

THE RAJASTHAN URBAN CO-OPERATIVE BANKS FEDERATION LTD.

JAIPUR



BYE LAWS

UPDATED UPTO 8th September, 2020

BYE - LAWS

(REGISTERED ON 5TH MARCH, 2007 AMENDED ON 27TH AUGUST 2010, 4TH OCTOBER, 2010, 4TH JULY, 2014 AND 8th September, 2020)

GENERAL:

1. The Federation shall be called the Rajasthan Urban Cooperative Banks' Federation Ltd., Jaipur.

Registered Office

2. The Registered Office of the Federation shall be at 41 (B-41), Ganesh Marg, Bapu Nagar, JAIPUR. In case of any change in the address, such change shall be communicated to the Registrar/Reserve Bank of India and the members within 30 days of such change.

Area of Operation

3. The area of operation of the Federation shall extend to the whole of Rajasthan State.
4. In these Bye-laws unless there is anything repugnant to the subject or context, the following words and expressions shall have the meaning indicated against each:
 - a) 'Act' means the Rajasthan Cooperative Societies Act, 2001 or any such Act for time being in force in any part of the area of operation.
 - b) 'RULES' means the Rajasthan Cooperative Societies Rules, 2003.
 - c) 'REGISTRAR' means the Registrar of Cooperative Societies, Rajasthan, Jaipur.
 - d) 'BANKING REGULATION ACT, 1949' means Banking Regulation (Act) 1949 (As applicable to Cooperative Societies)
 - e) 'FEDERATION' means the Rajasthan Urban Cooperative Banks' Federation Ltd., Jaipur.
 - f) 'MEMBER' means an Urban Cooperative Bank or a Society affiliated to Federation as a member.

OBJECTS

5. The objects for which the Federation is established are as under:
 - i. To co-ordinate the working of Urban Cooperative Banks in the State of Rajasthan and to promote and develop sound and progressive banking principles, practice and ensure uniformity in this respect.
 - ii. To render advice to member banks in financial matters as also legal and banking matters and other matters of common interest.
 - iii. To undertake by itself or/ and arrange either through the Rajasthan State Cooperative Union or Reserve Bank of India or the Rajasthan State Cooperative Bank for the training of the staff of member banks.
 - iv. To convene Conferences, Seminars, Symposia and Study Groups to discuss problems of Urban Cooperative Banks and devise measures to ensure fulfillment of the promotional role of the Federation.
 - v. To foster the organisation and growth of Urban Cooperative Banks in the State of Rajasthan and organise research projects and undertake studies on matters pertaining to Urban Cooperative Banks.
 - vi. To call for information and periodical returns and statements of their financial position from banks and arrange for its dissemination, exchange and publication periodically.

- vii. To function as repository of knowledge and to obtain from member banks, information regarding procedures and practices, organisational structure and financial operations of Urban Cooperative Banking system in the State of Rajasthan.
- viii. To organize exchange of information and opinion as also views on any other aspect of interest to Urban Cooperative Banks.
- ix. To carry on publicity to educate public opinion with regard to the scope, importance and activities of the Urban Cooperative Banking movement for creative growth and development.
- x. To keep in touch with following authorities/ establishment with a view to giving benefit of the information derived therefrom to the members.
 - 1) All concerning Departments of the Reserve Bank of India.
 - 2) Registrar of Cooperative Societies, Rajasthan Jaipur and all concerned officers of the State Government.
 - 3) The securities market.
 - 4) The Rajasthan State Cooperative Bank Ltd., Jaipur and such other institutions.
- xi. To take necessary steps to ensure the proper discharge of the statutory obligation by member banks including the maintenance of adequate cash reserve and liquid assets by the member banks.
- xii. To arrange visits to member banks.
- xiii. To carry on such functions and duties and exercise such powers as are delegated to it by the Government and Registrar under the Rajasthan Cooperative Societies Act, 2001 and rules, framed thereunder.
- xiv. To review periodically the structure of Cooperative finance and banking in the State of Rajasthan and to make suitable recommendations to member banks, and / or the authorities the State Government and the Reserve Bank of India.
- xv. To maintain close co-ordination and liaison with Chamber of Commerce, Universities and other Educational Institutions and also Cooperative Training Colleges run by the National Cooperative Union of India or Rajasthan State Cooperative Union to accomplish the objectives of the Federation.
- xvi. to render advice to member banks with regard to interpretation and enforcement of Awards, Settlements between the banks and their employees' unions.
- xvii. To provide advice and guidance to smaller urban banks and those taken under rehabilitation by Reserve Bank of India by paying special attention to their problems, difficulties and pressing needs.
- xviii. To publish periodically bulletin containing latest development in cooperation, banking law and allied matters for the benefit of urban banks.

