SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA GENERAL REGULATIONS, 2000

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

NOTIFICATION

New Delhi, Monday, November 13, 2000

Small Industries Development Bank of India

General Regulations, 2000

F. No. LD 63/Legal.---- In exercise of the powers conferred by sub-section (1) and (2) of section 52 of the Small Industries Development Bank of India Act, 1989 (39 of 1989) and in supersession of the Small Industries Development Bank of India (General Regulations, 1990) except as respect things done or omitted to be done before such supersession, the Board makes the following regulations, namely:--

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CHAPTER I

PRELIMINARY

1. Short title and commencement:

(1) These Regulations may be called Small Industries Development Bank of India [General Regulations], 2000

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions

In these regulations, unless the context otherwise requires, :-

(a) "The Act" means the Small Industries Development Bank of India Act, 1989 (39 of 1989);

(b) “Beneficial owner” means the beneficial owner as defined under clause (a) of sub-section (1) of section 2 of the Depositories Act, 1996.

(c) “Depository” shall mean a depository as defined under clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.

(d) "Form" means a form appended to these regulations;

(f) "member" means a member of Executive Committee constituted under sub-section (1) of section 12 of the Act, or as the case may be, any other committee constituted under sub-section (3) of section 12 of the Act;

(g) "register" means the register of share-holders kept in one or more books of the Small Industries Bank and includes the register of Share-holders kept in Computer floppies, diskettes, compact disk or in any other electronic form under section 20 B of the Act, as also the register of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996;

(h) Words and expressions used and not defined in these regulations but defined in the Act shall have the meanings respectively assigned to them in the Act.

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CHAPTER II

MEETINGS OF BOARD AND EXECUTIVE COMMITTEE

3. Meetings of the Board:--

(1) Meetings of the Board shall be convened by the chairman and managing director or in his absence, by any one of the whole-time directors or in their absence by an executive director or chief general manager nominated by chairman and managing director in this behalf.

(2) Any four directors may require the chairman and managing director or in his absence, any one of the whole-time directors nominated by chairman and managing director to convene a meeting of the Board at any time and he shall forthwith convene a meeting accordingly.

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(3) Meetings of the Board shall be held at the head office of the Small Industries Bank, or at such other place as may be specified in the notice convening the meeting.

(4) Not less than ten days notice shall ordinarily be given of each meeting of the Board and such notice shall be sent to every director at his usual address in India. Should it be found necessary to convene an emergency meeting, sufficient notice shall be given to every director 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 person presiding at the meeting and a majority of the directors present, unless one clear week's notice has been given of the same in writing to the chairman and managing director.

(6) Quorum for the transaction of business at a meeting of the Board shall be one-third of the total number of persons for the time being constituting the Board (any fraction contained in that one-third being rounded off as one).

(7) A resolution in writing circulated to all the directors at their usual addresses in India and approved and signed by a majority of such directors who are then in India, one of whom shall be chairman and managing director or any one of the whole-time directors, shall be valid and effectual and shall be deemed to be the resolution passed by the Board on the date on which it is concurred and signed by the last signatory to the resolution:

Provided that if any dissenting director requires in writing that any resolution so passed shall be placed before a meeting of the Board, the resolution shall not be deemed to be valid and effectual as aforesaid, unless the same is passed at such meeting.

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(8) A copy of the proceedings of each meeting of the Board shall be circulated as soon as possible thereafter for the information of the directors and shall be signed by the person presiding at that or the next succeeding meeting.

4. Powers of the Executive Committee :-

(1) The Executive Committee shall have full powers, subject to the provisions of section 34 of the Act, to transact all the usual business of the Small Industries Bank except in such matters as are specifically reserved to the Board under the Act or any regulations made thereunder.

(2) In the exercise of its powers, the Executive Committee shall be bound by such general or special directions as the Board may give from time to time.

5. Meetings of the Executive Committee :-

(1) Meeting of the Executive Committee may be convened by chairman and managing director or in his absence by one of the whole-time directors, from time to time, at the head office of the Small Industries Bank, or at such other place in India as may be specified in the notice convening the meetings. Sufficient notice shall be given for such meetings.

(2) Quorum for the transaction of business at a meeting of the Executive Committee shall be one-third of the total strength of the Executive Committee (any fraction contained in that one third being rounded off as one).

(3) Save as otherwise provided in this regulation, the provisions of the Act and of these regulations shall apply to meetings of the Executive Committee as if they were meetings of the Board.

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6. No director or member to deal with matters with which he is personally concerned :-

(1) Every director of the Board and every member of the Executive Committee who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into, by or on behalf of the Small Industries Bank shall disclose the nature of his concern or interest at a meeting of the Board or the Executive Committee, as the case may be :

Provided that it shall not be necessary for a director or member to disclose his concern or interest in any such contract or arrangement proposed to be entered into with a company or a foreign company within the meaning of the Companies Act, 1956 (1 of 1956), where the concern or interest consists only in his holding either singly or together with any other director or directors of the Board or any other member or members of Executive Committee, in the aggregate not more than two percent of the paid-up share capital in such company.

(2) (a) In the case of a proposed contract or arrangement, the disclosure required to be made by a director of the Board or member of the Executive Committee under sub-regulation (1) shall be made at the meeting of the Board or the Executive Committee, as the case may be, at which the question of entering into contract or arrangement is first taken into consideration, or if the director or member, was not, at the date of that meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board or the Executive Committee, as the case may be, held after he becomes so concerned or interested.

(b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board or the Executive Committee, as the case may be, held after the director or member becomes concerned or interested in the contract or arrangement.

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(3) (a) For the purpose of sub-regulations (1) and (2) a general notice given by a director or a member, to the Board or to the Executive Committee, as the case may be, to the effect that he is a director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

(b) A director or a member giving a general notice to the Board or Executive Committee under clause (a) shall as soon as possible give notice of any change in the particulars contained therein.

(c) No such general notice, (no notice of any change therein), be of effect unless either it is given at a meeting of the Board or the Executive Committee, as the case may be, or the director or member concerned, takes

reasonable steps to secure that it is brought upon and read at the first meeting of the Board or the Executive Committee as the case may be, after it is given.

