

The Assam State Co-operative Agriculture and Rural Development Bank Limited

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THE-ASSAM-STATE-CO-OPERATIVE-AGRICULTURE-AND-RURAL-DE of 2004

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The Assam State Co-operative Agriculture and Rural Development Bank Limited Published vide Notification No. CF. 7/2003/95, dated 2nd August, 2004 Last Updated 11th February, 2020 [Dated 2nd August, 2004] (Bye-Laws) Notification No. CF. 7/2003/95. - In exercise of the powers conferred under Section 14(2) (v) of the Assam Co-operative Societies Act, 1949 (Act I of 1950) as amended up to date and as per direction of the State Government conveyed vide Government letter No. Co-operative 305/2003/42, dated 4th June, 2004, I Shri G.P. Phatowali IAS, Register of Co-operative Societies Assam, Guwahati-I do hereby in the interest of public service register the amendment of the Bye-laws of the Assam State Co-operative Agriculture and Rural Development Bank Limited registered under the aforesaid Act.

1. Name.

- The Bank shall be called The Assam State Co-operative Agriculture and Rural Development Bank Ltd.

2. Address.

- The registered office of the Bank shall be at Guwahati, Assam. However, for administrative convenience and efficiency. Sub-office/Sub-offices may be opened elsewhere in Assam as may be decided by the Board of Directors in consultation with the Registrar of Co-operative Societies.

3. Area of Operation.

- The area of operation of the Bank shall be the State of Assam with agencies or office outside the State, if required.

4. Definitions.

- In these bye-laws unless the context otherwise means-(a)"The Act" means the Assam State Co-operative Agriculture and Rural Development Bank Act, 1960 (Act I of 1961) ;(b)"the Bank" means the Assam State Co-operative Agriculture and Rural Development Bank Ltd. ;(c)"the Board" means the Board of the Directors of the Bank ;(d)Deleted.(e)"the Branch" means Branch of the Bank constituted under these Bye-laws ;(f)"Branch Committee" means such committees constituted under these Bye-laws ;(g)"Government" means the State Government of Assam ;(h)"General Assembly" means the body constituted under the provisions of Bye-law No. 56 ;(i)"Rules" means the rules made under the Act ;(j)"Trustee" means a Trustee for the holders of Debentures appointed under the provision of the Act ;(k)"Year" means Co-operative year ;(l)"Registrar" means Registrar of Co-operative Societies, Assam ;(m)"Gazette" means the official Gazette of the Government of Assam ;(n)Expressions and words not defined in these bye-law shall have the same meaning assigned to them in the Act or Rules of the Assam Co-operative Societies Act, 1949 or Rules made thereunder.

5. Objective.

(1)The object of the Bank shall be to do all things necessary to promote and develop the agricultural economic interest by providing long-term and short term loans for the purposes of agricultural development and activities incidental thereto and in particular for horticulture, fishery, dairy live stock, construction of houses in rural areas. The Bank shall also promote rural industrialisation by providing loans to artisans, craftsman and small entrepreneurs and advance loans to institutions and corporate bodies engaged in activities which directly or indirectly help the farmers and rural people-(i)to issue to its members through the branches within its area of operation.(ii)to grant loans on Government Guarantee ;(iii)to grant loans to Government Corporation, engaged in any of the activities indicated at 5(i) above ;(iv)to grant loans to tenants under various land reforms and Tenancy Acts, in force ;(v)to grant loans to Farming Societies, Corporations, Fishery Societies, Irrigation Societies and Tea Gardens belonging to individual owner/owners or organised as a joint stock company, partnerships, Co-operative ;(vi)to grant loans for raising coffee, rubber plantation and for activities connected therewith ;(vii)to do all other things conducive to the attainment of objectives at 1 above.(2)In order to fulfil such objects the Bank shall have power-(a)to float debentures on such terms and conditions as may be approved by the Government on the Security of its assets and mortgages of immovable property as well as the assets and mortgages of the Bank vested through the branches under provision of Act.(b)to receive deposits and borrow money from Government, Reserve Bank of India, State Bank of India, Assam Co-operative Apex Bank Ltd., and from any other sources with approval of Registrar of Co-operative Societies ;(c)Deleted.(d)to acquire such immovable ;e property and construct such buildings as it may consider necessary for the proper conduct of its business ;(e)to appoint salaried Staff, fix pay scale and take disciplinary of action including dismissal for the conduct of its own affairs and for supervision of branches."(f)(i)to

inspect and supervise the working of the branches and inspect the properties mortgaged to such branches."(ii)to inspect and supervise the Societies as referred to under bye-law No. 5(l)(m) and to inspect the properties mortgaged by them to the bank ;(g)to open branch or branches in places within the area of operation of the Bank(h)Deleted.(i)to create a pool of supervisors, Accountants and other officers for official service to branches at the cost of the Bank ;

6. Membership.

(1)Membership of the bank shall be open to-(a)Government;(b)Deleted.(e)All registered Co-operative Societies ;(d)All tenants qualified and eligible for loans under any land reform Act enacted by Government; from time to time ;(e)All other persons who are eligible for Government loans channelised through the bank and who are above 18 years of age. Competent to contract and have not been convicted of any offence involving moral turpitudes;(f)All other individual cultivators residing and holding Immovable property within the areas of operation of the bank and otherwise qualified.(2)Nominal Membership - The nominal membership of the Bank shall be open to-(a)All persons who are Co-applicants for loan ; Coperceners co-pattadars, lineal ascendants or descendants of the applicant and members of the family of the applicant and all other persons who have a right tile or interest in or upon the property of the applicant provided that such persons-(i)are above the age of 18 years ;(ii)are competent to contract; and(iii)have not been convicted in any offence involving moral turpitude;(b)Such nominal members shall hold at least one share, each of the value of which shall be Rs. 5.00 (Rupees five) only ;(c)Such nominal members shall have no right to vote, shall not be eligible for election or nomination as a member of any committee under these bye-laws;(d)Such share of Rs. 5.00 (Rupees five) only shall be non-refundable non-transferable and no dividend shall be paid on such shares.