MEMBERSHIP

- 6. I. The Urban Cooperative Banks/Societies, registered in the area of operation of the Federation and carrying on the business of Banking in the State of Rajasthan and governed by the Banking Regulation Act 1949 shall be eligible to be enrolled as members of the Federation.
- II. a) Every application for membership shall be made in the prescribed form and such application shall be accompanied by a resolution of the Board or Committee of Management of the applicant institution and also remittance of entrance fee of Rs. 10/- and share money of Rs. 1000/- for purchase of one share as well as the subscription due according to the scales prescribed by the Board as per bye-law No. 8(2)

- b) Further, the applicant bank shall give an undertaking to abide by and be governed by the bye-laws of the Federation and rules framed thereunder.
- III. No Bank/Society shall be deemed to have been admitted as a member unless its application for membership has been approved by the Board of Directors of the Federation and unless it has paid the subscription payable under by-law No. 8(2). The Board of Directors if it deems fit may reject the application for proper and valid reason.
- IV. The Federation shall maintain a Register of members as required under the Rajasthan Cooperative Societies Rules, 2003.
- V. The liability of the member shall not exceed the balance of subscription due under by-law No. 8(2) remaining unpaid towards the membership of the Federation.
- VI. No member of the Federation shall exercise the right of membership unless he has fulfilled the norms for minimum essential utilization of the services of the Federation as may be specified by the Registrar, if any, from time to time.

7. **Cessation of Membership**

A member shall cease to be a member of the Federation:

- (a) If it resigns from membership after giving three months notice and such resignation shall become effective after it is accepted by the Board of Directors.
- (b) If it fails to pay the membership fee within 30 days from the date of receipt of notice sent by the Federation provided, however, that the Board of Directors may for genuine reasons shown and upon payment of such membership fee, revoke the cancellation of membership.
- (c) If it ceases to exist as a result of closure, liquidation, winding up, merger, dissolution, amalgamation, change of business, or for any reason, whatsoever.
- (d) It is expelled.

FUNDS

- 8. The funds of the Federation may be raised by,
 - 1) Entrance fee and Share Capital collected from members, whether admitted for the first time or re-admitted after cessation subject to bye-law No. 6(II). Fees once paid shall not be refunded under any circumstances.
 - 2) The annual subscription to be paid by member banks will be as per the subscription schedule, in vogue of the National Federation of Urban Coop. Banks and Credit Societies Ltd., New Delhi.
 - 3) Donations, contributions, grants and other voluntary contributions received from Government, member banks, and others.
 - 4) Special contributions payable by member banks on the basis formulated by the Board of Directors for such schemes, plans or projects as may be specified.
 - 5) Miscellaneous income from sale or publications and other allied activities.

GENERAL MEETING

- 9. i. The Financial Year of the Federation shall be from 1st April to 31st March. The society shall call Annual General Meeting within a period of six months of close of the financial year.