(4) No director of the Board and no member of the Executive Committee, shall, as a director or member, as the case may be, take any part in the discussion of, or vote on, any contract or arrangement entered into or to be entered into by or on behalf of the Small Industries Bank, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote; and if he does vote, his vote shall be void:

Provided that nothing herein contained shall apply to any contract or arrangement entered into or to be entered into with a public company within the meaning of the Companies Act, 1956 (1 of 1956) or a private company within the meaning of that Act, which is a subsidiary of any such public company in which the interest of the director consists solely :--

(i) in his being :--

(a) a director of such company and

(b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director thereof, he having been nominated as such director by the Small Industries Bank, or

(ii) in his being a member holding not more than two percent, of the paid-up share capital of such company.

7. Ad-hoc committees:--

(1) Any committee constituted under sub-section (3) of section 12 of the Act shall, in the exercise of the powers entrusted to it; be bound by such general or special directions as the Board or the Executive Committee may give from time to time.

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(2) Meetings of any such committee may be convened by the chairman of the committee from time to time at the head office of the Small Industries Bank, or at such other place in India as may be specified in the notice convening the meetings. Sufficient notice shall be given for such meetings.

(3) The quorum for the meeting of any such committee shall be one third of its strength (any fraction contained in that one-third being rounded off as one).

(4) The provisions of regulation 6 shall apply to every member and to meetings of any such committee in the same manner as that regulation applies to every member and to meetings of the Executive Committee:

Provided that if any such member has given any notice under regulation 6 to the Board or the Executive Committee, it shall not be necessary for him to further disclose his concern or interest in pursuance of this sub-regulation.

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CHAPTER III

FEES AND ALLOWANCES OF DIRECTORS

8. Fees and allowances of directors and members of the Executive Committee and other committees :-

(1) Subject to the proviso to Section 12 A of the Act-

(i) Every director shall be entitled to receive a fee of rupees one thousand or such other amount as may be specified by the Board for every meeting of the Board which he attends;

(ii) Every member of the Executive Committee shall be entitled to receive a fee of rupees five hundred or such other amount as may be specified by the Board for every meeting of the Executive Committee which he attends;

(iii) Every member of any committee constituted under sub-section (3) of section 12 of the Act shall, unless he is in receipt of any remuneration, including honorarium other than casual remuneration from the Small Industries Bank be entitled to receive a fee of rupees five hundred or such other amount as may be specified by the Board for each meeting of such committee, which he attends.

(2) In addition to such fee, directors and members shall be reimbursed their travelling expenses on such scales as they are entitled to in the respective institutions in which they hold office and in any other case, on such scales as are applicable to the highest Group 'A' officer of the Central Government.

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CHAPTER IV

CONTRACTS, COMMON SEAL AND ACCOUNTS

9. Manner and form in which contracts binding on the Small Industries Bank may be executed:-

(1) Contracts on behalf of the Small Industries Bank shall be made in writing signed by any person acting under its authority, express or implied and may in the same manner be varied or discharged.

(2) All contracts made according to the provisions of this regulation shall be valid and binding on the Small Industries Bank.

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10. Accounts, receipts and documents of the Small Industries Bank by whom to be signed :-

The chairman and managing director, the whole-time directors, the executive directors, the chief general managers, the secretary, chief accountant, the general managers, the joint general manager, the deputy general managers, the assistant general managers and such officers of the Small Industries Bank as the Board may authorise in this behalf to such extent and subject to such limitations, if any, as the Board may specify or impose in so authorising, are hereby severally empowered for and on behalf of the Small Industries Bank to endorse and transfer promissory notes, stock-receipts, stocks, debentures, shares, securities and documents of title to goods, standing in the name of or held in the name of or held by the Small Industries Bank, and to draw, accept and endorse bills of exchange and other instruments in the current and authorised business of the Small Industries Bank and to sign all other accounts, receipts and documents connected with such business.

11. Plaints, etc., by whom to be signed :-

Plaints, written statements, rejoinders, complaints, petitions, applications, affidavits, vakalatnamas and all other documents connected with legal proceedings may be signed, verified and presented before any court, tribunal or authority on behalf of the Small Industries Bank by any officer empowered by or under the regulation 10 to sign documents for and on behalf of the Small Industries Bank.

12. Issue of debentures :-

(1) The debentures of the Small Industries Bank shall be issued under the signatures of the chairman and managing director or any one of the whole-time directors and such signature may be printed, engraved or lithographed or impressed by such other mechanical process as the Board may direct.

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(2) A signature so printed, engraved, lithographed or otherwise impressed shall be as valid as a signature in the proper handwriting of the signatory himself.

13. Common Seal :-

The common seal of the Small Industries Bank shall not be affixed to any instrument except in pursuance of a resolution of the Board or of the Executive Committee, as the case may be, and in the presence of atleast three directors including the chairman and managing director or any one of the whole-time directors 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 so signed as aforesaid such instrument shall be of no validity.

14. Balance Sheet and Profit and Loss account :-

The annual accounts of the Small Industries Bank shall be prepared and set out in the following manner :

(i) a balance sheet as at 31st March of each year, and a profit and loss account for the year ending on that date, or such other date as the Board may specify, of the General Fund, in the forms in Schedule I and II to these Regulations or as amended from time to time by the Board; and

(ii) a balance sheet as at the 31st March of each year and profit and loss account for the year ending on that date, or such other date as the Board may specify, of the Small Industries Development Assistance Fund in the forms in Schedule III and IV to these Regulations or as amended from time to time by the Board.

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CHAPTER V
NOMINATION FOR DEPOSITS AND SECURITIES

15. Payment on the death of the holder of a security -

(1) The executors or administrators of a deceased sole holder of a security (whether a Hindu, Mohammedan, Parsi or otherwise) or the holder of a succession certificate issued under Part X of the Indian Succession Act 1925 (39 of 1925) in respect of the security shall be the only person or persons who may be recognised by the Small Industries Bank as having any title to the security.

(2) Notwithstanding anything contained in Section 45 of the Indian Contract Act, 1872 (9 of 1872), in the case of a security held payable to two or more holders, the survivor or survivors and, on the death of the last survivor, his executors, administrators, or any person who is the holder of a succession certificate in respect of such security shall be the only person who may be recognised by the Small Industries Bank as having any title to the security.

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(3) The Small Industries Bank shall not be bound to recognise such executors or administrators unless they shall have obtained probate or letters of administration, as the case may be, from the competent court or office in India.

