

BYE –LAWS

OF

**THE _____ CENTRAL
COOP. BANK LTD ;**

BYE-LAWS

OF

The _____ Central Co-op. Bank Ltd.

NAME ADDRESS AND AREA OF OPERATION

1. This society shall be called Central Co-op. Bank Limited. It shall be referred to here-in-after in these bye-laws as the Bank.
2. The head-quarter of the Bank shall be at.....
Any change in the head quarter of the bank be made by the board of the Directors of the Bank with the prior approval of the Registrar, Co-operative Societies, Punjab. Any such changes shall be communicated by the Bank to the Punjab State Co-operative bank within 15 days.
3. The area of operation of the Bank shall extend over.....

OBJECT

4. The objects of the Bank are to facilitate the operations of the affiliated Co-operative Societies. In pursuance of the objects the Bank may undertake the following activities.
 - (i) To carry on banking and credit business.
 - (ii) To provide credit facilities to its members on as convenient and easy terms as practicable;
 - (iii) To encourage thrift and savings amongst its members by offering suitable facilities;
 - (iv) To make arrangements for supervision and inspection of its affiliated Co-operative Society; and
 - (v) To undertake such measures as are conducive to the spread of co-operative education and training.
5. The following shall be eligible for membership of the Bank.
 - (a) Co-operative societies registered within the area of the bank.
 - (b) No individual shall be admitted as a mew member of the Bank Shares of existing individual members shall be retired in the manner prescribed in the Punjab Co-operative societies Act, and the Rules framed thereunder.
 - (c) Nominal membership will be open to a person of a class of persons, a Co-op. Society or a class of Co-op. Society or a class of associations approved by the Registrar for this purpose, by a general or special order and admitted by the Board to enable the bank to transact business with provide banking facilities and render service to them such as advances, overdraft, cash credit bill discounting etc., A written application for nominal member ship shall be submitted in the prescribed form along with a admission fee of Rs.1/- which shall be non-refundable. Nominal member shall not pay any share capital.

6. Notwithstanding the provisions of any other bye-laws, the Government are the Punjab state Co-operative Bank may hold shares of the Bank.
7. Application from the membership of the bank shall address to the Managing Director of the bank. Every such application shall be disposed of by board of Directors as early as possible and in no case later than the expiry of a period of one month from the date of the application by Bank. In case of refusal, the bank shall communicate its decision together with reasons thereof to the applicants. The application to whom the admission is refused by the said bank may appeal to the Registrar within sixty days from the day of decision or order of the Board of Directors.
8. A member of the Bank may be expelled by the Board of Directors of the Bank for one of the following reasons:-
 - (i) If the member persistently defaults in the payment of the share money or other amounts due to the bank;
 - (ii) If the member fails to observe the bye-laws without any reasonable cause;
 - (iii) If the conduct of the member is contrary to the stated objects of bank or prejudicial to the interests or reputation of the Bank;
9. The expulsion of a member of Bank under preceding bye-laws shall be operative only after the decision of the Board of Directors is confirmed by the General Meeting.
10. After the expulsion of a member is confirmed by the meeting of the general body, the share of said members may be transferred by him at any time under bye-law..... or by the board of Directors of the Bank after 3 months from the date of the confirmation of his expulsion by the General Meeting, and proceeds shall then be held at his disposal.
11. The membership of the bank shall be terminated by:-
 - (i) Death of an individual member or cancellation of the registration of an affiliated society ; or
 - (ii) ceasing to hold at least one share.
12. (i) Every individual member of the bank shall nominate a person or persons to whom his shares or interest referred to in section 21 of the Punjab Co-operative Societies, Act, 1961 or such sums out of share interest as may be specified by the member, shall on the death of the member be transferred or paid as laid down in these bye-laws;
 - (ii) Such nomination may from time to time be revised or modified by the member.
 - (iii) The number of persons who may be nominated by a member shall not exceed the number of shares held by the member;
 - (iv) When a member nominates more than one person, he shall, as far as practicable, specify the amount to be paid or transferred to each nominee in terms of whole share and the interest accruing thereon.
 - (v) The record of nomination shall be kept by the Bank in such manner as may be laid down by the Registrar, from time to time.

- (vi) The value of the share or interest transferred or paid to a nominee or nominees shall be determined on the basis of the sum actually paid by the member to acquire such share of interest.

