



## **HIMACHAL PRADESH FINANCIAL CORPORATION,**

(AN ISO 9001:2000 CERTIFIED CORPORATION)

### **THE RIGHT TO INFORMATION ACT (ACT NO.22/2005)**

#### **1. ABOUT THE ACT**

The Parliament has enacted The Right to Information Act, 2005 which received the President's assent on 15<sup>th</sup> June 2005 and was notified in Official Gazette on 21<sup>st</sup> June 2005. It extends to the whole of India except the State of Jammu & Kashmir. Under the Act,

#### **2. PUBLIC AUTHORITY**

The expression "**Public Authority**" means: -

Any authority or Body or Institution of self-government established or constituted:

(a) by or under constitution, (b) by any other Law made by Parliament, (c) by any other Law made by State Legislature, (d) by Notification issued or Order made by the appropriate Government, etc.

#### **3. WHAT IS RIGHT TO INFORMATION**

The right to information includes an access to the information which is held by or under the control of any public authority and includes the right to inspect the work, document, records, taking notes, extracts or certified copies of documents/records and certified samples of the materials and obtaining information which is also stored in electronic form.

#### **4. THE INFORMATION, WHICH IS EXEMPT FROM DISCLOSURE**

The Act provides under section 8 & 9 certain categories of information that are exempt from disclosure to the citizens. **Any person desirous of obtaining information is advised to refer to the relative Sections of the Act before submitting a request for information.**

#### **5. THE INFORMATION REQUIRED UNDER SECTION 4(1)(b) OF THE RIGHT TO INFORMATION ACT, 2005 IS INDICATED HEREUNDER.**

Section	Provisions under The Right to Information Act,2005	Compliance/Details
4(1)(b)	Every authority shall publish within one hundred and twenty days from the enactment of this Act, -	
(i)	the particulars of its organization, functions and duties;	The particulars of HPFC along with its functions and duties are given at <b>Annexure.I</b>
(ii)	the Powers and duties of its officers and employees:-	The Corporation is headed by the Managing Director appointed by the State Govt. in consultation with the Small Industries Development Bank of India. The Board of Directors has delegated the powers to the Managing Director and to some of the Officers of Corporation to perform their duties, which are given at <b>Annexure-II</b> . The details of employees working in the Corporation with their duties are also given at <b>Annexure-III</b> . All the officers of the Corporation have certain specified duties and delegated powers as required for the day-to-day functions depending upon their positions/area of work. The Board/Managing Director decides the delegation of such powers of various grades of officials. These powers are reviewed/revised, depending upon the Corporation's requirement.
(iii)	the procedure followed in the decision making process, including channels of supervision and accountability:	There is a defined system in the Corporation regarding decision-making process and decisions are taken by the delegated authority. There exists a well defined organizational structure. All credit decisions approved by competent sanctioning authority are circulated to all concerned. Administrative decisions are taken at various levels of Officers and also by Managing Director as per the powers delegated to them by the Board/Managing Director. The procedure followed for sanction, disbursement and recovery of loan is given at <b>Annexure-IV(a) to IV(c)</b> .
(iv)	the norms set by it for the discharge of its functions:	The policies and norms are duly approved by the Board of Directors of the Corporation and necessary instructions are issued by the

		Corporation to its various Departments in the Head Office and District Offices. Major norms set by the Corporation for the discharge of its functions is also given at its website from time to time.
(v)	the rules, regulations, instructions, manuals and records, held by it or under its control or used by its employees for discharging its functions:	1. State Financial Corporations Act 1951. 2. HPFC General Regulations 2004 (given at <b>Annexure-V</b> )
(vi)	a statement of the categories of documents that are held by it or under its control:	HPFC General Regulations, Staff Regulations, Payment of Gratuity to Employees Regulations, Provident Fund Regulations, Issue of Bonds Regulations and Expenditure Regulations, loan, recovery and documents files of all the loan cases. The documents obtained at the time of lending are preserved at Head Office of the Corporation. The Corporation maintains register of shareholders and record of proceedings of the Board meetings at its Head Office at Shimla.
(vii)	The particulars of any arrangement that exists for consultation with, or representation by, the members of the public in relation to the formulation of its policy or implementation thereof.	The Corporation's shareholders are H.P. State Govt, IDBI, LIC of India, PNB, Kangra Central Cooperative Bank Ltd., Safe Bank of India and private shareholders. The representatives of the shareholders are members on the Board of Corporation. The issues concerning the policies can be raised by the shareholders in the Annual General Meetings of the Corporation and by members in the Board meetings. The Corporation also publishes its Annual Report.
(viii)	a statement of the Boards, councils, Committees and other bodies consisting of two or more persons constituted as its part or for the purpose of its advice, and as to whether meetings of those boards, councils, committees and other bodies are open to the public, or the minutes of such meetings are accessible for	A statement of the Boards, Council, Committees and other bodies is given at <b>Annexure-VI</b> . The meetings are not open to the public and minutes are not accessible to public.

	public:	
(ix)	a directory of its officers and employees:	The detail of Officers and employees of the Corporation is given at <b>Annexure-VII</b> .
(x)	the monthly remuneration received by each of its Officers and employees, including the system of compensation as provided in its regulations:	The details of pay scales of Officers and staff of the Corporation are given at <b>Annexure-VIII</b> .
(xi)	the budget allocated to each of its agency, indicating the particulars of all plans, proposed expenditures and reports on disbursements made:-	There are no plans and budgets for expenditure of public money. The provision is not applicable to that extent to the Corporation
(xii)	the manner of execution of subsidy programmes, including the amounts allocated and the details of beneficiaries of such programmes:	<p>The Corporation does not have its own subsidy programmes. However, the Corporation is executing various subsidy programmes of HP Govt. and Central Govt. as detailed below: -</p> <ul style="list-style-type: none"> <li>i) Interest subsidy for tiny tourism unit.</li> <li>ii) Incentives to special category of entrepreneurs i.e. SC/ST/Women/Ex-serviceman/Physically Handicapped entrepreneurs for setting up of tiny and SSI units.</li> <li>iii) Technology Up-Gradation Funds Scheme for textile sector.</li> <li>iv) Interest subsidy scheme for Star Category Hotels.</li> </ul> <p>The brief particular of these subsidy schemes along with manners of its execution is given at <b>Annexure-IX</b>. The subsidy under these Schemes is released only if sanctioned and disbursed by the concerned authorities and the Corporation is not responsible for any claim on the account.</p>

(xiii)	particulars of recipients of concessions, permits or authorizations granted by it.	There is no programme in the Corporation for the grant of concessions, permits, authorization etc.
(xiv)	details in respect of the information, available to or held by it, reduced in an electronic form.	The information pertaining to HPFC is available on the website of the Corporation <a href="http://www.hpfc-hp@nic.in">www.hpfc-hp@nic.in</a> with requisite hyperlinks.
(xv)	the particulars of facilities available to citizens for obtaining information, including the working hours of a library or reading room, if maintained for public use:	The facilities for availing information are available to citizens at the Corporation's website. Public can also obtain additional information by contacting the Public Information Officer or Assistant Public Information Officer of the Corporation whose addresses are given at the Corporation's website. The Corporation does not maintain any library or reading room for public use.
(xvi)	the names, designation and other particulars of the Public information Officers:	<p><b><u>Public Information Officer:</u></b></p> <p>Shri B.D.Kashyap General Manager, H.P. Financial Corporation, New Himrus Building, Circular Road, Shimla-171001. (Phone No. 0177-2620104)</p> <p><b><u>Asstt.Public Information Officer:</u></b></p> <p>Shri S.D.Sharma, Asstt.General Manager H.P. Financial Corporation, New Himrus Building, Circular Road, Shimla-171 001. (Phone No. 0177-2624765)</p>
(xvii)	Such other information as may be prescribed and thereafter update these publications every year;	Additional information, if any, will be updated from time to time

## Annexure-I

- a) **Name of the Organization:** **HIMACHAL PRADESH FINANCIAL CORPORATION (HPFC)**

The HPFC was established on 1.4.1967 under the State Financial Corporations Act,1951 as a result of reorganization of Punjab Financial Corporation under the Punjab Re-organisation Act,1966. The Corporation operates through Head office and four Branch Offices as under:-

- b) **Location:**

- i) **Head Office:** **New Himrus Building, Circular Road Shimla-171001.**  
**Tel No. 2625109,2624765, 2624228, 2625940**  
**Gram: FINCORP**  
**FAX: 0177-2623027**  
**E-mail: [mdhpfh-hp@nic.in](mailto:mdhpfh-hp@nic.in) & [hpfc-hp@nic.in](mailto:hpfc-hp@nic.in)**

- ii) **Branch Offices:**

1. **Jharmajri(Baddi)** **HPFC Branch Office, Jharmajri, PO Barotiwala Distt. Solan (HP)**  
**Phone: 01795-200742,200743**
2. **Dharamshala** **HPFC Branch Office, Ram Nagar, Dharamshala, Distt. Kangra(HP)**  
**Phone: 01892- 224543**
3. **Mandi** **HPFC Branch Office, Palace Colony, Mandi(HP)**  
**Phone: 01905-225425**
4. **Nahan** **HPFC Branch Office, Near Leprosy Ward, Shimla Road, Nahan Distt. Sirmour (HP)**  
**Phone: 01702-222335**

### Functions & Duties:

1. The HPFC subject to the provisions of SFCs Act 1951 may carry on and transact any of the following kinds of business viz;
  - (a) Guaranteeing, on such terms and conditions as may be agreed upon-

- (i) Loans raised by industrial concerns which are repayable within a period not exceeding twenty years, and are floated in the public market;
  - (ii) Loans raised by industrial concerns from scheduled banks or State Co- operative banks or other financial institutions;
- (b) guaranteeing, on such terms and conditions as may be agreed upon, deferred payments due from any industrial concern in connection with its purchase of capital goods within India.
  - (c) undertaking of the issue of stock, shares, bonds or debentures by industrial concerns;
  - (d) transferring for consideration any instruments relating to loans and advances granted by its to industrial concerns.
  - (e) action as agent of the Central Government or the State Government or the Development Bank or the Small Industries Bank of the IFCI Limited formed and registered under the Companies Act, 1956, or any other financial institution notified in this behalf by the Central Government in respect of any matter connected with, or arising out of, the grant of loans or advances to an industrial concern, or subscription to debentures of an industrial concern or relating to the business of the Development Bank, Small Industries bank, IFCI Limited or financial institution;
  - (f) subscribing to, or purchasing of, the stock, shares, bonds or debentures of an industrial concern or any other concern;
  - (g) retaining as part of its assets any stock, shares, bonds or debentures which is may acquire by subscription or in fulfillment of its underwriting liabilities and disposing of the stock, shares, bonds or debentures so acquired;
  - (h) granting loans or advances to, or subscribing to debentures of, an industrial concern, repayable within a period not exceeding twenty years from the date on which they are granted or subscribed to, as the case may be;

**PROVIDED** that the Financial Corporation may, with the prior approval of the Small Industries Bank, exceed the said limit of twenty years upto a further period of ten years.

