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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 AND JUSTICE
(Legislative Department)

New Delhi, the 25*th August,* 2014/*Bhadra* 3, 1936 *(Saka)*

The following Act of Parliament received the assent of the President on the 22nd August, 2014, and is hereby published for general information:—

THE SECURITIES LAWS (AMENDMENT) ACT, 2014

No. 27 of 2014

[22*nd August*, 2014.]

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

Be it enacted by Parliament in the Sixty-fifth Year of the Republic of India as follows:—

CHAPTER I

Preliminary

Short title and commencement.

1. (*1*) This Act may be called the Securities Laws (Amendment) Act, 2014.

(*2*) Save as otherwise provided, the provisions of this Act, except clause (*ii*) of section 5, section 6 to section 16, section 25 to section 33, section 36 and section 41 to section 48, shall be deemed to have come into force on the 18th day of July, 2013.

(*3*) The provisions of clause (*ii*) of section 5, section 16, section 33, section 36 and section 48 of this Act shall be deemed to have come into force on the 28th day of March, 2014.

(*4*) The provisions of section 6 to section 15, section 25 to section 32 and section 41 to section 47 of this Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

CHAPTER II

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

Amendment of section 11.

2. In section 11 of the Securities and Exchange Board of India Act, 1992 (hereafter in this Chapter referred to as the principal Act), 15 of 1992.—

(*i*) in sub-section (*2*),-—

(*a*) for clause (*ia*), the following clause shall be substituted, namely:—

''(*ia*) calling for information and records from any person including any bank or any other authority or board or corporation established or constituted by or under any Central or State Act which, in the opinion of the Board, shall be relevant to any investigation or inquiry by the Board in respect of any transaction in securities;'';

(*b*) after clause (*ia*), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 6th day of March, 1998, namely:—

''(*ib*) calling for information from, or furnishing information to, other authorities, whether in India or outside India, having functions similar to those of the Board, in the matters relating to the prevention or detection of violations in respect of securities laws, subject to the provisions of other laws for the time being in force in this regard:

Provided that the Board, for the purpose of furnishing any information to any authority outside India, may enter into an arrangement or agreement or understanding with such authority with the prior approval of the Central Government;'';

(*ii*) after sub-section (*4*), the following sub-section shall be inserted, namely:—

''(*5*) The amount disgorged, pursuant to a direction issued, under section 11B of this Act or section 12A of the Securities Contracts (Regulation) Act, 1956 or section 19 of the Depositories Act, 1996, as the case may be, shall be credited to the Investor Protection and Education Fund established by the Board and such amount shall be utilised by the Board in accordance with the regulations made under this Act.''. 42 of 1956. 22 of 1996.

Amendment of section 11AA.

3. In section 11AA of the principal Act,—

(*i*) in sub-section (*1*),—

(*a*) after the word, brackets and figure ''sub-section (*2*)'', the words, brackets, figure and letter ''or sub-section (*2A*)'' shall be inserted;

(*b*) the following proviso shall be inserted, namely:—

''Provided that any pooling of funds under any scheme or arrangement, which is not registered with the Board or is not covered under sub-section (*3*), involving a corpus amount of one hundred crore rupees or more shall be deemed to be a collective investment scheme.'';

(*ii*) in sub-section (*2*), in the opening portion, for the word ''company'', the word ''person'' shall be substituted;

(*iii*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

''(*2A*) Any scheme or arrangement made or offered by any person satisfying the conditions as may be specified in accordance with the regulations made under this Act.'';

(*iv*) in sub-section (*3*),—

(*a*) after the word, brackets and figure ''sub-section (*2*)'', the words, brackets, figure and letter ''or sub-section (*2A*)'' shall be inserted;

(*b*) after clause (*viii*), the following clause shall be inserted, namely:—

''(*ix*) such other scheme or arrangement which the Central Government may, in consultation with the Board, notify,''.

Amendment of section 11B.

4. In section 11B of the principal Act, the following *Explanation* shall be inserted, namely:—

''*Explanation*.—For the removal of doubts, it is hereby declared that the power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.''.

Amendment of section 11C.

5. In section 11C of the principal Act,-—

(*i*) in sub-section (*8*), for the words ''the Judicial Magistrate of the first class having jurisdiction'', the words ''the Magistrate or Judge of such designated court in Mumbai, as may be notified by the Central Government'' shall be substituted;

(*ii*) after sub-section (*8*), the following sub-section shall be inserted, namely:-—

''(*8A*) The authorised officer may requisition the services of any police officer or any officer of the Central Government, or of both, to assist him for all or any of the purposes specified in sub-section (*8*) and it shall be the duty of every such officer to comply with such requisition.'';

(*iii*) in sub-section (*9*), for the words ''the Magistrate'' occurring at both the places, the words ''the Magistrate or Judge of the Designated Court'' shall be substituted;

(*iv*) in sub-section (*10*), for the words ''the Magistrate'', the words ''the Magistrate or Judge of the Designated Court'' shall be substituted.

Amendment of section15A.

6. In section 15A of the principal Act, in clauses (*a*), (*b*) and (*c*), for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 15B.

