

ASSAM FINANCIAL CORPORATION GENERAL REGULATIONS, 2001

1. Short Title and Commencement –

- (i) These Regulations may be called Assam Financial Corporation General Regulations, 2001.
- (ii) These Regulations shall come into force from the date of publication in the Official Gazette; or the earlier date mentioned, if any, in the Official Gazette.

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) as amended from time to time;
- (b) "Corporation" means the Assam Financial Corporation ;
- (c) "Company" means a body corporate either incorporated under the Companies Act, 1956 or by any other law for the time being in-force and unless there is anything repugnant in the subject or context, includes the Small Industries Bank, LIC, other insurance companies own or controlled by Central Government , Public Sector Bank, a Co-operative Bank, a Co-operative Society, a Society registered under the Societies Registration Act, 1860 (21 of 1860) and other institutions."
- (d) "Depository" shall mean a depository as defined under clause (e) of sub-section(1) of Section 2 of the Depositories Act, 1996.
- (e) "Beneficial Owner" means the beneficial owner as defined under clause (a) of subsection (1) Section 2 of the Depositories Act. 1996.
- (f) "Form" means a form appended to these regulation ;
- (g) "In Writing" or "Written" includes printing, lithography and other modes of representing or reproducing words in a visible form
- (h) "Member" means a member of the Executive Committee constituted under sub-section (1) of Section 18 or, as the case may be, any other Committee constituted under Section 21;
- (i) "Register" means the register of shareholders kept in one or more books of the Corporation and includes the register of shareholders kept in computer floppies or diskettes, compact discs or any other electronic form; as defined under Sub-Section (7) of Section 6 of the Act as also the register of beneficial owners maintained by a depository under section 11 of Depositories Act, 1996.

- (j) "Section" means a section of the Act;
- (k) 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.

CHAPTER II

SHARES OF THE CORPORATION

3. Share-Moveable Property:

- (a) The equity shares of the Corporation will be for the face value of Rs 100/- each ;
- (b) The equity shares of the Corporation shall be moveable property ;

4. Control Over Shares:

Subject to the provisions of the Act and these Regulations, the Board shall decide any question relating to any matters pertaining to the shares other than those covered by specific Regulations hereafter.

5. Parties who may not be registered as share-holders – 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.

6. Joint holding of shares : Except in the case of individuals, the Corporation shall not recognize the joint holding of shares. In case of firms, share shall be registered not in the name of firms, but only in the names of the individual partners of the firm.

7. Share Register:

- (i) The Corporation shall maintain, at its Head Office, a register of shareholders qualified by the Act to be registered therein either in manual or in accordance with an subject to the provisions of Information Technology Act, 2000 and the Rules made there-under in the format enclosed as at Annexure 'A' and containing the following particulars:-

(a) the name of each share-holder and a statement of the shares held by him distinguishing each share by its number;

(b) the postal address of each share-holder or the address at which the share-holder has his principle place of business ;

(c) the clauses of sub-section (3) of Section 4 under which the share-holder is qualified to be so registered and the class of shares-holder to which he belongs;

(d) the date on which each person is entered as a share holder 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, the date on which any person ceases to be a share-holder and the name of the person to whom and the ledger to which the shares are transferred.

(ii) 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 decisions 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.

- (iii) A separate ledger shall be maintained in the share register for each class of shareholders referred to in Section 4 and 4 A of the Act.
- (iv) In the case of joint holders of any shares, the particulars required by clause (i) shall be entered under the name of any one of such joint holders specified by them and the names of other holders shall be entered after the name of such specified joint holder.
- (v) A shareholder resident outside India shall furnish to the Corporation an address in India and such address when entered in the register shall be deemed to be his registered address for the purposes of the Act and these Regulations.
- (vi) Nothing contained hereinabove in these Regulations shall apply to shares held with the depository under the Depository Act, 1996.
- (vii) The register of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996 shall be deemed to be register of shareholders.

8.Trust Not To Be Recognized:

The Corporation shall deal with the shareholders irrespective of whether they are full owners of their shares or trustees for some other person or persons. No notice of any trust expressed, implied or constructive shall be entered on the register, nor shall any trust be recognized by the Corporation.

9.Exercise of Right 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 all or any other matter connected with the Corporation, except the transfer of the share, be deemed to be the sole holder thereof.

10.Inspection of Share Register:

(i)The share register maintained under Regulation 7 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 Managing Director may impose, but so that not less than two hours in each working day may be allowed for inspection.

(ii)A shareholder shall not have the right himself to make a copy of any entry in any such register, but may, except when the register is closed, require a copy of any such register or of any part thereof on prepayment therefore at such rate as may be decided by the Managing Director from time to time with the approval of the Board for every hundred words or fractional part thereof required to be copied.

(iii)Notwithstanding anything contained in Sub-Regulation (ii), any officer of the State Government or the Small Industries Bank authorized in this behalf, shall have the right to make a copy of any entry in the register or require a copy of the register or any part thereof free of charge.

11.Closing of Share Register:

The Board may, after giving not less than seven days previous notice by advertisement, in the newspaper circulating in the place where the Head

Office of the Corporation is situated, close the share register for such periods (not exceeding forty-five days in all during any one financial year) as shall, in its opinion, be necessary but not exceeding 30 days at one time.

12. Share Certificates :

(i)Every share certificate shall be issued in the model format enclosed at Annexure 'B' or as modified by the Board from time to time;

(ii)Every share certificate shall be signed on behalf of the Corporation by two persons duly authorized in this behalf by the Board and such signature may be printed, engraved, lithographed or impressed by such other process as the Board may direct.

(iii)Every share certificate shall be issued under the Common Seal of the Corporation.

13. Issue of Share Certificate Free of Charge:

(i)The State Government and the Small Industries Bank shall each be entitled free of charge, to one certificate for all the shares registered in their names at each allotment. If any shares are allotted to the State Government and the Small Industries Bank 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 and the Small Industries Bank respectively.

(ii)Every other shareholder shall be entitled, free of charge, to one certificate, for each 50 shares registered in his name and one additional certificate for the number of shares in excess of a multiple of 50 shares registered in his name at each allotment. A shareholder holding less than 50 shares shall be entitled, free of charge, to one certificate for all the shares registered in his name at each allotment.

(iii)If any shareholder requires more certificates than the number to which he is entitled free of charge under this Regulation, he shall pay for each additional certificate such sum as may be decided by the Managing Director from time to time with the approval of the Board.

(iv)In the case of shares held jointly by several persons, delivery of the relative certificates to 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 provided that nothing contained in this Regulation shall apply to the shares held with a depository.

14. Issue of duplicate/sub-division of Share Certificates:

(i) If any share certificate is worn out or defaced or tendered for sub-division, then upon production thereof to the Head Office of the Corporation, the Board may order the same to be cancelled and have a new certificate or certificates issued in lieu thereof.

