

**SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA
(ISSUE AND MANAGEMENT OF BONDS)
REGULATIONS, 1990**

In exercise of the powers conferred by Section 52 of the Small Industries Development Bank of India Act, 1989 (39 of 1989), the Board of Directors of the Small Industries Development Bank of India, with the previous approval of the Industrial Development Bank of India, is pleased to make the following Regulations, namely : -

1. Short title and applications

- (1) These Regulations may be called the Small Industries Development Bank of India (Issue and Management of Bonds) Regulations, 1990.
- (2) They shall apply to Bonds issued and sold by the Small Industries Bank under Clause (a) of sub-section (1) of Section 15 of the Small Industries Development Bank of India Act, 1989.

2. Definitions

In these Regulations, unless there is anything repugnant in the subject or context,

- (a) "the Act" means the Small Industries Development Bank of India Act, 1989;
- (b) "Bonds" means the Bonds issued and sold by the Small Industries Bank under clause (a) of sub-section (1) of Section 15 of the Act ;
- (c) "Small Industries Bank" means the Small Industries Development Bank of India established under the Act ;
- (d) "Defaced Bond" means a Bond which has been made illegible and rendered undecipherable in material parts and the material parts of a Bond are those where : -
 - (i) the number, the issue to which it appertains and the face value of the Bond, or payment of interest are recorded; or
 - (ii) the endorsement or the name of the payee is written; or
 - (iii) the renewal receipt or the memorandum of transfer is supplied;

- (e) "Form" means a form as set out in the Schedule to these Regulations ;
- (f) "Lost Bond" means a Bond which has actually been lost and shall not mean a Bond which is in possession of some person adversely to the claimant ;
- (g) "Mutilated Bond" means a Bond which has been destroyed, torn or damaged in material parts thereof ;
- (h) "Office of Issue" means the office of the Small Industries Bank on the books of which a Bond is registered or may be registered ;
- (i) "Prescribed Officer" means the General Manager or such officers of the Small Industries Bank as may be authorised by the Board of Directors of the Small Industries Bank for the purposes of Regulations 11, 12, 13, 15, 17, 19 and 20 ;
- (j) "Stock Certificate" means a Stock Certificate issued under Regulation 3.

3. Form of the Bond and the mode of transfer thereof, etc.

- (1) A Bond may be issued in the form of : -
 - (a) A promissory note payable to, or to the order of, a certain person; or
 - (b) Stock registered in the books of the Small Industries Bank for which Stock Certificates are issued.
- (1A) Notwithstanding anything contained in sub-regulation (1) and subject to the provision of Depositories Act, 1996, every person subscribing to or holding the bond shall have the option to hold the same with a depository.
- (2) (a) A Bond issued in the form of a promissory note shall be transferable by endorsement and delivery like a promissory note payable to order.
 - (b) No writing on a Bond issued in the form of a promissory note shall be valid for the purpose of negotiation if such writing purports to transfer only a part of the amount denominated by the Bond.
- (3) A Bond issued in the form of a Stock Certificate and registered in the books of the Small Industries Bank shall be transferable either wholly or in part by execution of an instrument of transfer in Form V. The

transferor in such a case shall be deemed to be the holder of the Bonds issued in the form of Stock to which the transfer relates until the name of the transferee is registered by the Small Industries Bank.

(3A) (a)

Notwithstanding anything to the contrary herein contained, the Small Industries Bank may at the request of the person entitled to the Bonds, issue Bonds in the form of an entry in an account to be maintained by the Small Industries Bank in the name of the person entitled to the Bonds.

- (b) The Bonds may be so issued in the form of an entry in the books of accounts of the Small Industries Bank either initially at the time of subscription to the Bonds or subsequently by conversion of the Bonds issued either in the form of a promissory note or Stock.
- (c) If a Bond has already been issued in the form of a promissory note, the Bond holder desirous of holding it in the form of an entry in an account with the Small Industries Bank shall make requisition in Form XI and surrender the Bond duly endorsed in favour of the Small Industries Bank for the Bond being held in the form of an entry in an account in the books of the Small Industries Bank.
- (d) If the Bond has been issued in the form of Stock Certificate, the holder shall transfer the Bond in favour of the Small Industries Bank with a request that the Bond may be held in the form of an entry in an account to be maintained by the Small Industries Bank in the name of the holder.
- (e) A person holding Bonds in the form of an entry in an account maintained by the Small Industries Bank may have the Bonds transferred or converted in the form of a promissory note or a Stock Certificate by making an application in Form XII.
- (f) No fee is chargeable for issuing Bonds in the form of an entry in the account of the books of the Small Industries Bank or converting Bonds already issued either in the form of a promissory note or Stock in the form of an entry in the books of the Small Industries Bank or vice versa.
- (g) Bonds issued or held in the form of an entry in the books of the Small Industries Bank shall be transferable by execution of an instrument of transfer in Form XIII. The transferor in such cases shall be deemed to be the holder of the Bonds to which the transfer relates till such time the name of the transferee is entered in the books of the Small Industries Bank.

(4) (a)

A Bond shall be issued over the signature of chairman and Managing Director or in his absence by deputy managing director and in absence of both by an Executive Director and / or an officer not below the rank of Chief General Manager of the Small Industries Bank which may be printed, engraved, lithographed or impressed by such other mechanical process as the Small Industries Bank may direct.

(b) A signature so printed, engraved, lithographed or otherwise impressed shall be as valid as if it had been inscribed in the proper handwriting of the signatory himself.

