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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

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MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS

(Legislative Department)

New Delhi, the 16th December, 1999/Agrahayana 25, 1921 (Saka)

The following Act of Parliament received the assent of the President on the 16th December, 1999, and is hereby published for general information:—

THE SECURITIES LAWS (SECOND AMENDMENT) ACT, 1999

No. 32 OF 1999

[16*th December*, 1999]

An Act further to amend the Securities Contracts (Regulation) Act, 1956, *the Securities and Exchange Board of India Act,* 1992 *and the Depositories Act,* 1996.

BE it enacted by Parliament in the Fiftieth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. This Act may be called the Securities Laws (Second Amendment) Act, 1999. Short title.

CHAPTER II

AMENDMENTS TO THE SECURITIES CONTRACTS (REGULATION) ACT, 1956

42 of 1956. 2. In section 2 of the Securities Contracts (Regulation) Act, 1956 (hereafter in this Chapter referred to as the principal Act), after clause (*g*), the following clause shall be inserted, namely:— Amendment of section 2.

'(*ga*) "Securities Appellate Tribunal" means a Securities Appellate Tribunal established under sub-section (*1*) of section 15K of the Securities and Exchange

15 of 1992. Board of India Act, 1992;'.

Insertion of new section 2A.

3. After section 2 of the principal Act, the following section shall be inserted, namely:—

Interpretation of certain words and expressions.

"2A. Words and expressions used herein and not defined in this Act but defined in the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or the Depositories Act, 1996 shall have the same meanings respectively assigned to them in those Acts.". 1 of 1956. 15 of 1992. 22 of 1996.

Amendment of section 22.

4. In section 22 of the principal Act, the following proviso shall be inserted, namely:—

"Provided that no appeal shall be preferred against refusal, omission or failure, as the case may be, under this section on and after the commencement of the Securities Laws (Second Amendment) Act, 1999.".

Insertion of new sections 22A, 22B, 22C, 22D, 22E and 22F.

5. After section 22 of the principal Act, the following sections shall be inserted, namely:—

Right of appeal to Securities Appellate Tribunal against refusal of stock exchange to list securities of public companies.

'22A. (*1*) Where a recognised stock exchange, acting in pursuance of any power given to it by its bye-laws, refuses to list the securities of any company, the company shall be entitled to be furnished with reasons for such refusal, and may,—

(*a*) within fifteen days from the date on which the reasons for such refusal are furnished to it, or

(*b*) where the stock exchange has omitted or failed to dispose of, within the time specified in sub-section (*1A*) of section 73 of the Companies Act, 1956 (hereafter in this section referred to as the "specified time"), the application for permission for the shares or debentures to be dealt with on the stock exchange, within fifteen days from the date of expiry of the specified time or within such further period, not exceeding one month, as the Securities Appellate Tribunal may, on sufficient cause being shown, allow, 1 of 1956.

appeal to the Securities Appellate Tribunal having jurisdiction in the matter against such refusal, omission or failure, as the case may be, and thereupon the Securities Appellate Tribunal may, after giving the stock exchange, an opportunity of being heard,—

(*i*) vary or set aside the decision of the stock exchange; or

(*ii*) where the stock exchange has omitted or failed to dispose of the application within the specified time, grant or refuse the permission,

and where the Securities Appellate Tribunal sets aside the decision of the recognised stock exchange or grants the permission, the stock exchange shall act in conformity with the orders of the Securities Appellate Tribunal.

(*2*) Every appeal under sub-section (*1*) shall be in such form and be accompanied by such fee as may be prescribed.

(*3*) The Securities Appellate Tribunal shall send a copy of every order made by it to the Board and parties to the appeal.

(*4*) The appeal filed before the Securities Appellate Tribunal under sub-section (*1*) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within six months from the date of receipt of the appeal.

Procedure and powers of Securities Appellate Tribunal.

