

# Orissa State Financial Corporation General Regulations, 1957

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### Rule

### ORISSA-STATE-FINANCIAL-CORPORATION-GENERAL-REGULATION of 1957

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Orissa State Financial Corporation General Regulations, 1957Published vide Notification Orissa Gazette, Part 3, dated 18.7.1958, Page 795In exercise of the powers conferred by Section 48 of the State Financial Corporations Act, 1951, (LX III of 1951), the Board of Directors of the Orissa State Financial Corporation, after consultation with the Reserve Bank of India and with the previous sanction of the Government of Orissa make the following regulations namely :

## Chapter I Introductory

### 1. Short title.

- These regulations may be called the Orissa State Financial Corporation General Regulations, 1957.

### 2. Definitions.

- In these regulations unless there is anything repugnant in the subject or context-(a)"The Act" means the State Financial Corporations Act, 1951, (LXIII of 1951);(b)"Section" means a section of the Act;(c)"Corporation" means the Orissa State Financial Corporation;(d)Other words and expressions occurring in these Regulations shall have the meanings respectively assigned to them in the Act.

## **Chapter II**

### **Shares of the Corporation**

#### **3. Share-Movable property.**

- The shares of the corporation shall be movable property.

#### **4. Control over shares.**

(1) Subject to the provisions of the Act and the rules made thereunder and these Regulations, the transfer of and the right to hold shares of the Corporation shall be under the control of the Board. (2) The decision of the Boards as to whether or not a financial institution or a person is entitled to be registered as a shareholder under Clauses (c) and (d) respectively of Sub-section (3) of Section 4 shall be final.

#### **5.**

Parties who may not be registered as shareholder except as otherwise provided by these regulations, no minor or persons, who has been found by a Court of competent jurisdiction to be of unsound mind, shall be entitled to be registered as a shareholder.

#### **6. Joint holding of shares.**

- Except in the case of individuals the corporation, shall not recognise the joint holding of shares. In the case of firms, shares shall be registered not in the name of individual firms, but only in the names of the partners of the firms.

#### **7. First allotment of shares.**

(1) Subject to the provisions of Section 4 of the Act, the first allotment of shares shall be made to applicant who are qualified to be registered as share holders of the Corporation in accordance with the provisions of Sub-section (3) of Section 4 of the Act. (2) An application for allotment of shares may not be entertained unless an amount equal to the full value of the shares applied for has been tendered with the application. (3) The Board shall consider all the applications for shares and shall make allotment of share either in full or in part or make no allotment and its decision in this regard shall be final. (4) (a) In making the allotment of shares the Board shall try to have as large a number of share holders in each class as may be possible. (5) The number of shares that may be allotted to an applicant, shall, in no case, exceed the number of shares applied for or allocated to the class of shareholders which he belongs.

## **8. Share Register.**

(1)The corporation shall maintain, at its Head Office a register of shareholders qualified under the Act to be registered therein, and shall enter there in the following particulars ;(a)the name of each shareholder and a statement of the shares held by him distinguishing each share by its number;(b)the postal address of each shareholder or the address at which the shareholder has his principal place of business;(c)the Clauses of Sub-section (3) of Section 4 under which the shareholder qualified to be so registered and the class of shareholders to which he belongs;(d)the date on which each person is entered as a shareholder, the manner in which he acquired his share and except in the case of first allotment, the name of the previous holder of the shares;(e)the date on which any person ceases to be a shareholder and the name of the person to whom and the ledger to which the shares are transferred.(2)A separate ledger shall be maintained in the share register for each class of shareholders.(3)In the case of Joint holders of any shares, their names and the other particulars required by the Sub-regulation (1) shall be grouped under the name of the first of such joint holders.

## **9. Trust not to be recognised.**

- The Corporation shall deal with the shareholders irrespective of whether they are full owners of the share or trustees for some other person or persons. No notice of any trust expressed, implied or constructive shall be recognised by the corporation.

## **10. Exercise of rights of joint holders .**

- If any share stands jointly in the names of two or more persons, the person first named in the register shall, as regards voting, receipt of dividends service of notices and any other matter connected with the Corporation, except the transfer of the share, be deemed to be the shareholder thereof.

## **11. Inspection of share Register.**

(1)The share register maintained under Regulation 8, except when closed under the provisions of these Regulations, shall be open to the inspection of any shareholder free of charge at the head office of the Corporation during business hours subject to such reasonable restrictions as the corporation may impose, but so that not less than two hours in each working day may be allowed for inspection,(2)A shareholder shall not have the right of himself to make a copy of any entry in any such register but may except when the register is closed ask the corporation to supply a copy of any such register or of any part thereof on prepayment therefor at the rate of 50 paise for every hundred words or fraction thereof required to be copied.

## **12. Closing of share Register .**

- The Board may by giving notice by advertisement close the share register for such periods (not exceeding six weeks at any one time) as may in its opinion be necessary.

## **13. Issue of share certificates free of charge.**

(1)The State Government and the Reserve Bank shall each be entitled free of charge to one certificate for all the shares registered in their names at each allotment under Clauses (a) and (b) of Sub-section (3) of Section 4 of the Act. If any shares are allotted to the State Government in pursuance of Sub-section (5) of Section 4, an additional certificate in respect of such shares shall also be issued, free of charge to the State Government.(2)Every shareholder other than the State Government and the Reserve Bank shall be entitled free of charge to one share certificate for each 25 shares registered in his name and one additional share certificate for the number of shares in excess of a multiple of twenty five shares registered in his name at each allotment. A shareholder holding less than twenty five shares shall be entitled free of charge to one share certificate for all the shares registered in his name at each allotment.(3)If any shareholder requires more share certificate than the number to which he is entitled free of charge under this Regulation he shall pay a fee of rupee one for each additional share certificate.(4)In the case of shares held jointly by several persons delivery of the relative share certificate to any one of such joint holders shall be sufficient delivery to all and the receipt therefore signed by any one of the joint holders shall effectively bind all the joint holders.