7. Procedure for Enrolment of membership.

- Any person intending to be enrolled as member of the Bank shall make an application through the branch in writing in prescribed form and the Bank shall consider eligibility on the merit of the case. For intending borrowers including Co-operative societies it shall be obligatory to enrol themselves as members of the Bank through branches of their respective areas to which operation of such branch extends.(a)No such application shall be necessary by persons who have signed the application for registration of the Bank under the Co-operative Societies Act in force ;(b)Every such applicant shall pay along with the application the prescribed admission fee which shall be Rs. 10/- in case of other Co-operative Societies. The admission fee shall be non-refundable and non-transferable";(c)The Board may reject any application for membership or may allot a smaller number of shares than that applied for provided that it shall be competent for the Board to authorise the Chief Executive Director to exercise powers of the Board under this bye-laws ;(d)Due intimation of acceptance or refusal of membership and allotment shares shall be sent to each applicant within a fortnight of such decision.

8. Liability of member.

- The liability of member shall be limited to the share capital subscribed by such member.

9. Transfer of shares.

- Subject to the provisions of the Assam Co-operative Societies Act, a member may transfer any share or shares hold by him or any interest therein to a member of the Bank or to a person whose application for membership has been approved by the authority competent to admit members and allot shares :Provided that the Board or any other competent authority of the Bank may decline to register any transfer of share to a transferee whom the Board or the competent authority does not approve and shall decline to do so, if any debt to the Bank has been paid by the intending transferor-(a)Every instrument of transfer shall be presented at the office of the Bank for registration accompanied by certificate of shares to be transferred and such other documents the Bank may require ;(b)No transfer of shares shall be complete until the name of the transferee has been entered in the Share Transfer Register and a fee of Rs. 1/- per share, subject to a maximum fee of Rs. 5/-, has been paid for each transaction of transfer, provided that the fee in respect of each transfer by a Co-operative Society shall be Rs. 1/- only irrespective of the number of the shares transferred and transferee and transferrer shall both be Co-operative Societies ;(c)Any member transferring some of his shares only may be granted a new shares Certificate for the remainder of his shares on payment of the requisite fee, provided that such member shall return the old share certificates to the Bank ;(d)Transfer books and Register of members may be closed during such time as the Board thinks-fit and such Books shall be closed during the thirty days immediately proceeding any General Meeting of the Bank.

10. Minimum Share holding.

- Every member shall hold at least one share-Every Co-operative Societies and individual borrower shall subscribe share of aggregate face value of at least 10 (ten percent) of the total borrowing from the Bank.

11. Withdrawal of share when permissible.

- No member shall e permitted to withdraw any share before the expiry of five years from the date of his membership :Provided that Board may consider withdrawal within this period if the member is dead, or the Board feels that refusal of withdrawal shall cause undue hardship to the member. After such period a member may withdraw' shares with the consent of the Board.Withdrawals in all cases shall be subject to the conditions that-(a)Notice of withdrawal is delivered by the member or his legal heir or a duly constituted nominee to the Executive Director of the Bank at least two month before the date of withdrawal; and(b)The total amount of share capital permitted to be withdrawn in any years does not exceed 5 percent of the aggregate paid-up share capital of the Bank as it stood on the last day of the next preceding Co-operative years; and(c)There is no debt owing to the Bank from the member or from any other person for whom he stood surety.

12. Removal from membership.

- The Board may remove from Registrar of Members after giving reasonable opportunity to show cause as to why membership should not be removed-(a)[deleted] any other Co-operative Societies for persistent mismanagement or incompetence or wilful disobedience of its bye-laws or any act of commission or prejudicial to the interest of the Bank ;(b)any other member who deceives the Bank or is convicted of any offence involving moral turpitude or is adjudged to be an insolvent or does any act prejudicial to the interest of the Bank. Removal may also involve the forfeiture of share or shares.

13. Ceasation of member.

- A Co-operative Societies or any other person shall cease to be a member on removal or dissolution or death or transfer of all shares held by it or him.

14. Nomination of heirs.

- Every individual member shall nominate a person or persons to whom all of his shares or other interest in the Bank shall be paid or transferred on his death, provided that where more than one person is nominated the extent of each nominee's share-holding shall be specifically stated. A nominee may be admitted as a member without payment of entrance fee. Nomination and revocation of nominee shall be made in writing and shall be deposited with the Bank. Every revocation or variation of the nomination will be effective on payment of Rs. 1/- only.

15. Fund to be raised.

- Funds of the Bank may be raised by-(a)Shares;(b)Debenture;(c)Government loans and deposits ;(d)Borrowing from the Assam Co-op. Apex Bank Ltd., or State Bank of India of any other Bank or Banks with or Bank without Government guarantee;(e)Non-Government deposits ;(f)other Borrowings ;(g)fees; and(h)donations :Provided that the aggregate amount of funds raised from the sources (b), (c), (d), (e) and (f) shall not exceed twenty times the aggregate amount of paid-up share capital and reserve fund for the time being separately invested outside the business of the Bank minus accumulated losses, if any.

16. Share capital.

- The authorised and issued share capital of the bank shall be Rs. 20.00 crores (Rupees twenty crores) made up of 39,00,000/- (Thirty nine lakhs) fully paid share of Rs. 50.00 each open to category of members as per Bye-law No. 6(i) and 10,00,000/- (Ten lakhs) shares of Rs. 5/- each open to nominal members. The Bank may receive from Government as share capital contribution such sum on such terms and conditions as may be decided by the Government.