(4) Notwithstanding anything contained in sub-regulations (1), (2) and (3), where the Small Industries Bank in its absolute discretion deems fit, it shall be lawful for the Small Industries Bank to dispense with the production of probate or letters of administration or other legal representation in any case, upon such terms including obtention of indemnity or otherwise, as it may deem fit.

16. Manner in which nomination may be made and discharge on payment -

(1) Notwithstanding anything contained in Regulation 15, where any security is held by one or more persons, the sole holder or, as the case may be, all the holders together may nominate any person or persons to whom, in the event of

the death of the sole holder or the death of all the holders, the amount due on such security may be paid :

Provided that when the security is held by two or more persons and the terms of issue of such security provide for payment of the amount due thereon to the survivor or survivors, the nominee shall become entitled to receive the amount on the security only on the death of all the holders :

Provided further that nothing contained in this regulation shall affect any claim which any representative of the deceased holder may have against the nominee in respect of any amount due on the security.

(2) A nomination shall cease to be in force from the date of death of the sole nominee during the life time of the holder.

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(3) If two or more persons are nominated under sub-regulation (1), the amount due on the security shall be distributed amongst the nominees in the manner specified in the nomination and in the absence of such specification, the amount shall be distributed equally among all the nominees :

Provided, however, that if no nomination subsists or if such nomination relates only to a part of the amount due, the whole amount or part thereof to which the nomination does not relate, shall be paid to the persons who may be entitled thereto under sub-regulation (2) of regulation 15.

(4) Where the nominee first named has predeceased the holder and the holder has not cancelled the nomination or substituted the nomination, the nominee second named shall be entitled to receive the amount in respect of the security of the deceased holder and in the same manner on the death of a successive nominee, the nominee next named shall be entitled to receive the amount in respect of such security.

(5) A nomination under sub-regulation (1) may be made by the sole holder or, as the case may be, all the holders together in Form I of Schedule V to these regulations.

(6) A nomination may be made only in respect of the security which is held in the individual capacity of the holder and not in any representative capacity as the holder of an office or otherwise.

(7) A nomination may also be made in favour of Central Government or State Government, a local authority, any person designated by virtue of his office or a religious or charitable trust.

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(8) Where the nominee is a minor, the sole holder or, as the case may be, all the holders together may appoint any person (not being a minor) to receive the amount due on the security during the minority of the nominee.

(9) Where the security is held in the name of a minor, the nomination, if any, shall be made by a person lawfully entitled to act on behalf of the minor.

(10) A nomination may be substituted or cancelled by submitting an application to the Small Industries Bank in Form II, of Schedule V to these regulations.

(11) A nomination or a substitution or a cancellation of a nomination shall be registered in the books of the Small Industries Bank and the fact of registration shall be noted on the security and, on such registration, the nomination, substitution or cancellation, as the case may be, shall be deemed to be effective from the date on which it was submitted.

(12) The substitution of nomination or cancellation of nomination shall not be valid in the case of a security held jointly by two or more holders, unless such substitution or cancellation is made by all the surviving holder(s).

(13) The rights, which a nominee has acquired in relation to the security under a nomination duly made and registered under this regulation, shall not be affected by reason of the issue of a duplicate scrip in respect of the security and the nominee shall have the same rights in relation to such duplicate scrip as he had in relation to the original scrip.

(14) Payment by the Small Industries Bank to the nominee in accordance with the provisions of these regulations in respect of a security to which the nomination relates shall constitute a full discharge to the Small Industries Bank of its liability.

EXPLANATION :

For the purpose of regulations 16 and 17 “security” means :-

(a) any debenture issued under clause (a) of sub-section (1) of section 15 of the Act;

(b) any deposit accepted under clause (d) of sub-section (1) of section 15 of the Act; or

(c) any other deposit accepted under a scheme made under any law.

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CHAPTER VI

SHARES AND SHARE REGISTER

17. Share to be movable property :-

The shares of the Small Industries Bank shall be movable property.

18. Control over shares and registers :-

Subject to the provisions of the Act and these regulations, and such directions as the Board may give from time to time, the register kept at the head office shall be maintained by and be under the control of the Board and the decision of the Board as to whether or not a person is entitled to be registered as a shareholder in respect of any share shall be final.

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Provided that nothing contained in this regulation shall apply to the shares held with a depository. The register of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996 shall deem to be the register of share holders for the purpose of this regulation.

19. Parties who may not be registered as shareholders :-

(1) Except as otherwise provided by these regulations, no minor or person who has been found by a court of competent jurisdiction to be of unsound mind shall be entitled to be registered as a shareholder.

(2) In case of firms, shares shall be registered in the names of the individual partners and no firm, as such, shall be entitled to be registered as a shareholder.

20. Particulars to be entered in the register :-

(1) In addition to the particulars specified in section 20 B of the Act, except in the cases wherein shares are held with a depository, the following particulars shall be entered in the register, namely :-

(a) The manner in which each shareholder acquired his share or shares, and except in the case of allotment of shares to the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government the name of previous holder and the folio on which the share was last entered ;

(b) Whether the shareholder is the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government or belongs to a category of shareholders other than the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government ; and

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(c) When any person ceases to be a shareholder, the name of the person in whose favour the share or shares are transferred.

(2) A separate ledger shall be maintained in respect of (a) the equity shares held by the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government and persons other than the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government; and (b) preference shares held by the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government.

(3) In the case of joint holders of any share, their names and other particulars required by sub-regulation (1) shall be grouped under the name of the first of such joint holders.

(4) A shareholder resident outside India shall furnish to the Small Industries Bank an address in India, and such address shall be entered in the register and be deemed to be his registered address for the purposes of the Act and these regulations.

(5) The register of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996 shall deem to be the register of share holders for the purpose of this regulation.

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21. Exercise of rights of joint holders :-

If any share stands in the name of two or more persons, the person first named in the register shall, as regards voting, receipt of dividends, service of notices and all or any other matters connected with the Small Industries Bank except the transfer of shares, be deemed to be the sole holder thereof.

22. Inspection of the register :-

(1) The register shall except when closed under regulation 23, be open to inspection of any shareholder, free of charge, at the place where it is maintained during business hours subject to such reasonable restrictions as the Small Industries Bank may impose, so however that not less than two hours in each working day shall be allowed for inspection.

