Agenda No. :
Board Meeting : 15/07/2024

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.		Existing Bye-law	Bye-law No.		Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
2.		**Definitions**	2.		**Definitions**	
	d)	**"Bye-laws"** means the bye-laws of the Bank for the time being in force which have been duly registered or deemed to have been registered under the Multi-State Co-operative Societies Act in force and includes amendments thereto which have been duly registered or deemed to have been registered under the Act;		d)	**"Bye-Laws"** means the bye-laws of the Bank for the time being in force including amendments thereto, which have been duly registered or deemed to have been registered under the Multi-State Co-operative Societies Act, 2002.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
				aa)	**"Address"** means principal place of business of Bank **including email address** registered in the manner prescribed to which all notices, and communications may be sent.	
				bb)	**"Authority"** means the Co-operative Election Authority established under the provisions of Multi-State Co-operative Societies Act, 2002.	
				cc)	**"Central Registrar"** means the Central Registrar of the Co-operative Societies appointed under the provisions of Multi- State Co-operative Societies Act, 2002.	
				dd)	**"Co-operative Ombudsman"** means the Ombudsman appointed by the Central Government under the provisions of the Multi-State Co-operative Societies Act, 2002.	
				ee)	**"Sales Officer"** means a person authorized by the Central Registrar by a General or Special Order, to attach and sell the property of judgement debtor or to execute any decree by attachment or sale of the property.	

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.		Existing Bye-law	Bye-law No.		Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
				ff)	**“Recovery Officer”** means an Officer appointed under the provisions of Multi-State Co-operative Societies Act, 2002 and Rules, 2023 to perform various functions allotted to him by the Bank.	
				gg)	**“Co-operative Information Officer”** means an Officer appointed under the provisions of Multi-State Co-operative Societies Act, 2002.	
5.		**Nominal or Associate Member:**	5.		**Nominal or Associate Member:**	
	i)	The Bank may in the interest of promotion of the business of the Bank, admit a person who desires to stand surety for a borrowing member of the Bank or who desires to borrow occasionally for a temporary period against certain tangible securities such as Gold Ornaments, Units, National Saving Certificates, third party deposits, LIC policies, Government and Other Trustee Securities or who desires to borrow upto such limit as prescribed by the Reserve Bank of India from time to time for purchase of consumer durables, two wheeler vehicles, shares/ debentures or for any other purpose as may be prescribed by the Reserve Bank of India as nominal member or associate member on payment of fee of ₹100/- as non-refundable fee and upon his/her agreeing to the condition that he/she shall cease to be nominal member when all liabilities against him/her either as a borrower or as surety are fully discharged. However, the members of Self Help Groups (SHGs) and Joint Liability Groups (JLGs) who stand as guarantors for the loans granted to Self Help Groups (SHGs)/Joint Liability Groups (JLGs) are exempted from becoming nominal members.		i)	The Bank in the interest of promotion of the business of the Bank, may admit a person who desires to borrow occasionally or intends to be a surety for a borrowing member of the Bank for a temporary period against certain tangible securities such as Gold Ornaments, Units, National Saving Certificates, LIC policies, Government, Trustee Securities or any other permissible securities or who desires to borrow upto such limit as may be prescribed by the Reserve Bank of India from time to time for purchase of consumer durables, two wheeler vehicles / shares / debentures or for any other purpose as may be permitted by the Reserve Bank of India as nominal member or associate member on payment of fee of ₹100/- as non-refundable fee and subject to the condition that he/she shall cease to be a nominal member or associate member when all liabilities against him/her either as a borrower or as surety are fully discharged. However, the members of Self Help Groups (SHGs) and Joint Liability Groups (JLGs) who stand as guarantors for the loans granted to Self Help Groups (SHGs)/Joint Liability Groups (JLGs) are exempted from becoming nominal members or associate members.	For better clarity.