22B. (*1*) The Securities Appellate Tribunal shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908, but shall be guided by the principles of natural justice and, subject to the other provisions of this Act and of any rules, the Securities Appellate Tribunal shall have powers to regulate their own procedure including the places at which they shall have their sittings. 5 of 1908.

(2) The Securities Appellate Tribunal shall have, for the purpose of discharging their functions under this Act, the same powers as are vested in a civil court under
5 of 1908. the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:—

(*a*) summoning and enforcing the attendance of any person and examining him on oath;

(*b*) requiring the discovery and production of documents;

(*c*) receiving evidence on affidavits;

(*d*) issuing commissions for the examination of witnesses or documents;

(*e*) reviewing its decisions;

(*f*) dismissing an application for default or deciding it *ex parte*;

(*g*) setting aside any order of dismissal of any application for default or any order passed by it *ex parte*; and

(*h*) any other matter which may be prescribed.

(3) Every proceeding before the Securities Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for
45 of 1860. the purposes of section 196 of the Indian Penal Code and the Securities Appellate Tribunal shall be deemed to be a civil court for all the purposes of section 195 and
2 of 1974. Chapter XXVI of the Code of Criminal Procedure, 1973.

Right to legal representation.

22C. The appellant may either appear in person or authorise one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to present his or its case before the Securities Appellate Tribunal.

Explanation.—For the purposes of this section,—

(*a*) "chartered accountant" means a chartered accountant as defined in clause (*b*) of sub-section (*1*) of section 2 of the Chartered Accountants Act,
38 of 1949. 1949 and who has obtained a certificate of practice under sub-section (*1*) of section 6 of that Act;

(*b*) "company secretary" means a company secretary as defined in clause
56 of 1980. (*c*) of sub-section (*1*) of section 2 of the Company Secretaries Act, 1980 and who has obtained a certificate of practice under sub-section (*1*) of section 6 of that Act;

(*c*) "cost accountant" means a cost accountant as defined in clause (*b*) of
23 of 1959. sub-section (*1*) of section 2 of the Cost and Works Accountants Act, 1959 and who has obtained a certificate of practice under sub-section (*1*) of section 6 of that Act;

(*d*) "legal practitioner" means an advocate, vakil or an attorney of any High Court, and includes a pleader in practice.

36 of 1963. Limitation.

22D. The provisions of the Limitation Act, 1963 shall, as far as may be, apply to an appeal made to a Securities Appellate Tribunal.

Civil court not to have jurisdiction.

22E. No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which a Securities Appellate Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

Appeal to High Court.

22F. Any person aggrieved by any decision or order of the Securities Appellate Tribunal may file an appeal to the High Court within sixty days from the date of

communication of the decision or order of the Securities Appellate Tribunal to him on any question of fact or law arising out of such order:

Provided that the High Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days.'.

Amendment of section 23.

6. In section 23 of the principal Act, in sub-section (*2*), after the word and figures "section 22", the words "or with the orders of the Securities Appellate Tribunal" shall be inserted.

Amendment of section 30.

7. In section 30 of the principal Act, in sub-section (*2*), for clause (*ha*), the following clause shall be substituted, namely:—

"(*ha*) the form in which an appeal may be filed before the Securities Appellate Tribunal under section 22A and the fees payable in respect of such appeal;".

CHAPTER III

AMENDMENTS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

Amendment of section 15K.

8. In section 15K of the Securities and Exchange Board of India Act, 1992 (hereafter in this Chapter referred to as the principal Act), in sub-section (*1*), after the words "under this Act", the words "or any other law for the time being in force" shall be inserted. 15 of 1992.

Amendment of section 15T.