(2) A shareholder shall not have the right himself to make a copy of any entry in the register, but may, except when the register is closed, require a copy of the register or any part thereof.

23. Closing of the register :-

The Small Industries Bank may, after giving not less than seven days' previous notice by advertisement in atleast two newspapers circulating in India, close the register of shareholders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time.

24. Share certificates :-

(1) Every share certificate shall be issued in such form as may be specified by the Board. Each share certificate shall bear a distinctive number and denote the number of shares in respect of which it is issued. Every share certificate shall bear the name of the shareholder to whom it is issued.

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(2) Every share certificate shall be signed on behalf of the Small Industries Bank by two persons duly authorised in this behalf by the Board and such signature may be printed, engraved, lithographed or impressed by such other mechanical or electronic process as the Board may direct.

(3) A signature so printed, engraved, lithographed or otherwise impressed shall be as valid as a signature in the proper handwriting of the signatory himself.

Provided that nothing contained in this regulation shall apply to the shares held with a depository.

25. Issue of share certificate :-

(1) While issuing certificates to any shareholder, it shall be competent for the Small Industries Bank to issue the certificates on the basis of one certificate for each fifty shares or multiples thereof registered in his name on anyone

occasion and one additional share certificate for the number of shares in excess thereof but less than fifty.

(2) If the number of shares to be registered is less than fifty, one certificate shall be issued for all the shares.

(3) In the case of shares held jointly by several persons, delivery of the relative certificate or certificates to one of such joint holders shall be sufficient delivery to all and receipt signed by any one of the joint holders shall effectually bind all the joint holders.

Provided that nothing contained in this regulation shall apply to the shares held with a depository.

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26. Renewal of share certificates :-

(1) If a worn out or defaced share certificate is produced, the Board may order the same to be cancelled, and have a new certificate 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, and on payment to the Small Industries Bank of its costs, charges and expenses of and incidental to the matter, a new certificate in lieu thereof shall be given to the person entitled to such lost or destroyed certificate..

Provided that nothing contained in this regulation shall apply to the shares held with a depository.

27. Transfer of shares :-

(1) Every transfer of the shares of the Small Industries Bank shall be in writing and in Form A as provided in schedule VI.

(2) The instrument of transfer of any share shall be submitted to the Board and shall be signed by the transferor and the transferee and the transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in register.

(3) Upon receipt by the Board of an instrument of transfer with a request to register the transfer, the Board shall, unless it refuses to register the transfer under section 20 D of the Act, cause the transfer to be registered.

Provided that nothing contained in this regulation shall apply to the shares held with a depository. The register of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996 shall deem to be the register of share holders for the purpose of this regulation.

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28. Power to suspend transfers :-

The Board may suspend the registration of transfer during any period in which the register is closed.

29. Transmission of shares in the event of death, insolvency etc. of a shareholder :-

(1) The executors or administrators of a deceased share holder in respect of a share, or the holder of a succession certificate issued under Part X of the Indian Succession Act, 1925, in respect of such share or a person in whose favour a valid instrument of transfer of such share was executed by such person and by the deceased sole holder during the latter's lifetime shall be the only person who may be recognised by the Small Industries Bank as having any title to such share.

(2) In the case of the shares registered in the names of two or more shareholders, 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 survivor's interest in the share or a person in whose favour a valid instrument of transfer of the share was executed by such person and such last survivor during the latter's life-time, shall be the only person who may be recognised by the Small Industries Bank as having any title to such share.

(3) The Small Industries Bank 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 court of competent jurisdiction :

Provided, however, that in a case where the Board in its discretion thinks 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 upon such terms as to indemnity or otherwise as it may think fit.

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(4) Any such person becoming entitled to a share in consequence of 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 such share; or

(b) To make such transfer of such share as the person from whom he derives title could have made.

30. Calls on shares :-

The Board may, from time to time, make such calls as it thinks fit upon the shareholders in respect of all moneys remaining unpaid on the shares held by them, and not by the conditions of allotment thereof made payable at fixed times, and each shareholder shall pay the amount of every call so made on him, to the

person and at the time and place appointed by the Board. A call may be made payable by instalments.

31. Calls to date from resolution :-

A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the shareholders on the register on such date or at the discretion of the Board on such subsequent date as may be fixed by the Board.

32. Notice of call :-

A notice of not less than thirty days of every call shall be given specifying the time of payment provided that before the time for payment of such call the Board may by notice in writing to the shareholders revoke the same.

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33. Extension of time for payment of call :-

The Board may, from time to time and at its discretion, extend the time fixed for the payment of any call as to all or any of the shareholders having regard to distance of their residence or some other sufficient cause, but no shareholders shall be entitled to such extension as a matter of right.

34. Liabilities of joint holders :-

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

35. Amount payable at fixed time or by instalments as calls :-

If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by instalments at fixed time, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due

notice had been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

36. When interest on call or instalment payable :-

If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made, or the instalment shall be due, shall pay interest on such sum at such rate as the Board may fix, from time to time, from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part.

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37. Non-payment of calls by shareholder :-

No shareholder shall be entitled to receive any dividend or to exercise any privilege as a shareholder until he shall have paid all calls for the time being due and payable on every share held by him, whether singly of jointly with any person, together with interest and expenses, if any.

38. If call or instalment not paid, notice must be given :-

If any shareholder fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such shareholder or on the person (if any) entitled to the share by transmission, requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been paid or incurred by the Small Industries Bank by reason of such non-payment.

39. Form of notice :-

The notice shall name a day not being less than fourteen days from the date of the notice and the place or places on and at which such call or instalment or such part or other moneys and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the share in respect of which the call was made or instalment is payable will be liable to be forfeited.

40. In default of payment, shares to be forfeited :-

IndiaCode

If the requirements of any such notice as aforesaid are not complied with, any of the shares in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest and expenses or the money due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

41. Entry of forfeiture in the register :-

When any share has been forfeited under regulation 40, an entry of the forfeiture with the date thereof shall be made in the register.

42. Forfeited shares to be property of the Small Industries Bank and may be sold :-

Any share so forfeited shall be deemed to be the property of the Small Industries Bank and may be sold, reallotted or otherwise disposed of, either to the original holder thereof or to any other person upon such terms and in such manner as the Board may decide.

