chairperson/ Member of the Board of Director shall ipso-facto cease to hold office if he/she cease to be Chairman/Chairperson or President or member of the Board of Directors of his/her Bank or his/her bank is default in payment of annual subscription/additional subscriptions as per Bye-Law No. 15 or his/her nomination has been withdrawn from the nominating bank.
- b) Vacancies arising out of 26(a) shall be filled in through elections only.

27. PROHIBITION TO HOLD OFFICE:

- a) No member of a Board shall be eligible to be elected as the Chairperson or President or Vice-Chairperson or Vice-President of the Federation, if such a member is a Minister either in the Central or any State Government.
- b) No member of a Board shall be eligible to be elected as the Chairman/Chairperson, Vice Chairman, Vice Chairperson or President or Vice President of the Federation, after he has held the office, as such during two consecutive terms, whether full or part;

Provided that a member who has ceased to hold the office of the Chairperson, Vice Chairperson or President or Vice President continuously for one full term shall again be eligible for election to the office as such.

Explanation - Where any member holding the office of the Chairperson, Vice Chairperson or President, Vice President at the commencement of the Multi State Cooperative Society Act, 2002 is again elected to that office after such commencement, he/she shall be deemed to have held office for one term before such election.

28. DISQUALIFICATION FOR BEING A MEMBER OF THE BOARD OF DIRECTORS:

- a) No nominee of any Member Bank shall be eligible for being chosen as, or for being a member of the General Body and/or Board of the Federation, if such a nominee:
 - i) absents himself from three consecutive General Body meetings of the Federation and such absence has not been condoned by the members in the General Body.
 - ii) absents himself from three consecutive Board Meetings of the Federation and such absence has not been condoned to by the Board;

29. REMOVAL OF ELECTED MEMBER OF THE BOARD OF DIRECTORS:

- a) The General Body on the basis of a report of the Central Registrar or otherwise may remove an elected member of the Board of Directors who has acted adversely to the interests of the Federation, provided that
 - i) the member/members concerned has/have been given a reasonable opportunity to make representation on the matters, and

- ii) the two third members present at the General Body meeting adopt a resolution and vote to that effect.

30. ENTITLEMENT TO DRAW T. A. AND D. A. :

- a) The service of the members of the Board including any Co-opted Directors from among the member banks, Executive Committee, other Committees and Sub-Committee other than the Chairman/Chief Executive of the Federation shall be gratuitous and they shall draw T.A. and Daily Allowance for attending meetings of the Federation from their parent institutions. However, suitable stay arrangements shall be made for all Vice-Chairmen at the cost of the Federation in addition to transport arrangements. The Chairman and the Chief Executive of the Federation shall be entitled to draw T. A. and D.A. from the Federation as per Bye-Law No.23(cc).

31. EXECUTIVE COMMITTEE:

- a) There shall be an Executive Committee consisting of the Chairman, five Vice-Chairmen and the Chief Executive of the Federation who will be the Member Secretary of the Executive Committee. The term office of the Executive Committee shall be co-terminus with the term of office of the Board of Directors of the Federation.
- b) The members of the Executive Committee shall hold office for a period of five years. Three members shall form the quorum.
- c) The Executive Committee shall meet not less than four times in a year. The notice of the meeting shall be communicated at least 7 days in advance of the meeting.

32. POWERS OF THE EXECUTIVE COMMITTEE:

In addition to the powers and duties that the Board may delegate to it, the Executive Committee shall exercise the following powers subject to such general directions as the Board may issue from time to time:

- a) To decide the manner in which the funds of the Federation shall be invested within the framework of the policy laid down by the Board.
- b) To consider the scales of pay and other allowances including T.A. of the members of the Staff and recommend the same to the Board.
- c) To approve the statement of receipts and payments of the Federation.
- d) To pass for payment the items of expenditure in individual cases for amounts exceeding the limit fixed for the Chairman.
- e) To select and depute representatives/candidates from among the members of the Board for participation in the regional, state, national and international conferences, seminars, workshops, study tours, training courses held in India and from among the members of the Federation's staff, held abroad.
- f) To authorise the Chief Executive or the Officer appointed to work in his place to sign singly

or jointly with any other officer of the Federation all deposits, receipts and operate on the accounts of the Federation with the banks.

- g) To authorise the Chief Executive or the Officer appointed to work in his place to endorse and transfer promissory notes and other securities and sign, encash cheques and negotiable instruments on behalf of the Federation.
- h) To authorise the Chief Executive or the Officer appointed to work in his place to sign all bonds and agreements in favour of the Federation.
- i) To obtain loans, temporary accommodation, overdrafts etc. from the financing institutions, Central and/or State Governments and others on such terms and conditions as may be prescribed by them and authorise the Chief Executive and/or other officer of the Federation to execute on behalf of the Federation, bonds, agreements and other documents required for the purpose.
- j) To exercise such powers and functions as may be delegated by the Board.