**PROVIDED FURTHER** that nothing contained in this clause shall be deemed to preclude the Financial Corporation from granting loans or advances to, or subscribing to debentures of, and industrial concern to which may be attached an option to convert such debentures or loans into stock or shares of the industrial concern if such concern increases its subscribed capital by the issue of further stock or shares in accordance with the subject to, the provisions of s.81 of the Companies Act, 1956.

Explanation; In this clause, the expression “ the amounts outstanding on such debentures or loans” shall mean the principal, interest and other charges payable on such debentures or loans as at the time when the amounts are sought to be converted into stock or shares.

- (i) accepting or discounting promissory notes and bills of exchange made, drawn, accepted or endorsed by industrial concerns or by any person selling capital goods manufactured by one industrial concern to another industrial concern.
- (j) Undertaking research and surveys for evaluating or dealing with marketing or investments or undertaking and carrying on techno-economic studies or other activities in connection with the development or any industry;

- (k) Providing technical and administrative assistance to any industrial concern or any person for the promotion, management or expansion of any industry.
- (l) Planning and assisting in the promotion and development of industries.
- (m) Providing consultancy and merchant banking services.
- (n) Acting as trustee for the holders of debentures or other securities.
- (o) Leasing, sub-leasing or giving on hire purchase of industrial plant, equipment, machinery or any other assets.
- (p) Factoring
- (q) Providing export related credit and services
- (r) Undertaking money market relative activities;
- (s) Setting up of mutual funds and undertaking assets management activity;
- (t) Promoting, forming or conducting or assisting in the promotion, formation, or conduct of companies, subsidiaries, societies, trusts or such other associations of persons as it may deem fit;
- (u) Opening or confirming or endorsing letters of credit and negotiating or collecting bills and other documents drawn thereunder;
- (v) Doing such other business as the Small industries Bank may authorize, and or generally the doing of such acts and things as may be incidental to or consequential upon, the exercise of its powers or the discharge of its duties under this Act.

The Financial Corporation may receive, in consideration of any of the services mentioned in sub-s (1), such commission, brokerage, interest remuneration or fees as may be agreed up on.

**Annexure-II**

**HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA**

**RESPECTIVE SANCTIONING AUTHORITIES/DELEGATION OF POWERS**

<b>S.No.</b>	<b>Nature of issue</b>	<b>Power delegation.</b>	<b>Authority</b>
1.	<b>Sanction of Industrial loan application</b>	Nil	
		Nil	
		Upto Rs.75 lacs	In House Committee under the Chairmanship of Managing Director consisting of following members:-  i) Managing Director ii) Chief Gen.Manager iii) All General Managers / Deputy General Managers at Headquarter  <b>Quorum</b> = Managing Director and 3 other members.
		Nil	Executive Committee not constituted.
		Above Rs.75 lacs	Board
2.	<b>Sanction of Transport Loans.</b>	Full Powers	Managing Director
		Full Powers	Chief General Manager/General Manager/Dy. General Manager
		Full powers	Chief General Manager/General Manager/Dy.General Manager/ Incharge Distt.Offices
3.	<b>Sanction of Bridge Loans</b>	Full powers	Managing Director.
4.	<b>Sanction of Loans for over-runs</b>	Subject to over-run not exceeding 25% of the original cost or Rs. 50 Lacs whichever is less.	Managing Director
5.	<b>Disbursement of</b>	Full power	Managing Director

	<b>Loans/other incentives/including transport loans.</b>		
		Upto Rs.20 Lacs  Provided there is no deviation from terms and conditions involved.	Chief General Manager
		Upto Rs.10 Lacs provided there is no deviation from terms and conditions involved.	General Manager/Dy.General Manager
6.	<b>Recall of Loans &amp; consequential action for recovery of loans (like take-over, filling of suits, issuance of recovery certificate under H.P. Public Moneys (Recovery of Dues Act.)</b>	Full Powers	Managing Director or any other Officer authorized by him.
7.	<b>Action for recovery of loans u/s 32-G of SFCs Act, 1951</b>	Full Powers	Chief General Manager/General Manager/Dy.General Manager Incharge
8.	<b>For creation of pari-passu charge</b>	Full powers	Managing Director
9	<b>For acceding 2<sup>nd</sup> charge for working capital</b>	Full Powers	Chief General Manager/General Manager/Dy. General Manager Incharge.

	<b>to Bank</b>		
10.	<b>Lump-Sum Settlements of</b> Term loans (as per guidelines approved by Board)  (a) As per guidelines approved by Board (b) Beyond guidelines approved by Board	Full Powers  Full Powers	Managing Director  Board on recommendation of DRC
11.	<u><b>Sale of Assets:</b></u> (a) For Loans (b) For loans	Above Rs. 50 lacs Upto Rs.50 lacs	Sale Committee Managing Director
12.	<b>Sanction of various types of advances to staff, like CPF Advance, House Building Advance, Warm Clothing Advance etc.</b>	Full Powers	Managing Director

### ANNEXURE.III

#### HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA.

##### DETAIL OF EMPLOYEES WORKING IN THE CORPORATION ALONGWITH THEIR POWERS & DUTIES.

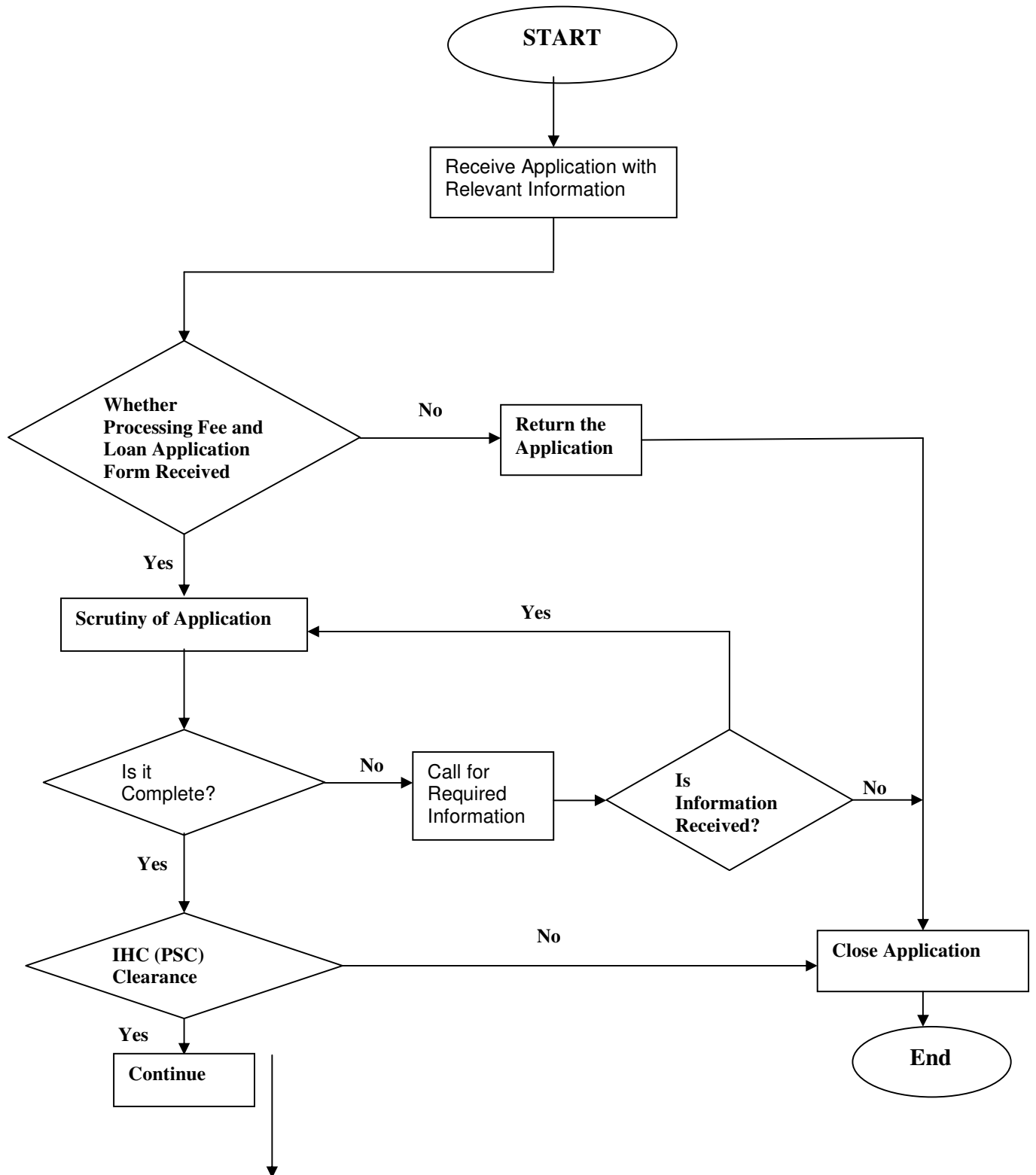
Sl. No	Name of the employee S/Shri	Designation	Duties and responsibilities
1.	B.D.Kashyap,	General Manager	Incharge Resource, Planning & Accounts Department & Project Finance & Monitoring Department (Unit-III) in r/o Distts. Mandi, Kullu, Bilaspur, Una, Hamirpur, Kangra, Chamba and Lahaul & Udaipur Sub divisions of Lahaul & Spiti District. <b>(Overall Incharge of Admn., Legal, Sale, Resource, Planning and Accounts Department)</b>
2.	V.P.Singh,	General Manager	Incharge of Project Finance & Monitoring Department (Unit-II) in r/o Distts.Solan & Kinnaur and Spiti Sub Division of Lahaul & Spiti District and Project Finance & Monitoring Department (Unit-I) in r/o Distts.Sirmaur & Shimla .
3.	K.R.Khanghta,	Dy.General Manager	Legal, NPA and Transport Deptt.
4.	Subhash Rana	Asstt. General Manager	Project Finance & Monitoring Deptt.(Units-I & II)
5.	S.D.Sharma,	Asstt.General Manager	Admn. Department
6.	Sarabjeet Singh,	Asstt.General Manager	Legal Department.
7.	K.K.Sharma	Manager(on secondment)	Internal Audit Department
8.	Mehar Singh,	Manager	Project Finance & Monitoring Deptt(Unit-III)
9.	Ramesh Chand,	Manager	Project Finance & Monitoring Deptt. (Unit-II)
10.	V.K.Gupta,	Manager	Resource,Planning & Accounts Department
11.	H.R.Negi,	Manager	Project Finance & Monitoring Deptt.(Unit-I)
12.	Bihari Lal	Manager	Project Finance & Monitoring Deptt.(Unit-II)
13.	Pitamber Dass,	Manager	DRT Chandigarh