43. Power to annul forfeiture :-

The Board may, at any time, before any share so forfeited under regulation 40 shall have been sold, reallotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it may think fit.

44. Shareholder liable to pay money owing at the time of forfeiture and interest :-

Any shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Small Industries Bank all calls, instalments, interests, expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture with interest thereon from the time of forfeiture until payment at such rate as may be specified by the Board and the Board may enforce the payment of the whole or a portion thereof.

IndiaCode

45. Partial payment not to preclude forfeiture :-

Neither a judgement nor a decree in favour of the Small Industries Bank for calls or other moneys due in respect of any shares nor any payment or satisfaction thereunder nor the receipt by the Small Industries Bank of a portion of any money which shall be due from any shareholder from time to time in respect of any shares either by way of principal or interest nor any indulgence granted by the Small Industries Bank in respect of payment of any money shall preclude the forfeiture of such shares under these regulations.

46. Application of forfeiture provisions :-

The provisions of these regulations as to the forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a share become payable at a fixed time, as if the same had been payable by virtue of a call duly made.

47. Small Industries Bank's lien on shares :-

The Small Industries bank, in the case of partly paid up shares, shall have a first and paramount lien for all moneys called or payable at a fixed time in respect of such shares. Any such lien shall extend to all dividends from time to time declared in respect of such shares.

48. Enforcing lien by sale of share :-

The Board may, for the purpose of enforcing lien referred to in regulation 47 sell the shares subject thereto in such manner as it thinks fit, but no sale shall be made unless any sum in respect of which the lien exists is presently payable nor until notice in writing of the intention to sell shall have been served on such shareholder or person, if any, entitled for transmission to the shares and default shall have been made by him in payment of the sum presently payable for seven days after such notice.

IndiaCode

49. Application of proceeds of sale of shares :-

The net proceeds of any sale of shares under regulation 48 after deduction of costs of such sale, shall be applied in or towards the satisfaction of the debt or liability in respect whereof the lien exists so far as the same is presently payable and the residue, if any, paid to the shareholders or the person, if any, entitled by transmission to the shares so sold.

50. Certificate of forfeiture :-

A certificate in writing under the hands of any director, or any other officer of the Small Industries bank duly authorised in this behalf, that the call in respect of a share was made and that the forfeiture of the share was made by a resolution of the Board to that effect, shall be conclusive evidence of the fact stated therein as against all persons entitled to such shares.

51. Title of purchaser and allottee of forfeited share :-

The Small Industries Bank may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, reallotted or disposed of may be registered as the holder of the share and shall not be bound to see the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share and the remedy of any person aggrieved by the sale shall be in damages only and against, the Small Industries Bank exclusively.

52. Service of a notice or document to shareholders :-

IndiaCode

(1) The Small Industries Bank may serve a notice or a document on any shareholder either personally, or by post at his registered address or if he has no registered address in India at the address, if any, within India supplied by him to the Small Industries Bank for the giving of notice to him.

(2) Where a document or a notice is sent by post, the service of such document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice :

Provided that where a shareholder has intimated to the Small Industries Bank in advance that documents should be sent to him under a certificate of posting or by registered post, with or without acknowledgement due, and has deposited with the Small Industries Bank a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the shareholder, and unless the contrary is proved, such service shall be deemed to have been effected in the case of a notice of a meeting at the expiration of forty eight hours after the letter containing the same is posted, and in any other case, at the time at which the letter would have been delivered in the ordinary course of post.

(3) A notice or a document advertised in a newspaper widely circulated in India shall be deemed to be duly served on the day on which the advertisement appears, on every shareholder of the Small Industries Bank who has no registered address in India and has not supplied to the Small Industries Bank an address within India for giving of notices to him.

(4) A notice or document may be served by the Small Industries Bank on the joint-holder of a share by serving it on the joint-holder named first in the register in respect of the share.

(5) A notice or a document may be served by the Small Industries Bank on the persons entitled to a share upon death or in consequence of the insolvency of a shareholder by sending it through post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.

IndiaCode

CHAPTER VII

MEETINGS OF SHAREHOLDERS

53. Notice convening a general meeting:-

(1) A notice convening a general meeting of the shareholders signed by the chairman and managing director or any one of the whole-time directors of the Small Industries Bank shall be published at least twenty one clear days before the meeting in not less than two daily newspapers having wide circulation in India.

(2) Every such notice shall state the time, date and place of such meeting, and also the business that shall be transacted at that meeting.

IndiaCode

54. Extraordinary general meeting:-

(1) The chairman and managing director or in his absence any one of the whole-time directors of the Small Industries Bank shall convene an extra ordinary general meeting of shareholders if so directed by the Board, or if a requisition for such a meeting has been received from the shareholders carrying in the aggregate not less than twenty per cent of the total voting rights of all the shareholders.

(2) The requisition referred to in sub-regulation (1) shall state the purpose for which the extraordinary general meeting is required to be convened, but may consist of several documents in like form each signed by one or more of the requisitionists.

(3) Where two or more persons hold any shares jointly, a requisition or a notice calling a meeting, signed by one or some of them shall, for the purposes of this regulation have the same force and effect as if it had been signed by all of them.

(4) The time, date and place of the extraordinary general meeting shall be decided by the Board:

Provided that the extraordinary general meeting convened on the requisition by the shareholders shall be convened not later than three months of the receipt of the requisition.

(5) If the chairman and managing director or any one of the whole-time directors, as the case may be does not convene a meeting as required by sub-regulation (1), within the period stipulated in the proviso to sub-regulation (4), the meeting may be called by the requisitionists themselves within the next three months:

IndiaCode

Provided that nothing in this sub-regulation shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid from adjourning to some day after the expiry of that period.

(6) A meeting called under sub-regulation (5) by the requisitionists shall be called in the same manner, as nearly as possible, as that in which the other general meetings are called.

(7) Any reasonable expenses incurred by the requisitionists in calling a meeting under sub-regulation (5) shall be reimbursed to the requisitionists by the Small Industries Bank.

55. Business at general meetings:-

(1) No business other than that specified in Section 20 G of the Act shall be transacted at the annual general meeting except with the consent of the chairman of the meeting.