LIABILITY

13. The liability of a member for deficit in the assets of the Bank in the event of its being wound up shall be limited to the share capital subscribed by him.

FUNDS

14. The authorised share-capital of the Bank shall be Rs. 20 lakhs consisting of shares of the value of Rs..... each.
15. the shares allotted to the individuals shall not, at any time exceed 25% of the total shares subscribed.
16. The bank may raise funds by:-
- (i) Issuing shares.
 - (ii) Raising of loans from the State Co-operative Bank and Government and with the previous approval of the Registrar from the Reserve Bank of India, Commercial Bank and others.
 - (iii) Acceptance of deposits from members and non-members;
 - (iv) Acceptance of grant or subsidy or other financial assistance from the government or other institutions or individuals.
- 17.(a) Subject to bye-laws¹⁵ no member shall hold shares of which nominal value exceeds Rs. 25,000/- or one fifth of the total share capital actually subscribed, whichever is less. If any member by inheritance or otherwise becomes possessed of more than maximum share holding permitted by this bye-law the Board of Directors shall have the powers to sell the excess number of shares or buy them on behalf of the Bank and to hold the proceeds at the disposal of such member.
- (b) The provision of bye-law 17 (a) shall not apply to an affiliated society or Government.
18. The value of the share shall be payable in lump sum at the time of admission. such member shall also pay an entrance fee of Rs.
19. No share shall be withdrawn, but shares may be transferred to an existing member duly qualified for membership and approved by the Board of Directors of the bank or Govt. In case of Societies under order of winding up under Section 57 of the Act shares may be transferred to the Share Transfer Fund.
20. Notwithstanding the provision of any other bye-laws, the share capital hold by the Punjab State Co-operative Bank or the government shall be returned in such manner as may be decided by the Punjab State co-operative Bank or by the government.

MAXIMUM BORROWING LIMIT

21. Unless specifically reduced by the Registrar, the maximum owing limit of the Bank shall be 12 times its owned capital.

GENERAL BODY

22. The General Body of the members of the bank shall meet from time to time and at least once a year. The meeting of the general body shall be convened by the Manager of the bank under the direction of the Board of Directors. A general meeting shall also be convened if the requisition for such a meeting signed by not less than one fifth of the total member, is received by the board of Directors. If on the receipt of the requisition the Board of Directors fails, within a reasonable time to convene general meeting, the signatories to the requisition may refer the matter to the Registrar, who may if he thinks fit, summon the general meeting. The Registrar, may on his own motion at any time, summons a general meeting of the Bank.
23. At least a fortnight's notice, specifying the date, place and time and the agenda of the General Meeting shall be given to all members. The quorum of the general meeting shall be one fourth of the total number of members or 500, whichever is less. If at the hour fixed for the general meeting the quorum is not forthcoming, the Chairman of the meeting shall, if the meeting has been called on the requisition of the members, adjourn it and no further general meeting is convened on the strength of requisition. If the general meeting is convened otherwise than on requisition, the Chairman shall postpone the meeting to a further date. A fresh notice for the subsequent general meeting shall be given to all members. The business at the subsequent general meeting may be transacted with the number of members-present.
24. The President or, in his absence, the Vice President shall preside over meetings of the General Body, when the both of them are absent the members present shall elect a Chairman for the meeting.
25. Every members of the General Body shall have one vote. Voting by proxies in case of individual members shall not be allowed at the general meeting unless otherwise provided in these bye-laws, all questions shall be decided by a majority of the members present. When the votes are equal the Chairman of the General meeting shall have a casting vote.
26. Unless otherwise provided in these bye-laws, the ultimate authority in all matters relating to the administration of the Bank shall vest in the General Body.
27. Without prejudice to the general provisions of the preceding bye-laws, the general body of the members shall have the following powers and duties:-
 - (i) Election and removal of the members of the Board of Directors provided that whenever the Board decides to divide the area of operation of the bank into zones in the manner laid down in the Act and the Rules, the election of the members of the Board may be held in the Zonal meeting.

- (ii) Consideration of the annual report, the audited statement of receipts and disbursements, balance sheet and profit and loss accounts.
 - (iii) Disposal of profits.
 - (iv) Amendment of bye-laws.
 - (v) Transaction of any other business with the permission of the Chairman of the General Meeting.
- 28. No resolution of the General Body removing the member of the Board of Directors shall be valid unless it is carried by a majority of the two-third at general meeting at which not less than one half of the total numbers of members are present.
- 29. All Business discussed or decided in a general meeting shall be recorded in a proceedings book, which shall be signed by the Chairman of the meeting.

