

BYE-LAWS OF

The Calicut Co-operative Urban Bank Ltd. No.1538

Kallai Road – Calicut - 2

(Established in 1915)

As per the Order No. O/6783/2019 Dtd 03.03.2020 and
Certificate of registration No. O/41/2020/KDis Dtd 22.01.2020
Approved as per Board Resolution No. 28/07 Dtd 05.11.2020

BYE-LAWS OF
Calicut Co-operative Urban Bank Limited, No.1538
(Established in 1915)

1. Name

The Bank shall be called “The Calicut Co-operative Urban Bank Limited”.

2. Registered Office

Registered Office of the Bank shall be situated at Kallai Road, Calicut – 2 in Nagaram amsom of Kozhikode Taluk, Kozhikode District and its address shall be “The Calicut Co-operative Urban Bank Ltd., No.1538, Kallai Road, Chalappuram Post, Kozhikode-2.

3. Area of Operation

Area of operation of the Bank shall be confined to the Kozhikode and Thamarassery thaluks excluding the area covered by Kadalundy, Cheruvannur, Nallalam Panchayaths and Ramanattukara and Feroke municipalities in Kozhikode thaluk and unnikulam panchayath in Thamarassery thaluk.

4. Definitions

- i) The word ‘Act’ and the word ‘Rule’ used in this bye-laws mean the Kerala Co-operative Societies Act, XXI of 1969 as amended from time to time and the Rules made thereunder, respectively.
- ii) ‘Government’ means the Government of Kerala
- iii) ‘Registrar’ means the Registrar of Co-operative Societies, Kerala and Joint Registrar of Co-operative Societies, Kozhikode who is delegated with all the powers of Registrar under the Act and Rules.
- iv) ‘Member’ means a person duly admitted to the membership of the Bank and includes a nominal or Associate member.
- v) ‘Nominal’ or ‘Associate’ member means a person who has been admitted as a nominal member under bye-law No.10.
- vi) ‘Bank’ means the Calicut Co-operative Urban Bank Limited.
- vii) ‘Bye-laws’ means the bye-laws of the Calicut Co-operative Urban Bank Limited.
- viii) ‘Chief Executive’ means any employee of a co-operative society by whatever designation called and includes an officer of the State Government or an employee of any other institution or co-operative society who discharges the functions of a Chief Executive under the Act, the Rules or the Byelaws.
- ix) A person’ means an adult individual, proprietary concern partnership firm duly registered under the Indian Partnership Act 1932, company or any other body ‘corporate constituted under any law for the time being in force, society registered under the Societies Registration Act of 1860, State Government and Public Trust registered under any law for the time being in force except a co-operative society registered under the Co-operative Societies Act other than the State Co-operative Bank of the State concerned, a Central Co-operative Bank of the District concerned.

5. Objects

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

- ii) To accept deposits from the public repayable on demand or otherwise and withdrawable by cheques, drafts, order or otherwise for the purpose of lending or investment.
- iii) To borrow or raise money.
- iv) To lend or to advance money either upon or without security to members or others as permitted as per this byelaws and rules.
- v) To draw, make accept, discount, buy, sell, collect and deal in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, certificates, scripts and other instruments and other securities whether transferable or negotiable or not.
- vi) To grant and to issue letters of credit, travellers cheques and circular notes.
- vii) To buy and to sell foreign exchange including foreign bank notes.
- 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 investments of all kinds.
- ix) To purchase and to sell bonds, scrips or other forms of securities on behalf of constituents.
- x) To receive all kinds of bonds, scrips, valuables on deposit or for safe custody or otherwise.
- xi) To provide safe deposit vaults.
- 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 the constituents.
- xv) To effect to insure, to guarantee, to underwrite, to participate in managing and carrying out any issue public or private, of state, Municipal or other loans or of shares, stocks, debentures, debenture stock of any company, co-operative Society corporation or association and to lend money for the purpose of any such issue.
- xvi) To acquire, to construct, to maintain and to alter any building or works necessary or convenient for the purpose of the Bank.
- xvii) To manage to sell and realise any property which may come into the possession of the Bank in satisfaction or part satisfaction of any of its claims.
- xviii) To open branches and pay offices with the permission of the Registrar and Reserve Bank of India within the area of operation of the Bank so as to provide banking services to the public.
- xix) To establish, to support or to aid in establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit members, employee/ex-employees of the Bank or their dependents.
- xx) To prepare and to finance schemes for amelioration of the financial condition of members.
- xxi) To provide financial and technical assistance to self employed persons for setting up their own business.
- xxii) To enter into participation arrangements/arrangements with any other bank or banks or financial institutions with the object of making loans and advances.
- xxiii) To do any other form of business as specified in clause (1) of Section 6 of Banking Regulation Act 1949 as applicable to Co-operative Societies)
- xxiv) To do all such other things as are incidental and conducive to the promotion or advancement of these objects and of the business of the Bank.

