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## **EXTRA ORDINARY**

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#### **NOTIFICATION**

No. H. 12017/4/96-LJD, the 3rd April, 1997. The following Ordinance is hereby published for general information.

Lucy Lalrinthari,  
Deputy Secretary to the Govt. of Mizoram.

**MINISTRY OF LAW AND JUSTICE**

**(LEGISLATIVE DEPARTMENT)**

New Delhi, the 15th January, 1997/Pausa 25, 1918 (Saka)

**THE DEPOSITORIES RELATED LAWS (AMENDMENT)  
ORDINANCE, 1997**

**No. 5 of 1997**

Promulgated by the President in the Forty-Seventh  
Republic of India.

An Ordinance further to amend the Indian Stamp Act, 1899, the State Bank of India Act, 1955, the Companies Act, 1956, The State Bank of India (Subsidiary Banks) Act, 1959, the Industrial Development Bank of India Act, 1964, the Banking Companies (Aquisition and Transfer of Undertakings) Act, 1970, the Banking Companies (Aquisition and Transfer of Underrtakings) Act, 1980 and the

O.I.G.S. Only

## Depositories Act, 1996.

WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action:

Now, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:—

## CHAPTER I

## PRELIMINARY

1. (1) This Ordinance may be called the Depositories **Substitute**  
Related Law (Amendment) Ordinance, 1997. **and com-**  
**mence-**  
(2) It shall come into force at once, **ment.**

## CHAPTER II

## AMENDMENT TO THE INDIAN STAMP ACT, 1899

- Amendment of Section 8 A. 2. In section 8 A of the Indian Stamp Act, 1899, 2 of 1899.  
for clause (d), the following clauses shall be substituted,  
namely:—

“(d) transfer of beneficial ownership of shares, such sharef being shares of a company formed and registered **I of 1959**  
under the Companies Act, 1956 or a body corporate es-  
tablished by a Central Act dealt with by a depository,  
shall not be liable to duty under article 62 of Schedule  
I of this Act;

(e) transfer of beneficial ownership of units, such units being units of a mutual fund including units of the Unit Trust of India established under sub-section (I) of section 3 of the Unit Trust of India Act, 1963 dealt with by a **52 of 1963.**  
depository, shall not be liable to duty under article 62 of Schedule I of this Act”.

## CHAPTER III

## AMENDMENTS TO THE STATE BANK OF INDIA ACT, 1955

- Amendment of section 13. 3. In section 13 of the State Bank of India Act, 1955 23 of 1955.  
(hereinafter in this Chapter referred to as the State Bank Act), in sub-section (I), the following proviso shall be inserted at the end, namely:—

“Provided that nothing in this sub-section shall apply to the shares held with a depository”.

Insertion of new section 13A. 4. After section 13 of the State Bank Act, the following section shall be inserted, namely:—

Register of beneficial owners. “13A The register of beneficial owners maintained by a depository under section II of the Depositories Act, 1996 shall be deemed to be a register of shareholders for the purposes of this Act”. 22 of 1996.

Amendment of section 15. 5. In section 15 of the State Bank Act, the following proviso and Explanation shall to inserted at the end, namely:—

“Provided that nothing in this section shall apply to a depository in respect of shares held by it as a registered owner on behalf of the beneficial owners.

Explanation.— For the purposes of section 13, section 13A and this section, the expressions “beneficial owners”, “depository” and “registered owners” shall have the meanings respectively assigned to them in clauses (a),(e) and (j) of sub-section (l) of section 2 of the Depositories Act, 1996”.

#### CHAPTER IV

#### AMENDMENTS TO THE STATE BANK OF INDIA (SUBSIDIARY BANKS) ACT, 1959.

Amendment of section 21. 6. In section 21 of the State Bank of India (Subsidiary Banks) Act, 1959 (hereinafter in this Chapter referred to as the Subsidiary Banks Act), the following proviso shall be inserted at the end, namely:— 38 of 1959.

“Provided that nothing in this section shall apply to the shares held with a depository”.

7. After section 21 of the Subsidiary Banks Act, the following section shall be inserted, namely; Insertion of new section 21A.

22 of 1996. “21A. The register of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996 shall be deemed to be a register of shareholders for the purposes of this Act”. Register of beneficial owners.

8. In section 22 of the Subsidiary Banks Act, the following proviso and Explanation shall be inserted at the end, namely:— Amendment of section 22.