(5) No endorsement of a Bond in the form of a promissory note or no instrument of transfer in the case of a Bond in the form of a Stock Certificate shall be valid unless made by the signature of the holder or his duly constituted attorney or representative inscribed in the case of a Bond in the form of a promissory note on the back of the Bond itself and in the case of a Stock Certificate on the instrument of transfer.

4. Trust not recognised

(1) The Small Industries Bank shall not be bound or compelled to recognise in any way, even when having notice thereof, any trust or any right in respect of a Bond other than an absolute right thereto in the holder provided that nothing in this regulation shall apply to a depository in respect of bonds held by it as a registered owner on behalf of the beneficial owner.

Explanation: For the purpose of regulation 3,4,8 and 24 of the principal Regulations and Form No. XIV set out in the Schedule thereto, the expression "beneficial owner", "depository" and "registered owner" shall have the same meaning respectively assigned to them in Clauses (a),(e)and (j) of sub-clause (1) of Section 2 of the Depositories Act, 1996.

(2) Without prejudice to the provisions of sub-regulation (1), the Small Industries Bank may, as an act of grace and without liability to the Small Industries Bank, record in its books such directions by the holder of a Bond issued in the form of Stock for the payment of interest on, or of the maturity value of, or the transfer of or such matters relating to the Stock as the Small Industries Bank thinks fit.

5. Provision for holding Bonds issued in the form of the Stock Certificate by trustees and office holders

- (1) A Bond in the form of Stock Certificate may be held by a holder of an office -
 - (a) in his personal name, described in the books of the Small Industries Bank and in the Stock Certificate as a trustee whether as a trustee of the trust specified in his application or as a trustee without any such qualification; or
 - (b) by the name of his office.
- (2) On an application made in writing to the Small Industries Bank in the Form required by the Small Industries Bank the person in whose name a Bond stands and on surrender of the Bond, the Small Industries Bank may -
 - (a) make an entry in its books describing him as a trustee of a specified trust or as a trustee without specification of any trust and issue a Stock Certificate in his name described as trustee with or without the specification of the trust as the case may be; or
 - (b) issue a Stock Certificate to him by the name of his office and make an entry in its books describing him as the holder of the Stock by the name of his office, according to the applicant's request provided -
 - (i) the request is in conformity with the provisions of sub-regulation (1) hereof;
 - (ii) the necessary evidence required by the Small Industries Bank in terms of sub-regulation (7) has been furnished; and
 - (iii) the Bond, if it is in the form of promissory note, has been endorsed in favour of the Small Industries Bank and if in the form of Stock Certificate, has been receipted by the registered holder in Form X.
- (3) The stock Certificate under sub-regulation (1) may be held by the holder of the office either alone or jointly with another person or persons or with a person or persons holding an office.
- (4) When the Stock is held by a person in the name of his office, any documents relating to the Stock Certificate concerned may be executed by the person for the time being holding the office by the name in which the Stock Certificate is held as if his personal name were so stated.

- (5) Where any transfer deed, power of attorney or other document purporting to be executed by a Stock Certificate holder described in the books of the Small Industries Bank as a trustee or as a holder of an office is produced to the Small Industries Bank, the Small Industries Bank shall not be concerned to inquire whether the Stock-holder is entitled under the terms of any trust or document or rules to give any such power or to execute such deed or other document, and may act on the transfer deed, power of attorney or document in the same manner as though the executant is a Stock Certificate holder and whether the Stock Certificate holder is or is not described in the transfer deed, power of attorney or document as a trustee or as a holder of an office and whether he does or does not purport to execute the transfer deed, power of attorney or document in his capacity as a trustee or as a holder of the office.
 - (6) Nothing in these Regulations shall, as between any trustees or office holders and the beneficiaries, under a trust or any document or rules, be deemed to authorise the trustees or office holders to act otherwise than in accordance with the rules of law applying to trust the terms of the instrument constituting the trust, or the rules governing the association of which the Stock Certificate holder is a holder of an office and neither the Small Industries Bank nor any person holding or acquiring any interest in any Stock Certificate shall by reason only of any entry in any register maintained by the Small Industries Bank in relation to any Stock Certificate or any Stock Certificate holder or of anything in any document relating to Stock Certificate be affected with notice of any trust or of the fiduciary character of any Stock Certificate holder or of any fiduciary obligation attaching to the holding of any Stock Certificate.
 - (7) Before acting on any application made, or on any document purporting to be executed, in pursuance of this Regulation by a person as being the holder of any office, the Small Industries Bank may require the production of evidence that such person is the holder of the time being of that office.
6. Provision for holding of bonds issued in the form of promissory notes by trust / trustee(s) .
- (1) Without prejudice to the provisions of sub-regulation (1) of Regulation 4, the Small Industries Bank may, at the request of the applicant and without liability to the Small Industries Bank, issue a Bond in the form of promissory note in the name of a specified trust or trustee(s) of that trust, or, as the case may be, in the personal name of the applicant, describing him as a

trustee, whether as a trustee of the trust specified in his application or as a trustee without such specifications.

