

- (iv) The Corporation will be authorised to issue bonds and debentures for amounts which together with the contingent liabilities of the Corporation shall not exceed five-times the amount of the paid-up share capital and the reserve fund of the Corporation. These bonds and debentures will be guaranteed as to the payment of the principal and the payment of interest at such rate as may be fixed by the State Government.
- (v) The Corporation may accept deposits from the public repayable after not less than five years, subject to the maximum not exceeding the paid-up capital.
- (vi) The Corporation will be managed by a Board consisting of a majority of Directors nominated by the State Government, the Reserve Bank and the Industrial Finance Corporation of India.
- (vii) The Corporation will be authorised to make long-term loans to industrial concerns and to guarantee loans raised by industrial concerns which are repayable within a period of not exceeding 25 years. The Corporation will be further authorised to underwrite the issue of stocks, shares, bonds or debentures by industrial concerns, subject to the provision that the Corporation will be required to dispose of any shares, *etc.*, acquired by it in fulfilment of its underwriting liability within a period of 7 years.
- (viii) Until a reserve fund is created equal to the paid-up share capital of the Corporation and until the State Government has been repaid all amounts paid by them, if any, in fulfilment of the guarantee liability, the rate of dividend shall not exceed the rate guaranteed by the State Government. Under no circumstances shall the dividend exceed 5 per cent. per annum and surplus profits will be re-payable to the State Government.
- (ix) The Corporation will have special privileges in the matter of enforcement of its claims against borrowers.

#### ACT 63 OF 1951

The State Financial Corporation Bill having been passed by both the Houses of Parliament received the assent of the President on 31st October, 1951. It came on the Statute Book as THE STATE FINANCIAL CORPORATIONS ACT, 1951 (63 OF 1951).

#### LIST OF AMENDING ACTS

1. The Repealing and Amending Act, 1952 (48 of 1952).
2. The Industrial and State Financial Corporations (Amendment) Act, 1955 (28 of 1955).
3. The State Financial Corporations (Amendment) Act, 1956 (56 of 1956).
4. The Jammu and Kashmir (Extension of Laws) Act, 1956 (62 of 1956).
5. The State Financial Corporations (Amendment) Act, 1962 (6 of 1962).
6. The State Financial Corporations (Amendment) Act, 1972 (77 of 1972).

7. The Public Financial Institutions Laws (Amendment) Act, 1975 (52 of 1975).
8. The Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983 (48 of 1983).
9. The State Financial Corporations (Amendment) Act, 1985 (43 of 1985).
10. The Delegated Legislation Provisions (Amendment) Act, 1985 (4 of 1986).
11. The State Financial Corporations (Amendment) Act, 2000 (39 of 2000).
12. The Credit Information Companies (Regulation) Act, 2005 (30 of 2005).