“Provided that nothing in this section shall apply to a depository in respect of shares held by it as a registered owner on behalf of the beneficial owners.

Explanation.—For the purposes of section 21, section 21A and this section, the expressions “beneficial owner” “depository” and “registered owner” shall have the meanings respectively assigned to them in clauses (a), (e) and (j) of sub-section (1) of section 2 of the Depositories Act, 1996”.

## CHAPTER—V

### AMENDMENTS TO THE COMPANIES ACT, 1956

1 of 1956. 9. After section 82 of the Companies Act, 1956 (hereinafter in this Chapter referred to as the Companies Act), the following section shall be inserted, namely:—

Insertion of new section 83.

“83. Each share in a company having a share capital shall be distinguished by is appropriate number:

Numbering of shares.

Provided that nothing in this section shall apply to the shares held with a depository.”

10. In section IIIA of the Companies Act,—

Amendment of section IIIA.

(a) in sub-section (2), the following proviso shall be inserted, namely:—

“Provided that if a company without sufficient cause refuses to register transfer of shares within two months from the date on which the instrument of transfer of the intimation of transfer, as the case may be, is delivered to the company, the transferee may appeal to the Company Law Board and it shall direct such company to register the transfer of shares”.

(b) for sub-section (3), the following sub-section shall be substituted, namely:—

15 of 1992.  
1 of 1986. (3) The Company Law Board may, on an application made by a depository, company, participant or investor or the Securities Exchange Board of India, if the transfer of shares or debentures is in contravention of any of the provisions of the Securities and Exchange Board of India Act, 1992, or regulations made thereunder or the Sick Industrial Companies (Special Provisions) Act 1985 or any other law for the time being in force,

within two months from the date of transfer of any shares or debentures held by a depository or from the date of on which the instrument of transfer or the intimation of the transmission was delivered to the company, as the case may be, after such inquiry as it thinks fit, direct any depository or company to rectify its register or records."

**Amendment of section 150.** 11. In section 150 of the Companies Act, in sub-section (1), in clause (b), after the words "the shares held by each member," the words "distinguishing each share by its number except where such shares are held with a depository" shall be inserted.

**Amendment of section 152.** 12. In section 152 of the Companies Act, in sub-section (1), in clause (b), after the words "the debentures held by each member", the words "distinguishing each debenture by its number except where such debentures are held with a depository" shall be inserted.

## CHAPTER—VI

### AMENDMENTS TO THE INDUSTRIAL DEVELOPMENT BANK OF INDIA ACT, 1964.

**Amendment of section 13B.** 13. In section 13B of the Industrial Development Bank of India Act, 1964 (hereinafter in this chapter referred to as the development Bank Act), in sub-section (1), the following proviso shall be inserted at the end, namely:— 18 of 1964

"Provided that nothing in this sub-section shall apply to the shares held with a depository."

**Insertion of new section 13BA.** 14. After section 13B of the Development Bank Act, the following section shall be inserted, namely:—

**Register of beneficial owners.** "13BA. The register of beneficial owners maintained by a depository under section 11 of the Depositories Act, 1996 shall be deemed to be a register of the shareholders for the purposes of this Act."

**Amendment of section 13C.** 15. In section 13C of the Development Bank Act, the following proviso and Explanation shall be inserted at the end, namely:—

"Provided that nothing in this section shall apply to a depository in respect of the shares held by it as a registered owner on behalf of a beneficial owner."

**Explanation.**—For the purposes of section 13B, section 13BA and this section, the expressions “beneficial owner,” “depository” and “registered owner” shall have the meaning respectively assigned to them in clauses (a), (e) and (i) of sub-section (1) of section 2 of the Depositories Act, 1996.”

## CHAPTER—VII

### AMENDMENTS TO THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1970

**Amendment of section 3.** 16. In section 3 of the Banking Companies (Acquisition and Transfer of Undertakings Act, 1970 (hereinafter in this Chapter referred to as the Bank Nationalisation Act), in sub-section (2F), the following proviso shall be inserted at the end, namely:—

5 of 1970.

“Provided that nothing in this sub-section shall apply to the shares held with a depository.”

**Amendment of section 3A.** 17. In section 3A of the Bank Nationalisation Act, the following proviso shall be inserted at the end, namely:

“Provided that nothing in this section shall apply to a depository in respect of shares held by it as a registered owner on behalf of the beneficial owners.”

