

By-laws of the
Visva-Bharati Co-operative Bank Ltd.

A Co-operative Credit Society with
Limited Liability

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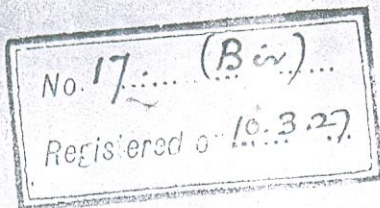
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These byclaws have been filed by Visva-Bharati
Co-operative Bank and have
been duly registered in my office pursuant
to Act II of 1912.

BY-LAWS OF THE

"Visva-Bharati Co-operative Bank, Ltd."

N. C. B. Das
Assistant Registrar,

Name—Office—Objects.

Co-operative Societies,

Burdwan, Dist.

1. The Society which is registered under the Co-operative Societies Act (II of 1912) shall be called "Visva-Bharati Co-operative Bank, Limited", and in these by-laws unless there is anything repugnant in the definition, subject or context,—

- (a) "Act" means the Co-operative Societies Act, II of 1912, or any amendment thereof;
- (b) "Rules" means the rules for the time being in force under the Act;
- (c) "Bank" means Visva-Bharati Co-operative Bank, Limited;
- (d) "The Committee of Management" means the governing body of the Bank, for the time being;
- (e) "Registrar" means a person appointed to perform the duties of a Registrar of Co-operative Societies under the Act;
- (f) "Registered Society" means a Society registered under the provisions of the Act;
- (g) "Provincial Bank" means the Bengal Provincial Co-operative Bank, Limited;
- (h) "Development Fund" means the Registrar of Co-operative Societies' Development Fund.

2. The registered office of the Society shall for the present be at Santiniketan. In the event of any change in the situation of the registered office notice thereof shall be sent to the Registrar within 15 days.

3. The objects of the Society are—

- (1) to create funds to be lent out to, or invested for, its members or for their benefit; and
- (2) to encourage thrift, self-help and co-operation generally among the members.

Capital.

4. The nominal capital of the Society shall be Rs. 20,000/- which shall be divided into 1000 shares of the value of Rs. 20/- each to be subscribed by members only.

The capital of the Society may be increased, with the sanction of the Registrar, by a resolution of the general meeting.

Borrowing power of the Society.

5. To carry on its work, the Society shall be at liberty to contract loans by way of deposits or otherwise, provided that the total amount of liabilities shall not exceed ten times the paid up share capital plus the Reserve Fund separately invested.

Membership—Election—Cessation.

6. Membership of the Society shall be open to persons residing in/employees of ; and the members of the Society shall consist of those who have subscribed to the application for registration and/or who may hereafter be elected according to these by-laws and who hold at least one share.

7. Every member shall pay an entrance fee of **Rupee one only** and shall take at least **one** share in the Society and shall sign his name in a register containing a list of names, descriptions and addresses of the members of the Society in token of his acceptance of these by-laws. When a member has paid his entrance fee and the first instalment on his share, he shall be deemed to have acquired all the rights, obligations and responsibilities of a member of the Society as laid down in the by-laws.

8. Every person eligible under these by-laws who is desirous of becoming a member shall send in an application to the Secretary in a form to be prescribed by the Committee of Management, supported by two members of the Society. Such applications shall be dealt with by the Committee of Management. In the case of rejection the candidate or his supporters shall have a right of appeal to the general meeting.

9. Membership shall cease by—

- (i) expulsion,
- (ii) bankruptcy,
- (iii) loss of any of the necessary qualifications of membership as laid down in by-law 6,
- (iv) death,
- (v) insanity.

A member shall also cease to be a member if he transfers all the shares he holds in accordance with these by-laws.

10. The Committee may, after open investigation, fine, suspend or expel a member (1) for any serious breach of the Co-operative Societies Act or the Government rules under the Act or of the by-laws and the rules of the Society, (2) for being in default to the Society after due notice has been given, and (3) for any conduct considered dishonourable by the Committee or which may weaken the financial credit of the Society or bring it into disrepute. All cases of fines, suspension and expulsion shall be reported to the next general meeting for confirmation.

11. (1) Any member of the Society may, by a writing under his hand delivered at or sent to the office of the Society or by a declaration duly made, nominate any person or persons to whom or to whose credit the share of interest or the value of such share or interest and all other moneys referred to in section 22 of the Act may, on the death of such member, be paid or transferred under the provision of the said section:

Provided that—

- (i) such member may from time to time revoke or vary such nomination by a writing under his hand similarly delivered or sent or by a declaration similarly made, and

(ii) the value of member's share or interest shall be represented by the sum actually paid by the member to acquire such share or interest.