17. Share certificates.

- A share Certificate bearing the distinctive serial number of the share or blocks of share shall be issued under the common seal of the Bank for every share, or block of shares subscribed to by the member. Such Certificate shall be signed by the Chairman or Vice-Chairman and the Chief Executive Director of the Bank. If such certificates are lost, defaced or worn out, they may be renewed on payment of a fee one rupee each and on such terms and conditions as to the evidence of identity as the Board may require.

18. Terms and period of debentures.

- With the previous sanction of Trustee, the Board may issue on such terms and conditions as to redemption, interest or otherwise, as may be approved by Government, debentures of one or more denominations payable within such period not exceeding 25 years as the Board may fix on the security of mortgages and other assets transferred or deemed to have been transferred under the provisions of Section 21 of the Act and the other properties of the Bank assigned by the (deleted) members of the Bank. The debentures shall bear interest at a rate fixed by Board and approved by the Government to be paid on such date or dates as the Board may fix at the time of issuing debentures and no interest shall be payable on the amounts as interest, if such interest is not drawn on the due date.

19. Right to redeem debentures before maturity.

- The Board may, at the time of issuing debentures, reserve to the Bank a right to redeem the same before the expiry of the period fixed for redemption (but not earlier than five years after the date of issue) on giving to the debenture holder concerned with approval of the Trustee not less than three months registered notice or by publication in the Gazette and at least in one local news paper of its intention to do so.

20.

No debenture holder shall be entitled to payment of the amount due on his debenture before the expiry of the period "for which debentures was issued unless debenture are redeemed earlier under Bye-law No. 19 ; Provided that NABAKD Reserves the right to recall part or the entire amount of refinance outstanding from client Bank before the agree period of such refinance."

21. Authority to sign debentures.

- The debentures shall be signed and executed by the Chief Executive Director, the Chairman of the Bank and by another member of the Board authorised in writing by the Board of Directors. The Bank shall have a common seal to be used for debentures.

22.

When a debenture is payable, the holder or holders shall be paid the principal due thereon together with interest upto the date on which it becomes payable. Interest shall cease after debentures become payable.

23. Debenture redemption fund mode of investment.

- Out of the recoveries towards the principal, the Bank shall set apart annually, a sum sufficient to repay the debenture loans on maturity, and that such sums so set apart, shall be credited to a separate account called Debenture Redemption Fund Account. The fund so Constituted shall be invested, may be withdrawn and be invested in any of the Trustee-(a)In Government saving Bank ;(b)In any of the Securities specified in Section 20 of the Indian Trust Act, 1882 ; others than those specified in clause (c) of that Section ;(c)In such other securities as the Government may approve ;(d)In any registered society, or banks approved by the Registrar for a period not exceeding six months.

24. Constitution of the Board.

(1)The Executive Management of the Bank shall vest in a Board of Directors consisting of the following 16 (Sixteen) members including the Chairman and the Vice-Chairman, namely-(i)Secretary, Co-operation Department or his representative ;(ii)Secretary, Agriculture Department or his representative ;(iii)Secretary, Finance Department or his representative ;(iv)Registrar of Co-operative Societies, Assam or his representative ;(v)Chief-Engineer, Irrigation Department or his representative ;(vi)9 (nine) representatives of individual members and other Co-operative Societies from share holders of the Bank to be elected by the individual share holders and other Co-operative Societies together attending the General meeting of the Bank ;(vii)Deleted.(viii)One representative from Assam Co-operative Apex Bank Ltd. ;(ix)Chief Executive Director of the Bank ;(x)President of the general Meeting shall conduct the election of the same day after the commencement of the General meeting.(2)The Chairman and the Vice-chairman will be elected by the General Assembly from amongst the elected members of the Board of Directors.(3)Terms of members of the Board. - (a) The nominated directors shall hold office for such period as the nominating authority may determine ;(b)The elected members of the Board shall hold office till the time of the next annual General Meeting of the General Assembly is held. For this purpose, a year shall begin from the date of the meeting of the General Assembly at which the election was held ;(c)Co-option to the Board. - The Board shall have powers, at any time, to co-opt by a majority Vote subject to approval of the Registrar of Co-operative Societies Assam any person eligible for the purpose to fill in any casual vacancy occurring in the elective sets on the Board.(4)If subsequent to election to the Board it is established that any person has been elected to the Board without having the requisite qualification for such election or having any disqualification during the tenure of the office of his election to or continuance in the Board shall be considered to be void and he shall be liable to removal from the Board by the Board or Registrar of Co-operative Societies, Assam after giving an opportunity of showing cause against any order of removal.

25. Chief Executive Director.

(a)The Chief Executive Director of the Bank who shall be a Senior Government officer, shall be appointed by the Government;(b)The Executive Director of the Bank who shall an officer of the Bank shall be appointed by the Bank with prior approval of the Government and he shall function under over all control of the Chief Executive Director.Provided that the managing Director appointed vide Notification No. Co-operative 5(69)72/60, dated 3.11.1979 shall be deemed to have been appointed as Executive Director by the Bank with the approval of the Government under this Bye-law and shall be entitled to pay and allowances as was admissible to him as Managing Director;(e)The pay and other allowances of the Chief Executive Director and the Executive Director shall be charge on the Banks as per terms and conditions of their services as may be determined from time to time by the Government and the Bank respectively.

26. First Board of Directors to be appointed by Government.

- Notwithstanding anything contained in these bye-laws, the first Board of Directors shall be appointed by the Government and shall hold office until the first annual meeting of the General Assembly is held.

27. Conduct of Meeting in the Absence of Chairman or Vice-Chairman.

- If the Chairman or Vice-Chairman is absent or unable to preside, the members present shall elect a President to conduct the meeting.

