

BYE-LAWS

(As amended upto 25th November 2024)



**NATIONAL CO-OPERATIVE AGRICULTURE & RURAL
DEVELOPMENT BANKS' FEDERATION LTD.**

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**NATIONAL CO-OPERATIVE AGRICULTURE AND RURAL
DEVELOPMENT BANKS' FEDERATION LIMITED, NAVI MUMBAI.**

BYE-LAWS

1. Name and area of operation

- (i) The name of the Federation shall be the National Co-operative Agriculture & Rural Development Banks' Federation Limited having its registered office in the city of Mumbai, Maharashtra.
- (ii) The address including email address of the Federation shall be A-703, 7th Floor, A-Wing, BSEL TECH PARK, Opp. Rly. Station, Vashi, Navi Mumbai-400703. E-mail address of the Federation shall be nafcard.org@gmail.com. Any change in the address or email address shall be notified to the Central Registrar within a period of 15 days of such change and also published in local newspaper and shall be made by an amendment in the bye-laws after following the procedures laid down in Section 11 of the Multi State Cooperative Societies Act 2002.
- (iii) The Federation shall have a common seal. The common seal shall be kept in the safe custody of the officer authorised by the Board and shall be used on the authority of a resolution of the Board constituted under the byelaws of the Federation.
- (iv) The area of operation of the Federation shall extend to the whole of India.
- (v) The Federation is a body corporate which sue or be sued in its name.

2. Definitions

The words/expressions appearing in these byelaws shall have the following meaning unless otherwise provided :

- (a) 'Federation' means the National Cooperative Agriculture & Rural Development Banks' Federation Limited having its short name as 'NAFCARD'.
- (b) 'Act' means the Multi State Cooperative Societies Act 2002 as amended from time to time.

- (c) 'Rules' means the Multi State Cooperative Societies Rules 2002 made under Multi State Cooperative Societies Act 2002 and as amended from time to time.
- (d) 'Central Registrar' means the Central Registrar of Cooperative Societies appointed under the provisions of the Act.
- (e) 'Byelaws' means the byelaws of the Federation for the time being in force which have been duly registered or deemed to have been registered under the Multi State Cooperative Societies Act in force and includes amendments thereto which have been duly registered or deemed to have been registered under the Act.
- (f) 'Delegate' means a person who is duly authorised by the Board of the member society to represent it in the General Body of the Federation.
- (g) 'General Body' means all the members of the Federation represented by duly authorised delegates.
- (h) 'Board' means the Board of Management of the Federation.
- (i) 'General Meeting' means a meeting of the General Body of the Federation and includes Special General Meeting.
- (j) 'Managing Director' means Chief Executive of the Federation.
- (k) 'Person' means an adult individual proprietary concern, partnership firm duly registered under the Indian Partnership Act 1932, company, or any other body corporate constituted under the law for the time being in force, society registered under the Societies Registration Act of 1860 or Cooperative Societies Act, State Govt. and Public Trust registered under any law for the time being in force for registration of such trusts.
- (l) 'Officer' means Chairman/Chairperson, Vice Chairmen/Vice Chairpersons, Managing Director, Members of the Board, Liquidator, an Administrator appointed under Section 123 and includes any other person empowered under Multi State Cooperative Societies Act or the rules or the byelaws to give direction in regard to business of the Federation.
- (m) 'Member' means a cooperative society who is admitted as member of the Federation and continues to be so for the time being.

- (n) 'Nominal' member means a person who has been admitted as a nominal member or associate member under the byelaw of the Federation.
- (o) 'Multi State Cooperative Society' means a cooperative society registered or deemed to be registered under the Multi State Cooperative societies Act, 2002.
- (p) 'Cooperative Society' means a cooperative society registered or deemed to be registered under any law relating to cooperative societies for the time being in force in any State or Union Territory.
- (q) 'Federal Cooperative' means a federation of cooperative societies registered under the MSCS Act and whose membership is available only to a cooperative society or a multi-state cooperative society.
- (r) 'Defaulter' means a member who has defaulted payment of any kind of dues payable to the Federation.
- (s) 'Area of operation' means the area from which members can be admitted to the Federation.
- (t) 'Cooperative principles' means the cooperative principles as specified in the first schedule of the Multi State Cooperative Societies Act 2002.
- (u) 'Cooperative Year' means the period from 1st of April to 31st March.
- (v) 'Financial Year' means the year ending on the 31st day of March of the year.
- (w) The 'Authority' means the Cooperative Election Authority established under subsection 1 of section 45 of the Act.
- (x) 'Cooperative Ombudsman' means the Ombudsman appointed by the Central Government under section 85(A) of the Act