9. In section 15T of the principal Act,—

(*a*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) Save as provided in sub-section (*2*), any person aggrieved,—

(*a*) by an order of the Board made, on and after the commencement of the Securities Laws (Second Amendment) Act, 1999, under this Act, or the rules or regulations made thereunder; or

(*b*) by an order made by an adjudicating officer under this Act,

may prefer an appeal to a Securities Appellate Tribunal having jurisdiction in the matter.";

(*b*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) No appeal shall lie to the Securities Appellate Tribunal from an order made—

(*a*) by the Board on and after the commencement of the Securities Laws (Second Amendment) Act, 1999;

(*b*) by an adjudicating officer,

with the consent of the parties.";

(*c*) in sub-section (*3*), for the words "a copy of the order made by the adjudicating officer", the words "a copy of the order made by the Board or the adjudicating officer, as the case may be," shall be substituted;

(*d*) in sub-section (*5*), for the word "parties", the words "Board, the parties" shall be substituted.

Substitution of new section for section 15V.

10. For section 15V of the principal Act, the following shall be substituted, namely:—

Right to legal representation.

'15V. The appellant may either appear in person or authorise one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to present his or its case before the Securities Appellate Tribunal.

Explanation.—For the purposes of this section,—

(*a*) "chartered accountant" means a chartered accountant as defined in clause (*b*) of sub-section (*1*) of section 2 of the Chartered Accountants Act, 1949 and who has obtained a certificate of practice under sub-section (*1*) of section 6 of that Act;

38 of 1949.

(*b*) "company secretary" means a company secretary as defined in clause (*c*) of sub-section (*1*) of section 2 of the Company Secretaries Act, 1980 and who has obtained a certificate of practice under sub-section (*1*) of section 6 of that Act;

56 of 1980.

(*c*) "cost accountant" means a cost accountant as defined in clause (*b*) of sub-section (*1*) of section 2 of the Cost and Works Accountants Act, 1959 and who has obtained a certificate of practice under sub-section (*1*) of section 6 of that Act;

23 of 1959.

(*d*) "legal practitioner" means an advocate, vakil or an attorney of any High Court, and includes a pleader in practice.'.

Amendment of section 20.

11. In section 20 of the principal Act, in sub-section (*1*), for the words "an order of the Board made", the words, brackets and figures "an order of the Board made, before the commencement of the Securities Laws (Second Amendment) Act, 1999," shall be substituted.

Amendment of section 20A.

12. In section 20A of the principal Act,—

(*a*) for the word "Board" wherever it occurs, the words "Board or the adjudicating officer" shall be substituted;

(*b*) for the word and figures "section 20", the words, figures and letter "section 15T or section 20" shall be substituted.

CHAPTER IV

AMENDMENTS TO THE DEPOSITORIES ACT, 1996

Amendment of section 2.

22 of 1996.

13. In section 2 of the Depositories Act, 1996 (hereafter in this Chapter referred to as the principal Act), after clause (*k*), the following clause shall be inserted, namely:—

'(*ka*) "Securities Appellate Tribunal" means a Securities Appellate Tribunal established under sub-section (*1*) of section 15K of the Securities and Exchange Board of India Act, 1992;'.

15 of 1992.

Amendment of section 23.

14. In section 23 of the principal Act, in sub-section (*1*), for the words "an order of the Board made", the words, brackets and figures "an order of the Board made before the commencement of the Securities Laws (Second Amendment) Act, 1999" shall be substituted.

Insertion of new sections 23A, 23B, 23C, 23D, 23E and 23F.

15. After section 23 of the principal Act, the following sections shall be inserted, namely:—

Appeal to Securities Appellate Tribunal.

'23A. (*1*) Save as provided in sub-section (*2*), any person aggrieved by an order of the Board made, on and after the commencement of the Securities Laws (Second Amendment) Act, 1999, under this Act, or the regulations made thereunder, may prefer an appeal to a Securities Appellate Tribunal having jurisdiction in the matter.

(*2*) No appeal shall lie to the Securities Appellate Tribunal from an order made by the Board with the consent of the parties.