## **14. Share certificate.**

(1)Every share certificate shall be issued under the common seal of the Corporation.(2)Every share certificate shall bear a serial number and shall specify the number of shares in respect of which it is issued and their distinguishing numbers.

## **15. Renewal of share certificate.**

(1)If any share certificate is worn out or defaced or tendered for subdivision then upon production thereof to the head office of the Corporation it may order the same to be cancelled and a new certificate or certificates to be issued in lieu thereof.(2)If any share certificate is alleged to be lost or destroyed, then upon production of such evidence of the loss or destruction thereof as the Board may consider satisfactory and upon such indemnity with or without security as the Board may require a new certificate in lieu thereof shall be given to the party entitled to such loss or destroyed certificate and the person availing himself of the provisions of this regulation shall also pay to the corporation all the expenses incidental to the advertisement and investigation of evidence of loss or destruction and the preparation of the requisite form of indemnity as aforesaid.(3)For every share certificate issued under this Regulation there shall be paid to the corporation a fee of rupee one.

## 16. Transfer of share.

(1) Subject to the restrictions contained in the Act and in these Regulations, the share shall be transferable but every transfer shall be in writing in the following form  
:I/We.....of..... in consideration of the sum of Rs paid to me/us by..... of  
(hereinafter called "the Transferee") do hereby transfer to the Transferee the share/shares  
numbered.....in the Orissa State Financial Corporation to hold on to the transferee and  
his/their executors, administrators and assigns, subject to the conditions laid down by or under the  
Act on which I/ We hold to the same at the time of execution hereof and I /We the transferee do  
hereby agree to take the said Shares subject to the conditions laid down by or under the Act and  
I/We the transferee, request that I/We be registered in respect of the said shares in the share  
registered of the Corporation.

As witnesses our hands.....day of.....

Transferor.....

Name.....

Address.....

Witness.....

Name.....

Address.....

Occupation.....

Transferee.....

Name.....

Address.....

Witness.....

Name.....

Address.....

Occupation.....

(2) The instrument of transfer shall be signed by the transferor and transferee or any person of duly authorized to do so on their behalf and shall be submitted the Board together with the relative shares certificate and the transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the share register. Each signature to such transfer shall be duly attested by one witness who shall sign giving his address and occupation.

## 17. Power to refuse recognition of instrument of transfer.

(1) The Board may decline to recognise any instrument of transfer unless-(a) a sum of rupees two is paid to the Corporation in respect thereof, which sum shall not in any event be refunded; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and (c) the parties furnish such other evidence as the Board may reasonably require in support of the transfer. (2) Upon receipt by the Board of an instrument of transfer with a request to register the transfer the Board shall make such enquiry as it may consider necessary to satisfy itself regarding the right of the transferor to make the transfer and the qualifications of the transferee to be registered as a shareholder.

## **18. Transmission of shares in the event of the death, insolvency etc., of a shareholder.**

(1)The executors or administrators of a deceased sole holder of a share or shares or the holder of a Succession Certificate issued under Part X of the Indian Succession Act, 1925 in respect of such share(s) or a person in whose favour a valid instrument of transfer of such share(s) was executed by such person and by the deceased sole holder during the latter's life time, shall be the only person or persons who may be recognised by the Corporation as having any title to the share(s) of the deceased shareholder. In the case of a share registered in the name of two or more holders the survivor or survivors and on the death of the last survivor, his executors or administrators, or any person who is the holder of a Succession Certificate in respect of such share (s) was executed by such person, and such last survivor during the latter's life time shall be the only person or persons who may be recognised by the Corporation as having any title to such share(s). The Corporation shall not be bound to recognise such executors or administrators unless they shall have obtained probate or letters of administration, or other legal representation, as the case may be, from a duly constituted Court in India having effect at the place where the share register of the Corporation is maintained provided, nevertheless that in any case where the Board shall in their absolute discretion think fit, it shall be lawful for the Board to dispense with the production of a Succession Certificate, letters of administration or such other legal representation upto such terms as the Indemnity or otherwise as the Board may think fit.(2)Any such person becoming entitled to a share in consequence of the death of a shareholder and any person becoming entitled to a share in consequence of the insolvency bankruptcy, or liquidation of a shareholder shall, upon production of such evidence as the Board may require, have the right.(a)To be registered as a shareholder in respect of the share upon his satisfying the Board in the same manner as if he were the proposed transferee under Sub-regulation (2) of Regulation 17 that he is qualified to be a share holder, or(b)to make such transfer of the share as the person from whom he derives his title could have made.

## **19. Corporation's lien on shares.**

- The corporation shall have a first lien upon all shares registered in the name of each shareholder and upon the proceedings of sale thereof for his debts, liabilities and engagements solely or jointly with any other persons to or with the Corporation whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not and such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Corporation's lien, if any, on such share.

## **20. Shareholder ceasing to be qualified for registration.**

(1)It shall be the duty of any person registered as a shareholder, forthwith upon ceasing to be qualified to be so registered to give intimation thereof to the Board.(2)The Board may at any time, cause such enquiry to be made as it may consider necessary for ascertaining whether any person registered as a shareholder has ceased to be so qualified and upon being satisfied that any such person has ceased to be so qualified, it shall inform him that he is not entitled to be a shareholder of

the Corporation. He will not be further entitled to the payment of any dividend on any such share nor to exercise any of the rights of a shareholder otherwise than for the purpose of the sale of such shares, and the Corporation shall make an entry in the share register to that effect.(3)If the Board shall ascertain that a person who is not qualified to be a shareholder of the Corporation is registered by inadvertence or otherwise, as a shareholder of the Corporation it shall inform the shareholder that such share holder is not entitled to the payment of any dividend on any such shares, not to exercise any of the rights of a share holder otherwise than for the purpose of the sale of such shares, and shall make an entry in the share register to that effect.(4)A determination of the Board under this Regulation as to whether a person is qualified to be a shareholder or not shall be conclusive.