28. Ceasation from Membership of the Board.

- None shall be eligible for election to the Board with all or any of the disqualification mentioned below.Even after election if any one incurs such disqualification, he shall automatically cease to be a member of the Board-(i)if he is insolvent;(ii)if physically or mentally incapacitated ;(iii)if except with the consent of the Board he absents himself from attending three consecutive meetings of the Board ;(iv)if he resigns office by notice in writing to the Board ;(v)if convicted of a criminal offence involving moral turpitude ;(vi)if the society of which he is a representative is dissolved or disaffiliated ;(vii)if excepting the Chief Executive Director, he accepts salary from the Bank without the previous approval of the Registrar ;(viii)if concerns or participates in the profit of any contract with the Bank ;(ix)if he has any overdue outstanding to any co-operative societies or co-operative bank at the time of election or during his office.

29. Powers and functions of the Board.

- Except as provided in the bye-laws, the services of the members of the Board of Directors and of the Executive Committee excepting the Chief Executive Director and the Executive Director shall be gratuitous. The shall be entitled to such travelling allowances and sitting fees as may be fixed from time to time by the Board, subject to approval of general Assembly. Without restricting the general

powers conferred by these bye-laws and by the resolution of the general Assembly, the following powers are expressly given to the Board-(i)to appoint an Executive Committee and delegate all or any its powers to the Executive Committee from time to time ;(ii)to provide for the management of the affairs of the bank in such a manner as it may decide ;(iii)to delegate with or without condition all or any of the powers exercisable by the Board to the Executive Committee or any office bearers or the Chief Executive Director or employees of the Bank ;(iv)to supervise and examine the work of the Executive Committee, office bearers and employees of the bank ;(v)to hear all complaints against the decision of the Chief Executive Director, Office bearers and Executive Committee ;(vi)to authorise the Chief Executive Director and any other person on his behalf to inspect and supervise the Primary Banks and Section ;(vii)to perform any other works for the efficient administration of the Bank ;(viii)to prepare the annual budget ;(ix)to fix the rate of allowances and fees of members.

30. Boards authority for fixation of terms of loans.

- The Board shall settle all details in regard to the period of repayment of loans granted by it, the instalment for repayment, the rate of interest, the penal interest to be charged on overdue instalments, etc. The Board shall have power of enhancing or reducing the rates of interest on loan granted by it for such periods and subject to such conditions as it may deem fit, provided that loan issued out of funds obtained from Government shall be governed by Government circulars and directives in regard to the manner of utilisation, rate of interest, period of loan and other matters. The Board may agree to release a portion of the hypoteheated on such conditions as may decided upon or ask for additional security or substituted security with prior approval.

31. Power to invest money and proceed against mortgagors.

- Subject to the approval of the Trustee, the Board shall be competent-(i)to invest money at its credit in any investment or deposit authorised by Section 51 of the Assam Co-operative Societies Act, 1949 or in other securities approved by Registrar ;(ii)to proceed against the Mortgage Banks or the mortgagors or against both or other member, in case of default of money due to the bank ;(iii)to exercise any of the powers conferred or may be conferred under the Assam Co-operative Act and Rules in force ;(iv)to borrow money for the purposes of the Bank on such terms as it may deem expedient.

32. Notice of meetings.

- At least Seven days notice of all meetings of the Board specifying the date, hour and place, shall be sent by the Executive Director with the approval of the Chief Executive Director or person authorised by him, to each member of the Board with the agenda of the meeting :(i)Provided that no business transacted at a meeting shall be deemed invalid on account of non-receipt of the notice in due time by a member :(ii)Provided that any urgent business though not included in the agenda accompanying the notice, may be brought up and considered with the consent of all the members present at the meeting-(a)The Board shall meet at least three times in a year;(b)A special meeting of the Board shall be convened at the directions of the Chairman or the Registrar or a person authorised by him or a requisition signed by one third of the members of the Board. Such meeting

shall be held within three weeks from the date of the receipt of direction or requisition ;(c)Seven members of the Board shall constitute a quorum. If at the hour fixed for a meeting of the Board a quorum is not present, the Chairman shall if the meeting has been called at the requisition of the members, dissolve it, but in any other case it shall stand adjourned to a date not less than seven days and not more than fourteen days later, as may be decided by the Chairman and the business to be transacted at the adjourned meeting shall be the same as that proposed for the original meeting. At least three days notice of such an adjourned meeting specifying the date, hour and place, shall be sent to all members of the Board, provided that no business transacted at an adjourned meeting, shall be deemed invalid on account of nonreceipt of notice at all or in due time by a member Business may be transacted at an adjourned meeting by a majority of the members present and entitled to Vote ;(d)All questions before the Board shall be decided by a majority of votes. Each members shall have one vote. Should there be any quality of votes, the Chairman or the Vice-Chairman, if he presides or other presiding member shall have a casting vote. No member of the Board shall be present at a meeting of the Board when any matter in which he is personally interested, is being discussed. Voting shall, generally be show of hands, unless the Board decides otherwise ;(e)The Chairman, in his discretion, may admit any person not being a member to a meeting of the Board for the purpose of giving expert advice. He shall have no vote ;(f)The proceedings of all meetings of the Board and the names of those present shall be recorded in a proceedings Books. The minutes of the proceedings shall be signed by the Chairman of the meeting after being read to and confirmed by the members present in that meeting or the next meeting of the Board.