33. UTILISATION OF SERVICES BY THE MEMBERS:

- a) The Federation shall make all efforts to ensure that the members avail at least minimum level of services rendered by the Federation as per its objectives and functions, for their own benefit as well as the benefit of the Federation.

34. CHAIRMAN:

The Chairman shall have the following powers delegated to him by the Board:

- a) To preside over the meetings of the Annual General Body, Special General Meeting, Board and Executive Committee Meetings.
- b) To sign the proceedings of the meetings presided over by him.
- c) To vote a casting vote in any meeting in the event of equality of votes on resolution.
- d) To convene the meeting of the Board of Directors, Executive Committee and other committees of which is the Chairman.
- e) To delegate any office powers and functions to any of the Vice Chairmen.
- f) To take decisions on behalf of the Board of Directors, Executive Committee or any other committees on matters of urgent and emergent nature effecting the policy of the Federation. Such decisions will be placed before the next meeting of the concerned committees for ratification.

35. CHIEF EXECUTIVE :

- a) The Managing Director shall be the Chief Executive of the Federation and shall be appointed by the Board of Directors and shall aid and assist the Board of Directors in its functions. He shall also be member of all the committees, sub-committees and sub-groups of the Board of Directors as may be constituted.

- b) The Managing Director shall be a full time employee of the Federation.

36. POWERS AND FUNCTIONS OF THE 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:

The Chief Executive shall have the following powers and functions:

- a) To assist the Board of Directors in the formulation of policies, objectives and planning of the Federation;

- b) 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;

- c) To convene meetings of various committees including the General Body under the instructions of the Chairman;

- d) To maintain proper records of the Federation;

- e) To manage the funds of the Federation, cause proper accounts to be maintained and audited;

- f) To attend to all correspondence of the Federation;

- g) To be responsible for collection and safety of the funds;

- h) To execute the policies/programmes and business of the Federation 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 the Bye-laws;

- i) To sign all deposit receipts of the Federation with banks in accordance with the resolution of the Executive Committee;

- j) To endorse and transfer Promissory Notes and other Securities and to endorse, sign, encash cheques and negotiate instruments on behalf of the Federation;

- k) To be the officer of the Federation to sue or to be sued on behalf of the Federation and sign all books and arrangements in favour of the Federation;

- l) To appoint such personnel in the society as may be approved by the Board of Directors;

- m) To determine powers, functions and responsibilities of the employees of all categories in the Federation;
- n) To maintain a correct and up-to-date list of members;
- o) 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;
- p) To delegate powers to other officers of the Federation;
- q) To sanction contingent expenditure to the extent of Rs.5,000/- (Rupees Five thousand only) and/or as authorized by the Executive Committee of the Federation;
- r) To sign on behalf of the Federation and conduct its correspondence;
- s) To present the Draft Annual Report and Financial Statements for the approval of the Board of Directors;
- t) To record proceedings of meetings and have them duly signed;
- u) 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.

37. BANK ACCOUNT:

The Federation shall maintain one or more Current, Savings or Fixed Deposits Account in any of the banks as defined in Section 64 of the Multi-State Cooperative Societies Act, 2002 or as may be decided by the Executive Committee.

38. OPERATION OF ACCOUNTS AND NEGOTIATION OF SECURITIES:

The Chief Executive jointly with any other officer of the Federation authorised by the Executive Committee shall have the power, on behalf of the Federation, to operate on the accounts with banks, to sign, endorse or negotiate or otherwise deal in Government and other Securities standing in the name of the Federation and to sign all receipts and accounts and other documents concerned with the business of the Federation.

39. INVESTMENTS:

The funds of the Federation shall be deposited or invested in any Bank as defined in Section 64 of the Multi State Cooperative Societies Act, 2002 preferably in Cooperative Banks.

40. DISPOSAL OF NET PROFITS/SURPLUS:

- a) The Federation out of its net profit/surplus, if any, shall,
 - i. transfer an amount of not less than twenty five percent to the Reserve Fund.
 - ii. credit one percent to Cooperative Education Fund, if any, maintained by the National

- Cooperative Union of India, New Delhi.
- iii. transfer an amount not less than ten percent to a Reserve Fund for meeting unforeseen losses.
 - iv. transfer an amount as may be decided by the General Body to the Building Fund of the Federation.
 - v. transfer an amount as may be decided by the General Body to the Development Fund of the Federation.
 - vi. transfer an amount as may be decided by the General Body to the Welfare Fund of the Federation.