3. Objects and Functions

(a) Objects :

The principal object of the Federation will be to promote interests of all its members to attain their organisational objectives and business goals and to promote mutual understanding amongst members by providing a common forum for discussing technical and practical problems relating to their business operations and to devise ways and means for solving such problems, based on self help and mutual aid in accordance with cooperative principles.

(b) Functions :

In furtherance of above objects, the Federation may undertake any or all of the following activities :

- (i) To organise Conferences, Conventions, Seminars, Workshops etc. and to constitute Committees, Sub Committees, Working Groups, Study Teams etc. relating to business operations and matters of common interest to members;
- (ii) To strive for the promotion of interests of the members and to establish contacts with the Govt. of India, State Govts., Planning Commission, Reserve Bank of India, National Bank for Agriculture & Rural Development, National Housing Bank, National Cooperative Development Corporation, State Bank of India and other commercial banks, Cooperative Banks, National Cooperative Union of India and other National level Federations and other institutions and give expression to the common view points of the member banks.
- (iii) To collect statistics and to assimilate and compile them in suitable form and disseminate the knowledge and experience gathered therefrom;
- (iv) To arrange for the publication of periodicals, news bulletins, journals, technical guidelines and other literature and exchange of information relating to rural credit and banking useful to the member banks and others;
- (v) To arrange for lectures, to provide technical advice, guidance and consultancy services and to conduct studies and research on problems concerning credit, banking and other matters;
- (vi) To purchase or acquire buildings and premises for housing its office and other movable and immovable property for the conduct of its business;
- (vii) To appoint necessary staff for the conduct of its business;
- (viii) To acquire membership of cooperative and other connected institutions and associations at national and international levels;
- (ix) To promote and run center/institute for undertaking staff training and management development programme and other incidental activities including research;
- (x) To secure requisite facilities/assistance and financial aids from the Govt. or other sources both from within the country and outside or itself, member banks and others;

- (xi) To subscribe to the shares of cooperatives and other institutions;
- (xii) To administer and manage financial schemes, insurance schemes, sinking fund investments including surplus fund investments and to enter into such contracts/agency arrangements as may be necessary for that purpose;
- (xiii) To undertake such income generating activities either directly or through subsidiaries or joint ventures which are considered necessary for attainment of any or all of the above said objectives and
- (xiv) To do all such things and take necessary steps as are incidental or conducive to the attainment of any or all the above objects and in the interest of the Federation and its members.

(c) In addition to the above, the Federation shall also undertake the following functions to facilitate the voluntary formation and democratic functioning of member societies and self-help and mutual aid :

- (i) To ensure compliance of the cooperative principles;
- (ii) To make model byelaws and policies for consideration of member societies;
- (iii) To provide specialised training, education and data based information;
- (iv) To undertake research, evaluation and assist in preparation of perspective development plans for member societies;
- (v) To promote harmonious relations amongst member societies;
- (vi) To help member societies to settle disputes among themselves;
- (vii) To undertake business services on behalf of member societies, if specifically required by or under the resolution of general body or the board, or byelaws of a member society;
- (viii) To provide management development services to member societies;
- (ix) To evolve code of conduct for observance by a member society;
- (x) To evolve viability norms for a member society;
- (xi) To provide legal aid and advice to a member society;
- (xii) To assist member society in organising self-help;
- (xiii) To develop market information system, logo brand promotion, quality control and technology upgradation.

4. Membership

(i) Membership

The Federation shall have following categories of members :

(a) Ordinary Members

Membership of the Federation shall be open to all State Cooperative Land Development/Agricultural Development/Agriculture & Rural Development Banks and to a State Cooperative Bank, which in the absence of a duly constituted State Cooperative Land Development/Agricultural Development/Agriculture & Rural Development Bank is carrying on the functions of the said Land Development/Agricultural Development/Agriculture & Rural Development Bank.

(b) Nominal or Associate Member

The Federation may, in the interest of promotion of its business or objects, admit a person as nominal member or associate member on payment of Rs.1000 only.