(2) The Society shall keep a register of all persons (if any) so nominated.

Rules regarding shares.

12. No member shall be allowed to hold more than one-fifth of the subscribed share capital of the Society, nor to hold more shares than present a nominal value of Rs. 1,000.

13. For every share Rs. 100 only shall be paid either one lump or in successive monthly instalments of not less than rupee 10, and the balance shall represent the reserve liability of the share-holders to be paid either in whole or part, should the assets at any time found inadequate to meet the liabilities of the Society.

14. Interest at the rate of 12 1/2 per cent. per annum may be paid on all deferred payments of shares instalments from the date on which the payments fall due.

If the payment due on account of shares remains unpaid for more than three months, the Committee may declare such shares forfeited together with all payments made thereon and the rights of membership attaching to those shares extinct. Such shares may be renewed within a period of three months from the date of the notice of forfeiture on payment of all arrear amounts, including interest and a renewal fee of Rupee one per share.

15. Shares may be transferred by an instrument in writing with the consent of the Committee of Management, and to members only, but no member shall be permitted to alienate in any way any share belonging to him while he is indebted to the Society or is surety for an unpaid debt to the Society. The Committee may refuse to sanction any transfer without assigning a reason and no appeal shall lie against them on this account.

16. (a) In the event of cessation of membership on any grounds other than death or default of share payment, the net value of the share or shares held by a member after deduction of his dues to the Society as principal or surety shall be paid to him within six months from the date of the cessation of membership, provided such payment does not reduce the share capital below the limit for the time being required under by-law 5.

(b) In the case of the death of a member his shares shall be transferred to the person nominated in accordance with by-law 11, or if there is no nominee, to such person as may appear to the Committee to be the heir or legal representative of the deceased member, provided that such nominee, heir or legal representative, as the case may be, is eligible for membership, or, on application within one month of the death of the deceased member, to any person specified in the application who is so eligible should such person not be eligible and willing to become a member and to take up the shares in question, the amount actually paid by the deceased member on the shares shall, after deduction of his dues to the Society, be paid to the nominee, heir or legal representative, as the case may be, within three months of the death of deceased member and the Society shall therefrom be absolved of all liability in respect of such money.

17. A member shall be entitled to a certificate under the common seal of the Society, specifying the share or shares held by him. If such a certificate is worn out or lost, it may be renewed on payment of per certificate.

Liability.

18. (a) The liability of the members for the debts of the Society shall be limited to ~~5 times~~ the nominal value of the shares held by them.

(b) The liability of a past member for the debts of the Society as they existed at the time when he ceased to be a member shall continue for a period of two years from the date of his ceasing to be a member.

(c) The estate of a deceased member shall be liable for a period of one year from the time of his decease for the debts of the Society, as they existed at the time of his decease.

Representation.

19. All documents creating a charge or obligation on the Society shall be signed by the Chairman and Secretary or by three members of the Committee of Management, including either the Chairman or the Secretary; provided that in the case of receipts and cheques up to Rs. ~~50/-~~, and receipts for deposits and repayments of loans, the Chairman or the Secretary or any office-bearer or officer duly authorized by the Committee may sign on behalf of the Society.

General Meeting.

20. The supreme authority of the Society shall be vested in the general meeting of members. Every member shall have one vote only, irrespective of the number of shares held by him. On all questions the opinion of the majority shall prevail, and the Chairman shall have a casting vote. One-fifth of the registered members shall constitute a quorum. Voting by proxy shall not be allowed, save in the case of *pardanashin* ladies. The instrument appointing a proxy shall be in writing in such form as may be prescribed and shall be deposited at the registered office twenty-four hours before the meeting at which it is to be used is held.

21. A general meeting of the Society shall be held once every year after the close of the working year of the Society. Such meetings shall be called ordinary meetings, and all other meetings shall be called extraordinary meetings. The general meeting must maintain a general supervision over the business of the Society, specially over the acts of the Committee of Management, and must take all steps that may be considered necessary in the interests of the Society.