(ii) If any share certificate is alleged to be lost or destroyed, then after publication of such loss at least once in any newspaper circulating in the State of Assam and/or 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 lost or destroyed certificate and the person availing himself of the provisions of this clause 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. The decision of the Managing Director as to the quantum of these expenses shall be final provided that nothing contained in this Regulation shall apply to the shares held with a depository.

(iii) For every certificate issued under this Regulation, there shall be paid to the Corporation such sum as may be decided by the Managing Director from time to time.

15. Transfer of Shares:

(i) Subject to the restrictions contained in the Act and in these Regulations, shares except redeemable preference shares shall be transferable, but every transfer shall be in writing and in the form prescribed under the Companies Act, 1956 for transfer of shares as under :

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 Assam Financial Corporation to

hold unto 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 the same at the time of the 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 register of the Corporation.

As witness our hands.....day
of.....
:Name.....

Transferor :
Address.....

Name.....
Witness :
Address.....
Occupation.....

Name.....
Transferee :
Address.....

Name.....
Witness :
Address.....
Occupation.....

(ii)The instrument of transfer of shares shall be signed by the transferor and the transferee or any persons duly authorized to do so on their behalf and shall be submitted to the Board duly stamped under the Indian Stamp Act, 1899, along with the share 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.

(iii)The above provisions in Sub-Regulations (i) and (ii) of Regulation 15 shall also apply to transfer of debentures/bonds.

(iv)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 sub-section (3) of Section 5, cause the transfer to be registered.

16. Power To Suspend Transfer:

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

17. Transmission of Shares/Debentures/Security in the event of death, Insolvency etc. of a Shareholder/Debenture/Security holder:

(i)The executors or administrators of a deceased sole holder of the share/debentures/Securities, or the holder of a succession certificate issued under Part X of the Indian Succession Act, 1925, in respect of such shares/debentures/securities or a person in whose favour a valid instrument of transfer of such shares/ debentures/securities was executed by such person or by the deceased sole holder during the later's lifetime shall be the only person who may be recognized by the Corporation as having any title to such shares/debentures/securities.

(ii)In the case of the shares/debentures/securities registered in the names 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 shares/debentures/securities or a person in whose favour a valid instrument of transfer of the shares/debentures/securities was executed by such person and such last survivor during the later's life-time, shall be the only person who may be recognized by the Corporation as having any title to such shares/debentures/securities.

(iii)The Corporation shall not be bound to recognize 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 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.

(iv) Any such person becoming entitled to any shares/debentures/securities in consequence of death of a shareholder/debenture holder/security holder and any person becoming entitled to shares/debentures/securities in consequence of the insolvency, bankruptcy or liquidation of a shareholder/debenture holder/security holder shall upon production of such evidence as the Board may require, have the right –

(a) to be registered as a shareholder/debenture-holder/security holder in respect of such shares/debentures/securities upon his satisfying the Board in the same manner as if he were the proposed transferee under Regulation 17 (ii) that he is qualified to be shareholder/debenture holder/security holder; or

(b) to make such transfer of such shares/debentures/securities as the person from whom the derives title could have made.

18. 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 installments.

19. Calls to Date From Resolution:

A call shall be deemed to have been made at the time when the resolution of the Board authorizing 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.

20. 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.

21. 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 the circumstances or some other sufficient cause, but no shareholder shall be entitled to such extension as a matter of right.

22. Liabilities of Joint Holders:

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

23. Amount Payable At Fixed Time or By Installments as Calls:

If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by installments at fixed time, every such amount or installment 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 installment accordingly.

24. When Interest on Call or Installment Payable:

If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the holder for the time being or the allottee of the share in respect of which a call shall have been made, or the installment 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.

25. 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 or jointly with any person, together with interest and expenses, if any.

26. Notice To be given if Call or Installment not paid:

If any shareholder fails to pay the whole or any part of a call or installment 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 installment or any part thereof or other moneys remain unpaid or a judgment 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 installment 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 Corporation by reason of such non-payment.

27. 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 installment or such part or other monies 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 installment is payable will be liable to be forfeited.

28. In Default of Payment Shares to be Forfeited.

If the requirement 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 installments, 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.

29. Entry of Forfeiture in the Register:

When any share has been forfeited under Regulation 28, an entry of the forfeiture with the date thereof shall be made in the register.

30. Forfeited Shares to be Property of the Corporation and may be sold:

Any share so forfeited shall be deemed to be the property of the Corporation and may be sold, re-allotted 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.

31. Power to Annual Forfeiture:

The Board may, at any time, before any share so forfeited under Regulation 28 shall have been sold, re-allotted or otherwise disposed of, annual the forfeiture thereof upon such conditions as it may think fit.

32. 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 Corporation all calls, installments, interest, 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.

33. Partial Payment Not to Preclude Forfeiture:

Neither a judgment nor a decree in favour of the Corporation for calls or other moneys due in respect of any shares nor any payment or satisfaction thereunder nor the receipt by the Corporation 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 Corporation in respect of payment of any money shall preclude the forfeiture of such shares under these Regulations.

34. 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 becomes payable at a fixed time, as if the same had been payable by virtue of a call duly made.

35. 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 proceeds of sale thereof for his debts including all monies called or payable in respect of partly paid shares, liabilities and engagements solely or jointly with any other person to or with the Corporation whether the period for the payment, fulfillment 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 shares. Unless otherwise agreed, the

registration of a transfer of shares shall operate as a waiver of the Corporation's lien, if any, on such shares.

36. Enforcing Lien by Sale of Shares:

The Board may, for the purpose of enforcing the lien referred to in Regulation 35 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.

37. Application of Proceeds of Sale of Shares:

The net proceeds of any sale of shares under Regulation 36 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.

38. Certificate of Forfeiture:A certificate in writing under the hands of any Director, or any other officer of the Corporation duly authorized 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.

39. Title of Purchaser and Allottee of Forfeited Share:

The Corporation 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, re-allotted 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, reallotment or other disposal of the share and the remedy of any person aggrieved by the sale shall be in damages only and against the Corporation exclusively.

40. Shareholder Ceasing to be Qualified for Registration:

(i) 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.

(ii) 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 shares not 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.

(iii) 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 shareholder is not entitled to the payment of any dividend on any share not to exercise any of the rights of a shareholder otherwise than for the purpose of the sale of such shares, and shall make an entry in the share register to that effect.

(iv) A determination of the Board under this Regulation as to whether a person is qualified to be shareholder or not shall be conclusive.

41. Service of a Notice or Document to Shareholders:

(i) The Corporation 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 Corporation for giving of notice to him.

(ii) 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 Corporation 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 Corporation 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.

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

(iv)A notice or a document may be served by the Corporation on the joint-holders of a share by serving it on the joint-holder named first in the register in respect of the share.

(v)A notice or a document may be served by the Corporation 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.