They will not be allowed to have any interest in the management of the Federation including right to vote, contest election as director of the board or participate in the general body meetings of the Federation.

(ii) Procedure for obtaining Membership

The application for membership of the Federation shall be submitted to the Managing Director of the Federation by a person authorised by the competent authority of the member society eligible for membership as per Byelaw No.4(i) in the prescribed form accompanied by an attested copy of the byelaws of the member society, an attested copy of the resolution passed by the competent authority of member society seeking membership and authorising the person for submitting the application, a copy each of the latest annual report and audit report and bank draft towards admission fee of Rs.1000/- and membership subscription as per the norms approved by the Board for the time being in force.

(iii) The application for membership of the Federation found complete in all respects shall be disposed off within a period of 4 months from the date of receipt of the application by the Federation. The same shall be communicated to the applicant within 15 days of the decision by registered post/courier.

5. Disqualification

- (i) If the annual membership subscription and contributions are not paid, the defaulting member shall not exercise the rights of membership till the arrears of such subscription and contributions are paid and
- (ii) Not attending three consecutive general meetings and such absence not condoned by two third majority of the members attending the meeting.

6. Cessation of Membership

The membership of the member society may cease in case of :-

- (i) when subscriptions and other contributions due have not been paid for two consecutive years unless otherwise determined by the Board;
- (ii) on the cancellation of registration of the member society;
- (iii) on expulsion by the general body;
- (iv) on incurring any of the disqualifications of membership.

7. Withdrawal from Membership

Any member of the Federation may withdraw from membership of the Federation only after three years of membership by giving at least a three months notice and duly approved by the Board of the Federation.

8. Termination of Membership

Membership of the Federation may be terminated by a resolution of the general body passed by two third majority present and voting if:

- (i) The member has defaulted payment of dues as per byelaws of the Federation for a continuous period of two years;
- (ii) Any activity of the member society found to be conflicting with the interest or activities of the Federation.

- (iii) Provided that the membership shall not be terminated unless the member concerned has been given a reasonable opportunity of making representation in the matter.
- (iv) A member terminated from membership shall not be eligible for readmission as a member for a period of three years from the date of such termination.

9. Rights of member

Every member of the Federation shall have the following rights :

- (i) Right to receive notice of general body meetings as per the byelaws of the Federation;
- (ii) Right to attend and take active part in the proceedings of the general body meetings;
- (iii) One vote in the general body meetings of the Federation by the authorised delegate;
- (iv) Take part in elections and contest for any post as per the provisions of the Act, rules and byelaws of the Federation;
- (v) Inspect membership register, books of accounts or any other record and obtain certified copies of resolutions or documents on a payment of fee as may be prescribed by the Federation from time to time;

10. Duties of members

- (i) Every member shall pay membership subscriptions and other contributions to the Federation promptly;
- (ii) Every member shall comply with the code of conduct for observance by the member societies;
- (iii) Every member shall comply with the decisions taken by the General Body/Board involving actions by members;
- (iv) Members shall actively involve and participate in the programmes and activities of the Federation;
- (v) Members shall provide required data, information and other inputs required by the Federation for its smooth and effective working;

11. Funds

The Federation shall receive funds from any or all the following sources :

- (i) Admission fee;
- (ii) Annual membership subscription as per norms approved by the Board from time to time;
- (iii) Additional contributions as per norms approved by the Board from time to time;
- (iv) Loans and deposits;
- (v) Grant-in-aid;
- (vi) Commission, rent, consultancy and other fees from members and others;
- (vii) Income from the sale of publications, subscriptions to Journal etc;
- (viii) Donations;
- (ix) Profits from such income generating activities as envisaged under Byelaw No.3 (b) (xiii);
- (x) Reserves and surpluses.

12. Maximum borrowing limit

The Federation shall be eligible to receive deposits and loans from members and others upto 10 times of the subscribed share capital plus accumulated reserves minus accumulated losses if any.