- xxv) To undertake any other form of business which the central or state Government may specify as a form of business in which it is lawful for a co-operative banking institutions to engage.
- xxvi) To implement any other form of modern technology related products and services in Banking sector.
- xxvii) To Provide assistance for members and customers for obtaining PANCARD
- xxviii) To conduct agency Services for members and customers for investment in mutual Funds/ Life/General Insurance and trading all types of securities, Referral agency etc.

6. Funds

Funds may be raised by the following means:

- i) Shares
- ii) Deposits and Borrowings
- iii) Loans, cash credits, overdrafts and advances.
- iv) Donations, grants and subsidies
- v) Any other means approved by the Registrar

7. Maximum borrowing power

The maximum borrowing power of the Bank shall not exceed 150 times of the paid up share capital and reserves.

8. Shares

The authorised share capital of the bank for the present shall be Rupees Forty crores made up of the following types:

- i) 29,00,000 A Class shares of Rs.100/- each by persons which should be paid in full on application and allotment.
- ii) 10,000 B Class shares of Rs.1000/- each by State Government and other body or persons approved by the Government.
- iii) 50,00,000 C class shares of Rs. 20/- each by C class members which should be paid in full on application and allotment

Note – Deleted

9. Members

- a) No person shall be admitted as A Class member of the Bank except the following, namely:-
 - i) Who has attained the age of 18 years
 - ii) Who is not of unsound mind
 - iii) Who is a resident within or is in occupation of land or carrying on his profession in the area of operation of the Bank
 - iv) Who is not a member of any other primary co-operative Bank or a credit society
 - v) Who is fully qualified under Rule 16 (2) of the K.S.C. Rule
- b) A Class Membership of the Bank shall be open to:-
 - 1) Individuals residing or is in occupation of land or carrying on his profession within the area of operation of the Bank.

- 2) Any other person as defined under bye-law 4 (ix) having its registered office within the area of operation of the Bank and conducting business within such area, provided :
 - i) The individual or person is not a member of any other primary co-operative bank or a co-operative credit society.
 - ii) The individual or any partner of a partnership firm is not convicted of any criminal offence involving moral turpitude
 - iii) The individual or the person is not engaged in business competing with or conflicting with the business of the Bank
 - iv) The individual is not an employee of the Bank or the financing Bank
 - v) The individual or the person has subscribed to and fully paid for at least one share of the Bank and his application has been fully approved by the Board of Directors
- c) B Class member
 1. Government of Kerala
 2. The Kerala State Co-operative Bank Ltd
 3. The Kozhikode District Co-operative Bank Ltd
 4. Any body of persons, whether incorporate or not and whether or not established by or under any law. If such body is approved by the Government in this behalf by general or special order
- d) C Class member

C Class membership shall be allowed to any person other than a person eligible to be an A Class or B Class member and residing anywhere within the area of operation of the Bank. C Class member shall be eligible for availing all types of loans and also to stand surety to loans availed by other members. They shall not have any other right of an A Class member.
- e) A Class and C Class members shall remit entrance fee of Rs. 5/- each at the time of admission. No entrance fee shall be collected from B Class members.
- f) No right of membership shall be exercisable until a person has made such payments to the Bank in respect of membership or acquired such interest in the Bank as may be prescribed by the Act or Rules or bye-laws

10. Nominal or Associate Member

- i) Any person who desires to borrow occasionally for a temporary period against certain tangible securities such as gold and silver ornaments, life insurance policies and Government and other securities may be enrolled as a nominal or Associate member upon his application in a prescribed form on payment of Rs.5/- as non-refundable entrance fee provided he resides or is gainfully engaged in any occupation within the area of operation of the Bank.
- ii) The nominal or associate member shall not be entitled:
 - a) For a share in the Bank.
 - b) To receive audited accounts and annual report.
 - c) To attend, to participate and to vote in the general body meeting and/or special general body meeting of the Bank.
 - d) To any assets or profits of the Bank.
- iii) A co-operative society shall not be eligible and as such shall not be admitted as a nominal or associate member in terms of provisions of this bye-law.

11. Share certificate

Every person admitted as member shall be entitled to receive a share certificate stating the number of share/s and their distinctive number/s. The share certificate shall be signed by the President or any Director duly authorised and the Chief Executive. The share certificate shall bear the Banks seal.

12. Transfer of Shares

- i) A member may transfer his share or shares after holding them for not less than three years to any person duly approved by the Board of Directors. The transfer is not complete until the name of the transferee has been duly entered in the register of members and the transfer fee of Rs.5/- per member is paid.
- ii) Transfer of shares may be declined to a share holder member if :-
 - a) The member is indebted or is liable as surety to another member who is indebted to the Bank.
 - b) The transferee does not fulfil the conditions prescribed under-by-law (9)
 - c) The member requests for transfer of part of a share held by him.
- iii) If any certificate is worn out, defaced, destroyed or lost a new share certificate may be issued in lieu there-of on payment of a fee of Rs. Two per certificate. It shall, however, be necessary to produce evidence to the satisfaction of the Chairman that the share certificates were worn out, defaced, destroyed or lost or in the absence of such evidence on such indemnity as the President may deem sufficient.