22. The business of an ordinary general meeting shall be—

- (i) to receive and consider the report and the statement of accounts of the Managing Committee and to review the work of the Society during the past year;
- (ii) to elect for the ensuing year a Committee of Management and its Chairman;
- (iii) to elect not less than three auditors, who shall not be members of the Committee of Management;

- (iv) to hear and consider any appeal from the decision of the Committee of Management;
- (v) to take notice of any subjects which affect the financial position of the Society and to pass resolutions with regard to them;
- (vi) to decide the maximum amount which any member may hold in loans at one time;
- (vii) to decide the maximum amount of liability to be incurred during the year;
- (viii) to fix the rate of interest to be paid by borrowers, the rate of rebates or remissions to be allowed, and to give general direction to the Committee of Management regarding rules for deposits and loans;
- (ix) to empower the Committee of Management, if it considers it necessary, to impose fines on members who fail without good cause to attend general meeting, and to levy additional interest in the case of overdue instalments of loan;
- (x) to fix the maximum period for which loans shall be granted;
- (xi) to transact any other business that may be brought up.

23. The Committee may, whenever it thinks fit, and shall, upon the requisition in writing, signed by ten or more members and presented to the Secretary by any one of the signatories or on the requisition of the Registrar of Co-operative Societies, Bengal, or any officer exercising the powers of a Registrar of Co-operative Societies, or any person authorized by him convene an extraordinary general meeting within a month from the date of such requisition, provided that a general meeting called on the requisition of the Registrar of Co-operative Societies, Bengal, or an officer exercising the powers of the Registrar of Co-operative Societies, Bengal, shall be convened notwithstanding anything contained in by-law 24 as to the issue of the notice at any time and place as required by such officer and no quorum shall be necessary for any general meeting so convened.

24. Notices of general meetings mentioning the place, date and hour of the meetings and business to be transacted thereat shall be circulated or posted to all the members at least seven days before the date on which the meeting is to be held. The notice, together with an indication that it was duly circulated, shall be placed before the meeting in order to satisfy the meeting that it was properly announced. Non-receipt of such notice by any member or members shall not invalidate the meeting so held.

25. If at the hour fixed for an ordinary or extraordinary meeting a quorum is not forthcoming, the Chairman shall, if the meeting has been called on the requisition of members, dissolve it; if otherwise convened, he shall postpone the meeting to a date at least seven days and not more than two weeks later, and the business to be transacted at the postponed meeting shall be the same and no other than that proposed for the original date of meeting. At such postponed meetings, if a quorum is still not forthcoming, resolution may be carried by a majority of three-fourths of the members present, provided that no quorum shall be necessary for a general meeting convened on the requisition of the Registrar of Co-operative Societies, Bengal, or an officer exercising the powers of a Registrar of Co-operative Societies.

Committee of Management.

26. (a) The business of the Society shall be managed by a Committee of Management, consisting of not less than 9 members, who will be elected annually at the general meeting. Members of the Committee of Management shall retire annually, but shall be eligible for re-election, provided that at least two members are replaced by new members. The names of the members who will thus be ineligible for re-election shall be determined by the retiring committee. No person can, however, hold office as a member of the Committee continuously for more than three years, nor be reappointed within a shorter interval than two years, except with the consent of the Registrar.

(b) If a member of the Committee ceases to be a member of the Society or fails to attend six consecutive meetings, the other members of the Committee shall appoint another member to take his place till the next general meeting.

27. (a) The Chairman of the Committee, who shall preside at all meetings of the Society and of the Committee, shall be selected at a general meeting. In the absence of Chairman the meetings shall elect their own Chairman. If a vacancy in the office of the Chairman should arise during the tenure of one Chairman, the members of the Committee of Management may appoint an *ad interim* Chairman, who will hold office till the next general meeting.

(b) The appointments of the Committee of Management are revocable at any time by a decision of the general meeting. The Chairman shall not be allowed to take a loan during his term of office or to stand as surety for any loans.

28. The Committee shall meet as often as may be required for the transaction of business. A meeting of the Committee of Management shall also be called on a requisition in writing of three members of the Committee, stating the business to be transacted or on the requisition of the Registrar (or any person authorised by him). Half of the members of the Committee shall constitute a quorum. In the case of equality of votes the Chairman shall have a casting vote. The proceedings of the Committee meeting shall be recorded in a minute book by the Secretary and shall be signed by the Chairman.

29. The duties of the Committee of Management shall be as follows:—

- (i) To elect new members and allot shares.
- (ii) To raise funds subject to the provisions of by-laws 5 and 22 (vii).
- (iii) To deal with applications for loans and to determine the security to be taken.
- (iv) To receive and disburse moneys as may be required.
- (v) To prepare a statement of accounts, which shall include an abstract of receipts and expenditure classified under different heads, a balance-sheet setting forth the assets and liabilities, and a profit and loss statement, and an annual report for ordinary general meeting.

