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वित्त मंत्रालय

(आर्थिक कार्य विभाग)

(पूंजी बाजार तथा विदेशी वाणिज्यिक उधार प्रभाग)

अधिसूचना

नई दिल्ली, 8 अगस्त, 2000

सा. का. नि. 654 (अ).—प्रतिभूति संविदा (विनियमन) अधिनियम, 1956 (1956 का 42) की धारा 30 द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए केन्द्र सरकार प्रतिभूति संविदा (विनियम), नियमावली, 1957 में और संशोधन करने के लिए एतद्वारा निम्नलिखित नियम बनाती है ; नामतः

1. संक्षिप्त नाम और प्रारंभ : (1) इन नियमों का नाम प्रतिभूति संविदा (विनियम) संशोधन नियमावली, 2000 है।  
(2) ये सरकारी राजपत्र में प्रकाशन की तारीख से प्रवृत्त होंगे ।
2. प्रतिभूति संविदा (विनियम) नियमावली, 1957 में ---
  - (i) नियम 19 में, उप-नियम (5) में, दूसरे परन्तुक के लिए, निम्नलिखित प्रतिस्थापित किया जाएगा, नामतः :--

**MINISTRY OF FINANCE**  
**(Department of Economic Affairs)**  
**(Capital Markets and External Commercial Borrowings Division)**

**NOTIFICATION**

New Delhi, the 8th August, 2000

S.S.R. 654(E).—In exercise of the powers conferred by section 30 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Central Government hereby makes the following rules, further to amend the Securities Contracts (Regulation) Rules, 1957, namely:-

1. **Short title and commencement.**- (1) These rules may be called the Securities Contracts (Regulation) Amendment Rules, 2000.  
(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Securities Contracts (Regulation) Rules, 1957,-  
(i) in rule 19, in sub-rule(5), for the second proviso, the following shall be substituted, namely:-

"Provided further that where a recognised stock exchange has withdrawn admission to dealings in any security, or where suspension of admission to dealings has continued for a period exceeding three months, the company or body corporate concerned may prefer an appeal to the Securities Appellate Tribunal constituted under section 15K of the Securities and Exchange Board of India Act, 1992 (15 of 1992), and the procedure laid down under the Securities Contracts (Regulation) (Appeal to Securities Appellate Tribunal) Rules, 2000 shall apply to such appeal. The Securities Appellate Tribunal may, after giving the stock exchange an opportunity of being heard, vary or set aside the decision of the stock exchange and its orders shall be carried out by the stock exchange.";

(ii) for sub-rule (6), the following shall be substituted, namely:-

"(6) A recognised stock exchange may, either at its own discretion or shall in accordance with the orders of the Securities Appellate Tribunal under sub-rule (5) restore or re-admit to dealings any securities suspended or withdrawn from the list.";

(iii) after rule 19, the following rules shall be inserted, namely:-

**"20. Requirements with respect to the listing of units or any other instrument of a Collective Investment Scheme on a recognised stock exchange:**

(1) A collective investment management company (CIMC) which is desirous of getting its any collective investment scheme, listed on a recognised stock exchange, shall apply for the purpose to the stock exchange and forward along with its application the following documents and particulars:

(a) Certificate of incorporation, memorandum and articles of association of the company and the copy of the trust deed of the scheme intended to be listed.

(b) Copies of all prospectuses or statements in lieu of prospectuses issued by the company at any time.

(c) Copies of offers for sale and circulars or advertisements offering any unit or other instrument for subscription or sale during the last five years, or in the case of new company, such shorter period during which the company has been in existence.

(d) Copies of balance sheets and audited accounts for the last five years, or in the case of new company, for such completed financial year for which accounts have been made up.

(e) A statement showing -

(i) returns and cash bonuses, if any, paid during the last ten years (or such shorter period as the company has been in existence, whether as a private or public company).

(ii) returns or interest in arrears, if any.

(f) Certified copies of agreements or other documents relating to arrangements pertaining to each scheme of the company with or between;-