13. Resignation, cessation and Expulsion of member

- i) A member may resign his membership and withdraw his capital with the approval of the Board of Directors. The approval shall not be given while such a member is indebted and within 3 years of his becoming a member of the Bank. During any co-operative year, the aggregate withdrawals should not exceed 10% of the total paid up share capital as at 31st March of the preceding year brought for payments under bye-law 15 provided the real or exchangeable value of paid up share capital and reserves do not stand reduced to less than Rupees One lakh as per section II (i) of the Banking Regulation Act 1949 (as applicable to Co-operative Societies) as a result of such withdrawals.
- ii) Membership shall cease:
 - a) On death or dissolution or liquidation in case of firm or company or other corporate body.
 - b) On being adjudged as insolvent or legally disabled from continuing as a member.
 - c) On breach of any conditions prescribed under bye-law 9.
 - d) On transfer of all the shares.
 - e) On resignation or withdrawal of membership having been accepted.
- iii) A share holder member may be expelled as provided in section 17 of the Kerala Co-operative Societies Act and Rules.

14. 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 special register kept at the Bank's registered office. If the nominee happens to be an employee of the Bank he shall have no rights other than to receive that share value with dividend if any.

Nomination can be revoked and fresh nomination made any number of times after due intimation in writing to the Bank and on payment of fee of rupee one for every subsequent nomination.

15. 1) On the death of a share holder member the Bank shall transfer the share or interest of deceased member to the person or persons nominated in accordance with the rules or the byelaws, or, if no person has been so nominated to such person as may appear to the Board of Directors to be the heir or legal representative of the deceased member.

Provided that such nominee, heir or legal representative as the case may be, is admitted as a member of the Bank.

2) Notwithstanding anything contained in Sub clause (1) any such nominee, heir or legal representative as the case may be, may require the Bank to pay him, the value of share or interest of the deceased member ascertained in accordance with the rules or the byelaws and the Bank shall pay the amount to the nominee, heir or legal representative as the case may be within six months from the date of receipt of such requisition.

16. Liability of a member

The liability of a shareholder shall be limited to the capital represented by the share of which such share holder is the registered share holder. The liability of a past share holder, to the extent of shares as they existed at the time when he ceased to be a share holder, shall continue for a period of two years from the date of cessation.

17. 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 money 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.

18. General Body

- i) Subject to the provisions of the Act and Rules the final authority of the Bank shall vest in the general body.
- ii) The general body meetings shall be of two kinds viz. Annual General Body meetings and special General body meetings.
- iii) The annual general body meeting of the Bank shall be convened within a period of 6 month of the close of the financial year.
- iv) The special general body meeting may be called at any time by the Board of Directors. It shall also be called on a written requisition made to the Chairman of the Board of Directors by one fifth of the share holders or on a requisition from the Registrar of Co-operative societies.

19. Business of the Annual General Body Meeting

The business of the annual general body meeting shall be as under :

- i) To consider the Board of Directors report on the working of the Bank for the preceding year, together with the audited statements of accounts including the balance sheet and profit and loss account of the preceding year.
- ii) To sanction distribution of profit and to declare dividend at a rate not exceeding the rate recommended by the Board of Directors and prescribed in the Kerala Co-operative Societies Act and Rules.
- iii) To consider communications from Registrar and or Auditor relating to the annual audit.
- iv) To consider and approve the budget for the succeeding year.
- v) To elect the members of the Board Directors.
- vi) To consider any other subject of which proper notice has been given as prescribed with the permission of two third of the members present at the annual general body

meeting. Any member may bring forward any subject which is not included in the agenda, provided that the subject put forward does not relate to expulsion of a member or amendment to Bank's bye-laws or reconsideration of a subject within six months.

20. Business of special General body meeting

The business of special general body meeting shall be the business as stated in the notice of requisition only. No other business shall be transacted.