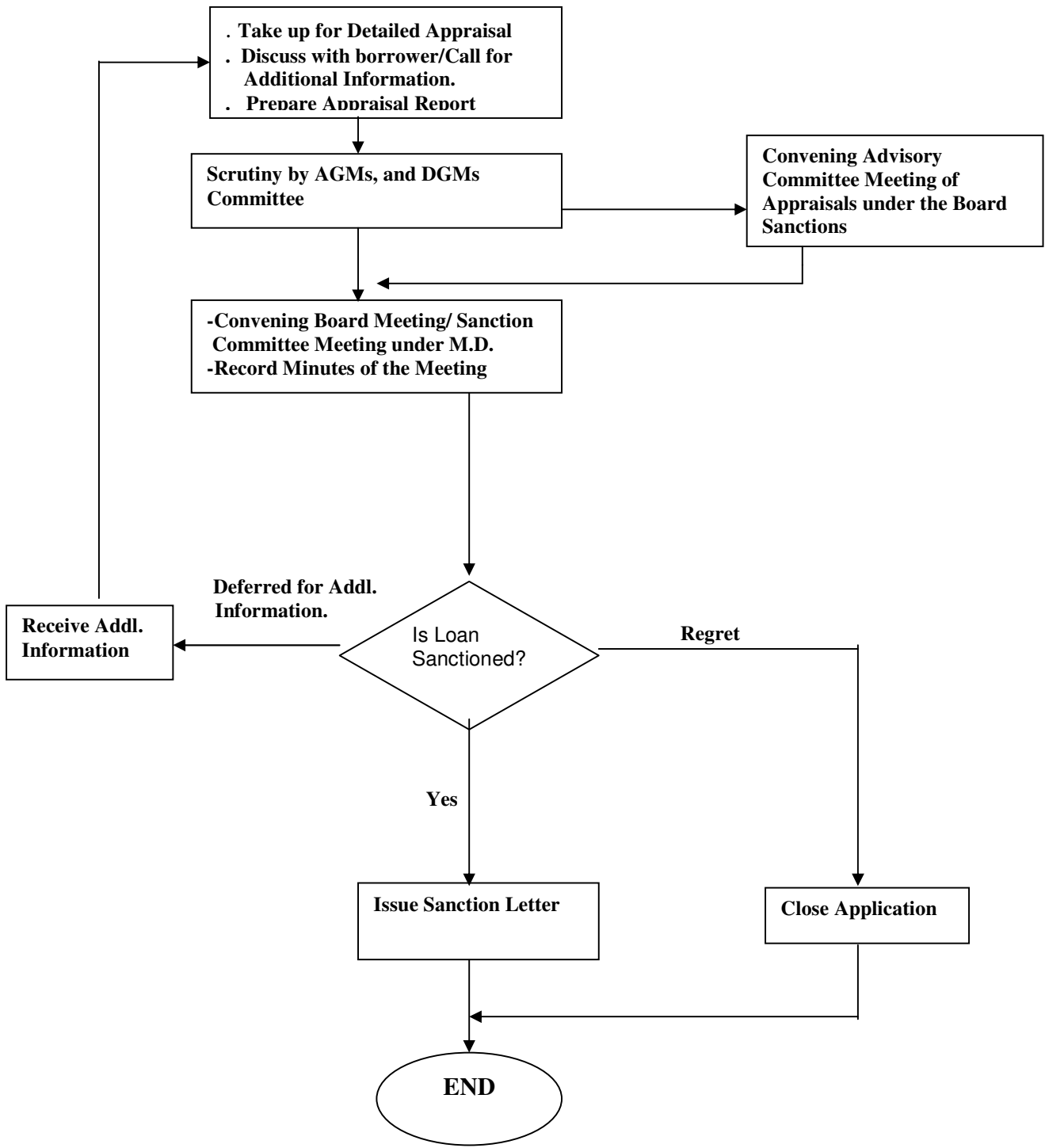
14.	Suresh Kumar	Manager	Internal Audit Deptt./RPA Deptt.
15.	P.C.Sharma	Tehsildar/Collector (Rev. Recovery)-on secondment	Revenue Recovery
16.	Rajeshwar Singh,	Deputy Manager	Legal Department
17.	Ashok Sharma,	Dy. Manager	Resource, Planning & Accounts Department
18.	Bhupender Singh	Dy.Manager	Admn. Department
19.	Suresh Chand,	Dy.Manager	Legal Department
20.	R.P.Sandhu	Dy. Manager.	Legal Department
21.	Ajay Jain	Asstt. Manager	Project Finance & Monitoring Department (Unit-II)
22.	Hari Singh,	Asstt. Manager	Project Finance & Monitoring Deptt.(Unit-I)
23.	Deep Shikha	Asstt.Manager.	Project Finance & Monitoring (Unit-III)
24.	R.L.Pal	Asstt.Manager	Account Department
25.	R.L.Sharma	Private Secretary	Attached with Managing Director
26.	T.C.Ranote	Private Secretary	Attached with MD/GM
27.	Smt.Lata Sood	Asstt._Manager	Project Finance & Monitoring Department(Unit-II)
28.	H.L.Verma	Asstt._Manager	Office Incharge, Branch Office Mandi
29.	M.S.Chatranta	Asstt. Manager	Sale & Transport Department.
30.	D.P.Mian	Asstt._Manager	Project Finance & Monitoring Deptt.(Unit-II).
31.	Khem Raj	Asstt. Manager	Project Finance & Monitoring Deptt.(Unit-III).
32.	Hem Raj	Asstt.Manager	Admn Department
33.	B.S. Jamalta	Junior Manager	Legal Department
34.	V.K.Jishtu,	Junior Manager	Project Finance & Monitoring Department (Unit-III)
35.	Vijay Kumar	Junior Manager	Legal Department
36.	B.S.Pal	Junior Manager	Project Finance & Monitoring Deptt.(Unit-I).
37.	Subeel Kumar	Sr.Asstt.Gr.-I	Legal Department
38.	Vinod Jhingta	Junior Manager	Revenue Recovery with Collector
39.	P.S.Khangta	Junior Manager	Resource, Planning & Accounts Department
40.	Subhash Chand	Sr.Assistant Gr.I	Project Finance & Monitoring Deptt.(Unit-I).
41.	Rakesh Kaul	Sr.Assistant Gr.I	Office Incharge, Branch Office,Jharmajri
42.	O.P.Rajta	Jr.Manager	On secondment with State Information Commission
43.	H.L.Chaudhary	Jr.Manager	Resource, Planning & Account

			Department
44.	Ranjeet Singh	Sr.Asstt. Gr.-I	Legal Department
45.	B.R.Sharma	Jr.Manager(Stenography)	Resource, Planning & Accounts Department
46.	Narinder Singh	Jr.Manager(Stenography)	Project Finance & Monitoring Deptt.(Unit-II).
47.	Ashok Sharma	Jr.Manager (Stenography)	Legal Department
48.	Yashwant Singh	Sr.Asstt. Gr.I	Resource, Planning & Accounts Department
49.	Kanwar Singh	Sr.Asstt Gr.I	Admn.Department
50.	B.L.Bhardwaj	Sr. Asstt(Legal) Gr.I	Legal Department
51.	Dharma Nand	Sr. Asstt.	Project Finance & Monitoring Deptt.(Unit-III).
52.	N.L. Kashyap	Sr.Asstt Gr.I	Resource, Planning & Accounts Department
53.	Devi Bali	Sr.Asstt	Resource, Planning & Accounts Department
54.	Ramesh Chand	Sr.Asstt	Resource, Planning & Accounts Department
55.	Lajwanti Aukta	Sr. Asstt.	On secondment with HP Power Transmission Corpn. Ltd.
56.	Piara Singh	Sr. Asstt.	Admn.Department
57.	Smt.Sushma Devi	Sr.Asstt	Admn Deptt(Reception & Dak Diary)
58.	Jaswant Ram	Jr.Asstt.	Admn Deptt.(Dispatch)
59.	Smt.Kanta Devi	Clerk	Sale & Transport Deptt.
60.	MahinderKumar	Jr.Manager	Office Incharge, Branch Office Nahan
61.	Krishna Vaidya	Jr.Manager	On secondment with DRDA Mandi
62.	Khurminder Singh	Sr.Asstt.	DRT Chandigarh
63.	Narain Singh	Sr.Steno Gr.-I	Legal,Sale & Transport Deptt.
64.	Karnail Singh.	Driver-cum-Driver	Head office Shimla
65.	Muneer Deen.	Driver-cum-Driver	Head Office Shimla
66.	Sukh Dev.	Driver-cum-Driver	Head office Shimla
67.	Mangat Ram	Driver-cum-Driver	Head Office,Shimla.
68.	Sher Singh.	Daftri-cum-Gest.Optr.	Head Office Shimla
69.	Bihari Lal	Daftri-cum-Gest.Optr.	Head office Shimla
70.	Hari Chand	Jamadar/Caretaker	Head Office Shimla
71.	Kapoor Chand	Peon/Chowkidar	Head office Shimla
72.	Narain Dutt	Peon/Chowkidar	Head Office Shimla
73.	Partap Chand	Peon/Chowkidar	Branch Office D/Shala
74.	Om Parkash-I	Peon/Chowkidar	Head office Shimla
75.	Krishan Singh	Peon/Chowkidar	Head office Shimla
76.	Vishwa Nath	Peon/Chowkidar	Head Office Shimla
77.	Smt.Asha Devi	Peon/Chowkidar	Branch Office Jharmajri