7. In section 15B of the principal Act, for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 15C.

8. In section 15C of the principal Act, for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 15D.

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

(*i*) in clause (*a*), for the words ''of one lakh rupees for each day during which he sponsors or carries on any collective investment scheme including mutual funds, or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which he sponsors or carries on any such collective investment scheme including mutual funds subject to a maximum of one crore rupees'' shall be substituted;

(*ii*) in clauses (*b*), (*c*), (*d*), (*e*) and (*f*), for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh

rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 15E.

10. In section 15E of the principal Act, for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 15F.

11. In section 15F of the principal Act,—

(*i*) in clause (*a*), for the words ''a penalty not exceeding five times the amount'', the words, ''a penalty which shall not be less than one lakh rupees but which may extend to'' shall be substituted;

(*ii*) in clause (*b*), for the words ''of one lakh rupees for each day during which such failure continues, or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which he sponsors or carries on any such collective investment scheme including mutual funds subject to a maximum of one crore rupees'' shall be substituted;

(*iii*) in clause (*c*), for the words ''of one lakh rupees or five times the amount of brokerage'', the words ''which shall not be less than one lakh rupees but which may extend to five times the amount of brokerage'' shall be substituted.

Amendment of section 15G.

12. In section 15G of the principal Act, for the words ''of twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher'', the words ''which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher'' shall be substituted.

Amendment of section 15H.

13. In section 15H of the principal Act, for the words ''of twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher'', the words ''which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such failure, whichever is higher'' shall be substituted.

Amendment of section 15HA.

14. In section 15HA of the principal Act, for the words ''of twenty- five crore rupees or three times the amount of profits made out of such practices, whichever is higher'', the words ''which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of such practices, whichever is higher'' shall be substituted.

Amendment of section 15HB.

15. In section 15HB of the principal Act, for the words ''liable to a penalty which may extend to one crore rupees'', the words '' liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees'' shall be substituted.

Amendment of section 15-I.

16. In section 15-I of the principal Act, after sub-section (*2*), the following sub-section shall be inserted, namely:-—

''(*3*) The Board may call for and examine the record of any proceedings under this section and if it considers that the order passed by the adjudicating officer is erroneous to the extent it is not in the interests of the securities market, it may, after making or causing to be made such inquiry as it deems necessary, pass an order enhancing the quantum of penalty, if the circumstances of the case so justify:

Provided that no such order shall be passed unless the person concerned has been given an opportunity of being heard in the matter:

Provided further that nothing contained in this sub-section shall be applicable after an expiry of a period of three months from the date of the order passed by the adjudicating officer or disposal of the appeal under section 15T, whichever is earlier.''.

Insertion of new section 15JB.

17. After section 15JA of the principal Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 20th day of April, 2007, namely:—

Settlement of administrative and civil proceedings.

"15JB. (*1*) Notwithstanding anything contained in any other law for the time being in force, any person, against whom any proceedings have been initiated or may be initiated under section 11, section 11B, section 11D, sub-section (*3*) of section 12 or section 15-I, may file an application in writing to the Board proposing for settlement of the proceedings initiated or to be initiated for the alleged defaults.

(*2*) The Board may, after taking into consideration the nature, gravity and impact of defaults, agree to the proposal for settlement, on payment of such sum by the defaulter or on such other terms as may be determined by the Board in accordance with the regulations made under this Act.

(*3*) The settlement proceedings under this section shall be conducted in accordance with the procedure specified in the regulations made under this Act.

(*4*) No appeal shall lie under section 15T against any order passed by the Board or adjudicating officer, as the case may be, under this section.".

Amendment of section 15T.

18. In section 15T of the principal Act, sub-section (*2*) shall be omitted.

Amendment of section 26.

19. In section 26 of the principal Act, sub-section (*2*) shall be omitted.

Insertion of new sections 26A, 26B, 26C, 26D and 26E.

20. After section 26 of the principal Act, the following sections shall be inserted, namely:—

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Establishment of Special Courts.

"26A. (*1*) The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be necessary.

(*2*) A Special Court shall consist of a single judge who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court within whose jurisdiction the judge to be appointed is working.

(*3*) A person shall not be qualified for appointment as a judge of a Special Court unless he is, immediately before such appointment, holding the office of a Sessions Judge or an Additional Sessions Judge, as the case may be.

Offences triable by Special Courts.

26B. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences under this Act committed prior to the date of commencement of the Securities Laws (Amendment) Act, 2014 or on or after the date of such commencement, shall be taken cognizance of and tried by the Special Court established for the area in which the offence is committed or where there are more Special Courts than one for such area, by such one of them as may be specified in this behalf by the High Court concerned.

2 of 1974.

Appeal and revision.

26C. The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Session trying cases within the local limits of the jurisdiction of the High Court.

2 of 1974.

Application of Code to proceedings before Special Court.

26D. (*1*) Save as otherwise provided in this Act, the provisions of the Code of Criminal Procedure, 1973 shall apply to the proceedings before a Special Court and for the purposes of the said provisions, the Special Court shall be deemed to be a Court of Session and the person conducting prosecution before a Special Court shall be deemed

2 of 1974.

to be a Public Prosecutor within the meaning of clause (*u*) of section 2 of the Code of Criminal Procedure, 1973.