21. Notice of annual general body meetings and special general body meetings.

- i) Notice of the general body meetings together with the agenda of the meeting shall be given to the members in one of the following method.
 - a) By notification in two leading Malayalam dailies having wide circulation in the area and on the notice board of the Bank in the Head Office and Branch Offices, at least 15 days prior to the date of the meeting.
- ii) The notice of the General Body meeting for amendments to the bye-laws of the Bank containing the details of the amendments proposed shall be published at least 15 days prior to the date of the meeting, in two vernacular dailies having wide circulation in the area of operation of the Bank, the Notice Board of the Bank, Head Office and Branches and also in the Notice Board of the Office of the Asst.Registrar of Co-operative Societies within which the area of operation of the Bank falls.
Copies of the notice shall also be published on the notice board of the Bank at Headquarters and Branch Offices.
- iii) The Bank shall also publish the accounts including the Balance Sheet, Profit and Loss Account and the report of the Board of Directors on the notice board of the Head Office and Branches at least 15 days prior to the date of annual general body meetings.
- iv) A special general body meeting must be convened within 30 days of receipt of requisition from members or from the Registrar of Co-operative Societies. Notice calling the meeting shall disclose the business contained in the notice of requisition and shall be the only agenda for the meeting. Notice shall be sent to the members in one of the methods specified in sub clause (i) above.
- v) Notice of annual general body meeting shall state the place and venue, date and time of the meeting. It shall also state the place, date and time of holding of adjourned meeting should it be necessary to adjourn in the absence of quorum.
- vi) Notice of the meeting shall be signed by the General Manager of the Bank.

22. Quorum

Fifty members or one fifth of the total number of share holder members whichever is less shall constitute a quorum for a general meeting. No business shall be transacted at any meeting unless the quorum of members is present.

23. Adjournment of an Annual General Body Meeting and Dissolution of a special General Body Meeting

- i) In the absence of quorum within one hour after the time appointed for holding a general body meeting the meeting shall be adjourned for a period not exceeding 30 days from the date originally fixed. Notice, of the adjournment should be published in a newspaper and notice board of the bank/branches.

- ii) In the absence of quorum, within the time fixed for holding an adjourned general body meeting the share holder members present and entitled to vote shall form the quorum.
- iii) No business other than the business for which a general body meeting was called shall be transacted at an adjourned meeting.
- iv) Within half an hour after the time appointed for holding a special general body meeting convened on requisition by share holder members, if there is no quorum, the meeting shall be dissolved.

24. Chairman of General body meeting

Chairman of the Bank shall preside over the general body meetings. In his absence the Vice-Chairman and in the absence of both a person elected from amongst the share holder members present and entitled to vote shall preside over the meeting.

25. Voting rights

- i) Each share holder member shall have one vote irrespective of the number of shares held.
- ii) Individual share holder members shall vote in person while a firm or a company or any other body corporate constituted under any law for the time being in force or Government which is a share holder member may appoint one of its partners, directors or officers to participate the meeting and to exercise the right of vote.
- iii) The chairman presiding over the meeting shall have casting vote in case there is equality of votes for and against any resolution.

26. Resolutions

- i) Resolutions shall be carried by a majority of votes. Votes shall be taken by show of hands unless a majority of share holder members present demand a ballot in which case a ballot shall be taken forthwith.

27. Minutes

- i) Minutes of the general body meeting shall be made in the minutes book provided for that purpose.
- ii) Minutes of a meeting shall be approved by the Chairman who presides over the meeting on the same day and a copy there of shall be filed with the Joint Registrar of Co-operative societies of the district.

28. Board of Directors.

The Board of Directors shall consist of 13 members who shall be elected from among the individual members under Rule 35A of the KCS Rules. Out of 13 seats there shall be reserved 3 seats for women members, one seat for SC/ST member, not less than 2 seats for members who possess experience in Banking or Professional qualifications and one seat for a member having a deposit of not less than Rs. 10,000/-.

The committee in office shall be competent to co-opt two persons or representatives who are having experience in the field of Banking, Management, Finance or Specialisation in any other field relating to the objects and activities undertaken by the Bank as members of the Board.

“Members who possess experience in Banking” means members who have worked in Middle/ Senior management level in a Commercial Bank, State Co-operative Bank, District Co-operative Bank, Urban Co-operative Bank, or a Service Co-operative Bank in the Managerial Cadre.

Professional qualification means membership in the Institute of Chartered Accountants of India or Masters Degree in Business Administration membership in the Institute of Cost and Works Accountants of India or Masters Degree in Commerce with experience in banking or experience in Inspection or Audit of Accounts of Banks, including Co-operative Bank.

The members of the Board of Directors shall be elected by the general body from among the members. All the members of the Board of Directors shall be elected at one and same time. The period of office of the members of the Board shall be 5 years beginning from the date of election. They shall vacate their office on the date of completion of 5 years from the date of election, in which they were elected as Directors. Retiring member of the Board shall be eligible for re-election.

The service of the members of the Board of Directors and members of the sub committees shall be gratuitous. But they shall be eligible for sitting fee for each sitting at a rate as prescribed by the Registrar from time to time. They shall also be eligible for traveling allowances prescribed by the Registrar from time to time. President or Chairman is eligible for honorarium at the rate prescribed by the Registrar from time to time.