- (2) Where a Bond in the form of promissory note stands in the personal name of the holder, the Small Industries Bank may, on an application made by him in the form required by the Small Industries Bank and on surrender of such Bond, issue a renewed Bond in the form of a promissory note in the manner laid down in sub-regulation (1) hereof provided that -
 - (i) the necessary evidence required by the Small Industries Bank in terms of sub-regulation (6) hereof has been furnished; and
 - (ii) the Bond has been endorsed in favour of the Small Industries Bank.
- (3) The Bond under sub-regulation (1) may be held by a trustee of any trust either alone or jointly with another person or persons as trustees of that trust.
- (4) Where a Bond in the form of promissory note purports to have been endorsed by the Bond holder as a trustee, or where any power of attorney or other document purporting to be executed by the Bond holder is produced to the Small Industries Bank, the Small Industries Bank shall not be concerned to enquire whether the Bond holder is entitled under the terms of any trust or document or rules to make such endorsement or execute such power of attorney or other document, and may act on the endorsement, power of attorney or document in the same manner as though such endorser is a Bond holder and whether the Bond holder is or is not described in the endorsement, power of attorney or document as a trustee, and whether he does or does not purport to make endorsement or execute the power of attorney or document in his capacity as a trustee.
- (5) Nothing in these regulations shall, as between any trustees and the beneficiaries, under a trust or any document or rules, be deemed to authorise the trustees to act otherwise than in accordance with the rules of law applying to trust or the terms of the instrument constituting the trust.
- (6) Before acting on any application made, in pursuance of this regulation, by a person as being the trustee of any trust, the Small Industries Bank may require the production of evidence that such person is the trustee for the time being of that trust.

7. Persons disqualified to be holders

No minor and no person who has been found by a competent court to be of unsound mind shall be entitled to be a holder of Bonds.

8. Payment of Interest

Interest on a bond shall be paid by Small Industries Bank by means of interest warrant crossed account payee, credit to the bank account by electronic clearing service or such other manner as may be specified in the offer document or such other manner as may be decided by the Small Industries Bank.

- (1) Interest on a Bond in the form of a promissory note shall be paid by the Office of Issue or any other office of the Small Industries Bank specified in the Bond Prospectus subject to compliance by the holder of the Bond with such formalities as the Small Industries Bank may require, and on presentation of the Bond.
- (2) Interest on a Bond in the form of Stock Certificate shall be paid by issue of warrants crossed account payee or in such other manner as may be decided by the Small Industries Bank. The presentation of the Stock Certificate shall not be required at the time of payment of interest but the payee shall acknowledge the receipt at the back of the warrant.
- (3) Interest on a Bond held in the form of an entry in the books of the Small Industries Bank shall be paid by the Small Industries Bank by issue of the warrants crossed account payee or in such other manner as may be decided by the Small Industries Bank

9. Procedure where Bond in the form of a promissory note is lost, etc.

- (1) Every application for the issue of a duplicate Bond in place of a Bond which is alleged to have been Lost, Stolen, Destroyed, Mutilated or Defaced, either wholly or in part shall be addressed to the Office of Issue, and shall contain the following particulars, namely : -
 - (a) Bond No.....for Rs.....of the percent Small Industries Development Bank of India Bonds,
(year)
 - (b) Last half-year for which interest has been paid ;
 - (c) The person to whom such interest was paid ;
 - (d) The person in whose name Bond was issued (if known);

- (e) The circumstances attending the Loss, Theft, Destruction, Mutilation or Defacement; and
 - (f) Whether the Loss or Theft was reported to the police.
- (2) Such application shall be accompanied by : -
- (a) where the bond was lost in the course of transmission by registered post, the Post Office registration receipt for the letter containing the Bond.
 - (b) a copy of the police report, if the loss or theft was reported to the police.;
 - (c) if the applicant is not the registered holder an affidavit sworn before a magistrate testifying that the applicant was the last legal holder of the Bond, and all documentary evidence necessary to trace back the title to the registered holder; and
 - (d) any portion or fragments which may remain of the Lost, Stolen, Destroyed, Mutilated or Defaced bond.

10. Publication of notice of loss, theft, etc. in newspaper:-

(1) The Loss, Theft, Destruction, (Mutilation or Defacement) of a Bond either wholly or in part, in the form of a promissory note shall be published on behalf of the applicant in a leading newspaper of the area.

Explanation: The Small Industries Bank shall decide from time to time as to which of the newspaper shall be deemed to be 'leading' newspaper for the area under jurisdiction of the Office of Issue.

(2) The publication referred to in sub-regulation (1) shall be in the following form or nearly in such form as circumstances permit, namely:-

"The Small Industries Development Bank of India Bond No. of the per cent Bond for Rs..... originally standing in the name of and last endorsed to the proprietor, by whom it was never endorsed to any other person having been *Lost / Stolen/Destroyed/Mutilated/Defaced notice is hereby given that payment of the above Bond and the interest thereupon has been stopped at the Office of Issue, and that application is about to be made or has been made for the issue of a duplicate in favour of the proprietor. The public are cautioned against purchasing or otherwise dealing with the above-mentioned Bond.

Name of the person notifying

.....

Residence

.....

*Delete whichever is not applicable.