33. Towers of the officers of the bank.

(1)Subject to such resolution as the Board may from time to time pass, the several officers of the Bank shall have the power mentioned below-(i)Chairman : The Board of Directors shall have a general control over the affairs of the Bank ;(ii)Chief Executive Director : The Chief Executive Director shall be responsible for executive administration of the Bank subject to the control of the Chairman ;(iii)The Chief Executive Directors shall be the officer to sue and to be sued on behalf of the Bank. All bonds by the Bank except those relating to moneys borrowed shall be executed by the Chief Executive Director. In respect of moneys borrowed by the Bank by way of debenture or otherwise, bonds shall be executed by the Chief Executive Director, the Chairman of the Bank and by another member of the Board authorised by the Board ;(iv)The Chief Executive Director shall have custody of all the properties of the Bank. He shall make disbursement, sanction generally or specifically by the Board or the Executive Committee and sign the cash Book in token of correctness. He shall be competent to incur contingent expenditures for any item subject to the provision of the budget passed by General Assembly. The Chief Executive Director shall in consultation with the Chairman or in his absence the Vice-Chairman convene meeting of the general Assembly and record the minutes of the proceedings of the Board and the Executive Committee and do such other works as may be entrusted to him. In absence of the Chief Executive Director, the Chairman of the meeting may require any member of the establishment to record the said minutes;(v)The Chief Executive Director or the Executive Director, if authorised by the Chief Executive Director jointly with any other officer of the bank authorised by the Board for the purpose shall have power for and on behalf of the Bank to operate the Bank accounts, to endorse, transfer, promissory note, Government

securities and other securities standing in the name of held by the Bank and to sign, endorse and negotiate cheque and other negotiable instruments and to sign all receipts and all Bank accounts and other documents (Except debentures) connected with business of the Bank and to take charge of the cash balance at the close of each day ;(vi)The Executive Director under general control of the Chief Executive Director shall exercise full control of the paid staff of the Bank appointed by the Board. He will as per the directions of the Board, take necessary action for recruitment of staff and issue appointment letters. The Chief Executive Director will be competent to grant leave admissible to any member of the staff and take disciplinary action including suspension, fine and discharge from service, subject to service Rule of employees, which may be framed from time to time ;(vii)The Chief Executive Director, shall be responsible for maintenance of proper accounts preparation of statements and reports ;(viii)Under his overall control, supervision and responsibility, the Chief Executive Director may authorise in writing any other office or employees of the Bank to perform any of his duties.(2)Appointment etc. of employees.-(a)Employees of the Bank, if admitted to membership of the Bank, shall have all the privilege of members have that they shall not be members of the Board or the Executive Committee of the Bank. The term employees does not include any person producing good for the Bank not any person elected to or appointed by Government to any office of the Bank unless specifically stated to the contrary at the time of appointment or later ;(b)The Board shall appoint and determine the remuneration of all employees of the Bank, provided that the Executive Committee may fill any vacancy in the cadre of employees temporarily pending appointment by the Board ;(c)The Board may dismiss or discharge any employees of the Bank excepting the Chief Executive Director and Executive Director, provided that the Executive Committee may suspend any employees pending the decision of the Board and may fill the temporary vacancy thus occurred.(3)The Election of office bearers and appointment of employees of the Bank shall be subject to any provision of law and service rules which may be framed from time to time with regard to the possession by such office-bearers or employees of Diploma, Certificate etc. from recognised institution.

34. Executive Committee.

- The Board shall form an Executive Committee from amongst its members consisting of the following members-(i)The Chairman of the Bank ;(ii)The Vice-Chairman of the Bank ;(iii)The Registrar of Co-operative Societies or his representative ;(iv)The Chief Executive Director of the Bank ;(v)Three members to be elected by the Bank from the individual members of the Bank ;(vi)The Executive Director of the Bank who will act as Member Secretary of the Executive Committee.

35.

The office of the elected members of the Executive Committee shall be vacated for any of the reasons stated under bye-law No. 28. In the case of a vacancy of remaining members of the Executive Committee may co-opt a member of the Board till the next meeting of the Board when a new member shall be elected. The life of the Executive Committee formed shall be for full terms as that of the members of the Board.

36. Administration to vest with the Board.

- The entire administration of the Bank shall vest in the Board and subject, to the control and supervision and delegation from the Board in the Executive Committee.

37. Quorum of Executive Committee meetings.

- No decision of the Executive Committee shall be valid unless it is assented to by majority of members attending the meeting and four members shall form a quorum. In the event of equality of votes, the Chairman of the meeting shall have a casting vote. Voting shall be usually by show of hand unless otherwise decided.

38. Executive Committee to deal with Loan Application.

- It shall be a duty of the Executive Committee to deal with all applications for loans. The Board may also delegate to the Executive Committee powers to appoint employees on such terms as to remuneration, security etc. and to enter into contract on behalf of the Bank as they deem expedient and to dismiss, discharge, suspend or punish employees. Any appeal against such decisions shall lie to the Board.

39. Use of funds.

- The fund of the bank shall be primarily used for the purpose of granting loan to Co-operative Societies and individuals who are eligible for memberships of the Bank in conformity with the objects mentioned under Bye-law No. 5.

39(a) Deleted by Notification No. CF/7/2003/95 dated 2nd August, 2004

39(a)(i) Deleted

39(a)(ii) Deleted

39(a)(iii) Deleted

(b) The total amount of loan due from the individual member of the Bank, unless secured by Government guarantee, shall not at any time exceed-(i) Twenty times of the paid up value of the share held by such member; and ;(ii) Fifty per cent of the estimated market Value of the lands and property secured by one or more mortgages. It shall be competent to the Board to raise the above loan limit on such collateral security as the Board may decide from time to time. Further the loan given to an individual member of the Bank on the mortgage of land shall not exceed $\frac{3}{4}$ th of the estimated net income from that land during the period of the loan. In exceptional cases, however, when the landed property offered as security by an individual member is not sufficient for the loan applied for by him, house property commensurate rental value may be accepted, provided that at least 75 percent of the loan amount is secured on land where the house property is situated in municipalities or major panchayats and at least 85 per cent of the loan is secured on land where the house property is situated in villages. Where house property is accepted as security along with land, the loan amount secured on house shall not exceed the following limits-

PC of the value of house that can be advanced	Maximum loan that may be advanced	
1. House in Municipalities	50 PC	3,000/-
2. House in major Panchayat	40 PC	2,000/-
3. House in village	30 PC	1,000/-

If any member desires to offer as substituted security, fresh properties in place of any portion of the original security alienated by him with the permission of the Bank, he may be permitted to do so, provided that the terms and conditions as may be laid down by the Board are satisfied by such member. Market value of land shall be assessed with reference to sale of land in the locality within a period of 5 years. If steep fluctuation of price of land is noticed during this period the Board shall determine the proper market price.