(*2*) The person conducting prosecution referred to in sub-section (*1*) should have been in practice as an advocate for not less than seven years or should have held a post, for a period of not less than seven years, under the Union or a State, requiring special knowledge of law.

Transitional provisions.

26E. Any offence committed under this Act, which is triable by a Special Court shall, until a Special Court is established, be taken cognizance of and tried by a Court of Session exercising jurisdiction over the area, notwithstanding anything contained in the Code of Criminal Procedure, 1973: 2 of 1974.

Provided that nothing contained in this section shall affect the powers of the High Court under section 407 of the Code of Criminal Procedure, 1973 to transfer any case or class of cases taken cognizance by a Court of Session under this section.". 2 of 1974.

Insertion of new section 28A.

21. After section 28 of the principal Act, the following section shall be inserted, namely:—

Recovery of amounts.

'28A. (*1*) If a person fails to pay the penalty imposed by the adjudicating officer or fails to comply with any direction of the Board for refund of monies or fails to comply with a direction of disgorgement order issued under section 11B or fails to pay any fees due to the Board, the Recovery Officer may draw up under his signature a statement in the specified form specifying the amount due from the person (such statement being hereafter in this Chapter referred to as certificate) and shall proceed to recover from such person the amount specified in the certificate by one or more of the following modes, namely:—

(*a*) attachment and sale of the person's movable property;

(*b*) attachment of the person's bank accounts;

(*c*) attachment and sale of the person's immovable property;

(*d*) arrest of the person and his detention in prison;

(*e*) appointing a receiver for the management of the person's movable and immovable properties,

and for this purpose, the provisions of sections 220 to 227, 228A, 229, 232, the Second and Third Schedules to the Income-tax Act, 1961 and the Income-tax (Certificate Proceedings) Rules, 1962, as in force from time to time, in so far as may be, apply with necessary modifications as if the said provisions and the rules made thereunder were the provisions of this Act and referred to the amount due under this Act instead of to income-tax under the Income-tax Act, 1961. 43 of 1961.

Explanation 1.— For the purposes of this sub-section, the person's movable or immovable property or monies held in bank accounts shall include any property or monies held in bank accounts which has been transferred directly or indirectly on or after the date when the amount specified in certificate had become due, by the person to his spouse or minor child or son's wife or son's minor child, otherwise than for adequate consideration, and which is held by, or stands in the name of, any of the persons aforesaid; and so far as the movable or immovable property or monies held in bank accounts so transferred to his minor child or his son's minor child is concerned, it shall, even after the date of attainment of majority by such minor child or son's minor child, as the case may be, continue to be included in the person's movable or immovable property or monies held in bank accounts for recovering any amount due from the person under this Act.

Explanation 2.— Any reference under the provisions of the Second and Third Schedules to the Income-tax Act, 1961 and the Income-tax (Certificate Proceedings) 43 of 1961.

Rules, 1962 to the assessee shall be construed as a reference to the person specified in the certificate.

Explanation 3.— Any reference to appeal in Chapter XVIID and the Second Schedule to the Income-tax Act, 1961, shall be construed as a reference to appeal before the Securities Appellate Tribunal under section 15T of this Act.

43 of 1961.

(*2*) The Recovery Officer shall be empowered to seek the assistance of the local district administration while exercising the powers under sub-section (*1*).

(*3*) Notwithstanding anything contained in any other law for the time being in force, the recovery of amounts by a Recovery Officer under sub-section (*1*), pursuant to non-compliance with any direction issued by the Board under section 11B, shall have precedence over any other claim against such person.

(*4*) For the purposes of sub-sections (*1*), (*2*) and (*3*), the expression "Recovery Officer" means any officer of the Board who may be authorised, by general or special order in writing, to exercise the powers of a Recovery Officer.'.

Amendment of section 30.

22. In section 30 of the principal Act, in sub-section (*2*),—

(*i*) after clause (*c*), the following clauses shall be inserted, namely:—

"(*ca*) the utilisation of the amount credited under sub-section (*5*) of section 11;

(*cb*) the fulfilment of other conditions relating to collective investment scheme under sub-section (*2A*) of section 11AA;";

(*ii*) after clause (*d*), the following clauses shall be inserted, namely:—

"(*da*) the terms determined by the Board for settlement of proceedings under sub-section (*2*) and the procedure for conducting of settlement proceedings under sub-section (*3*) of section 15JB;

(*db*) any other matter which is required to be, or may be, specified by regulations or in respect of which provision is to be made by regulations.".

Insertion of new section 34A.

23. After section 34 of the principal Act, the following section shall be inserted, namely:—

Validation of certain acts.

"34A. Any act or thing done or purporting to have been done under the principal Act, in respect of calling for information from, or furnishing information to, other authorities, whether in India or outside India, having functions similar to those of the Board and in respect of settlement of administrative and civil proceedings, shall, for all purposes, be deemed to be valid and effective as if the amendments made to the principal Act had been in force at all material times.".

CHAPTER III

AMENDMENTS TO THE SECURITIES CONTRACTS (REGULATION) ACT, 1956

Amendment of section 12A.

42 of 1956.

24. In section 12A of the Securities Contracts (Regulation) Act, 1956 (hereafter in this Chapter referred to as the principal Act), the following *Explanation* shall be inserted, namely:—

"*Explanation*.— For the removal of doubts, it is hereby declared that power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.".