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.		Existing Bye-law	Bye-law No.		Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
				iii)	Provided further a nominal or associate member can be issued non-voting shares which may not confer any interest in the management of the Bank including right to vote, to be elected as a director of the board or / and participate in the General Body Meetings. Bank may issue, such shares in accordance with the guidelines issued by the Reserve Bank of India from time to time.	
8.		**Disqualifications of membership:**	**8.**		**Disqualifications of membership:**	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
	d)	has not used any services of the Bank for two consecutive years		**d)**	has failed to use services of the Bank for two consecutive years.	
10.		**Withdrawal from Membership / Partial Withdrawal of Shares Held:**	**10.**		**Withdrawal from Membership / Partial Withdrawal of Shares Held:**	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023 and for better clarity.
	iii)	A member may withdraw his/her share capital partly after one year with the approval of the Board of Directors. Member/s may withdraw part of the total shares held by him/her/them provided the remaining balance shareholding shall be 500 shares or more after such partial withdrawal of shares. Minimum withdrawal of shares shall not be less than 1000 shares. Applications for such partial withdrawal of shares may be made by the members with applicable fee of ₹100/- or any other amount as may be fixed by the Board from time to time.		**iii)**	A member may withdraw share capital fully / partly after one year from the date of admission as a member of the Bank. However, approval of such request for withdrawal by the Board of Directors shall be subject to the provisions of Multi-State Co-operative Societies Act, 2002 & Rules, RBI guidelines and / or such other Acts/ rules / guidelines governing withdrawal of share capital by the members of Multistate Co-operative Banks which are in force / or issued from time to time by the competent authorities. Member/s may withdraw part of the total shares held by him/her/them provided the remaining balance shareholding shall be 500 shares or more after such partial withdrawal of shares. Minimum partial withdrawal of shares shall not be less than 1000 shares.	

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.		Existing Bye-law	Bye-law No.		Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
		Member/s shall submit all the share certificates for the shares held as on the date of such application, along with the application for partial withdrawal of shares to the Bank and the Bank shall issue a fresh share certificate for the balance shares held by the member/s. The member/s who has/have applied for the partial withdrawal of shares held by him / her / them shall not be eligible to purchase additional shares or receive transfer of shares (from other member/s) for a period of one year from the date of such withdrawal of shares by him/her/them.			Member/s shall submit all the share certificates for the shares held as on the date of such application, along with the application for partial withdrawal of shares to the Bank and the Bank shall issue a fresh share certificate for the balance shares held by the member/s. The member/s who has/have applied for the partial withdrawal of shares held by him / her / them shall not be eligible to purchase additional shares or receive transfer of shares (from other member/s) for a period of one year from the date of such withdrawal of shares by him/her/them.	
11.		**Expulsion of Membership:**	**11.**		**Expulsion of Membership:**	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
	c)	No member of the Bank who has been expelled shall be eligible for readmission as a member of the Bank for a period of one year from the date of such expulsion.		**c)**	No member of the Bank who has been expelled shall be eligible for readmission as a member of the Bank for a period of three years from the date of such expulsion.	
12.		**Rights of member:**	**12.**		**Rights of member:**	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
				f)	No member of a Bank shall be eligible to exercise the rights of a member, unless had made the payment of all dues including the payment in respect of membership or has availed minimum services.	
15.		**Redemption of Shares:**	**15.**		**Redemption of Shares:**	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
		The Bank may with approval of the General Body redeem shares, if any, held by the Central / State Government, Central/State Government organisations at any time. However, redemption of such share shall be at face value.			The Bank may with approval of the General Body redeem shares, if any, held by the Central / State Government, Central / State Government organisations as per the provisions of Multi-State Co-operative Societies Act, 2002 and guidelines of Reserve Bank of India	

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.		Existing Bye-law	Bye-law No.		Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
19.		**Transfer of Shares / Partial Transfer of Shares:**	**19.**		**Transfer of Shares / Partial Transfer of Shares:**	
	iii)	Shares held by a deceased member/s may be transferred to the nominee / legal heir on receipt of duly filled in application from the nominee / legal heir with relevant prescribed documents and approval thereof by the Board.		**iii)**	Shares held by a deceased member/s may be transferred to the nominee / legal heir on receipt of duly filled in application from the nominee / legal heir with relevant prescribed documents and approval thereof by the Board.	For better clarity.
		The transferee (nominee/ legal heir) need not be an existing member prior to the approval of transfer of shares to his/her name.			The transferee need to be a member prior to the transfer of shares to his/her name.	
		The approval of share transfer by the Board shall be construed as admission of the transferee/s as member/s of the Bank. However, approval of application for share transfer is subject to the eligibility of the transferee to be admitted as member of the Bank as per Bye-law No.4. The Board may reject the application for transfer of shares if the same is not in order.			deleted	
		Membership admission fee shall not be applicable.			deleted	
		New Membership number will be allotted to the transferee on approval of share transfer in her/his favour by the Board and serial number of shares originally allotted to the deceased member/s shall continue.			The distinctive number of shares originally allotted to the deceased member/s shall continue.	