- (vi) To check the security of each loan outstanding and deal with all cases of arrears and failure to observe obligations undertaken.
- (vii) To transact all other business, not expressly assigned to the general meeting, incidental to the management of the Society.

30. The members of the Committee of Management shall be responsible for the good management of the Society. They shall be liable to the Society for any wilful neglect of their duties and for any distribution of profits and assets contrary to the provisions of the Co-operative Societies Acts, the Rules and these by-laws.

31. The Committee of Management shall appoint one of their body as Secretary and such office-bearers as may be considered necessary and shall, from time to time, lay down the respective duties of the Secretary and other officer-bearers. The Committee of Management less than three all or any of its powers to a Working Committee of not less than three members of the Committee of Management or to the Secretary and Chairman.

No act of the Committee of Management or the Working Committee shall be invalidated by reason of the fact of any defect subsequently discovered in the qualification of any member of the Committee of Management or of the Working Committee.

32. All the books and registers except the registers of deposits shall be open to the inspection of members while the Committee is sitting or on any day after a week's notice presented to the Secretary.

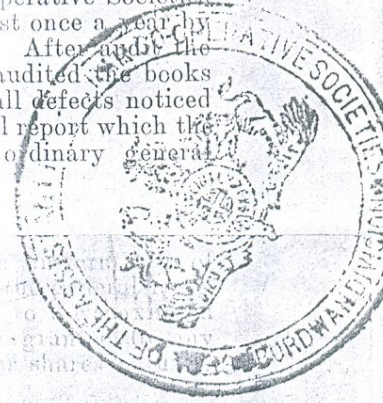
Audit of Society's Accounts.

33. In addition to the audit prescribed by the Co-operative Societies Act, the accounts of the Society shall be audited at least once a year by the Auditors elected at the ordinary general meeting. After audit the Auditors shall give a certificate that they have duly audited the books of the Society, and shall incorporate in the certificate all defects noticed by them. The certificate shall form a part of the annual report which the Committee of Management is required to submit to the ordinary general meeting.

Loans to Members.

34. Loans shall be granted to those members only who are employees of the Viswabharati at a uniform rate of simple interest to be determined from time to time by the general meeting, but which shall not exceed 12½%. Subject to the maximum laid down in the general meeting, no loan shall be granted to any member exceeding ten times the value of his share or shares actually paid provided that loan shall not exceed a borrower's salary for six months.

35. Applications for loans shall be disposed of by the committee of management and shall be in a form prescribed for the purpose by the committee of management and shall be accompanied by a statement of the applicant's indebtedness to other parties, the purpose for which the loan required and also by an authority in a form to be prescribed authorising the Viswabharati on behalf of the society to recover by deduction from the applicant's pay bill or any other due on or after the due date any sum or sums in respect of the loan, whether for principal, interest or otherwise and to pay the amount so deducted to the society.



37. Every applicant for a loan must present one surety if the loan is less than Rs. ~~50/-~~ and two sureties in other cases. In addition to this, the Committee may take other approved security whenever it thinks it necessary. The Committee of Management or the Chairman or the Secretary, if duly authorised by the Committee, may grant loans to a member without security up to three-fourths of the amount of deposit held by him.

38. The period of repayment shall be fixed by the Committee of Management at the time the loan is granted with reference to the purpose to which the loan is to be applied and also to the financial capacity of the borrowers, but no loan shall be granted for any period exceeding that which may from time to time be fixed by the general meeting. A borrower may pay off the whole or the balance of the loan due with interest thereon up to the date of payment at any time during the currency of the loan.

The Committee of Management may grant an extension of time in exceptional circumstances to be notified to the Committee in writing before the repayment of the instalment falls due; but no extension should be granted except with the written consent of the sureties.

39. If a borrower fails to pay interest or any instalment of principal on the due date, and if the Committee of Management does not grant any extension of time, the whole loan shall become immediately payable, irrespective of any condition on which the loan was made, and the Committee of Management may, if empowered by the general meeting, levy interest on any overdue instalment at ~~12~~¹²/₂ per cent. from the date of default up to the date of repayment.

40. Any sum outstanding against a member who dies, withdraws or is expelled or otherwise ceases to be a member shall be immediately payable, irrespective of any conditions on which the loan was made.

41. If the Committee finds that the security for an outstanding loan has become insufficient, it shall call on the borrower to provide satisfactory security and in default shall call in the loan at once.