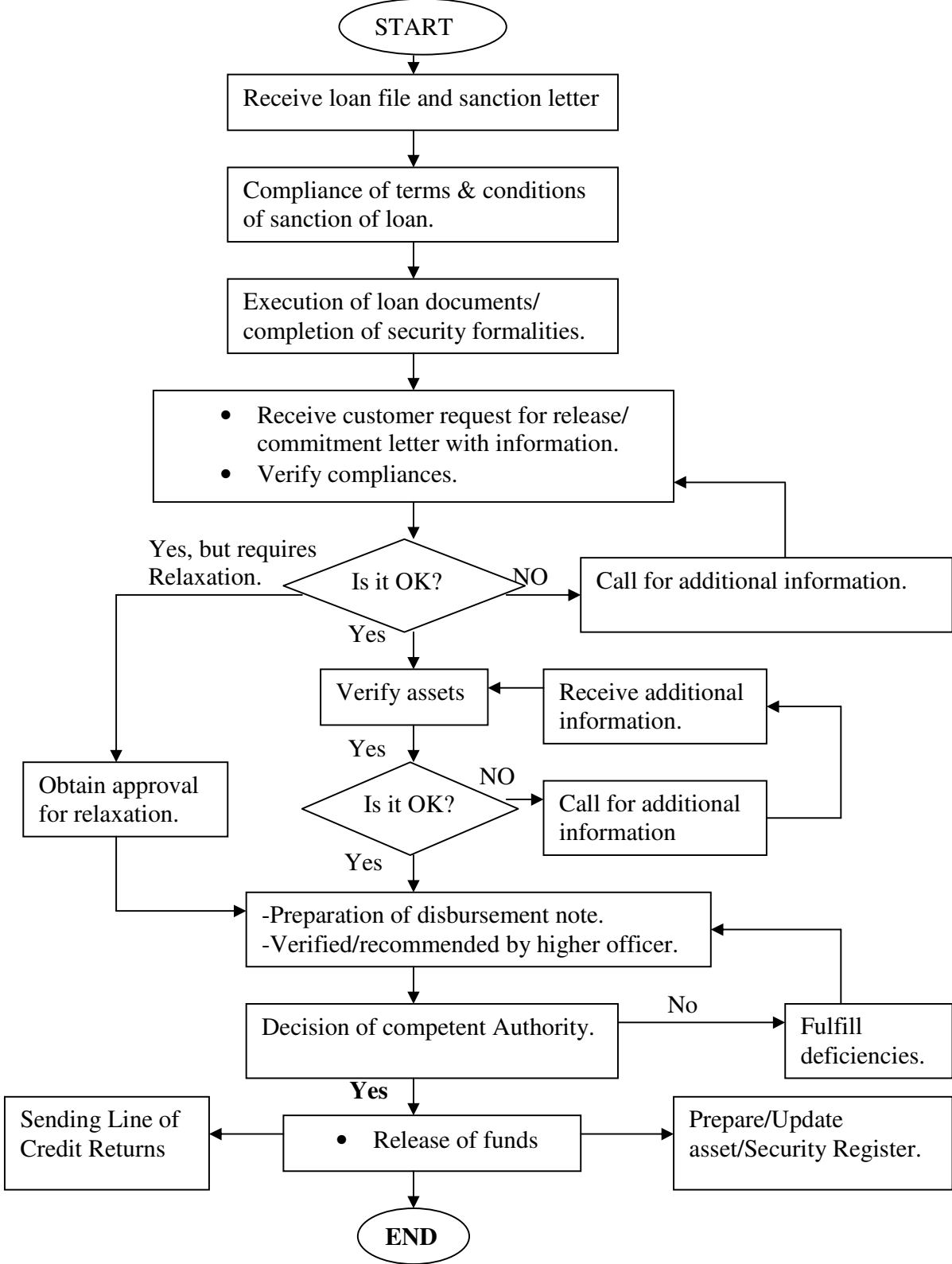
78.	Krishan Dutt	Peon/Chowkidar	On secondment with D.C. Office,Nahan
79.	Yash Pal	Peon/Chowkidar	Head Office,Shimla.
80.	Om Parkash-II	Peon/Chowkidar	Head Office Shimla
81.	Irshad Ahmed	Peon/Chowkidar	On secondment with D.C. Office Lahaul & Spiti.
82.	Sukhbir	Sweeper	Head Office Shimla
83.	Gurdev Singh	Peon/Chowkidar	On secondment with DC Office ,Kangra
84.	Kushal Kumar	Peon/Chowkidar	Head Office,Shimla.
85.	Chuni Lal	Peon/Chowkidar	Branch Office,Mandi
86.	Dharam Pal	Peon/Chowkidar	On secondment With H.P.Power Transmission Corpn.Ltd.
87.	Smt.Radha Devi	Peon/Chowkidar (on contract basis)	Admn/PFM Departments (Unit-3)
88.	Sh.Jai Singh	Peon/Chowkidar (on contract basis)	Resource, Planning & Account Department.

**PROCESS FLOW CHART FOR SANCTION OF LOAN.    Annexure-IV(a)**

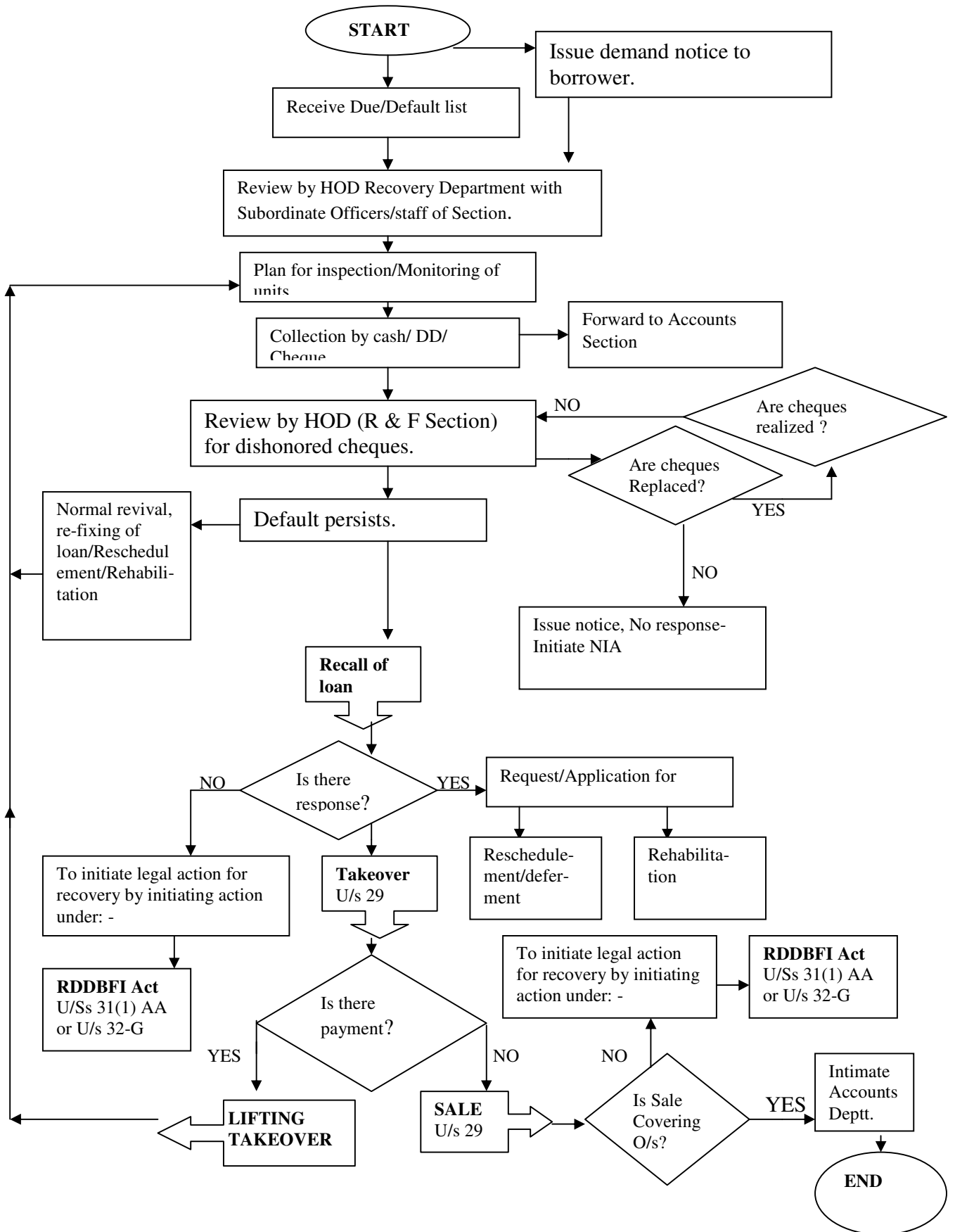




**PROCESS FLOW CHART FOR DISBURSEMENT OF LOAN**



**PROCESS FLOW CHART FOR RECOVERY OF LOANS. Annexure-IV(c)**



## Annexure-V

### HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA.

#### HIMACHAL PRADESH FINANCIAL CORPORATION GENERAL REGULATIONS – 2004

In exercise of the powers conferred by Section 48 of the State Financial Corporations Act, 1951 (LXIII of 1951), and in supersession of the Punjab Financial Corporation General Regulations, mutatis mutandis applicable to Himachal Pradesh Financial Corporation except as respect things done or omitted to be done before such supersession, the Board of Directors of the Himachal Pradesh Financial Corporation, after consultation with the Small Industries Development Bank of India and with the previous sanction of the Government of Himachal Pradesh has made the following Regulations, namely:-

#### CHAPTER-I

#### INTRODUCTORY

##### **1. Short Title and Commencement:**

- (i) These Regulations may be called Himachal Pradesh Financial Corporation General Regulations, 2004.
- (ii) These Regulations shall come into force from the date of publication 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 Himachal Pradesh Financial Corporation.
- (c) "Development Bank" means the Industrial Development Bank of India, established under the Industrial Development Bank of India Act, 1964;
- (d) "Small Industries Bank" means the Small Industries Development Bank of India, established under Sub-section (1) of Section 3 of the Small Industries Development Bank of India Act, 1989;
- (e) "Form" means a form appended to these Regulations;
- (f) "In writing" or "Written" includes Printing, Lithography and other modes of representing or reproducing words in a visible form;
- (g) "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 of the State Financial Corporations Act, 1951;
- (h) "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;
- (i) "Section" means a section of the Act;

- (j) 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. Shares - Movable Property:**

The shares of the Corporation shall be movable property.

#### **4. Control over Shares: -**

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

#### **5. Parties who may not be registered as Shareholders:**

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

#### **6. Joint Holding of Shares:**

- (i). Except in the case of individuals, the Corporation shall not recognize the joint holding of shares.
- (ii). In the case of firms, shares to be registered not in the name of firms but only in the names of the individual partners of the firms. The total number of joint holder shall not exceed three.

#### **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 and subject to the provisions of Information Technology Act, 2000 and the Rules made thereunder, in the format enclosed as at Annexure "A".
- (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 decision of the Board as to whether or not a person is entitled to be registered as a shareholder in respect of any share shall be final.
- (iii) A separate ledger shall be maintained in the share register for each class of shareholders referred to in Section-4 and 4A .
- (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 purpose 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 owner maintained by a depository under Section 11 of the Depository Act, 1996 shall be deemed to be a 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 any part thereof on prepayment therefor at such rate as may be decided by the Managing Director for every hundred words or fractional part thereof required to be copied.
- (iii). Notwithstanding anything contained in clause (ii), any officer of the Government or the Small Industries Development 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, by giving 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 at any one time) as shall, in its opinion, be necessary.

