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Part IV—Section 4

CENTRAL ACTS AND ORDINANCES

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MINISTRY OF LAW AND JUSTICE**(Legislative Department)***New Delhi, the 8th July, 2019.*

The following Act of Parliament received the assent of the President on the 6th July, 2019 and is hereby re-published for general information:—

THE SPECIAL ECONOMIC ZONES (AMENDMENT) ACT, 2019.

No. 8 of 2019

An Act to amend the Special Economic Zones Act, 2005.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

- | | | |
|-------------------------------|--|------------------|
| Short title and commencement. | <p>1. (1) This Act may be called the Special Economic Zones (Amendment) Act, 2019.</p> <p>(2) It shall be deemed to have come into force on the 2nd day of March, 2019.</p> | |
| Amendment of section 2. | <p>2. In section 2 of the Special Economic Zones Act, 2005, in clause (v),—</p> <p>(i) after the words "local authority", the words ", trust or any entity as may be notified by the Central Government" shall be inserted;</p> <p>(ii) for the words "authority or company", the words "authority, company, trust or entity" shall be substituted.</p> | 28 of 2005. |
| Repeal and savings. | <p>3. (1) The Special Economic Zones (Amendment) Ordinance, 2019 is hereby repealed.</p> <p>(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act.</p> | Ord. 12 of 2019. |

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

New Delhi, the 9th July, 2019.

The following Act of Parliament received the assent of the President on the 9th July, 2019 and is hereby re-published for general information:—

THE JAMMU AND KASHMIR RESERVATION (AMENDMENT) ACT, 2019.

No. 9 of 2019

An Act further to amend the Jammu and Kashmir Reservation Act, 2004.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Jammu and Kashmir Reservation (Amendment) Act, 2019. Short title and commencement.

(2) It shall be deemed to have come into force on the 1st day of March, 2019.

XIV of 2004.

2. In section 2 of the Jammu and Kashmir Reservation Act, 2004 (hereinafter referred to as the principal Act), in clause (o),— Amendment of section 2.

(a) for sub-clause (ii), the following sub-clause shall be substituted, namely:—

"(ii) the persons residing in the area adjoining Actual Line of Control and International Border; and";

(b) in second proviso, in clause (ix), in the proviso, for the words "Actual Line of Control", the words "Actual Line of Control or International Border" shall be substituted.

3. In section 3 of the principal Act, in sub-section (2), for the words "Line of Actual Control", the words "Actual Line of Control or International Border" shall be substituted. Amendment of section 3

Ord. 8 of 2019.

4. (1) The Jammu and Kashmir Reservation (Amendment) Ordinance, 2019 is hereby repealed. Repeal and savings

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act.

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

New Delhi, the 9th July, 2019.

The following Act of Parliament received the assent of the President on the 9th July, 2019 and is hereby re-published for general information:—

THE CENTRAL EDUCATIONAL INSTITUTIONS (RESERVATION IN TEACHERS' CADRE)
ACT, 2019.

No. 10 of 2019

An Act to provide for the reservation of posts in appointments by direct recruitment of persons belonging to the Scheduled Castes, the Scheduled Tribes, the socially and educationally backward classes and the economically weaker sections, to teachers' cadre in certain Central Educational Institutions established, maintained or aided by the Central Government, and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Central Educational Institutions (Reservation in Teachers' Cadre) Act, 2019.

Short title and commencement.

(2) It shall be deemed to have come into force on the 7th day of March, 2019.

2. In this Act, unless the context otherwise requires,—

Definitions.

3 of 1956.

(a) "appropriate authority" means the University Grants Commission established under the University Grants Commission Act, 1956, or any other authority or body established by or under a Central Act for the determination, coordination or maintenance of the standards of higher education in any Central Educational Institution;

(b) "branch of study" means a branch of study leading to three principal levels of qualifications at bachelors (under graduate), masters (post graduate) and doctoral levels;

(c) "Central Educational Institution" means—

(i) a University established or incorporated by or under a Central Act;

(ii) an institution of national importance established by an Act of Parliament;

3 of 1956.

(iii) an institution, declared as an institution deemed to be University under section 3 of the University Grants Commission Act, 1956, and maintained by or receiving aid from the Central Government;

(iv) an institution maintained by or receiving aid from the Central Government, whether directly or indirectly, and affiliated to an institution referred to in sub-clause (i) or sub-clause (ii), or a constituent unit of an institution referred to in sub-clause (iii); and

21 of 1860.

(v) an educational institution established by the Central Government under the Societies Registration Act, 1860;

(d) "direct recruitment" means the process of appointing faculty by inviting applications against public advertisement from persons eligible to teach in a Central Educational Institution;

(e) "economically weaker sections" means such weaker sections as are referred to in *Explanation* to clause (6) of article 15 of the Constitution;

(f) "faculty" means the faculty of a Central Educational Institution;

(f) "faculty" means the faculty of a Central Educational Institution;

(g) "Minority Educational Institution" means an institution established and administered by the minorities under clause (1) of article 30 of the Constitution and so declared by an Act of Parliament or by the Central Government or declared as a Minority Educational Institution under the National Commission for Minority Educational Institutions Act, 2004;

(h) "sanctioned strength" means the number of posts in teachers' cadre approved by the appropriate authority; 2 of 2005.

(i) "Scheduled Castes" means the Scheduled Castes notified under article 341 of the Constitution;

(j) "Scheduled Tribes" means the Scheduled Tribes notified under article 342 of the Constitution;

(k) "socially and educationally backward classes" means such backward classes as are so deemed under article 342A of the Constitution;

(l) "teachers' cadre" means a class of all the teachers of a Central Educational Institution, regardless of the branch of study or faculty, who are remunerated at the same grade of pay, excluding any allowance or bonus.

Reservation of posts in recruitments by Central Educational Institutions.

3. (1) Notwithstanding anything in any other law for the time being in force, there shall be reservation of posts in direct recruitment out of the sanctioned strength in teachers' cadre in a Central Educational Institution to the extent and in the manner as may be specified by the Central Government by notification in the Official Gazette.

(2) For the purpose of reservation of posts, a Central Educational Institution shall be regarded as one unit.

Act not to apply in certain cases.

4. (1) The provisions of section 3 shall not apply to—

(a) the institutions of excellence, research institutions, institutions of national and strategic importance specified in the Schedule to this Act;

(b) a Minority Educational Institution.

(2) The Central Government may, by notification in the Official Gazette, amend the Schedule referred to in clause (a) of sub-section (1) from time to time.

5. Every notification made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or both Houses agree that the notification should not be made, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification.

Laying of
notification
s before
Parliament.

6. (1) The Central Educational Institutions (Reservation in Teachers' Cadre) Ordinance, 2019 is hereby repealed.

Repeal
and
savings.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act.

Ord. 13
of
2019.

THE SCHEDULE

[See Section 4(1)(a)]

<i>Sl. No.</i>	<i>Name of the Institution of Excellence, etc.</i>
(1)	(2)
1.	Homi Bhabha National Institute, Mumbai and its constituent units, namely:-
	(i) Bhabha Atomic Research Centre, Trombay;
	(ii) Indira Gandhi Centre for Atomic Research; Kalpakkam;
	(iii) Raja Ramanna Centre for Advanced Technology, Indore;
	(iv) Institute for Plasma Research, Gandhinagar;
	(v) Variable Energy Cyclotron Centre, Kolkata;
	(vi) Saha Institute of Nuclear Physics, Kolkata;
	(vii) Institute of Physics, Bhubaneswar;
	(viii) Institute of Mathematical Sciences, Chennai;
	(ix) Harish-Chandra Research Institute, Allahabad;
	(x) Tata Memorial Centre, Mumbai ..

2. Tata Institute of Fundamental Research Mumbai.
3. North-Eastern Indira Gandhi Regional Institute of Health and Medical Science” Shillong.
4. National Brain Research Centre, Manesar, Gurgaon.
5. Jawaharlal Nehru Centre for Advanced Scientific Research, Bangalore:
6. Physical Research Laboratory, Ahmedabad.
7. Space Physics Laboratory, Thiruvananthapuram.
8. Indian Institute of Remote Sensing, Dehradun.

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

New Delhi, the 15th July, 2019.

The following Act of Parliament received the assent of the President on the 15th July, 2019, and is hereby re-published for general information:—

THE HOMOEOPATHY CENTRAL COUNCIL (AMENDMENT) ACT, 2019.

No. 11 of 2019

An Act further to amend the Homoeopathy Central Council Act, 1973.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:

	<p>1. (1) This Act may be called the Homoeopathy Central Council (Amendment) Act, 2019.</p> <p>(2) It shall come into force on the 2nd day of March, 2019.</p>	<p>Short title and commencement.</p>
59 of 1973.	<p>2. In section 3A of the Homoeopathy Central Council Act, 1973, in sub-section (2), for the words "within a period of one year", the words "within a period of two years" shall be substituted.</p>	<p>Amendment of section 3A.</p>
Ord. 11 of 2019.	<p>3. (1) The Homoeopathy Central Council (Amendment) Ordinance, 2019 is hereby repealed.</p> <p>(2) Notwithstanding such repeal, anything done or any action taken under the Homoeopathy Central Council Act, 1973, as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the said Act as amended by this Act.</p>	<p>Repeal and savings.</p>

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

New Delhi, the 16th July, 2019.

The following Act of Parliament received the assent of the President on the 16th July, 2019 and is hereby re-published for general information:—

THE INDIAN MEDICAL COUNCIL (AMENDMENT) ACT, 2019.

No. 12 of 2019

An Act further to amend the Indian Medical Council Act, 1956.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Indian Medical Council (Amendment) Act, 2019.

Short title and commencement.

(2) (A) The provisions of this Act shall, except sub-clause (i) of clause (c) of section 2, be deemed to have come into force on the 26th day of September, 2018; and

(B) sub-clause (i) of clause (c) of section 2 shall be deemed to have come into force on the 12th day of January, 2019.

102 of 1956.

2. In section 3A of the Indian Medical Council Act, 1956,—

Amendment of section 3A

32 of 2010.

(a) in sub-section (1), for the words, brackets and figures “Indian Medical Council (Amendment) Act, 2010”, the words, brackets and figures “Indian Medical Council (Amendment) Act, 2019” shall be substituted;

(b) in sub-section (2), for the words “three years”, the words “two years” shall be substituted;

(c) in sub-section (4),—

(i) for the words “seven persons”, the words “twelve persons” shall be substituted;

(ii) for the words “and medical education”, the words “and medical education or proven administrative capacity and experience” shall be substituted;

(d) after sub-section (7), the following sub-section shall be inserted, namely:—

“(7A) The Board of Governors shall be assisted by a Secretary General who shall be appointed by the Central Government on deputation or contract basis and he shall be the head of the secretariat in the Council.”.

Ord. 5 of 2019.

3. (1) The Indian Medical Council (Amendment) Second Ordinance, 2019 is hereby repealed.

Repeal and savings.

102 of 1956.

(2) Notwithstanding such repeal, anything done or any action taken under the Indian Medical Council Act, 1956, as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the said Act, as amended by this Act.

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

New Delhi, the 18th July, 2019.

The following Act of Parliament received the assent of the President on the 17th July 2019, and is hereby re-published for general information:—

THE DENTISTS (AMENDMENT) ACT, 2019.

No. 13 of 2019

An Act further to amend the Dentists Act, 1948.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Dentists (Amendment) Act, 2019.

Short title and
commence-
ment.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

16 of 1948

2. In section 3 of the Dentists Act, 1948 (hereinafter referred to as the principal Act), in clause (f), the words and letter “and at least two shall be dentists registered in Part B of a State register” shall be omitted.

Amendment of
section 3.

3. In section 21 of the principal Act, clause (b) shall be omitted.

Amendment of
section 21.

4. In section 23 of the principal Act, clause (b) shall be omitted.

Amendment of
section 23.

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

New Delhi, the 24th July 2019

The following Act of Parliament received the assent of the President on the 23rd July, 2019, and is hereby re-published for general information:—

THE AADHAAR AND OTHER LAWS (AMENDMENT) ACT, 2019

No. 14 of 2019

An Act to amend the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and further to amend the Indian Telegraph Act, 1885 and the Prevention of Money-laundering Act, 2002.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

PART I

PRELIMINARY

1. (1) This Act may be called the Aadhaar and Other Laws (Amendment) Act, 2019.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint; and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the commencement of that provision.

Short title and commencement.

PART II

AMENDMENTS TO THE AADHAAR (TARGETED DELIVERY OF FINANCIAL AND OTHER SUBSIDIES, BENEFITS AND SERVICES) ACT, 2016

Amendment of Long title of Act 18 of 2016.

2. In the long title of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 (hereafter in this Part referred to as the principal Act), after the words “the Consolidated Fund of India”, the words “or the Consolidated Fund of the State” shall be inserted.

Amendment of section 2.

3. In section 2 of the Principal Act,—

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

‘(a) “Aadhaar number” means an identification number issued to an individual under sub-section (3) of section 3, and includes any alternative virtual identity generated under sub-section (4) of that section;’;

(ii) after clause (a), the following clause shall be inserted, namely:—

‘(aa) “Aadhaar ecosystem” includes enrolling agencies, Registrars, requesting entities, offline verification-seeking entities and any other entity or group of entities as may be specified by regulations;’;

(iii) after clause (b), the following clauses shall be inserted, namely:—

‘(ba) “Adjudicating Officer” means an Adjudicating Officer appointed under sub-section (1) of section 33B;

‘(bb) “Appellate Tribunal” means the Appellate Tribunal referred to in sub-section (1) of section 33C;’;

(iv) after clause (i), the following clause shall be inserted, namely:—

‘(ia) “child” means a person who has not completed eighteen years of age;’;

(v) after clause (p), the following clauses shall be inserted, namely:—

‘(pa) “offline verification” means the process of verifying the identity of the Aadhaar number holder without authentication, through such offline modes as may be specified by regulations;

‘(pb) “offline verification-seeking entity” means any entity desirous of undertaking offline verification of an Aadhaar number holder;’.

Amendment of section 3.

4. In section 3 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:—

“(4) The Aadhaar number issued to an individual under sub-section (3) shall be a twelve-digit identification number and any alternative virtual identity as an alternative to the actual Aadhaar number of an individual that shall be generated by the Authority in such manner as may be specified by regulations.”.

Insertion of new section 3A.

5. After section 3 of the principal Act, the following section shall be inserted, namely:—

Aadhaar number of children.

“3A. (1) The enrolling agency shall, at the time of enrolment of a child, seek the consent of the parent or guardian of the child, and inform the parent or guardian, the details specified under sub-section (2) of section 3.

(2) A child who is an Aadhaar number holder may, within a period of six months of attaining the eighteen years of age, make an application to the Authority for cancellation of his Aadhaar number, in such manner as may be specified by regulations and the Authority shall cancel his Aadhaar number.

(3) Notwithstanding anything in section 7, a child shall not be denied any subsidy, benefit or service under that section in case of failure to establish his identity by undergoing authentication, or furnishing proof of possession of Aadhaar number, or in the case of a child to whom no Aadhaar number has been assigned, producing an application for enrolment.”.

Amendment of section 4.

6. In section 4 of the principal Act, for sub-section (3), the following sub-sections shall be substituted, namely:—

“(3) Every Aadhaar number holder to establish his identity, may voluntarily use his Aadhaar number in physical or electronic form by way of authentication or offline verification, or in such other form as may be notified, in such manner as may be specified by regulations.

Explanation.—For the purposes of this section, voluntary use of the Aadhaar number by way of authentication means the use of such Aadhaar number only with the informed consent of the Aadhaar number holder.

(4) An entity may be allowed to perform authentication, if the Authority is satisfied that the requesting entity is—

(a) compliant with such standards of privacy and security as may be specified by regulations; and

(b) (i) permitted to offer authentication services under the provisions of any other law made by Parliament; or

(ii) seeking authentication for such purpose, as the Central Government in consultation with the Authority, and in the interest of State, may prescribe.

(5) The Authority may, by regulations, decide whether a requesting entity shall be permitted the use of the actual Aadhaar number during authentication or only an alternative virtual identity.

(6) Every requesting entity to whom an authentication request is made by an Aadhaar number holder under sub-section (3) shall inform to the Aadhaar number holder of alternate and viable means of identification and shall not deny any service to him for refusing to, or being unable to, undergo authentication.

(7) Notwithstanding anything contained in the foregoing provisions, mandatory authentication of an Aadhaar number holder for the provision of any service shall take place if such authentication is required by a law made by Parliament.”.

Amendment of section 7.

7. In section 7 of the principal Act, after the words “the Consolidated Fund of India”, the words “or the Consolidated Fund of State” shall be inserted.

Amendment of section 8.

8. In section 8 of the principal Act,—

(a) in sub-section (2),—

(i) in clause (a), after the words “consent of an individual”, the words “, or in the case of a child obtain the consent of his parent or guardian” shall be inserted;

(ii) after clause (b), the following proviso shall be inserted, namely:—

“Provided that the requesting entity shall, in case of failure to authenticate due to illness, injury or infirmity owing to old age or otherwise or any technical or other reasons, provide such alternate and viable means of identification of the individual, as may be specified by regulations.”;

(b) in sub-section (3), after the words “for authentication,”, the words “or in the case of a child, his parent or guardian” shall be inserted.

9. After section 8 of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 8A. Offline verification of Aadhaar number.

“8A. (1) Every offline verification of an Aadhaar number holder shall be performed in accordance with the provisions of this section.

(2) Every offline verification-seeking entity shall,—

(a) before performing offline verification, obtain the consent of an individual, or in the case of a child, his parent or guardian, in such manner as may be specified by regulations; and

(b) ensure that the demographic information or any other information collected from the individual for offline verification is only used for the purpose of such verification.

(3) An offline verification-seeking entity shall inform the individual undergoing offline verification, or in the case of a child, his parent or guardian, the following details with respect to offline verification, in such manner as may be specified by regulations, namely:—

(a) the nature of information that may be shared upon offline verification;

(b) the uses to which the information received during offline verification may be put by the offline verification-seeking entity; and

(c) alternatives to submission of information requested for, if any.

(4) No offline verification-seeking entity shall—

(a) subject an Aadhaar number holder to authentication;

(b) collect, use, or store an Aadhaar number or biometric information of any individual for any purpose;

(c) take any action contrary to any obligation on it as may be specified by regulations.”.

10. For section 21 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 21.

“21. (1) The Authority shall appoint such officers and employees as may be required for the discharge of its functions under this Act.

Officers and other employees of Authority.

(2) The salaries and allowances payable to, and the other terms and conditions of service of, the officers and employees of the Authority shall be such as may be specified by regulations.”.

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

Insertion of new section 23A.

“23A.(1) The Authority may for the discharge of its functions under this Act, or any rules or regulations made thereunder, by order, issue such directions from time to time to any entity in the Aadhaar ecosystem, as it may consider necessary.

Power of Authority to issue directions.

(2) Every direction issued under sub-section (1) shall be complied with by the entity in the Aadhaar ecosystem to whom such direction is issued.”.