42. Notwithstanding anything contained above, the Society reserves to itself the right of calling in any outstanding loans on four weeks' notice, but this power shall not be exercised save when there is a general run upon the Society by its creditors, or when the borrowers of the Society or their sureties are in such a position that the funds of the Society are endangered or in other exceptional circumstances.

Investments.

43. The Society may invest its funds in any of the following ways:—

- (a) In the Government Savings Bank and in the Provincial Bank,
- (b) In any of the securities specified in section 20 of the Indian Trusts Act, 1882.
- (c) In the shares of, or upon the security of, any registered Society.
- (d) With any bank or person carrying on the business of banking approved for this purpose by the Registrar.
- (e) In any other mode permitted by the Co-operative Societies Act or the rules framed thereunder.

Charge and set-off in respect of the dues of a member.

44. The Society shall have a charge upon the share or interest in the capital and on the deposits of a member or past member and upon any dividend payable to a member or past member in respect of any debt due from such member or past member to the Society, and may set-off any sum credited or payable to a member or past member in or towards payment of any such debt.

Profits.

45. At the close of each working year of the Society 25 per cent. of the net profits shall be placed to the Reserve Fund in accordance with the Co-operative Societies Act and the balance may be distributed as follows:—

- (i) A dividend on the shares may be paid at a rate which shall not exceed $12\frac{1}{2}$ per cent. on the amount paid.
- (ii) The balance, if any, may be carried to the next year's account, or may be employed in such manner as may be determined by the general meeting, but subject always to the provisions of the Co-operative Societies Act.

If a dividend is not drawn within three years from the date on which it is announced at the general meeting, all claims to it shall be extinguished.

Reserve Fund.

46. The Reserve Fund shall consist of—

- (a) 25 per cent. of the profits annually placed to the Fund in accordance with rule 45;
- (b) any sums allocated to it out of profits or otherwise;
- (c) entrance fees after deduction of the preliminary expenses incurred in constituting the Society;
- (d) the value of all shares forfeited to the Society;
- (e) all lapsed dividends and fines.

47. The Reserve Fund shall belong to the Society and shall be indivisible amongst the members. The Reserve Fund shall be available for any of the following purposes:—

- (a) To cover any losses arising from any unforeseen circumstances, such drawings upon it being reimbursed to the fund from the next accruing profits.
- (b) To meet any call on the Society which cannot be met otherwise, such payments being reimbursed to the fund when fresh collections are made.
- (c) To serve as security for any loans which the Society has to contract.

In the case of dissolution of the Society the Reserve Fund shall be applied to such purposes of a public nature as may be determined with the approval of the Registrar by the majority of members. In default of such approval on the part of the Registrar, the Reserve Fund shall be credited to the Development Fund.

Miscellaneous.

48. Every member shall be supplied with a copy of the by-laws of the Society on a payment of ~~annas~~ *four only*.

49. The Committee of Management may frame rules without prejudice to any of the foregoing rules or to the provisions of the Co-operative Societies Act (II of 1912) and Rules as regards the transaction of business in connection with the grant and repayment of loans and payment and withdrawal of deposits, and may make additions to, and alterations in, them from time to time.

Dissolution.

50. The Society shall be wound up, with the approval of the Registrar of Co-operative Societies if three-fourths of the members present at a general meeting specially summoned to consider the question vote for it.

Disputes.

51. Any disputes which cannot be decided by the general meeting or by arbitration shall be referred to the Registrar, whose decision shall be final.

General.

52. Any of these by-laws may be altered or rescinded or new by-laws may be made at a general meeting held in accordance with the rules made by Government in this behalf, and such amendment will come into force after it has been approved and registered by the Registrar.

53. The Society shall keep a copy of the Co-operative Societies Act (II of 1912) and of the rules made by Government under the Act, and a copy of these by-laws open to inspection free of charge at all reasonable times at its registered office.

54. All matters not specially provided for by the by-laws shall be decided according to the terms of the Co-operative Societies Act (II of 1912), and the rules framed under section 43 of that Act, and if there be no provision in the Act or the rules applicable to such matters, then subject to the provision of the by-laws of the Society in such manner as the Registrar may determine.

The above are the by-laws referred to in our application for registration dated *28th. September 1926.*

7th. January 1927.

Signature of Applicants

1. *Kepal Chandra Nay*

2. *Kandulal Bose*

3. *Birendra Mahan Sen*

4. *Pranab Nath Bisi*