(vi)The signature to any notice to be given by the Corporation may be written or printed or be affixed in any other manner.

CHAPTER III

MEETING OF SHAREHOLDERS OR ANY CLASS OF SHAREHOLDERS.

42. Chairman of Meeting: In Chapters III and IV.

(i) Unless the context does not permit, the reference to 'general meeting' shall include a reference to a meeting of a class of shareholders, and (ii) The word "Chairman" means the "Chairman" of a meeting under Regulation 48.

43. 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 any other place within the jurisdiction of the Corporation where there is an office of the Corporation. Each Annual General Meeting shall be held within four months from the date on which the annual accounts of the Corporation are closed or within such period as may be specified in the Act from time to time.

44. General Meetings (other than Annual General Meeting):

(i) The Board may convene a general meeting at such time and place as may be decided by the Board.

(ii) (a) The Board shall convene a general meeting if a requisition for such a meeting has been received from the shareholders carrying in aggregate not less than by 10% of the total voting rights of all the shareholders or not less than 5 shareholders not being shareholders referred in clauses (a) (b) and (c) of subsection (3) of section 4 of the Act, not later than 3 months from the receipt of the requisition.

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

(c) Where two or more persons hold any shares jointly a requisition or a notice calling a meeting, signed 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.

(d)The time, date and the place of the general meetings shall be decided by the Board.

(e)If the Board does not convene the meeting as required by sub-regulation (ii)(a) within the period of 3 months as stipulated, the meeting may be called by the requisitionists themselves within next 3 months.

Provided that nothing in this sub-regulation shall be deemed to prevent a meeting duly commenced before the expiry of the period of 3 months aforesaid from adjourning to some day after the expiry of that period.

(f)The meeting called under sub-regulation (ii)(e) by the requisitionists shall be called in the same manner, as nearly as possible, as that in which the other general meetings are called.

(g)Any reasonable expenses incurred by the requisitionist in calling a meeting under sub-regulation (ii)(e) shall be reimbursed to the requisitionists by the Corporation.

(iii)The Board may determine the business to be transacted in such General Meetings including appointment of auditors.

Provided that where a shareholder has intimated to the Corporation 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 Corporation 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.

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

(iv) A notice or a document may be served by the Corporation on the joint-holders of a share by serving it on the joint-holder named first in the register in respect of the share.

(v) A notice or a document may be served by the Corporation 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.

(vi) The signature to any notice to be given by the Corporation may be written or printed or be affixed in any other manner.

45. Notice Convening a General Meeting:

- (i) A notice convening a General Meeting signed by the Managing Director, or the Officer in charge of Administration Department of the Corporation, shall be sent to every registered shareholder or every shareholder of the class to which the meeting relates at his address, if any, in India and published at least twenty-one clear days before the meeting at least in one Newspaper circulating within the jurisdiction of the Corporation except in the case of the first Annual General Meeting in which case the period of notice may be seven days.
- (ii) Every such notice shall state the time, date and place of such meeting, and also the business that shall be transacted at that meeting.

46. Business at General Meetings:

- (i) At the annual general meeting the following business shall be transacted namely:-
 - (a) To discuss and if deemed fit, to adopt the annual accounts of the Corporation including the Profit and Loss Account and the Balance Sheet for the year ending the 31st March of the financial

year to which the meeting related together with a report by the Board on the working of the Corporation throughout the year, the auditor's report(s) on the said balance sheet and accounts and proposals for declaration of dividend and capitalization of reserves;

(b) To discuss any other matter to be transacted at the annual general meeting in terms of sub-section (3) of Section 36.

- (ii) No business shall be transacted, or any matter discussed other than that mentioned in the notice for the meeting, except with the consent of the Chairman or unless not less than two weeks notice has been given of the same by the State Government, or the Small Industries Bank or by at least 5 shareholders.

Such notice shall take the form of a definite resolution to be put to the meeting.

47. Quorum at General Meetings:

- (i) No business shall be transacted at any meeting of the shareholders, or a class of shareholders, whether it is the Annual General Meeting or any other general meeting, unless a quorum of at least five shareholders entitled to vote at such meeting in person or by proxy or by duly authorized representative is present at the commencement of such business.
- (ii) If within fifteen minutes from the time appointed for the meeting a quorum is not present, in the case of meeting called by the requisition of shareholders other than the State Government or the Small Industries Bank, the Chairman may dissolve the meeting.
- (iii) In other case the meeting shall stand adjourned to the same day in the next week at the same time and place or 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 thirty minutes from the time appointed for holding the meeting, the shareholders who are present in person or by proxy or by duly authorized 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 four months, after the 31st March 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 either 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 those shareholders who are present in person or by proxy or by duly authorized representative at such time shall form a quorum.

48. Chairman of General Meetings:

- (i) The Chairman of the Board or in his absence, a Director authorized by the Chairman in writing in this behalf shall be the Chairman and in default of such authorization or in the absence of the Director so authorized, the meeting may elect any other Director to be the Chairman of the meeting.
- (ii) 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.

49. Persons entitled to attend General Meetings:

- (i) All Directors and all shareholders of the Corporation and the Officer in charge of the Administration Department of the Corporation and such other officers as the Managing Director may decide shall, subject to the provisions of Sub-Regulation (ii), be entitled to attend a general meeting.
- (ii) A shareholder being one of the parties mentioned in clauses (c) or (d) of sub-section (3) of Section 4, attending a general meeting, shall for the purpose of identification and to determine his voting rights, be required to sign and deliver to the Corporation a form containing the particulars relating to –
 - (a) his full name, folio number and register address,
 - (b) the distinctive numbers of his shares;
 - (c) the class of shareholders to which he belongs;

(d) 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 authorized representative.

50. Voting at General Meetings:

- (i) 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.
- (ii) Save as otherwise provided in the Act, every matter submitted to a general meeting shall be decided by a majority of votes;
- (iii) Unless a poll is demanded under Sub-Regulation (i), 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.
- (iv) 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 motion, or shall be ordered to be taken by the Chairman of the meeting of his own taken by him on a demand made in that behalf by any shareholder or shareholders present in person or by proxy or by duly authorized representative and holding shares in the Corporation which confer a power to vote on the resolution not being less than 5 (five) nos. of shareholders in respect of the resolution.
- (v) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
- (vi) A poll demanded on a question of adjournment or election of Chairman of the meeting shall be taken forthwith.
- (vii) A poll demanded on any question other than those under sub-Regulation (v) above shall be taken at such place and time but not later than forty-eight hours from the time when the demand was made, as the Chairman may direct. The poll may be either by open voting or 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. At such poll a vote shall be given by a shareholder entitled to vote either personally or by proxy or by duly authorized

representative and the shareholders shall exercise the voting rights in accordance with the Voting Rights Regulations made in that behalf.