12. For section 25 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 25.

Fund. “25. (1) There shall be constituted a Fund to be called the Unique Identification Authority of India Fund and there shall be credited thereto—

(a) all grants, fees and charges received by the Authority under this Act; and

(b) all sums received by the Authority from such other sources as may be decided upon by the Central Government.

(2) The Fund shall be applied for meeting—

(a) the salaries and allowances payable to the Chairperson and members and administrative expenses including the salaries, allowances and pension payable to or in respect of officers and other employees of the Authority; and

(b) the expenses on objects and for purposes authorised by this Act.”.

Amendment of section 29. **13.** In section 29 of the principal Act,—

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

“(3) No identity information available with a requesting entity or offline verification-seeking entity shall be—

(a) used for any purpose, other than the purposes informed in writing to the individual at the time of submitting any information for authentication or offline verification; or

(b) disclosed for any purpose, other than purposes informed in writing to the individual at the time of submitting any information for authentication or offline verification:

Provided that the purposes under clauses (a) and (b) shall be in clear and precise language understandable to the individual.”;

(b) in sub-section (4), for the words “or core biometric information”, the words “, demographic information or photograph”, shall be substituted.

Amendment of section 33. **14.** In section 33 of the principal Act,—

(i) in sub-section (1),—

(a) for the words “District Judge”, the words “Judge of a High Court” shall be substituted;

(b) in the proviso, after the words “hearing to the Authority”, the words “and the concerned Aadhaar number holder” shall be inserted;

(c) after the proviso, the following proviso shall be inserted, namely:—

“Provided further that the core biometric information shall not be disclosed under this sub-section.”;

(ii) in sub-section (2), for the words “Joint Secretary”, the word “Secretary” shall be substituted.

Insertion of new Chapter VIA. **15.** After Chapter VI of the principal Act, the following Chapter shall be inserted, namely:—

“CHAPTER VIA

CIVIL PENALTIES

Penalty for failure to comply with provisions of this Act, rules, regulations and directions.

33A. (1) Where an entity in the Aadhaar ecosystem fails to comply with the provision of this Act, the rules or regulations made thereunder or directions issued by the Authority under section 23A, or fails to furnish any information, document, or return of report required by the Authority, such entity shall be liable to a civil penalty which may extend to one crore rupees for each contravention and in case of a continuing failure, with additional penalty which may extend to ten lakh rupees for every day during which the failure continues after the first contravention.

(2) The amount of any penalty imposed under this section, if not paid, may be recovered as if it were an arrear of land revenue.

Power to
adjudicate

33B. (1) For the purposes of adjudication under section 33A and imposing a penalty thereunder, the Authority shall appoint an officer of the Authority, who is not below the rank of a Joint Secretary to the Government of India and possessing such qualification and experience as may be prescribed, to be an Adjudicating Officer for holding an inquiry in such manner as may be prescribed.

(2) No inquiry under sub-section (1) shall be initiated except by a complaint made by the Authority.

(3) While holding an inquiry, the Adjudicating Officer shall—

(a) provide the entity in the Aadhaar ecosystem against whom complaint is made, an opportunity of being heard;

(b) have the power to summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document which, in the opinion of the Adjudicating Officer, may be useful for or relevant to the subject matter of the inquiry.

(4) If the Adjudicating Officer, on such inquiry, is satisfied that the entity in the Aadhaar ecosystem has failed to comply with any provision of this Act or the rules or regulations made thereunder or directions issued by the Authority under section 23A, or has failed to furnish any information, document, or return of report required by the Authority, the Adjudicating Officer may, by order, impose such penalty under section 33A as he thinks fit.

24 of 1997. 33C. (1) The Telecom Disputes Settlement and Appellate Tribunal established under section 14 of the Telecom Regulatory Authority of India Act, 1997, shall be Appellate Tribunal for the purposes of hearing appeals against the decision of the Adjudicating Officer under this Act.

Appeals to
Appellate
Tribunal.

(2) A person or entity in the Aadhaar ecosystem aggrieved by an order of the Adjudicating Officer under section 33B, may prefer an appeal to the Appellate Tribunal within a period of forty-five days from the date of receipt of the order appealed against, in such form and manner and accompanied with such fee as may be prescribed:

Provided that the Appellate Tribunal may entertain an appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period.

(3) On receipt of an appeal under sub-section (2), the Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or setting aside the order appealed against.

(4) The Appellate Tribunal shall send a copy of every order made by it to the parties to the appeal and to the Adjudicating Officer.

(5) Any appeal filed under sub-section (2) shall be dealt with by the Appellate Tribunal as expeditiously as possible and every endeavour shall be made by it to dispose of the appeal within six months from the date on which it is presented to it.

(6) The Appellate Tribunal may, for the purpose of deciding an appeal before it, call for the records relevant to disposing of such appeal and make such orders as it thinks fit.

24 of 1997. 33D. The provisions of sections 14-I to 14K (both inclusive), 16 and 17 of the Telecom Regulatory Authority of India Act, 1997 shall, *mutatis mutandis*, apply to the Appellate Tribunal in the discharge of its functions under this Act, as they apply to it in the discharge of its functions under that Act.

Procedure and
powers of
the Appellate
Tribunal.

33E. (1) Notwithstanding anything contained in the Code of Civil Procedure, 1908 or in any other law for the time being in force, an appeal shall lie against any order, not being an interlocutory order, of the Appellate Tribunal to the Supreme Court on any substantial question of law arising out of such order.

Appeal to
Supreme
Court of India

(2) No appeal shall lie against any decision or order made by the Appellate Tribunal which the parties have consented to.

(3) Every appeal under this section shall be preferred within a period of forty-five days from the date of the decision or order appealed against: Provided that the Supreme Court may entertain an appeal after the expiry of the said period of forty-five days if it is satisfied that there was sufficient cause for not filing it within that period.

33F. No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which an Adjudicating Officer appointed under this Act or the Appellate Tribunal is empowered, by or under this Act to determine, and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.”

Amendment of section 38.	16. In section 38 of the principal Act, for the words “three years”, the words “ten years” shall be substituted.
Amendment of section 39.	17. In section 39 of the principal Act, for the words “three years”, the words “ten years” shall be substituted.
Substitution of new section for section 40.	18. For section 40 of the principal Act, the following section shall be substituted, namely:—
Penalty for unauthorised use by requesting entity or offline verification seeking entity.	<p>“40. Whoever,—</p> <p style="padding-left: 2em;">(a) being a requesting entity, uses the identity information of an individual in contravention of sub-section (2) of section 8; or</p> <p style="padding-left: 2em;">(b) being an offline verification-seeking entity, uses the identity information of an individual in contravention of sub-section (2) of section 8A,</p> <p>shall be punishable with imprisonment which may extend to three years or with a fine which may extend to ten thousand rupees or, in the case of a company, with a fine which may extend to one lakh rupees or with both.”.</p>
Amendment of section 42.	19. In section 42 of the principal Act, for the words “one year”, the words “three years” shall be substituted.
Amendment of section 47.	<p>20. In section 47 of the principal Act, in sub-section (1), the following proviso shall be inserted, namely:—</p> <p>“Provided that the court may, on a complaint made by an Aadhaar number holder or individual take cognizance of any offence punishable under section 34 or 35 or 36 or 37 or 40 or section 41.”.</p>
Insertion of new section 50A.	21. After section 50 of the principal Act, the following section shall be inserted, namely:—
Exemption from tax on income.	<p>“50A. Notwithstanding anything contained in the Income-tax Act, 1961 or any other enactment for the time being in force relating to tax on income, profits or gains, the Authority shall not be liable to pay income-tax or any other tax in respect of its income, profits or gains.”.</p>
Amendment of section 51.	22. In section 51 of the principal Act, for the words “Member, officer”, the words “Member or officer” shall be substituted.
Amendment of section 53.	<p>23. In section 53 of the principal Act, in sub-section (2),—</p> <p style="padding-left: 2em;">(i) after clause (a), the following clause shall be inserted, namely:—</p> <p style="padding-left: 4em;">“(aa) the purpose for which the requesting entity may be allowed by the Authority to perform authentication under sub-clause (ii) of clause (b) of sub-section (4) of section 4;”;</p> <p style="padding-left: 2em;">(ii) after clause (g), the following clauses shall be inserted, namely:—</p> <p style="padding-left: 4em;">“(ga) the qualification and experience of, and the manner of appointment of, the Adjudicating Officer under sub-section (1) of section 33B;</p> <p style="padding-left: 4em;">“(gb) the form, manner, and fee for an appeal to be filed under sub-section (2) of section 33C;”.</p>
Amendment of section 54.	<p>24. In section 54 of the principal Act, in sub-section (2),—</p> <p style="padding-left: 2em;">(i) for clause (a), the following clause shall be substituted, namely:—</p>

“(a) the entities or group of entities in the Aadhaar ecosystem under clause (aa), the biometric information under clause (g) and the demographic information under clause (k), the process of collecting demographic information and biometric information from the individuals by enrolling agencies under clause (m), and the modes of offline verification of Aadhaar number holder under clause (pa) of section 2;”;

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

(ba) the manner of generating an alternative virtual identity under sub-section (4) of section 3;

(bb) the manner in which cancellation of an Aadhaar number may be carried out under sub-section (2) of section 3A;”;

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

(ca) standards of privacy and security to be complied with by these requesting entities under sub-section (4) of section 4;

(cb) the classification of requesting entities under sub-section (5) of section 4;”;

(iv) after clause (f), the following clauses shall be inserted, namely:—

(fa) the alternate and viable means of identification of individual under the proviso to clause (b) of sub-section (2) of section 8;

(fb) the manner of obtaining consent under clause (a) of sub-section (2), the manner of providing information to the individual undergoing offline verification under sub-section (3), and the obligations of offline verification-seeking entities under clause (c) of sub-section (4) of section 8A;”.

25. Section 57 of the principal Act shall be omitted.

Omission of section 57.

PART III

AMENDMENT TO THE INDIAN TELEGRAPH ACT, 1885

26. In section 4 of the Indian Telegraph Act, 1885, after sub-section (2), the following sub-sections shall be inserted, namely:—

Amendment of section 4 of Act 13 of 1885.

(3) Any person who is granted a license under the first proviso to sub-section (1) to establish, maintain or work a telegraph within any part of India, shall identify any person to whom it provides its services by—

18 of 2016. (a) authentication under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016; or

18 of 2016. (b) offline verification under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016; or

15 of 1967. (c) use of passport issued under section 4 of the Passports Act, 1967; or

(d) use of any other officially valid document or modes of identification as may be notified by the Central Government in this behalf.

(4) If any person who is granted a license under the first proviso to sub-section (1) to establish, maintain or work a telegraph within any part of India using authentication under clause (a) of sub-section (3) to identify any person to whom it provides its services, it shall make the other modes of identification under clauses (b) to (d) of sub-section (3) also available to such person.

(5) The use of modes of identification under sub-section (3) shall be a voluntary choice of the person who is sought to be identified and no person shall be denied any service for not having an Aadhaar number.

(6) If, for identification of a person, authentication under clause (a) of sub-section (3) is used, neither his core biometric information nor the Aadhaar number of the person shall be stored.

(7) Nothing contained in sub-sections (3), (4) and (5) shall prevent the Central Government from specifying further safeguards and conditions for compliance by any person

who is granted a license under the first proviso to sub-section (1) in respect of identification of person to whom it provides its services.

Explanation.—The expressions “Aadhaar number” and “core biometric information” shall have the same meanings as are respectively assigned to them in clauses (a) and (j) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016.’. 18 of 2016.

PART IV

AMENDMENTS TO THE PREVENTION OF MONEY-LAUNDERING ACT, 2002

Insertion of new section 11A. **27.** In Chapter IV of the Prevention of Money-laundering Act, 2002 (hereafter in this Part, referred to as the principal Act), before section 12, the following section shall be inserted, namely:— 15 of 2002.

Verification of identity by reporting entity. ‘11A. (1) Every reporting entity shall verify the identity of its clients and the beneficial owner, by—

(a) authentication under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 if the reporting entity is a banking company; or 18 of 2016.

(b) offline verification under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016; or 15 of 1967.

(c) use of passport issued under section 4 of the Passports Act, 1967; or

(d) use of any other officially valid document or modes of identification as may be notified by the Central Government in this behalf: 18 of 2016.

Provided that the Central Government may, if satisfied that a reporting entity other than banking company, complies with such standards of privacy and security under the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016, and it is necessary and expedient to do so, by notification, permit such entity to perform authentication under clause (a):

Provided further that no notification under the first proviso shall be issued without consultation with the Unique Identification Authority of India established under sub-section (1) of section 11 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and the appropriate regulator. 18 of 2016.

(2) If any reporting entity performs authentication under clause (a) of sub-section (1), to verify the identity of its client or the beneficial owner it shall make the other modes of identification under clauses (b), (c) and (d) of sub-section (1) also available to such client or the beneficial owner.

(3) The use of modes of identification under sub-section (1) shall be a voluntary choice of every client or beneficial owner who is sought to be identified and no client or beneficial owner shall be denied services for not having an Aadhaar number.

(4) If, for identification of a client or beneficial owner, authentication or offline verification under clause (a) or clause (b) of sub-section (1) is used, neither his core biometric information nor his Aadhaar number shall be stored.

(5) Nothing in this section shall prevent the Central Government from notifying additional safeguards on any reporting entity in respect of verification of the identity of its client or beneficial owner.

Explanation.—The expressions “Aadhaar number” and “core biometric information” shall have the same meanings as are respectively assigned to them in clauses (a) and (j) of section 2 of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016.’. 18 of 2016.

Amendment of section 12. **28.** In section 12 of the principal Act, in sub-section (1), clauses (c) and (d) shall be omitted.

Amendment of section 73. **29.** In section 73 of the principal Act, in sub-section (2), clauses (j) and (jj) shall be omitted.

Ord. 9 of 2019.

30. (1) The Aadhaar and Other Laws (Amendment) Ordinance, 2019 is hereby repealed.

Repeal and savings.

(2) Notwithstanding the repeal of the said Ordinance, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

New Delhi, the 24th July 2019.

The following Act of Parliament received the assent of the President on the 23rd July, 2019, and is hereby re-published for general information:—

THE CENTRAL UNIVERSITIES (AMENDMENT) ACT, 2019

No. 15 of 2019

An Act further to amend the Central Universities Act, 2009.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Central Universities (Amendment) Act, 2019.

Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

25 of 2009.

2. After section 3B of the Central Universities Act, 2009 (hereinafter referred to as the principal Act), the following sections shall be inserted, namely:—

Insertion of new sections 3C and 3D.

“3C. There shall be established a University, which shall be a body corporate, to be known as the Central University of Andhra Pradesh, having its territorial jurisdiction extending to the whole of the State of Andhra Pradesh, as specified in the First Schedule to this Act.

Establishment of Central University of Andhra Pradesh.

3D. There shall be established a Tribal University, which shall be a body corporate, to be known as the Central Tribal University of Andhra Pradesh, having its territorial jurisdiction extending to the whole of the State of Andhra Pradesh, as specified in the First Schedule to this Act, to provide avenues of higher education and research facilities primarily for the tribal population of India.”.

Establishment of Central Tribal University of Andhra Pradesh.

3. In section 5 of the principal Act, the following proviso shall be inserted at the end, namely:—

Amendment of section 5.

“Provided that the Tribal University established under section 3D shall take additional measures for paying special attention to the tribal centric higher education and research, including art, culture and customs.”.

4. For the First Schedule to the principal Act, the following Schedule shall be substituted, namely:—

Substitution of new Schedule for First Schedule.

“THE FIRST SCHEDULE

[See section 3(4)]

<i>Serial No.</i>	<i>Name of the State</i>	<i>Name of the University</i>	<i>Territorial jurisdiction</i>
(1)	(2)	(3)	(4)
1.	Andhra Pradesh	Central University of Andhra Pradesh	Whole of the State of Andhra Pradesh.
2.	Andhra Pradesh	Central Tribal University of Andhra Pradesh	Whole of the State of Andhra Pradesh.
3.	Bihar	Central University of South Bihar	Territory in the south of the River Ganges in the State of Bihar.
4.	Bihar	Mahatma Gandhi Central University	Territory in the north of the River Ganges in the State of Bihar.

<i>Serial No.</i>	<i>Name of the State</i>	<i>Name of the University</i>	<i>Territorial jurisdiction</i>
(1)	(2)	(3)	(4)
5.	Gujarat	Central University of Gujarat	Whole of the State of Gujarat.
6.	Haryana	Central University of Haryana	Whole of the State of Haryana.
7.	Himachal Pradesh	Central University of Himachal Pradesh	Whole of the State of Himachal Pradesh.
8.	Jammu and Kashmir	Central University of Kashmir	Kashmir Division of the State of Jammu and Kashmir.
9.	Jammu and Kashmir	Central University of Jammu	Jammu Division of the State of Jammu and Kashmir.
10.	Jharkhand	Central University of Jharkhand	Whole of the State of Jharkhand.
11.	Karnataka	Central University of Karnataka	Whole of the State of Karnataka.
12.	Kerala	Central University of Kerala	Whole of the State of Kerala.
13.	Odisha	Central University of Odisha	Whole of the State of Odisha.
14.	Punjab	Central University of Punjab	Whole of the State of Punjab.
15.	Rajasthan	Central University of Rajasthan	Whole of the State of Rajasthan.
16.	Tamil Nadu	Central University of Tamil Nadu	Whole of the State of Tamil Nadu."