## **12. Share Certificates:**

- (i) Every share certificate shall be issued in the format enclosed as 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) A signature so printed, engraved, lithographed or otherwise impressed shall be as valid as a signature in the proper handwriting of the signatory himself.
- (iv) 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, of the Act 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.
- (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 therefor signed by any one of the joint holders shall effectively bind all the joint holders.

## **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 atleast once in any Newspaper circulating in the State of Himachal Pradesh 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 all the expenses incidental to the advertisement and investigation of evidence of loss or destruction and the preparation of requisite form of indemnity as aforesaid.
- (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.

## **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.
- (ii) The instrument of transfer of shares, duly stamped and signed by the transferor and transferee or by any persons duly authorized to do so on their behalf shall be submitted to the Board together with the relative share certificate(s), 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-regulation (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 in the event of death, Insolvency etc of a shareholder/debenture holder; -**

- (i) The executors or administrators of a deceased sole holder of the shares/debentures or the holder of a Succession Certificate issued under Part X of the Indian Succession Act, 1925, in respect of such shares/debentures or a person, in whose favour a valid instrument of transfer of such shares/ debentures was executed by such a person or by the deceased share holder during the latter's life time, shall be the only person who may be recognized by the Corporation as having any title to the shares/debentures.
- (ii) In the case of the shares/debentures 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 or a person in whose favour a valid instrument of transfer of shares/debenture was executed by such persons and such last survivor during the latter's life time, shall be the only person who may be recognized by the Corporation as having any title to such shares/debentures.
- (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 any 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 indemnify or otherwise as the Board may think fit.
- (iv) Any such person becoming entitled to shares in consequence of the 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 in respect of the shares/debentures upon his satisfying the Board in the same manner as if he were the proposed transferee under clause (ii) of Regulation 17 that he is qualified to be a shareholder/debenture holder, or
- (b) to make such transfer of the shares/debentures as the person from whom he derives his 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 instalment.

#### **19. Calls on date from resolution:**

A call shall be deemed to have been made at the time when 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 distance of their residence 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 instalments as calls:**

If by the terms of issue of any share or otherwise any amount is payable at any fixed time or by instalments at fixed time, every such amount or instalment shall be payable as if it were a call duly made by the Board and of which due notice had been given and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly..

**24. When interest on call or instalment payable:**

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

**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 instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a 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 instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been paid or incurred by the 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 instalment 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 instalment is payable will be liable to be forfeited.

**28. In default of payment, shares to be forfeited:**

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

**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, reallocated 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 annul 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, annul 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, instalments, interest, expenses and other amounts 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 amounts due in respect of any shares nor any payment of 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 shareholder 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 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, 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 shares 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, reallocation or other disposition thereof and the person to whom such share is sold, reallocated or disposed of may be registered as the holder of the share and shall not be bound to see to 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, reallocation 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 nor to exercise any of the rights of a shareholder otherwise than for the purpose of the sale of such shares, and the corporation shall make an entry in the share register to that effect.
- (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 nor 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 notice or document to share holders:**

- (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 the 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 Regd. Post with or without acknowledgment 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 in Himachal Pradesh 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**

**MEETINGS OF SHAREHOLDERS OR ANY CLASS OF SHAREHOLDERS**

**42. Chairman of Meeting: In chapter 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 State 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. Without prejudice to the aforesaid provision, the date and time of the Annual General Meeting shall be fixed by the Board and such a meeting shall be convened under the direction of the Board by the Managing Director or any other officer of the Corporation authorized by the Board in this behalf.

**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) When it is necessary to hold a general meeting (other than the Annual General Meeting) for any purpose, such meeting shall be convened under the directions of the Board by the Managing Director or in his absence by any other Officer of the Corporation authorized by the Board in this behalf.

**45. Notice convening a General Meeting:**

- (i) A notice convening a General Meeting signed by the Managing Director, or any other Officer of the Corporation so authorized, 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 atleast twenty one clear days before the meeting one in English Newspaper and one in Hindi Newspaper circulating in State of Himachal Pradesh 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 & Loss Account and the Balance Sheet for the year ending the 31<sup>st</sup> March 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 & proposals for declaration of dividend and capitalization of reserves;
- (b). To consider appointment of Auditor and
- (c) To discuss any other matter to be transacted at the Annual General Meeting in terms of sub Section (3) of Section 36 of the State Financial Corporations Act, 1951.

- (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 the other share holders holding shares carrying in the aggregate not less than 20% of the total voting rights of all the share holders or a class of the share holders as the case may be. Such notice shall take the form of a definite resolution to be put up 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 atleast 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 and if at such adjourned meeting, a quorum is not present, the share holders who are present in person or by proxy or by duly authorized representative shall form a 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 31<sup>st</sup> 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, the Managing Director or 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 meeting:**

- (i) All directors and all shareholders 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 general meeting.

Provided that if a General Meeting relates to a class of share holders, only the shareholders of that class shall be entitled to attend that meeting.

- (ii) A share holder being one of the parties mentioned in clauses (c) or (d) of sub- section (3) of section 4 of the Act , 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 registered address
  - b) the distinctive numbers of his shares
  - c) the class of share holders 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 clause (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 be taken by the chairman of the meeting of his own motion, or shall be ordered to be taken by him on a demand made in that behalf by any shareholder or shareholders present in person or by proxy or by duly authorized representative and holding shares in the Corporation which confer a power to vote on the resolution by at least five share holders.
- (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 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 thereat, 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 Director 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, of the Act, 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 list shall be available for purchase atleast 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 of the Act;
  - b) he is proposed by or on behalf of at least two shareholders entitled to elect directors under clause (e) of section 10 of the Act;
  - c) he 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 of the Act.
- (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 one in English newspaper and one in Hindi newspaper circulating in the State of Himachal Pradesh.

- (ii) A Director elected to fill an existing vacancy shall be deemed to have assumed office from the date of 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/consensus among themselves nominate two directors to represent them under clause (d) of section 10. The Managing Director shall have the right to designate any of the parties mentioned in clause © to initiate the process of mutual agreement/consensus and send names of two Directors so nominated.
- (ii) Alternatively the parties mentioned above shall designate by mutual agreement two parties among from themselves one to represent the public sector banks and the other to represent the others to coordinate such nomination.
- (iii) The Corporation shall make a formal request to the above coordinating/designated institutions accordingly as and when a vacancy arises in the post of the above two Directors.

## **CHAPTER V**

### **57. Removal of Director from Office under sub-section (2) of 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 fix up a date for holding a general meeting and business to be transacted thereat.
  - 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 clause (d) of the Corporation state the brief facts of the representation having been made or
    - (b) send a copy of the representation to shareholder under clause (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 under clause (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.
    - (d) The vacancy created by the removal of Director under the above Regulation be filled in by the appointment of another Director in his place in the meeting at which he is removed provided a special notice of intended appointment has been given.
    - (e) 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) of the Act and in that event the provisions of Chapters IV and Chapter V of these

Regulations shall mutatis mutandis apply to the special general meeting to be convened and to the election to be held as above.

#### **58. 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 may within seven days of the date of the declaration of the result of 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 he doubts or disputes the validity of such election.
- (ii) On receipt of an intimation under (i), the chairman shall forthwith refer such doubt or dispute for the decision of a Committee consisting or himself and any two of the Directors nominated under clauses (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.

### **CHAPTER-VI**

#### **MEETINGS OF THE BOARD AND THE EXECUTIVE COMMITTEE**

#### **59. Meetings of the Board:**

- (i). A meeting of the Board shall be held atleast once during each quarter and shall be convened by the Managing Director in accordance with the instructions, if any, of the Board.
- (ii). Any three Directors may request 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). Meetings of the Board shall be held at the place where the Head Office of the Corporation is situate, 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 for the time being 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). In the event of there being a casual vacancy or otherwise in the office of the Chairman which cannot be filled before the date on which a meeting of the Board may have to be called, the Directors present at the meeting may elect a Director from amongst themselves to preside over the meeting.
- (viii). 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.
- (ix). 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.

#### **60. Meetings of the Executive Committee:**

- (i). The Executive Committee 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 thereunder.
- (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.

**61. 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 clauses (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 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, take any part in the discussion of, or vote on, any contract or arrangement entered into or to be entered into by or on behalf of the 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;

## **62. Fee for Directors' Meetings:**

(1). Each Director (other than the Managing Director and an employee of the State Government or any employee of the Corporation) shall receive fee for attending a meeting of the Board or the Executive Committee as may be decided by the Board of Directors from time to time.

(2). In addition, each Director attending a meeting of the Board or of the Executive Committee shall be reimbursed his travelling and halting expenses, if any, on such scale, 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 latter scales.

## **63. Appointment of Committees:**

- (i) They 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, 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 or 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 and 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 Sec.21 as if they were the meetings of the Executive Committee.

## **64. Resolution without meeting valid:**

- (i). A resolution in writing circulated 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 as if it had been passed at a duly called and constituted meeting of 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-forming majority.

- (ii). Nothing 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.**

#### **65. Instruments evidencing the 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 of the Act shall be in the form specified by the Executive Committee and no material alteration shall be made in the form as prescribed without the approval of the Executive Committee. The Executive Committee 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 Executive Committee.

#### **66. 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 Government, the Small Industries Bank from time to time.

#### **67. Instruments evidencing security to contain stipulation for requiring additional security in the event of fall in value of assets:**

In the instruments evidencing the security taken by the Corporation, there shall be a stipulation that in the event of a fall occurring in the value of the assets pledged, mortgaged, hypothecated, or assigned to the Corporation, the industrial concern obtaining accommodation from it may be required to furnish such additional security as may be considered reasonable by the Executive Committee.

## CHAPTER VIII

### GENERAL PROVISIONS

**68. 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.

**69. 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.

**70. Delegation of Powers:**

- (i) Without prejudice to the powers conferred under the Act or these Regulations, the Board may, if deems expedient authorise the Executive Committee or a Committee appointed under section 21 or the Managing Director to decide on delegation. 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 of 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-Regulations (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 of 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 other 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.

(iii) 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.

**71 Remuneration to Members of Committees for Extra Services Rendered:**

Members of a Committee appointed by the Board under Section 21 may be paid, for special assignments undertaken for or extra services rendered to the Corporation in addition to the fees for attending meeting 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/Managing Director from time to time.

**72. Remuneration to Directors, Officers and Others:**

Any person, or Officer 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.

**73. 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.

**74. 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 sections 21 or the Managing Director who have been delegated the necessary powers by the Board in this behalf may, by notification in the Himachal Pradesh Government Gazette, authorize in this behalf, may sign any contract of any description whatsoever, issue, execute, endorse and transfer promissory notice, 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.

**75. Plaints, etc., by whom to be signed:**

Plaints, 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:

**76. 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 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 including 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.