- (viii) The decision of the Chairman as to the qualification of any person to vote, and also in the case of a poll, as to the number of votes any person is competent to exercise, shall be final.

51. Minutes of General Meetings:

- (i) The Corporation shall cause the minutes of all proceedings of general meetings to be maintained in the books kept for the purpose which may be in the form of binders containing loose leaves.
- (ii) Any such minutes, if purporting to be 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 concluded thereat.
- (iii) Until the contrary is proved, every general meeting in respect of the proceedings 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 NOMINATIONS OR ELECTION OF DIRECTORS:

52. Issue of Notice of Election:

Where at any general meeting an election of any Directors is to be held, notice thereof shall be included in the notice convening the meeting. 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.

53. List of Shareholders:

- (i) For the purpose of election of Directors mentioned in clause (e) of Section 10, a separate list shall be prepared of the shareholders mentioned in clause (d) of sub-section (3) of Section 4.
- (ii) Such a list shall contain the names of the shareholders, their registered addresses in India, the number and distinguishing numbers of shares held by them with the dates on which the shares were registered and the number of votes to which they will be entitled on the date fixed for the election and copies of such a list shall be available for purchase at least three weeks before the date fixed for the election at a price per copy to be decided by the Managing Director, on application at the Head Office of the Corporation.

54. Proposal of Candidates for Directorship:

- (i) No candidate for election as a Director of the Board shall be validly proposed unless:-
 - (a) he is, on the last date for receipt of proposals, not disqualified to be a Director under Section 12 and who has not been removed earlier under Section 13;
 - (b) he is proposed by at least two shareholders;
 - (c) the proposal is in writing signed by the shareholders or by their duly constituted attorneys, provided that a proposal 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 or by the Secretary, or the Chief/Vice Chief, Executive Officer of that body corporate shall be dispatched to the Head Office of the Corporation and such copy shall be deemed to be a proposal on behalf of such body corporate;
 - (d) the proposal contains a declaration signed by the candidate before a Judge, Magistrate, Registrar or Sub-Registrar of Assurances, or other Government Gazetted Officer or an officer of Nationalized Bank or of the Corporation not below the rank of Manager, that he accepts the proposal and is willing to stand for election, and that

he is not disqualified for election under Section 12 or earlier removed under Section 13.

- (ii) No proposal shall be valid unless it is complete in all respects and received in the Head Office of the Corporation on a working day not less than 14 clear days before the date fixed for the election.

55. Scrutiny of Proposals and Publication of List of Candidates for Directorship:

- (i) The Managing Director shall scrutinize the proposals on the first working day following the last date fixed for the receipt of proposals. He shall after such enquiry, if any, as he thinks necessary, satisfy himself in regard to the provisions of Regulation 54 and shall accept or reject the proposal for 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 proposal is valid or invalid shall, subject to the result of any reference under Regulation 58, be final. If there is only one valid proposal for any particular vacancy to be filled by election, the candidate so proposed 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 has been called solely for the purpose of the aforesaid election, it shall stand cancelled.

If the number of valid proposals exceeds one, the Managing Director shall cause to be published the names and addresses of candidates validly proposed either in English Newspaper or in regional language newspaper circulating within the jurisdiction of the Corporation.

- (ii) 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.

56. Nomination of Directors:

- (i) The parties mentioned in clause (c) of sub-section (3) of Section 4 shall by mutual agreement among themselves nominate two Directors to represent them under clause (d) of Section 10 as under:

- (a) Empower public sector banks to nominate a director by rotation in the sequence of the shareholding arranged in descending order. The largest shareholder will have the right to nominate the first director for a period of 3 years and in the fourth year the second largest will have the opportunity and thereafter the third shareholder and so on.
- (b) Empower LIC, insurance companies and all other institutional shareholders covered under the above clause to nominate a director by rotation in the sequence of shareholding arranged in descending order.

57. Shareholders Entitled to Vote and Their Voting Rights-

- (i) Subject to the provisions of Section 4F and 10(e) and sub- Regulation (2),(at a General Meeting),each shareholder who has been registered as a shareholder shall have on poll, a voting right in proportion to his or its share of the paid up equity capital of the Corporation
- (ii) In the case of election of a Director at general meeting, only the shareholders of the class to represent which the Director is to be elected, shall be entitled to vote, and in the case of appointment of the auditor, all the parties mentioned in clauses (c) and (d) of sub-section (3) of Section 4 who are shareholders of the Corporation, shall be entitled to select.
- (iii) Every shareholders entitled to vote as aforesaid who being an individual is present in person or by proxy or being the State Government or a Company is present by duly authorized representative or by proxy shall have one vote, on a show of hands and in the case of poll, shall have voting right in proportion to his or its share of the paid up equity capital of the Corporation subject to the restrictions as may be prescribed in the Act from time to time.

58. Voting by Government:

- (i) The State Government may, by an order in writing authorize any of its officers or a Director of the Corporation to act as its representative at any general meeting of the Corporation and the person so authorized shall be entitled to exercise the same powers on behalf of the State Government as if he were an individual shareholder of the Corporation. The authorization so given may be in favour of two or more persons as alternate representative and in that case, any one of such persons may act as the duly authorized representative of the Government. The person so authorized shall not be deemed to be a proxy.

(ii) A copy of any order made under sub-Regulation (i) shall be deposited at the Head Office of the Corporation before the time fixed for the meeting.

(iii) An order made under sub-Regulation (i) may subsequently be revoked by the State Government, by depositing a notice of revocation at the Head Office of the Corporation before the time fixed for the meeting, and the due revocation of an order shall, in no way prohibit the issue of another order by the State Government and the deposit of a copy thereof at the Head Office of the Corporation within the time specified in sub-Regulation(ii).

59. Voting by Duly Authorized Representative-

- (i) A shareholder, being a company, may by a resolution of its Board of Directors or other Governing Body authorize any of its officials or any other person to act as its representative at any meeting of the Corporation and the person so authorized shall be entitled to exercise the same power on behalf of the company which he represents, as if he were an individual shareholder of the Corporation. The authorization so given may be in favour of two or more persons as alternate representative and in that case any one of such persons may act as the duly authorized representatives of the company. A person acting in pursuance of an authorization given under this sub-Regulation shall not be deemed to be a proxy.
- (ii) No person may attend or vote at any meeting of the Corporation as a duly authorized representative of a company unless a copy of the resolution appointing him as a duly authorized representative certified to be a true copy by the Chairman of the meeting at which it was passed or by an authorized official/Director of the company shall have been deposited at the Head Office of the Corporation not less than 48 hours before the date fixed for the meeting. An appointment of a duly authorized representative shall, after the deposit of a certified copy of the resolution as aforesaid, be irrevocable for the meeting for which it is made and shall revoke any proxy previously deposited for such meeting by the Company.
- (iii) No person may be appointed a duly authorized representative or a proxy who is an officer or an employee of the Corporation.
- (iv) Nothing contained in this Regulation shall apply to the State Government and the State Government may appoint such persons as it thinks fit as provided in Regulation 4 to act as its representative at any general meeting of the Corporation. A person so appointed shall for the purpose of the meeting be deemed to be the shareholder of the Corporation.