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

New Delhi, the 25th July 2019

The following Act of Parliament received the assent of the President on the 24th July, 2019 and is hereby re-published for general information:—

THE NATIONAL INVESTIGATION AGENCY (AMENDMENT) ACT, 2019

No. 16 of 2019

An Act to amend the National Investigation Agency Act, 2008.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

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| 34 of 2008. | <p>1. (1) This Act may be called the National Investigation Agency (Amendment) Act, 2019.</p> <p>(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.</p> <p>2. In the National Investigation Agency Act, 2008 (hereinafter referred to as the principal Act), in section 1, in sub-section (2),—</p> <p>(i) in clause (b), the word “and” occurring at the end, shall be omitted;</p> <p>(ii) in clause (c), after the words “may be”, the word “and” shall be inserted;</p> <p>(iii) after clause (c), the following clause shall be inserted, namely:—</p> <p>“(d) to persons who commit a Scheduled Offence beyond India against the Indian citizens or affecting the interest of India.”.</p> <p>3. In section 2 of the principal Act, in sub-section (1), in clause (h), for the words “a Special Court constituted”, the words “a Court of Session designated as Special Court” shall be substituted.</p> <p>4. In section 3 of the principal Act, in sub-section (2), after the word “India”, the words “and, subject to any international treaty or domestic law of the concerned country, outside India,” shall be inserted.</p> <p>5. In section 6 of the principal Act, after sub-section (7), the following sub-sections shall be inserted, namely:—</p> <p>“(8) Where the Central Government is of the opinion that a Scheduled Offence has been committed at any place outside India to which this Act extends, it may direct the Agency to register the case and take up investigation as if such offence has been committed in India.</p> <p>(9) For the purposes of sub-section (8), the Special Court at New Delhi shall have the jurisdiction.”.</p> <p>6. In section 11 of the principal Act,—</p> <p>(i) in the marginal heading, for the word “constitute”, the words “designate Court of Session as” shall be substituted;</p> <p>(ii) in sub-section (1),—</p> <p>“(a) for the portion beginning with the words “The Central Government”, and ending with the words “Special Courts”, the words “The Central Government shall, in consultation with the Chief Justice of the High Court, by notification in the Official Gazette, for the trial of Scheduled Offences, designate one or more Courts of Session as Special Court” shall be substituted;</p> <p>(b) the following <i>Explanation</i> shall be inserted, namely:—</p> <p>‘<i>Explanation.</i>—For the purposes of this sub-section, the expression “High Court” means the High Court of the State in which a Court of Session to be designated as Special Court is functioning.’;</p> <p>(iii) sub-sections (3), (4), (5), (6) and (7) shall be omitted;</p> <p>(iv) in sub-section (8),—</p> <p>(a) for the words “by a person appointed as a Judge or an additional Judge of a Special Court”, the words, brackets and figure “by the Sessions Judge of the Court of Session referred to in sub-section (1)” shall be substituted;</p> | <p>Short title and commencement.</p> <p>Amendment of section 1.</p> <p>Amendment of section 2.</p> <p>Amendment of section 3.</p> <p>Amendment of section 6.</p> <p>Amendment of section 11.</p> |
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(b) for the words “such judge or additional judge and the Central Government”, the words “judge of the Special Court and the appointing authority in consultation with the Central Government” shall be substituted;

(c) for the words “as may be specified in that order” occurring at the end, the words “,whichever is earlier” shall be substituted;

(v) for sub-section (9), the following sub-section shall be substituted, namely:—

“(9) When more than one Special Court is designated for an area or areas, the senior-most Judge shall distribute the business among them.”.

Amendment of
section 22.

7. In section 22 of the principal Act,—

(i) in the marginal heading, for the word “constitute”, the words “designate Court of Session as” shall be substituted;

(ii) in sub-section (1), for the words “constitute one or more”, the words “designate one or more Courts of Session as” shall be substituted;

(iii) in sub-sections (2), (3) and (4), for the word “constituted” wherever it occurs, the word “designated” shall be substituted.

Amendment
of Schedule.

8. In the Schedule to the principal Act,—

(i) for serial number 1 and the entry relating thereto, the following serial numbers and entries shall be substituted, namely:—

“1. The Explosive Substances Act, 1908 (6 of 1908);

1A. The Atomic Energy Act, 1962 (33 of 1962);”;

(ii) in serial number 3, for the figures, brackets and word “1982 (65 of 1982)”, the figures, brackets and word “2016 (30 of 2016)” shall be substituted;

(iii) in serial number 8, for entry (b), the following entries shall be substituted, namely:—

“(b) Sections 370 and 370A of Chapter XVI of the Indian Penal Code (45 of 1860);

(c) Sections 489-A to 489-E (both inclusive) of the Indian Penal Code (45 of 1860);

(d) sub-section (1AA) of section 25 of Chapter V of the Arms Act, 1959 (54 of 1959);

(e) Section 66F of Chapter XI of the Information Technology Act, 2000 (21 of 2000)

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

THE NEW DELHI INTERNATIONAL ARBITRATION
CENTRE ACT, 2019.

ARRANGEMENT OF SECTIONS

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New Delhi, the 26th July 2019.

The following Act of Parliament received the assent of the President on the 26th July, 2019 and is hereby re-published for general information:—

THE NEW DELHI INTERNATIONAL ARBITRATION CENTRE ACT, 2019.

No. 17 of 2019

An Act to provide for the establishment and incorporation of the New Delhi International Arbitration Centre for the purpose of creating an independent and autonomous regime for institutionalised arbitration and for acquisition and transfer of the undertakings of the International Centre for Alternative Dispute Resolution and to vest such undertakings in the New Delhi International Arbitration Centre for the better management of arbitration so as to make it a hub for institutional arbitration and to declare the New Delhi International Arbitration Centre to be an institution of national importance and for matters connected therewith or incidental thereto.

WHEREAS dispute resolution process has a huge impact on the Indian economy and global perception on doing business in our country and it has become necessary to inspire confidence and credibility among the litigants of commercial disputes;

AND WHEREAS rapidly changing economic activity demands expeditious settlement of disputes and creation and establishment of institutional arbitration;

21 of 1860

AND WHEREAS the International Centre for Alternative Dispute Resolution was set up in the year 1995, under the aegis of the Central Government and registered under the Societies Registration Act, 1860, with the objective of promoting alternative dispute resolution mechanism and providing facilities for the same;

AND WHEREAS the International Centre for Alternative Dispute Resolution has received land and substantial funding by way of grants and other benefits from the Central Government for constructing infrastructure and making other facilities;

AND WHEREAS the International Centre for Alternative Dispute Resolution has not been able to actively engage and embrace developments in the arbitration ecosystem and to create a reputation par excellence keeping pace with the dynamic nature of arbitration over more than two decades;

AND WHEREAS studies conducted by the High Level Committee appointed by the Central Government indicate that the International Centre for Alternative Dispute Resolution has failed to address the growing needs of the institutional arbitration and also to bear optimum caseload and to become better choice to the parties for arbitration;

AND WHEREAS it has become expedient to take over the undertakings of the International Centre for Alternative Dispute Resolution including its regional offices without interfering with its activities and without adversely affecting its character as a Society but to utilise its existing infrastructure and other facilities which have been set up by using the public funds provided by the Government and to incorporate a robust institution for domestic and international arbitration to be known as the New Delhi International Arbitration Centre;

AND WHEREAS it is considered necessary to declare the New Delhi International Arbitration Centre as an institution of national importance for its overall development as a major arbitration hub by promoting quick and efficient dispute resolution mechanism.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

- | | |
|---|--------------------------------------|
| <p>1. (1) This Act may be called the New Delhi International Arbitration Centre Act, 2019.</p> <p>(2) It shall be deemed to have come into force on the 2nd March, 2019.</p> | <p>Short title and commencement.</p> |
| <p>2. (1) In this Act, unless the context otherwise requires,—</p> <p>(a) “Centre” means the New Delhi International Arbitration Centre established and incorporated under section 3;</p> | <p>Definitions.</p> |

(b) "Chairperson" means the Chairperson of the Centre referred to in clause (a) of section 5;

(c) "Chief Executive Officer" means the Chief Executive Officer appointed under section 21;

(d) "Committee" means the relevant Committee of the Centre referred to in section 19;

(e) "Custodian" means the person who is appointed as Custodian under sub-section (2) of section 11 in respect of the undertakings;

(f) "Fund" means the Fund of the Centre to be maintained under section 25;

(g) "Member" means Full-time or Part-time Member of the Centre and includes the Chairperson;

(h) "notification" means a notification published in the Official Gazette;

(i) "prescribed" means prescribed by rules made by the Central Government under this Act;

(j) "regulations" means regulations made by the Centre under this Act;

(k) "Society" means the International Centre for Alternative Dispute Resolution, registered as such under the Societies Registration Act, 1860, and having its registered office at New Delhi; 21 of 1860.

(l) "specified date" means the date as may be specified by the Central Government by notification;

(m) "undertakings" means the undertakings of the Society which vests with the Central Government under section 7.

(2) All other words and expressions used herein but not defined and defined in the Arbitration and Conciliation Act, 1996, shall have the same meanings as assigned to them in that Act. 26 of 1996.

CHAPTER II

ESTABLISHMENT AND INCORPORATION OF NEW DELHI INTERNATIONAL ARBITRATION CENTRE

Establishment and incorporation of New Delhi International Arbitration Centre.

3. (1) The Central Government shall, by notification, establish a body to be called the New Delhi International Arbitration Centre for the purposes of exercising the powers and discharging the functions under this Act.

(2) The Centre shall be a body corporate by the name aforesaid, having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to enter into contract, and shall, by the said name, sue or be sued.

Declaration of New Delhi International Arbitration Centre as an institution of national importance.
Composition of Centre.

4. (1) Whereas, the objects of the New Delhi International Arbitration Centre are such as to make it as an institution of national importance, it is hereby declared that the New Delhi International Arbitration Centre is an institution of national importance.

(2) The head office of the Centre shall be at New Delhi and it may with the previous approval of the Central Government, establish branches at other places in India and abroad.

5. The Centre shall consist of the following Members, namely:—

(a) a person, who has been a Judge of the Supreme Court or a Judge of a High Court or an eminent person, having special knowledge and experience in the conduct or administration of arbitration, law or management, appointed by the Central Government in consultation with the Chief Justice of India—Chairperson;

(b) two eminent persons having substantial knowledge and experience in institutional arbitration, both domestic and international, appointed by the Central Government—Full-time Members or Part-time Members;

(c) one representative of a recognised body of commerce and industry, chosen on rotational basis by the Central Government—Part-time Member;

(d) Secretary, Department of Legal Affairs, Ministry of Law and Justice or his representative, not below the rank of the Joint Secretary—Member, *ex officio*;

(e) one Financial Adviser nominated by the Department of Expenditure, Ministry of Finance—Member, *ex officio*; and

(f) Chief Executive Officer—Member, *ex officio*.

6. (1) The Chairperson and Members shall hold office for a term of three years from the date on which they enter upon their office and shall be eligible for re-appointment:

Terms and conditions, etc., of Chairperson and Members.

Provided that no Chairperson or Member shall hold office as such after he has attained the age of seventy years in the case of Chairperson and sixty-seven years in the case of a Member.

(2) The terms and conditions, salaries and allowances payable to the Chairperson and Full-time Member shall be such as may be prescribed.

(3) The term of office of a Member appointed to fill a casual vacancy shall be for the remainder of the term of the Member in whose place he has been appointed.

(4) The Part-time Member shall be entitled to such travelling and other allowances as may be prescribed.

CHAPTER III

ACQUISITION AND TRANSFER OF UNDERTAKINGS OF SOCIETY

7. On and from the specified date, so much of the undertakings of the Society as form part of, or are relatable to the Society, and the right, title and interest of the Society in relation to such undertakings, shall, by virtue of this Act, stand transferred to, and vest in, the Central Government.

Transfer and vesting.

Ord. 10 of 2019.

8. (1) The undertakings vested under section 7 shall be deemed to include all assets, rights, leaseholds, powers, authorities and privileges, and all property (movable and immovable), including lands, buildings, works, projects, instruments, automobiles and other vehicles, cash balances, funds, including reserve funds, investments and book debts of the Society as form part of, or are relatable to, the Society and all other rights and interest arising out of such properties as were immediately before the commencement of the New Delhi International Arbitration Centre Ordinance, 2019 in the ownership, possession, power or control of the Society, and all books of account, registers and all other documents of whatever nature relating thereto.

General effect of vesting.

(2) All properties and assets as aforesaid which have vested in the Central Government under section 7 shall, by force of such vesting, be freed and discharged from any trust, obligation, mortgage, charge, *lien* and all other encumbrances affecting them or of any attachment, injunction, decree or order of any court or other authority restricting the use of such properties or assets in any manner or appointing any receiver in respect of the whole or any part of such properties or assets shall be deemed to have been withdrawn.

(3) Any licence or other instrument granted to the Society in relation to any undertaking which has vested in the Central Government under section 7 at any time before the specified date and in force immediately before the specified date, shall continue to be in force on and after such day in accordance with its tenor in relation to and for the purpose of such undertaking or where the undertaking is directed under section 10, to vest in the Centre, the Centre shall be deemed to be substituted in such licence or other instrument as if such licence or other instrument had been granted to the Centre and the Centre shall hold it for the remainder of the period which the Society would have held it under the terms thereof.

(4) If, on the specified date, any suit, appeal or other proceeding, of whatever nature, in relation to any property or asset which has vested in the Central Government under section 7, instituted or preferred by or against the Society is pending, the same shall not abate, be discontinued or be, in any way, prejudicially affected by reason of the transfer of the undertaking of the Society of anything contained in this Act, but the suit, appeal or other proceeding may be continued, prosecuted or enforced by or against the Central Government or where the undertakings of the Society are directed under section 10, to vest in the Centre, by or against the Centre.

- Liability prior to specified date.
- 9.** Every liability in relation to any undertaking in respect of any period prior to the specified date, shall be enforceable against the Society and not against the Central Government.
- Power of Central Government to direct vesting of undertaking in centre.
- 10.** (1) Notwithstanding anything contained in sections 7 and 8, the Central Government shall, as soon as may be after the specified date, direct by notification, that the undertakings and the right, title and interest of the Society in relation to such undertakings which had vested in the Central Government under section 7, shall, vest in the Centre either on the date of publication of the notification or on such earlier or later date as may be specified in the notification.
- (2) Where the right, title and interest of the Society in relation to the undertakings vest, under sub-section (1), in the Centre, the Centre shall, on and from the date of such vesting, be deemed to have become the owner in relation to such undertakings and the rights and liabilities of the Central Government in relation to such undertakings shall, on and from the date of such vesting, be deemed to have become, the rights and liabilities, respectively, of the Centre.
- Management, etc., of undertakings.
- 11.** (1) The general superintendence, direction, control and management of affairs of the undertakings, the right, the interest in relation to which have vested in the Central Government under section 7, shall—
- (a) where a direction has been made by the Central Government under sub-section (1) of section 10, vest in the Centre; or
- (b) where no such direction has been made by the Central Government, vest in the Custodian appointed by the Central Government under sub-section (2),
- and, thereupon, the Centre or the Custodian so appointed, as the case may be, shall be entitled to exercise all such powers and do all such things as the Society, is authorised to exercise and do in relation to its undertakings.
- (2) The Central Government may appoint any person as the Custodian of the undertakings in relation to which no direction has been made by it under sub-section (1) of section 10.
- (3) The Custodian so appointed shall receive such remuneration as the Central Government may fix and shall hold office during the pleasure of the Central Government.
- Duties of persons in charge of management of undertakings to deliver all assets.
- 12.** (1) On the vesting of the management of the undertakings in the Centre or on the appointment of a Custodian under sub-section (2) of section 11, all persons in charge of management of the undertakings immediately before such vesting or appointment shall be bound to deliver to the Centre or Custodian, as the case may be, all assets, books of account, registers and other documents in their custody relating to the undertakings.
- (2) The Central Government may issue such directions as it may deem desirable in the circumstances of the case to the Custodian as to the powers and duties of the Custodian and such Custodian may also, if it is considered necessary so to do, apply to the Central Government at any time for instructions as to the manner in which the management of the undertaking shall be conducted or in relation to any other matter arising in the course of such management.
- (3) Any person who on the specified date, has in his possession or under his control, any books, documents or other papers relating to the undertakings shall be liable to account for the said books, documents or other papers to the Central Government or the Custodian or the Centre, as the case may be, and shall deliver them to the Central Government or the Custodian or the Centre or to such person or body of persons as the Central Government or the Centre may specify in this behalf.
- (4) The Central Government or the Centre may take or cause to be taken, all necessary steps for securing possession of all undertakings which have vested in the Central Government or the Centre under this Act.
- (5) The Society shall, within such period as the Central Government may allow in this behalf, furnish to that Government a complete inventory of all its properties and assets, as on the commencement of the New Delhi International Arbitration Centre Ordinance, 2019 pertaining to the undertaking and for this purpose, the Central Government or Custodian or the Centre shall afford to the Society, or body all reasonable facilities.

13. The Central Government or the Custodian or the Centre shall be entitled to receive up to the specified date, to the exclusion of all other persons, any money due to the Society in relation to its undertakings which have vested in the Central Government or Custodian or the Centre, as the case may be, and realised after the commencement of the New Delhi

Certain powers of Central Government or Centre.

International Arbitration Centre Ordinance, 2019, notwithstanding that the realisation pertains to a period prior to the commencement of the New Delhi International Arbitration Centre Ordinance, 2019.

14. The objects of the Centre shall be,—

Objects of Centre.

(a) to bring targeted reforms to develop itself as a flagship institution for conducting international and domestic arbitration;

(b) to promote research and study, providing teaching and training, and organising conferences and seminars in arbitration, conciliation, mediation and other alternative dispute resolution matters;

(c) to provide facilities and administrative assistance for conciliation, mediation and arbitral proceedings;

(d) to maintain panels of accredited arbitrators, conciliators and mediators both at national and international level or specialists such as surveyors and investigators;

(e) to collaborate with other national and international institutions and organisations for ensuring credibility of the Centre as a specialised institution in arbitration and conciliation;

(f) to set up facilities in India and abroad to promote the activities of the Centre;

(g) to lay down parameters for different modes of alternative dispute resolution mechanisms being adopted by the Centre; and

(h) such other objectives as it may deem fit with the approval of the Central Government.

15. Without prejudice to the provisions contained in section 14, the Centre shall strive,—

Functions of Centre.

(a) to facilitate for conducting international and domestic arbitration and conciliation in the most professional manner;

(b) to provide cost effective and timely services for the conduct of arbitration and conciliation at national and international level;

(c) to promote studies in the field of alternative dispute resolution and related matters, and to promote reforms in the system of settlement of disputes;

(d) to undertake teaching and to provide for diffusion of knowledge of law and procedures on alternative dispute resolution and related matters and to award certificates and other academic or professional distinction;

(e) to impart training in alternative dispute resolution and related matters to those who are handling arbitration, conciliation and mediation;

(f) to co-operate with other societies, institutions and organisations, national or international for promoting alternative dispute resolution; and

(g) to perform such other functions as may be entrusted to it by the Central Government for promoting alternative dispute resolution.

16. No act or proceedings of the Centre shall be invalid merely by reason of,—

Vacancies, etc., not to invalidate proceedings of Centre.

(a) any vacancy or any defect in the constitution of the Centre; or

(b) any defect in the appointment of a person acting as a Member of the Centre; or

(c) any irregularity in the procedure of the Centre not affecting the merits of the

case.

Resignation of
Members.

17. The Chairperson or the Full-time Member or Part-time Member may, by notice in writing, under his hand addressed to the Central Government, resign his office:

Provided that the Chairperson or the Full-time Member shall, unless he is permitted by the Central Government to relinquish his office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as his successor enters upon his office or until the expiry of his term of office, whichever is the earlier.

Removal of
Members.

18. (1) The Central Government may, remove a Member from his office if he,—

(a) is an undischarged insolvent; or

(b) has engaged at any time (except Part-time Member), during his term of office, in any paid employment; or

(c) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude; or

(d) has acquired such financial or other interest as is likely to affect prejudicially his functions as a Member; or

(e) has so abused his position as to render his continuance in office prejudicial to the public interest; or

(f) has become physically or mentally incapable of acting as a Member.