41. STATEMENT OF ACCOUNTS:

The Federation shall prepare annually a Statement showing Receipts and Disbursements, a statement of Income and Expenditure, Balance Sheet and such other statements as may be prescribed by the Central Registrar. These statements shall be made up to 31st March of every year and a copy of each shall be sent to the Central Registrar within such period as may be prescribed by the Central Registrar and after the statements are audited by the Auditors and the Audit Certificates issued by them, the Federation shall publish such of the statements as the Central Registrar may think fit in the manner prescribed by him.

42. APPOINTMENT OF AUDITORS AND FIXING THEIR REMUNERATION:

The General Body in the Annual General Meeting shall appoint an Auditor from the 'Panel of Auditors' maintained, if any, at the level of Federation or from the 'Panel of Auditors' approved by the Central Registrar and fix their remuneration.

43. BYE-LAWS:

The Federation shall keep a copy of its Bye-Laws open for inspection, free of charge, during its working hours.

44. AMENDMENT OF BYE-LAWS:

- a) No amendment to or alteration in or cancellation of a Bye-laws shall be made except at an Annual General Meeting or Special General Meeting and no amendment shall be deemed to have been passed unless two thirds of the members present vote for it and such amendments shall not take effect until registered by the Central Registrar.
- b) A clear 15 days notice shall be given for the Annual General Meeting or Special General Meeting convened for considering the amendment to the Bye-laws.

45. UNCLAIMED ACCOUNTS:

Any amount payable by the Federation but not claimed within the period of limitation prescribed in the Indian Limitation Act, shall be credited to the General Funds of the Federation.

46. WRITING OFF OF PROPERTY:

If any sum or property belonging to the Federation is found irrecoverable and obsolete, the General Body may resolve to write off such amount.

47. DISPUTES:

If any dispute touching the business of the Federation other than a dispute regarding disciplinary action taken by the Federation against a paid employee arises:

- a) among members, past members and persons claiming through members, past members; and deceased members, or
- b) between a member, a past member or persons claiming through a member, a past member or deceased member and the Federation its Board or any officer, agent or employee of the Federation; or
- c) between the Federation or its Board and any past Board and any officer, agent or employee or any past officer, past employee or the nominee heirs or the legal representatives of any deceased officer, deceased employee of the Federation; or
- d) between the Federation and any other banks, such disputes shall be referred to the Central Registrar for arbitration as per the Multi State Cooperative Societies Act, 2002.

48. CONTRIBUTORY PROVIDENT FUND:

1. The Federation shall establish a contributory provident fund 'NAFSCOB Bombay's Employees Provident Fund' for the benefit of the employees and frame necessary Rules and Regulations for operation of the same as per provisions contained in the 'Employees Provident Fund and Miscellaneous Act, 1952' and 'Income Tax Rules, 1962 (Recognized Provident Funds)'.
2. The 'NAFSCOB Bombay's Employees Provident Fund' shall be managed by a Board of Trustees having four Member Trustees nominated by the Board of Directors equally represented by the Employers and the Employees. The Employers shall be represented by the Chairman of the Federation as de-facto Chairman of the Trust and one of the Vice Chairmen to be nominated by the Board of Directors. The Employees shall be represented by two persons of the officer's grade.
3. The Board of Directors shall be the competent authority to frame Rules and Regulation of the 'NAFSCOB Bombay's Employees Provident Fund' in conformity with the provisions of 'Employees Provident Fund and Miscellaneous Act, 1952' and 'Income Tax Rules, 1962 (Recognized Provident Funds)' and such Rules shall be duly approved by the Commissioner of Income Tax.
4. The monies standing to the credit of the said 'NAFSCOB Bombay's Employees Provident Fund' shall not:
 - a. be used in the business of the Federation,
 - b. form part of the assets of the Federation,
 - c. be liable to attachment or be subject to any other process of any court or other authority.

49. EX-GRATIA

The Federation may out of its own resources make payment of Ex-Gratia amount to its employees to the extent and in the manner decided by the Executive Committee of the Federation.

50. INTERPRETATION:

- a) Should any doubt arises as to the construction or meaning of these Bye-laws or regulations framed there under or as to the validity or effect of the proceedings of any meeting of the General Body, Board, Executive Committee, other Committees and Sub-Committees, the matter shall be referred to the Central Registrar, whose decision shall be final.
- b) In the event of conflict between the Bye-laws of the Federation and its members, the Bye-laws of the Federation shall prevail.
- c) In the event of the conflict between the Bye-laws of the Federation and Multi-State Cooperative Societies Act, the Act shall prevail.

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