## **Chapter III**

### **Meetings of Shareholders**

#### **21. Chairman of meetings.**

- In this chapter the word "Chairman" means the "Chairman" of a meeting under Regulation 27.

#### **22. Annual General Meeting.**

- The Annual General Meeting of the Corporation shall be held at the place where the Head Office of the Corporation is situated or if so directed by the Board at such other place within the State where there is an office of the Corporation. Each Annual General Meeting shall be held within three months from the date on which the annual accounts of the Corporation are closed.

#### **23. Special General Meeting.**

(1)The Board may convene a Special General Meeting at such time and place as may be decided by the Board.(2)When it is necessary to hold a General Meeting (other than the Annual General Meeting) for the purpose of holding an election, such meeting shall be convened under the direction of the Board by the Managing Director or in his absence by any other officer of the Corporation authorised by the Board in this behalf.

#### **24. Notice convening a General Meeting.**

- A notice convening a general meeting signed by the Managing Director or the Secretary of the Corporation shall be sent to every registered shareholder and published at least twenty-one days before the meeting in the Gazette and one newspaper circulation in the State of Orissa.

#### **25. Business of General Meeting.**

(1)At the Annual General Meeting the following business shall be transacted, namely :(a)Reading and consideration of the annual accounts of the Corporation, including the profit and loss Account

and the Balance Sheet for the year ending the previous 31st March, together with a report by the Board on the working of the Corporation throughout the year and the Auditor's report (s) of the said Balance Sheet and accounts.(b)Election of the Auditor and the election, if any of the Director under the Act.(2)No other business shall be transacted, or any other matter discussed except with the consent of the chairman or unless not less than five weeks" notice has been given of the same by the State Government, or the Reserve Bank or by at least ten other shareholders qualified to vote at such meeting. Such notice shall take the form of a definite resolution to be put to the meeting and the said resolution shall be included in the notice prescribed to be published under Regulation 24.(3)Except with the consent of the Chairman no business shall be transacted or discussed at any Special General Meeting except the business for which the meeting has been specifically convened.

## **26. Quorum at General Meeting.**

- No business shall be transacted any meeting of the shareholders whether it is the Annual General Meeting, or any other General Meeting unless a quorum of six shareholders entitled to vote at such meeting in person or by proxy or by duly authorised representatives in present at the commencement of such business and if within fifteen minutes from the time appointed for the meeting a quorum is not present, the Chairman may dissolve the meeting or adjourn it to the same day in the following week at the same time and place, and if at such adjourned meeting a quorum is not present the shareholders who are present in person or by proxy or by duly authorised representatives at such time shall form a quorumProvided that no Annual General Meeting shall be adjourned to a date later than three months after 31st March and if adjournment of the meeting to the same day in the following week would have this effect, the General Meeting shall not be adjourned but the business of the meeting shall be commenced after as soon, within one hour from the time appointed for the meeting, as a quorum may be present or immediately after expiry of one hour from that time and these shareholder who are present in person or by proxy or by duly authorised representatives at such time shall form a quorum.

## **27. Chairman of General Meeting.**

(1)The Chairman of the Board or in his absence, a Director (other than the Managing Director) authorised by the Chairman in writing in this behalf shall be the Chairman at all General Meeting and in default of such authorisation or in the absence of the Director so authorised, the meeting may elect any other Director (other than the Managing Director) to be the Chairman of the meeting.(2)The Chairman shall regulate the procedure at all General Meetings, and in particular, shall have full power to decide the order in which shareholders may address the meeting to fix a time limit for speeches, to apply the closure when in his opinion any matter has been sufficiently discussed and to adjourn the meeting.

## **28. Voting at General Meeting.**

(1)A shareholder being one of the parties mentioned in Clause (d) of Sub-section (3) of Section 4 and being an individual or his proxy attending a General Meeting shall for the purposes of identification and determining his voting rights, be required to sign and deliver to the Corporation a form to be



prescribed by the Board giving the following particulars : (a) his full name and registered address; (b) the registered number of his shares; (c) whether he is entitled to vote and the number of vote to which he is entitled in person or as proxy. (2) A declaration by Chairman of a General Meeting that a resolution has been carried or rejected thereat upon a show of hands by those shareholders who are entitled to vote on the resolution shall be conclusive and an entry to that effect in the book of proceedings of the corporation shall be sufficient evidence of that fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution, unless immediately on such declaration a poll be demanded in writing by : (a) at least three shareholders have the right to vote on the resolution and present in person or by proxy; or (b) any shareholder or shareholders having not less than one-tenth of the total voting power in respect of the resolution, and present in person or by proxy; or (c) by the authorised representative of the State Government : Provided that a demand for a poll may be withdrawn at any time by the person or persons who made the demand. (3) If a poll be duly demanded, it shall be taken either at once or at such time and place and either by open voting or by ballot as the Chairman may direct, and the result of the poll shall be deemed, to be the resolution of the meeting at which the poll was demanded. In such poll a vote shall be given by a shareholder entitled to vote either personally or by proxy or by duly authorised representative and the shareholders shall exercise the voting rights in accordance with the rules made in that behalf by the State Government. (4) The decision of the Chairman as to the qualification of any person to vote and also in the case of poll as to the number of votes any person is competent to exercise shall be final.