(2) Notwithstanding anything contained in sub-section (1), no Member shall be removed from his office on the grounds specified in clauses (d) and (e) of that sub-section unless the Supreme Court, on a reference being made to it in this behalf by the Central Government, has, on an inquiry, held by it in accordance with such procedure as may be prescribed in this behalf by the Supreme Court, reported that the Member, ought on such ground or grounds to be removed.

Committees of
Centre.

19. (1) The Centre may constitute such Committees as may be considered necessary to administer various aspects of its functions.

(2) The composition and functions of the Committees referred to in sub-section (1) shall be such as may be prescribed.

(3) The Committee shall meet at such time and at such places and shall observe such rules of procedure in regard to the transaction of business at its meetings including the quorum as may be specified by the regulations.

Meetings of
Centre.

20. (1) The Chairperson shall ordinarily preside at the meetings of the Centre:

Provided that, in his absence, the Member chosen by the other Members present amongst themselves shall preside at the meetings.

(2) It shall be the duty of the Chairperson to ensure that the decisions taken by the Centre are implemented.

(3) The Chairperson shall exercise such other powers and perform such other duties as are assigned to him under this Act.

(4) The Centre shall meet at least four times a year and follow such procedure in its meetings including quorum at such meetings in such manner as may be specified by the regulations.

(5) All questions which come up before any meeting of the Centre shall be—

(a) decided by a majority of votes by the Members present and voting, and in the event of an equality of votes, the Chairperson or in his absence, the person presiding, shall have a casting vote;

(b) dealt with as expeditiously as possible and the Centre shall dispose of the same within a period of sixty days from the date of receipt of the application:

Provided that where any such application could not be disposed of within the said period of sixty days, the Centre shall record its reasons in writing for not disposing of the application within that period.

(6) The Chairperson may invite any expert, not being a Member, to attend the meetings of the Centre, but such invitee shall not be entitled to vote at the meeting.

21. (1) There shall be a Chief Executive Officer of the Centre who shall be responsible for day-to-day administration of the Centre and for this purpose, he shall maintain liaison with the Centre and the Secretariat.

Chief
Executive
Officer.

(2) The appointment, qualifications and the terms and conditions of services of the Chief Executive Officer shall be such as may be specified by the regulations.

(3) The Chief Executive Officer shall exercise such powers and discharge such functions as may be specified by the regulations or as may be delegated to him by the Centre.

22. The Centre may, for the purpose of discharging of its powers, functions and duties, by general or special order in writing, specify the powers and duties conferred or imposed upon the Centre by or under this Act (except the power to make regulation) which may also be exercised or performed by the Chief Executive Officer or any officer or officers of the Centre and the conditions and restrictions, if any, subject to which the powers and duties may be exercised and performed.

Delegation of
powers.

23. (1) There shall be a Secretariat to the Centre consisting of—

Secretariat.

(a) Registrar, who shall supervise the activities of the Centre;

(b) Counsel, dealing with the matters relating to domestic and international arbitration; and

(c) such number of other officers and employees as may be prescribed.

(2) The qualifications, experience, method of selection and the functions of the Registrar, Counsel and other officers and employees shall be such as may be prescribed.

CHAPTER IV

FINANCE, ACCOUNTS AND AUDIT

24. The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Centre in each financial year such sums of money and in such manner as it may think fit for being utilised for the purposes of this Act.

Grants by Central
Government.

25. (1) The Centre shall maintain a Fund to which shall be credited,—

Fund of Centre.

(a) all monies provided by the Central Government;

(b) all fees and other charges received during or in connection with the arbitration, conciliation, mediation or other proceedings;

(c) all monies received by the Centre for the facilities provided by it to the parties;

(d) all monies received by the Centre in the form of donations, grants, contributions and income from other sources; and

(e) the amount received from the investment income.

(2) All monies credited to the Fund shall be deposited in such banks or invested in such manner as may be decided by the Centre.

(3) The Fund shall be applied towards meeting the salaries and other allowances of Members and the expenses of the Centre including expenses incurred in the exercise of its powers and discharge of its duties under this Act.

26. (1) The Centre shall maintain proper accounts and other relevant records and prepare an annual statement of accounts, including the balance sheet, in such form and manner as may be prescribed in consultation with the Comptroller and Auditor-General of India.

Accounts and
audit.

(2) The accounts of the Centre shall be audited by the Comptroller and Auditor-General of India and any expenditure incurred by him in connection with such audit shall be payable by the Centre to the Comptroller and Auditor-General of India.

(3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of the Centre shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General of India has in connection with the audit of the Government accounts, and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect the offices of the Centre.

(4) The accounts of the Centre as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and the Central Government shall cause the same to be laid before each House of Parliament.

Assessment of assets and liabilities of undertaking.

27. The assets and liabilities in relation to any undertaking under this Act shall be caused to be assessed by any agency authorised by the Comptroller and Auditor-General of India in such manner as may be specified by him and any payment on a claim to be made in relation thereto shall be settled by him between the Society and the Central Government and shall be paid by the Society or the Central Government, as the case may be, in the manner as may be specified by the Comptroller and Auditor-General of India.

CHAPTER V

CHAMBER OF ARBITRATION AND ARBITRATION ACADEMY

Chamber of Arbitration.

28. (1) The Centre shall, establish a Chamber of Arbitration which shall empanel the Arbitrators and also scrutinise the applications for admission in the panel of reputed arbitrators to maintain a permanent panel of arbitrators.

(2) The Chamber of Arbitration shall consist of experienced arbitration practitioners of repute, at national and international level and persons having wide experience in the area of alternative dispute resolution and conciliation.

(3) The Centre shall by regulations lay down the criteria for admission to the panel of the cadre so as to maintain a pool of reputed arbitrators having expertise in international commercial arbitration and arbitration other than international commercial arbitration.

(4) The Registrar to the Secretariat of the Centre shall act as the Member-Secretary to the Chamber of Arbitration.

Arbitration Academy.

29. (1) The Centre may establish an Arbitration Academy—

(a) to train the arbitrators, particularly in the area of international commercial arbitration to compete on par with the reputed international arbitral institutions;

(b) to conduct research in the area of alternative dispute resolution and allied areas; and

(c) to give suggestions for achieving the objectives of the Act.

(2) For the purposes of sub-section (1), there may be constituted a permanent three member committee in order to suggest and to submit a report to the Centre with respect to the amendments, if any, necessary to the rules and regulations made under this Act.

CHAPTER VI

MISCELLANEOUS

Power to make rules.

30. (1) The Central Government may, by notification, make rules to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may make provision for—

(a) the terms and conditions and the salaries and allowances payable to the Chairperson and Full-time Members under sub-section (2) of section 6;

(b) the travelling and other allowances payable to the Part-time Members under sub-section (4) of section 6;

(c) the composition and functions of the Committees referred to in sub-section (2) of section 19;

(d) the number of officers and employees of the Secretariat of the Centre under clause (c) of sub-section (1) of section 23;

(e) the qualifications, experience, method of selection and the functions of the Registrar, Counsel and other officers and employees of the Centre under sub-section (2) of section 23;

(f) annual statement of accounts, including the balance sheet under sub-section (1) of section 26; and

(g) any other matter in respect of which provision is to be made or may be made under this Act.

31. (1) The Centre may, with the previous approval of the Central Government, by notification, make regulations consistent with this Act and the rules made thereunder to provide for all matters for which provision is necessary or expedient for the purposes of giving effect to the purposes of this Act.

Power to make rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may make provision for—

(a) the time and place and the rules of procedure to be observed in regard to the transaction of business of the Committee at the meetings including the quorum under sub-section (3) of section 19;

(b) the time and place and rules of procedure in regard to the transaction of business of the Centre or any Committee including the quorum at the meeting under sub-section (4) of section 20;

(c) the appointment, qualifications and the terms and conditions of service of the Chief Executive Officer under sub-section (2) of section 21;

(d) the powers and functions of the Chief Executive Officer under sub-section (3) of section 21;

(e) the criteria for admission to the panel of reputed arbitrators under sub-section (3) of section 28; and

(f) any other matter in respect of which provision, in the opinion of the Centre, is necessary for the performance of its functions under this Act.

32. Every rule and regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

Laying of rules and regulations.

33. No suit, prosecution or other legal proceedings shall lie against the Centre, the Chairperson or Members or its employees and arbitrators for anything which is in good faith done or intended to be done under this Act or the rules or regulations made thereunder.

Protection of action taken in good faith.

34. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as may appear to it to be necessary for removing the difficulty:

Power to remove difficulty.

Provided that no such order shall be made under this section after the expiry of a period of two years from the date of commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

35. (1) The New Delhi International Arbitration Centre Ordinance, 2019 is hereby repealed.

Repeal and savings.

Ord. 10 of
2019

(2) Notwithstanding such repeal, anything done or any action taken under the New Delhi International Arbitration Centre Ordinance, 2019, shall be deemed to have been done or taken under the provisions of this Act.

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

New Delhi, the 26th July 2019

The following Act of Parliament received the assent of the President on the 26th July, 2019 and is hereby re-published for general information:—

THE APPROPRIATION (No. 2) ACT, 2019

No. 18 of 2019

An Act to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 2019-20.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (No. 2) Act, 2019.

Short title.

2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of ninety-eight lakh eighteen thousand nine hundred three crore and eighty-two lakh rupees towards defraying the several charges which will come in course of payment during the financial year 2019-20 in respect of the services specified in column 2 of the Schedule.

Issue of Rs. 9818903,82,00,000 out of the Consolidated Fund of India for the financial year 2019-20.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

Appropriation.

4. References to Ministries or Departments in the Schedule are to such Ministries or Departments as existing immediately before the 19th June, 2019 and shall, on or after that date, be construed as references to the appropriate Ministries or Departments as reconstituted from time to time.

Construction of references to Ministries or Departments in the Schedule.

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding			
		Voted by Parliament	Charged on the Consolidated Fund	Total	
		Rs.	Rs.	Rs.	
1	Department of Agriculture, Cooperation and Farmers' Welfare	Revenue	130450,51,00,000	...	130450,51,00,000
		Capital	34,70,00,000	...	34,70,00,000
2	Department of Agricultural Research and Education	Revenue	8078,76,00,000	...	8078,76,00,000
3	Atomic Energy	Revenue	14957,52,00,000	1,00,00,000	14958,52,00,000
		Capital	9399,37,00,000	10,00,00,000	9409,37,00,000
4	Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (AYUSH)	Revenue	2445,55,00,000	...	2445,55,00,000
		Capital	21,00,000	...	21,00,000
5	Department of Chemicals and Petrochemicals	Revenue	263,65,00,000	...	263,65,00,000
6	Department of Fertilisers	Revenue	83514,95,00,000	...	83514,95,00,000
		Capital	5,00,000	...	5,00,000
7	Department of Pharmaceuticals	Revenue	230,45,00,000	...	230,45,00,000
		Capital	5,06,00,000	...	5,06,00,000
8	Ministry of Civil Aviation	Revenue	4474,99,00,000	...	4474,99,00,000
		Capital	25,01,00,000	...	25,01,00,000
9	Ministry of Coal	Revenue	1159,05,00,000	...	1159,05,00,000
10	Department of Commerce	Revenue	5709,31,00,000	1,00,000	5709,32,00,000
		Capital	510,00,00,000	...	510,00,00,000
11	Department for Promotion of Industry and Internal Trade	Revenue	5001,79,00,000	...	5001,79,00,000
		Capital	672,72,00,000	...	672,72,00,000
12	Department of Posts	Revenue	30411,20,00,000	80,00,000	30412,00,00,000
		Capital	947,74,00,000	...	947,74,00,000
13	Department of Telecommunications	Revenue	30693,64,00,000	...	30693,64,00,000
		Capital	9719,72,00,000	...	9719,72,00,000
14	Department of Consumer Affairs	Revenue	2240,32,00,000	...	2240,32,00,000
		Capital	51,50,00,000	...	51,50,00,000
15	Department of Food and Public Distribution	Revenue	190914,27,00,000	...	190914,27,00,000
		Capital	51326,12,00,000	...	51326,12,00,000
16	Ministry of Corporate Affairs	Revenue	570,34,00,000	...	570,34,00,000
		Capital	41,00,00,000	...	41,00,00,000
17	Ministry of Culture	Revenue	2953,21,00,000	...	2953,21,00,000
		Capital	89,14,00,000	...	89,14,00,000
18	Ministry of Defence (Civil)	Revenue	27270,00,00,000	66,00,000	27270,66,00,000
		Capital	6932,85,00,000	35,00,00,000	6967,85,00,000
19	Defence Services (Revenue)	Revenue	222254,47,00,000	102,92,00,000	222357,39,00,000
20	Capital Outlay on Defence Services	Capital	103310,96,00,000	83,35,00,000	103394,31,00,000
21	Defence Pensions	Revenue	112077,11,00,000	2,46,00,000	112079,57,00,000
22	Ministry of Development of North Eastern Region	Revenue	2292,80,00,000	...	2292,80,00,000
		Capital	767,20,00,000	...	767,20,00,000
23	Ministry of Earth Sciences	Revenue	1765,05,00,000	...	1765,05,00,000
		Capital	141,00,00,000	...	141,00,00,000
24	Ministry of Electronics and Information Technology	Revenue	6306,00,00,000	...	6306,00,00,000
		Capital	348,00,00,000	...	348,00,00,000
25	Ministry of Environment, Forests and Climate Change	Revenue	2998,20,00,000	...	2998,20,00,000
		Capital	64,52,00,000	...	64,52,00,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
26	Ministry of External Affairs Revenue	16511,20,00,000	3,00,000	16511,23,00,000
	Capital	1373,55,00,000	...	1373,55,00,000
27	Department of Economic Affairs Revenue	3211,46,00,000	...	3211,46,00,000
	Capital	17208,97,00,000	...	17208,97,00,000
28	Department of Expenditure Revenue	400,55,00,000	...	400,55,00,000
29	Department of Financial Services Revenue	1305,16,00,000	...	1305,16,00,000
	Capital	73935,04,00,000	...	73935,04,00,000
30	Department of Investment and Public Asset Management (DIPAM) Revenue	132,08,00,000	...	132,08,00,000
31	Department of Revenue Revenue	203457,98,00,000	2,00,000	203458,00,00,000
	Capital	8,73,00,000	...	8,73,00,000
32	Direct Taxes Revenue	7036,44,00,000	...	7036,44,00,000
	Capital	302,00,00,000	...	302,00,00,000
33	Indirect Taxes Revenue	7493,15,00,000	50,00,000	7493,65,00,000
	Capital	406,85,00,000	...	406,85,00,000
34	Indian Audit and Accounts Department Revenue	4832,22,00,000	177,69,00,000	5009,91,00,000
	Capital	16,00,00,000	...	16,00,00,000
	CHARGED.—Interest Payments Revenue	...	673470,60,00,000	673470,60,00,000
	CHARGED.—Repayment of Debt Capital	...	5983187,09,00,000	5983187,09,00,000
37	Pensions Revenue	49184,90,00,000	380,10,00,000	49565,00,00,000
38	Transfers to States Revenue	32480,00,00,000	120466,22,00,000	152946,22,00,000
	Capital	...	19823,28,00,000	19823,28,00,000
39	Department of Fisheries Revenue	790,58,00,000	...	790,58,00,000
	Capital	14,17,00,000	...	14,17,00,000
40	Department of Animal Husbandry and Dairying Revenue	3301,01,00,000	...	3301,01,00,000
	Capital	41,64,00,000	...	41,64,00,000
41	Ministry of Food Processing Industries Revenue	1196,60,00,000	...	1196,60,00,000
42	Department of Health and Family Welfare Revenue	90145,25,00,000	...	90145,25,00,000
	Capital	2890,20,00,000	...	2890,20,00,000
43	Department of Health Research Revenue	3374,65,00,000	...	3374,65,00,000
44	Department of Heavy Industry Revenue	980,74,00,000	...	980,74,00,000
	Capital	386,26,00,000	...	386,26,00,000
45	Department of Public Enterprises Revenue	22,64,00,000	...	22,64,00,000
46	Ministry of Home Affairs Revenue	4584,39,00,000	2,00,000	4584,41,00,000
	Capital	311,40,00,000	...	311,40,00,000
47	Cabinet Revenue	828,85,00,000	...	828,85,00,000
48	Police Revenue	88707,75,00,000	7,49,00,000	88715,24,00,000
	Capital	10811,89,00,000	6,33,00,000	10818,22,00,000
49	Andaman and Nicobar Islands Revenue	4285,99,00,000	1,00,000	4286,00,00,000
	Capital	601,58,00,000	...	601,58,00,000
50	Chandigarh Revenue	4309,48,00,000	42,01,00,000	4351,49,00,000
	Capital	376,63,00,000	25,00,00,000	401,63,00,000
51	Dadra and Nagar Haveli Revenue	867,82,00,000	1,00,000	867,83,00,000
	Capital	317,06,00,000	...	317,06,00,000
52	Daman and Diu Revenue	1575,98,00,000	2,00,000	1576,00,00,000
	Capital	342,48,00,000	...	342,48,00,000
53	Lakshadweep Revenue	1117,11,00,000	...	1117,11,00,000
	Capital	186,38,00,000	...	186,38,00,000
54	Transfers to Delhi Revenue	812,00,00,000	...	812,00,00,000
	Capital	300,00,00,000	...	300,00,00,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
55	Transfers to Pudducherry Revenue	1600,99,00,000	...	1600,99,00,000
	Capital	1,00,000	...	1,00,000
56	Ministry of Housing and Urban Affairs Revenue	35421,29,00,000	91,81,00,000	35513,10,00,000
	Capital	19472,42,00,000	71,92,00,000	19544,34,00,000
57	Department of School Education and Literacy Revenue	97585,76,00,000	...	97585,76,00,000
58	Department of Higher Education Revenue	52058,84,00,000	...	52058,84,00,000
	Capital	2120,00,00,000	...	2120,00,00,000
59	Ministry of Information and Broadcasting Revenue	4361,67,00,000	...	4361,67,00,000
	Capital	13,54,00,000	...	13,54,00,000
60	Department of Water Resources, River Development and Ganga Rejuvenation Revenue	7890,15,00,000	...	7890,15,00,000
	Capital	414,46,00,000	1,00,000	414,47,00,000
61	Department of Drinking Water and Sanitation Revenue	27766,70,00,000	...	27766,70,00,000
62	Ministry of Labour and Employment Revenue	11151,65,00,000	...	11151,65,00,000
	Capital	32,44,00,000	...	32,44,00,000
63	Law and Justice Revenue	3020,11,00,000	...	3020,11,00,000
	Capital	135,00,00,000	...	135,00,00,000
64	Election Commission Revenue	261,68,00,000	...	261,68,00,000
	Capital	25,00,00,000	...	25,00,00,000
	CHARGED.— <i>Supreme Court of India</i> Revenue	...	269,46,00,000	269,46,00,000
66	Ministry of Micro, Small and Medium Enterprises Revenue	6984,27,00,000	...	6984,27,00,000
	Capital	27,02,00,000	...	27,02,00,000
67	Ministry of Mines Revenue	1717,98,00,000	...	1717,98,00,000
	Capital	107,57,00,000	...	107,57,00,000
68	Ministry of Minority Affairs Revenue	4599,98,00,000	...	4599,98,00,000
	Capital	100,02,00,000	...	100,02,00,000
69	Ministry of New and Renewable Energy Revenue	5209,83,00,000	...	5209,83,00,000
	Capital	45,00,00,000	...	45,00,00,000
70	Ministry of Panchayati Raj Revenue	871,37,00,000	...	871,37,00,000
71	Ministry of Parliamentary Affairs Revenue	19,38,00,000	...	19,38,00,000
72	Ministry of Personnel, Public Grievances and Pensions..Revenue	1483,71,00,000	96,99,00,000	1580,70,00,000
	Capital	139,24,00,000	6,65,00,000	145,89,00,000
	CHARGED.— <i>Central Vigilance Commission</i> Revenue	...	35,55,00,000	35,55,00,000
74	Ministry of Petroleum and Natural Gas Revenue	42440,78,00,000	...	42440,78,00,000
	Capital	1667,31,00,000	...	1667,31,00,000
75	Ministry of Planning Revenue	582,29,00,000	...	582,29,00,000
	Capital	1,11,00,000	...	1,11,00,000
76	Ministry of Power Revenue	18956,36,00,000	...	18956,36,00,000
	Capital	3365,92,00,000	...	3365,92,00,000
	CHARGED.— <i>Staff, Household and Allowances of the President</i> Revenue	...	76,33,00,000	76,33,00,000
78	Lok Sabha Revenue	807,83,00,000	1,30,00,000	809,13,00,000
79	Rajya Sabha Revenue	399,52,00,000	1,52,00,000	401,04,00,000
80	Secretariat of the Vice-President Revenue	8,30,00,000	...	8,30,00,000
	CHARGED.— <i>Union Public Service Commission</i> Revenue	...	298,45,00,000	298,45,00,000
82	Ministry of Railways Revenue	272235,40,00,000	474,28,00,000	272709,68,00,000
	Capital	227394,24,00,000	36,31,00,000	227430,55,00,000
83	Ministry of Road Transport and Highways Revenue	21619,82,00,000	...	21619,82,00,000
	Capital	142819,16,00,000	10,00,00,000	142829,16,00,000
84	Department of Rural Development Revenue	191770,34,00,000	...	191770,34,00,000
	Capital	100,00,00,000	...	100,00,00,000