Amendment of section 23A.

25. In section 23A of the principal Act, in clauses (*a*) and (*b*), for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 23B.

26. In section 23B of the principal Act, for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 23C.

27. In section 23C of the principal Act, for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 23D.

28. In section 23D of the principal Act, for the words ''liable to a penalty not exceeding one crore rupees'', the words ''liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees'' shall be substituted.

Amendment of section 23E.

29. In section 23E of the principal Act, for the words ''liable to a penalty not exceeding twenty-five crore rupees'', the words ''liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees'' shall be substituted.

Amendment of section 23F.

30. In section 23F of the principal Act, for the words ''liable to a penalty not exceeding twenty-five crore rupees'', the words ''liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees'' shall be substituted.

Amendment of section 23G.

31. In section 23G of the principal Act, for the words ''liable to a penalty not exceeding twenty-five crore rupees'', the words ''liable to a penalty which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees'' shall be substituted.

Amendment of section 23H.

32. In section 23H of the principal Act, for the words ''liable to a penalty which may extend to one crore rupees'', the words ''liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees'' shall be substituted.

Amendment of section 23-I.

33. In section 23-I of the principal Act, after sub-section (*2*), the following sub-section shall be inserted, namely:—

''(*3*) The Board may call for and examine the record of any proceedings under this section and if it considers that the order passed by the adjudicating officer is erroneous to the extent it is not in the interests of the securities market, it may, after making or causing to be made such inquiry as it deems necessary, pass an order enhancing the quantum of penalty, if the circumstances of the case so justify:

Provided that no such order shall be passed unless the person concerned has been given an opportunity of being heard in the matter:

Provided further that nothing contained in this sub-section shall be applicable after an expiry of a period of three months from the date of the order passed by the adjudicating officer or disposal of the appeal under section 23L, whichever is earlier.''.

Insertion of new section 23JA.

34. After section 23J of the principal Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 20th day of April, 2007, namely:—

Settlement of administrative and civil proceedings.

''23JA. (*1*) Notwithstanding anything contained in any other law for the time being in force, any person, against whom any proceedings have been initiated or may be initiated under section 12A or section 23-I, may file an application in writing to the Board proposing for settlement of the proceedings initiated or to be initiated for the alleged defaults.

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(*2*) The Board may, after taking into consideration the nature, gravity and impact of defaults, agree to the proposal for settlement, on payment of such sum by the defaulter or on such other terms as may be determined by the Board in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992.

15 of 1992.

(*3*) For the purposes of settlement under this section, the procedure as specified by the Board under the Securities and Exchange Board of India Act, 1992 shall apply.

15 of 1992.

(*4*) No appeal shall lie under section 23L against any order passed by the Board or the adjudicating officer, as the case may be, under this section.".

Insertion of new section 23JB.

35. After section 23JA of the principal Act as so inserted, the following section shall be inserted, namely:—

Recovery of amounts.

'23JB. (*1*) If a person fails to pay the penalty imposed by the adjudicating officer or fails to comply with a direction of disgorgement order issued under section 12A or fails to pay any fees due to the Board, the Recovery Officer may draw up under his signature a statement in the specified form specifying the amount due from the person (such statement being hereafter in this Chapter referred to as certificate) and shall proceed to recover from such person the amount specified in the certificate by one or more of the following modes, namely:—

(*a*) attachment and sale of the person's movable property;

(*b*) attachment of the person's bank accounts;

(*c*) attachment and sale of the person's immovable property;

(*d*) arrest of the person and his detention in prison;

(*e*) appointing a receiver for the management of the person's movable and immovable properties,

and for this purpose, the provisions of sections 220 to 227, 228A, 229, 232, the Second and Third Schedules to the Income-tax Act, 1961 and the Income-tax (Certificate Proceedings) Rules, 1962, as in force from time to time, in so far as may be, apply with necessary modifications as if the said provisions and the rules thereunder were the provisions of this Act and referred to the amount due under this Act instead of to income-tax under the Income-tax Act, 1961.

43 of 1961.

Explanation 1.— For the purposes of this sub-section, the person's movable or immovable property or monies held in bank accounts shall include any property or monies held in bank accounts which has been transferred, directly or indirectly on or after the date when the amount specified in certificate had become due, by the person to his spouse or minor child or son's wife or son's minor child, otherwise than for adequate consideration, and which is held by, or stands in the name of, any of the persons aforesaid; and so far as the movable or immovable property or monies held in bank accounts so transferred to his minor child or his son's minor child is concerned, it shall, even after the date of attainment of majority by such minor child or son's minor child, as the case may be, continue to be included in the person's movable or immovable property or monies held in bank accounts for recovering any amount due from the person under this Act.

Explanation 2.— Any reference under the provisions of the Second and Third Schedules to the Income-tax Act, 1961 and the Income-tax (Certificate Proceedings) Rules, 1962 to the assessee shall be construed as a reference to the person specified in the certificate.

43 of 1961.

Explanation 3.— Any reference to appeal in Chapter XVIID and the Second Schedule to the Income-tax Act, 1961, shall be construed as a reference to appeal before the Securities Appellate Tribunal under section 23L of this Act.