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- (i) vendors and/or promoters,
  - (ii) underwriters and sub-underwriters,
  - (iii) brokers and sub-brokers.
- (g) Certified copies of agreements pertaining to each scheme of a company with -
- (i) selling agents and other service providers,
  - (ii) managing directors and technical directors,
  - (iii) general manager, sales manager, manager or secretary.
- (h) Certified copies of every letter, report, balance sheet, valuation contract, court order or other document, part of which is reproduced or referred to in any prospectus, offer for sale, circular or advertisement offering units or any other instruments of the scheme for subscription or sale, during the last five years.
- (i) A statement containing particulars of the dates of, and parties to all material contracts, agreements (including agreements for technical advice and collaboration), concessions and similar other documents (except those entered into in the ordinary course of business carried on or intended to be carried on by the company) together with a brief description of the terms, subject-matter and general nature of the documents pertaining to such scheme.
- (j) A brief history of the Company since its incorporation giving details of its activities including any re-organisation, reconstruction or amalgamation, changes in its capital structure (authorised, issued and subscribed) and debenture borrowings, if any and the performance of other collective investment schemes of the company.
- (k) Particulars of units of the scheme and/or shares, debentures of the company issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option.
- (l) A statement containing particulars of any commission, brokerage, discount or other special terms granted to any person pertaining to such scheme.
- (m) Certified copies of -
- (i) certificate of registration granted by Securities and Exchange Board of India;

- (ii) acknowledgement card or the receipt of filing offer document with the Securities and Exchange Board of India;
- (iii) agreements, if any, with any public financial institution as specified in section 4A of the Companies Act, 1956 (1 of 1956).

(n) A list of highest ten holders of units of each scheme of the company as on the date of application along with particulars as to the number of units held by and the address of each such holder.

(o) Particulars of units of the scheme for which permission to deal is applied for: Provided that a recognised stock exchange may either generally by its bye-laws or in any particular case call for such further particulars or documents as it deems proper.

(2) Apart from complying with such other terms and conditions as may be laid down by a recognised stock exchange, an applicant shall satisfy the stock exchange that:

(a) Its articles of association provide for the following among others-

- (i) that the company shall use a common form of transfer of units of a particular scheme;
- (ii) that the fully paid units issued under the scheme will be free from all lien, while in the case of partly paid units the company's lien, if any, will be restricted to moneys called or payable at a fixed time in respect of such units;
- (iii) that any amount paid-up in advance of calls on any units may carry interest but shall not entitle the holder of the unit to participate in respect thereof, in a return subsequently declared;
- (iv) there will be no forfeiture of unclaimed returns before the claim becomes barred by law;
- (v) that option or right to call of units shall not be given to any person except with the sanction of the company in general meeting:

Provided that a recognised stock exchange may provisionally admit to dealings the units of a scheme which undertakes to amend its articles of association at its next general

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meeting so as to fulfil the foregoing requirements and agrees to act in the meantime strictly in accordance with the provisions of this clause.

- (b) ~~At least twenty-five per cent of the units or any other instruments of such scheme issued by the company shall be offered to the public for subscription~~ through advertisement in newspapers for a period not less than two days and not more than ninety days, and that applications received in pursuance of such offer were allotted fairly and unconditionally:

Provided that a recognised stock exchange may relax this requirement, with the previous approval of the Securities and Exchange Board of India in respect of a Government Company within the meaning of section 617 of the Companies Act, 1956 (1 of 1956) and subject to such instructions as the Securities and Exchange Board of India may issue in this behalf from time to time.

*Explanation.-* Where any part of the units or any other instruments sought to be listed have been or are agreed to be taken up by the Central Government, a State Government, development or investment agency of a State Government, Industrial Development Bank of India, Industrial Finance Corporation of India, Industrial Credit and Investment Corporation of India Limited, Life Insurance Corporation of India, General Insurance Corporation of India and its subsidiaries, namely, the National Insurance Company Limited, the New India Assurance Company Limited, the Oriental Insurance Company Limited and the United Insurance Company Limited, or Unit Trust of India, the total subscription to the units or any other instrument, whether by one or more of such bodies, shall not form part of the twenty-five per cent of the units or any other instruments to be offered to the public.

- (3) A company applying for listing of a scheme shall, as a condition precedent, undertake *inter-alia-*

- (a) (i) that letters of allotment of units or any other instrument will be issued simultaneously and that, in the event of its being impossible to issue letters of regret at the same time, a notice to that effect will be inserted in the press so that it will appear on the morning after the letters of allotment have been posted;
- (ii) that letters of right will be issued simultaneously;

