



MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 19th March, 1997 / Phalgun 28, 1918 (Saka)

The following Act of Parliament received the assent of the President on the 19th March, 1997, and is hereby published for general information :-

THE DEPOSITORIES RELATED LAWS (AMENDMENT) ACT, 1997

Act No. 8 OF 1997

[19th March, 1997]

An Act 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 (Acquisition and transfer of Undertakings) Act, 1970, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 and the Depositories Act, 1996.

Be it enacted by Parliament in the Forty-eighth Year of the Republic of India as follows :-

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Depositories Related Laws (Amendment) Act, 1997. Short title and commencement
- (2) It shall be deemed to have come into force on the 15th day of January, 1997.

CHAPTER II

AMENDMENT TO THE INDIAN STAMP ACT, 1899

2. In section 8A of the Indian Stamp Act, 1899, for clause (d), the following clauses shall be substituted, namely:- Amendment of section 8 A of Act 2 of 1899.
 - “ (d) transfer of beneficial ownership of shares, such shares being shares of accompany formed and registered under the Companies Act, 1956 or a body corporate established by a Central Act dealt with by a depository, shall not be liable to duty under article 62 of Schedule 1 of this Act; 1 of 1956
 - (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 (l) of section 3 of the Unit Trust of India Act, 1963 dealt with by a depository, shall not be liable to duty under article 62 of Schedule I of this Act.”. 52 of 1963



CHAPTER III

AMENDMENTS TO THE STATE BANK OF INDIA ACT, 1955

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| Amendment of section 13. | 3. | In section 13 of the State Bank of India Act, 1955 (hereinafter in this Chapter referred to as the State Bank Act, in sub-section (l), 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.”. | 23 of 1955. |
| Insertion of new section 13 A. | 4. | After section 13 of the State Bank Act, the following section shall be inserted, namely:-
“13A. 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.”. | 22 of 1996. |
| Register of beneficial owners. | | | |
| Amendment of section 15. | 5. | In section 15 of the State Bank Act, the following proviso and <i>Explanation</i> 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.
<i>Explanation.-</i> For the purposes of section 13, section 13A 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 (l) of section 2 of the Depositories Act, 1996. | 22 of 1996. |

CHAPTER IV

AMENDMENT TO THE STATE BANK OF INDIA (SUBSIDIARY BANKS)ACT, 1959

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| Amendment of section. | 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:-
“Provided that nothing in this section shall apply to the shares held with a depository.”. | 38 of 1959. |
| Insertion of new section 21 A. | 7. | After section 21 of the Subsidiary Banks Act, the following sections shall be inserted, namely :-
“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.”. | 22 of 1996. |
| Register of beneficial owners. | | | |
| Amendment of section 22. | 8. | In section 22 of the Subsidiary banks Act, the following proviso and <i>Explanation</i> 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.
<i>Explanation-</i> 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 (l) of section 2 of the Depositories Act, 1996. | 22 of 1996. |



CHAPTER V

AMENDMENTS TO THE COMPANIES ACT, 1956

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| 1 of 1956. | 9. | <p>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:-</p> <p>“83. Each share in a company having a share capital shall be distinguished by its appropriate number.</p> <p>Provided that nothing in this section shall apply to the shares held with a depository.”.</p> | Insertion of new section 83.

Numbering of shares. |
| 15 of 1992.
1 of 1986. | 10. | <p>In section 111A the Companies Act,-</p> <p>a) in sub-section (2), the following proviso shall be inserted, namely;-</p> <p>“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 or 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.”.</p> <p>(b) for sub-section (3), the following sub-section shall be substituted, namely:-</p> <p>“(3) The Company Law Board may, on a 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 form the date of transfer of any shares or debentures held by a depository or from the date 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.”.</p> | Amendment of section III A. |
| | 11. | <p>In section 150 of the Companies Act, in sub-section (l), 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.</p> | Amendment of section 150. |
| | 12. | <p>In section 152 of the Companies Act, in sub-section (l), 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.</p> | Amendment of section 152. |



CHAPTER VI

AMENDMENTS TO THE INDUSTRIAL DEVELOPMENT BANK OF INDIA ACT, 1964

18 of 1964	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 (l), 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.”.	Amendment of section 13 B.
	14.	After section 13B of the Development Bank Act, the following section shall be inserted, namely:- “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.”.	Insertion of new section 13 BA. 22 of 1996.
Register of beneficial owners.	15.	In section 13C of the Development Bank Act, the following proviso and <i>Explanation</i> 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 registered owner on behalf of a beneficial owner. <i>Explanation</i> - For the purposes of section 13B, section 13BA 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-sections (l) of section 2 of the Depositories Act, 1996.	22 of 1996.
Amendment of section 13 C.			

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:- “Provided that nothing in this sub-section shall apply to the shares held with a depository.”.	5 of 1970
Amendment of section 3 A.	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 registered owner on behalf of the beneficial owners.”.	
Insertion of new section 3 B.	18.	After section 3A of the Bank Nationalisation Act, the following section shall be inserted, namely;- “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.	22 of 1996.
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 (l) of section 2 of the Depositories Act, 1996.” 22 of 1996.

CHAPTER VIII

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

- Amendment of section 3. 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:- 40 of 1980.
- “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.
- 22 of 1996. *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 (l) of section 2 of the Depositories Act, 1996.”

CHAPTER IX

AMENDMENT TO THE DEPOSITORIES ACT, 1996

22. In section 9 of the Depositories Act, 1996, for sub-section (2) the following sub-section shall be substituted, namely:- Amendment of section 9 of Act 22 of 1996
- 1 of 1956 “(2) Nothing contained in sections 153, 153A, 153B, 187C, and 372 of the Companies Act, shall apply to a depository in respect of securities held by it on behalf of the beneficial owners.”



CHAPTER X
MISCELLANEOUS

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| Ord. 5 of 1997 | 23. | (1) | The Depositories Related Laws (Amendment) Ordinance, 1997 is hereby repealed. | Repeal and saving |
| 2 of 1899.
23 of 1955.
1 of 1956.
38 of 1959.
18 of 1964.
5 of 1970.
40 of 1980.
22 of 1996. | | (2) | Notwithstanding such repeal, anything done or any actin taken under 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 (Acquisition and Transfer of Undertakings) Act, 1980 and the Depositories Act, 1996 as amended by the said Ordinance shall be deemed to have been done or taken under the corresponding proviions of those Acts, as amended by this Act. | |

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