- ii. The General Body of the Federation shall consist of the representative from each member Urban Cooperative Bank.
- iii The functions of the Annual General Meeting shall be as under:
 - a) To confirm the proceedings of the last general meeting.
 - b) To receive and consider annual report on the working and to adopt statements of accounts for the preceding year and approve the Budget for the next Cooperative year.
 - c) To appoint an auditor or auditing firm from the panel approved by the Registrar as per section 54 of the Rajasthan Co-operative Society Act, 2001.
 - d) To consider and approved audit compliance report to send to the Registrar and its affiliating society if any.
 - e) To appoint an internal auditor, if considered necessary and to fix his remuneration.
- iv The Chairman of the Board of Directors shall be the Chairman of the General Body Meeting of the Federation. In the absence of the Chairman, the Vice-Chairman of the Federation shall be the Chairman of the General Body Meeting. In the absence of Chairman and the Vice-Chairman, any other representative present at the meeting may be elected Chairman of the General Body Meeting.
- v 7 Members or one fifth of the total members whichever is more, present at the meting shall form a quorum. If there is no quorum, the meting shall be adjourned for date and time as specified in the notice and at the adjourned meting the business of the original meeting shall be disposed off irrespective of quorum or not.
- vi. A notice under the certificate of posting stating the date time, place and business to be transacted at the General Meeting shall be posted or delivered at the registered office of the member at least 14 days prior to the holding the meeting.
- vii. A special General Meting may be held at any time by the Board of Directors or on the requisition from at least one fifth members of the Federation. A notice of 10 days shall be deemed to be sufficient to hold such meetings.
- viii. No business, other than that specified in the notice shall be transacted at the said meetings.
- ix. All questions shall be decided by the majority of votes of the members present and voting unless otherwise provided under the Act, Rules, and Bye-laws. Each member shall have one vote and in the case of equality of votes, the Chariman or in his absence, the Presiding Authority shall have a casting vote.
- x. Minutes of all proceedings of every General/Special General Meeting of the Federation shall be made and recorded or caused to be recorded by the Chief Executive Officer in the minute book kept for the purpose. The minutes shall be confirmed and signed by the Chairman as early as possible. The copy of the minutes shall be sent to all members for information.

BOARD OF DIRECTORS

- 10 1) The management of the Federation shall vest in the Board of Directors, which shall be elected in accordance with the Act and the Rules every five years. The Board of Directors shall consist of 14 members and its composition shall be as under:
 - i) 12 elected Directors from amongst the members,
 - ii) Managing Director of the Rajasthan State Co-operative Bank or his nominee not being below the rank of G.M.
 - iii) Chief Executive Officer shall be Ex-officio member Secretary.

- 2) The Board of Directors composed as above shall be empowered to-
 - i) Co-opt two persons acknowledged as specialist experts in the Urban Banking Fraternity for a period of one year each time who will not be the members of the Board. The Board may however fix from time to time the sitting fees and/or conveyance allowance to be paid to such experts.
 - ii) Any casual vacancy shall be filled up as per section 27(4) of Rajasthan Co-operative Society Act, 2001.
- 3) The Board of Directors shall meet as often as it considers necessary for transacting business but the interval between the two successive meeting shall not be more than three months.
- 4) The quorum for a meeting of the committee shall not be less than fifty percent of the total members of the committee subsisting at the time of such meeting or seven members whichever is more.
- 5) A notice of at least 7 days shall be given prior to the holding of the meeting.

THE BOARD OF DIRECTORS – POWERS & DUTIES

11. The powers and duties of the Board of Directors shall be as under:
 1. To elect a Chairman, Vice-Chairman of the Federation form (from) amongst the elected members of the Board of Directors in accordance with the Rules. Such election shall take place at the meeting of the Board of the Directors convened within 30 days after the Annual General Meeting.
 2. The Board of Directors shall be vested with powers relating to the management of affairs, business and funds of the Federation.
 3. The Board of Directors shall have all powers and perform such functions as are considered necessary to carry on the Federation's work or to realise its object. In addition to the powers expressly conferred, the Board of Directors may exercise such powers and do all such things and acts as may be exercised or done by the Federation and are not hereby or by any law expressly directed or required to be done by the Federation in a General Meeting.
 4. Without effecting the generality of the above, Board of Directors, in particular, have the following powers and shall be entitled:
 - a) To purchase, lease, hire or acquire premises for the use of the Federation and to equip and furnish them for objects and works of the Federation.
 - b) To open offices at such places as are considered necessary and to create posts and vest them with such powers and duties on such terms and conditions and for such duration as may be deemed necessary.
 - c) To appoint a Chief Executive and other officers and staff as are considered essential for the efficient discharge of the obligations specified in the objects clause of the Federation. Such appointments shall be made only with the prior approval of the Registrar, Cooperative Societies, Rajasthan, Jaipur.
 - d) To incur expenditure for carrying on the business of the Federation and invest surplus funds in such securities or other avenues as specified in section 49 of Rajasthan Cooperative Societies Act, 2001.