11. Issue of duplicate Bond and taking of indemnity

(1) If the Prescribrd Oficer is satisfied of the loss, theft, destruction or defacement of th Bond in the form of a promissory note, he may order issue of a duplicate Bond in the form of a promissory note on applicant's furnishing an indemnity bond with one or more sureties:

Provided that if at any time before the issue of the duplicate Bond in the form of a promisory note, the original Bond is discovered or it appears to the Office of the Issue for other reasons that the order should be rescinded, the matter shall be referred to the Prescribed Officer for further consideration, and in the meantime, all action on the orderv shall be suspended. An order passed under this sub-regulation shall, on expiry of the three months referred to therein, become final unless it is in the meantime rescinded or otherwise modified; and

Provided that where a Bond in the form of a promissory note lost, stolen, destroyed, mutilated or drfaced is of denomination not exceeding rupees fifty thousand, a duplicate Bond in theform of promissory note may be issued on applicant furnishing an indemnity Bond without any such surety;

Provided further that where such application is made with respect to a Bond in the form of a promissory note mutilated or defaced, of whatever face value, a duplicate Bond in the form of promissory note may be issued without any such indemnity with or without surety, if the Bond in the form of promissory note is capable of being indetified as the one originally issued;

(2) the Small Industries bank shall not incur any liability for issuing such Bond in good faith under the regulation.

(3) A duplicate certificate issued under sub-regulation (1) shall be treated as equivalent to the original certificate for all purppses of these regulations except that it shall not be encashable at an office of issue other than the office of issue at which such certificate is registered without previous verification.

12. Procedure when a Bond in form of a Stock Certificate is lost, etc.

- (1) Every application for the issue of a duplicate Stock Certificate in place of a Stock Certificate which is alleged to have been Lost, Stolen, Destroyed, Mutilated or Defaced either wholly or in part shall be addressed to the Office of Issue and shall be accompanied by -
 - (a) the Post Office registration receipt of the letter containing the Stock Certificate, if the same was lost in transmission by registered post;
 - (b) a copy of the police report, if the Loss or Theft was reported to the police;
 - (c) affidavit sworn before a Magistrate testifying that the applicant is the legal holder of the Stock Certificate and that the Stock Certificate is neither in his possession nor has it been transferred, pledged or otherwise dealt with by him; and
 - (d) any portions or fragments which may remain of the Lost, Stolen, Destroyed, Mutilated or Defaced Stock Certificate.
- (2) The circumstances attending the loss shall be stated in the application.
- (3) The Prescribed Officer shall, if he is satisfied of the Lost, Stolen, Destroyed, Mutilation or Defacement of the Stock Certificate, direct the issue of a duplicate Stock Certificate in lieu of the original Certificate.

13. Publication of list of duplicate Bonds :-

(1) The Small Industries Bank shall publish half yearly in the two leading newspapers or in one leading newspaper and in the Gazette of India in the months of January and July a list of duplicate Bonds issued by the Small Industries Bank.

(2) The list shall contain the following particulars regarding the duplicate Bonds by the Small Industries Bank :- (a) the name of the issue, (b) the number of the Bond, its value, (c) the name of the person to whom it was issued, (d) the date from which it bears interest, (e) the name of the applicant for a duplicate, (f) the number and date of order passed by the Prescribed Officer for payment of interest or issue of a duplicate.

14. Discretion of the Small Industries Bank

Notwithstanding anything contained in Regulation 10, 11, 12 and 13, where the Small Industries Bank deems fit, in any case, it shall be lawful for the Small Industries Bank in its absolute discretion to dispense with the procedure

prescribed therein regarding the issue of duplicate Bond and issue duplicate Bond upon such terms as to indemnity or otherwise, as it may deem fit.

15. Determination of a mutilated Bond as a Bond requiring issue of duplicate

It shall be at the option of the Prescribed Officer to treat a Bond which has been Mutilated or Defaced as a Bond requiring issue of a duplicate under Regulation 11 or a mere renewal under Regulation 19.

16. When a Bond in the form of promissory note may be required to be renewed

- (1) A holder of a Bond in the form of a promissory note may be required by the Office of Issue to receipt the same for renewal in any of the following cases, namely -
 - (a) if only sufficient room remains on the back of the Bond for one further endorsement or if any word is written upon the Bond across the existing endorsement or endorsements;
 - (b) if the Bond is torn or in any way damaged or crowded with writing or unfit, in the opinion of the Office of Issue;
 - (c) if any endorsement is not clear and distinct or does not indicate the payee or payees, as the case may be, by name or is made otherwise than in one of the endorsement cages on the back of the Bond;
 - (d) if the interest on the Bond has remained undrawn for ten years or more;
 - (e) if the interest cages on the reverse of the Bond have been completely filled or if the vacant printed cages on the reverse of the Bond do not correspond with the half-years for which interest has become due on the date when the Bond is presented for drawal of interest;
 - (f) if the Bond having been enfaced three times for payment of interest is presented for re-enfacement; and
 - (g) if in the opinion of the Office of Issue, the title of the person presenting the Bond for payment of interest is irregular or not fully proved.
- (2) When requisition for renewal of a Bond has been made under sub-regulation (1) payment of any further interest

thereon shall be refused until it is receipted for renewal and actually renewed.