(2) Except with the consent of the chairman of the meeting, no business shall be transacted or discussed at any extraordinary general meeting, except the business for which the meeting has been convened.

56. Quorum of general meetings:-

(1) No business shall be transacted at any meeting of the shareholders whether it is annual general meeting or an extraordinary general meeting unless a quorum of at least two shareholders or shareholder/s holding at least 20% of issued equity share capital, entitled to vote at such meeting in person or by proxy or by duly authorised representatives is present at the commencement of such business.

IndiaCode

Notwithstanding anything contained herein above, till such time the entire issued equity share capital is held by Industrial Development Bank of India, the quorum for any meeting of shareholders whether it is annual general meeting or an extra ordinary general meeting shall be one shareholder."

(2) If within half an hour after the time appointed for the holding of a meeting, a quorum be not present, in the case of a meeting called by the requisition of shareholders, the meeting shall stand dissolved.

(3) In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and such other time and place as the chairman of the meeting may determine. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the shareholders who are present in person or by proxy or by duly authorised representative at such adjourned meeting shall be quorum and may transact the business for which the meeting was called:

Provided that no annual general meeting shall be adjourned to a date later than the date within which such annual general meeting shall be held in terms of Section 20 F of the Act and if adjournment of the meeting to the same day, in the

following week would have this effect, the annual general meeting shall not be adjourned but the business of the meeting shall be commenced within one hour from the time appointed for the meeting if the quorum is present or immediately after the expiry of one hour from that time and those shareholders who are present in person by proxy or by duly authorised representative at such time shall form the quorum.

57. Chairman at general meetings:-

(1) The chairman and managing director or in his absence, such one of the directors as may be generally or in relation to a particular meeting be authorised by the chairman and managing director in this behalf shall be the chairman of the meeting and if the chairman and managing director or any other director authorised in this behalf is not present, the meeting may elect any other director present to be the chairman of the meeting.

IndiaCode

(2) The chairman of the general meeting shall regulate the procedure at all general meetings and in particular shall have 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.

58. Persons entitled to attend general meetings:-

(1) All directors and all shareholders of the Small Industries Bank shall, subject to the provisions of sub-regulation (2) be entitled to attend a general meeting.

(2) A shareholder (not being the Development Bank, the Public Sector Banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government) or a director, attending a general meeting shall for the purpose of identification and to

determine his voting rights, be required to sign and deliver to the Small Industries Bank a form containing the particulars relating to:

(a) his full name and registered address;

(b) the distinctive numbers of his shares;

(c) whether he is entitled to vote and the number of votes to which he is entitled in person or by proxy or as a duly authorised representative.

59. Voting at general meetings:-

(1) At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded, be decided on a show of hands.

IndiaCode

(2) Save as otherwise provided in the Act, every matter submitted to a general meeting shall be decided by a majority of votes.

(3) Unless a poll is demanded under sub-regulation (1), a declaration by the chairman of the meeting that a resolution on show of hands has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings, shall be a conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

(4) Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by any shareholder or shareholders present in person or by proxy and holding shares in the Small Industries Bank which confer a power to vote on the resolution not being less than one-fifth of the total voting power in respect of the resolution.

(5) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

(6) A poll demanded on a question of adjournment or election of chairman of the meeting shall be taken forthwith.

(7) A poll demanded on any other question shall be taken at such time not being later than forty eight hours from the time when the demand was made, as the chairman of the meeting may direct.

(8) The decision of the chairman of the meeting 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.

60. Minutes of general meetings

IndiaCode

(1) The Small Industries Bank shall cause the minutes of all proceedings to be maintained in the books kept for the purpose which may be in the form of binders containing loose leaves.

(2) Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings were held, or by the chairman of the next succeeding meeting, shall be evidence of the proceedings concluded thereat.

(3) Until the contrary is proved every general meeting in respect of the proceedings whereof minutes have been so made shall be deemed to have been duly called and held, and all proceedings held thereat to have been duly held.

CHAPTER VIII

VOTING RIGHTS OF SHAREHOLDERS

61. Determination of voting rights :-

(1) Subject to the provisions contained in section 20 G of the Act, -

(a) upon a show of hands, every shareholder entitled to vote and present in person or by attorney or proxy shall have one vote; and

(b) upon a poll, every shareholder, who being an individual is present in person or by attorney or by proxy or being the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government or any other body corporate, is present through a representative, shall have a voting right in proportion to his or its share of the paid up equity capital of the Small Industries Bank.

IndiaCode

(2) Shareholder of the Small Industries Bank entitled to attend and vote at a general meeting shall be entitled to appoint another person (whether a shareholder or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.

(3) A person appointed as proxy shall be entitled to vote upon a poll.

62. Voting by duly authorised representative :-

(1) A shareholder being the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government or any other body corporate may authorise any of its officials or any other person to act as its representative at any general meeting of the shareholders and the person so

authorised (referred to as a "duly authorised representative" in these regulations) shall be entitled to exercise the same rights including the right to vote by proxy and powers on behalf of the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government or any other body corporate as if he were an individual shareholder of the Small Industries Bank.

(2) No person shall attend or vote at any meeting of shareholders of the Small Industries Bank as the duly authorised representative of a body corporate other than the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government unless a copy of the resolution appointing him as a duly authorised representative certified to be a true copy by the chairman of the meeting at which it was passed shall have been deposited at the head office of the Small Industries Bank not less than four clear days before the date fixed for the meeting.

IndiaCode

EXPLANATION :

For the purpose of this regulation, a body corporate shall also include a society registered under the Societies Registration Act, 1860 (21 of 1860) or any other law for the time being in force providing for registration of societies.

63. Proxies :-

(1) No instrument of proxy shall be valid unless in the case of an individual shareholder, it is signed by him or by his attorney duly authorised in writing, or in the case of joint holders, it is signed by the shareholder first named in the register or his attorney duly authorised in writing or in the case of the body corporate it is executed under its common seal, if any, or signed by its attorney duly authorised in writing :

Provided that an instrument of proxy shall be sufficiently signed by any shareholder, who for any reason is unable to write his name, if his thumb impression is affixed thereto and attested by a judge, magistrate, registrar or sub-registrar of assurances or other Government gazetted officer or an officer of a public sector bank or the Small Industries Bank.