BOARD OF DIRECTORS

- 30. The Board of Directors shall be constituted in the following manner :-
 - (i) 9 Directors to be elected out of member societies.
 - (ii) Three Directors to be nominated by the Govt. or the Punjab State Coop. Bank whosoever is the share holder.
 - (iii) One Director for every 50 individual share holders to be elected out of individual shares holder subject to a maximum of 3 so long as the shares of the individual members are not fully retired. No director shall be elected from amongst individual member if their number is less than 50.
- 31. The terms of the Board of Directors shall be 3 years. The election of the board of Directors shall be conducted in the manner laid down in the Punjab Co-operative Societies Act. The Rules and the instructions issued by the Registrar in this behalf from time to time.
- 32. When a vacancy occurs in the Board by resignation, expulsion or creature it may be filled by election. The person re-elected shall hold office of the remaining term of the Board.
- 33. The Board of Directors/Managing Committee shall elect a President a Vice President and or a Managing Director from amongst themselves. They should hold office for three years.
- 34. The member of the Board of Directors or local board shall cease to hold office if he :-
 - (i) is a representative of the society under winding up order or class 'D'.
 - (ii) Ceases to be share holder of the society he represents or the bank.
 - (iii) becomes paid employees of ;
 - (a) any co-operative society.
 - (b) the bank.

- (c) the Government.
- (iv) is convicted of any offense involving dishonesty or moral turpitude.
- (v) applies for bankruptcy or is declared insolvent.
- (vi) becomes of unsound mind.
- (vii) receives any honorarium from any co-operative society or of the bank.
- (viii) becomes interested directly or indirectly in any contract with the or in any sale or purchase made by the bank privately or in auction.
- (ix) becomes related to any employee of the bank.
- (x) becomes defaulter in regard to his personal loan or borrows above his maximum credit limit from any society.

35. The Board of Directors shall meet at least once in three months. At least 15 days notice of the meeting shall be given to the directors before a meeting is held. One - third of the members shall from the quorum for meeting of the Board. The President or in his absence the Vice -resident and if both are absent, a member elected by those present in the meeting shall preside over the meeting of the Board. Each member shall have one vote. Unless otherwise provided in these bye-laws or by the statutory rules notified by the Government, all questions shall be decided by a majority of votes. In case of equality of votes, the President of the meeting shall have a casting vote.

Any 3 or 1/3 of the total members of the Board of Directors whichever is less may requisition a special meeting of the Board of Directors by giving 7 days notice to the Chief Executive Officer of the Bank. On the receipt of the requisition, the Chief Executive Officer shall convene a meeting of the Board of Directors. In case no Chief Executive Officer is appointed, notice will be received by the manager and the meeting shall also be convened by him. If the Chief Executive Officer/Manager as the case may be fails to do so, within a reasonable time, the Registrar on the application of the signatories of the requisition may summon a meeting of the Board of Directors, the Registrar may on his own motion, at any time summon a meeting of the Board of Directors.

If at the hour fixed for a meeting of the Board of Directors quorum is not forthcoming, the Chairman of the meeting shall, if the meeting has been called on the requisition of the Board of Directors adjourn it & no further meeting of Board of Directors shall be convened on the strength of the requisition. If the meeting is convened otherwise than on requisition the Chairman shall postpone the meeting to a further, date. A fresh notice for the subsequent meeting of the Board of Directors shall be given to the Board of Directors shall be given to the members. The business at the subsequent meeting may be transacted with the number of directors present.

36. An elected member of the Board of Directors shall cease to hold office if he absents himself from three consecutive meetings of the Board, but he may be reinstated in the office by the Board of Directors sufficient reasons recorded in writing.

If he ceases to be a member of the society he represents he shall cease to be on the Board of Directors.