- e) To take review of the working of the Federation and audited statements of accounts.
- f) To constitute Sub-committees or Study Group for any purpose consistent with the object of the Federation.
- g) To arrange for holding of periodical conferences of Urban Banks in the State and initiate action on the resolutions passed thereat.
- h) To maintain books of accounts of the Federation to record dealings and transactions in the manner laid down in Rule 103 of the Rajasthan Cooperative Societies Rules, 2003. Such books of accounts shall be in the custody and charge of the Accountant or any other officer designated for the purpose.
- i) To delegate any function or power to any Sub-Committee constituted by it or to the Chief Executive or other officers as may be deemed necessary and revoke any or all powers thus delegated.
- j) To engage wherever necessary Solicitors, Legal Advisors, Tax Consultant and other professional Consultants to the Federation.
- k) To file and defend suits on behalf of the Federation.
- l) To frame Rules or issue guidelines for purpose of carrying on the business of the Federation as deemed necessary.
- m) To convene General/Special General Meeting at any time if it is considered expedient.
- n) To fix scale of fees payable by member banks of the Federation affiliated to it.
- o) To fix the scale of Travelling Allowance and other allowances including the daily allowance and sitting fee payable to the members of the Board or any other Committee constituted by it, subject to approval of Registrar, Cooperative Societies, Rajasthan, Jaipur.
- p) To frame or issue Rules and fix procedures of working for the purpose of carrying on business and work of the Federation as may be necessary from time to time.
- q) To invite any member of the Federation not being a member of Board of Directors, to attend and advice the Board of Directors or any other Committee or Sub-Committee or may consult any outside person or authority if necessary.
- r) To do all such acts as may be considered necessary for the furtherance of aims and objects of the Federation.
- s) To frame the rules for the election of the Board of Directors in accordance with the provisions of the Registrar, Cooperative Societies Act, 2001 and Rules there-under.
- t) To delegate to the Chief Executive and other officers such powers, functions, and authorities as may be necessary and also the power to incur expenditure.

12- The members of the Board of Directors shall cease to hold office, if he –

- i. Ceases to be a representative of the member bank he represents.
- ii. Resigns and his resignation is accepted.
- iii. Represents the member bank which has defaulted in the payment of its membership fees as provided in bye-laws No. 8(2)

- iv. The society of which he is a member has gone into liquidation or has been refused license to carry on Banking Business by Reserve Bank of India, or has ceased to exist as a result of closure, winding up, merger, amalgamation or change of business.
- v. Fails to attend three consecutive meeting of the Board of Directors without obtaining prior permission.

CHIEF EXECUTIVE OFFICER

13. The Chief Executive Officer of the Federation shall be the chief administrative Head of Office. He shall directly work under the guidance and control of the Chairman. His duties shall be-
- i. To appoint such other supervisory, clerical and subordinate staff as may be selected by the Board or Committee as per Service Rules framed by the Board.
 - ii. To implement to policies and programmes of the Federation and initiate such steps as are necessary to give effect to the resolutions of the General Meeting, Board of Directors, or any other Committee constituted under these bye-laws.
 - iii. To convene General/ Special General meeting or Meeting of the Board of Directors, and any other Committees under instructions from the Chairman of the said Committees and to attend the same and record the proceedings.
 - iv. To look after all correspondence, funds and properties of the Federation and shall be the custodian of all documents including deposit receipts, documents of title to property etc.
 - v. To maintain proper accounts and registers and arrange for its audit.
 - vi. To arrange to receive payments and issue receipts and make disbursement for carrying on the work within the powers delegated to him by the Board of Directors.
 - vii. To supply all information required by the Member Banks/ Associations and to attend to their problems relating to organisation, finance, resource mobilization and staff matters.
 - viii. To defend and file suits on behalf of the Federation.
 - ix. To exercise supervision and control over staff working under him and to fix their duties.
 - x. The Chief Executive Officer shall send written information to the Election Authority to conduct election of its committee and its office bearers, six months before expiry of the term of the existing committee. Chief Exetcutive Officer shall also send written information regarding a casual vacancy in the committee as per section 34(i).
 - xi. To perform all such duties as are assigned to him or are incidental to his office and to generally act under the orders of the Chairman or in his absence of the Vice-Chairman or board of Directors.