## **29. Minutes of General Meetings.**

(1) The Corporation shall cause minutes of all proceedings of General Meeting to be recorded to books kept for that purpose. (2) Any such minutes if signed by the Chairman of the meeting at which the proceedings took place or by the Chairman of the next succeeding meeting shall be evidence of such proceedings. (3) Until the contrary is proved every General Meeting in respect of the proceeding whereof minutes have been so recorded shall be deemed to have been duly called and held and all proceedings stated to have taken place there at to have duly taken place. Chapter-IV Special Provisions Regarding The Election of Directors and Auditors

## **30. Determination by lot of Directors to retire.**

- The determination by lot under the provision to Sub-section (2) of Section 11 of the Act shall be made at meeting of the Board to be held not later than three months before the expiry of the period of two years specified in the said proviso and the result shall be declared immediately thereafter.

## **31. Issue of notice of Election.**

- Where at any General Meeting an election of any Director(s) or of the auditor is to be held notice thereof shall be included in the notice convening the meeting. In the case of an election of Directors every such notice shall also specify the number of Directors to be elected and the particular vacancies in respect of which the election is to be held.

### **32. List of shareholders.**

- (i) For the purpose of election of Directors mentioned in Clauses (d) and (e) of Section 10 and or of the auditor under Sub-section (1) of Section 37, a separate list shall be prepared for each of the following classes of shareholders, namely : (a) Scheduled Banks; (b) Co-operative Banks; (c) Insurance Companies, Investment trusts, and other financial institutions excluding Scheduled Banks and Co-operative Banks, and (d) Parties other than those referred to in Clauses (a), (b) and (c) of Sub-section (3) of Section 4, (4) Each such list shall contain the names of the shareholders, their registered addresses, the number and distinguishing number of share held by them with the dates on which they will be entitled on the date fixed for the election and copies of such lists shall be available for purchase at least three weeks before the date fixed for the election at a price of one rupee per copy on application at the Head Office of the Corporation.

### **33. Nomination of candidates for directorship.**

(1) No candidate for election as a Director of the Board shall be validly nominated unless—(a) he is, on the last date for receipt of nominations not disqualified to be Director under Section 12; (b) he is nominated in the case of election of a Director pursuant to Clause (d) of Section 10, by one shareholder and in the case of an election of a Director pursuant to Clause (c) of Section 10, by two shareholders, of the class of share-holders in respect of which the election is to be held; (c) the nomination is in writing signed by the shareholders or by their duly constituted attorneys, provided that a nomination by a shareholder who is a body corporate may be made by a resolution of the Directors of the said body corporate and where it is so made a copy of the resolution certified to be a true copy by the Chairman of the meeting at which it was passed shall be despatched to the Head office of the Corporation and such copy shall be deemed to be a nomination on behalf of such body corporate; (d) the nomination paper contains a declaration signed by the candidate before a Judge, Magistrate, Justice of peace, Registrar or Sub-Registrar of Assurances or other Government Gazetted Officer that he accepts the nomination and is willing to stand for election, and that he is not disqualified for election under Section 12. (2) No nomination shall be valid unless it is received in the Head Office of the Corporation not less than 14 clear days before the date fixed for the election.

### **34. Publication of list of candidates for Directorship.**

- On the first working day following the last date fixed for the receipt of nomination papers, the Managing Director shall take the same into consideration. He shall after such enquiry if any, as he thinks necessary, satisfy himself in regard to the provisions of Regulation 33 and shall accept or reject the nomination of each candidate accordingly and in the case of rejection shall briefly record his reasons for so doing. The decision of the Managing Director that a nomination is valid or invalid shall subject to the result of any reference under Regulation 37, be final. If there is only one valid nomination for any particular vacancy to be filled by election, the candidate validly nominated for such vacancy shall be deemed to be elected at the meeting conveyed for the purpose and his name and address shall be published as so elected. If the number of valid nomination exceeds one, the Managing Director shall cause to be published in the Gazette, one newspaper circulating in the State of Orissa the names and addresses of candidates validly nominated.

### **35. Election of Auditor.**

- Omitted.

### **36. Publication of list of candidates for Auditorship.**

- Omitted.

### **37. Election disputes.**

(1) If any doubt or dispute shall rise as to the qualification or disqualifications of a person deemed or declared to be elected or otherwise as to the validity of the election of a Director [\* \* \*] any person interested being a candidate or shareholder entitled to vote as such election may within seven days of the date of the declaration of the result of such election, give intimation in writing thereof to the Chairman of the Board and shall in so doing give full particulars of the grounds upon which he doubts or disputes the validity of such election. (2) On receipt of an intimation under Sub-regulation (1) the Chairman shall forthwith forward such intimation, together with all the particulars of the grounds on which the validity of the election is doubted or disputed to the State Government. The State Government shall appoint a referee and refer the election dispute to the referee so appointed, who shall make such enquiry as he deems necessary and if he finds that the election was a valid election, he shall confirm the declared results of the election or if he finds that the election was not a valid election, he shall make such order and give such directions including the holding of a fresh election as shall in the circumstances appear just. (3) Any order and direction of the referee made in pursuance of this regulation shall be conclusive. Chapter-V Meetings of The Board and The Executive Committee