60. Voting by Duly Authorized Representative Precludes Voting By Proxy:

No shareholder being a company shall vote by proxy so long as a resolution referred to in Regulation 5 authorizing any person to act as its duly authorized representative at any general meeting, shall be in force.

61. Proxies:

(1) Any shareholder of the Corporation 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.

(2) 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 authorized in writing, or in the case of joint holders, it is signed by the shareholder first named in the register or his attorney duly authorized in writing or in the case of a company it is executed under its common seal, if any, or signed by its attorney duly authorized in writing.

Provided that an instrument of proxy shall be sufficiently signed by any shareholder, who is for any reason, unable to write his name, if his thumb impression affixed thereto is attested by a Judge, Magistrate, Registrar or Sub-Registrar of Assurances, Government Gazetted Officer or an officer of a Nationalized Bank or of the Corporation of the rank of Manager and above.

(3) No proxy shall be valid unless it is made out specifically for the purpose of voting at the meeting at which it is to be used.

(4) No proxy shall be valid unless it is duly stamped and unless it, 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 a Notary Public or a Magistrate, is deposited with the Head Office of the Corporation not less than 48 hours before the time fixed for the meeting or adjourned meeting or in the case of poll, not less than 24 hours before the time fixed for the purpose of the poll.

(5) No instrument of proxy shall be valid unless it is in the following form and date –

“ASSAM FINANCIAL CORPORATION”

i/we _____

of _____ being
a/the shareholder(s) of the Assam Financial Corporation holding
Share Nos _____ hereby
Appoint _____ of
_____ or
Failing him _____ of
_____ as
My/our proxy to vote for me/us and on my/our behalf at a meeting of
the shareholders of the Corporation to be held at _____
on the _____ day of _____ and
at any adjournment thereof.

As witness' I/We have affixed my/our hand(s) this _____
_____ Day of _____ 20

Signed by the said.

(6) An instrument of proxy so deposited shall be irrevocable:-

- (i) Unless on or before the last day for the deposit of proxies there shall have been deposited at the Head Office of the Corporation a notice in writing under the hand or common seal of the grantor specifically starting:-
 - (c) the name of the person in whose favour the instrument was granted; and
 - (d) That such instrument is revoked; or
- (ii) Unless the same is deemed to be invalid under any of sub-Regulation (1 to 4). In the case of an instrument of proxy granted in favour of two or more 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.

(7) If two or more instruments of proxy in respect of the same shares shall be deposited and if on or before the last day for deposit of proxies all but one of such instruments of proxy shall not have been duly revoked in accordance with the procedure prescribed in sub- Regulation (6) all such instruments of proxy shall be deemed invalid.

(8) 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(3).

(9) Notwithstanding anything to the contrary in these Regulations, 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.

62. Election Disputes:

(i) If any doubt or dispute shall arise as to the qualification or disqualification 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 at such election, give an intimation in writing thereof to the Chairman of the Board and shall in so doing give full particulars of the grounds upon which the doubts or disputes the validity of such election.

(ii) On receipt of an intimation under clause (i), the Chairman shall forthwith refer such doubt or dispute for the decision of a committee consisting of himself and any two of the Directors nominated under clause(b) and (c) of Section 10. The Committee 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.

(iii) Any order and direction of the committee made in pursuance of this Regulation shall be conclusive.

ANNEXURE A

ASSAM FINANCIAL CORPORATION VITTIYA BHAVAN, PALTANBAZAR GUWAHATI-781008

REGISTER OF SHARE HOLDERES

NAME(s) ADDRESS INDIAN
ADDRESS IN CASE
NON RESIDENT
SHAREHOLDEER(S) OCCUPATION CLASS OF OF

1.....

.....

2.....

.....

3. 1.....

.....

4.

.....

SL N O	No of Share s held	Distinctive No of Shares		Date of transfer	Date of Resolution of the Board approving the transfer	Ref.No in the Transfer Register	Name of Transferee or Transferor	Ref.No in Sharehold er Register..	No.of shares Bought
		From	To						

ANNEXURE A (CONTD.)

(See Regulation 7)

Dividend Warrant to be forwarded to:-

.....

.....

Nos of shares hold.	Distinctive Nos of shares bought or sold		Forefetime if any with date	Balance of shares hold	Whether Holder is ceased to be qualified for registration under Reg.40	Signature	Remarks
	From	To					

CHAPTER V

63. Removal of Director from Office under Sub-Section (2) Section 13:

- (i) The shareholder in clause (d) of sub-section (3) of Section 4 may remove any Director elected under clause (e) of Section 10 before the expiry of his tenure of office, in the following manner:-
- (A) The intimation of the intention to remove a Director shall be given by such shareholders holding not less than 25% in the aggregate of the total issued equity share capital;
- (B) The shareholders shall have right to withdraw the intimation before a notice for holding general meeting for this purpose is issued;
- (C) If the intimation is not withdrawn by the shareholders, the Board of Directors shall fixed up a date for holding a general meeting and business to be transacted there at.

(D) On receipt of such intimation from the shareholder for removal of a Director, the Managing Director shall cause a communication to be sent to the Director concerned about the proposed resolution for his removal asking him to make representation, if any, in the matter, within a period of 21 days from the date of receipt of such communication by him.

(E) After the communication, as aforesaid is sent to the Director concerned, if the Director concerned makes any representation with respect thereto, in writing, to the Corporation and request for its notification to members of the Corporation, Corporation shall, unless the representation is received too late for it do so-

(a) shall in the notice of the resolution given to the shareholders of class (d) of the Corporation state the brief facts of the representation having been made or

(b) send a copy of the representation to shareholder of class (d) of the Corporation and if a copy of the representation is not sent as aforesaid because they were received too late, the Director may require that a representation shall be read out at the meeting. The provision aforesaid will not prejudice the right of the Director to be heard orally in the meeting.

(c) The resolution for removal of the Director shall be placed before shareholders of class (d) in General Meeting for its decision and the Director concerned if he so wishes shall be given an opportunity to represent his case before the meeting for such time as the Chairman of the Meeting permits.

(F) The vacancy created by the removal of Director under the above Regulation be filled in by the appointment of another Director in his place from class (d) shareholders in the meeting at which he is removed provided a special notice of intended appointment has been given.

(G) Procedure prescribed under these Regulations for nomination and election of Director shall apply to the election to be made for filling the vacancy caused by removal of Director.

(ii) The Director so elected shall hold the office until the date up to which his predecessor would have held the office if he had not been removed as aforesaid.