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
85	Department of Land Resources Revenue	2227,24,00,000	...	2227,24,00,000
86	Department of Science and Technology Revenue	5510,09,00,000	2,00,000	5510,11,00,000
	Capital	90,00,00,000	...	90,00,00,000
87	Department of Biotechnology Revenue	2580,34,00,000	...	2580,34,00,000
88	Department of Scientific and Industrial Research Revenue	4886,24,00,000	...	4886,24,00,000
	Capital	9,65,00,000	...	9,65,00,000
89	Ministry of Shipping Revenue	1955,99,00,000	...	1955,99,00,000
	Capital	526,57,00,000	...	526,57,00,000
90	Ministry of Skill Development and Entrepreneurship .. Revenue	2926,11,00,000	...	2926,11,00,000
	Capital	63,10,00,000	...	63,10,00,000
91	Department of Social Justice and Empowerment Revenue	8429,99,00,000	...	8429,99,00,000
	Capital	455,01,00,000	...	455,01,00,000
92	Department of Empowerment of Persons with Disabilities Revenue	1163,69,00,000	...	1163,69,00,000
	Capital	41,21,00,000	...	41,21,00,000
93	Department of Space Revenue	5874,12,00,000	60,00,000	5874,72,00,000
	Capital	6598,14,00,000	40,00,000	6598,54,00,000
94	Ministry of Statistics and Programme Implementation..Revenue	5216,33,00,000	...	5216,33,00,000
	Capital	14,73,00,000	...	14,73,00,000
95	Ministry of Steel Revenue	241,29,00,000	...	241,29,00,000
96	Ministry of Textiles Revenue	4800,57,00,000	...	4800,57,00,000
	Capital	30,91,00,000	...	30,91,00,000
97	Ministry of Tourism Revenue	2189,21,00,000	...	2189,21,00,000
	Capital	1,00,000	...	1,00,000
98	Ministry of Tribal Affairs Revenue	1155,69,00,000	5659,27,00,000	6814,96,00,000
	Capital	80,00,00,000	...	80,00,00,000
99	Ministry of Women and Child Development Revenue	29664,89,00,000	...	29664,89,00,000
	Capital	1,00,000	...	1,00,000
100	Ministry of Youth Affairs and Sports Revenue	2181,90,00,000	...	2181,90,00,000
	Capital	35,02,00,000	...	35,02,00,000
	TOTAL:	3013950,33,00,000	6804953,49,00,000	9818903,82,00,000

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
Additional Secretary to Government,
Law Department.

New Delhi, the 27th July 2019

The following Act of Parliament received the assent of the President on the 27th July, 2019 and is hereby re-published for general information:—

THE PROTECTION OF HUMAN RIGHTS (AMENDMENT) ACT, 2019

No. 19 of 2019

An Act further to amend the Protection of Human Rights Act, 1993.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Protection of Human Rights (Amendment) Act, 2019. Short title and commencement.
- (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.
- 10 of 1994. 2. In the Protection of Human Rights Act, 1993 (hereinafter referred to as the principal Act), in section 2, in sub-section (1),— Amendment of Section 2.
- (i) after clause (b), the following clause shall be inserted, namely:—
- (ba) "Chief Commissioner" means the Chief Commissioner for Persons with Disabilities referred to in sub-section (1) of section 74 of the Rights of Persons with Disabilities Act, 2016;";
- 49 of 2016. (ii) after clause (g), the following clause shall be inserted, namely:—
- (ga) "National Commission for Backward Classes" means the National Commission for Backward Classes constituted under section 3 of the National Commission for Backward Classes Act, 1993;";
- 27 of 1993. (iii) after clause (h), the following clause shall be inserted, namely:—
- (ha) "National Commission for Protection of Child Rights" means the National Commission for Protection of Child Rights constituted under section 3 of the Commissions for Protection of Child Rights Act, 2005;".
- 4 of 2006. 3. In section 3 of the principal Act,— Amendment of Section 3.
- (a) in sub-section (2),—
- (i) in clause (a), for the words "Chief Justice", the words "Chief Justice of India or a Judge" shall be substituted;
- (ii) in clause (d), for the words "two Members", the words "three Members, out of which at least one shall be a woman," shall be substituted;
- (b) in sub-section (3),—
- (i) for the words "the National Commission for Minorities", the words "the National Commission for Backward Classes, the National Commission for Minorities, the National Commission for Protection of Child Rights" shall be substituted;
- (ii) for the words "and the National Commission for Women", the words "the National Commission for Women and the Chief Commissioner for Persons with Disabilities" shall be substituted;
- (c) in sub-section (4), for the portion beginning with "shall exercise such powers and discharge such functions" and ending with "as the case may be", the following shall be substituted, namely:—
- "shall, subject to control of the Chairperson, exercise all administrative and financial powers (except judicial functions and the power to make regulations under section 40B).".

Amendment of
Section 6.

4. In section 6 of the principal Act,—

(i) in sub-section (1),—

(a) for the words “five years”, the words “three years” shall be substituted;

(b) after the words “whichever is earlier” occurring at the end, the words “and shall be eligible for re-appointment” shall be inserted;

(ii) in sub-section (2),—

(a) for the words “five years”, the words “three years” shall be substituted;

(b) the words “for another term of five years” shall be omitted.

Amendment of
Section 21.

5. In section 21 of the principal Act,—

(i) in sub-section (2), in clause (a), for the words “Chief Justice”, the words “Chief Justice or a Judge” shall be substituted;

(ii) in sub-section (3), for the words “shall exercise such powers and discharge such functions of the State Commission as it may delegate to him”, the words “shall, subject to control of the Chairperson, exercise all administrative and financial powers of the State Commission” shall be substituted;

(iii) after sub-section (6), the following sub-sections shall be inserted, namely:—

“(7) Subject to the provisions of section 12, the Central Government may, by order, confer upon the State Commission the functions relating to human rights being discharged by the Union territories, other than the Union territory of Delhi.

(8) The functions relating to human rights in case of Union territory of Delhi shall be dealt with by the Commission.”.

Amendment of
Section 24.

6. In section 24 of the principal Act,—

(i) in sub-section (1),—

(a) for the words “five years”, the words “three years” shall be substituted;

(b) after the words “whichever is earlier” occurring at the end, the words “and shall be eligible for re-appointment” shall be inserted;

(ii) in sub-section (2),—

(a) for the words “five years”, the words “three years” shall be substituted;

(b) the words “for another term of five years” occurring at the end, shall be omitted.

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

New Delhi, the 31st July 2019

The following Act of Parliament received the assent of the President on the 31st July, 2019 and is hereby re-published for general information:—

THE MUSLIM WOMEN (PROTECTION OF RIGHTS ON MARRIAGE) ACT, 2019

No. 20 of 2019

An Act to protect the rights of married Muslim women and to prohibit divorce by pronouncing talaq by their husbands and to provide for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Muslim Women (Protection of Rights on Marriage) Act, 2019.

Short title,
extent and
commence-
ment.

(2) It shall extend to the whole of India except the State of Jammu and Kashmir.

(3) It shall be deemed to have come into force on the 19th day of September, 2018.

2. In this Act, unless the context otherwise requires,—

Definitions.

21 of 2000.

(a) “electronic form” shall have the same meaning as assigned to it in clause (r) of sub-section (1) of section 2 of the Information Technology Act, 2000;

2 of 1974.

(b) “Magistrate” means a Judicial Magistrate of the first class exercising jurisdiction under the Code of Criminal Procedure, 1973, in the area where the married Muslim woman resides; and

(c) “talaq” means talaq-e-biddat or any other similar form of talaq having the effect of instantaneous and irrevocable divorce pronounced by a Muslim husband.

CHAPTER II

DECLARATION OF TALAQ TO BE VOID AND ILLEGAL

3. Any pronouncement of talaq by a Muslim husband upon his wife, by words, either spoken or written or in electronic form or in any other manner whatsoever, shall be void and illegal.

Talaq to be void
and illegal.

4. Any Muslim husband who pronounces *talaq* referred to in section 3 upon his wife shall be punished with imprisonment for a term which may extend to three years, and shall also be liable to fine.

Punishment for
pronouncing
talaq.

CHAPTER III

PROTECTION OF RIGHTS OF MARRIED MUSLIM WOMEN

5. Without prejudice to the generality of the provisions contained in any other law for the time being in force, a married Muslim woman upon whom *talaq* is pronounced shall be entitled to receive from her husband such amount of subsistence allowance, for her and dependent children, as may be determined by the Magistrate.

Subsistence
allowance.

6. Notwithstanding anything contained in any other law for the time being in force, a married Muslim woman shall be entitled to custody of her minor children in the event of pronouncement of *talaq* by her husband, in such manner as may be determined by the Magistrate.

Custody
of minor
children.

Offence to be cognizable, compoundable, etc.	<p>7. Notwithstanding anything contained in the Code of Criminal Procedure, 1973,—</p> <p>(a) an offence punishable under this Act shall be cognizable, if information relating to the commission of the offence is given to an officer in charge of a police station by the married Muslim woman upon whom <i>talaq</i> is pronounced or any person related to her by blood or marriage;</p> <p>(b) an offence punishable under this Act shall be compoundable, at the instance of the married Muslim woman upon whom <i>talaq</i> is pronounced with the permission of the Magistrate, on such terms and conditions as he may determine;</p> <p>(c) no person accused of an offence punishable under this Act shall be released on bail unless the Magistrate, on an application filed by the accused and after hearing the married Muslim woman upon whom <i>talaq</i> is pronounced, is satisfied that there are reasonable grounds for granting bail to such person.</p>	2 of 1974.
Repeal and savings.	<p>8. (1) The Muslim Women (Protection of Rights on Marriage) Second Ordinance, 2019 is hereby repealed.</p> <p>(2) Notwithstanding such repeal, anything done or any action taken under the Muslim Women (Protection of Rights on Marriage) Second Ordinance, 2019, shall be deemed to have been done or taken under the provisions of this Act.</p>	<p>Ord. 4 of 2019.</p> <p>Ord. 4 of 2019.</p>

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

THE BANNING OF UNREGULATED DEPOSIT SCHEMES ACT' 2019

ARRANGEMENT OF SECTIONS

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PRELIMINARY

SECTIONS

1. Short title, extent and commencement.
2. Definitions.

CHAPTER II

BANNING OF UNREGULATED DEPOSIT SCHEMES

3. Banning of Unregulated Deposit Schemes.
4. Fraudulent default in Regulated Deposit Schemes.
5. Wrongful inducement in relation to unregulated Deposit Schemes.
6. Certain scheme to be unregulated Deposit.

CHAPTER III

AUTHORITIES

7. Competent Authority
8. Designated Court

CHAPTER IV

INFORMATION ON DEPOSIT TAKERS

9. Central database
10. Information of business by deposit taker.
11. Information to be shared.

CHAPTER V

RESTITUTION OF DEPOSITORS

12. Priority of depositors' claim
13. Precedence of attachment.
14. Application for confirmation of attachment and sale of property.
15. Confirmation of attachment by Designated Court
16. Attachment of property of *mala fide* transferees.
17. Payment in lieu of attachment.
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19. Appeal to High Court.
20. Power of Supreme Court to transfer cases.

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22. Punishment for contravention of Section 4.
23. Punishment for contravention of Section 5.
24. Punishment for repeat offenders.
25. Offences by deposit takers other than individuals.
26. Punishment for contravention of Section 10.
27. Cognizance of offences.

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28. Offences to be cognizable and non-bailable.
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30. Investigation of offences by Central Bureau of Investigation.
31. Power to enter, search and seize without warrant.
32. Application of Code of Criminal Procedure, 1973 to proceedings before Designated Court.

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33. Publication of advertisement of Unregulated Deposit Scheme.
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35. Application of other laws not barred.
36. Protection of action taken in good faith.
37. Power to Central Government to make rules.
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39. Laying of rules.
40. Power to amend First Schedule.
41. Act not apply certain deposits.
42. Amendment to certain enactments.
43. Power to remove difficulties.
44. Repeal and saving.

THE FIRST SCHEDULE.

THE SECOND SCHEDULE.

New Delhi, the 31st July, 2019.

The following Act of Parliament received the assent of the President on the 31st July, 2019 and is hereby re-published for general information:—

THE BANNING OF UNREGULATED DEPOSIT SCHEMES ACT, 2019.

NO. 21 OF 2019

An Act to provide for a comprehensive mechanism to ban the unregulated deposit schemes, other than deposits taken in the ordinary course of business, and to protect the interest of depositors and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (1) This Act may be called the Banning of Unregulated Deposit Schemes Act, 2019.

Short title,
extent and
commence-
ment.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall be deemed to have come into force on the 21st day of February, 2019.

2. In this Act, unless the context otherwise requires,—

Definitions.

(1) “appropriate Government” means in respect of matters relating to,—

(i) the Union territory without legislature, the Central Government;

(ii) the Union territory of Puducherry, the Government of that Union territory;

(iii) the Union territory of Delhi, the Government of that Union territory; and

(iv) the State, the State Government;

18 of 2013.

(2) “company” shall have the same meaning as assigned to it in clause (20) of section 2 of the Companies Act, 2013;

(3) “Competent Authority” means an Authority appointed by the appropriate Government under section 7;

(4) “deposit” means an amount of money received by way of an advance or loan or in any other form, by any deposit taker with a promise to return whether after a specified period or otherwise, either in cash or in kind or in the form of a specified service, with or without any benefit in the form of interest, bonus, profit or in any other form, but does not include—

10 of 1949.

(a) amounts received as loan from a scheduled bank or a co-operative bank or any other banking company as defined in section 5 of the Banking Regulation Act, 1949;

2 of 1934.

(b) amounts received as loan or financial assistance from the Public Financial Institutions notified by the Central Government in consultation with the Reserve Bank of India or any non-banking financial company as defined in clause (f) of section 45-I of the Reserve Bank of India Act, 1934 and is registered with the Reserve Bank of India or any Regional Financial Institutions or insurance companies;

(c) amounts received from the appropriate Government, or any amount received from any other source whose repayment is guaranteed by the appropriate Government, or any amount received from a statutory authority constituted under an Act of Parliament or a State Legislature;

42 of 1999.

(d) amounts received from foreign Governments, foreign or international banks, multilateral financial institutions, foreign Government owned development financial institutions, foreign export credit collaborators, foreign bodies corporate, foreign citizens, foreign authorities or person resident outside India subject to the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

(e) amounts received by way of contributions towards the capital by partners of any partnership firm or a limited liability partnership;

(f) amounts received by an individual by way of loan from his relatives or amounts received by any firm by way of loan from the relatives of any of its partners;

(g) amounts received as credit by a buyer from a seller on the sale of any property (whether movable or immovable);

(h) amounts received by an asset re-construction company which is registered with the Reserve Bank of India under section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

54 of 2002.

(i) any deposit made under section 34 or an amount accepted by a political party under section 29B of the Representation of the People Act, 1951;

43 of 1951.

(j) any periodic payment made by the members of the self-help groups operating within such ceilings as may be prescribed by the State Government or Union territory Government;

(k) any other amount collected for such purpose and within such ceilings as may be prescribed by the State Government;

(l) an amount received in the course of, or for the purpose of, business and bearing a genuine connection to such business including—

(i) payment, advance or part payment for the supply or hire of goods or provision of services and is repayable in the event the goods or services are not in fact sold, hired or otherwise provided;

(ii) advance received in connection with consideration of an immovable property under an agreement or arrangement subject to the condition that such advance is adjusted against such immovable property as specified in terms of the agreement or arrangement;

(iii) security or dealership deposited for the performance of the contract for supply of goods or provision of services; or

(iv) an advance under the long-term projects for supply of capital goods except those specified in item (ii):

Provided that if the amounts received under items (i) to (iv) become refundable, such amounts shall be deemed to be deposits on the expiry of fifteen days from the date on which they become due for refund:

Provided further that where the said amounts become refundable, due to the deposit taker not obtaining necessary permission or approval under the law for the time being in force, wherever required, to deal in the goods or properties or services for which money is taken, such amounts shall be deemed to be deposits.

Explanation.—For the purposes of this clause,—

(i) in respect of a company, the expression “deposit” shall have the same meaning as assigned to it under the Companies Act, 2013;

18 of 2013.

(ii) in respect of a non-banking financial company registered under the Reserve Bank of India Act, 1934, the expression “deposit” shall have the same meaning as assigned to it in clause (bb) of section 45-I of the said Act;

2 of 1934.

(iii) the expressions “partner” and “firm” shall have the meanings respectively assigned to them under the Indian Partnership Act, 1932;

9 of 1932.

(iv) the expression “partner” in respect of a limited liability partnership shall have the same meaning as assigned to it in clause (q) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008;

6 of 2009.