### **38. Meetings of the Board.**

(1) A meeting of the Board shall be held at least once during each quarter of a calendar year and shall be convened by the Managing Director. (2) The Chairman or any three Directors may require the Managing Director to convene a meeting of the Board at any time and the Managing Director shall, on receipt of the requisition, convene a meeting of the Board giving sufficient notice provided that the date of the meeting to be convened shall not be later than 21 days from the date of the receipt of the requisition. (3) Meetings of the Board shall be held at the place where the Head Office of the Corporation is situated, or at such other place in the State of Orissa as the Board may decide. (4) Ordinarily not less than 15 days' notice shall be given of each meeting of the Board and such notice shall be sent to every Director to his registered address should it be found necessary to convene and an emergency meeting, a notice shall be sent to every Director and the address registered with the corporation sufficiently in advance to enable him to attend. (5) No business other than that for which the meeting was convened shall be discussed at a meeting of the Board except with the consent of the Chairman and a majority of the Directors present, unless one clear week's notice has been given of the same in writing to the Chairman. (6) Four Directors, of whom at least one shall be a nominated Director and one elected Director, shall form quorum for the transaction

of business.(7)In the event of there being a casual vacancy in the office of the Chairman which cannot be filled sooner than or before the date on which a meeting of the Board may have to be called, the Directors, present at the meeting may elect from among themselves a Director, other than the Managing Director, to preside at the meeting.(8)A copy of the proceedings of each Board meeting shall be circulated as soon as possible thereafter for the information of the Directors and shall be signed by the Chairman of that or the next succeeding meeting.

### **39. Meeting of the Executive Committee.**

(1)The Executive Committee shall ordinarily meet at least once in two months at the Head Office of the Corporation or at such other place in the State of Orissa as the Managing Director may decide, to attend to the current business of the Corporation. Sufficient notice shall be given to the members of the committee to enable them to attend the meeting.(2)Two Directors shall form a quorum for the transaction of business.(3)The Provisions of the Act and the rules made thereunder and save as otherwise provided in these regulations shall apply, so far as may be, to the meeting of the Executive Committee as if they were meetings of the Board.

### **40. Disclosure of interest of Director in any Industry concern.**

- Every Director who is directly or indirectly concerned or interested in any contract loan or arrangement entered or to be entered on to by or on behalf of the Corporation with any industrial concern shall at the earliest possible opportunity disclose the nature of his interest in the concern to the Board or Executive Committee as the case may be and shall not be present at any meeting of the Board or Executive Committee when any such contract, loan or arrangement is discussed unless his presence is required for the purpose of eliciting information. Where any Director is so required to be present, he shall not vote on any such contract, loan or arrangement and if he does so, his vote shall be invalid and shall not be counted.

### **41. Fee for Directors' Meetings.**

(1)Each Director (other than the Managing Director and an employee of any Government, the Reserve Bank of India) shall receive a fee of Rs.100/- for each meeting of the Board and fee for Rs. 80/- for each meeting of the Executive Committee attended by him.(2)In addition, each Director attending a meeting of the Board or of the Executive Committee shall be reimbursed his travelling and halting expenses, if any, on such scale as may be fixed by the Board from time to time.

### **42. Appointment of Advisory Committee.**

(1)The Board may appoint Advisory Committees consisting of Directors or Officers of the Corporation or such other persons as they deem fit for technical and other advice so that they can advise the Corporation in the efficient discharge of its functions.(2)The Managing Director shall be the Chairman of each Advisory Committee appointed by the Board. If the Managing Director is for any reason remained absent from meeting of an Advisory Committee, a person authorised by him in

this behalf in writing shall preside at that meeting and in default of such authorisation or in the absence of the person so authorised the Committee may elect a chairman to preside at that meeting.(3)A member of an Advisory Committee who is directly or indirectly interested in any contract, loan or arrangement which comes before such committee shall disclose the nature of his interest to the Board and to such committee and shall not be present at any meeting of the committee when such contract, loan or arrangement is discussed, unless his presence is required by the other members of the Committee for the purpose of eliciting information. When any member is so required to be present, he shall not vote on any such contract, loan or arrangement and, if he does so, his vote shall be invalid and shall not be counted.(4)Each member of an Advisory Committee, who is not a Director, Auditors, Officer or other employee of the corporation and who has not already made a declaration under Section 40 shall, before entering upon his duties, be required to sign, a declaration of a fidelity and secrecy to the effect set out in the form given in the schedule to the Act.(5)Each member of an Advisory Committee (other than the Managing Director, an officer of the Corporation and an employee of the State Government, the Reserve Bank of India, or the Industrial Finance Corporation of India) shall receive such remuneration as may be fixed by the Board not exceeding Rs.30 for each meeting of the committee attended by him.(6)In addition, each member attending a meeting of an Advisory Committee shall be paid his travelling and halting expenses, if any, on such scale as may be fixed by the Board from time to time.

#### **43. Resolution without meeting valid.**

(1)A resolution in writing signed by a majority of the members of the Corporation or where the matter concerns the Executive Committee or any other committee appointed by the Corporation, by the majority of the members of such committee, shall, on the expiry of one week from the date of its communication by the Managing Director to the remaining Directors or Members, as the case may be, valid and effectual and shall be deemed to be the resolution passed by the Board, the Executive or other committee as the case may be:Provided that if any dissenting Director or Member in writing requires, within four days of the receipt by him of the copy of the resolution from the Managing Director, that any resolution so passed shall be placed before a meeting of the Board Executive or other committee, as the case may be, the resolution shall not be deemed to be valid and effectual as aforesaid unless the resolution is passed at such meeting :Provided further that any resolution passed as aforesaid shall be placed before the next meeting of the Board, Executive or other committee, as the case may be for carrying out modification, if any.(2)Nothing in Sub-regulation (1) shall apply to a resolution in respect of any matter relating to granting of any loan or financial assistance to any industrial concern under the Act.Chapter-VI Manner in which The Accommodation Granted by The Corporation will be Secured

#### **44. Security taken must be sufficient.**

- No accommodation shall be given by the Corporation under Clauses (a) and (e) of Sub-section (1) of Section 25 unless sufficient security to the satisfaction of the Executive Committee is taken, or unless it is guaranteed as to the repayment of principal and the payment of interest by the State Government a Scheduled Bank or a State Co-operative Bank as specified in Sub-section (2) thereof.