MISCELLANEOUS

14. 1) A member bank shall be bound by the decisions of the Federation and shall, on failure to comply with them, render itself liable to disaffiliation and deprivation of privileges under the bye-laws.
- 2) *Service of Notice:* All notices to be given to a member of the Board or Committee or to a member bank shall be considered to be duly given when they are circulated or sent by post or delivered at the house or registered office of the member or member bank as the case may be.

- 3) *Amendments*: None of the bye-laws herein contained shall be amended except by vote of a majority consisting of at least two-thirds of the members present at the General Meeting provided that the notice convening the session of the general body shall specify the proposed alteration, addition or recession. Amendments shall taken effect only after they are approved and registered under section 10 of the Rajasthan Cooperative Societies Act, 2001.
- 4) Every member shall be supplied with a copy of these bye-laws and amendments thereto, as approved by the Registrar, from time to time.
- 5) The Federation shall be affiliated to the Rajasthan State Cooperative Union, National Federation of Urban Cooperative Banks and Credit Societies, New Delhi and/ or any-all-India Cooperative Organization or Association as its subscribing member.
- 6) All acts done in good faith by the Board or Chairman or by any person acting as directors shall, notwithstanding that it is afterwards discovered that there was defect in the appointment of such Committee, Board or persons be valid as if the Committee, Board or every such person, had been duly elected.
- 7) The Federation shall establish a Provident Fund and frame gratuity rules for the salaries staff, according to the rules laid down by the Board of Directors and approved by the Registrar.
- 8) At the Annual General Meeting, the net excess of income over expenditure of the previous year shall be declared and a sum not less than 25 percent of the net excess shall be carried to the Reserve Fund.
- 9) Every society shall within six months of the close of every financial year, file return to the Registrar as per the provision of section 122-A.

APPROPRIATION OF PROFITS

15. i. The net profit of the Federation shall be calculated as per the provisions of the Rajasthan Cooperative Societies Act, 2001 and rules framed thereunder.
- ii. The General Body on the recommendation of the Board of Directors may appropriate the net profit as under:
 - a) Not less than 25% to the Statutory Reserve Fund.
 - b) Not less than 1% to the Cooperative Education Fund.
 - c) A sum of 5% of the net profit to the fund to meet out the losses, if any.
 - d) To pay to shareholder-members dividend not exceeding 10% or subject to the maximum as permitted under the cooperative societies Act and Rules.
- iii. The Balance of the net profit may be utilized for all or any of the following purposes.
 - a) To carry not less than 10% to Bad-Debt Reserve.
 - b) To carry not more than 10% to the Charity Fund as per section 48(2)(c).
 - c) To carry to the Building Fund-Dividend Equalization Fund and any other Fund created by the Federation such amounts as per the directions of the General Body meeting. The balance if any after appropriation as above shall be carried over to the next year.

RESERVE FUND

16.
 - i. In addition to the sum prescribed under the Cooperative Societies Act and Bye-Laws, all admission fees, entrance fees, nominal membership fees, amount of forfeited shares and dividends and donations shall be carried to the Reserve Fund.
 - ii. Any loss occurring as the net result of the years working may with the previous sanction of the Registrar, be made good from the Reserve Fund or from the profits of the next ensuring year or years.
 - iii. The Reserve Fund shall be separately invested in government and trustee securities or other approved securities or other approved securities or in fixed deposits with the District Central Cooperative Bank or the State Cooperative Bank.

DIVIDEND

17.
 - i. the dividend declared shall be paid to the person whose name stands as the registered share holder in the books of the federation on the last day of the Cooperative year to which dividend relates, provided that the dividend shall be paid:
 - a) Only on the paid up value of the share.
 - b) The shares remained for the full year will be paid full dividend but the shares remained for more than six months but less than twelve months, the dividend for half year will be paid. No dividend will be paid to a share-holder whose shares remained for a period of less than six months.
 - ii. Dividend shall be payable at par at the Federation's Head Office as well as the branches.
 - iii. Any dividend remaining undrawn for three years after having been declared shall be forfeited and shall be carried to Reserve Fund of the Federation.
 - iv. Unpaid dividend shall be payable on application provided the same has not been forfeited.

AUDIT

18. The accounts of the Federation shall be audited by an auditor appointed by the Registrar as per provisions of the Act & the Rules.

SEAL

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