(v) the expression “relative” shall have the same meaning as assigned to it in the Companies Act, 2013;

18 of 2013.

(5) “depositor” means any person who makes a deposit under this Act;

- (6) "deposit taker" means—
- (i) any individual or group of individuals;
 - (ii) a proprietorship concern;
 - (iii) a partnership firm (whether registered or not);
 - 6 of 2009. (iv) a limited liability partnership registered under the Limited Liability Partnership Act, 2008;
 - (v) a company;
 - (vi) an association of persons;
 - 2 of 1882. (vii) a trust (being a private trust governed under the provisions of the Indian Trusts Act, 1882 or a public trust, whether registered or not);
 - (viii) a co-operative society or a multi-State co-operative society; or
 - (ix) any other arrangement of whatsoever nature, receiving or soliciting deposits, but does not include—
 - (i) a Corporation incorporated under an Act of Parliament or a State Legislature;
 - (ii) a banking company, a corresponding new bank, the State Bank of India, a subsidiary bank, a regional rural bank, a co-operative bank or a multi-State co-operative bank as defined in the Banking Regulation Act, 1949;
 - 10 of 1949.
- (7) "Designated Court" means a Designated Court constituted by the appropriate Government under section 8;
- (8) "insurer" shall have the same meaning as assigned to it in clause (9) of section 2 of the Insurance Act, 1938;
- 4 of 1938.
- (9) "notification" means a notification published in the Official Gazette and the expression "notify" shall be construed accordingly;
- (10) "person" includes—
- (i) an individual;
 - (ii) a Hindu Undivided Family;
 - (iii) a company;
 - (iv) a trust;
 - (v) a partnership firm;
 - (vi) a limited liability partnership;
 - (vii) an association of persons;
 - (viii) a co-operative society registered under any law for the time being in force relating to co-operative societies; or
 - (ix) every artificial juridical person, not falling within any of the preceding sub-clauses;
- (11) "prescribed" means prescribed by the rules made by the Central Government or, as the case may be, the State Government under this Act;
- (12) "property" means any property or assets of every description, whether corporeal or incorporeal, movable or immovable, tangible or intangible, and includes deeds and instruments evidencing title to, or interest in, such property or assets, wherever located;
- (13) "public financial institution" shall have the same meaning as assigned to it in clause (72) of section 2 of the Companies Act, 2013;
- 18 of 2013.
- (14) "Regulated Deposit Scheme" means the Schemes specified under column (3) of the First Schedule;

(15) "Regulator" means the Regulator specified in column (2) of the First Schedule;

(16) "Schedule" means the Schedule appended to this Act;

(17) "Unregulated Deposit Scheme" means a Scheme or an arrangement under which deposits are accepted or solicited by any deposit taker by way of business and which is not a Regulated Deposit Scheme, as specified under column (3) of the First Schedule.

CHAPTER II

BANNING OF UNREGULATED DEPOSIT SCHEMES

Banning of
Unregulated
Deposit
Schemes.

3. On and from the date of commencement of this Act,—

(a) the Unregulated Deposit Schemes shall be banned; and

(b) no deposit taker shall, directly or indirectly, promote, operate, issue any advertisement soliciting participation or enrolment in or accept deposits in pursuance of an Unregulated Deposit Scheme.

Fraudulent
default in
Regulated
Deposit
Schemes.

4. No deposit taker, while accepting deposits pursuant to a Regulated Deposit Scheme, shall commit any fraudulent default in the repayment or return of deposit on maturity or in rendering any specified service promised against such deposit.

Wrongful
inducement
in relation to
Unregulated
Deposit
Schemes.

5. No person by whatever name called shall knowingly make any statement, promise or forecast which is false, deceptive or misleading in material facts or deliberately conceal any material facts, to induce another person to invest in, or become a member or participant of any Unregulated Deposit Scheme.

Certain scheme
to be
Unregulated
Deposit
Scheme.

6. A prize chit or a money circulation scheme banned under the provisions of the Prize Chits and Money Circulation Scheme (Banning) Act, 1978 shall be deemed to be an Unregulated Deposit Scheme under this Act.

43 of 1978.

CHAPTER III

Competent
Authority.

AUTHORITIES

7. (1) The appropriate Government shall, by notification, appoint one or more officers not below the rank of Secretary to that Government, as the Competent Authority for the purposes of this Act.

(2) The appropriate Government may, by notification, appoint such other officer or officers as it thinks fit, to assist the Competent Authority in discharging its functions under this Act.

(3) Where the Competent Authority or officers appointed under sub-section (2), for the purposes of this section, has reason to believe (the reason for such belief to be recorded in writing), on the basis of such information and particulars as may be prescribed, that any deposit taker is soliciting deposits in contravention of section 3, he may, by an order in writing, provisionally attach the deposits held by the deposit taker and the money or other property acquired either in the name of the deposit taker or in the name of any other person on behalf of the deposit taker from the date of the order, in such manner as may be prescribed.

(4) The Competent Authority shall, for the purposes of sub-section (3), have the same powers as vested in a civil court under the Code of Civil Procedure, 1908 while conducting investigation or inquiry in respect of the following matters, namely:—

5 of 1908.

(a) discovery and inspection;

(b) enforcing the attendance of any person, including any officer of a reporting entity and examining him on oath;

(c) compelling the production of records;

(d) receiving evidence on affidavits;

- (e) issuing commissions for examination of witnesses and documents; and
- (f) any other matter which may be prescribed.

(5) The Competent Authority shall have power to summon any person whose attendance he considers necessary whether to give evidence or to produce any records during the course of any investigation or proceeding under this section.

(6) All the persons so summoned shall be bound to attend in person or through authorised agents, as such officer may direct, and shall be bound to state the truth upon any subject respecting which they are examined or make statements, and produce such documents as may be required.

45 of 1860.

(7) Every proceeding under sub-sections (4) and (5) shall be deemed to be a judicial proceeding within the meaning of section 193 and section 228 of the Indian Penal Code.

(8) Subject to any rules made in this behalf by the Central Government, any officer referred to in sub-section (2) may impound and retain in his custody for such period, as he thinks fit, any records produced before him in any proceedings under this Act:

Provided that the officer or officers referred to in sub-section (2) shall not—

- (a) impound any records without recording his reasons for so doing; or
- (b) retain in his custody any such records for a period exceeding three months, without obtaining the previous approval of the Competent Authority.

8. (1) The appropriate Government shall, with the concurrence of the Chief Justice of the concerned High Court, by notification, constitute one or more Courts known as the Designated Courts for such area or areas or such case or cases as may be specified in such notification, which shall be presided over by a Judge not below the rank of a District and Sessions Judge or Additional District and Sessions Judge.

Designated Court.

(2) No Court other than the Designated Court shall have jurisdiction in respect of any matter to which the provisions of this Act apply.

(3) When trying an offence under this Act, the Designated Court may also try an offence, other than an offence under this Act, with which the accused may, under the Code of Criminal Procedure, 1973, be charged at the same trial.

2 of 1974.

CHAPTER IV

INFORMATION ON DEPOSIT TAKERS

9. (1) The Central Government may designate an authority, whether existing or to be constituted, which shall create, maintain and operate an online database for information on deposit takers operating in India.

Central database.

(2) The authority designated under sub-section (1) may require any Regulator or the Competent Authority to share such information on deposit takers, as may be prescribed.

10. (1) Every deposit taker which commences or carries on its business as such on or after the commencement of this Act shall intimate the authority referred to in sub-section (1) of section 9 about its business in such form and manner and within such time, as may be prescribed.

Information of business by deposit taker.

(2) The Competent Authority may, if it has reason to believe that the deposits are being solicited or accepted pursuant to an Unregulated Deposit Scheme, direct any deposit taker to furnish such statements, information or particulars, as it considers necessary, relating to or connected with the deposits received by such deposit taker.

Explanation.—For the removal of doubts, it is hereby clarified that—

(a) the requirement of intimation under sub-section (1) is applicable to deposit takers accepting or soliciting deposits as defined in clause (4) of section 2; and

(b) the requirement of intimation under sub-section (1) applies to a company, if the company accepts the deposits under Chapter V of the Companies Act, 2013.

18 of 2013.

Information to be shared.

11. (1) The Competent Authority shall share all information received under section 29 with the Central Bureau of Investigation and with the authority which may be designated by the Central Government under section 9.

(2) The appropriate Government, any Regulator, income-tax authorities or any other investigation agency, having any information or documents in respect of the offence investigated under this Act by the police or the Central Bureau of Investigation, shall share all such information or documents with the police or the Central Bureau of Investigation.

(3) Where the principal officer of any banking company, a corresponding new bank, the State Bank of India, a subsidiary bank, a regional rural bank, a co-operative bank or a multi-State co-operative bank has reason to believe that any client is a deposit taker and is acting in contravention to the provisions of this Act, he shall forthwith inform the same to the Competent Authority.

CHAPTER V

RESTITUTION TO DEPOSITORS

Priority of depositors' claim.

12. Save as otherwise provided in the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 or the Insolvency and Bankruptcy Code, 2016, any amount due to depositors from a deposit taker shall be paid in priority over all other debts and all revenues, taxes, cesses and other rates payable to the appropriate Government or the local authority.

54 of 2002.
31 of 2016.

Precedence of attachment.

13. (1) Save as otherwise provided in the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 or the Insolvency and Bankruptcy Code, 2016, an order of provisional attachment passed by the Competent Authority, shall have precedence and priority, to the extent of the claims of the depositors, over any other attachment by any authority competent to attach property for repayment of any debts, revenues, taxes, cesses and other rates payable to the appropriate Government or the local authority.

54 of 2002.
31 of 2016.

(2) Where an order of provisional attachment has been passed by the Competent Authority—

(a) such attachment shall continue until an order is passed under sub-section (3) or sub-section (5) of section 15 by the Designated Court;

(b) all the attached money or property of the deposit taker and the persons mentioned therein shall vest in the Competent Authority and shall remain so vested till further order of the Designated Court.

(3) The Competent Authority shall open an account in a scheduled bank for the purpose of crediting and dealing with the money realised under this Act, which shall not be utilised except under the instructions of the Designated Court.

(4) The Competent Authority shall not dispose of or alienate the property or money attached, except in accordance with the order of the Designated Court under sub-section (3) or sub-section (5) of section 15.

(5) Notwithstanding anything contained in sub-section (4), the Competent Authority may, if it thinks it expedient, order the immediate sale of perishable items or assets, and the proceeds of the sale shall be utilised in the same manner as provided for other property.

Application for confirmation of attachment and sale of property.

14. (1) The Competent Authority shall, within a period of thirty days, which may extend up to sixty days, for reasons to be recorded in writing, from the date of the order of provisional attachment, file an application with such particulars as may be prescribed, before the Designated Court for making the provisional attachment absolute, and for permission to sell the property so attached by public auction or, if necessary, by private sale.

(2) In case where the money or property has been attached on the permission granted by a Designated Court in another State or Union territory, the application for confirmation of such attachment shall be filed in that Court.

15. (1) Upon receipt of an application under section 14, the Designated Court shall issue notice to—

- (a) the deposit taker; and
- (b) any person whose property is attached under section 14,

to show cause, within a period of thirty days from the date of issue of notice, as to why the order of attachment should not be made absolute and the properties so attached be sold.

(2) The Designated Court shall also issue notice to all other persons represented to it as having or being likely to claim any interest or title in the property, to appear on the same date as persons referred to in sub-section (1) to raise objections, if they so desire, to the attachment of the property.

(3) The Designated Court shall, after adopting such procedure as may be prescribed, pass an order—

- (a) making the provisional order of attachment absolute; or
- (b) varying it by releasing a portion of the property from attachment; or
- (c) cancelling the provisional order of attachment,

and in case of an order under clause (a) or clause (b), direct the Competent Authority to sell the property so attached by public auction or, if necessary, by private sale and realise the sale proceeds.

(4) The Designated Court shall not, in varying or cancelling the provisional order of attachment, release any property from attachment, unless it is satisfied that—

(a) the deposit taker or the person referred to in sub-section (1) has interest in such property; and

(b) there shall remain an amount or property sufficient for repayment to the depositors of such deposit taker.

(5) The Designated Court shall pass such order or issue such direction as may be necessary for the equitable distribution among the depositors of the money attached or realised out of the sale.

(6) The Designated Court shall endeavour to complete the proceedings under this section within a period of one hundred and eighty days from the date of receipt of the application referred to in sub-section (1).

16. (1) Where the Designated Court is satisfied that there is a reasonable cause for believing that the deposit taker has transferred any property otherwise than in good faith and not for commensurate consideration, it may, by notice, require any transferee of such property, whether or not he received the property directly from the said deposit taker, to appear on a date to be specified in the notice and show cause why so much of the transferee's property as is equivalent to the proper value of the property transferred should not be attached.

(2) Where the said transferee does not appear and show cause on the specified date or where the Designated Court is satisfied that the transfer of the property to the said transferee was not a bona fide transfer and not for commensurate consideration, it shall order the attachment of so much of the said transferee's property as in its opinion is equivalent to the proper value of the property transferred.

17. (1) Any deposit taker or a person referred to in sub-section (1) of section 15, or transferee referred to in section 16 whose property is about to be attached or has been provisionally attached under this Act, may, at any time before the confirmation of attachment, apply to the Designated Court for permission to deposit the fair value of the property in lieu of attachment.

(2) While allowing the deposit taker or person or transferee referred to in sub-section (1) to make the deposit under sub-section (1), the Designated Court may order such deposit taker or person or transferee to pay any sum towards costs as may be applicable.

18. (1) The Designated Court shall exercise the following powers, namely:—

(a) power to approve the statement of dues of the deposit taker due from various debtors;

Confirmation of attachment by Designated Court.

Attachment of property of mala fide transferees.

Payment in lieu of attachment.

Powers of Designated Court

(b) power to assess the value of the assets of the deposit taker and finalise the list of the depositors and their respective dues;

(c) power to direct the Competent Authority to take possession of any assets belonging to or in the control of the deposit taker and to sell, transfer or realise the attached assets, either by public auction or by private sale as it deems fit depending upon the nature of assets and credit the sale proceeds thereof to its bank account;

(d) power to approve the necessary expenditure to be incurred by the Competent Authority for taking possession and realisation of the assets of the deposit taker;

(e) power to pass an order for full payment to the depositors by the Competent Authority or an order for proportionate payment to the depositors in the event, the money so realised is not sufficient to meet the entire deposit liability;

(f) power to direct any person, who has made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention; and

(g) power to pass any other order which the Designated Court deems fit for realisation of assets of the deposit taker and for repayment of the same to the depositors of such deposit taker or on any other matter or issue incidental thereto.

(2) On the application of any person interested in any property attached and vested in the Competent Authority under this Act and after giving such Competent Authority an opportunity of being heard, make such order as the Designated Court considers just and reasonable for—

(a) providing from such of the property attached and vested in the Competent Authority as the applicant claims an interest in, such sums as may be reasonably necessary for the maintenance of the applicant and of his family, and for expenses connected with the defence of the applicant where criminal proceedings have been initiated against him in the Designated Court under this Act; or

(b) safeguarding, so far as may be practicable, the interest of any business affected by the attachment.

Explanation.—For the purposes of this section, the expression “deposit taker” includes the directors, promoters, managers or members of said establishment or any other person whose property or assets have been attached under this Act.

Appeal to
High Court.

19. Any person including the Competent Authority, if aggrieved by any final order of the Designated Court under this Chapter, may appeal to the High Court, within a period of sixty days from the date of such order:

Provided that the High Court may entertain the appeal after the expiry of the said period of sixty days, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal in time.

Explanation.—The expression “High Court” means the High Court of a State or Union territory where the Designated Court is situated.

Power of
Supreme
Court
to transfer
cases.

20. (1) Whenever it is made to appear to the Supreme Court that there is a default in any deposit scheme or deposit schemes of the nature referred to in section 30, the Supreme Court may, by an order, direct that any particular case be transferred from one Designated Court to another Designated Court.

(2) The Supreme Court may act under this section only on an application filed by the Competent Authority or any interested party, and every such application shall be supported by an affidavit.

(3) Where an application for the exercise of the powers conferred by this section is dismissed, the Supreme Court may, if it is of opinion that the application was frivolous or vexatious, order the applicant to pay by way of compensation to any person who has opposed the application such sum not exceeding fifty thousand rupees as it may consider appropriate in the circumstances of the case.

CHAPTER VI

OFFENCES AND PUNISHMENTS

- 21.** (1) Any deposit taker who solicits deposits in contravention of section 3 shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to five years and with fine which shall not be less than two lakh rupees but which may extend to ten lakh rupees. Punishment for contravention of section 3.
- (2) Any deposit taker who accepts deposits in contravention of section 3 shall be punishable with imprisonment for a term which shall not be less than two years but which may extend to seven years and with fine which shall not be less than three lakh rupees but which may extend to ten lakh rupees.
- (3) Any deposit taker who accepts deposits in contravention of section 3 and fraudulently defaults in repayment of such deposits or in rendering any specified service, shall be punishable with imprisonment for a term which shall not be less than three years but which may extend to ten years and with fine which shall not be less than five lakh rupees but which may extend to twice the amount of aggregate funds collected from the subscribers, members or participants in the Unregulated Deposit Scheme.
- Explanation.*—For the purposes of this Act,—
- (i) the expression “fraudulently” shall have the same meaning as assigned to it in section 25 of the Indian Penal Code;
- (ii) where the terms of the Deposit Scheme are entirely impracticable or unviable, the terms shall be relevant facts showing an intention to defraud.
- 22.** Any deposit taker who contravenes the provisions of section 4 shall be punishable with imprisonment for a term which may extend to seven years, or with fine 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 the fraudulent default referred to in said section, whichever is higher, or with both. Punishment for contravention of section 4
- 23.** Any person who contravenes the provisions of section 5 shall be punishable with imprisonment for a term which shall not be less than one year but which may extend to five years and with fine which may extend to ten lakh rupees. Punishment for contravention of section 5
- 24.** Whoever having been previously convicted of an offence punishable under this Chapter, except the offence under section 26, is subsequently convicted of an offence shall be punishable with imprisonment for a term which shall not be less than five years but which may extend to ten years and with fine which shall not be less than ten lakh rupees but which may extend to fifty crore rupees. Punishment for repeat offenders
- 25.** (1) Where an offence under this Act has been committed by a deposit taker other than an individual, every person who, at the time the offence was committed, was in charge of, and was responsible to, the deposit taker for the conduct of its business, as well as the deposit taker, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly. Offences by deposit takers other than individuals.
- (2) Nothing contained in sub-section (1) shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.
- (3) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a deposit taker other than an individual, and it is proved that the offence—
- (a) has been committed with the consent or connivance of; or
- (b) is attributable to any neglect on the part of any director, manager, secretary, promoter, partner, employee or other officer of the deposit taker,
- such person shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.
- 26.** Whoever fails to give the intimation required under sub-section (1) of section 10 or fails to furnish any such statements, information or particulars as required under sub-section (2) of that section, shall be punishable with fine which may extend to five lakh rupees. Punishment for contravention of section 10

27. Notwithstanding anything contained in section 4, no Designated Court shall take cognizance of an offence punishable under that section except upon a complaint made by the Regulator: Provided that the provisions of section 4 and this section shall not apply in relation to a deposit taker which is a company.