(*3*) Every appeal under sub-section (*1*) shall be filed within a period of forty-five days from the date on which a copy of the order made by the Board is received by the person referred to in sub-section (*1*) and it shall be in such form and be accompanied by such fee as may be prescribed:

Provided that the Securities Appellate Tribunal may entertain an appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period.

(*4*) On receipt of an appeal under sub-section (*1*), the Securities Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against.

(*5*) The Securities Appellate Tribunal shall send a copy of every order made by it to the Board and parties to the appeal.

(*6*) The appeal filed before the Securities Appellate Tribunal under sub-section (*1*) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within six months from the date of receipt of the appeal.

Procedure and powers of Securities Appellate Tribunal.

23B. (*1*) The Securities Appellate Tribunal shall not be bound by the procedure laid down by the Code of Civil Procedure, 1908, but shall be guided by the principles of natural justice and, subject to the other provisions of this Act and of any rules, the Securities Appellate Tribunal shall have powers to regulate their own procedure including the places at which they shall have their sittings. 5 of 1908

(*2*) The Securities Appellate Tribunal shall have, for the purpose of discharging their functions under this Act, the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:— 5 of 1908.

(*a*) summoning and enforcing the attendance of any person and examining him on oath;

(*b*) requiring the discovery and production of documents;

(*c*) receiving evidence on affidavits;

(*d*) issuing commissions for the examination of witnesses or documents;

(*e*) reviewing its decisions;

(*f*) dismissing an application for default or deciding it *ex parte*;

(*g*) setting aside any order of dismissal of any application for default or any order passed by it *ex parte*; and

(*h*) any other matter which may be prescribed.

(*3*) Every proceeding before the Securities Appellate Tribunal shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228, and for the purposes of section 196 of the Indian Penal Code and the Securities Appellate Tribunal shall be deemed to be a civil court for all the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973. 45 of 1860. 2 of 1974.

Right to legal representation.

23C. The appellant may either appear in person or authorise one or more chartered accountants or company secretaries or cost accountants or legal practitioners or any of its officers to present his or its case before the Securities Appellate Tribunal.

Explanation.—For the purposes of this section,—

(*a*) "chartered accountant" means a chartered accountant as defined in clause (*b*) of sub-section (*1*) of section 2 of the Chartered Accountants Act, 1949 and who has obtained a certificate of practice under sub-section (*1*) of section 6 of that Act; 38 of 1949.

(*b*) "company secretary" means a company secretary as defined in clause (*c*) of sub-section (*1*) of section 2 of the Company Secretaries Act, 1980 and who has obtained a certificate of practice under sub-section (*1*) of section 6 of that Act; 56 of 1980.

(*c*) "cost accountant" means a cost accountant as defined in clause (*b*) of sub-section (*1*) of section 2 of the Cost and Works Accountants Act, 1959 and who has obtained a certificate of practice under sub-section (*1*) of section 6 of that Act; 23 of 1959.

(*d*) "legal practitioner" means an advocate, vakil or an attorney of any High Court, and includes a pleader in practice.

23D. The provisions of the Limitation Act, 1963 shall, as far as may be, apply to an appeal made to a Securities Appellate Tribunal. 36 of 1963. Limitation.

23E. No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which a Securities Appellate Tribunal is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act. Civil court not to have jurisdiction.

23F. Any person aggrieved by any decision or order of the Securities Appellate Tribunal may file an appeal to the High Court within sixty days from the date of communication of the decision or order of the Securities Appellate Tribunal to him on any question of fact or law arising out of such order: Appeal to High Court.

Provided that the High Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period not exceeding sixty days.'.

16. In section 24 of the principal Act, in sub-section (*2*), after clause (*c*), the following clause shall be inserted, namely:— Amendment of section 24.

"(*d*) the form in which an appeal may be filed before the Securities Appellate Tribunal under section 23A and the fees payable in respect of such appeal.".

RAGHBIR SINGH,
Secy. to the Govt. of India.

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