- (iii) that letters of allotment, acceptance or rights will be serially numbered, printed on good quality paper and, examined and signed by a responsible officer of the company and that whenever possible, they will contain the distinctive numbers of the units or any other instrument to which they relate;
- (iv) that letters of allotment and renounceable letters of right will contain a proviso for splitting and that, when so required by the exchange, the form of renunciation will be printed on the back of or attached to the letters of allotment and letters of right;
- (v) That letters of allotment and letters of right will state how the next payment of interest or return on the units or any other instrument will be calculated;
- (b) to issue, when so required, receipts for all units and any other instrument deposited with it whether for registration, sub-division, exchange or for other purposes; and not to charge any fees for registration of transfers, for sub-division and consolidation of units and any other instrument and for sub-division of letters of allotment, renounceable letters of right, and split, consolidation, renewal and transfer receipts into denominations of the market unit of trading;
- (c) to issue, when so required, consolidation and renewal units or any other instrument in denominations of the market unit of trading, to split units or any other instrument, letters of allotment, letters of right, and transfer, renewal, consolidation and split receipts into smaller units, to split call notices, issue duplicates thereof and not require any discharge on call receipts and to accept the discharge of members of stock exchange on split, consolidation and renewal receipts as good and sufficient without insisting on the discharge of the registered holders;
- (d) when documents are lodged for sub-division or consolidation or renewal through the clearing house of the exchange:
- (i) to accept the discharge of an official of the stock exchange clearing house on the company's split receipts and consolidation receipts and renewal receipts as good and sufficient discharge without insisting on the discharge of the registered holders; and
  - (ii) to verify when the company is unable to issue units or any other instruments or split receipt or consolidation receipts or

renewal receipts immediately on lodgment whether the discharge of the registered holders, on the documents lodged for sub-division or consolidation or renewal and their signatures on the relative transfers are in order;

- (e) on production of the necessary documents by unit holders or by members of the exchange, to make on transfers an endorsement to the effect that the power of attorney or probate or letters of administration or death certificate or similar other document has been duly exhibited to and registered by the company;
- (f) to issue certificates in respect of units or any other instrument lodged for transfer within a period of one month of the date of lodgment of transfer and to issue balance units or any other instrument within the same period where the transfer is accompanied by a larger unit or any other instrument certificate;
- (g) to advise the stock exchange of the date of the board meeting at which the declaration or recommendation of a return or the issue or right or bonus units or any other instrument will be considered;
- (h) to recommend or declare all returns and/or cash bonuses at least five days before the commencement of the closure of its transfer books or the record date fixed for the purpose and to advise the stock exchange in writing of all returns and/or cash bonuses recommended or declared immediately after a meeting of the board of the company has been held to finalise the same;
- (i) to notify the stock exchange of any change-
- (i) in the company's directorate by death, resignation, removal or otherwise,
  - (ii) of managing director,
  - (iii) of auditors appointed to audit the books and accounts of the company;
- (j) to forward to the stock exchange copies of statutory and annual reports and audited accounts of such scheme as soon as issued, including directors' report;
- (k) to forward to the stock exchange as soon as they are issued copies of all other notices and circulars sent to the unit/other instrument holders regarding any important development or resolutions passed by the company affecting the performance of the scheme and to file with the stock exchange certified copies of resolutions of the company as soon as such resolutions become effective;

- (l) to notify the stock exchange prior to intimating the unit/any other instrument holders, of any new issue of units/other instruments whether by way of right, privilege, bonus or otherwise and the manner in which it is proposed to offer or allot the same;
- (m) to notify the stock exchange in the event of re-issue of any forfeited units/other instruments or the issue of units/other instruments held in reserve for future issue;
- (n) to notify the stock exchange of any other alteration of unit capital including calls;
- (o) to close the transfer books only for the purpose of declaration of returns or issue of right or bonus units/any other instruments in the scheme or for such other purposes as the stock exchange may agree and to give notice to the stock exchange as many days in advance as the exchange may from time to time reasonably prescribe, stating the dates of closure of its transfer books or, when the transfer books are not to be closed, the date fixed for taking a record of its unit/other instrument holders and specifying the purpose or purposes for which the transfer books are to be closed or the record is to be taken; and in the case of a right or bonus issue to so close the transfer books or fix a record date only after the sanctions of the competent authority, subject to which the issue is proposed to be made, have been duly obtained, unless the exchange agrees otherwise;
- (p) to forward to the stock exchange an annual return immediately after the preparation of annual accounts of at least ten principal holders of each class of units/any other instruments of the company along with particulars as to the number of units/any other instrument held by, and address of, each such holder;
- (q) to grant to unit/any other instrument holders of the scheme the right of renunciation in all cases of issue of rights, privileges and benefits and to allow them reasonable time, not being less than four weeks, within which to record, exercise, or renounce such rights, privileges and benefits, and to issue, where necessary, coupons or fractional certificates or provide for the payment of the equivalent of the value of the fractional right in cash unless the company in general meeting or the stock exchange agrees otherwise;
- (r) to promptly notify the stock exchange-
  - (i) of any action which will result in the redemption, cancellation or retirement in whole or in part of any unit/other instrument listed on the exchange,

