

that meeting, but if the member so authorised is absent or if no such authorisation has been made, the Committee may elect any of its members to preside at that meeting.]

**20. Powers of Executive Committee.**—(1) Subject to such general or special directions as the Board may from time to time give, the Executive Committee may deal with any matter within the competence of the Board.

(2) The minutes of every meeting of the Executive Committee <sup>1</sup>[shall, after confirmation thereof at the next meeting of the Executive Committee, be laid] before the Board at the next following meeting of the Board.

**21. Advisory Committee.**—The Financial Corporation may appoint <sup>2</sup>[one or more committee or committees consisting wholly of directors or wholly of other persons or partly of directors and partly of other persons] for the purpose of assisting the Financial Corporation in the efficient discharge of its functions and, in particular, for the purpose of securing that those functions are exercised with due regard to the circumstances and conditions prevailing in, and the requirements of, particular areas or industries.

**22. Offices and agencies.**—The Financial Corporation shall establish its head office and other offices and agencies at such places as the State Government may, from time to time specify and save as aforesaid, the Financial Corporation may establish additional offices or agencies in such other places within the State as it may consider necessary.]

**23. Officers and other employees of the Financial Corporation.**—The Financial Corporation may appoint such officers, advisers and employees as it considers necessary for the efficient performance of its functions, and determine, by regulations, their conditions of appointment and service and the remuneration payable to them:

<sup>4</sup>[\*\*\*]

### CHAPTER III

#### POWERS AND DUTIES OF THE BOARD

**24. General duty of the Board.**—The Board in discharging its functions under this Act shall act on business principles due regard being had by it to the interests of industry, commerce and the general public.

**25. Business which Financial Corporation may transact.**—<sup>6</sup>[(1) The Financial Corporation may, subject to the provisions of this Act, carry on and transact any of the following kinds of business, namely:—

1. Subs. by Act 43 of 1985, sec. 13, for "shall be laid" (w.e.f. 21-8-1985).
2. Subs. by Act 43 of 1985, sec. 14, for "one or more advisory committee or committees" (w.e.f. 21-8-1985).
3. Subs. by Act 77 of 1972, sec. 13, for section 22 (w.e.f. 30-12-1972).
4. Proviso added by Act 77 of 1972, sec. 14 (w.e.f. 30-12-1972) and omitted by Act 39 of 2000, sec. 16 (w.e.f. 5-9-2000).
5. Subs. by Act 6 of 1962, sec. 10, for section 25 (w.e.f. 16-4-1962).
6. Subs. by Act 39 of 2000, sec. 17, for sub-section (1) (w.e.f. 5-9-2000).

- (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) underwriting 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 it to industrial concerns;
- (e) acting as agent of the Central Government or the State Government or the Development Bank or the Small Industries Bank or the IFCI Limited formed and registered under the Companies Act, 1956 (1 of 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 it may acquire by subscription or in fulfilment 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 up to 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:

Provided also that the Financial Corporation may, in the exercise of such option, convert the amounts outstanding on 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 and subject to, the provisions of section 81 of the Companies Act, 1956 (1 of 1956).

*Explanation.*—In this clause, the expression "the amounts outstanding on such debentures or loans" shall mean the principal, interest and other