#### **45. Instruments evidencing security to be in the prescribed form.**

- Instruments evidencing the security to be taken for accommodation given by the corporation under Regulation 44 shall where the Executive Committee has prescribed a form, any material alternation shall be made in the form so prescribed without the approval of the Executive instruments in respect of which the Executive Committee is not prescribed any form shall require the approval of the Executive Committee in each case.

#### **46. Reasonable margin to be maintained in granting accommodation.**

- For the purpose of determining the amount of the accommodation to be granted, such margins shall be retained in the valuation of the assets pledged, mortgaged, hypothecated or assigned to the corporation as may be considered reasonable by the Executive Committee.

#### **47. Factors to be taken into consideration for determining adequacy of margins.**

- For the purpose of Regulation 46 the Executive Committee shall require adequate margin to be retained having regard to the earning capacity and prospects of the industrial concern, the competence of its management and other relevant considerations.

#### **48.**

Instruments evidencing security to contain stipulation for requiring additional security in the event of fall in value of assets. In the instruments evidencing the security taken by the Corporation there shall be a stipulation that in the event of a fall occurring in the value of the assets pledged, mortgaged, hypothecated or assigned to the corporation the Industrial concern obtaining accommodation from it may be required to furnish such additional security as may be considered reasonable by the Executive Committee. Chapter-VII General Provisions

#### **49. Board to inform the State Government regarding disqualification.**

- The Board shall forthwith inform the State Government if it comes to the notice of the Board that any Director has become subject to any disqualification under the Act.

#### **50. Acts of Directors valid notwithstanding subsequent discover of disqualifications.**

- All acts done at any meeting of the Board or the Executive Committee or an Advisory Committee or by any person acting as Director of the Board or member of the Executive Committee or of an Advisory Committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such, persons or that they or any of them are disqualified, be as valid as if every such person had been duly appointed and duly qualified.

## **51. Delegation of powers.**

- Omitted.

## **52. Manner and form in which contracts binding on the Corporation may be executed.**

- Contracts on behalf of the corporation may be made as follows:(a)Any contract which is by law required to be in writing, may be made on behalf of the corporation in writing signed by the Managing Director or Secretary, where so authorised by the Managing Director in writing, and may in the same manner be varied or discharged.(b)Any contract which would be valid if made by parol only, may be made by parol on behalf of the corporation by the Managing Director or Secretary, where so authorised by the Managing Director in writing, and may in the same manner be varied or discharged.

## **53. Accounts receipts and documents of Corporation by whom to be signed.**

- The Managing Director, or such other officer of the Corporation as the Board may, by notification in the Gazette, authorised in this behalf, may issue, execute, enter and transfer promissory notes, bonds, stock receipts, stocks, debentures, shares, securities and documents of little to goods standing in the name of or held by the Corporation and draw, accept and endorse bills of exchange and other instruments in the current and authorised business of the corporation and sign all other accounts, receipts and documents connected with such business.

## **54. Complaints, etc. by whom to be signed.**

(1)Complaints, written statements, vakalatnama, affidavits and all other documents connected with legal proceedings may be signed and verified on behalf of the corporation by the Managing Director or any other officer authorised under Regulation 53 to sign documents for and on behalf of the corporation.(2)The Managing Director shall be the officer who shall act on behalf of the Corporation for the purposes of Section 31 of the Act. Provided that in the absence of the Managing Director any other officer of the Corporation authorised in writing by the Chairman of the Board of Directors in this behalf shall so act.

## **55. Delegation of power during vacancies.**

- In the event of there being a vacancy in the office of the Managing Director, his powers and duties under these Regulations shall, till such time as the vacancy lasts, for the purposes of Regulation 38 and 56 be exercisable by the Chairman and in all other cases by such Director including the Chairman or officer of the Corporation as the Board may appoint in this behalf.

## **56. Common seal of the Corporation.**

(1)The common seal of the Corporation shall not be affixed to any instrument except pursuant to a resolution of the Board and except in the presence of at least two Directors (one of whom shall be the Managing Director), who shall sign their names to the instrument in token of their presence, and such signing shall be independent of the signing of any person who may sign the instrument as a witness, unless as signed as aforesaid, such instrument shall be of no validity.(2)The common seal of the corporation shall be affixed to the share certificates issued by the Corporation and may be used for such other purposes as may be approved by the Board.

## **57. Service of notice to share-holders.**

(1)A notice may be given by the Corporation to a share holder by sending it by post to his registered address or by advertisement in the gazette or in one news paper circulating in the State of Orissa.(2)Any notice, if served by post, shall be deemed to have been served on the third day following that on which it was posted and in proving such service it shall be sufficient to prove that the notice was properly addressed and posted and a certificate, in writing, signed by an employee of the corporation that the notice was so addressed and posted shall be conclusive evidence thereof. Any notice given by the advertisement shall be deemed to have been given on the date on which the advertisement first appeared.(3)Any notice given in accordance with the foregoing provisions shall be deemed to have been duly given notwithstanding that the shareholder be then deceased and whether in that case, be deemed to be a notice to his legal representatives.(4)All notices with respect to any registered shares to which persons are jointly entitled shall be given to whoever of such persons is named first in the register maintained under Regulation 8, and notice so given shall be sufficient notice to all the share holders of the said shares.(5)The signature to any notice to be given by the Corporation may be written or printed or be fixed in any other manner.

## **58. Service of notice to corporation.**

- A notice may be served on the Corporation by delivering it to an authorised officer of the Corporation at, or by sending it by registered post to the Head Office of the Corporation.