17. Person whose title to a Bond of a deceased sole holder may be recognised.

- (1) The executors or administrators of a deceased sole holder of a Bond (whether a Hindu, Mohammedan, Parsi or otherwise) or the holder of a succession certificate issued under Part X of the Indian Succession Act, 1925 (39 of 1925) in respect of the Bond shall be the only persons who may be recognised by the Office of the Issue (subject to any general or special instructions of the Prescribed Officer) as having any title to the Bond.
- (2) Notwithstanding anything contained in Section 45 of the Indian Contract Act, 1872 (9 of 1872), in the case of a Bond issued, sold or held payable to two or more holders, the survivor or survivors and on the death of the last survivor, his executors, administrators, or any person who is the holder of a succession certificate in respect of such Bond shall be the only person who may be recognised by the Office of Issue (subject to any general or special instructions of the Prescribed Officer) as having any title to the Bond.
- (3) The Office of Issue shall not be bound to recognise such executors or administrators unless they shall have obtained probate or letters of administration, as the case may be, from a competent court or office in India having effect at the place of situation of the Office of issue. Provided that in any case where the prescribed Officer in his absolute discretion thinks fit, it shall be lawful for him to dispense with the production of probate or letters of administration or other legal representation upon such terms as to indemnity or otherwise, as he may think fit.
- (4) Notwithstanding anything contained in sub-regulations (1), (2) and (3), where the Prescribed Officer in his absolute discretion thinks fit, in any case, it shall be lawful for him to dispense with the production of probate or letters of administration or other legal representation upon such terms as to indemnity or otherwise, as he may think fit.

18. Nomination

- (1) Notwithstanding anything contained in Regulation 17, where a Bond is held by one or more persons, the sole holder or, as the case maybe, all the holders together may nominate any person or persons to whom, in the event of the death of the sole holder or the death of all the holders, the amount due on the Bond may be paid.

Provided that when a Bond is held by two or more persons, the nominee shall become entitled to receive the amount only on the death of all the holders.

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

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

Provided, however, that if no nomination subsists or, if such nomination relates only to a part of the amount due, the whole amount or part thereof to which the nomination does not relate, shall be paid to the persons who may be entitled thereto under sub-regulation (2) of Regulation 17.

- (3) A nomination under sub-regulation (1) may be made by the sole holder or, as the case may be, all the holders together in Form XV.
- (4) A nomination may be made only in respect of a Bond which is held in the individual capacity of the holder and not in any representative capacity as the holder of an office or otherwise.
- (5) Where the nominee is a minor, the sole holder or as the case may be, all the holders together may appoint any person (not being a minor) to receive the amount due on the Bond during the minority of the nominee.
- (6) Where a Bond is held in the name of a minor, the nomination, if any, shall be made by a person lawfully entitled to act on behalf of the minor.
- (7) A nomination may be substituted by submitting an application in Form XV or cancelled by submitting an application in Form XVI, together with the Bond, to the Small Industries Development Bank of India.
- (8) A nomination or a substitution or a cancellation of a nomination shall be registered in the books of the Small Industries Bank and the fact of registration shall be noted on the Bond and, on such registration the said nomination, cancellation or substitution, as the case may

be, shall be deemed to be effective from the date on which it was submitted.

- (9) The rights, which a nominee has acquired in relation to the Bond under a nomination duly made and registered under this Regulation, shall not be affected by reason of the issue of a duplicate Bond and the nominee shall have the same rights in relation to the duplicate Bond as he had in relation to the original Bond.

19. Receipt for renewal; etc.

- (1) Subject to any general or special instructions of the Prescribed Officer the office of Issue may, by its order, on the application of the holder -
- (a) on his delivering the Bond or Bonds in the form of promissory note or notes and on his satisfying the Office of Issue regarding the justice of his claim, renew, sub-divide or consolidate the note or notes provided the note or notes has or have been receipted in Form I, II or III, as the case may be; or
 - (b) convert the note or notes into a Stock Certificate or Stock Certificates provided the note or notes has or have been endorsed as follows -

" Pay to the Small Industries Development Bank of India" ; or
 - (c) renew, sub-divide or consolidate a Stock Certificate or Stock Certificates provided the Stock Certificate or Stock Certificates has or have been receipted in Form VI, VII or VIII, as the case may be; or
 - (d) convert the Stock Certificate or Stock Certificates into promissory note or notes provided the Stock Certificate or Stock Certificates has or have been receipted in Form IX, or
 - (e) convert the Bonds of one series into those of another provided -
 - (i) inter series conversion is permissible; and
 - (ii) the conditions governing such conversion are complied with.
- (2) The Office of Issue may, under the orders of Prescribed Officer, require the applicant for renewal, sub-division or consolidation of a Bond under the sub-

regulation (1) to execute an indemnity in Form IV with one or more sureties approved by him.

20. Renewal of Bond in case of dispute as to title

Where there is a dispute as to the title to a Bond in respect of which an application for renewal has been made, the Prescribed Officer may : -

- (a) Where any party to the dispute has obtained a final decision from a court of competent jurisdiction declaring him to be entitled to such Bond, issue a renewed Bond in favour of such party, or
- (b) refuse to renew the Bond until such a decision has been obtained.

Explanation :

For purposes of this regulation, the expression 'final decision' means a decision which is not appealable or a decision which is appealable but against which no appeal has been filed within the period of limitation allowed by law.

21. Liability in respect of Bond renewed, etc.

When a duplicate Bond has been issued under Regulation 11 or a renewed Bond has been issued or a new Bond has been issued upon sub-division or consolidation under Regulation 19, in favour of a person the Bond so issued shall be deemed to constitute a new contract between the Small Industries Bank and such person and all persons deriving title thereafter through him.

22. Discharge

The Small Industries Bank shall be discharged from all liability in respect of the Bond or Bonds paid on maturity or in place of which a duplicate, renewed, sub-divided or consolidated Bond or Bonds has or have been issued -

- (a) in the case of payment, after the lapse of four years from the date on which payment was due;
- (b) in the case of a duplicate Bond after the lapse of four years from the date of the publication under Regulation 13 of the list in which the Bond is first mentioned, or from the date of the payment of interest on the original Bond, referred to in Regulation 11 whichever date is later ;
- (c) in the case of a renewed Bond or of a new Bond issued upon sub-division or consolidation after the lapse of four years from the date of issue thereof.