43 of 1961.

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(*2*) The Recovery Officer shall be empowered to seek the assistance of the local district administration while exercising the powers under sub-section (*1*).

(*3*) Notwithstanding anything contained in any other law for the time being in force, the recovery of amounts by a Recovery Officer under sub-section (*1*), pursuant to non-compliance with any direction issued by the Board under section 12A, shall have precedence over any other claim against such person.

(*4*) For the purposes of sub-sections (*1*), (*2*) and (*3*), the expression ''Recovery Officer'' means any officer of the Board who may be authorised, by general or special order in writing to exercise the powers of a Recovery Officer.'.

Amendment of section 23L.

36. In section 23L of the principal Act, in sub-section (*1*), after the word, figure and letter ''section 4B'', the words, brackets, figures and letter ''or sub-section (*3*) of section 23-I'' shall be inserted.

Amendment of section 26.

37. In section 26 of the principal Act, sub-section (*2*) shall be omitted.

Insertion of new sections 26A, 26B, 26C, 26D and 26E.

38. After section 26 of the principal Act, the following sections shall be inserted, namely:—

Establishment of Special Courts.

''26A. (*1*) The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be necessary.

(*2*) A Special Court shall consist of a single judge who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court within whose jurisdiction the judge to be appointed is working.

(*3*) A person shall not be qualified for appointment as a judge of a Special Court unless he is, immediately before such appointment, holding the office of a Sessions Judge or an Additional Sessions Judge, as the case may be.

Offences triable by Special Courts.

26B. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences under this Act committed prior to the date of commencement of the Securities Laws (Amendment) Act, 2014 or on or after the date of such commencement, shall be taken cognizance of and tried by the Special Court established for the area in which the offence is committed or where there are more Special Courts than one for such area, by such one of them as may be specified in this behalf by the High Court concerned. 2 of 1974.

Appeal and Revision.

26C. The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Session trying cases within the local limits of the jurisdiction of the High Court. 2 of 1974.

Application of Code to proceedings before Special Court.

26D. (*1*) Save as otherwise provided in this Act, the provisions of the Code of Criminal Procedure, 1973 shall apply to the proceedings before a Special Court and for the purposes of the said provisions, the Special Court shall be deemed to be a Court of Session and the person conducting prosecution before a Special Court shall be deemed to be a Public Prosecutor within the meaning of clause (*u*) of section 2 of the Code of Criminal Procedure, 1973. 2 of 1974.

(*2*) The person conducting prosecution referred to in sub-section (*1*) should have been in practice as an advocate for not less than seven years or should have held a post, for a period of not less than seven years, under the Union or a State, requiring special knowledge of law.

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Transitional provisions.

26E. Any offence committed under this Act, which is triable by a Special Court shall, until a Special Court is established, be taken cognizance of and tried by a Court of Session exercising jurisdiction over the area, notwithstanding anything contained in the Code of Criminal Procedure, 1973: 2 of 1974.

Provided that nothing contained in this section shall affect the powers of the High Court under section 407 of the Code to transfer any case or class of cases taken cognizance by a Court of Session under this section.''.

Amendment of section 31.

39. In section 31 of the principal Act, in sub-section (*2*), after clause (*b*), the following clauses shall be inserted, namely:—

''(*c*) the terms determined by the Board for settlement of proceedings under sub-section (*2*) of section 23JA;

(*d*) any other matter which is required to be, or may be, specified by regulations or in respect of which provision is to be made by regulations.''.

Insertion of new section 32.

40. After section 31 of the prinipal Act, the following section shall be inserted, namely:—

Validation of certain acts.

''32. Any act or thing done or purporting to have been done under the principal Act, in respect of settlement of administrative and civil proceedings, shall, for all purposes, be deemed to be valid and effective as if the amendments made to the principal Act had been in force at all material times.''.

CHAPTER IV

AMENDMENTS TO THE DEPOSITORIES ACT, 1996

Amendment of section 19.

41. In section 19 of the Depositories Act, 1996 (hereafter in this Chapter referred to as the principal Act), the following *Explanation* shall be inserted, namely:— 22 of 1996.

''*Explanation*.— For the removal of doubts, it is hereby declared that power to issue directions under this section shall include and always be deemed to have been included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.''.

Amendment of section 19A.

42. In section 19A of the principal Act, in clauses (*a*), (*b*) and (*c*), for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 19B.

43. In section 19B of the principal Act, for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 19C.

44. In section 19C of the principal Act, for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 19D.

45. In section 19D of the principal Act, for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 19E.

46. In section 19E of the principal Act, for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

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Amendment of section 19F.

47. In section 19F of the principal Act, for the words ''of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less'', the words ''which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees'' shall be substituted.

Amendment of section 19G.

48. In section 19G of the principal Act, for the words ''liable to a penalty which may extend to one crore rupees'', the words '' liable to a penalty which shall not be less than one lakh rupees but which may extend to one crore rupees'' shall be substituted.

Amendment of section19H.