(iii) While convening a special general meeting for the above purpose, the Board shall call for proposals for election of Directors to fill the

casual vacancy in the event of resolution for removal of the Director being approved by the requisite number of shareholders as provided in Section 13 (2) and in that event the provisions of Chapter III and Chapter IV of these Regulations shall mutatis mutandis apply to the special general meeting to be convened and to the election to be held as above.

64. Retirement of Directors co-opted:

Subject to clause (e) of Section 10, 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. If the co-option of more than one Director is made on the same day, the retirement of such co-opted director will be decided by consensus amongst themselves and in the absence of such consensus, the retirement shall be decided by draw of lots by the Chairman of the meeting of the Board at which the issue comes up for decision. The tenure of the co-opted Directors shall be similar to the elected or nominated Directors.

CHAPTER - VI

MEETINGS OF THE BOARD AND THE EXECUTIVE COMMITTEE

65. Meetings of the Board:

(i) A meeting of the Board shall be held at least once in each quarter and shall be convened by the Managing Director or in his absence any other director or officer of the Corporation duly authorized by the Board in accordance with the instructions if any, of the Board.

(ii) 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 so convened shall not be later than 21 days from the date of the receipt of the requisition.

(iii) Meeting of the Board shall be held at the place where the Head Office of the Corporation is situated or at such other place within the jurisdiction of the Corporation as the Board may decide.

(iv) 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 usual address in India, should it be found necessary to convene an emergency meeting, a notice shall be sent to every director at the usual address in India sufficiently in advance to enable him to attend.

(v) 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.

(vi) Quorum for the transaction of business at a meeting of the Board shall be one-third of the total number of persons constituting the Board (any fraction contained in that one-third being rounded off as one), or not less than three Directors, whichever is less.

(vii) If for any reason the Chairman of the Board is unable to attend any meeting of the Board, a Director authorized by the Chairman of the Board in writing shall preside at such meeting, but if the Director so authorized is absent or if no such authorization has been made, the Board may elect any of its members to preside at that meeting.

(viii) Minutes of Meetings of the Board:

- a. The Corporation shall cause proceedings to be maintained in the books kept for the purpose which may be in the form of binders containing loose leaves.
- b. 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.
- c. Until the contrary is proved, every general meeting in respect of the proceedings hereof minutes have been so recorded shall be deemed to have been duly called and held, and all proceedings taking place thereat, to have duly taken place.

- d. If for any reason, the minutes of any meeting could not be signed in the manner specified in clause (c) above, such minutes shall be deemed to be in order if signed by the Managing Director on the authorization of a meeting of the Board held thereafter.

66. Meetings of the Executive Committee:

- (i) The Executive Committee Meetings shall be presided over by the Chairman and shall ordinarily meet once during each quarter at the Head Office of the Corporation or at such other place within the jurisdiction of the Corporation as the Managing Director may decide to attend to the business of the Corporation as may be delegated to it by the Board, from time to time. Sufficient notice shall be given to the members of the Committee to enable them to attend the meeting.
- (ii) The Board may delegate to the Executive Committee powers to transact all the usual business of the Corporation except such matters as are specifically reserved to the Board under the Act or any Regulations made there-under.
- (iii) 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.
- (iv) 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) or not less than three members of the Committee, whichever is less.
- (v) The provisions of the Act and save as otherwise provided in these Regulations, these Regulations shall apply to the meetings of the Executive Committee as if they were meetings of the Board.

67. Disclosure of Interest of Director In Any Industrial Concern:

- (i) Every Director of the Board and every member of the Executive Committee who has any interest in or connection with an industrial concern in respect of contract or arrangement or proposed contract or arrangement entered into or to be entered into of the nature specified in sub-section (2) of Section 28 shall disclose the nature of such interest or connection at a meeting of the Board or the Executive Committee as the case may be.

- (ii) (a) In the case of 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 (i) 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.

- (iii) (a) For the purpose of sub-Regulations (i) and (ii), 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 notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of his 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 the Executive Committee under clause (a) shall, as soon as possible, give notice of any change in the particulars contained therein.

- (iv) No such general notice, or no notice of any change therein shall 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.
- (v) No Director of the Board and no member of the Executive Committee shall, as a Director or member, as the case may be, taken 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 Corporation, 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.

68. Fee for Directors Meetings:

- (i) Each Director (other than the Managing Director and an employee of the State Government or any employee of the Corporation) shall receive a fee for attending a meeting of the Board or the Executive Committee or any Committee constituted by the Board under section 21 as may be decided by the Board of Directors from time to time.
- (ii) In addition, each Director attending a meeting of the Board or of the Executive Committee shall be reimbursed his traveling and halting expenses, if any, on such scale, at his option, as he is entitled to in the institution in which he holds office or on such scale as may be fixed by the Board from time to time and in any other case, at the later scales.
- (iii)

69. Appointment of Committees:

- (i) The Board may appoint Committees consisting wholly of Directors or wholly of other, persons or partly of Directors and partly of other persons as it deems fit for the purpose of efficient discharge of the functions of the Corporation.

- (ii) Any Committee constituted under Section 21 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.
- (iii) Meetings of any such committee may be convened from time to time at the Head Office of the Corporation, or at such other place within the jurisdiction of the Corporation or at any other place as may be specified in the notice convening the meeting. Sufficient notice shall be given for such meetings.
- (iv) The Chairman of the Board if he is elected to be a member of any Committee constituted under section 21 shall be the Chairman of such Committee otherwise the Managing Director or any other member of such a Committee as may be decided by the Board or the Committee shall be the Chairman of that Committee. If the Chairman of any such Committee is, for any reason, unable to attend a meeting of the Committee, a person authorized by the said Chairman in writing shall preside at that meeting. In default of such authorization or in absence of the person so authorized, the Committee may elect a Chairman to preside at that meeting.
- (v) Each member of any such Committee, who is not a Director, auditor, officer or other employee of the Corporation who has already made a declaration under Section 40 shall, before entering upon his duties, be required to sign a declaration of Fidelity & Secrecy to the effect set out in the form given in the Schedule to the Act.
- (vi) The provisions of the Act and save as otherwise provided in these Regulations, these Regulations shall apply to the meetings of such Committee formed under Section 21 as if they were the meetings of the Executive Committee.

70. Resolution Without Meeting valid:

- (i) A resolution in writing circulated by the Managing Director or any Director or officer of the Corporation duly authorized by the Board to all the Directors at their usual addresses in India and approved and signed by a simple majority of the Directors/Members, on the Board of the Corporation or where the matter concerns the Executive Committee or any other Committee appointed by the Corporation, who are then in

India, one of whom shall be the Chairman of the Board or the Executive Committee or other Committee as the case may be or the Managing Director shall be valid and effectual and shall be deemed to be the resolution passed by the Board, the Executive Committee or other Committee, as the case may be. The resolution shall be deemed to have been passed on the date on which it is concurred and signed by the last signatory to the resolution.