23. Discharge in respect of interest.

Save as otherwise expressly provided in the terms of the Bond, no person shall be entitled to claim interest on any such Bond in respect of any period which has elapsed after the earliest date on which demand could have been made for the payment of the amount due on such Bond.

24. Discharge of a Bond.

- (a) when a Bond held in the form of promissory note or Stock Certificate becomes due for payment of principal, it shall be presented at the office of the Small Industries Bank at which interest thereon is payable or at the office of Issue duly signed by the holder on its reverse ;
- (b) when a Bond in the form of an entry in the account becomes due for payment of principal, a duly signed receipt in Form XIV shall be furnished by the holder to the Office of Issue Provided that the Small Industries Bank may, having regard to the interest of the holder of Bonds and other relevant factors, make the payment of the amount due on the Bond without requiring its presentment or form XIV at the office of the Small Industries Bank invoking call option as per the terms of its issue or on maturity .

25. Exercise of Powers on behalf of the Small Industries Bank.

The powers exercisable by the Small Industries Bank under Regulations 4(2), 5(2), 5(7), 6(6) and 8(1) may be exercised on behalf of the Small Industries Bank by the Chairman and Managing Director and in his absence by a Deputy Managing Director and/or an Executive Director and/or a Chief General Manager of the Small Industries Bank.

THE SCHEDULE

FORM I [See Regulation 19 (1) (a)]

Form of endorsement for renewal of a Bond in the form of a Promissory Note.

Received in lieu hereof, a renewed Note Payable to with interest payable by the Small

(name of holder)

Industries Development Bank of India,

.....

(place)

Signature of the holder / duly authorised representative of

.....

.....

(name of holder)

FORM II [See Regulation 19(1) (a)]

Form of endorsement for sub-division of a Bond in the form of a promissory Note.

Received in lieu hereof

Note for Rs.
respectively, payable to with
interest payable

(name of holder)

by the Small Industries Development Bank of India
.....

(place)

Signature of the holder/duly authorised representative of

.....

(name of holder)

FORM III [See Regulation 19(1) (a)]

Form of endorsement for consolidation of Bonds in the form of Promissory Note

Received in lieu hereof a new Note Payable to for Rs. by consolidation with Note or Note

(name of holder)

No.(s) (mentioning the number (s) and amount(s) of the other Note(s) desired to be consolidated with it and specifying the issue) with interest payable by the Small Industries Development Bank of India

(place)

Signature of the holder / duly authorised representative of
(name of holder)

FORM IV [See Regulation 19(2)]

Know all men by these presents that we
.....
..... (name of principal)
Son of Resident
of
.....and.....
sonof.....Resident of
..... and Son of
.....

(Surety No.2)
Resident ofhereby bind ourselves and
each of us,our and each of our heirs, executors,
administrators and representatives and all of them jointly and
severally to the Small Industries Development Bank of India as
established under the Small Industries Development Bank of
India Act, 1989 (hereinafter called "the said Small Industries
Bank") for payment of the sum of Rs.
..... to the said Small Industries
Bank, its certain attorneys, successors and assigns.

AND I/each of us the said
..... (name of Principal) and (name
of
..... hereby covenant with the said
Small Surety / Sureties)
Industries Bank that if any suit shall be brought touching the
subject matter of this obligation or the condition hereunder
written in any Court subordinate to the High Court of
Judicature at Lucknow / Bombay, the same may at the instance
of the said Small Industries Bank, whoever may be a party to
such suit be removed unto, tried and determined by any of the
said High Courts in its extraordinary original civil
jurisdiction at Lucknow / Bombay.

WHEREAS THE said Has
..... (name of Principal)
applied to the said Small Industries Bank, for the
renewal/consolidation/sub-division of Bond(s)issued by the
said Small Industries Bank mentioned in the schedule hereto.

AND WHEREAS the said Small Industries Bank has consented
and agreed to accept the said application on the said
..... with two good and
sufficient (name of Principal)
sureties entering into and executing the above written Bond
subject to the condition hereunder written. :

AND WHEREAS the above bounden
..
..... (name of Surety / Sureties)
at the request of the said
..... (name of Principal)

has/have agreed to become surety/sureties for
(name of Principal)

and to join with the said
(name of Principal)

in executing the above written bond.

Now the condition of the above written bond is such that if
the above bounden and
..... or
(name of principal) (name of

Surety/Sureties) of
each of them or their heirs, executors, administrators or
representatives or any or either of them shall from time to
time and at all times hereafter effectually save, defend, keep
harmless and indemnified the said Small Industries Bank from
and against the claims and demands of all persons claiming to
be entitled to the Bond(s) issued by the said Small Industries
Bank mentioned in the schedules hereto or to any interest
thereon and of other persons whomsoever in respect of the said
Bond(s) or the renewal thereof or the payment of interest
thereon and from and against all damages, losses, costs,
charges and expenses which the said Small Industries Bank may
sustain, incur or be liable to for or in consequence of any
such claim or demand or by reason of the issue of renewed
Bond(s) as aforesaid or the payment of any interest due on the
said Bond(s) or renewed Bond(s) then the above written bond
shall be void but otherwise the same shall remain in full
force and effect.