Cognizance of Officers

CHAPTER VII

INVESTIGATION, SEARCH AND SEIZURE

Offences to be Cognizable and non-bailable

28. Notwithstanding anything contained in the Code of Criminal Procedure, 1973 every offence punishable under this Act, except the offence under section 22 and section 26, shall be cognizable and non-bailable.

2 of 1974.

Competent Authority to be informed of offences.

29. The police officer shall, on recording information about the commission of an offence under this Act, inform the same to the Competent Authority.

Investigation of offences by Central Bureau of Investigation.

30. (1) On receipt of information under section 29 or otherwise, if the Competent Authority has reason to believe that the offence relates to a deposit scheme or deposit schemes in which—

(a) the depositors, deposit takers or properties involved are located in more than one State or Union territory in India or outside India; and

(b) the total value of the amount involved is of such magnitude as to significantly affect the public interest,

the Competent Authority shall refer the matter to the Central Government for investigation by the Central Bureau of Investigation.

(2) The reference made by the Competent Authority under sub-section (1) shall be deemed to be with the consent of the State Government under section 6 of the Delhi Special Police Establishment Act, 1946.

25 of 1946.

(3) On the receipt of the reference under sub-section (1), the Central Government may transfer the investigation of the offence to the Central Bureau of Investigation under section 5 of the Delhi Special Police Establishment Act, 1946.

25 of 1946.

Power to enter, search and seize without warrant.

31. (1) Whenever any police officer, not below the rank of an officer in-charge of a police station, has reason to believe that anything necessary for the purpose of an investigation into any offence under this Act may be found in any place within the limits of the police station of which he is in-charge, or to which he is attached, such officer may, with the written authorisation of an officer not below the rank of Superintendent of Police, and after recording in writing so far as possible, the thing for which the search is to be made and subject to the rules made in this behalf, authorise any officer subordinate to him,—

(a) to enter and search any building, conveyance or place, between sunrise and sunset, which he has reason to suspect is being used for purposes connected with the promotion or conduct of any deposit taking scheme or arrangement in contravention of the provisions of this Act;

(b) in case of resistance, to break open any door and remove any obstacle to such entry, if necessary by force, with such assistance as he considers necessary, for exercising the powers conferred by clause (a);

(c) to seize any record or property found as a result of the search in the said building, conveyance or place, which are intended to be used, or reasonably suspected to have been used, in connection with any such deposit taking scheme or arrangement in contravention of the provisions of this Act; and

(d) to detain and search, and if he thinks proper, take into custody and produce before any Designated Court any such person whom he has reason to believe to have committed any offence punishable under this Act:

Provided that if such officer has reason to believe that the said written authorisation cannot be obtained without affording opportunity for the concealment of evidence or facility for the escape of an offender, he may, without the said written authorisation, enter and search such building, conveyance or place, at any time between sunset and sunrise after recording the grounds in writing.

(2) Where it is not practicable to seize the record or property, the officer authorised under sub-section (1), may make an order in writing to freeze such property, account, deposits or valuable securities maintained by any deposit taker about which a complaint has been made or credible information has been received or a reasonable suspicion exists of their having been connected with the promotion or conduct of any deposit taking scheme or arrangement in contravention of the provisions of this Act and it shall be binding on the concerned bank or financial or market establishment to comply with the said order:

Provided that no bank or financial or market establishment shall freeze such account, deposit or valuable securities, for a period beyond thirty days unless the same is authorised by the order of the Designated Court:

Provided further that, if at any time, it becomes practicable to seize the frozen property, the officer authorised under sub-section (1) may seize such property.

Explanation.—For the purposes of this section, the expressions,—

(i) “freezing of account” shall mean that no transaction, whether deposit or withdrawal shall be allowed in the said account; and

(ii) “freezing of property” shall mean that no transfer, conversion, disposition or movement of property shall be allowed.

(3) Where an officer takes down any information in writing or records grounds for his belief or makes an order in writing under sub-section (1) or sub-section (2), he shall, within a time of seventy-two hours send a copy thereof to the Designated Court in a sealed envelope and the owner or occupier of the building, conveyance or place shall, on application, be furnished, free of cost, with a copy of the same by the Designated Court.

2 of 1974.

(4) All searches, seizures and arrests under this section shall be made in accordance with the provisions of the Code of Criminal Procedure, 1973.

32. (1) The Designated Court may take cognizance of offences under this Act without the accused being committed to it for trial.

Application of Code of Criminal Procedure, 1973 to proceedings before Designated Court.

2 of 1974.

(2) Save as otherwise provided in section 31, the provisions of the Code of Criminal Procedure, 1973 shall apply—

(a) to all arrests, searches and seizures made under this Act;

(b) to the proceedings under this Act and for the purposes of the said provisions, the Designated Court shall be deemed to be a Court of Session and the persons conducting the prosecution before the Designated Court, shall be deemed to be Public Prosecutors.

CHAPTER VIII

MISCELLANEOUS

33. Where any newspaper or other publication of any nature, contains any statement, information or advertisement promoting, soliciting deposits for, or inducing any person to become a member of any Unregulated Deposit Scheme, the appropriate Government may direct such newspaper or publication to publish a full and fair retraction, free of cost, in the same manner and in the same position in such newspaper or publication as may be prescribed.

Publication of advertisement of Unregulated Deposit Scheme.

34. Save as otherwise expressly provided in this Act, the provisions of this Act shall have effect notwithstanding anything contained in any other law for the time being in force, including any law made by any State or Union territory.

Act to have overriding effect.

35. The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

Application of other laws not barred.

36. No suit, prosecution or other legal proceedings shall lie against the appropriate Government or the Competent Authority or any officer of the appropriate Government for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

Protection of action taken in good faith

37. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

Power of Central Government to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the information and other particulars to be taken into consideration before issuing an order, and the manner of attachment, under sub-section (3) of section 7;

(b) the information to be shared under sub-section (2) of section 9;

(c) the form and manner in which and the time within which the intimation shall be given under sub-section (1) of section 10;

(d) the particulars contained in the application to be filed by the Competent Authority before the Designated Court under sub-section (1) of section 14;

(e) the procedure to be adopted by the Designated Court before issuing an order under sub-section (3) of section 15;

(f) rules under sub-section (1) of section 31;

(g) the manner of publication of advertisement under section 33; and

(h) any other matter which is required to be, or may be, prescribed.

Power of State Government, etc., to make rules.

38. (1) The State Government or Union territory Government, as the case may be, in consultation with the Central Government, by notification, make rules for carrying out the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) ceiling for self-help groups under clause (j) of sub-section (4) of section 2;

(b) purpose and ceiling under clause (k) of sub-section (4) of section 2;

(c) the manner of provisional attachment of property by the Competent Authority under sub-section (3) of section 7;

(d) other matters under clause (f) of sub-section (4) of section 7;

(e) the rules relating to impounding and custody of records under sub-section (8) of section 7; and

(f) any other matter which is required to be, or may be, prescribed.

Laying of rules.

39. (1) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session, or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule, or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

(2) Every rule made by a State Government or the Union territory Government, as the case may be, shall be laid, as soon as may be after it is made, before each House of the State Legislature or the Union territory Legislature, as the case may be, where it consists of two Houses, or where such Legislature consists of one House, before that House.

Power to amend First Schedule.

40. (1) The Central Government may, having regard to the objects of this Act, and if it considers necessary or expedient so to do, by notification, add to, or as the case may be, omit from the First Schedule, any scheme or arrangement, and on such addition, or omission, such scheme or arrangement shall become, or cease to be, a Regulated Deposit Scheme, as the case may be.

(2) A copy of every notification issued under this section shall, as soon as may be after it has been issued, be laid before each House of Parliament.

41. The provisions of this Act shall not apply to deposits taken in the ordinary course of business. Act not to apply certain deposits.

42. The enactments specified in the Second Schedule shall be amended in the manner specified therein.

43. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as may appear to it to be necessary for removing the difficulty:

Provided that no such order shall be made under this section after the expiry of three years from the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

Ord. 7 of 2019

44. (1) The Banning of Unregulated Deposit Schemes Ordinance, 2019, is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance, shall be deemed to have been done or taken under this Act.

THE FIRST SCHEDULE

[See Section 2 (15)]

REGULATED DEPOSIT SCHEMES

(1) The Regulator and Regulated Deposit Scheme refers to the regulators and schemes and arrangements listed in the following Table, namely:—

TABLE

<i>Sl. No.</i>	<i>Regulator</i>	<i>Regulated Deposit Scheme</i>
(1)	(2)	(3)
1.	The Securities and Exchange Board of India	<p>(i) Any scheme or an arrangement [as defined under Exchange Board section 11AA of the Securities and Exchange Board of India Act, 1992 (15 of 1992)] launched, sponsored or carried out by a Collective Investment Management Company registered with the Securities and Exchange Board of India under the Securities and Exchange Board of India (Collective Investment Scheme) Regulations, 1999.</p> <p>(ii) Any scheme or an arrangement registered with the Securities and Exchange Board of India under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.</p> <p>(iii) Any scheme or an arrangement, pursuant to which funds are managed by a portfolio manager, registered under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993.</p> <p>(iv) Any scheme or an arrangement regulated under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 or providing for employee benefits as permitted under the Companies Act, 2013 (18 of 2013).</p> <p>(v) Any other scheme or an arrangement registered under the Securities and Exchange Board of India Act, 1992 (15 of 1992), or the regulations made thereunder.</p>

- (vi) Any amount received as contributions in the nature of subscriptions to a mutual fund registered with Securities and Exchange Board of India under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
2. The Reserve Bank of India
- (i) Any scheme under which deposits are accepted by Non-Banking Financial Companies as defined in clause (f) of section 45-I of the Reserve Bank of India Act, 1934 (2 of 1934) and registered with the Reserve Bank of India; or any other scheme or an arrangement registered under the Reserve Bank of India Act, 1934.
- (ii) Any scheme or an arrangement under which funds are accepted by individuals or entities engaged as Business Correspondents and Facilitators by banks subject to the guidelines and circulars issued by the Reserve Bank of India from time to time.
- (iii) Any scheme or an arrangement under which funds are received by a system provider operating as an authorised payment system under the Payment and Settlement Systems Act, 2007 (51 of 2007).
- (iv) Any other scheme or an arrangement regulated under the Reserve Bank of India Act, 1934 (2 of 1934), or the guidelines or circulars of the Reserve Bank of India.
3. The Insurance Regulatory and Development Authority of India
- A contract of insurance pursuant to a certificate of registration obtained in accordance with the Insurance Development Act, 1938 (4 of 1938), Authority of India
4. The State Government or Union territory Government
- (i) Any scheme or an arrangement made or offered by co-operative society registered under the Cooperative Societies Act, 1912 (2 of 1912) or a society being a society registered or deemed to be registered under any law relating to co-operative societies for the time being in force in any State or Union territory.
- (ii) Any scheme or an arrangement commenced or conducted as a chit business with the previous sanction of the State Government in accordance with the provisions of the Chit Funds Act, 1982 (40 of 1982).
- (iii) Any scheme or an arrangement regulated by any enactment relating to money lending which is for the time being in force in any State or Union territory.
- (iv) Any scheme or an arrangement by a prize chit or money circulation scheme under section 11 of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 (43 of 1978).
5. The National Housing Bank
- Any scheme or an arrangement for acceptance of deposits registered under the National Housing Bank Act, 1987 (53 of 1987).

- | | | |
|----|---|---|
| 6. | The Pension Fund Regulatory Development Authority | Any scheme or an arrangement under the Pension and Regulatory and Act, 2013 Development (23 of 2013). |
| 7. | The Employees' Provident Organisation | Any scheme, Pension Scheme or Insurance Scheme framed under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (19 of 1952). |
| 8. | The Central Registrar, Multi-State Co-operative Societies | Any scheme or an arrangement for acceptance of from voting members by a Multi-State operative Co-operative Society registered under the Multi-State Co-operative Societies Act, 2002 (39 of 2002). |
| 9. | The Ministry of Corporate Affairs, Government of India | <p>(i) Deposits accepted or permitted under the provisions of Chapter V of the Companies Act, 2013 (18 of 2013).</p> <p>(ii) Any scheme or an arrangement under which deposits are accepted by a company declared as a Nidhi or a Mutual Benefit Society under section 406 of the Companies Act, 2013 (18 of 2013).</p> |

(2) The following shall also be treated as Regulated Deposit Schemes under this Act, namely:—

(a) deposits accepted under any scheme or an arrangement registered with any regulatory body in India constituted or established under a statute; and

(b) any other scheme as may be notified by the Central Government under this Act.

THE SECOND SCHEDULE

(See Section 42)

AMENDMENT TO CERTAIN ENACTMENTS

PART I

AMENDMENT TO THE RESERVE BANK OF INDIA

Act, 1934

In the Reserve Bank of India Act, 1934, in Section 45-I, in clause (bb), after *Explanation* II, the following Explanation shall be inserted, namely:—

Amendment of section 45-I of Act 2 of 1934.

“Explanation III.—The amounts accepted by a co-operative society from the members or shareholders, by whatever name called, but excluding the amounts received as share capital, shall be deemed to be deposits for the purposes of this clause, if such members or shareholders are nominal or associate members, by whatever name called, who do not have full voting rights in the meetings of such co-operative society.”.

PART II

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

In the Securities and Exchange Board of India Act, 1992,—

(i) in section 11, in sub-section (4), for clause (e), the following clause shall be substituted, namely:—

Amendment of section 11 of Act 15 of 1992.

“(e) attach, for a period not exceeding ninety days, bank accounts or other property of any intermediary or any person associated with the securities market in any manner involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder:

Provided that the Board shall, within ninety days of the said attachment, obtain confirmation of the said attachment from the Special Court, established under section 26A, having jurisdiction and on such confirmation, such attachment shall continue during the pendency of the aforesaid proceedings and on conclusion of the said proceedings, the provisions of section 28A shall apply:

Provided further that only property, bank account or accounts or any transaction entered therein, so far as it relates to the proceeds actually involved in violation of any of the provisions of this Act, or the rules or the regulations made thereunder shall be allowed to be attached.”;

(ii) in section 28A, after Explanation 3, the following Explanation shall be inserted, namely:—

43 of 1961.

“Explanation 4.—The interest referred to in section 220 of the Income-tax Act, 1961 shall commence from the date the amount became payable by the person.”.

PART III

AMENDMENT TO THE MULTI-STATE CO-OPERATIVE SOCIETIES ACT, 2002

In the Multi-State Co-operative Societies Act, 2002, in section 67, in sub-section (1),—

(a) after the words “receive deposits”, the words “from its voting members” shall be inserted;

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

43 of 1961.
Amendment of section 67 of Act 39 of 2002.

“*Explanation.*—For the removal of doubts, it is hereby clarified that a multi-State co-operative society shall not be entitled to receive deposits from persons other than voting members.”.

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

K. RAVIKUMAR,
*Additional Secretary to Government,
Law Department.*

New Delhi, the 31st July, 2019.

The following Act of Parliament received the assent of the President on the 31st July, 2019 and is hereby re-published for general information:—

THE COMPANIES (AMENDMENT) ACT, 2019.

No. 22 OF 2019

An Act further to amend the Companies Act, 2013.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

(1) This Act may be called the Companies (Amendment) Act, 2019.

(2) The provisions of this Act, except sections 6, 7 and 8, clauses (i), (iii) and clause (iv) of section 14, sections 20 and 21, section 31, sections 33, 34 and 35, sections 37 and 38 shall be deemed to have come into force on the 2nd day of November, 2018.

Short title and commencement.

(3) The provisions of sections 6, 7 and 8, clauses (i), (iii) and clause (iv) of section 14, sections 20 and 21, section 31, sections 33, 34 and 35, sections 37 and 38 shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for these provisions and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

Amendment of section 2.

2. In section 2 of the Companies Act, 2013 (hereinafter referred to as the principal Act), in clause (41),—

18 of 2013.

(a) for the first proviso, the following provisos shall be substituted, namely:—

“Provided that where a company or body corporate, which is a holding company or a subsidiary or associate company of a company incorporated outside India and is required to follow a different financial year for consolidation of its accounts outside India, the Central Government may, on an application made by that company or body corporate in such form and manner as may be prescribed, allow any period as its financial year, whether or not that period is a year:

Provided further that any application pending before the Tribunal as on the date of commencement of the Companies (Amendment) Act, 2019, shall be disposed of by the Tribunal in accordance with the provisions applicable to it before such commencement.”;

(b) in the second proviso, for the words “Provided further that”, the words “Provided also that” shall be substituted.

Insertion of new section 10A. Commencement of business, etc.

(3) After section 10 of 2 the principal Act, the following section shall be inserted, namely:—

“10A. (1) A company incorporated after the commencement of the Companies (Amendment) Act, 2019 and having a share capital shall not commence any business or exercise any borrowing powers unless—

(a) a declaration is filed by a director within a period of one hundred and eighty days of the date of incorporation of the company in such form and verified in such manner as may be prescribed, with the Registrar that every subscriber to the memorandum has paid the value of the shares agreed to be taken by him on the date of making of such declaration; and

(b) the company has filed with the Registrar a verification of its registered office as provided in sub-section (2) of section 12.

(2) If any default is made in complying with the requirements of this section, the company shall be liable to a penalty of fifty thousand rupees and every officer who is in default shall be liable to a penalty of one thousand rupees for each day during which such default continues but not exceeding an amount of one lakh rupees.

(3) Where no declaration has been filed with the Registrar under clause (a) of sub-section (1) within a period of one hundred and eighty days of the date of incorporation of the company and the Registrar has reasonable cause to believe that the company is not carrying on any business or operations, he may, without prejudice to the provisions of sub-section (2), initiate action for the removal of the name of the company from the register of companies under Chapter XVIII.”.

Amendment of
section 12.

4. In section 12 of the principal Act, after sub-section (8), the following sub-section shall be inserted, namely:—

“(9) If the Registrar has reasonable cause to believe that the company is not carrying on any business or operations, he may cause a physical verification of the registered office of the company in such manner as may be prescribed and if any default is found to be made in complying with the requirements of sub-section (1), he may without prejudice to the provisions of sub-section (8), initiate action for the removal of the name of the company from the register of companies under Chapter XVIII.”.

5. In section 14 of the principal Act,—

(i) in sub-section (1), for the second proviso, the following provisos shall be substituted, namely:—

“Provided further that any alteration having the effect of conversion of a public company into a private company shall not be valid unless it is approved by an order of the Central Government on an application made in such form and manner as may be prescribed:

Provided also that any application pending before the Tribunal, as on the date of commencement of the Companies (Amendment) Act, 2019, shall be disposed of by the Tribunal in accordance with the provisions applicable to it before such commencement.”;

(ii) in sub-section (2), for the word “Tribunal”, the words “Central Government” shall be substituted.