49 . In section 19H of the principal Act, after sub-section (*2*), the following sub-section shall be inserted, namely:-—

''(*3*) The Board may call for and examine the record of any proceedings under this section and if it considers that the order passed by the adjudicating officer is erroneous to the extent it is not in the interests of the securities market, it may, after making or causing to be made such inquiry as it deems necessary, pass an order enhancing the quantum of penalty, if the circumstances of the case so justify:

Provided that no such order shall be passed unless the person concerned has been given an opportunity of being heard in the matter:

Provided further that nothing contained in this sub-section shall be applicable after an expiry of a period of three months from the date of the order passed by the adjudicating officer or disposal of the appeal under section 23A, whichever is earlier.''.

Insertion of new section 19-IA.

50. After section 19-I of the principal Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 20th day of April, 2007, namely:—

Settlement of Administrative and Civil Proceedings.

''19-IA. (*1*) Notwithstanding anything contained in any other law for the time being in force, any person, against whom any proceedings have been initiated or may be initiated under section 19 or section 19H, as the case may be, may file an application in writing to the Board proposing for settlement of the proceedings initiated or to be initiated for the alleged defaults.

(*2*) The Board may, after taking into consideration the nature, gravity and impact of defaults, agree to the proposal for settlement, on payment of such sum by the defaulter or on such other terms as may be determined by the Board in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992. 15 of 1992.

(*3*) For the purpose of settlement under this section, the procedure as specified by the Board under the Securities and Exchange Board of India Act, 1992 shall apply. 15 of 1992.

(*4*) No appeal shall lie under section 23A against any order passed by the Board or the adjudicating officer under this section.''.

Insertion of new section 19-IB.

51. After section 19-IA of the principal Act as so inserted, the following section shall be inserted, namely:—

Recovery of amounts.

'19-IB. (*1*) If a person fails to pay the penalty imposed by the adjudicating officer or fails to comply with a direction of disgorgement order issued under section 19 or fails to pay any fees due to the Board, the Recovery Officer may draw up under his signature a statement in the specified form specifying the amount due from the person (such statement being hereafter in this Chapter referred to as certificate) and shall proceed to recover from such person the amount specified in the certificate by one or more of the following modes, namely: —

(*a*) attachment and sale of the person's movable property;

(*b*) attachment of the person's bank accounts;

(*c*) attachment and sale of the person's immovable property;

(*d*) arrest of the person and his detention in prison;

(*e*) appointing a receiver for the management of the person's movable and immovable properties,

and for this purpose, the provisions of sections 220 to 227, 228A, 229, 232, the Second and Third Schedules to the Income-tax Act, 1961 and the Income-tax (Certificate Proceedings) Rules, 1962, as in force from time to time, in so far as may be, apply with necessary modifications as if the said provisions and the rules thereunder were the provisions of this Act and referred to the amount due under this Act instead of to income-tax under the Income-tax Act, 1961.

43 of 1961.

Explanation 1.— For the purposes of this sub-section, the person's movable or immovable property or monies held in bank accounts shall include any property or monies held in bank accounts which has been transferred, directly or indirectly on or after the date when the amount specified in certificate had become due, by the person to his spouse or minor child or son's wife or son's minor child, otherwise than for adequate consideration, and which is held by, or stands in the name of, any of the persons aforesaid; and so far as the movable or immovable property or monies held in bank accounts so transferred to his minor child or his son's minor child is concerned, it shall, even after the date of attainment of majority by such minor child or son's minor child, as the case may be, continue to be included in the person's movable or immovable property or monies held in bank accounts for recovering any amount due from the person under this Act.

Explanation 2. — Any reference under the provisions of the Second and Third Schedules to the Income-tax Act, 1961 and the Income-tax (Certificate Proceedings) Rules, 1962 to the assessee shall be construed as a reference to the person specified in the certificate.

43 of 1961.

Explanation 3. — Any reference to appeal in Chapter XVIID and the Second Schedule to the Income-tax Act, 1961, shall be construed as a reference to appeal before the Securities Appellate Tribunal under section 23A of this Act.

43 of 1961.

(*2*) The Recovery Officer shall be empowered to seek the assistance of the local district administration while exercising the powers under sub-section (*1*).

(*3*) Notwithstanding anything contained in any other law for the time being in force, the recovery of amounts by a Recovery Officer under sub-section (*1*), pursuant to non-compliance with any direction issued by the Board under section 19, shall have precedence over any other claim against such person.

(*4*) For the purposes of sub-sections (*1*), (*2*) and (*3*), the expression "Recovery Officer" means any officer of the Board who may be authorised, by general or special order in writing, to exercise the powers of a Recovery Officer.

Amendment of section 22.

52. In section 22 of the principal Act, sub-section (*2*) shall be omitted.

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

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

Establishment of Special Courts.

"22C. (*1*) The Central Government may, for the purpose of providing speedy trial of offences under this Act, by notification, establish or designate as many Special Courts as may be necessary.

(*2*) A Special Court shall consist of a single judge who shall be appointed by the Central Government with the concurrence of the Chief Justice of the High Court within whose jurisdiction the judge to be appointed is working.

(*3*) A person shall not be qualified for appointment as a judge of a Special Court unless he is, immediately before such appointment, holding the office of a Sessions Judge or an Additional Sessions Judge, as the case may be.

Offences triable by Special Courts.