Signed and delivered by
(name of Principal)

in the presence of..... and
of

Date : _____

The Schedule herein referred to

--
Nature and description of the Bond Number Date of Issue Amount

--

FORM V [See Regulation 3(3)]
Form of Transfer

I/Wedo hereby assign
and (name of holder(s))
transfer my/our interest or share in the inscribed Stock of the
..... percent Small Industries Development Bank of India Bonds,
.....
..... (year)
amounting to Rs. being the
amount/a portion of the Stock for Rs. as
specified on the face of this instrument together with the accrued
interest thereon unto his/her/ their
executors,
(name of transferee(s))
administrators or assigns, and I/we

..... (name of holder (s))
do freely accept the above Stock transferred to the extent it has
been transferred to me/us.

I/We hereby request
that (name of transferee(s))

on my/our being registered as the holder(s) of the Stock hereby
transferred to me/us the aforesaid Stock Certificate to the extent
it has been transferred to me/us may be renewed in my/our
name(s)/converted in my/our name(s).

* I/We hereby request that on
the (name of holder(s))
above transferee(s) being registered as the holder(s) of the Stock
hereby transferred to him/them the aforesaid Stock Certificate to
the extent it has not been transferred to him/them may be renewed
in my/our name(s).

As witness our hand theday
ofone thousand nine hundred and
..... signed by the above named transferor in the presence
of **(Transferor)

Address :

(Transferee).....

Address :

Signed by the above named transferee in the presence of
**

* This paragraph is to be used only when a portion of
a certificate is transferred.

** Signature, occupation and address of witness.

FORM VI [See Regulation 19 (1) (c)]

Form of endorsement for renewal of Stock Certificate

Received in lieu hereof a renewed Stock Certificate of
the.. per cent Small Industries Development Bank of India
Bond, ... for

(year)

Rs. in the name of
.....

with interest payable by the Small Industries Development Bank
of India

(place)

Signature of the registered holder /
duly authorised representative

.....
(name of registered holder)

FORM VII [See Regulation 19 (1) (c)]

Form of endorsement for sub-division of a Stock Certificate

Received in lieu of this Stock Certificate No.....
stock Certificates for Rs. respectively of the
per cent Small Industries Development Bank of India Bonds,
..... with
(year)
interest payable by the Small Industries Development Bank of
India,
(place)

Signature of the registered holder /
duly authorised representative

.....
(name of registered holder)

FORM VIII [See Regulation 19(1) (c)]

Form of endorsement for consolidation of Stock
Certificates

Received in lieu of Stock Certificate Nos.
.....for Rs..... respectively of the per
cent Small Industries Development Bank of India Bonds a
Stock Certificate for Rs.
(year)

..... of the per cent Small Industries
Development Bank of India Bonds,with interest payable by
the Small Industries Development Bank of India
(place)

Signature of the registered holder /
duly authorised representative

.....
(name of registered holder)

FORM IX [See Regulation 19(1) (d)]

Form of endorsement for conversion of Stock Certificate
into Promissory Notes.

Received in lieu of this Stock Certificate
..... Promissory Notes of Rs. each
together with a new Stock Certificate for the balance
amounting to Rs.with interest payable by the Small
Industries Development Bank of India,
(place)

Signature of the registered holder /
duly authorised representative

.....
(name of registered holder)

FORM X [See Regulation 5(2) (b)(iii)]

Form of receipt for renewal of a Bond issued in the form of Stock Certificate.

Received in lieu hereof a renewed Stock Certificate of the.. percent Small Industries Development Bank of India Bonds,

(year)
for Rs..... in favour of with interest payable by the Small Industries Development Bank of India,.....

(place)

.....
(Signature of registered holder)

FORM XI [See Regulation 3 (3A) (c)]

Requisition for conversion of Bond in the form of Promissory Note into an entry in the account with the Small Industries Bank.

Date

To,
Manager,
Bonds Section,
Small Industries Development Bank of India,
Bombay / Lucknow.

Dear Sir,

Re.: ----% Small Industries Development Bank
of India Bonds (..... ..Series)

We hereby declare that the Small Industries Development Bank of India Bonds issued in the form of Promissory Note(s) of the aggregate face value of Rs..... listed on the reverse is/are our property and request that we may please be allowed to hold the same in the form of an entry in the account to be maintained by the Small Industries Bank in our name for which purpose we are surrendering herewith the relevant bond scrips duly endorsed in favour of the Small Industries Bank. The name, designation and specimen signature(s) of the person(s), who has / have been authorised to operate the account are as per details given on the reverse.

In this connection, we are enclosing hereto deed of indemnity in your favour, duly stamped and executed on our behalf as per your draft.

We request you to kindly send to us in due course certificate of holding of bonds in form of an account with the Small Industries Bank and periodic statement of our holding at the address given above.

In the meanwhile please acknowledge receipt.

Yours faithfully,

Signature(s) of the registered
holder(s) / or his duly
authorised

representative

Name (s) of registered
Holder(s)

LIST OF BOND SCRIPS ENCLOSED HERETO

Promissory Note (s) in denomination(s) as stated below.

1. Bond Scrip No. dated for
Rs..... (..... Series)
2. Bond Scrip No. dated for
Rs..... (.....series)
3. Bond Scrip No. datedfor
Rs..... (.....Series)

Aggregate face value of the Bond scrips Rs.....

Specimen Signature(s)Singly/Jointly/Either or
Survivor

Name 1.Designation.....
2.Designation.....