**77. Issue of Bonds and Debentures:**

- (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 and instruction and guidelines if and as may be prescribed by the State Government and/or Small Industries Bank, 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.
- (iv). 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.

**78. 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 74.

**79. Accounts:**

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

**80. Annual Statements of Accounts:**

The Corporation shall prepare the balance sheet as at 31st March of every year and profit & loss account for the year ending on that day in the form enclosed to as at Annexure 'C' and Annexure 'D' or in the form as may be specified from time to time by State Government, Reserve Bank or Small Industries Bank or the Board in consultation with Small Industries Bank.

**81. 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.

**82. 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.
- (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 amounts due or owing by him to the Corporation in respect of such shares have been paid.
- (vii). Dividend remaining unpaid or unclaimed for a period of three years from the date of declaration shall be transferred to the Special Reserve Fund established under section 35A(1).

### **83. Accrual of Dividend: -**

Dividend will accrue and be payable from 1<sup>st</sup> April 1967 and no shareholder shall have any right to claim dividend for any period prior to that date.

### **84. Allotment of Shares:**

- (i) Subject to the provisions of Section 4, the allotment of shares shall be made to shareholders of the Corporation.
- (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 it is practicable, the Board shall make full allotments in respect of applications upto 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.
- (vi) 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.

### **85. Issue and Allotment of Fresh Capital-**

- (i) Issue and allotment of fresh capital shall be made in such manner as may be decided by the Board.
- (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 thereunder or any other Law;
  - (b) The allotment of the shares in the opinion of the Board, is prejudicial to the interests of the Financial Corporation or to the public interest:-
  - (c) The allotment of shares is prohibited by an order of account, tribunal or any other authority under any law for the time being in force.

### **86. 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 prescribed by the State Government and/or the Small Industries Bank and as may be adopted by the Board from time to time.

### **87. Temporary Investments 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 be guided by the guidelines and the prudential norms.

### **88. 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 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.

### **89. 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.

**ANNEXURE-A**

**SHARE HOLDER**

Name of Shareholder..... Clause of Sub-section(3) .....Date when entered as.....  
 Of section 4 under which Shareholder i.e. of

Regd. Office or.....Qualified. allotment approval of.....  
 Postal Address.....Class as per General..... transfer etc.

.....Regulation 7(vii)

Change of Address.....  
 Date on which.....  
 .....cease to be  
 Shareholder

<b>SHARES ACQUIRED</b>							
Date	Entry No. in Allotment Or Transfer Register	How Acqu- Ired	From whom acqu- ired(except in case of 1 <sup>st</sup> allotment)	Ledg. from which Trans.	Denoting Nos. ----- From To	No.	Entry No. in Trans. Reg.

**SHARES TRANSFERRED**

To whom Transferred	Ledg.to which trans.	<u>Denoting Nos.</u> From To	No.
---------------------	----------------------	---------------------------------	-----

**BALANCE OF SHARES HELD**

<u>Denoting Nos.</u> From To	No	Face Value	Initial	Remarks
---------------------------------	----	------------	---------	---------



-----  
No.of Transfer..... Dated.....20...

-----  
No.of Transfer..... Dated.....20.....

Transferred to.....  
.....  
.....

Transferred to.....  
.....  
.....

Ledger.....

Ledger.....

Secretary.

Secretary

-----  
ANNEXURE-“C”

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH,

Capital and Liabilities	Amount	Total	Previous year	Property and Assets	Amount	Total	Previous Year
1	2	3	4	5	6	7	8

1. CAPITAL :

1.CASH AND BANK

BALANCE:

Authorised  
Shares or Rs. 100 Each  
Issued  
Shares of Rs. 100 each

(a) Cash in hand  
(b) Balance with Banks  
U/s 33(2) of State Financial  
Corporations Act,1951

Subscribed and paid –up

(i) Reserve Bank of India  
(ii) Scheduled Banks in  
Current Accounts  
in Short Term  
Deposits  
(iii) State Co-operative  
Banks in Short  
Terms Deposits

(i) Share of Rs.100  
each fully paid  
up u/s 6(1) of State  
Financial Corporations  
Act,1951  
As amended in State  
Financial Corporations  
(Amendment) Act.2000

© Postage Stamps in  
Hand

(ii) Shares of Rs.100  
each fully paid up  
U/s 6(1) of State  
Financial Corporations  
Act,1951 As amended  
In State Financial  
Corporations  
(Amendment)  
Act,2000.

2. INVESTMENTS:

Government Securities  
(i) Central Government  
(ii) State Government

(iii) Shares of Rs.100  
each fully paid up  
u/s 6(1) of State  
Financial Corporations  
Act,1951  
As amended in State  
Financial Corporation  
(Amendment) Act,2000

3. LOANS AND ADVANCES:

(As per Schedule ‘A’)

(i) Direct Loans  
(ii) Bridge Loans  
(iii) Soft Loan from Special  
share capital

(iv) Shares of Rs.100  
each fully paid up  
(u/s 4A of State  
Financial Corporations  
Act,1951)  
Share Application money.

(iv) Seed Capital Loans under  
Semfex Scheme  
(v) National Equity Fund  
(vi) Deferred Payments

4. DEBENTURES SUBSCRIBED

2. RESERVE FUND AND

5. GUARANTEES &

OTHER RESERVES :	UNDERWRITING AGREEMENTS:
(i) Reserve Fund U/s 35	(i) Guaranteed U/s 25 as per contra
(ii) Reserve for Bad & Doubtful Debts	(ii) Underwriting Agreements U/s 25 as per contra
(iii) Other5 Reserves	
(a) Special Reserve Fund U/s. 36 (i) (viii) of L.T.Act,1961	
(b) Special Reserve Fund U/s 35 A	(i) Acquired under- writing agreement u/s 25(i)©(Un-quoted).
3. BONDS AND DEBENTURES: DEBENTURES: (Statement No.6B). (Guaranteed by the State Government U/s 7-Rs.)	
4. FIXED DEPOSIT U/S 8	
	6. DEBENTURES, SHARES ETC.
TOTAL CARRIED OVER	TOTAL CARRIED OVER
TOTAL BROUGHT OVER	TOTAL BROUGHT OVER
5. BORROWINGS U/S 7	
(i) From IDBI/SIDBI holding for I.D.B.I./ S.I.D.B.I. in trust the Offered by the Corporation's Co-nstituents against loans Advanced to them by the Corporation.	(ii) Acquired U/s 25 (i) (da)
(a) I.D.B.I.	
(b) S.D.B.I.	
(ii) From R.B.I. Secured by a Bond Issued by the Corporation U/s 7(2)(b) Guaranteed by the State Government.	7. PREMISES, LAND AND BUILDING LEASE HOLD, RESIDENTAIL STAFF FLATS Cost upto last balance sheet Additions during the year
6. GUARANTIES & UNDERWRITING AGREEMENTS:	Less : Depriciation written off upto last Balance Sheet
(i) Guaranteed U/s 25 as per contra	Add : For the year
(ii) Underwriting Agreement U/s 25 as per contra	8. MOTOR VEHICLE FURNITURE AND FIXTURES ETC. Cost upto last Balance Sheet
7. SUBVENTION PAID BY THE STATE GOVERNMENT ON ACCOUNT OF DIVIDEND (SEC. 6 READ WITH SEC. 35)	Additions during the year
8. OTHER LIABILITIES:	Less: Sales/Adjustment during the year
(i) State Government funds- Scheme for assistance to Educated un-employed	Less: Adjusted during the year
(ii) Bills payable Account	Less: For the year
(iii) Borrower's Imprest	
(iv) Staff Provident Fund (Net)	9. DIVIDEND

- (v) Un-claimed Dividend
- (vi) Amount realised from DICGC
- (vii) Earnest Money Account
- (viii) Earnest Money payable to S.I.D.B.I.
- (ix) Central Government Subsidy

TOTAL CARRIED OVER

TOTAL BROUGHT OVER

- (x) State Government interest Subsidy Claims

9. PROVISIONS

FOR TAXATION:

Balance as per Last Balance Sheet

Add: Provided during the year

Less: Adjusted during the year

Less: Advance Tax paid during Earlier years

Add: Advance tax paid for the Year Balance as per contra

10. PROVISION FOR NON-PERFORMING ADVANCES:

Balance as per last Balance Sheet Additions during the year

11. PROFIT AND LOSS ACCOUNT:

GRAND TOTAL

DEFICIT ACCOUNT

10. OTHER ASSETS:

- (i) Advance to Staff
  - (a) House Building
  - (b) Festival
  - © Conveyance

TOTAL CARRIED OVER

TOTAL BROUGHT OVER

- (d) Warm Clothing
- (e) Traveling
- (f) General
- (ii) Other Advances
- (iii) Receivable From State Government (Gratuity Account)
- (iv) Interest (Suspense) on Loans and Advances recoverable
- (v) State Government Subsidy
- (vi) Advance to H.P. Housing Board

- (vii) Investment Deposit A/c. Deposit with IDBI U/s 32 AB of I.T. Act 1961

11. PROVISION FOR TAXATION AS PER CONTRA

12. ADVANCE INTEREST TAX

Balance as per last Balance Sheet

- Add: (i) NPA's during the year
- (ii) Net loss as per Profit & Loss Account

GRAND TOTAL

Annexure to our Report of date For

Chartered Accounts,

Place:

Date : Managing Director .....Director

Partner

ANNEXURE- 'D'

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH,

EXPENDITURE	Amount	Total	Previous	INCOME	Amount	Total	Previous
			Year				year
1	2	3	4	5	6	7	8

- To Interest on Deposits Bonds & debentures and borrowings
- To Salary & Allowances
  - (a) Managing Director (including Medical Charges Rs. Previous year Rs. )
  - (b) Other (including Medical charges

- By Interest on
  - (a) Loans & Advances
  - (b) Investments & Deposits
  - © Advances to Staff
- By Commission
- By Rent

	Rs. Previous year Rs. )	By Profit on Sale of Investments
To	Travelling & Other Allowances (a) Managing Director (b) Others	By profit on sale of or Dealing with other Assets (a) Profit from Sale of Acquired Assets (b) Profit from sale of Other Assets
To	Directors and Committee Members Fee	By Other Income (a) Miscellaneous Income  (b) Processing Fees (Loans)
To	Directors and Committee Members Traveling And Other Allowances	© Sale of Application Forms
To	Contribution to Staff Provident Fund	
To	Rent, Rates, Taxes, Lighting and Insurance etc.	By Net loss carried to Balance Sheet
To	Postage, Telegram, Telephones & Stamps Etc.	
To	Printing & Stationery	
To	Publicity & Advertisement	
To	Repairs & Renewals	
To	Bank Charges & Commission	
To	Audit Charges (including Rs. From C.P.F. Rs. For Income Tax)	
To	Law Charges	
To	Depreciation	
To	Brokerage Commission And Stamp Duty on Bonds	

TOTAL CARRIED  
COVER

TOTAL CARRIED  
OVER

TOTAL BROUGHT  
OVER

To	Other Expenses (a) Books and News- Papers (b) Entertainment © Miscellaneous (d) Winter Heating Expenses (e) Guarantee Fees (f) Vehicle Running and Maintenance (g) Staff Training & Recruitment Expenses (h) Staff Welfare (in- cluding Rs. Group Insurance Premium Previous year Rs.
----	---

(i) Meeting Expenses  
(j) Fees and Subscription  
To Bad debts Written off  
To Loss on Sale of Investments  
To Loss on Sale of or Dealing  
With other Assets  
(a) Loss on sale of Acquired Assets  
(b) Loss on sale of Assets  
To Interest Tax paid  
  
To Net Profit Carried to  
Balance Sheet  
(Subject to Taxation  
& Other provisions)

NOTES ON ACCOUNTS  
AS PER SCHEDULE "B"

GRAND TOTAL

GRAND TOTAL

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PLACE:  
Date:

Managing Director

Director

Annexure to our report of date  
for  
Chartered Accountants.