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.		Existing Bye-law	Bye-law No.		Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
24.		**Maximum Borrowing Limit:**	24.		**Maximum Borrowing Limit:**	
		The maximum borrowing limit of the Bank during any financial year shall not exceed ten times of the sum of subscribed share capital and accumulated reserves less the accumulated losses, if any.			The maximum borrowing limit of the Bank during any financial year shall not exceed such multiples of the sum of subscribed share capital and accumulated reserves less the accumulated losses, if any as may be determined by the Central Government.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023
31.		**Board of Directors:**	31.		**Board of Directors:**	
	(ii)	Apart from the above 2 eminent persons may be co-opted by the Board of Directors Provided that the number of such co-opted members shall not exceed two in addition to twenty-one directors specified in bye-law No.31(i) Provided further that such co-opted members shall not have the right to vote in any election of the co-operative society in their capacity as such member or to be eligible to be elected as office bearers of the board.		(ii)	In addition to the above, 2 persons may be co-opted as directors by the Board of Directors in accordance with the provisions of Multi-State Co-operative Societies Act, 2002 & Rules.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023
	(iii)	Two subject matter specialists may also be invited by the Board in any of its meetings;		(iii)	Two subject matter specialists may also be invited by the Board in any of its meetings;	For better clarity.

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.		Existing Bye-law	Bye-law No.		Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
		Note: As per the Reserve Bank of India directions, it is obligatory to have 2 Reserved Seats for the members with suitable banking experience and / or with relevant professional qualifications on the Board of Directors of the Bank. Accordingly, in case none of the 20 Directors elected by the shareholders of the Bank are having suitable banking experience and/or with relevant professional qualifications as per the Reserve Bank of India's directions, then 2 persons with suitable banking experience and/or with relevant professional qualifications shall be co-opted by the Board of Directors as per Bye-law No.31 (ii).			**Deleted**	
32.		**Meetings of the Board of Directors:**	32.		**Meetings of the Board of Directors:**	For better clarity.
	v)	The quorum for the meeting of the Board of Directors shall be 8 elected Directors.		v)	The quorum for the meeting of the Board of Directors shall be one third of the total number of the elected Directors. If one third of the total number of elected directors is a fraction figure, it shall be rounded to the nearest figure on higher side. Participation of the Directors through Video conferencing and other appropriate electronic means shall also be counted for the purpose of quorum.	
34.		**Powers & Functions of the Board of Directors:**	34.		**Powers & Functions of the Board of Directors:**	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
	ii)	to elect Chairman and Vice-Chairman of the Bank;		ii)	to elect Chairman and Vice-Chairman of the Bank in accordance with the directions of the Authority;	
	v)	to make periodic appraisals of objectives;		v)	to make periodic appraisals of operations;	