Provided that any resolution passed as aforesaid shall be placed before the next meeting of the Board, Executive Committee or other Committee, as the case may be, for confirmation and or modifications, if any.

Provided further that if any dissenting Director or member in writing requires that any resolution so passed shall be placed before a meeting of the Board, Executive Committee 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.

- (ii) Noting in clause (i) shall apply to a resolution in respect of any matter relating to granting of any loan or financial assistance in any form to any industrial concern under the Act.

CHAPTER VII

MANNER IN WHICH THE ACCOMMODATION GRANTED BY THE CORPORATION WILL BE SECURED.

71. Instruments Evidencing Security to be in Prescribed Form:

Instruments evidencing the security to be taken for accommodation given by the Corporation, under sub-section (1) of Section 25 shall be in the form specified by the Board and no material variation shall be made in the form as prescribed without the approval of the Board. The Board may make such variations in the forms as may be found necessary to suit the requirement of individual cases.

Provided no such instrument shall be open to challenge only on the ground that the said document or any alteration thereto is not approved by the Board.

72. Norms for Granting Accommodation:

The Board may fix norms for granting of accommodation and in doing so the Board shall be guided by such instructions as may be given by the State Government from time to time.

73. 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 Board or the Executive Committee as the case may be.

CHAPTER VIII

GENERAL PROVISIONS

74. Board to Inform the State Government Regarding Disqualifications:

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.

75. Acts of Directors valid notwithstanding subsequent discovery of disqualifications:

All acts done at any meeting of the Board or the Executive Committee or an Advisory Committee 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 were disqualified, be as valid as if every such person had been duly appointed and duly qualified.

76. Delegation of Powers:

- (i) Without prejudice to the powers conferred under the Act or these Regulations, the Board may, if deemed expedient, authorize the Executive Committee or a Committee appointed under Section 21 or the Managing Director to decide on delegation in respect of any of the matters, whether referred to in these Regulations or not. Delegation so decided by the Executive Committee/Committee/Managing Director, as the case may be, shall be reported to the Board immediately.

(ii) Delegation of Powers to Managing Director or any other Officer of the Corporation:

Without prejudice to the generality of the powers conferred or restrictions imposed under the Act or Regulations, the Managing Director or any other officer shall, subject to such restrictions or instructions as may be considered necessary by the Board or the authority who has been delegated necessary powers by the Board in this behalf, exercise the following powers:

- (a) all the powers and duties of the Board and doing of all such acts or things as the Corporation is authorized to exercise or do;
- (b) to operate bank and other accounts either singly or jointly with a Director or any other officer of the Corporation authorized in this behalf by the Board or the authority who has been delegated necessary powers by the Board in this behalf and to draw, accept and endorse bills of exchange or any other instruments in the current or authorized business of the Corporation and to sign all other accounts, receipts, documents etc. connected with such business.
- (c) To organize and supervise the office, maintain discipline and exercise such powers in connection with appointment, promotion, determination of service, transfers, suspension and granting of leave to the staff of the Corporation etc. and to allocate duties to

the staff and make such other arrangements as may be necessary for the efficient discharge of the functions of the Corporation.

(d) To incur such expenditure for the day to day administration of the office and conduct of business as may be necessary;

(e) Without prejudice to the generality of the provisions of sub-Regulation (a) to (d) above, the Managing Director or any other officer shall, subject to such restrictions or instructions as may be considered necessary by the Board or the authority who has been delegated necessary powers by the Board in this behalf, have the following powers:

(aa) to refer any claim or demand by or against the Corporation to arbitration and observe and perform the awards.

(bb) to decide about the actual operation of accounts of the Corporation, authority to execute all documents on behalf of the Corporation, authority to deal with any legal matter either of the Corporation or on its behalf.

(cc) to enter into all negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Corporation as may be considered expedient for or in relation to any of the matters aforesaid or otherwise for the business of the Corporation.

(dd) to institute, conduct, defend, compound or abandon any legal proceedings by or against the Corporation or its officers or otherwise concerning the affairs of the Corporation, and also to compound and allow time for payment or satisfaction of any debt due, or of any claim or demand by or against the Corporation.

(ii) It will be in order for the Board or the Managing Director, as they may deem fit, to delegate to a Committee of the Board/Managing Director or any other officer of the Corporation respectively, any of their powers/duties under these Regulations by a general or special order, subject to such conditions and limitations, as may be specified, in the said order.

77. Remuneration to Members of Committees for Extra Services Rendered:

Members of a committee appointed by the Board under Section 21 and 18(3) may be paid for special Assignments undertaken for or extra services rendered to the Corporation, - in addition to the fees for attending meetings and reimbursement of traveling, halting and other expenses as may be applicable to them, - remuneration/honorarium at such scales as may be fixed by the Board from time to time.

78. Remuneration to Directors and Others:

Any person or Director of the Corporation, when required to undertake special assignments for or to render extra services to the Corporation, may be paid in addition to traveling, halting and other expenses as may be applicable, remuneration/honorarium at such scales as may be fixed by the Board/Managing Director from time to time.

79. 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 any person acting under its express authority 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 any person acting under its express authority and may in the same manner be varied or discharged.

80. Accounts, Receipts and Documents of Corporation By Whom To Be Signed:

The Managing Director, or such other officers of the Corporation as the Board or the Executive Committee or any Committee appointed under Section 21 or the Managing Director who have been delegated the necessary powers by the Board in this behalf may, by notification in the Assam Government Gazette, authorize in this behalf, may sign any contract of any description whatsoever, issue, execute, endorse and transfer promissory notes, bonds, stock receipts, stock, debentures, shares, securities and documents of title 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 authorized business of the Corporation and sign all other accounts, receipts and documents connected with such business.

81. Complaints, etc., By Whom to be Signed:

Complaints, written statements, vakalatnamas, 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 authorized under Regulation 74 to sign documents for, and on behalf of the Corporation.

Provided, however, the officer concerned is specifically authorized in this behalf by the authorities mentioned in Regulation 70.

82. Common Seal of the Corporation:

- (i) The Board shall provide a Common Seal for the purpose of the Corporation and shall have powers from time to time to destroy the same and substitute a new seal in lieu thereof and the Board shall provide for the safe custody of the seal for the time being.
- (ii) The common seal of the Corporation shall be affixed to the share certificates issued by the Corporation, power of attorney made in favour of a person and may be used for such other purposes as may be approved by the Board/Executive Committee.
- (iii) The common seal of the Corporation shall not be affixed to any instrument except pursuant to a resolution of the Board or the Executive Committee as the case may be 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 so signed as aforesaid, such instrument shall be of no validity.

83. Issue of Bonds and Debenture:

- (i) The bonds or debentures of the Corporation shall be issued under the signature of the Chairman or Managing Director and such signature may be printed, engraved or lithographed or impressed by such other mechanical process as the Board may direct.