18. After section 3A of the Bank Nationalisation Act, the following section shall be inserted, namely:—

Insertion of new section 3B.

**22 of 1996.** “3B. The register of beneficial owner maintained by a depository under section 11 of the Depositories Act, 1996, shall be deemed to be a register of shareholders for the purposes of this Act.

Register of beneficial owners.

**Explanation.**—For the purposes of section 3, section 3A and this section, the expressions “beneficial owner”, “depository” and “registered owner” shall have the meanings respectively assigned to them in clauses (a), (e) and (j) of sub-section (1) of section 2 of the Depositories Act, 1996.”

## CHAPTER VIII

### AMENDMENTS TO THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ACT, 1980

**45 of 1980.** 19. In section 3 of the Banking Companies (Acquisition and Transfer of Undertakings Act, 1980 (hereinafter in this Chapter referred to as the Bank (Second) Nationalisation Act), after sub-section (2F), the following proviso shall be inserted at the end, namely:—

Amendment of section 3.

"Provided that nothing in this sub-section shall apply to the shares held with a depository."

20. In section 3A of the Bank (Second) Nationalisation Act, the following proviso shall be inserted at the end, namely :—

Amendment of section 3A.

"Provided that nothing in this section shall apply to a depository in respect of shares held by it as a registered owner on behalf of the beneficial owners".

21. After section 3A of the Bank (Second) Nationalisation Act, the following section shall be inserted, namely :—

Insertion of new section 3B.

22 of 1996. "3B. The register of beneficial owner maintained by a depository under section 11 of the Depositories Act, 1996, shall be deemed to be a register of shareholders for the purposes of this Act.

Register of beneficial owners.

Explanation.—For the purposes of section 3, section 3A and this section, the expressions "beneficial owner", "depository" and "registered owner" shall have the meanings respectively assigned to them in clauses (a),(e) and (j) of sub-section (1) of section 2 of the Depositories Act, 1996".

## CHAPTER IX

### AMENDMENT TO THE DEPOSITORIES ACT, 1996

Amendment of section 9. 22. In section 9 of the Depositories Act, 1996, for sub-section (2), the following sub-section shall be substituted, namely :—

22 of 1996.

"(2) Nothing contained in sections 153, 153A, 153B, 187B, 187C, and 372 of the Companies Act, 1956 shall apply to a depository in respect of securities held by it on behalf of the beneficial owners".

SHANKER DAYAL SHARMA,  
President.

K.L. MOHANPURIA,  
Secy. to the Government of India.

### Corrigenda

In the Finance (No. 2) Act, 1996 (33 of 1996) as published in the Gazette of India, Extraordinary, Part II, Section I, dated the 28th September, 1996 (Issue No. 62),—

at page 1, in the title, for "BILL", read "ACT";  
 at page 2, in the marginal heading against section 2,  
 for "tax", read "Income-tax";  
 at page 9,—

- (i) in line 20, for "seven years", read "five years"
- (ii) in line 24, for "Explanation", read "the  
Explanation";
- (iii) in line 44, for "of thereof", read "of transfer  
thereof";

at page 10, in line 15, for "of the section", read "of  
section";  
 at page 14,—

- (i) in line 21, for "caluse", read "clauses"
- (ii) in line 23, for "caluse", read "clause",

at page 23, in line 23, for "has not been part paid",  
 read "has been part paid";  
 at page 32,—

- (i) in line 4, for "wa. of winning frö", read "way  
of winning from";
- (ii) omit "(viii) on income by way of long-term  
capital gains";

at page 33,—

- (i) in paragraph A, for Sl.No. (3) and the entries rela-  
ting thereto, read

"(3) where the total income Rs.3,000 plus 30 per cent.  
exceeds Rs. 60,000 but does of the amount by which  
not exceed Rs. 1,20,000 the total income exceeds  
Rs. 60,000;"

- (ii) in paragraph B, for Sl.No. (2) and the entries rela-  
ting thereto, read

"(2) where the total income Rs.1,000 plus 20 per cent.  
exceeds of the amount by which  
not exceed Rs. 20,000 the total income exceeds  
Rs. 10,000";

at page 52, in line 31, for "10%", read "12%";  
 at page 59, in line 8, for "6M.M.", read "6MM";  
 at page 60, in line 29, for "IRON STEEL", read  
 "IRON OR STEEL".