29. Chairman and Vice-Chairman of the Board of Directors.

When a Board of Directors is constituted it shall elect its Chairman, Vice-Chairman and any other office bearers if any as soon as the result of the election is declared by the returning officer of the Bank. After the constitution of the Board it shall by a resolution authorise the officers concerned to take charge from the outgoing office bearers. The Chairman shall preside over all meetings of the Board and also over the Annual general body meeting and special general body meeting when such meetings are held. In the absence of the Chairman the Vice-Chairman shall preside over the meetings and in the absence of both the Chairman and Vice-Chairman the directors shall elect the Chairman for that meeting from among those present.

30. Eligibility for Election as Director

- a) A share holder member shall not be eligible to be elected as a director if he is disqualified under section 28 of KCS Act or
- b) Is a near relative of paid employees of the Bank or
- c) i) Is in default to the Bank or to any other co-operative society in respect of any loan or loans taken by him or loan in which he has stood surety, for such period as is prescribed in the bye-laws of the society concerned or in any case for a period exceeding three months or is defaulter in the Bank or to any other society, or
 - ii) Has been sentenced for any offence other than an offence of political character or an offence not involving moral delinquency such sentence not having been reversed or offence pardoned and a period of three years has not elapsed from the date of expiration of the sentence, or
- d) Is interested directly or indirectly in any contract made with the Bank or in any sale or purchase made by the Bank privately or in any auction or in any transaction of the Bank other than investment and borrowing involving financial interest if the contract, or transaction is subsisting or if the contract, sale, purchase or transaction be not completed, or

- e) Is employed otherwise than in an honorary capacity as legal adviser or as legal practitioner on behalf of the Bank or against the society which is a member of the former society or
- f) Is a paid employee of the Bank or any other co-operative society provided that the Registrar may exempt any person from the operation of this clause for such period to be specified by him in the order of exemption.
- g) Is of unsound mind, a deaf, mute or blind person or a leper or is a minor or a nominal or an associate member.
- h) Is an applicant to be adjudicated, a bankrupt, or an insolvent or an uncertified bankrupt or an undischarged insolvent or
- i) Is carrying the same business as is being carried on by the Bank or
- j) Is disqualified under any provisions in the bye-laws of the Bank and the Act and Rules, or
- k) Is disqualified to contest in the election to the Board of Directors of the Bank in the event of its supersession under section 32 of KCS Act, for two consecutive terms from the date of order of such supersession.
- l) Has been surcharged under Section 68 of the Act.

31. Vacation of office by a Director

A Director shall be deemed to have vacated his office before the expiry of his term if;

- i) He became a defaulter either as a borrower or as a surety.
- ii) He resigns and his resignation is accepted and/or ceased to be a member.
- iii) He remains absent for three consecutive meetings of the board without obtaining leave of absence.
- iv) He is adjudged as insolvent or incurs legal disability.

32. Vacancy in the Board of Directors

Vacancies in the Board of Directors occurring through death removal, resignation or any other reasons may be filled by fresh election as provided for in Rule 35A of the Kerala Co-op. Societies Rules framed under the Act.

Provided casual vacancies of an elected member of the committee shall be filled up by nomination by the committee out of the same class of members, if the term of office of the Board is less than half of its original term.

33. Meeting of the Board of Directors and notice of the meeting

- i) The Board of Directors shall meet as often as is necessary to transact business, but it shall meet at least once in a month. Notice of a meeting of the Board of Directors together with the agenda of the meeting shall be sent to all Directors at least five days prior to the date of the meeting. If deemed necessary detailed notes on agenda items shall also be sent to the Directors. If exigencies arise the General Manager may call for urgent meeting of the Board of Directors by giving at least two days notice.
- ii) In case of urgency where there may not be sufficient time to convene a meeting of the Board of Directors, the General Manager may obtain the orders of the Board of Directors, by circulation of papers among the members and such decision arrived at by circulation shall be placed before the next meeting of the Board of Directors for

their ratification. Should a difference of opinion arise in the course of such circulation the matter shall not be decided by circulation but shall be placed before meeting of the Board of Directors.

34. Quorum

Seven Directors shall form the quorum of the meeting of the Board of Directors.