37. The powers and duties of the Board of Directors shall be :-

- (i) To observe in all transactions, the Act, the Rules and these bye-laws ;
- (ii) To elect the President and Vice-President and the managing Director ;
- (iii) To appoint, dismiss, suspend or punish salaried or unsalaried employee of the bank provided that any employee aggrieved by an order of the Board of Directors dismissing, suspending other wise punishing him may appeal there from to the Registrar (who may delegate this power of deciding such appeal to the Deputy Registrar) and the decision of the appellate authority shall be final and binding of him ;
- (iv) To give directions the manager for conveying a meeting of the general body of the bank and to put up to the General meeting the annual report and the balance sheet ;
- (v) To establish branch offices at suitable places with the approval of the Registrar and to determine the area of operation ;
- (vi) To frame and subsequently amend rules for regulation their business and working of the bank, consistent with the provisions of these bye-law, and with the prior approval of the Registrar.
- (vii) To appoint a Director to represent the bank in the meeting of the Managing Committee or general body of any other co-op. institution or any other institution of which it is a share holder.
- (viii) To institute, conduct, defend, compromise, refer to arbitration or suspend legal proceedings and claims by or against the Bank;
- (ix) To ensure compliance of suggestions and instruction contained in the inspection of audit not relating to the bank ;
- (x) To decide the terms on, the period for and the rates of interest at which deposits are to be received and to arrange for the repayment or return of deposits ;
- (xi) To decide the terms on, the period for and the rates of interest at which loans are to be given and to make arrangement for the recovery of loans and interest ;
- (xii) To grant loans within sanctioned maximum credit limits to member societies and to carry out the verification of the securities offered ;
- (xiii) To contract loans with the sanction of the Registrar to raise their capital as directed by the General meeting and to pledge the bank's credit for such purposes ;
- (xiv) To sanction contingent expenditure ;
- (xv) To examine the accounts and supervise the maintenance of prescribe registers ;
- (xvi) To buy-sell, endorse or otherwise deal with the securities of the Central or State Government and other securities supplied in Section 20 of the Indian Trust Act 1882, on behalf of the bank as well as on behalf of the other co-operative institutions or any person and to authorise on this behalf any office bearer bearers of the Bank of the Punjab State Co-operative bank and to arrange for the safe custody of the securities owned or pledged with the bank ;
- (xvii) To accept or reject the resignation of a director.
- (xviii) Generally to supervise and manage the affairs of the bank :

- (xix) To invest in the share of any other co-operative institution ;
 - (xx) To open accounts with other banks ;
 - (xxi) To fit T. A. of Directors subject to the approval of the Registrar ;
 - (xxii) To sanction credit limit of member societies within their maximum credit limit as approved by the Registrar ;
 - (xxiii) To issue new shares and transfer old shares.
 - (xxiv) To offer guarantee in favour of the State Bank of India to advance clean loan to its constituent Societies.
38. There shall be an Executive Committee consisting of 5 Directors including the President, one Govt. nominee or Managing Director, if appointed by the Govt. and 3 Directors to be elected by the Board from among themselves. The Executive Committee shall have the following powers and duties ; -
- (I) Subject to the privation of by-law 42, 43 and 44 to appoint transfer , suspend , reinstate punish, remove, dismiss or other- wise deal with the staff of the Bank in accordance with the service rules issued by the Registrar.
 - (ii) Through any member or officer the Bank to institute, Conduct, defend, compromise, refer to arbitration or suspend legal proceedings and claims by or against the bank ;
 - (iii) To enter into arrangements for the raising of loans and credit with the sanction of the Registrar.
 - (iv) To decide the terms and the period for and the rates of interests at which loans are to be given and to make arrangements for the recovery of loans and interest ;
 - (v) To decide term and period for and the rates of interest at which deposits are to be received and to arrange for the payment or return of deposits ;
 - (vi) To grant loans within sanctioned maximum credit limits to societies operation in the areas operation and to carry out the verification of the securities offered .
 - (vii) To sanction extension of period of loans which become due of repayment ;
 - (viii) To invest the funds of the Banks in the manner laid down in section 44 of the Punjab Co-operative Societies Act, 1961.
 - (ix) To buy, sell, endorse assign pledge or otherwise negotiate securities issued by the Central or State Govts of the Indian Union and those issued by the Central Govt. of Pakistan and its provinces and other securities specified in the section 20 of the Indian Trust Act, 1882, on behalf of the bank as well as on behalf of co-operative institutions or any person and to authorise in this behalf any

officers or officer of the Bank and to arrange for the safe custody of the securities owned by of pledged with the bank ;

- (x) To sanction or approve investments of the Bank
- 39. The members of the Executive Committee shall hold office for 3 year . An elected member of the Executive Committee shall cease to hold office if he absent himself from 3 consecutive meeting of the committee without sufficient reasons approved by the Committee. An vacancy caused by the resignations or otherwise occurring among the elected members of the committee shall be filled by election by the Board.
- 40. It shall be competent for the Board to delegate by a resolution in writing any of its power to Executive Committee or any officer of the Bank action singly or jointly for the better conduct of the Bank from time to time and withdraw or any of the powers and duties so delegated.
The Board may also constitute any other sub-committee consisting of not more than 5 Directors, one of whom must be a Govt. nominee or Managing Director when appointed by Govt. to advise on specific matters entrusted to them. At least 7 days notice specifying the date, place , time and agenda for a meeting of Executive Committee or any of the sub-committee constituted by the Board shall be given to the members of the committee.