SCHEDULE-"A"

SCHEDULE SHOWING PARTICULARS OF LOANS AND ADVANCES REFERRED TO IN THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH,200.....

	This Year 1	Previous Year 2		This Year 3	Previous Year 4
<p><b>I. PARTICULARS OF LOANS AND ADVANCES</b></p> <p>(a) Debts considered good in respect of which the Corporation is fully Secured.</p> <p>(b) Debts previously fully secured but now secured ..... to the extent of Rs. Balance as per Balance Sheet (Principal &amp; Other charges of Rs. Debited to parties) ..... ..</p> <p>.....</p> <p>As Members.</p> <p>(d) Total amount of Loans disbursed during the year to concerns in which one or more directors of the Corporation are interested as Director-Partners, Proprietors, Share-holders or Managing Agents or in the case Of Private Companies As Members.</p> <p>(e) (i) Total amount of instalments whether of Principal or Interest of which default were made at any time during the year.</p> <p>(ii) Total amount of instalments whether of Principal or</p>			<p><b>II. CLASSIFICATION OF LOANS &amp; ADVANCES ACCORDING TO THE SIZE OF INDUSTRIAL UNITS :</b></p> <p>(i) Debts due from small Industrial concerns</p> <p>(ii) Debts due from concerns other than those Including in (i) above ..... ..</p> <p>Balance as per Balance Sheet ..... ..</p> <p><b>III. ACCORDING TO THE CONSTITUTION OF THE INDUSTRIAL UNITS :</b></p> <p>(a) Proprietary</p> <p>(b) Partnership</p> <p>© Hindu Un-divided Family</p> <p>(d) Co-operative Societies</p> <p>(e) Parivate Limited Companies</p> <p>(f) Public Limited Companies ..... ..</p> <p>.....</p> <p>Balance as per Balance Sheet ..... ..</p> <p><b>IV. ACCORDING TO HEALTH OF INDUSTRIAL UNITS.</b></p> <p>(a) Standard Accounts</p> <p>(b) Sub-Standard Accounts</p> <p>© Doubtful Accounts</p> <p>(d) Loss Assets</p>		

	interest overdue at the end of the year(excluding those against whom legal suits have been filed and disclosed under (iv) below).	Accounts .....	Balance as per Balance Sheet .....
(iii)	Total amount of instalments whether of Principal or Interest overdue by the concerns In which Directors of the Corporation are interested.	.....	Note: Loans to Companies/concerns, where charge registration is Pending and and/or assets are un-insured/under insured due to certain reasons, have been Considered secured, unless otherwise stated.
(iv)	Total amount due from Borrowers against whom Suits have been filed.		
(f)	Debt Guaranteed by the State Government & Its undertakings & Scheduled Banks		
(g)	Debts due by the Loanee concerns whose management has been taken over by the Corporation.	For	Chartered Accountants,

Partner                      Managing Director.

## **HIMACHAL PRADESH FINANCIAL CORPORATION VOTING RIGHTS REGULATIONS**

In exercise of the powers conferred by Section 48 of the State Financial Corporations Act, 1951(LXIII of 1951), and in supersession of the Punjab Financial Corporation General Regulations mutatis mutandis made applicable to Himachal Pradesh Financial Corporation except as respect things done or omitted to be done before such supersession, the Board of directors of the Himachal Pradesh Financial Corporation, after consultation with the Small Industries Development Bank of India and with the previous sanction of the Government of Himachal Pradesh has made the following Regulations, namely:-

Short title:- These Regulations may be called the Himachal Pradesh Financial Corporation (Voting Rights) Regulations, 2001.

### **2. Definition:**

In these Rules 'Company' means a body corporate either incorporated under the Companies Act, 1956 or 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, a 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.

### **3. Shareholders entitled to vote and their voting rights**

- (1) Subject to the provisions of sections 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;
- (2) 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 so elected, shall be entitled to vote, and in the case of appointment of the auditor, all the parties mentioned in clauses(c) and (e) of sub-section (3) of Section 4 who are shareholders of the Corporation, shall be entitled to vote.
- (3) Every shareholder 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 a 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.

#### **4. Voting by Government:**

- (1). 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 representatives 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.
- (2). A copy of any order made under sub-Regulation (1) shall be deposited at the Head Office of the Corporation before the time fixed for the meeting.
- (3). An order made under sub-Regulation (1) 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 (2)

#### **5. Voting by duly authorized representative:**

- (1). 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 powers 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 representatives and in that case any one of such persons may act as the duly authorized representative of the company. A person acting in pursuance of an authorization given under this sub-Regulation shall not be deemed to be a proxy.
- (2). No person may attend or vote 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 which it is made and shall revoke any proxy previously deposited for such meeting by the company.
- (3). No person may be appointed a duly authorized representative or a proxy who is an officer or an employee of the Corporation.
- (4). 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.

#### **5. 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.

#### **6. 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 the power of 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:

### **HIMACHAL PRADESH FINANCIAL CORPORATION**

I/We ..... of .....being a/the shareholder(s) of the Himachal Pradesh Financial Corporation holding Share Nos ..... hereby appoint ..... of .....(or failing him ..... of .....) as my/our proxy to vote for me/us and on our behalf at a meeting of the shareholders of the Corporation to be held at ..... on the ..... day of ..... and at any adjournment thereof.

At witness I/we have affixed my/our hand(s) this..... day of .....200.

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 Head Office of the Corporation a notice in writing under the hand or common seal of the guarantor specifically stating
    - a) The name of the person in whose favour the instrument was granted; and
    - b) That such instrument is revoked; or:
  - ii) Unless the same is deemed to be invalid under any of sub-Regulations (1 to4).In the case of instrument of proxy granted in favor of two or more guarantees in the alternative it shall not be necessary to mention in the notice of revocation the name of the second or alternative guarantee 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 clause (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 instruments of proxy within the time specified in sub regulation (3).
- (9) Notwithstanding anything to the contrary in the Regulations, the guarantor 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.

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ANNEXURE-VI

**HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA.**

A statement of Boards, Councils, Committee and other bodies of the Corporation:

<b>S.No</b>	<b>Name of Body</b>	<b>Whether meetings are open and minutes are accessible to public</b>
1.	<b>Board of HPFC</b> (constituted u/s 10 of SFCs Act 1951)	<b>No</b>
2.	<b>Advisory Committee</b>	<b>No</b>
3.	<b>Pre-Appraisal In-house Committee</b> (consisting of Chief General Manager and Deputy General Managers).	<b>No</b>
4.	<b>Appraisal Report Assistant General Managers' Scrutiny Committee.</b>	<b>No</b>
5.	<b>Post Appraisal Technical Committee for technical Scrutiny of appraisal report.</b>	<b>No</b>
6.	<b>In-House Sanction Committee</b> (under the Chairmanship of Managing Director)	<b>No</b>
7.	<b>Default Review Committee</b>	<b>No</b>
8.	<b>Sale Sub Committee</b>	<b>No</b>

**The meetings are not open and minutes are not accessible to general public except to the concerned.**

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Annexure-VIII

**HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA.**

**DIRECTORY OF OFFICERS AND EMPLOYEES OF HPFC.**

Sl. No	Name of the employee S/Shri	
1	K.K.Pant ,IAS	Managing Director
2	B.D.Kashyap,	General Manager
3	V.P.Singh,	General Manager
4	K.R.Khangta,	Dy.General Manager
5	Subhash Rana	Asstt.General Manager
6	S.D.Sharma	Asstt.General Manager
7	Sarabjeet Singh,	Asstt.General Manager
8	K.K.Sharma	Manager(Audit)
9	Mehar Singh,	Manager
10	Ramesh Chand,	Manager
11	V.K.Gupta,	Manager
12	H.R.Negi,	Manager
13	Bihari Lal	Manager
14	Pitamber Dass,	Manager
15	Suresh Kumar	Manager
16	P.C.Sharma	Tehsildar/Collector
17	Rajeshwar Singh,	Dy.Manager
18	Ashok Sharma,	Dy.Manager
19	Bhupender Singh	Dy.Manager
20	Suresh Chand,	Dy.Manager
21	R.P.Sandhu	Dy/Manager.
22	Hari Singh,	Asstt. Manager
23	Ajay Jain	Asstt. Manager
24	Deep Shikha	Asstt.Manager
25	R.L.Pal	Asstt. Manager
26	Smt.Lata Sood	Asstt.Manager
27	H.L.Verma	Asstt. Manager
28	D.P.Mian	Asstt.Manager
29	M.S.Chatranta	Asstt.Manager
30	Khem Raj	Asstt.Manager
31	Hem Raj	Asstt.Manager
32	R.L.Sharma	Private Secretary
33	T.C.Ranote	Private Secretary
34	B.S. Jamalta	Junior Manager
35	V.K.Jishtu,	Junior Manager
36	Vijay Kumar	Junior Manager
37	Subeel Kumar	Sr.Asstt.Gr.-I
38	Vinod Jhingta	Junior Manager
39	P.S.Khangta	Junior Manager
40	O.P.Rajta	Jr.Manager (on secondment)
41	Subhash Chand	Sr.Assistant Gr.I
42	Rakesh Kaul	Sr.Assistant Gr.I
43	B.S.Pal	Junior Manager
44	H.L.Chaudhary	Junior Manager
45	Ranjeet Singh	Sr.Asstt.Gr.I
46	B.R.Sharma	Jr.Manager (Stenography)
47	Narinder Singh	Jr.Manager (Stenography)
48	Ashok Sharma	Junior Manager (Stenography)
49	Yashwant Singh	Sr.Asstt. Gr.I
50	Kanwar Singh	Sr.Asstt Gr.I
51	B.L.Bhardwaj	Sr. Asstt (Legal) Gr.I.
52	Dharma Nand	Sr. Asstt.
53	Nand Lal Kashyap	Sr.Asstt
54	Devi Bali	Sr.Asstt
55	Ramesh Chand	Sr.Asstt