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- (ii) of the intention to make a drawing of such unit/other instrument intimating at the same time the date of the drawing and the period of the closing of the transfer books (or the date of the striking of the balance) for the drawing,
- (iii) of the amount of units/other instruments outstanding after any drawing has been made;
- (s) to intimate the stock exchange any other information necessary to enable the unit/any other instrument holders to appraise the position of the scheme and to avoid the establishment of a false market in the units/any other instruments of the company;
- (t) that in the event of the application for listing being granted, such listing shall be subject to the rules and bye-laws of the exchange in force from time to time and that the company will comply within a reasonable time, with such further listing requirements as may be promulgated by the exchange as a general condition for new listings.
- (4) A fresh application for listing will be necessary in respect of all new schemes desired to be dealt in:
- Provided that, where such new units/other instruments are identical in all respects with those already listed, admission to dealing will be granted on the company intimating to the stock exchange particulars of such new schemes.
- Explanation.-* Units/any other instruments are identical in all respects only if-
- (a) they are issued under the same scheme;
- (b) they are of the same nominal value and the same amount per unit/other instruments has been called up;
- (c) they are entitled to returns at the same rate and for the same period, so that at the next ensuring distribution, the return payable on each unit/other issue will amount to exactly the same sum, net and gross; and
- (d) they carry the same rights in all other respects.
- (5) A recognised stock exchange may suspend or withdraw admission to dealings in the units/other instruments of a scheme of a company or body corporate either for a breach of or non-compliance with, any of the conditions of admission to dealings or for any other reason, to be recorded in writing, which in the opinion of the stock exchange justifies such action;

Provided, however, that no such action shall be taken by a stock exchange without affording to the company or body corporate concerned a reasonable opportunity by a notice in writing, stating the reasons, to show cause against the proposed action:

Provided further that where a recognised stock exchange has withdrawn admission to dealings in any unit/other instrument of a collective investment scheme, or where suspension of admission to dealings has continued for a period exceeding three months, the company or body corporate concerned may prefer an appeal to the Securities Appellate Tribunal constituted under section 15K of the Securities and Exchange Board of India Act, 1992 (15 of 1992), and the procedure laid down under the Securities Contracts (Regulation) (Appeal to Securities Appellate Tribunal) Rules, 2000 shall apply to such appeal. The Securities Appellate Tribunal may, after giving the stock exchange an opportunity of being heard, vary or set aside the decision of the stock exchange and thereupon the orders of the Securities Appellate Tribunal shall be carried out by the stock exchange.

- (6) A recognised stock exchange may, either at its own discretion or shall in accordance with the orders of the Securities Appellate Tribunal under sub-rule (5) restore or re-admit to dealings any units/other instruments suspended or withdrawn from the list.
- (7) All the requirements with respect to listing prescribed by these rules, shall, so far as they may be, also apply to a body corporate constituted by an Act of Parliament or any State Legislature;

Provided that a recognised stock exchange may relax the requirement of offer to the public for subscription of at least twenty-five per cent of the units or any other instrument of a collective investment scheme issued in respect of a body corporate referred to in this sub-rule with the previous approval of the Securities and Exchange Board of India and also subject to such instructions as the Securities and Exchange Board of India may issue in this behalf from time to time.

(8) The Securities and Exchange Board of India may, at its own discretion or on the recommendation of a recognised stock exchange, waive or relax the strict enforcement of any or all of the requirements with respect of listing prescribed by these rules."

[F. No. 1/25/SE/98]

Dr. J. BHAGWATI, Jt. Secy.

**Note :** The principal Notification was issued under No. SRO 576 dated 21-2-1957 published in the Gazette of India II, section 3, page 619 dated 21-2-1957 and was subsequently amended by the amendment Notification GSR 1096 dated 14-7-1967, published in the Gazette of India, Part II, section 3, sub-section (i) dated 22-7-1967, GSR 685 dated 3-6-1972 published in the Gazette of India, Part II, section 3, sub-section (i) dated 10-6-1972, page 1556, GSR 666(E) dated 20-7-1987, GSR 870(E) dated 13-11-1992, GSR 617(E) dated 20-9-1993, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) dated 20-9-1993, GSR 749(E) dated 12-12-1994, published in the Gazette of India, Extraordinary Part II, section 3, sub-section (i), GSR 790(E) dated 7-11-1994, GSR 121(E) dated 9-3-1995, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) dated 9-3-1995, GSR 291(E) dated 27-3-1995, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) dated 27-3-1995 and GSR 581(E) dated 23-12-1996, published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) dated 23-12-1996.