MANAGING DIRECTOR, MANAGER, BRANCH INCHARGE.

- 41. Subject to bye -law 37, the powers and duties of the Managing Director shall be as given below. The Manager/Branch incharge may exercise all or any of those powers subject to the control of the Managing Director.
 - (1) To superintend the working of the office and to be responsible for proper and punctual maintenance of the accounts including a cash book and an ledger showing the accounts of every shareholder, depositor, creditor and borrower, and a stock register ;
 - (2) To maintain correctly and up-to-date register of members the shares list and the list of persons nominated under bye-law 12
 - (a) Subject to the control of the Board of Directors and any instruction issued by the Registrar from time to time, to sanction loans to :-
 - (i) member societies within their sanctioned credit limits ;
 - (ii) liquidator and execution agents on the recommendations of the Assistant Registrar of the District and
 - (iii) members and non-members on the security of their deposits.
 - (b) To procure the due execution of the bonds for the issue of loans.
 - (3) to receive deposits and issue receipts as prescribed by the committee ;
 - (4) to borrow with the previous sanction of the Registrar from any other registered Central Co-operative Bank ;
 - (6) to receive money due to the Bank and give receipts ;

- (7) to pay money due from the bank ;
 - (8) to incur contingent expenditure subject to the sanction of the Board of Directors :
 - (9) to sign on behalf of the Bank and conduct its correspondence ;
 - (10)to attend General meeting & meetings of the Board of Directors, Executive committee and other committee constituted under bye-laws from time to time;
 - (11)to certify copies of entries in the books as required under Punjab Co-operative Societies Act ;
 - (12)generally to conduct the current business of the bank and to perform all duties entrusted to him by the Board of Directors;
 - (13)to make, sign , draw, accept, endorse and transfer promissory notes, cheques, drafts, bills of exchange, hundies, debentures, securities and other negotiable and non-negotiable instruments in the name of and on behalf of the bank jointly with other in accordance with by-law 45.
42. (I) The services of those employees or a class of employees of the Bank which are specified by the Registrar from time to time shall be borne on the strength of common cadres of Punjab State Co-operative Bank.
- (ii) The services of the staff not included in common cadre of the Punjab Co-operative Bank Ltd., shall be governed by the service rules framed by the Registrar and modified or amended by him from time to time.
- (iii) The Bank will create a common cadre for the Secretaries and other employees of member Co-op. Agricultural service societies whose services may be lent on deputation to such societies.
- The common cadre shall be governed by the service rules framed by the Registrar in consultation with the Board of Directors of the Bank and as amended or modified by him from time to time in the same manner.
43. In addition the powers given to the manager under the bye-laws 41 of these bye-laws, the manager shall have the following powers:-
1. to transfer employees of the rank of senior clerks and below other than those working under the control of Chief Executive Officer.
 2. to appoint, suspend, reinstate, punish class iv employees including, peons chowkidars, Gunmen, Malies and Daftries etc., other than those working under the Chief Executive Officer;
 3. to operate upon all types of credit limits sanctioned by Reserve Bank of India and to operate upon the accounts of the bank with Reserve Bank of India, other Banks and institutions along with one or more official as may be nominated by the Board.
44. The Chief Executive Officers of the Bank shall have the following posers and duties :-
- (I) to prepare for the approval of the Board the loaning policies of the Bank and to ensure their implementation ;
 - (ii) to organise and conduct companions for advance and recoveries of loans ;

- (iii) to supervise and inspect the affiliated societies ;
- (iv) to have administrative control over the Executive Officer, Supervisor and other staff attached to him ;
- (v) to transfer employees working under his control of the rank of supervisors, Clerk and below ;
- (vi) to appoint, suspend, reinstate and punish Class IV employees including peons, Chowkidars etc. working his control ;
- (vii) to summon meetings of General body, Board of Directors, with Managing Director and attend these meetings without having any right to vote ;
- (viii) To function as secretary of the General Meeting, Board of Directors, Executive Committee & other committees constituted under the bye-laws.
- (ix) to summon meetings of the committee constituted to govern the common cadre of secretaries and employees of the affiliated societies.
- (x) To act as member secretary of the Committee constituted to govern the common cadre of secretaries and other employees of the affiliated societies.