40.

The land mortgaged to the Bank as security under bye-law 39 shall have no prior encumbrance, save the mortgage or mortgages to be redeemed by the loan given by the Bank. An encumbrance in favour of the Bank shall not be deemed to be an encumbrance within the meaning of this bye-law. The Board may permit an individual member to alienate his mortgage property and to transfer his loan to a person who is a member of the Bank or to one whom the Board is willing to admit as a member, provided the transferee pays the entire arrear dues up-to-date, if any, and agrees to execute the necessary bonds and binds himself to pay the further instalments regularly. It shall be open to the Bank for reason to be recorded in writing while accepting the transfer and admitting the transferee as a member, to decline to exonerate the transferor mortgagor from liability to the debt under the mortgage deed executed by him. Any member who desires to alienate any portion of his mortgaged property shall obtain the previous permission of the Board. It shall be competent for the Board to refuse alienation or grant permission. In the event of failure by the member to comply with the terms and conditions aforesaid, the Board may recover the whole loan amount without reference to the period for which the loan was originally granted. An encumbrance in favour of the Bank shall not be deemed to be an encumbrance within the meaning of this bye-laws.

41. Application for loan.

- The application of a primary Bank for a loan from the Bank shall be accompanied by application for loans from member of the said Primary Bank and the Bank shall be competent to make such further enquiries with regard to the security offered by, the repaying Capacity of the intending borrower and other matters connected with the said application. In all cases, the Bank shall be the sanctioning authority in respect of individual of Primary Banks. Other things in respect of requirement for the sanction of loans to individual member of Primary Banks being equal preference will be given by the Bank to smaller loans as well as to backward class. Every applicant applying for loan through Branch shall produce all necessary documents required by the Bank within three month from the date of requisition and on failure to do so without satisfactory reasons, the loan application shall stand rejected. It is, however, open to the Bank to restore the application on payment of penalty of Rs. 2/- by the application member. Half of the administration charges will

be refunded to an applicant for a loan if the withdraws his application or if the application is rejected before the properties offered for mortgaged have been inspected. The person or persons so deputed to inspect the land proposed to do mortgaged shall, in all cases be held strictly responsible for the correctness of his report, estimates, and valuations. It shall be competent to the Board to reject any such report, estimate or valuation.

42. Loans to be advance on Assignment of mortgages.

- No loan shall be advanced by the Bank unless the applicant agrees to assign one or more mortgages, as may be necessary to cover the loan of immovable properties of which the mortgages have transferable interest in such properties and which are not subject to any restriction on alienation or to proper encumbrances save the mortgages in favour of the Bank.

43. Coparceners to join execution.

- When a mortgage deed is executed by a member, the Board may insist on all persons interested in the property, Coparceners joining in the execution, whether such persons themselves are member or not.

44. For furnishing of additional security.

- If for any reason the Bank is of opinion that the security originally furnished for the loan borrowed from it, has becomes inadequate or has deteriorated or depreciated or is about to become inadequate or deteriorated or deprecated, it shall be competent for Bank to call upon the debtor or individual borrowing member by a notice in writing to furnish additional security to its satisfaction during he period specified in the notice. Failure to comply with the requirement of notice shall entitle the Bank to recover the loan concerned at once notwithstanding the original terms on which the loan was advanced. Any sum outstanding against the (deleted) individual borrowing member who has been removed from membership or who otherwise ceases to be a member of the Bank shall become immediately repayable irrespective of any condition on which the loan was granted.

45. Individual Member to Execute Agreement.

(a) The loan sanctioned to individual member will be issued only after execution of the agreement by the such individual member agreeing to assign as soon as practicable the mortgages in favour of the Bank. (b) Every loan to individual member shall be secured by a mortgage or mortgages with or without possession, of immovable property which shall have no prior encumbrances (other than prior encumbrances of the Bank), save the mortgage or mortgages to be redeemed with the loan given by the Bank.

46. The rate of interest on loan.

(a)The rate or interest on loans shall be determined by the Board from time to time. It shall be competent to the Bank to charge a higher rate of interest to be called as penal interest not exceeding one percent over the agreed rate, on arrears of debts due to it as well as to recall the whole or any part of the loan outstanding in each case on default in repayment any instalment or part thereof on debt fixed for payment is made.(b)Recall of Loan for Misapplication. - If a loan granted by the Bank has been applied by the loanees for a purpose other than that for which it was granted, the Bank shall be entitled to recall the whole or any part of the loan outstanding with interest without waiting for the expiry of the period for which the loan was granted. In such a case the loan account shall at once be closed without reference to the term for which the loan was granted and the borrower shall be charged interest at one percent per annum more than the rate of which the loan was issued from the late of closing the loan account to the date of recovery.

47. Loan to be repaid in equal or equated instalments.

- A individual member or other which has taken a loan from the Bank shall repay the amount together with interest due thereon either by equated annual instalments or debts option, in equal instalments together with interest due on the amount outstanding from time to time. After exercising its option, individual member or other shall not ordinarily be allowed to change its method of repayment. Nothing, however, shall prevent a debtor or a Primary Bank or other from repaying at any time a larger sum than the annual instalment or from discharging the whole debt in a single payment.(a)Repayment made before the due date shall be dealt with as follows-Where a individual member or other member pays any sum it shall be credited towards the interest first and then towards principal. Such crediting shall no relieve a individual member or other member from payment on due dates of interest due and not covered by the payment.