35. Powers of the Board of Directors

- i) To consider applications for membership, allotment, transfer of shares and resignation.
- ii) To raise with or without security loans, overdrafts and cash credits within the maximum limit of borrowing fixed under bye-law 7 above and to approve the terms and conditions of such borrowings.
- iii) To approve the annual balance sheet, statement of profit and loss account and other statements for being placed before the members of the annual general body meeting.
- iv) To consider applications for loans and advances and discounting of bills and determine the terms and conditions thereof.
- v) To enter into participation arrangements with any commercial or co-operative bank and financial corporation for the purpose of loans and advances and to determine the terms and conditions of participation. This power shall not be delegated to any committee, office bearer or officer.
- vi) To consider cases of arrears and defaults of loans, overdrafts, advance and cash credits due from constituents and approve the action to be taken for recovery of the same.
- vii) To consider proposal to modify, alter, delete and add to the terms and conditions governing the outstanding loans, overdrafts, cash credits and advances due from constituents.
- viii) To approve investment of moneys belonging to the Bank in government and trustee securities, deposit and other approved securities.
- ix) To approve purchase, sell and/or pledge of Government and Trustee securities, insurance policies and other approved securities on behalf of the Bank and to delegate jointly any one of the Directors or Chief Executive Officer, power for the purpose of purchase, sale and/or pledge as the case may be.
- x) To consider proposals for opening branches.
- xi) To fix the rate of interest on loans and deposits.
- xii) To refer any dispute by or against the Bank to the Registrar or to any other officer duly appointed for the purpose.
- xiii) To institute, defend, conduct, compromise, abandon or withdraw any legal proceedings by or against the Bank, or Board or its officers or employees.
- xiv) To approve appointment of brokers and agents and fix their remuneration.
- xv) To consider proposals for creating posts of staff on the bank's establishment and to frame rules prescribing the procedure for filling the vacancies either by direct recruitment or by promotion from the existing members of staff, with the approval of Registrar.
- xvi) To appoint Chief Executive Officer/General manager for efficient conduct of Bank's business and to fix his remuneration and to frame rules governing the

- disciplinary action against erring employees, including Chief Executive of the Bank.
- xvii) To consider payment of compensation, advance rent or long term advance with or without security for purpose of securing premises for Bank's offices on lease or tenancy basis.
 - xviii) To prepare annual budget estimate within which the Chief Executive Officer may incur expenditure for proper and efficient working of the Bank.
 - xix) To accept deposits of all kinds and types.
 - xx) The Board of Directors may constitute subcommittee or committees and a branch committee or committees consisting of not more than 5 Directors including the Chairman and delegate to any such committee such powers as it may deem fit. The Chairman of the Board of Directors shall be the Chairman of such committees except Disciplinary action committee and in his or her absence the members present in such committee shall elect one among them as Chairman and Chief Executive Officer/ General Manager shall be the convenor of such committee or committees constituted by the Board.
 - xxi) To arrange for election of Directors of the Board.
 - xxii) To open bank accounts with any bank or financial institution and to authorise officers of the bank to deal with the same.
 - xxiii) To secure membership of or affiliation to appropriate institutions.
 - xxiv) To establish and support the Provident fund scheme for the benefit of the staff.
 - xxv) To nominate representative of the Bank to the various committees, general body meetings whenever necessary and for attending conferences, seminars etc.
 - xxvi) To perform all acts connected with the administration of the Bank and to undertake all activities and business in furtherance of the aims and objects of the Bank.
 - xxvii) To elect delegates of the Bank from among the Directors to any other co-operative institution of which the Bank is a member. The Board of Directors is also vested with the powers to withdraw the delegates so elected for valid reasons.
 - xxviii) The Board of Directors shall convene General Body meeting or Special General Body meeting in order to appoint Auditor or Auditing firm within the stipulated time from among the Panel of Auditors approved by the Director of Co- operative Audit.

36. All acts done in good faith by the Board of Directors or any person acting as a member of the Board shall notwithstanding that it is afterwards discovered that there was some defects in the appointment of such Board or person, be valid as if the Board or every such person has been duly appointed.

37. The minute of the meeting of the Board of Directors, the committee or sub committees shall be recorded in the Minutes book the pages of which shall be duly machine numbered. The minutes shall be signed by the Chairman of the meeting and the Chief Executive Officer of the Bank.

38. Chairman

The powers and duties of the Chairman shall be as under:

- i) To preside over the general body meeting; meeting of Board of Directors, sub committee meeting and meetings of any other committee.
- ii) To supervise the general working of the bank.

39. General Manager

The General Manager will be the Chief Executive Officer of the Bank.

The powers and duties of the General Manager who will be responsible to the Board of Directors, will be as under:

- i) To take action on the resolutions and decisions taken by the general body and board of Directors.
- ii) To convene the meetings of the General body, Board of Directors sub committee, staff committee or any other committees and attend and to record the minutes of all meetings in the minutes book and to countersign the same along with the Chairman of the meeting.
- iii) To conduct correspondence on behalf of the Bank.
- iv) To maintain all books of accounts registers and ledgers as may have been prescribed under the co-operative societies Act, and Rules and Bye-laws.
- v) To receive applications for membership of the bank and for additional shares and place them before the board of Directors with his report and recommendations.
- vi) To receive applications for enrolment of nominal members and pass orders thereon.
- vii) To receive applications for loans and to place them for consideration before the Board of Directors together with a detailed report containing his specific comments/recommendations.
- viii) To accept deposits of all kinds and types and to arrange for issue of receipts, statements and pass books.
- ix) To disburse moneys on behalf of the Bank.
- x) To be the custodian of cash on hand, property both movables and immovable, documents, securities and bonds.
- xi) To seek orders from the Board for appointment of staff sub-ordinate to him within the sanctioned strength on such scales of pay and allowances as may have been sanctioned by the Board of Directors from time to time with the approval of the Registrar.
- xii) To allot work amongst the Bank's staff and supervise their work.
- xiii) To take disciplinary action against the Bank's staff in accordance with the service rules.
- xiv) To issue orders of transfer of staff whenever necessary.
- xv) To pass orders on casual leave applications, traveling allowance bills, medical bills and other permissible bills of the staff.
- xvi) To incur expenditure within the budget approved by the Board of Directors.
- xvii) To arrange for investment of moneys in accordance with the Board's policy and to report the same to the Board of Directors in their next meeting.
- xviii) To exercise such other powers and discharge such other duties as may be delegated or entrusted to him by the Board of Directors or by the President.
- xix) The chief executive officer may delegate such of his powers and duties to the other officers of the Bank for proper and quick discharge of such duties with the approval of the Board of Directors.
- xx) To sue and be sued on behalf of the Bank. All documents for and behalf of the Bank shall be in the name of the General Manager.
- xxi) To furnish the following details to the Registrar of Co-operative Societies within six months of the closure of each financial year, such as comprehensive annual report of its

activities, audit statements of accounts, plan for surplus disposal approved by the General body of the Bank, list of amendments to the byelaws of the Bank if any, declaration regarding date of holding of General body meeting, conduct of election when due.

40 (I) Loans and Advances

Loans, Cash Credits and/or overdrafts on current accounts may be granted to members on Securities or Securities mentioned below or other Security or Securities approved by the Board of Directors subject to the directives issued by Reserve Bank of India from time to time relating to loans and advances of the Bank. Loans on the security of Jewels/Deposits may be sanctioned by the branch manager.

- i) Personal security and/or surety/sureties or other member/members.
- ii) Collateral security of movables and immovable property.
- iii) Industrial, mercantile, agricultural and marketable commodities or machinery under pledge, hypothecation or charge of the Bank.
- iv) Pledge of government, Trustee securities, shares of approved companies, debentures and fixed deposits with the Bank.
- v) Insurance policies assigned to the Bank within the surrender value.
- vi) Ware house receipts.
- vii) Gold and silver ornaments.
- viii) Any other tangible security such as goods for sale, finished goods and articles, raw materials and unfinished goods required for Cottage and Small Scale industries.
- ix) The Board may frame detailed loan regulations prescribing proportion of unsecured loans to total loans and advances, proper terms and conditions and the nature of securities acceptable for loans and advances for different purposes.
- x) In all cases of applications for the loans the applicants shall meet the charges for scrutiny of records and inspection of properties as may be fixed by the Board from time to time.

40 (i) Receipts shall be issued for all moneys paid to the Bank. For money paid by members and non members in the regular routine business, receipts shall be signed by the General Manager or any other officer duly authorised by the Board. Fixed Deposit receipts shall be signed by the General Manager/Branch Managers with another senior member of the staff in the Head Office or the respective branch as the case may be. In the case of borrowings from the financing Bank receipt or Bond shall be executed by the General Manager and members of the Board of whom one shall be the Chairman.

40 (II) All immovable properties proposed to be mortgaged shall be inspected by two members of the Board of Directors who may be deputed by the Board. They shall be paid inspection fee fixed by the Board of Directors.

41. Linking of share holding with loan limits

- a) A borrower should hold shares at 5 percent of his borrowings if such borrowings are on an unsecured basis ie, in the form of clean overdrafts, loans against one or two personal sureties and purchase/discount of clean bills and cheques.
- b) A borrower against tangible securities should hold share of the Bank to the extent of 2½ percent of his borrowing from the Bank.
- c) In the case of loans for small scale industrials units granted on security basis the linking of share capital might be fixed initially at one percent of the borrowings, to be raised in the course of the next two years to 2½ percent. The total amount of

share capital held by a member will however have to be within the limit laid down under the Co-operative Societies Act.

- d) Individual maximum borrowing power shall be limited upto Rs.3,00,00,000/-. Maximum borrowing power limit of each type of loans shall be prescribed by the Board of Directors from time to time. Board of Directors shall draft loan sub rules for each type of loan product.
- e) Rate of interest on each type of loans may be prescribed by the Board from time to time. The rate of interest shall not exceed the rates prescribed by the RBI from time to time. The rate of interest on overdue amount of loans may be prescribed by the Board from time to time. For this Board shall draft loan sub rules.

42. Deposits

- i) Deposits may be received at any time within the limits determined under the Co-operative Societies Act and Rules on such rates of interest and subject to such rules and regulations as may be fixed by the Board of Directors and also subject to the directives issued by the R.B.I. in this behalf from time to time.
- ii) Deposits may be received on current, savings, fixed recurring, cumulative and under any other special schemes.