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.		Existing Bye-law	Bye-law No.		Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
36.		**Disqualifications for being a member of Board:**	36.		**Disqualifications for being a member of Board:**	
	1.a)	has been adjudged by a competent Court to be insolvent or of unsound mind;		1.a)	has been adjudged to be insolvent or has been a director of an insolvent company or has been adjudged to be of unsound mind by a competent Court.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
	1.h)	is a person against whom any amount due under a decree, decision or order is pending recovery under this Act;		1.h)	is a person against whom any amount due under a decree, decision or order is pending recovery under the provisions of MSCS Act, 2002 & Rules.	For better clarity.
				1.o)	No member of the Bank shall be eligible for being a member of the Board if such member is disqualified under section 29, 41(7), 43 (1) or any other provision of the Multi-State Co-operative Societies Act, 2002.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
37.		**Filling of vacancies in the Board of Directors:**	37.		**Filling of vacancies in the Board of Directors:**	
		Vacancies arising out of the elected Directors of the Board may be filled in by election by the members in the General Body, provided that the Board may fill a casual vacancy on the board by nomination out of the same class of members in respect of which the casual vacancy has arisen, if the term of office of the Board is less than half of its original term.			Filling of vacancies to the Board of Directors of the Bank shall be as per the provisions of Multi-State Co-operative Societies Act, 2002 & Rules.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.	Existing Bye-law	Bye-law No.	Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
38.	**Committees:**	38.	**Committees:**	
	The Board of Directors shall constitute an Executive Committee and other Committees or Sub. Committees as may be considered necessary. Provided that the Committees or Sub. Committees to be constituted by the Board shall not exceed 3 besides Executive Committee. The quorum for the meetings of the Committees or Sub. Committees shall be half the number of the Directors of the Committee or Sub. Committees. In the event of half the number of Directors is a fraction figure, it shall be rounded off to the next higher digit and such rounded digit shall constitute a quorum.		The Board of Directors of the Bank shall constitute Executive Committee, Audit & Ethics Committee, Committee on prevention of sexual harassment at workplace and such other committees / sub-committees if / as and when required, as per the provisions of Multi-State Co-operative Societies Act, 2002; Banking Regulations Act, 1949 (AACS) Rules, RBI Guidelines and / or circulars and Bye-Laws deemed necessary by the Board. The quorum for the meetings of the Committees or Sub-Committees shall be one third of the number of the elected Directors of the Committee or Sub-Committees. In the event of one third of the number of elected Directors is a fraction figure, it shall be rounded off to the next higher digit and such rounded digit shall constitute a quorum. Participation of the Directors through Video conferencing and other appropriate electronic means shall also be counted for the purpose of quorum.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
39.	**Executive Committee:**	39.	**Executive Committee:**	
	The Executive Committee shall consist of Nine members including the Chairman of the Bank and the Chief Executive. The Board may delegate such powers to the Executive Committee as it may deem fit.		The Executive Committee shall not exceed nine members including the Chairman of the Bank and the Chief Executive Officer. The Board may delegate such powers to the Executive Committee as it may deem fit.	For better clarity

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.		Existing Bye-law	Bye-law No.		Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
43.		**Chief Executive Officer:**	43.		**Chief Executive Officer:**	
		The Chief Executive of the Bank is the Managing Director and he/she shall be appointed by the Board of Directors on obtaining approval from Reserve of India at least three months prior to the end of tenure of the incumbent CEO. He/she shall be a person meeting the 'fit and proper' criteria prescribed by Reserve Bank of India. He/she shall be a full time paid employee of the Bank. He/she shall aid and assist the Board of Directors in their function. The Chief Executive Officer shall be an Ex-Officio member of the Board, BoM and of the Executive Committee and such other Committees or Sub-Committees of the Board as may be constituted.			The Chief Executive Officer of the Bank shall be the Managing Director and he/she shall be appointed by the Board of Directors with approval of Reserve Bank of India at least three months prior to the end of tenure of the incumbent CEO. He/she shall be a person meeting the 'fit and proper' criteria prescribed by Reserve Bank of India and the provisions of Multi-State Co-operative Societies Act, 2002 & Rules. He/she shall be a full time paid employee of the Bank. He/she shall aid and assist the Board of Directors in its function. The Chief Executive Officer shall be an Ex-Officio member of the Board, Board of Management (BoM) and of the Executive Committee and such other Committees or Sub-Committees of the Board as may be constituted.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
44.		**Powers and Functions of the Chief Executive:**	44.		**Powers and Functions of the Chief Executive:**	
	j)	present the draft annual report and financial statements for the approval of the Board within thirty days of closure of the financial year;		j)	present the draft annual report and financial statements for approval of the Board within forty five days of closure of the financial year;	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
48.		**Distribution of Profits:**	48.		**Distribution of Profits:**	
	ii)	credit one percent of net profit to the Co-operative education fund maintained by the National Co-operative Union of India;		ii)	credit one percent of net profit to the Co-operative Education Fund maintained by the Central Government.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
				iv)	If the Bank is in Profit for the preceding three financial years then annually contribute an amount of ₹1 Crore or one percent of the net-profits, whichever is less to the Co-operative, Rehabilitation, Reconstruction and Development fund.	