13. General Body

- (i) The General Body of the Federation shall consist of all its members;
- (ii) Each member society shall be represented by one delegate elected/nominated to the General Body;
- (iii) Such delegate of the society shall be the Chairman/President or the Chief Executive of the society or a member of the Board of such member society, if such member is authorised by the Board of the nominating society. Where there is no Board, such society shall be represented through its administrator by whatever name called;
- (iv) The delegate shall continue to be member of the General Body of the Federation for a period of 5 years or till their successors are

elected/nominated or as specified in the nomination by the concerned member society;

- (v) The procedure for election/selection of delegates on the General Body shall be in accordance with the election/selection regulations framed by the Board of the member society under the provisions of the Act and rules framed thereunder;
- (vi) The delegate of a member society which has not been a member of the Federation for at least 30 days before the date of the General Body Meeting may attend the General Body Meeting but shall not be eligible either to exercise the right to vote, participate in the election or to contest election for any post;
- (vii) Delegates from defaulting member societies shall not be entitled to exercise the right to vote or to seek election to any office;
- (viii) The delegates of defaulting society, if holding any office of the Federation shall forfeit their right to hold such office with effect from the date on which the society becomes defaulter under these byelaws provided due notice has been given to the defaulting society and it has failed to pay its dues within 30 days after the receipt of notice.

14. Annual General Meeting

- (i) The final authority of the Federation shall vest in the General Body;
- (ii) The Board of the Federation under a resolution shall within six months after the close of the corresponding year call the Annual General Meeting for the purpose of :
 - a) Consideration of the audited statements of accounts;
 - b) Consideration of the audit report and the annual report;
 - c) Consideration of audit compliance report;
 - d) Disposal of net profits;
 - e) Approval for appointment of auditors and fixation of remuneration;
 - f) Review of operational deficit, if any;
 - g) Creation of specific reserves and other funds;
 - h) Approval of the annual budget;

- i) Review of actual utilisation of reserves and other funds;
- j) Approval of the long term perspective plan and the annual operational plan;
- k) Review of annual report and accounts of subsidiary institutions, if any;
- l) Expulsion of members;
- m) Listing of employees who are relatives of members of the Board or of the Chief Executive;
- n) Amendment of byelaws, if any;
- o) Formulation of code of conduct for the members of the Board and officers;
- p) Election and removal of members of the Board, if any;
- q) Consider the statement showing details of loans or goods on credit, if any given to any director or to the spouse of the director or his/her son or daughter during the preceding year or outstanding against any of them;
- r) Any other matter laid before it by the Board.

15. Amendment to Byelaws

The amendment of these byelaws shall only be passed by a resolution of the meeting of the General Body in which a quorum is present by a vote of not less than two thirds of the members present thereat and not less than 15 clear days notice for considering such amendment has been previously given.

16. Special General Meeting

Managing Director, at any time, on the direction of the Board shall call a Special General Meeting and shall also call such meetings within one month after the receipt of a requisition in writing from the Central Registrar or from not less than one fifth of the total number of members of the Federation.

17. Notice for the General Meetings and Special General Meetings

- (a) Annual General Meetings of the Federation shall be called by giving not less than 14 days notice in writing to all the members of the Federation.
- (b) Special General Meeting of the Federation may be called by giving not less than 7 days notice in writing to all the members of the Federation.

- (c) The notice of the Annual General Meeting shall be accompanied by a copy each of the audited balance sheet, profit & loss account together with the auditors report relating to the preceding year and the report of the Board thereon.

18. Quorum of the meeting

- (i) The quorum for the General Meeting shall be one third of the number of delegates of the General Body;
- (ii) No business shall be transacted at any General Meeting unless there is a quorum at the time when the business of the meeting is due to commence;
- (iii) If within half an hour from the time appointed for the meeting the quorum is not formed, the meeting shall stand adjourned and the adjourned meeting would be held either after half an hour on the same day or on such date, time and place as may be decided by the Chairman or the member presiding over the meeting but within 7 days from the date of adjourning the meeting, at which the quorum will not be required;
- (iv) If at any time during the meeting sufficient members are not present to form the quorum, the Chairman or the member presiding over the meeting on his own, or on his attention being drawn to this fact, shall adjourn the meeting and the business that remains to be transacted at this meeting, if any, shall be disposed off in the usual manner at the adjourned meeting;
- (v) No business shall be transacted at any adjourned meeting other than the business on the agenda of the adjourned meeting;
- (vi) The adjourned meeting will transact the regular business even without the quorum being present at the meeting.

19. Voting in General Meeting

- (i) All resolutions which are put to vote at the General Body Meeting shall be decided by a majority of the members present and voting unless otherwise required under the Act, Rules or these Byelaws;