In case no Chief Executive Officer is appointed these duties will be performed by the Manager.

45. All charges or other instruments executed on behalf of the bank except receipts shall bear the signature of the manager or the accountant and the Managing Director or a member of the Board of Directors especially appointed for the purpose as representing the bank, provided that the Board of Directors may by a resolution authorize the Manager and the Accountant jointly sign the instruments under bye-law .

41 (43) and to operated jointly on banking accounts with or without limit whether the banking account be at debit or credit, but in the case of a branch of the Bank, the Board of Directors may by a resolution, authorise the Branch Manager or accountant-in-charge and any member of the Board especially appointed for the purpose as representing the Bank to sign fixed deposit receipts, instruments under bye-law 41 (13) and to operate jointly on banking accounts with or without limit whether the banking accounts be at debit or credit.

46. A treasurer may be appointed by the board of Directors to take charge of all money entrusted to him by the bank and account duly for the same and make such payments the Board of Directors of Managing Director or Manager may order in accordance with their powers.

AMENDMENT OF BYE-LAWS

47. No amendment to these bye-laws shall be carried out save in accordance with a resolution passed in the general meeting of the bank of which due notice of the intention to discuss the amendment has been given.

Provided that no such resolution shall be valid unless it is passed by a majority of members present at the general meeting at which not less than two third of the members of the time being of the bank or present.

Provided further that amendments previously approved by the Registrar may be adopted by a majority at any ordinary general meeting.

DISTRIBUTION OF PROFITS

48. After making provision for depreciation on buildings, and other stock as decided upon by the Board of Directors of the bank as per audited balance sheet shall be disposed of in the following manner :-

- (1) At least 25 percent shall be carried to the Reserve Fund.
- (2) The remainder may be applied as follows :-
 - (a) to the payment of a dividend not exceeding 10 percent of the paid up value of shares ;
 - (b) to the creation of bad and doubtful debt fund, investment depreciation fund, building fund, dividend equalisation in or share transfer Fund.
 - (c) not more than 10 percent to any purpose referred in section 42 of the Punjab Co - operative Societies Act and approved by the Registrar, namely, relief of the poor education, medical relief and advancement of any other object of general public utility except one relating exclusively to religious teaching or workshop or to common good Fund to be devoted to any of these purpose.
 - (d) to the payment of bonus to the employees of the bank subject to a maximum of one month's salary.
- (3) Any surplus may be carried over to the next year or credited to Reserve Fund.
- (4) The distribution of net profits shall be decided upon by the general body on the recommendations of the Board of Directors subject to the approval of the Registrar.
- (5) In case any share-holder does not claim dividend within three years from the date of declaration he shall forfeit his right to dividend shall be carried to the Reserve Fund of the Bank.

49. Notwithstanding the provision of any other bye-law the bank shall create an agricultural credit stabilization Fund in such a manner as may be directed by the Registrar of the Punjab State Co-operative Bank.

50. The bank shall be competent to incur expenditure on such measures as are conducive to spreading of co-operative education and training. For this purpose, Bank shall contribute to the Punjab Co-operative Union every year such amount as may be directed by the Registrar.

51. The Reserve fund of the bank shall be indivisible and no member shall be entitled to claim a specified share in it. with the prior approval of the Registrar the Reserve Fund may be utilised for meeting losses, unless the Registrar otherwise directs by special order, the Reserve Fund of the bank may be utilised in the business of the bank.

MISCELLANEOUS

52. (a) The loan outstanding from the Bank against a member shall not at any time exceed the limited which may be fixed by the Registrar from time to time.

(b) No loan should be advanced by Bank for a period exceeding five years.