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.		Existing Bye-law	Bye-law No.		Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
55.		**Settlement of Disputes:**	55.		**Settlement of Disputes:**	
		All the disputes shall be referred to Arbitration in accordance with the provisions of the Act.			Complaints & disputes shall be dealt in accordance with the provisions of Multi-State Co-operative Societies Act, 2002 & Rules.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
61.		**Elections of the Members of the Board:**	61.		**Elections of the Members of the Board:**	
	i)	The conduct of elections to the board of the Bank shall be the responsibility of the existing board.			The election to the Board of the Bank shall be conducted by the Election Authority as per the provisions of Multi-State Co-operative Societies Act, 2002 & Rules.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
	ii)	The election of members of board shall be held by secret ballot in the manner as may be prescribed by the election schedule annexed with the MSCS Rules, 2002.				
	iii)	The election of the members of the board shall be held in the general meeting of the members of the Bank.				
	iv)	The elected members of the board shall be eligible for re-election.				
	v)	Where the board fails to conduct election of the members of board, the Central Registrar shall hold the election within a period of ninety days from the date when such election became due.				
	vi)	No person shall be eligible to be elected as a member of the board of the Bank unless he is a member of the general body of the Bank.				
	vii)	The expenses for holding election by the Central Registrar shall be borne by the Bank.				

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.		Existing Bye-law	Bye-law No.		Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
64.		**Miscellaneous:**	**64.**		**Miscellaneous:**	
				vi)	the filing of returns, including in electronic form to the Central Registrar shall be as per the provisions of the Multi-State Co-operative Societies Act, 2002.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
			70.		**Co-operative Information Officer:**	
				i)	The Co-operative Information Officer shall be appointed by the Board of Directors. The Co-operative Information Officer shall provide, on an application by the member (Applicant) as per the Multi-State Co-operative Societies Act, 2002 and Rules and on payment of prescribed fees, information about the affairs and management of the Bank within thirty days from the date of receipt of application.	To be in consonance with provisions of MSCS (Amendment) Act and Rules, 2023.
				ii)	The Co-operative Information Officer shall provide information about the affairs and management of the Bank, as per following disclosure norms: A. Subject to the Disclosure Norms stated in the Bye - Laws, following published Information may be provided: - (a) Copy of Audited Balance Sheet. (b) Names of the existing Members of Board of Directors. B. The Co-operative Information Officer shall provide details of Transactions in applicant's own bank accounts.	

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE BANK

Bye-law No.	Existing Bye-law	Bye-law No.	Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
			C. Disclosure may be made by the Co-operative Information Officer, subject to following exclusions: - a) Information of other member / depositor / employee / borrower. b) Information that is forbidden to be disclosed by any Court of Law or Tribunal or any Statutory Authority/Investigation Agency and / or the disclosure of which may constitute contempt of Court of Law or Tribunal or violation of instructions / directions / orders of any Statutory Authority / Investigation Agency. c) Information that includes commercial confidence, trade secrets or intellectual property of the Bank and/or of any person /entity other than the Applicant, the disclosure of which would be detrimental to Bank's interest. d) Information which is available with the Bank in fiduciary capacity. e) Disclosure that would endanger the life or physical safety of any person or would aid in identification of the source of information or of person who has given assistance in confidence. f) Information that has no relevance to the Applicant or disclosure that would cause unwarranted invasion of the privacy of any person / entity other than the Applicant. g) Any information which is not specifically listed in the Disclosure Norms. h) Any other information which may cause damage to the Bank.	

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Bye-law No.	Existing Bye-law	Bye-law No.	Proposed amended Bye-law will read as	Reason/Purpose of proposed amendment
			D. Information and records may be provided subject to the availability of such records & subject to such records not having been destroyed as per the Applicable Laws. E. Information may ordinarily be provided in the form in which it is available.	
		iii)	Information shall be provided, subject to the Application being made by the Applicant as per the provisions of the Act & the Rules.	