43. Appropriation of Profits

The Bank shall, out of its net profit in any year.

- i) Transfer an amount not less than 25% to reserve fund.
- ii) Credit such portion of net profits not exceeding 5% to the Co-operative Education Fund subject to a maximum of Rs. 60,000/-.
- iii) Credit an amount not exceeding 10% of the net profit to the Co-operative member relief fund subject to a maximum of Rs. 1,00,000/-.
- iv) The balance of net profit may be utilised for all or any of the following purposes in such priority as the general body may fix.
 - a) Dividend to the members on their paid up share capital at a rate not exceeding 25%
 - b) Contribution to Bad Debt Reserve not exceeding 10%
 - c) Contribution to building fund not exceeding 20%
 - d) Credit such portion of net profit not exceeding 10% to common good fund to be utilised for any charitable purposes as defined in Charitable Endowment Act 1890.
 - e) A sum not exceeding 12½ percent of the net profit may be carried to a dividend equalisation fund to be available for distribution in any subsequent years subject to the provisions or rules framed under Act 21 of 1969.
 - f) A sum not exceeding 5 percent of net profit may be set apart towards employees relief fund subject to the condition that the fund is employed only for the medical relief of the employees or their parents wives and children in addition to the fixed medical allowance and for the education of their children.
 - g) To create any other reserve at the rate as prescribed by Reserve Bank of India from time to time.
 - h) To any other fund/Reserves to attain CRAR-Capital adequacy ratio as prescribed by Reserve Bank of India from time to time.
 - i) 1% of net profit or 1,00,000/- whichever is less to be reversed for study tour of staff members.

- j) Credit such portion of net profit not exceeding 5% to the professional education fund
- k) To create a "Members Aswas fund", not exceeding 10% of net profit, to members who are financially weak. For this board shall draft sub rules for getting the approval of Registrar.

The balance, if any, after appropriation as above shall be carried to reserve fund.

44. Reserve Fund

Reserve fund shall belong to the bank as a whole and is intended to meet unforeseen losses. It shall be indivisible and no member shall have any claim to the shares in it. It may be drawn upon only with the special sanction of Registrar to meet unforeseen loss incurred.

The Bank shall invest or deposit its Reserve Fund in the Central Co-operative Bank of the district or in the state Co-operative Bank or in trustee securities as approved by the Registrar.

45. Dividend

- i) 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 last day of the co-op. year to which the dividend relates.
- ii) Dividend shall be proportionate to the amount paid on shares and the period in whole months for which the amount stood to the credit of the share holder.
- iii) Dividend shall be payable at par at the Bank's head office as well as the branches.
- iv) 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 after giving intimation to the Members as per Rules.

46. Accounts and Records

Accounts and records shall be maintained in forms prescribed or approved by the Registrar and the Reserve Bank of India with such additions as the Board of Directors consider necessary. Any member of the bank may inspect any of the register of Records during office hours in so far as they relate to his on business transaction on payment of such fee as prescribed under Rule 25 of the K.C.S. Rules.

47. Audit

Accounts of the Bank shall be audited by an auditor appointed by the Registrar and by a chartered accountant appointed in the manner as prescribed by RBI.

48. Seal

The Bank shall have a common seal, which will remain in the custody of the General Manager and shall be affixed in the presence of the Chief Executive or any other officer empowered from time to time.

49. Amendment to bye-laws

1. None of these byelaws shall be added to, amended altered or rescinded, except by a vote of the majority consisting of not less than two thirds of the members present and voting at a general meeting.
2. Any addition, amendment, alteration or decision resolved upon at such meeting shall take effect from the date in which it is registered by the Registrar.

50. The Board of Directors may frame subsidiary rules for the proper conduct of the business subject to the approval of the Registrar of Co-operative Societies.

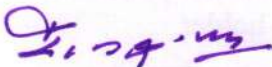
51. Disputes

Disputes arising among members or between the Bank and others as detailed in Section 69 of the Act shall be dealt with in accordance with the provisions of the Act & Rules.

52. Establishment

The Bank shall adopt a staff pattern in accordance with the provisions contained in Section 80 of the Act and the rules framed there under with the prior approval of the Registrar. The subsidiary rules relating to the recruitment, qualifications, probation, promotion, disciplinary actions and the other service matters of the employees of the Bank shall be as per the rules and regulation as specified in the Kerala Co-operative Societies Act and Rules 1969 as amended from time to time.

Different types of loans and advances and any other benefits to the employees of the Bank can be sanctioned as per the Provisions in KCS Act and Rules and as per the orders issued by the Government or the Registrar of Co. operative Societies from time to time. The Bank should frame necessary sub rules with the approval of the Board of Directors adhering to the KCS Act & Rules and the orders issued by the Government and the Registrar of Co. operative Societies and it should be sanctioned by the Registrar.


Chairman


Director


Director


General Manager