53. The bank shall pay such audit fee as may be assessed from time a time by the authority competent to do so.
54. The services of member of the Board of Directors of the Bank shall be honorary but such members may be paid travelling and daily allowances on a scale fixed by Board of Directors and approved by the Registrar.
55. In the conduct of the affairs of Bank, the Board of Directors, and the officials of the Bank shall exercise prudence and diligence of ordinary men of business and shall be responsible for any loss sustained to the Bank through acts of commission and commission century to these bye-laws.
56. Should any doubt arise with regard to the interpretation of any of these bye-laws the matter shall be referred to the Registrar, whose decision shall be final.
57. All disputes relating to the business of the bank shall be disposed of in the manner provided by the statue governing the Co-operative Societies Punjab state and the rules framed here under.
58. The book shall be open to the inspection of anyone interested in the funds; except that no one shall be allowed to see the deposit account of any person without that person's consent in writing.
59. Copies of the bye-laws and the balance sheet shall be supplied free to all members. The last balance sheet shall be open to public inspection during all office hours.
60. The bank shall maintain such accounts and other record connected with account in such from or manner as may be directed by the authority specified in the statutory rules, framed under the act governing the co-operative societies in Punjab State.
61. The Bank shall prepare and submit such returns and statement as Registrar may from time to time specify.
62. The Bank may, in the events of its unsatisfactory working be wound up and canceled by the order of the Registrar in accordance with the law for the time being in force.
63. It shall be competent for the Reserve Bank and the Punjab State Co-operative Bank to inspect the Book and the record of the Bank and the Board of Directors of the Bank arrange the production of books and record before the representative of the Punjab State Co-operative Bank.
64. It shall be competent for a supervisor in the employ of the Bank to inspect the book of and record of an indebted society; provided that such inspected shall be confined to only the loan business of the society and that the inspection note shall not be recorded on the book of the society rule.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- (i) To observe in all transactions, the Act, the Rules and these Bye-laws;
- (ii) To elect the President and Vice-President and the Managing Director ;
- (iii) To appoint, dismiss, suspend or punish salaried or unsalaried employees of the bank provided that any employee aggrieved by an order of the Board of Directors dismissing, suspending otherwise punishing him may appeal there from to the Registrar (who may delegate this power of deciding

such appeal to the Deputy Registrar) and the decision of the appellate authority shall be final and binding of him ;

- (iv) To give directions to the Manager for conveying a meeting of the general body of the bank and to put up to the General Meeting the annual report and the balance sheet ;
- (v) To establish branch offices at suitable places with the approval of the Registrar and to determine their area of operation ;
- (vi) To frame and subsequently amend rules for regulating their business and working of the bank, consistent with the provisions of these bye-law, and with the prior approval of the Registrar.
- (vii) To appoint a Director to represent the bank in the meeting of the Managing Committee or general body of any other co-op. institution or any other institution of which it is a share holder.
- (viii) To institute, conduct, defend, compromise, refer to arbitration or suspend legal proceedings and claims by or against the Bank;
- (ix) To ensure compliance of suggestions and instructions contained in the inspection or audit note relating to the bank ;
- (x) To decide the terms on, the periods for and the rates of interest at which deposits are to be received and to arrange for the repayment or return of deposits ;
- (xi) To decide the terms on, the periods for and the rates of interest at which loans are to be given and to make arrangement for the recovery of loans and interest ;
- (xii) To grant loans within sanctioned maximum credit limits to member societies and to carry out the verification of the securities offered ;
- (xiii) To contract loans with the sanction of the Registrar, to raise their capital as directed by the General meeting and to pledge the bank's credit for such purposes ;
- (xiv) To sanction contingent expenditure ;
- (xv) To examine the accounts and supervise the maintenance of prescribed registers ;
- (xvi) To buy-sell, endorse or otherwise deal with the securities of the Central or State Government and other securities specified in Section 20 of the Indian Trust Act 1882, on behalf of the bank as well as on behalf of the other co-operative institutions or any person and to authorise in this behalf any office bearer/ bearers of the Bank or the Punjab State Co-operative bank and to arrange for the safe custody of the securities owned or pledged with the bank ;
- (xvii) To accept or reject the resignation of a director.
- (xviii) Generally to supervise and manage the affairs of the bank :
- (xix) To invest in the shares of any other co-operative institution ;
- (xx) To open accounts with other banks ;
- (xxi) To fix T. A./D.A. of Directors subject to the approval of the Registrar;

- (xxii) To sanction credit limit of member societies within their maximum credit limit as approved by the Registrar ;
- (xxiii) To issue new shares and transfer old shares.
- (xxiv) To offer guarantee in favour of the State Bank of India to advance clean loan to its constituent Societies.