22D. Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences under this Act committed prior to the date of commencement of the Securities Laws (Amendment) Act, 2014 or on or after the date of such commencement, shall be taken cognizance of and tried by the Special Court established for the area in which the offence is committed or where there are more Special Courts than one for such area, by such one of them as may be specified in this behalf by the High Court concerned. 2 of 1974.

Appeal and revision.

22E. The High Court may exercise, so far as may be applicable, all the powers conferred by Chapters XXIX and XXX of the Code of Criminal Procedure, 1973 on a High Court, as if a Special Court within the local limits of the jurisdiction of the High Court were a Court of Session trying cases within the local limits of the jurisdiction of the High Court. 2 of 1974.

Application of Code to proceedings before Special Court.

22F. (*1*) Save as otherwise provided in this Act, the provisions of the Code of Criminal Procedure, 1973 shall apply to the proceedings before a Special Court and for the purposes of the said provisions, the Special Court shall be deemed to be a Court of Session and the person conducting prosecution before a Special Court shall be deemed to be a Public Prosecutor within the meaning of clause (*u*) of section 2 of the Code of Criminal Procedure, 1973. 2 of 1974.

(*2*) The person conducting prosecution referred to in sub-section (*1*) should have been in practice as an advocate for not less than seven years or should have held a post, for a period of not less than seven years, under the Union or a State, requiring special knowledge of law.

Transitional provisions.

22G. Any offence committed under this Act, which is triable by a Special Court shall, until a Special Court is established, be taken cognizance of and tried by a Court of Session exercising jurisdiction over the area, notwithstanding anything contained in the Code of Criminal Procedure, 1973: 2 of 1974.

Provided that nothing contained in this section shall affect the powers of the High Court under section 407 of the Code to transfer any case or class of cases taken cognizance by a Court of Session under this section.''.

Amendment of section 23A.

54. In section 23A of the principal Act, sub-section (*2*) shall be omitted.

Amendment of section 25.

55. In section 25 of the principal Act, in sub-section (*2*), after clause (*g*), the following clauses shall be inserted, namely:—

''(*h*) the terms determined by the Board for settlement of proceedings under sub-section (*2*) of section 19-IA;

(*i*) any other matter which is required to be, or may be, specified by regulations or in respect of which provision to be made by regulations.''.

Insertion of new section 30A.

56. After section 30 of the principal Act, the following section shall be inserted, namely:—

Validation of certain acts.

''30A. Any act or thing done or purporting to have been done under the principal Act, in respect of settlement of administrative and civil proceedings, shall, for all purposes, be deemed to be valid and effective as if the amendments made to the principal Act had been in force at all material times.''.

Ord. 2 of 2014.

Validation and savings.

57. Notwithstanding the fact that the Securities Laws (Amendment) Ordinance, 2014 has ceased to operate, anything done or any action taken or purported to have been done or taken under the provisions of the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act as if such provisions had been in force at all material times.

———

DR. SANJAY SINGH,
Secretary to the Govt. of India.

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CORRIGENDA

In the Andhra Pradesh Reorganisation Act, 2014 (6 of 2014) as published in the Gazette of India, Extraordinary, Part II, Section 1, Issue No. 6, dated the 1st March, 2014,—

Page No.	Column	Line(s) No.	*for*	*Read*
2	—	28	"Rangareddi"	"Ranga Reddy"
5	—	10	"sub-section (*1*)"	"sub-section (*1*) of section 17"
21	—	41	"terms clause"	"terms of clause"
25	—	3	"oppointed"	"appointed"
26	—	19	"section 102"	"section 101"
28	—	25	"2014"	"2013"
36	1	32	"129. Pulivendla"	"129. Pulivendula,"
36	2	32	"Pulivendla;"	"Pulivendula,"
39	2	21	"47-Mandapeta."	"48-Mandapeta."
40	2	5	"129-Pulivendla"	"129-Pulivendula"
42	—	11	**"5—DISTRICT: RANGAREDDI"**	**"5—DISTRICT: RANGA REDDY"**
46	1 and 2	34, 35	**"4. NIZAMABAD** 1-Armur, 2-Bodhan 3-Nizamabad (Urban), 4-Nizamabad (Rural), 5-Balkonda, 6-Koratla and 7-Jagtial."	**"4. NIZAMABAD** 11-Armur, 12-Bodhan 17-Nizamabad (Urban), 18-Nizamabad (Rural), 19-Balkonda, 20-Koratla and 21-Jagtial."
46	1 and 2	38 to 42	**"6. MEDAK** 8-Siddipet, 9-Medak, 10-Narsapur, 11-Sangareddy, 12-Patancheru, 13-Dubbak and 14-Gajwel.	**"6. MEDAK** 33-Siddipet, 34-Medak, 37-Narsapur, 39-Sangareddy, 40-Patancheru, 41-Dubbak and 42-Gajwel.
			7. MALKAJGIRI 15-Medchal, 16-Malkajgiri, 17-Qutbullapur, 18-Kukatpalle, 19-Uppal, 20-Lal Bahadur Nagar and 21-Secunderabad Cantt. (SC).''	**7. MALKAJGIRI** 43-Medchal, 44-Malkajgiri, 45-Qutbullapur, 46-Kukatpalle, 47-Uppal, 49-Lal Bahadur Nagar and 71-Secunderabad Cantt. (SC).''
46	1 and 2	45 to 49	**''9. HYDERABAD** 22-Malakpet, 23-Karwan, 24-Goshamahal, 25-Charminar, 26-Chandrayangutta, 27-Yakutpura and 28-Bahadurpura.	**''9. HYDERABAD** 58-Malakpet, 64-Karwan, 65-Goshamahal, 66-Charminar, 67-Chandrayangutta, 68-Yakutpura and 69-Bahadurpura.
			10. CHEVELLA 29-Maheswaram, 30-Rajendranagar, 31-Serilingampally, 32-Chevella (SC), 33-Pargi, 34-Vicarabad(SC) and 35-Tandur.''	**10. CHEVELLA** 50-Maheswaram, 51-Rajendranagar, 52-Serilingampally, 53-Chevella (SC), 54-Pargi, 55-Vicarabad(SC) and 56-Tandur.''