56	Lajwanti Aukta	Sr. Asstt.(On secondment)
57	Piara Singh	Sr. Asstt.
58	Smt.Sushma Devi	Sr.Asstt
59	Jaswant Ram	Jr.Asstt.
60	Smt.Kanta Devi	Clerk
61	Mahinder Kumar	Jr.Manager
62	Krishna Vaidya	Junior Manager (On secondment)
63	Khurminder Singh	Sr.Asstt.
64	Narain Singh	Sr.Steno Gr.-I
65	Karnail Singh.	Peon-cum-Driver
66	Muneer Deen.	Peon-cum-Driver
67	Sukh Dev.	Peon-cum-Driver
68	Mangat Ram	Peon-cum-Driver
69	Sher Singh.	Daftri-cum-Gest.Optr.
70	Bihari Lal	Daftri-cum-Gest.Optr.
71	Hari Chand	Jamadar/Caretaker
72	Kapoor Chand	Peon/Chowkidar
73	Narain Dutt	Peon/Chowkidar
74	Partap Chand	Peon/Chowkidar
75	Om Parkash-I	Peon/Chowkidar
76	Krishan Singh	Peon/Chowkidar
77	Vishwa Nath	Peon/Chowkidar
78	Smt.Asha Devi	Peon/Chowkidar
79	Krishan Dutt	Peon/Chowkidar (On secondment)
80	Yash Pal	Peon/Chowkidar
81	Om Parkash-II	Peon/Chowkidar
82	Irshad Ahmed	Peon/Chowkidar(on secondment)
83	Sukhbir	Sweeper
84	Gurdev Singh	Peon/Chowkidar(on secondment)
85	Kushal Kumar	Peon/Chowkidar
86	Chuni Lal	Peon/Chowkidar
87	Dharam Pal	Peon/Chowkidar(on secondment)
88	Smt.Radha Devi	Peon/Chowkidar(on contract basis)
89	Jai Singh	Peon/Chowkidar(on contract basis)

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Annexure-VIII

**DETAILS OF MONTHLY REMUNERATION RECEIVED BY OFFICERS &  
EMPLOYEES OF H.P.FINANCIAL CORPORATION.**

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<b>CLASS</b>	<b>NOMENCLATURE OF POST.</b>	<b>PAY SCALE (Rupees)</b>
<b>A</b>	<b>General Manager</b>	<b>37400-67000 + Grade Pay of Rs.8700</b>
	<b>Dy. General Manager</b>	<b>15600-39100 + Grade Pay of Rs.8400</b>
	<b>Asstt. General Manager</b>	<b>15600-39100 + Grade Pay of Rs.7600</b>
	<b>Manager</b>	<b>15600-39100 + Grade Pay of Rs.6600</b>
	<b>Dy. Manager</b>	<b>10300-34800 + Grade Pay of Rs.5000</b>
	<b>Asstt. Manager</b>	<b>10300-34800 + Grade Pay of Rs.4600</b>
	<b>Private Secretary</b>	<b>10300-34800 + Grade Pay of Rs.5000</b>
<b>B</b>	<b>Personal Assistant</b>	<b>10300-34800 + Grade Pay of Rs.4200</b>
	<b>Senior Assistant</b>	<b>10300-34800 + Grade Pay of Rs.3800</b>
	<b>Senior Stenographer</b>	<b>10300-34800 + Grade Pay of Rs.3800</b>
	<b>Junior Assistant</b>	<b>5910-20200 + Grade Pay of Rs.2400</b>
	<b>Stenographer Gr.II</b>	<b>5910-20200 + Grade Pay of Rs.2400</b>
	<b>Clerk</b>	<b>5910-20200 + Grade Pay of Rs.1900</b>
<b>C</b>	<b>Gestetner Operator</b>	<b>5910-20200 + Grade Pay of Rs.1900</b>
	<b>Peon-cum-Driver</b>	<b>5910-20200 + Grade Pay of Rs.2000</b>
	<b>Jamadar-cum- Caretaker</b>	<b>5910-20200 + Grade Pay of Rs.1900</b>
	<b>Peon-cum-Chowkidar</b>	<b>4900-10680 + Grade Pay of Rs.1300</b>
	<b>Sweeper</b>	<b>4900-10680 + Grade Pay of Rs.1300</b>

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## **Annexure-IX**

### **HIMACHAL PRADESH FINANCIAL CORPORATION, SHIMLA.**

#### **Manner of execution of subsidy programmes**

#### **I. Interest Subsidy for Tiny Tourism Unit(applicable for SC/ST only).**

Tiny tourism unit here means small-scale units having fixed capital investment of Rs.10.00 lacs or less. Under this scheme the tiny tourism unit availing term loan from State financial institutions/scheduled banks is given 3% interest subsidy over the prevailing term lending rate. The subsidy shall however, not be admissible on defaulted installments. Moreover, if interest subsidy is also available under any prevailing scheme of Central Govt., Tourism Department of H.P.Govt. Provides interest subsidy at such rate so that total interest subsidy available to the unit received from both does not exceed 3%.

The units are eligible for above interest subsidy incentive only after it commences its operation after getting permanent registration with the Tourism Department. Eligible units thereafter apply to the Corporation for availing interest subsidy alongwith permanent registration certificate. On receipt of request from the party, the Corporation file claim with concerned Distt. Tourism Development Officer on the prescribed proforma comprising following information:

- i) Name of the applicant
- ii) Name & address of Hotel and Restaurant
- iii) Date of Sanction of loan
- iv) Date of disbursement
- v) Loan obtained from HPFC
- vi) Rate of interest
- vii) Term of repayment (monthly/Half yearly/yearly).
- viii) Whether SC/ST
- ix) Rate of subsidy
- x) Amount of subsidy claimed
- xi) Period for which subsidy is claimed
- xii) Remarks, if any.

The Corporation further certifies that the party is not in default in making the repayment of loan installments and if the unit is in default, the Corporation do not file claim till the clearance of default. On receipt of claim from the Tourism Department, the amount is immediately credited to the loan account of the party.

#### **For further details please contact or write to:**

**Director of Tourism, Government of Himachal Pradesh,  
SDA Complex (Block No.28), Kasumpti Shimla-171009  
Phone No.2625924, 2623959, Fax: 2625864  
E-Mail: Tourismminhp@nic.in).**

#### **II. PACKAGE OF INCENTIVES FOR INVESTORS OFFERED IN HIMACHAL PRADESH.**

##### **INCENTIVES BY CENTRAL GOVERNMENT**

- 100% income tax exemption for initial period of 5 years and thereafter 30% for companies and 25% for other than companies for a further period of 5 years from the date of commencement of commercial production\*.
- 15% Capital Investment Subsidy on the investment in plant & machinery subject to a ceiling of Rs.30 lakh.  
(\* These incentives are admissible for all locations in case of thrust industries and in specified locations for other industries except 20 category of industries falling in the negative list)
- 75% Freight Subsidy on the transportation of finished goods and raw materials from and to the nearest rail head on broad gauge for a period of 5 years from the date of commercial production upto March 2007.

### **INCENTIVES BY STATE GOVERNMENT:**

- Exemption from the payment of VAT and other levies for a period of ten years for units located in eight Tribal Development Blocks, 15 other backward Blocks and all backward panchayats of the State categorized as “C” category area.
- Deferment in VAT or payment of 65% of the applicable rate of VAT for a period of 8 years in “B” category area and 5 years in “A” category area.
- 1% CST upto 31.3.2009.
- Concessional rate of Electricity Duty @ 10 paisa per unit from units located in category “B” & “C” area for a period of 5 years with a connected load upto 100 KW.
- Additional incentives to Special Category of Entrepreneurs for setting up of new industrial enterprises in micro and small sector.
- Additional incentives to **Thrust Industries**.
- Preferential allotment of land at concessional rates for establishment of industrial enterprises by person(s) with disabilities.

### **For further details please contact or writ to:**

**Director of Industries, Himachal Pradesh, Udyog Bhawan,  
Bamloe, Shimla-171 001,Phone/Fax: 177-2813413,2652637  
Website:<http://www.Himachal.nic.in/industry>**

### **III. Technology Up-Gradation Funds Scheme for Textile Sector**

The objective of the scheme is to encourage industrial units in textile industries for taking up technology up gradation and modernization of their production facilities. Under this scheme reimbursement of 5% of interest shall be made available to the units from Govt. of India by SIDBI through the prime lending institution.

The units are eligible for above interest subsidy incentive only after it commences its operation. Eligible units thereafter apply to the Corporation for availing above said incentives. The Corporation, thereafter, file the claim of interest subsidy to the SIDBI by giving the particulars of the unit i.e., name, rate of interest, loan outstanding, interest paid by the borrower for the quarter and amount of interest reimbursable @ 5%. Further, the Corporation has to certify after examining the following facts:

- i) The machinery acquired under the scheme is eligible for coverage under the scheme as per the instructions issued by SIDBI/Ministry of Textiles from time to time. The proposals against which the interest incentive is claimed, conform to the current norms and guidelines stipulated under the scheme and there are no non-performing assets against which reimbursement has been claimed.
- ii) The incentive amount released by SIDBI for the previous quarter (i.e. for the quarter ended 31.3.2008) has already been passed on to the beneficiary units. The interest incentive claimed above will be passed on to the aforesaid borrowing units within 15 days from the date of actual reimbursement of the incentive amount by SIDBI.
- iii) There are no rescheduled cases for which repayment period exceeds the maximum time limit for repayment of 10 years.
- iv) Interest calculation for interest subsidy claim is done only on principal outstanding under TUF scheme and does not include other debited amount such as interest debited to the account, or any other charges.
- v) The claims for the quarter for which reimbursement is being sought have not been claimed from any other financial institution or bank or branches of SIDBI.
- vi) SIDBI shall have the right to inspect our books and the loan accounts irrespective of whether refinance is availed or not from SIDBI under the scheme and/or call for any other information as may be required by GOI, from time to time.
- vii) During implementation and/or during the currency of loan, if SIDBI comes to the conclusion that any of the account do not conform to the policies, procedures and guidelines laid down by GOI/SIDBI under the scheme from time to time, SIDBI shall have the right to recall the entire amount of interest incentive/cover for exchange fluctuation paid, from the PLI, in respect of such units. We

undertake to refund the entire amount of interest incentive/cover for exchange rate fluctuation of 5% p.a. in respect of such assisted units whether or not we have recovered the said interest incentive/exchange fluctuation from those units.

On receipt of claim from the SIDBI, the amount is immediately credited to the loan account of the party.

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