(2) No proxy shall be valid unless it is duly stamped and a copy thereof deposited at the head office of the Small Industries Bank not less than four clear days before the date fixed for the meeting, together with the power of attorney or other authority (if any) under which it is signed or a copy of that power or authority certified by notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Small Industries Bank.

IndiaCode

(3) No instrument of proxy shall be valid unless it is in Form B as provided in Schedule VI.

(4) An instrument of proxy deposited with the Small Industries Bank shall be irrevocable unless,

(a) on or before the last date of deposit of proxy, there shall have been deposited at the head office of the Small Industries Bank a notice in writing under the hand or common seal of the granter specifically stating -

(i) the name of the person in whose favour the instrument was granted; and

(ii) that such instrument is revoked; or

(b) the same is deemed to be invalid under sub-regulation (6).

(5) In the case of an instrument or proxy granted in favour of two grantees in the alternative, it shall not be necessary to mention in the notice of

revocation the name of the second or alternative grantee provided that the notice is otherwise sufficient to identify beyond doubt the instrument of proxy which it is intended to revoke.

(6) If two or more instruments of proxy in respect of the same shares are deposited and if on or before the last day for deposit of proxies all but one of such instruments of proxy has not been duly revoked in accordance with the procedure laid down in sub-regulation (4) all such instruments of proxy shall be deemed to be invalid.

(7) The due revocation of an instrument of proxy shall in no way prohibit the deposit of another valid instrument of proxy within the time specified in sub-regulation (2).

IndiaCode

(8) The grantor of an instrument of proxy which has become irrevocable under this regulation shall not be entitled to vote in person at the meeting to which such instrument relates.

(9) No person shall be appointed as duly authorised representative or a proxy who is an officer or an employee of the Small Industries Bank.

(10) Nothing contained in this regulation shall apply to the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government and the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government may appoint such person as it thinks fit to act as its representative at any general meeting of the Small Industries Bank. A person so appointed shall for the purpose of the meeting be deemed to be the shareholder of the Small Industries Bank and shall exercise the same rights and powers as the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions

owned or controlled by the Central Government shall be entitled to exercise at the meeting.

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CHAPTER IX

ELECTION OF DIRECTORS

64. Nomination of directors -

(1) The nomination of directors under clause (d) of sub-section (1) of section 6 of the Act shall be made by the first three shareholders amongst the Development Bank, the Public Sector Banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government holding maximum number of equity shares.

IndiaCode

(2) In case the number of shareholders holding equal largest number of equity shares is more than three, the nomination of three directors shall be made by such shareholders by consensus amongst themselves and in the absence of such consensus, the nomination shall be made by draw of lots.

(3) In case the number of shareholders holding equal second largest number of equity shares is more than two, the nomination of two directors shall be made by such shareholders by consensus amongst themselves and in the absence of such consensus , the nomination shall be made by draw of lots.

(4) In case the number of shareholders holding equal third largest number of equity shares is more than one, the nomination of one director shall be made by such shareholders by consensus and in the absence of consensus the nomination shall be made by draw of lots.

5) Notwithstanding anything contained in sub-regulation (1) to (4) of this Regulation, no shareholder shall be entitled to nominate more than one director.

65. Directors to be elected at general meetings:-

(1) A director to be elected under clause (f) of sub-section (1) of section 6 of the Act shall be elected by the shareholders in the annual general meeting of the Small Industries Bank.

(2) The number of directors to be elected and the particular vacancies in respect of which the election is to be held shall be specified in the notice convening the annual general meeting.

IndiaCode

66. Nomination of candidates for election :-

(1) No candidate for election as a director shall be validly nominated unless:-

(a) he is on the last date for receipt of nomination, not disqualified to be director under sub-section (1) of Section 8 of the Act;

(b) the nomination is in writing signed by at least two shareholders entitled to elect directors under clause (f) of sub-section (1) of Section 6 of the Act or by their duly constituted attorney, provided that a nomination by a shareholder who is a body corporate may be made by resolution of the directors of the said body corporate and where it is so made, a copy of resolution certified to be true copy by the chairman of the meeting at which it was passed shall be despatched to the head office of the Small Industries Bank and such copy shall be deemed to be a nomination on behalf of such body corporate;

(c) the nomination shall accompany or contain a declaration signed by the candidate before a judge, magistrate, registrar or sub-registrar of assurances

or other gazetted officer or an officer of a public sector bank or Small Industries Bank, that he accepts the nomination and is willing to stand for election, and that he is not disqualified for election under Section 8 of the Act.

(2) No nomination shall be valid unless it is complete in all respects and received, in the head office of the Small Industries Bank on a working day not less than fourteen clear days before the date fixed for the meeting.

67. Scrutiny of nominations:-

(1) Nominations shall be scrutinised on the first working day following the last date fixed for receipt of the nominations and in case any nomination is not found to be valid, the same shall be rejected after recording the reason therefor. If there is only one valid nomination for any particular vacancy to be filled by election, the candidate so nominated shall be deemed to be elected forthwith and his name and address shall be published as so elected. In such an event there shall not be any election at the meeting convened for the purpose and if the meeting had been called solely for the purpose of the aforesaid election it shall stand cancelled.

(2) A director elected to fill an existing vacancy shall be deemed to have assumed office from the date following that on which he is, or is deemed to be elected.

68. Election disputes:-

(1) If any doubt or dispute shall arise as to the qualification or disqualification of a person deemed or declared to be elected, or as to the validity of election of a director, any person interested, being a candidate or shareholder entitled to vote at such election, may within seven days of the date of declaration of the result of such election, give intimation in writing thereof to the chairman and managing director of the Small Industries Bank and shall in the said intimation

give full particulars of the grounds upon which he doubts or disputes the validity of the election.

(2) On receipt of an intimation under sub-regulation (1), the chairman and managing director of the Small Industries bank shall forthwith refer such doubt or dispute for the decision of a committee consisting of himself and any two of directors nominated under clauses (c) and (e) of sub-section (1) of section 6 of the Act.

(3) The committee referred to in sub-regulation (2) shall make such enquiry as it deems necessary and if it finds that the election was a valid election, it shall confirm the declared result of the election, or if it finds that the election was not a valid election, it shall, within 30 days of the commencement of the enquiry, make such order and give such directions including the holding of a fresh election as shall in the circumstances appear just to the committee.

