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NOTIFICATION

Imphal, the 31st July, 2013

No. 2/21/2006-Leg/L : The following Ordinance promulgated by the President of India and published in the Gazette of India, Extra-Ordinary, part-II, section-I, No. 26 dated 18-07-2013 is hereby republished in the Manipur Gazette for general information.

THE SECURITIES LAWS (AMENDMENT) ORDINANCE, 2013
(NO. 8 OF 2013)

TH. KAMINI KUMAR SINGH,
Joint Secretary (Law),
Government of Manipur.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 18th July, 2013 Asadha 27, 1935 (Saka)

THE SECURITIES LAWS (AMENDMENT)
ORDINANCE, 2013
NO. 8 OF 2013

Promulgated by the President in the Sixty-fourth Year of the
Republic of India.

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

WHEREAS Parliament is not in session and the President is
satisfied that the 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 Securities Laws (Amendment) Ordinance, 2013. Short title and commencement.

(2) Save as otherwise provided in this Ordinance, the
provisions of this Ordinance shall come into force at once.

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

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

(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 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.

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

Amendment of section 11AA.

(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,".

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

Amendment of section 11B.

"*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."

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

Amendment of section 11C.

(i) for sub-section (8), the following sub-section shall be substituted, namely:—

'(8) Where in the course of an investigation, the Investigating Authority has reason to believe that any person or enterprise, as the case may be, to whom a notice under sub-section (3) has been issued or might be issued,—

(a) has omitted or failed to provide the information or produce documents as required in the notice; or

(b) would not provide the information or produce documents which shall be useful for, or relevant to, the investigation; or

(c) would destroy, mutilate, alter, falsify or secrete the information or documents useful for, or relevant to, the investigation,

then, the Chairman may, after being satisfied that it is necessary to do so, authorise the Investigating Authority or any other officer of the Board (the officer so authorised in all cases being hereinafter referred to as the authorised officer), to—

(i) enter and search, with such assistance, as may be required, the building, place, vessel, vehicle or aircraft where such information or documents are expected or believed to be kept;

(ii) break open the lock of any door, box, locker, safe almirah or other receptacle for exercising the powers conferred by sub-clause (i), where the keys thereof are not available;

(iii) search any person who has got out of, or is about to get into, or is in, the building, place, vessel, vehicle or aircraft, if the authorised officer has reason to suspect that such person has secreted about his person any such books of account or other documents;

(iv) require any person who is found to be in possession or control of any books of account or other documents, maintained in the form of electronic record, to provide the authorised officer the necessary facility to inspect such books of account or other documents.

Explanation.— For the purposes of this sub-clause, the expression “electronic record” shall have the meaning assigned to it in clause (t) of sub-section (1) of section 2 of the Information Technology Act, 2000.

21 of 2000.

(v) seize any such books of account or other documents found as a result of such search;

(vi) place marks of identification on any books of account or other documents or make or cause to be made extracts or copies therefrom;

(vii) record on oath the statement of any person who is found to be in possession or in control of the information or documents referred to in sub-clauses (i), (iii) and (iv).”;

(ii) for sub-section (9), the following sub-section shall be

* This Gazette contains 17 pages, the remaining pages may kindly be obtained from the Library of this Directorate.