48. Delegation of powers by Executive Committee.

- The Executive Committee may delegate any of the powers of the Chairman or Vice-Chairman or Executive Director subject to the general control of the Chief Executive Director and may withdraw such powers whenever necessary.

49. Notice of meetings of Executive Committee.

- At least three days notice of all meetings of the Executive Committee, specifying the date, hour and place shall be sent to the members of the Executive Committee along with an agenda, provided that no business transacted at such meeting shall be deemed invalid on account of non-receipt of the notice at all or in due time.

50.

The Executive Committee shall be called as often as necessary by the Executive Director with the approval of the Chief Executive Director and the Chairman. The Chairman may also direct Chief Executive Director to hold any meeting.

51.

The Chairman in his discretion may admit any person not being a member to a meeting of the Executive Committee for expert advice. He shall not be entitled to vote.

52. Record of proceedings of meetings.

- The minutes of the proceedings of the meeting of Executive Committee and the names of those present shall be recorded in a proceeding book and shall be signed by the Chairman of the meeting after being read to and confirmed by the members at that meeting or next meeting of the Executive Committee.

53.

The Executive Committee shall be competent to form Branch Committee for control and administration of the separate Branches of the Bank. Such Branch Committee shall consist of not more than five members including (1) Asstt. Registrar of Co-operative Societies of the Sub-Division (2) Branch Manager of the Branch (3) Branch Manager of Apex Bank Ltd. and (4) Two individual members of the Bank enrolled as such through the Branch. The Branch Committee shall elect a Chairman who will preside over all meetings of the Branch Committee. Three members shall form a quorum and decision shall valid if assented to by simple majority of members present.

54. Function of sub-committee.

- The sub-committee shall primary deal with loan application and membership applications required to come through the Branch and exercise such powers delegated to it by the Executive Committee, but final authority of sanction or refusal of loan, shall rest with the Executive Committee of the Bank. The Chief Executive Director and the Executive Director shall have access to all books and records of the Branches-(a)The Executive Committee shall be competent to form sub-committees for specific purposes.

55. Validity of Acts performed.

- No act of the Board, Executive Committee, sub-committee of any office bearer shall be invalidated by reason of the election of any office bearer being subsequently declared null and void.

56. General meeting.

- The General meeting of the Bank shall consist of one representative from each affiliated Co-operative Society, the individual members of the Bank and Ex-officio members of the Board shall be deleted and substituted by the followings-(i)deleted.(ii)One representative from each other member society ;(iii)One representative for every 50 eligible members from each branch of ASCARD Bank.(iv)Chairman/Vice-Chairman/Board of Directors excluding Government Nominee/Ex-officio members shall be elected by the General Assembly ;(v)Representative from individual share holders shall be elected separately in a meeting of individual shares holders of each branch at Branch H.Q. The meeting of the individual share holder shall be convened by the Branch managers 30 days ahead of the date of Annual general meeting to be held at H.O. level. The list of individual share holders shall be updated at Branch level 45 days ahead of Annual General Meeting at H.O. level. The Branch level individual share holders meeting shall be conducted by the Deputy Registrar of Co-operative Societies or the concern district. Elected representative of Branch level meeting shall be eligible to attend the Annual General Meeting of H.O. level.(a)A representative must be a member of the affiliated Society [deleted] which he represents ;(b)The instrument appointing the representative shall be deposited at the registered office of the Bank at least 2 (two) hours before the time for holding the meeting of the General Assembly at which representative named in` the instrument proposes to vote;(c)It shall be competent to any affiliated Co-operative Society and [deleted] at any time to remove its representative and appoint another;(d)The Board of Directors shall maintain a list of members of the Bank who are qualified to vote at the General Assembly Meeting and shall bring such list up-to-date 30 (thirty) days before each meeting of the General Assembly.

57. Supreme Authority of General Assembly and its functions.

- The Supreme Authority of the Bank shall be vested in the General Assembly ; provided that during the pendency of any loan or service from Government or any other creditor secured at the instance of the Government the Supreme Authority in respect of any matter adversely affecting the interest of Government of the said creditor touching such loan or services shall be vested in the Government of Assam or Registrar or any person authorised by them in writing and may extend to the appointment of officers to hold any of the offices of the Bank including the Chief Executive Director and Executive Director or any person to be Ex-officio members of the Board or any other committee of the Bank even if not member of the Bank. The Government or the Registrar or the duly authorised person may fix the salary of such officer and declare it to be a charge on the Bank, provided that such salary may be borne by Government if and when they deem fit. The General Assembly shall not, however, interfere with the action of the Board done in the exercise of the power conferred on it by the bye-laws. The following among other matters, shall be dealt with General Assembly-(i)The election of the members of the Board and their removal ;(ii)The annual report of the Board reviewing the working of the Bank during the period ;(iii)The annual report and audited balance-sheet;(iv)Amendment to Bye-laws ;(v)To approve rate of fees or allowances as fixed by the Board of any, to be paid to members of the Board of Directors/Executive Committee and other committee, for attending meetings ;(vi)Passing the annual budget and approving the programme of work for the ensuing year ;(vii)Distribution of profits ;(viii)Consideration of any complaint which

any member may prefer against the Board ;(ix)Fixation of maximum amount of liability to be incurred during the Co-operative year or until the next meeting of the General Assembly.