## **59. Account.**

- The Board shall cause accounts to be kept of the assets and liabilities, and receipts and expenditure of the Corporation.

## **60. Annual statement of Accounts.**

- The Board shall cause the books of the Corporation to be balanced on the last day of the month of March in each year and the annual accounts shall be set out as follows :(a)A balance sheet in the form specified in Schedule A annexed or as near thereto as possible;(b)A profit and loss account for the year in the form specified in Schedule B annexed or as near thereto as possible.



## 61. Returns.

(1)The statement to be made under Sub-section (1) of Section 38 of the Act shall be in the form specified in Schedule annexed and the statements to be made under Sub-section (3) of the same Section shall be in forms set out in Schedules A and B annexed and referred to in Regulation 60.(2)The statement to be furnished by the Corporation under Sub-section (2) of Section 38 showing the classification of the loans and investments made by the Corporation, the loans guaranteed by it and the under writing agreements entered into by it shall be in the form specified in Schedule D annexed.

## 62. Dividends.

(1)Dividends shall be declared and paid as soon as may be after the closing of the annual accounts.(2)No interest shall be payable by the Corporation on any dividend.(3)Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends in respect of such share.(4)A dividend shall be paid by cheque or warrant drawn on the Corporation's bankers at the place where its Head Office is situated, and sent to the registered address of the shareholder entitled, or in the case of joint holders, to the registered address of the one whose name stands first on the register in respect of the joint holding and every cheque or warrant so sent shall be made payable to the order of the shareholder to whom it is sent.(5)The Corporation shall not make payment of a dividend to any person not entitled thereto under the Act or these Regulations, and in a case where there is no person entitled to such payment, the Corporation shall retain the same and make payment thereof to the person who thereafter becomes registered in respect of the shares on which such dividend is payable.(6)No shareholder shall be entitled to receive payment of any dividend in respect of his share until all moneys due or owing by him to the Corporation in respect of such shares have been paid.

## 63. Accrual of dividend.

- Dividend will accrue and be payable from the 1st September 1957 and no shareholder shall have any right to claim dividend for any period prior to that date.

## A"

[See Regulation 60]Balance sheet as at the.....

| Capital and Liabilities |     |     | Property and Assets        |     |     |
|-------------------------|-----|-----|----------------------------|-----|-----|
|                         | Rs. | Ps. |                            | Rs. | Ps. |
| 1. Capital              |     |     | 1. Coach and Bank Balances |     |     |
| Authorised;             |     |     | (a) Cash in hand           |     |     |
| .....Shares of Rs.....  |     |     | (b) Balance with banks     |     |     |
| each issued             |     |     | (under Section 33          |     |     |

(2).....

.....Shares of Rs.....

each subscribed and  
 paidup (Guaranteed by  
 State Govt, under Section  
 6(1) of the StateFinancial  
 Corporation (Act,  
 1951)..... Shares  
 ofRs..... each less  
 Allotment money in  
 arrears Add;Forfeited  
 share.....

(1) Reserve Bank  
 ofIndia.....

(2) Scheduled  
 Banks.....

(3) State  
 Co-operative  
 Bank

2.

Reserves

(i) Reserve fund (Section  
 35)

(a) General Reserve;

Balance as per last balance  
 sheet .....

Additions during the year .....

(b) Special Reserve for  
 purposes of Section 36 (1)  
 (viii) of the Indian Income  
 Tax Act 1961.

Balance as per last Balance  
 Sheet

Additions during the year .....

(c) Reserve for bad &  
 DoubtFull Debts;

Balance as per lest balance  
 sheet .....

Additions during the year .....

lessdebts written off

2. Investments.

Stating mode of  
 valuation e.g. cost or  
 market value)

(i) Government  
 securities;

(a) Central Government  
 facevalue; Rs...

(b) State Government  
 (face valueRs....

(ii) other securities.

(a) Debentures/Bonds

(Face value Rs.....) .....

(b) Shares;

Preference (Full paid  
 Rs..... partly paid  
 Rs.....)

1. Rs..... partly paid .....

2. Ordinary (Fully paid  
 Rs..... partly paid .....

|    |   |  |       |
|----|---|--|-------|
|    | during the year   | Rs.....  |       |
|    | (d) Other Reserves (to be specified)  | (c) Other (To be specified)  | ..... |
|    | Balance as per last balance sheet   | 3. Loan and Advances.  |       |
|    | Additions during the year   | (Details as per schedule annexed)  | ..... |
|    | (ii) Special Reserve Fund (Section 35-A)  | 4. Guarantees and underwriting agreements.   |       |
|    | Balance as per last   | (i) Guarantee under Section 25 per centre  |       |
|    | Balance sheet   | (ii) Under writing agreements under Section 25 per centre                                | ..... |
|    | Addition during the year  | 5. Premises, land and Building Cost upto the date of last Balance Sheet                  | ..... |
| 3. | Bonds and Debentures  | Additions during the year less;  | ..... |
|    | Guaranteed by State Government under Section 7 (1) of the State Financial Corporation Act, 1951                             | Sales/Adjustments during the year less; Depreciation written off upto last balance sheet | ..... |
|    | (i) .....% Bonds  | Depreciation written off this year;  |       |
|    | (ii) .....% Debentures  | Motor Cars, Cycles, Furniture and Fixtures etc;  | ..... |
|    | Deposits (to be specified) (under Section 8)  | Cost upto last balance sheet   | ..... |
| 4. | Borrowings; (Specify particulars of borrowings such as source of borrowing and nature of security given if any in each case | Addition during the year less,   | ..... |
| 5. | Less; Depreciation written  | Sales/ adjustments during the year:  | ..... |