- (ii) A signature so printed, engraved, lithographed or otherwise impressed shall be as valid as a signature in the proper handwriting of the signatory himself.
- (iii) Depending upon the conditions prevalent in the money market the Board may decide from time to time the manner and terms of issue and repayment of Bonds and Debentures by the Corporation, with or without the guarantee of the State Government.

In the event of the State Government guaranteeing the repayment of such Bonds and Debentures and payment of interest thereon, such Bonds and Debentures shall be deemed to be included among the securities enumerated in Section 20 of the Indian Trusts Act, 1882 and also to be approved securities for the purpose of the Insurance Act, 1938 and the Banking Regulations Act, 1949.

84. Notice etc., By Whom to be Received:

Notice etc. to be served on the Corporation in connection with the legal proceedings or otherwise may be received on behalf of the Corporation by any officer duly authorized in this behalf in the manner provided under Regulation 70.

Renumbered as Regulation 80.

85. Accounts:

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

86. Annual Statements of Accounts:

The Corporation shall prepare the balance sheet as at 31st March of every year and profit and loss account for the year ending on that day in the form enclosed to as at Annexure 'C' and Annexure 'D'.

87. Returns:

The statements and returns to be furnished under sub-section (1) and sub-section (3) of Section 38 shall be in such form as the State Government, the Reserve Bank or the Small Industries Bank may require from time to time.

88. Dividends:

- (i) Dividends declared shall be paid as soon as may be, but ordinarily not later than 42 days, after the annual accounts are discussed and adopted at the general meeting.
- (ii) No interest shall be payable by the Corporation on any dividend.
- (iii) 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.
- (iv) 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 shall be sent to the registered address in India of the shareholder entitled or in the case of joint holders to the registered address in India 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 and in the event of the demitted shares to credit under ECS, the dividend directly to the bank account of the shareholders.
- (v) The Corporation shall not make payment of a dividend to any person not entitled thereto under the Act or these Regulations but shall retain the same and make payment thereof to the person who next becomes registered in respect of the shares on which such dividend is payable.
- (vi) No shareholder shall be entitled to receive payment of any dividend in respect of his shares until all moneys due or owing by him to the Corporation in respect of such shares have been paid.

Dividend remaining unpaid or unclaimed for a period of three years from the date of declaration shall be transferred to a separate reserve account.

89. Accrual of Dividend:

Dividend will accrue and be payable from 1st January 1954 and no shareholder shall have any right to claim dividend for any period prior to that date.

90. Allotment of Shares:

- (i) Subject to the provisions of section 4, the Board shall allot shares on the basis of application made for the purpose.
- (ii) An application for allotment of shares may not be entertained unless an amount of at least 25 percent of the full value has been paid with the application.
- (iii) The Board may make allotment to an applicant for shares either in full or in part, depending on the number of applicants from the class of shareholders to which he belongs. In so far as it is practicable, the Board shall make full allotment in respect of applications up to such number of shares as the Board may decide so that there may be as many shareholders of that class as possible; and the allotment in respect of remaining applications shall be made in part; provided, however, that no allotment shall be made for a number of shares which is less than five, or which is not a multiple of five; and provided further that the number of shares that may be allotted to an applicant, shall in no case exceed such number of shares as may be allocated to the class of shareholders to which he belongs.
- (iv) The decision of the Board as to whether on a particular application for shares, there shall be full, partial or no allotment shall be final.
- (v) If a person to whom shares have been allotted fails to pay the balance of the full value of shares due on the shares allotted to him by the date mentioned in the letter of allotment for the payment of the same, the amount paid with the application may be forfeited and the allotment treated as cancelled and the Board may proceed to dispose of the said shares as if no allotment had been made in respect thereof.

For the purpose of making the allotment, there shall be a Committee of the Board consisting of the Chairman, the Managing Director and one other Director who shall be appointed in this behalf by the Chairman. The Committee so constituted shall advise the Board in making allotments of the shares.

91. Issue And Allotment of Fresh Capital:

- (i) The Board shall allot shares on the basis of application made for the purpose subject to the provision of section 4 of the Act.
- (ii) The Board may refuse to allot any shares in the name of any person on any one or more of the following grounds, namely:-
 - (a) The allotment of the shares is in contravention of the provisions of the Act or Regulations made there under or any other law;
 - (b) The allotment of the shares in the opinion of the Board, is prejudicial to the interest of the Financial Corporation or to the public interest;
 - (c) The allotment of shares is prohibited by an order of a court, tribunal or any other authority under any law for the time being in force.
- (iii) The Board may also allot shares surrendered by any share holders to any person as provided under subsection 5 of section 6 of the Act.

92. Investment of Funds:

In the matter of investment of funds of the Corporation in any securities or otherwise the Board shall be guided by the guidelines and the prudential norms as may be adopted by the Board from time to time.

93. Temporary Investment of Surplus Funds:

In the matter of investment (whether by way of deposit in the Bank or otherwise) of the amounts which are not for the time being required for the transaction of business, the Board shall frame suitable guidelines and prudential norms.

94. Nomination in respect of Deposits, Bonds, Shares, Debentures and Other Securities:

- (a)(i) Subject to the provisions of Section 41(B) and the Regulations, a subscriber to the bond, deposits and other securities, shall send to the Corporation a nomination, in the format enclosed as at Annexure 'E' conferring on one or more persons the right to receive the amount

that may stand payable to him or her in the event of his/her death accruing before the amount has become payable, or before the amount having become payable, has been paid. In case of such nomination, the amount payable on such deposits, bonds or securities, shall on the death of the subscriber/depositor or holder thereof, vest in, and be payable to, the nominee subject to any right, title or interest of any other person to such deposits, bonds or securities.

(ii) If the person thus nominated is at the time of his/her nomination a minor or under legal disability to give a valid receipt or discharge to the Corporation, the subscriber/depositor/holder shall at the time of such nomination, as aforesaid, of the another person of full age who is capable of giving a valid receipt or discharge and to whom the amount payable is to be paid for and on behalf of the person/s, who nominated as aforesaid, so long as he shall be a minor or to be under legal disability and the receipt of the said person of full age shall during the minority or the legal disability of the person/s so nominated, as aforesaid, be a good discharge to the Corporation.

(iii) If a subscriber/depositor/holder nominates more than one person under sub-Regulation (i), he or she shall specify in the nomination the amount or share payable to each of the nominees in such manner as to cover the whole of the amount that may become payable to him or her.

(b) Any payment by the Corporation in accordance with the above Regulation shall constitute a full discharge to the Financial Corporation of its liability in respect of such deposits, bonds or securities.

95. General Provision:

If any dispute arises as to the interpretation or otherwise of these Regulations, the decision of the Managing Director shall be final and binding, provided in the case of inconsistencies between the Regulations and the Act, the provisions of the Act shall prevail.