6. In section 26 of the principal Act,—

(i) in sub-sections (4), (5) and (6), for the word “registration”, the word “filing” shall be substituted;

(ii) sub-section (7) shall be omitted.

7. In section 29 of the principal Act,—

(i) in sub-section (1), in clause (b), the word “public” shall be omitted;

(ii) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) In case of such class or classes of unlisted companies as may be prescribed, the securities shall be held or transferred only in dematerialised form in the manner laid down in the Depositories Act, 1996 and the regulations made thereunder.”.

8. In section 35 of the principal Act, in sub-section (2), in clause (c), for the words “delivery of a copy of the prospectus for registration”, the words “filing of a copy of the prospectus with the Registrar” shall be substituted.

9. In section 53 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Where any company fails to comply with the provisions of this section, such company and every officer who is in default shall be liable to a penalty which may extend to an amount equal to the amount raised through the issue of shares at a discount or five lakh rupees, whichever is less, and the company shall also be liable to refund all monies received with interest at the rate of twelve per cent. per annum from the date of issue of such shares to the persons to whom such shares have been issued.”.

10. In section 64 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) Where any company fails to comply with the provisions of sub-section (1), such company and every officer who is in default shall be liable to a penalty of one thousand rupees for each day during which such default continues, or five lakh rupees whichever is less.”.

11. In section 77 of the principal Act, in sub-section (1), for the first and second provisos, the following provisos shall be substituted, namely:—

“Provided that the Registrar may, on an application by the company, allow such registration to be made—

Amendment of
section 14.

Amendment of
section 26.

Amendment of
section 29.

Amendment of
section 35.

Amendment of
section 53.

Amendment of
section 64.

Amendment of
section 77.

22 of 1996.

(a) in case of charges created before the commencement of the Companies (Amendment) Act, 2019, within a period of three hundred days of such creation; or

(b) in case of charges created on or after the commencement of the Companies (Amendment) Act, 2019, within a period of sixty days of such creation,

on payment of such additional fees as may be prescribed:

Provided further that if the registration is not made within the period specified—

(a) in clause (a) to the first proviso, the registration of the charge shall be made within six months from the date of commencement of the Companies (Amendment) Act, 2019, on payment of such additional fees as may be prescribed and different fees may be prescribed for different classes of companies;

(b) in clause (b) to the first proviso, the Registrar may, on an application, allow such registration to be made within a further period of sixty days after payment of such ad valorem fees as may be prescribed.”.

12. Section 86 of the principal Act shall be numbered as sub-section (1) thereof and after sub-section (1) as so numbered, the following sub-section shall be inserted, namely:—

Amendment of section 86.

“(2) If any person wilfully furnishes any false or incorrect information or knowingly suppresses any material information, required to be registered in accordance with the provisions of section 77, he shall be liable for action under section 447.”.

13. For section 87 of the principal Act, the following section shall be substituted, namely:—

Substitution of new section for section 87.

“87. The Central Government on being satisfied that—

Rectification by Central Government in Register of charges.

(a) the omission to give intimation to the Registrar of the payment or satisfaction of a charge, within the time required under this Chapter; or

(b) the omission or misstatement of any particulars, in any filing previously made to the Registrar with respect to any charge or modification thereof or with respect to any memorandum of satisfaction or other entry made in pursuance of section 82 or section 83,

was accidental or due to inadvertence or some other sufficient cause or it is not of a nature to prejudice the position of creditors or shareholders of the company, it may, on the application of the company or any person interested and on such terms and conditions as it deems just and expedient, direct that the time for the giving of intimation of payment or satisfaction shall be extended or, as the case may require, that the omission or misstatement shall be rectified.”.

14. In section 90 of the principal Act,—

Amendment of section 90.

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

“(4A) Every company shall take necessary steps to identify an individual who is a significant beneficial owner in relation to the company and require him to comply with the provisions of this section.”;

(ii) for sub-section (9), the following sub-section shall be substituted, namely:—

“(9) The company or the person aggrieved by the order of the Tribunal may make an application to the Tribunal for relaxation or lifting of the restrictions placed under sub-section (8), within a period of one year from the date of such order:

Provided that if no such application has been filed within a period of one year from the date of the order under sub-section (8), such shares shall be transferred, without any restrictions, to the authority constituted under sub-section (5) of section 125, in such manner as may be prescribed.”;

(iii) after sub-section (9), as so substituted, the following sub-section shall be inserted, namely:—

“(9A) The Central Government may make rules for the purposes of this section.”;

(iv) in sub-section (11), after the word, brackets and figure “sub-section (4)”, the words, brackets, figure and letter “or required to take necessary steps under sub-section (4A)” shall be inserted.

Amendment of section 92.

15. In section 92 of the principal Act, for sub-section (5), the following sub-section shall be substituted, namely:—

“(5) If any company fails to file its annual return under sub-section (4), before the expiry of the period specified therein, such company and its every officer who is in default shall be liable to a penalty of fifty thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees.”.

Amendment of section 102.

16. In section 102 of the principal Act, for sub-section (5), the following sub-section shall be substituted, namely:—

“(5) Without prejudice to the provisions of sub-section (4), if any default is made in complying with the provisions of this section, every promoter, director, manager or other key managerial personnel of the company who is in default shall be liable to a penalty of fifty thousand rupees or five times the amount of benefit accruing to the promoter, director, manager or other key managerial personnel or any of his relatives, whichever is higher.”.

Amendment of section 105.

17. In section 105 of the principal Act, in sub-section (3), for the words “punishable with fine which may extend to five thousand rupees”, the words “liable to a penalty of five thousand rupees” shall be substituted.

Amendment of section 117.

18. In section 117 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) If any company fails to file the resolution or the agreement under sub-section (1) before the expiry of the period specified therein, such company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of twenty-five lakh rupees and every officer of the company who is in default including liquidator of the company, if any, shall be liable to a penalty of fifty thousand rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees.”.

Amendment of section 121.

19. In section 121 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) If the company fails to file the report under sub-section (2) before the expiry of the period specified therein, such company shall be liable to a penalty of one lakh rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees and every officer of the company who is in default shall be liable to a penalty which shall not be less than twenty-five thousand rupees and in case of continuing failure, with a further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of one lakh rupees.”.

Amendment of section 132.

20. In section 132 of the principal Act,—

(a) after sub-section (1), the following sub-section shall be inserted, namely:—

“(1A) The National Financial Reporting Authority shall perform its function through such divisions as may be prescribed.”;

(b) after sub-section (3), the following sub-sections shall be inserted, namely:—

“(3A) Each division of the National Financial Reporting Authority shall be presided over by the Chairperson or a full-time Member authorised by the Chairperson.

(3B) There shall be an executive body of the National Financial Reporting Authority consisting of the Chairperson and full-time Members of such Authority for efficient discharge of its functions under sub-section (2) [other than clause (a)] and sub-section (4).”.

(c) in sub-section (4), in clause (c), for sub-clause (B), the following sub-clause shall be substituted, namely:—

“(B) debaring the member or the firm from—

I, being appointed as an auditor or internal auditor or undertaking any audit in respect of financial statements or internal audit of the functions and activities of any company or body corporate; or

II. performing any valuation as provided under section 247,

for a minimum period of six months or such higher period not exceeding ten years as may be determined by the National Financial Reporting Authority.”.

21. In section 135 of the principal Act,—

(a) in sub-section (5), —

(i) after the words “three immediately preceding financial years,”, the words “or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years,” shall be inserted;

(ii) in the second proviso, after the words “reasons for not spending the amount” occurring at the end, the words, brackets, figure and letters “and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year” shall be inserted;

(b) after sub-section (5), the following sub-sections shall be inserted, namely:—

“(6) Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

(7) If a company contravenes the provisions of sub-section (5) or sub-section (6), the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees and every officer of such company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

(8) The Central Government may give such general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions of this section and such company or class of companies shall comply with such directions.”.

22. In section 137 of the principal Act, in sub-section (3),—

(a) for the words “punishable with fine”, the words “liable to a penalty” shall be substituted;

(b) for the portion beginning with the words “punishable with imprisonment”, and ending with the words “five lakh rupees or with both”, the words “shall be liable to a penalty of one lakh rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees” shall be substituted.

23. In section 140 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) If the auditor does not comply with the provisions of sub-section (2), he or it shall be liable to a penalty of fifty thousand rupees or an amount equal to the remuneration of the auditor, whichever is less, and in case of continuing failure, with a further penalty of five hundred rupees for each day after the first during which such failure continues, subject to a maximum of five lakh rupees.”.

Amendment of
section 135.

Amendment of
section 137.

Amendment of
section 140.

- Amendment of section 157. **24.** In section 157 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—
- “(2) If any company fails to furnish the Director Identification Number under sub-section (1), such company shall be liable to a penalty of twenty-five thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of one lakh rupees, and every officer of the company who is in default shall be liable to a penalty of not less than twenty-five thousand rupees and in case of continuing failure, with a further penalty of one hundred rupees for each day after the first during which such failure continues, subject to a maximum of one lakh rupees.”.
- Substitution of new section for section 159. **25.** For section 159 of the principal Act, the following section shall be substituted, namely:—
- “159. If any individual or director of a company makes any default in complying with any of the provisions of section 152, section 155 and section 156, such individual or director of the company shall be liable to a penalty which may extend to fifty thousand rupees and where the default is a continuing one, with a further penalty which may extend to five hundred rupees for each day after the first during which such default continues.”.
- Penalty for default of certain provisions. **26.** In section 164 of the principal Act, in sub-section (1), after clause (h), the following clause shall be inserted, namely:—
- “(i) he has not complied with the provisions of sub-section (1) of section 165.”.
- Amendment of section 164. **27.** In section 165 of the principal Act, in sub-section (6), for the portion beginning with the words “punishable with fine” and ending with the words “contravention continues”, the words “liable to a penalty of five thousand rupees for each day after the first during which such contravention continues” shall be substituted.
- Amendment of section 191. **28.** In section 191 of the principal Act, for sub-section (5), the following sub-section shall be substituted, namely:—
- “(5) If a director of the company makes any default in complying with the provisions of this section, such director shall be liable to a penalty of one lakh rupees.”.
- Amendment of section 197. **29.** In section 197 of the principal Act,—
- (a) sub-section (7) shall be omitted;
- (b) for sub-section (15), the following sub-section shall be substituted, namely:—
- “(15) If any person makes any default in complying with the provisions of this section, he shall be liable to a penalty of one lakh rupees and where any default has been made by a company, the company shall be liable to a penalty of five lakh rupees.”.
- Amendment of section 203. **30.** In section 203 of the principal Act, for sub-section (5), the following sub-section shall be substituted, namely:—
- “(5) If any company makes any default in complying with the provisions of this section, such company shall be liable to a penalty of five lakh rupees and every director and key managerial personnel of the company who is in default shall be liable to a penalty of fifty thousand rupees and where the default is a continuing one, with a further penalty of one thousand rupees for each day after the first during which such default continues but not exceeding five lakh rupees.”.
- Amendment of section 212. **31.** In section 212 of the principal Act,—
- (a) in sub-section (8), for the words “If the Director, Additional Director or Assistant Director”, the words “If any officer not below the rank of Assistant Director” shall be substituted;
- (b) in sub-section (9), for the portion beginning with the words “The Director” and ending with the word, brackets and figure “sub-section (8)”, the words, brackets and figure “The officer authorised under sub-section (8) shall, immediately after arrest of such person under such sub-section” shall be substituted;

(c) in sub-section (10),—

(i) for the words “Judicial Magistrate”, the words “Special Court or Judicial Magistrate” shall be substituted;

(ii) in the proviso, for the words “Magistrate’s court”, the words “Special Court or Magistrate’s court” shall be substituted;

(d) after sub-section (14), the following sub-section shall be inserted, namely:—

“(14A) Where the report under sub-section (11) or sub-section (12) states that fraud has taken place in a company and due to such fraud any director, key managerial personnel, other officer of the company or any other person or entity, has taken undue advantage or benefit, whether in the form of any asset, property or cash or in any other manner, the Central Government may file an application before the Tribunal for appropriate orders with regard to disgorgement of such asset, property or cash and also for holding such director, key managerial personnel, other officer or any other person liable personally without any limitation of liability.”.

32. In section 238 of the principal Act, in sub-section (3), for the words “punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees”, the words “liable to a penalty of one lakh rupees” shall be substituted.

Amendment of
section 238.

33. in section 241 of the principal Act,—

Amendment of
section 241.

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

“Provided that the applications under this sub-section, in respect of such company or class of companies, as may be prescribed, shall be made before the Principal Bench of the Tribunal which shall be dealt with by such Bench.”;

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

“(3) Where in the opinion of the Central Government there exist circumstances suggesting that—

(a) any person concerned in the conduct and management of the affairs of a company is or has been in connection therewith guilty of fraud, misfeasance, persistent negligence or default in carrying out his obligations and functions under the law or of breach of trust;

(b) the business of a company is not or has not been conducted and managed by such person in accordance with sound business principles or prudent commercial practices;

(c) a company is or has been conducted and managed by such person in a manner which is likely to cause, or has caused, serious injury or damage to the interest of the trade, industry or business to which such company pertains; or

(d) the business of a company is or has been conducted and managed by such person with intent to defraud its creditors, members or any other person or otherwise for a fraudulent or unlawful purpose or in a manner prejudicial to public interest,

the Central Government may initiate a case against such person and refer the same to the Tribunal with a request that the Tribunal may inquire into the case and record a decision as to whether or not such person is a fit and proper person to hold the office of director or any other office connected with the conduct and management of any company.

(4) The person against whom a case is referred to the Tribunal under sub-section (3), shall be joined as a respondent to the application.

(5) Every application under sub-section (3)—

(a) shall contain a concise statement of such circumstances and materials as the Central Government may consider necessary for the purposes of the inquiry; and

(b) shall be signed and verified in the manner laid down in the Code of Civil Procedure, 1908, for the signature and verification of a plaint in a suit by the Central Government.”.

Amendment of
section 242.

34. In section 242 of the principal Act, after sub-section (4), the following sub-section shall be inserted, namely:—

“(4A) At the conclusion of the hearing of the case in respect of sub-section (3) of section 241, the Tribunal shall record its decision stating therein specifically as to whether or not the respondent is a fit and proper person to hold the office of director or any other office connected with the conduct and management of any company.”.

Amendment of
section 243.

35. In section 243 of the principal Act,—

(a) after sub-section (1), the following sub-sections shall be inserted, namely:—

“(1A) The person who is not a fit and proper person pursuant to sub-section (4A) of section 242 shall not hold the office of a director or any other office connected with the conduct and management of the affairs of any company for a period of five years from the date of the said decision:

Provided that the Central Government may, with the leave of the Tribunal, permit such person to hold any such office before the expiry of the said period of five years.

(1B) Notwithstanding anything contained in any other provision of this Act, or any other law for the time being in force, or any contract, memorandum or articles, on the removal of a person from the office of a director or any other office connected with the conduct and management of the affairs of the company, that person shall not be entitled to, or be paid, any compensation for the loss or termination of office.”;

(b) in sub-section (2), after the word, brackets and figure “sub-section (1)”, the words, brackets, figure and letter “or sub-section (1A)” shall be inserted.

Amendment of
section 248.

36. In section 248 of the principal Act, in sub-section (1),—

(a) in clause (c), for the word and figures “section 455,”, the words and figures “section 455; or” shall be substituted;

(b) after clause (c) and before the long line, the following clauses shall be inserted, namely:—

“(d) the subscribers to the memorandum have not paid the subscription which they had undertaken to pay at the time of incorporation of a company and a declaration to this effect has not been filed within one hundred and eighty days of its incorporation under sub-section (1) of section 10A; or

(e) the company is not carrying on any business or operations, as revealed after the physical verification carried out under sub-section (9) of section 12.”.

Amendment of
section 272.

37. In section 272 of the principal Act, in sub-section (3), for the words, brackets and letter “or clause (e) of that sub-section”, the words “of that section” shall be substituted.

Amendment of
section 398.

38. In section 398 of the principal Act, in sub-section (1), in clause (f), the word “prospectus,” shall be omitted.

Amendment of
section 441.

39. In section 441 of the principal Act,—

(a) in sub-section (1), in clause (b), for the words “does not exceed five lakh rupees”, the words “does not exceed twenty-five lakh rupees” shall be substituted;

(b) for sub-section (6), the following sub-section shall be substituted, namely:—

“(6) Notwithstanding anything contained in the Code of Criminal Procedure, 1973, any offence which is punishable under this Act with imprisonment only or with imprisonment and also with fine shall not be compoundable.”.

Amendment of
section 446B.

40. In section 446B of the principal Act, for the portion beginning with the words “punishable with fine” and ending with the words “specified in such sections”, the words “liable to a penalty which shall not be more than one-half of the penalty specified in such sections” shall be substituted.

Amendment of
section 447.

41. In section 447 of the principal Act, in the second proviso, for the words “twenty lakh rupees”, the words “fifty lakh rupees” shall be substituted.

42. In section 454 of the principal Act, —

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

“(3) The adjudicating officer may, by an order—

(a) impose the penalty on the company, the officer who is in default, or any other person, as the case may be, stating therein any non-compliance or default under the relevant provisions of this Act; and

(b) direct such company, or officer who is in default, or any other person, as the case may be, to rectify the default, wherever he considers fit.”;

(ii) in sub-section (4), for the words “such company and the officer who is in default”, the words “such company, the officer who is in default or any other person” shall be substituted;

(iii) in sub-section (8),—

(a) in clause (i), for the words “does not pay the penalty imposed by the adjudicating officer or the Regional Director”, the words, brackets and figures “fails to comply with the order made under sub-section (3) or sub-section (7), as the case may be,” shall be substituted;

(b) in clause (ii)—

(i) for the words “Where an officer of a company”, the words “Where an officer of a company or any other person” shall be substituted;

(ii) for the words “does not pay the penalty”, the words, brackets and figures “fails to comply with the order made under sub-section (3) or sub-section (7), as the case may be,” shall be substituted.

43. After section 454 of the principal Act, the following section shall be inserted, namely:—

“454A. Where a company or an officer of a company or any other person having already been subjected to penalty for default under any provisions of this Act, again commits such default within a period of three years from the date of order imposing such penalty passed by the adjudicating officer or the Regional Director, as the case may be, it or he shall be liable for the second or subsequent defaults for an amount equal to twice the amount of penalty provided for such default under the relevant provisions of this Act.”.

Ord 6 od 2019.

44. (1) The Companies (Amendment) Second Ordinance, 2019 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act.

Amendment of
Section 454.

Insertion of
new section
454A.

Penalty for
repeated
default.

Repeal and
savings.

DR. G. NARAYANA RAJU,
Secretary to the Government of India.

(Re-published by Order of the Governor)

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*Additional Secretary to Government,
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