|    |  |     |   |
|----|--|-----|---|
|    | off upto last balance<br>sheet   |     |   |
|    | Depreciation written<br>off this year  |     |   |
| 6. | Guarantees and, Under<br>writing Agreements,<br>(i) Guarantee under<br>Section 25 per centre ..... | 7.  | Dividend Deficit<br>Account .....   |
|    | (ii) Underwriting<br>agreement under Section .....   | 8.  | Other Assets (To be<br>specified) .....   |
|    | 25 per cent  |     | (Statement mode of<br>valuation where<br>necessary)   |
| 7. | Subvention paid by State<br>Government on Account of .....   | 9.  | Provision for taxation<br>Details per contra .....  |
|    | Dividend<br>(Section 6 read with<br>Section 35)  | 10. | Profit and loss Account   |
| 8. | Other Liabilities (to be<br>specified) .....   |     | Balance brought<br>forward from last<br>balance sheet .....   |
| 9. | Provision for Taxation; .....  |     | Add Net less for the<br>year as per annexed .....   |
|    | Balance as per last balance<br>sheet .....   |     | profit and loss Account   |
|    | (a) Amount provided<br>during the year .....   |     | Total.....  |
|    | (b) Refunds, if any<br>received .....  |     |   |
|    | Less-Tax paid upto<br>Advance Tax paid under<br>Section 210 of the Income<br>Tax Act, 1961         | 1.  | Amounts may be<br>rounded off to the<br>nearest rupee.<br>Where there is no<br>amount against any<br>particular item<br>a horizontal line thus"     |
|    | Tax deducted at source   | 2.  | may be drawn to<br>indicate<br>"nil" information in the<br>relative column.   |
|    |  | 3.  | The corresponding<br>figures for the previous<br>year in respect<br>of "Capital & Liabilities"<br>and "Property" & Assets<br>should be shown in the |

left hand side margin.

|  |            |
|--|------------|
| Profit and loss Account .....  |            |
| Balance as per last balance Sheet .....  |            |
| Add; Subvention received from State Government .....   |            |
| Less; Dividends paid Subvention repaid to State Govt. ....   |            |
| Add. Net profit as per annexed profit & loss A/C   |            |
| (a) amount transferred to general reserve Section (35) .....   |            |
| Less (b) amount transferred to special Reserve for purposes of Sec.36 (1) (viii) of the Indian Income Tax Act, 1961. ....  |            |
| (c) Amount transferred to Investment Reserve   |            |
| (d) .....  |            |
| (e) .....  | Total..... |
| Contingent liabilities   |            |
| (a) Uncalled liability on partly paid shares held by the Corporation; .....  |            |
| (b) Claims against the corporation not as knowledge as debts .....   |            |
| Notes1. Under this head should be shown separately such items as interest Accrued and Accruing on bonds, debentures, deposits and borrowing Interest held in suspense Unclaimed Dividend Staff provident |            |

Fund Sunday Deposits,  
Sundaycreditors, etc.

2. Where the value of the  
investments shown in the  
outercolumn of the  
Balance sheet is higher  
than the market value,  
themarket value should be  
shown separately in  
brackets.

3. Under this head should  
be shown separately such  
items asInterested accrued  
a loans and advances,  
Interest accrued  
onGovernment securities,  
bonds/debentures and  
deposits, Assetsacquired in  
satisfaction of claims  
Sunday Debtors,  
PrepaidExpenses etc.

Profit and Loss Accounts for the Year Ended

| Expenditure                         |                    | Income                               |                  |
|-------------------------------------|--------------------|--------------------------------------|------------------|
|                                     | Rs. Ps. Rs.<br>Ps. |                                      | Rs.Ps.<br>Rs.Ps. |
| To interest on Deposits & Bonds     |                    | By Interest                          |                  |
| Debentures and Borrowings           |                    | (i) On Loans and Advances            | .....            |
|                                     |                    | (ii) On investments and              |                  |
| Salaries and allowances-            |                    | DepositDividend on shares            | .....            |
|                                     |                    | commission                           |                  |
| (a) Managing Director               | .....              | Rent                                 |                  |
| (b) Others                          | .....              | Profit on sale/Redemption of         |                  |
|                                     |                    | Investments                          | .....            |
| Travelling and other allowances     |                    | Profit from sale of or dealing with  |                  |
|                                     |                    | other assets                         |                  |
| (a) Managing Director               | .....              | (i) Profit from sale of              |                  |
|                                     |                    | acquiredassets                       |                  |
| (b) Others                          | .....              | (ii) Profit from sale of theirassets |                  |
| Director's & Committee Members fees |                    | Other income (to be specified)       |                  |
| Directors' & Committeemembers       |                    | Balance of loss to Balance Sheet     | .....            |
| Travelling & other allowances       |                    |                                      |                  |

|   |         |
|---|---------|
| Contribution to staff provident fund  | .....   |
| Rent to insurance, lighting etc, postage,<br>telegrams, stamps and telephones | .....   |
| Printing & Stationery publicity &<br>advertisement                            | .....   |
| Bank charges and commission   | .....   |
| To Audit charges  | .....   |
| Law Charges   | .....   |
| Depreciation  | .....   |
| Discount on Bonds & Debentures  | .....   |
| Brokerage on Bonds & Debentures   | .....   |
| Other expenses (to be specified)  | .....   |
| Bad Debts written off/Provision for Bad<br>and Doubtful Debts                 | .....   |
| Loss on sale of investments   | .....   |
| Loans on sale of or dealing with the<br>assets                                | .....   |
| (i) Loss on sale of acquired assets   | .....   |
| (ii) Loss on sale of other assets   | .....   |
| Provision for Taxation  |         |
| Balance of Net Profit carried to  | .....   |
| Balance Sheet (Subject to provisions for<br>taxation)                         | .....   |
| Total   | Rs..... |