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Page No.	Column	Line(s) No.	*for*	*Read*
47	1 and 2	2 to 4	**"11. MAHBUBNAGAR** 36-Kodangal, 37-Narayanpet, 38-Mahbubnagar, 39-Jadcherla, 40-Devarkadra, 41-Makthal and 42-Shadnagar."	**"11. MAHBUBNAGAR** 72-Kodangal, 73-Narayanpet, 74-Mahbubnagar, 75-Jadcherla, 76-Devarkadra, 77-Makthal and 84-Shadnagar."
47	1 and 2	8 to 10	**"13. NALGONDA** 43-Devarakonda (ST), 44-Nagarjuna Sagar, 45-Miryalaguda, 46-Huzurnagar, 47-Kodad, 48-Suryapet and 49-Nalgonda."	**"13. NALGONDA** 86-Devarakonda (ST), 87-Nagarjuna Sagar, 88-Miryalaguda, 89-Huzurnagar, 90-Kodad, 91-Suryapet and 92-Nalgonda."
47	1 and 2	14 to 16	**"15. WARANGAL (SC)** 50-Ghanpur (Station) (SC), 51-Palakurthi, 52-Parkal, 53-Warangal West, 54-Warangal East, 55-Wardhannapet (SC) and 56-Bhupalpalle."	**"15. WARANGAL (SC)** 99-Ghanpur (Station) (SC), 100-Palakurthi, 104-Parkal, 105-Warangal West, 106-Warangal East, 107-Wardhannapet (SC) and 108-Bhupalpalle."
47	1 and 2	20 to 22	**"17. Khammam** 57-Khammam, 58-Palair, 59-Madhira (SC), 60-Wyra (ST), 61-Sathupalle (SC), 62-Kothagudem and 63-Aswaraopeta (ST)."	**"17. Khammam** 112-Khammam, 113-Palair, 114-Madhira (SC), 115-Wyra (ST), 116-Sathupalle (SC), 117-Kothagudem and 118-Aswaraopeta (ST)."
48	2	30	"Prakasam-Nellore-Chittor"	"Prakasam-Nellore-Chittoor"
53	-	15	"Holya"	"Holva"
59	3	17	"Prishrama"	"Parishrama"
59	3	21	"Prishrama"	"Parishrama"
60	3	26	"Chaitniyapuri"	"Chaitanyapuri"
61	3	13	"Sankeshamma"	"Samkshema"
61	3	18	"Sankeshamma"	"Samkshema"
61	3	45	"Mehadipatnam"	"Mehdipatnam"
62	2	38	"Paarisharamika"	"Paarishramika"
63	2	3 and 4	-	*Omit* "to be added"
63	3	26	"lance"	"Lane"
63	3	33	"50028"	"500028"
63	3	34	"Sakshema"	"Samkshema"
64	3	2	"Sakshema"	"Samkshema"
64	2	11	"Andhra Pradesh Sagar"	"Andhra Pradesh Sagara (Uppara)"
64	2	14	"Andhra Pradesh Valmiki"	"Andhra Pradesh Valmiki/ Boya"
64	2	17	"Andhra Pradesh Balija"	"Andhra Pradesh Krishna Balija, Poosala"
64	2	20	"Andhra Pradesh Batraja"	"Andhra Pradesh Bhattraja"
64	2	24	"Co-operative Societies Federation Ltd."	"Finance Corporation"
64	2	26	"Andhra Pradesh Kummari"	"Andhra Pradesh Kummari Salivahana"

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Page No.	Column	Line(s) No.	*for*	*Read*
64	2	29 and 30	"Andhra Pradesh Vishwabrahmana Co-operative Societies Federation Ltd."	"Andhra Pradesh State Vishwabrahmana Co-operative Corproation Ltd."
65	-	2	"Rangareddy"	"Ranga Reddy"
65	-	22	"Rangareddi"	"Ranga Reddy"
66	-	32	"Secundrabad"	"Secunderabad"
67	-	13	"Hyderbad"	"Hyderabad"
71	-	6	"within period"	"within a period".

CORRIGENDUM

In the Finance (No. 2) Act, 2014 (No. 25 of 2014) as published in the Gazette of India, Extraordinary, Part II, Section 1, Issue No. 29, dated the 6th August, 2014, at page 1, in title, *for* "THE FINANCE (No. 2) BILL, 2014", *read* "THE FINANCE (No. 2) ACT, 2014".

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