IndiaCode

(4) An order and direction of such committee in pursuance of this regulation shall be conclusive.

69. Removal of director:-

A director sought to be removed under sub-section (8) of section 6 of the Act, shall be given an opportunity to make representation in writing against such removal to the Small Industries Bank (not exceeding a reasonable length), and such representation, if the director so requests shall be circulated among the shareholders other than the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government or alternatively if the director so requests, be published in any newspaper circulated in India and if such circulation or publication of representation is not possible for want of time, the same shall be read out at the meeting.

70. Retirement of directors co-opted.

Subject to clause (f) of sub-section 1 of Section 6 of the Act, the directors co-opted by the Board shall retire in the order of co-option on assumption of charge by the director or directors elected by the shareholders other than the Development Bank, the public sector banks, the General Insurance Corporation, the Life Insurance Corporation and other institutions owned or controlled by the Central Government. If the co-option of more than one director is made on the same day, the retirement of such co-opted director (s) will be on the basis of descending order or in order of the name first written (in case the names are written in horizontal order), as the case may be, as appearing in the resolution passed by the Board for co-option of such directors.

IndiaCode

SCHEDULE V
(See Regulation 16)
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA
FORM I
FORM OF NOMINATION / SUBSTITUTION OF NOMINATION

1. I/We ..... nominate the following person(s) to whom, in
(Name/s of the holder(s))
the event of my/our/minor holder's death, the amount due on the securities specified below may be paid :-

Sr. No.	Description	Distinctive Numbers	Date of Issue	Face value
1.				
2.				

NOMINEE(S)

Sr. No.	Name	Address	Date of Birth (if the nominee is a minor)	Percentage of amount payable @
1.				
2.				

IndiaCode

2. *As the nominee(s) at serial No. (s)..... above is/are minor(s), I appoint Shri/Smt/Kumari ..... as the person to receive the amount due on
(Name and full address)
the securities in the event of my/our/minor holder's death during the minority of such nominee(s).

3. **This nomination is in substitution of the nomination dated ..... made by me/us and registered in the books of the Small Industries Bank on ..... which shall stand cancelled on registration of this nomination.

***(Signature of the holder)

Place :
Date :

Signature and addresses of witnesses :
1.
2.

@ Indicate in this column the percentage of total amount payable to each nominee.
** Strike out this paragraph when the nomination is not in favour of a minor.*
***Strike out this paragraph when the nomination is not in substitution of one already made.*
**** If security is held in the name of a minor, the nomination has to be signed by a person lawfully entitled to act on behalf of the minor.*

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

FORM II

FORM OF CANCELLATION OF NOMINATION

I/We ..... do hereby cancel the nomination dated ..... made by me/us

(Name/s of the holder(s))

in respect of the securities specified below and registered on .....

Sr. No.	Description	Distinctive Numbers	Date of Issue	Face value
1.				
2.				
3.				

Place :
Date :

*(Signature of the holder)

(Name of the holder)

Signature and addresses of witnesses :

1.
2.

** If security is held in the name of a minor, a cancellation of nomination should be signed by a person lawfully entitled to act on behalf of the minor.*

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SCHEDULE VI

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA

FORM A

Share Transfer Form
[See sub-regulation (1) of regulation 27]

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the shares specified below subject to the conditions on which the said shares are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said shares subject to the conditions aforesaid

Name of the recognised Stock Exchange, where dealt in, if any : ,_____

Description of Equity Shares

No in Figures	No. in words	Consideration (in figures)	Consideration (in words)

Distinctive Numbers From To

Corresponding Certificate Nos.

Transferor(s) [Seller(s)] Particulars Regd. Folio No. Signatures

Name(s) in full
1._____ 1._____
2. _____ 2._____
3._____ 3._____
4._____ 4._____

ATTESTATION

I hereby attest the signature of the Transferor(s) herein mentioned

Signature of the witness _____

Signature
Name
Address/Seal

Name and address of witness.
_____
_____Pin _____

Transferee(s) Buyer(s) Particulars Signatures (s)

Name(s) in full
1._____ 1._____
2. _____ 2._____
3._____ 3._____

Occupation	Address	Father's / Husband's Name
1.		
2.		

IndiaCode

3.

Transferee(s) existing Folio if any, in same order of Names

Value of Stamps affixed Rs.

Dated this_____day of _____ Two thousand _____
Place:_____

For office use only
Checked by_____

Folio
Specimen Signature(s) of transferee(s) 1._____ 2._____

Signatures tallied by

_____

Entered in Register of Transfer No. _____
Approval Date _____

Instructions for attestation :

Attestation, where required (thumb impressions, marks signature difference etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorised to use the Seal of his office or a member of a recognised Stock Exchange through whom the shares are introduced or a manager of the Transferor's Bank.

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NOTE: Names must be rubber stamped preferably in a straight line. Chronological order should be maintained. Broker's Clearing Number should be stated when delivery is given by a clearing Member Bank.

Name of delivering broker or clearing member_____ Date:

Power of Attorney
Probate
Death Certificate
Letters of Administration

_____

Registered with the Company
No._____ Date_____

_____

(Signature (not initials) of Broker, Bank, Company or Stock Exchange Clearing House)

_____

Lodged by :
Full Address:

_____

Share Certificate to be returned to

_____

(fill in the name and address to which the certificates are required to be returned)

_____

Name & Address:

_____

Share Transfer Stamps

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA
FORM B

FORM OF PROXY
(see sub-regulation (3) of regulation 63)

I/We, resident of _____ in the district of _____ in the State of _____ being a shareholder / shareholders of the Small Industries Bank hereby appoint Shri _____ resident of _____ in the district _____ in the State of _____ or failing him, Shri _____ resident of _____ in the district of _____ in the State of _____ as my/our proxy to vote for me/us on my/our behalf at the meeting of the shareholders of the Small Industries Development Bank of India to be held on the _____day of _____ and at any adjournment thereof

Signed by the _____ day _____

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sd/-
S.S.KOHLI
CHAIRMAN AND MANAGING DIRECTOR

Certified that the Board of Directors of Small Industries Bank in its meeting held on October 4, 2000 at New Delhi has approved and adopted the Small Industries Development Bank of India General Regulations , 2000.

sd/-
S.C.Garg
General Manager (Legal)