Address -----

Telephone : _____ Telefax : _____

Enclosed : (i) Bond Scrips for aggregate value of Rs.
.....
(ii) Deed of Indemnity.

FORM XII [See Regulation 3(3A) (e)]

Requisition for issue of Bond scrips in lieu of the Bonds held in the form of entry in the account with the Small Industries Bank.

To,
Manager,
Bonds Section,
Small Industries Development Bank of India,
Bombay / Lucknow.

Dear Sir,

Re.:% Small Industries Development Bank
of India Bond (.....Series)

We are forwarding herewith the certificate of holding issued by the Small Industries Development Bank of India in respect of the Bonds held by us in the form of an entry in the account maintained by the Small Industries Development Bank of India.

We request that our Bond holdings may please be converted and transferred in the form of promissory note(s), as per details given on the reverse.

We request that Bond Scrips in this regard may please be forwarded to us by registered post at our address given above, alongwith the fresh certificate of holding in respect of the balance amount of the Bonds that are continued to be held in the form of an entry in the account maintained by the Small Industries Development Bank of India.

In the meanwhile please acknowledge receipt.

Yours faithfully,

Signature(s) of the registered
holder(s) / or his duly
authorised representative

Name(s) of the registered
Holder(s)

Details of existing certificates of holding and
requirement of promissory notes.

1. Certificate of Holding No. dated
Rs..... (.....Series)

2. Certificate of Holding No. dated
..... Rs..... (..... Series)

3. Certificate of Holding No. dated
..... Rs.....(.....Series)

Aggregate face value of Bonds Rs..... of which,
please arrange to issue Bond Scrips in denominations as stated
below :

<u>Denominations</u>	<u>Number</u>	<u>Aggregate face value.</u>
1. Rs. 1,000 each X		= Rs.
2. Rs.10,000 each X		= Rs.

Total Scrips of the aggregate Face Value of Rs.
.....

We request that the balance amount of the Bonds may continue
to be held in the form of an entry in the account maintained by the
Small Industries Development Bank of India.

FORM XIII [See Regulation 3(3A) (g)]

Form of transfer of Bonds in the form of an entry in the account with the Small Industries Bank.

We, _____ as the holder(s) of the Bonds in the form of an entry in an account with the Small Industries Development Bank of India do hereby assign and transfer our holding to the extent of Rs. _____ being the entire / portion of our Bond holding together with accrued interest thereon upto _____ to and in favour of _____ .

We, _____ do freely accept the transfer of the above Bonds to our name,

Witness our hand this _____ day of _____

Signed by the above named _____ (Seller)
in the presence of _____.

Signed by the above named _____ (Buyer)
in the presence of _____.

Note : To be stamped in accordance with Article 62 (c) of the Indian Stamp Act, 1899 (amended by the Local Stamp Act of the State in which it is executed).

FORM XIV [See Regulation 24(b)]

Form of discharge for the Bonds held in the form of entry in the account with the Small Industries Bank.

To,
Manager,
Bonds Section,
Small Industries Development Bank of India,
Mumbai

Dear Sir,

Re.:% Small Industries Development Bank
of India Bond(s) (.....Series)

Received the principal amount with accrued interest on the date of maturity on the Captioned Bond(s) of the nominal face value of Rs. (Rupees..... only) held in form of an entry in the books of the Small Industries Development Bank of India or with a Depository to the credit of (bond holder). *It is certified that the nominal amount of the Bond(s) and the accrued interest as on date of maturity agree with my / our books.

Yours faithfully,

Signature(s) of the registered
holder(s) / or his duly
authorised representative

Name(s) of the registered

Holder(s)/beneficial owner(s)

** Certified that the name of the beneficial owner(s) is recorded in the register of beneficial owner maintained by us and his signature tallies with the specimen signature available with us.

Name of the authorised official
Of the depository

Date :
Place :

*Applicable in the case of bond held in the form of an entry in the books of the Small Industries Development Bank of India.

** Applicable in the case of Bond held with a depository.

Form of nomination - substitution of nomination

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

<u>Sr. No.</u>	<u>Description</u>	<u>BONDS</u>		<u>Date of Issue</u>	<u>Face</u>
		<u>Distinctive Number</u>	<u>value</u>		
1.					
2.					
3.					

<u>S.No.</u>	<u>Name</u>	<u>Address</u>	<u>NOMINEE(S)</u>	
			<u>Date of Birth (if the nominee is a minor)</u>	<u>Percentage of amount payable @</u>
	-----	-----	-----	-----
1.				
2.				
3.				

2. * As the nominee(s) at Serial No.(s) above is/are minor(s), I appoint Shri/Smt./Kumarias the (Name and Full address)

person to receive the amount due thereon in the event of my/our/minor holder's death during the minority of such nominee(s).

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

*** (Signature of the holder)

Signatures and address of witnesses :

- 1. Place :
- 2. Date :

@ Indicate in this column the percentage of total amount payable to each nominee.

* Strike out this paragraph when the nomination is not in favour of a minor

** Strike out this paragraph when the nomination is not in substitution of one already made.

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

Form of cancellation of nomination

I / We do hereby cancel the (Name (s) of the holder (s)] nomination dated made by me/us in respect of the Bonds specified below and registered on

Sr.No. value	Description	Distinctive Number	Date of Issue	Face
-----	-----	-----	-----	

- 1.
- 2.
- 3.

Place :
Date :

*(Signature of the Holder)

(Name of the holder)

Signature and address of witness

- 1.
- 2.

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