58. Notice of meetings of general assembly.

- At least Fifteen days notice of all meetings of the General Assembly, Specifying the date, hour and place shall be forwarded to all members ; provided that no business transacted at a meeting shall be deemed invalid on account of non-receipt of the notice by a member in due time. The agenda shall invariably include an item "Any other business" and matters not otherwise specifically mentioned in the agenda ; provided that they do not relate to amendment of bye-laws, expulsion of members and expulsion of office bearer ; provided notice of the matter desired to be, raised under "Any other business" must be sent to the Chief Executive Director, at least two days before the date of meeting and two-thirds majority of the members present at the meeting shall be required for passing of any business under this item.

59. Annual meeting of General Assembly.

- Annual meeting of the General Assembly shall be held not more than fifteen months of the date of the last meeting and unless the Registrar on special grounds extend the period, within three months of the receipt of the statutory annual audit report.

60. Special meeting of General Assembly.

- A special meeting of the General Assembly be convened by the Executive Director with the approval of the Chief Executive Director whenever the Board thinks fit or at the instance of the Chairman or the Registrar of Co-operative Societies, Assam or on a requisition signed by at least one tenth or twenty members of the General Assembly whichever is less and Specifying the object of the meeting such a meeting be held within three weeks after the receipt of such requisitions.

61. President of General Meeting.

- The Chairman, when present and in his absence the Vice-Chairman, shall preside at the meeting of the General Body. In the absence of both, the members present, may elect a Chairman from amongst themselves.-(a)The President of the meeting may direct any member to withdraw for disorderly conduct and the members so ordered shall not be entitled to Vote without the permission of the President. The President is also competent to suspend the meeting and adjourn if to such date and time as he may think fit in he event of the disorder.

62. Quorum of General meeting.

- The quorum for a meeting of the General Assembly shall be fifteen or one more then half of the total number of members on the list at the time, whichever is less. If at the hour fixed for a meeting of the General Assembly a quorum is not present, the Chairman shall, if the meeting has been called

at the requisition of the members, dissolve it, but in any other case it shall stand adjourned to a date not less than seven days and not more than fourteen days later as may be decided by the Chairman and the business to be transacted at the adjourned meeting shall be the same as that proposed for the original meeting. At least seven days notice of such adjourned meeting, specifying the date, hour and place shall be sent to all members of the General Assembly provided that no business transacted at an adjourned meeting shall be deemed invalid on account of non-receipt of the notice by a member adjourned General Meeting may be held even with a quorum.

63. Decision by Majority of Vote.

- Except where otherwise prescribed all matter brought before a meeting of the General Assembly shall be decided by a majority of votes of the members present and voting. When votes are equal the Chairman of the meeting shall have a casting vote. Voting shall be by show of hands unless procedure is demanded. If a poll as demanded and as soon as the decision is announced, a poll shall be taken in one of the following manner. Vote shall be taken separately of the individuals and the representatives of affiliated Co-operative Societies. If there is a majority of both for any proposition is not be considered as passed, if the majorities of the two bodies differ, the majority decision of the Banks representatives shall prevail, otherwise the proposition will be considered as lost.

64. Distribution of profit.

- The net profit of the Bank shall be distributed as shown below-(i)Not less than 25% of the net profit in each year shall be carried to the Reserve fund ;(ii)Not exceeding 6 ¼% of the net profit shall be carried to the Co-operative Development fund ;(iii)Out of the remaining net profit a dividend not exceeding 12 ½% of the paid up value of each share may be distributed ;(iv)A common good fund not exceeding 7 ½ of the remaining net profit devoted to the Charitable purposes including medical relief of the employees of the Bank, contribution of the Assam State Co-operative Union for Co-operative Education and propaganda ;(v)Not exceeding 5% of the remaining net. profit to Bad Debt Fund ;(vi)Bonus to the employees not exceeding two months salary subject to the provision of Rule 63 of Assam Co-operative Societies Act, 1949 ;(vii)Any balance remaining may be allotted to any or all the following-(a)Building Fund ;(b)Depreciation Reserve;(c)Debenture Redemption Reserve ;(viii)Unappropriated balance, if any shall be added to the Reserve Fund.

65. Amendment of Bye-laws.

- Subject to the rules made by the State Government these bye-laws may be amended by a majority of members at a meeting of the General Assembly at which not less than two third of the members of the Bank are present; provided notice of such amendment is served not less than clear fifteen days before the date fixed for the meeting.

66. Reference disputes to Registrar.

- Any dispute touching the business of the Bank between members or past members of the Bank

persons claiming through a member or past member or person so claiming and the Bank or the Board or any office, or any doubt concerning the interpretation of these bye-laws or any dispute between employees and the Bank or between employees and employees shall be referred to the Registrar of Co-operative Societies for settlement according to law.

67. Audit.

- (i) The Board shall as soon as the year is over, draw up a balance sheet in the prescribed form and shall write a report on the activities of the Bank for the year under audit;(ii)The accounts and the balance-sheet so drawn up shall be audited each year by the regular staff of the Registrar of Co-operative Societies or those competent to Audit;(iii)Annual report, balance sheet and Account together with audit notes prepared by the auditor shall be laid before the annual meeting of the General Assembly.

68. Maintenance of Records.

- All records shall be maintained up to date and kept in the custody of the employees as prescribed by the Chief Executive Director of the Bank. Any Director of the Board may examine such records at any time.

69. Seal of the bank.

- The Board of Directors shall provide a common seal for the purpose of the Bank and it shall not be used except by the authority of the Bank. The seal shall remain in the custody of the Chief Executive Director.

70. Rules of the bank.

- For effective conduct and administration of the Bank the Board may make rules from time to time. Copies of all such rules shall be supplied to all concerned and shall be followed by the Bank from the date they are passed by the Board.

71. Sufficiency of notices.

- All notices of meetings and all other notices shall be deemed sufficient and proper if to the address given by the members, depositors other constituent of the Bank.

72. Liquidation.

- The Bank shall be liquidated only by an order of the Registrar of Co-operative Societies, Assam.