

THE COMPANIES (AMENDMENT) ACT, 1996

No. 5 OF 1997

[8th January, 1997.]

An Act further to amend the Companies Act, 1956.

BE it enacted by Parliament in the Forty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Companies (Amendment) Act, 1996.

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 and different dates may be appointed for different provisions of this Act.

1 of 1956.

2. In section 17 of the Companies Act, 1956 (hereinafter referred to as the principal Act),—

Amendment of
section 17.

(a) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) The alteration of the provisions of memorandum relating to the change of the place of its registered office from one State to another shall not take effect unless it is confirmed by the Company Law Board on petition.”;

(b) in sub-section (5), the words “either wholly or in part, and” shall be omitted.

3. In section 18 of the principal Act, for sub-section (1), the following sub-section shall be substituted, namely:—

Amendment of
section 18.

“(1) A company shall file with the Registrar—

(a) a special resolution passed by a company in relation to clauses (a) to (g) of sub-section (1) of section 17, within one month from the date of such resolution; or

(b) a certified copy of the order of the Company Law Board made under sub-section (5) of that section confirming the alteration, within three months from the date of order,

as the case may be, together with a printed copy of the memorandum as altered and the Registrar shall register the same and certify the registration under his hand within one month from the date of filing of such documents.”.

4. In section 58A of the principal Act, in sub-section (2),—

(a) in clause (a), the word “and” shall be omitted;

(b) in clause (b), for the word “prescribed”, the words “prescribed, and” shall be substituted;

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

“(c) the company is not in default in the repayment of any deposit or part thereof and any interest thereupon in accordance with the terms and conditions of such deposit.”.

5. In section 80 of the principal Act, for sub-section (5A), the following sub-section shall be substituted, namely:—

“(5A) Notwithstanding anything contained in this Act, no company limited by shares shall, after the commencement of the Companies (Amendment) Act, 1996, issue any preference share which is irredeemable or is redeemable after the expiry of a period of twenty years from the date of its issue.”.

6. In section 153B of the principal Act, in sub-section (4),—

(a) in clause (b), in sub-clause (ii), for the words “whichever is less”, the words “whichever is less, or” shall be substituted;

(b) after clause (b) and before the *Explanation*, the following clause shall be inserted, namely:—

“(c) where the trust is created, to set up a Mutual Fund or Venture Capital Fund or such other fund as may be approved by the Securities and Exchange Board of India established under sub-section (1) of section 3 of the Securities and Exchange Board of India Act, 1992.”.

7. In section 370 of the principal Act, after sub-section (1F), the following sub-section shall be inserted, namely:—

“(1G) A company, which has defaulted in the repayment of any deposit referred to in section 58A or part thereof or interest thereupon in accordance with the terms and conditions of such deposit, shall not make any loan or give guarantee under this section till the default is made good.”.

8. In section 372 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:—

“(3A) A company, which has defaulted in the repayment of any deposit referred to in section 58A or part thereof or interest due thereupon in accordance with the terms and conditions of such deposit, shall not make any investment under this section till the default is made good.”.

9. In section 530 of the principal Act, in sub-section (2), for the words “exceed one thousand rupees”, the words “exceed such sum as may be notified by the Central Government in the Official Gazette” shall be substituted.

10. After section 610 of the principal Act, the following section shall be inserted, namely:—

‘610A. (1) Notwithstanding anything contained in any other law for the time being in force,—

(a) a micro film of a document or the reproduction of the image or images embodied in such micro film (whether enlarged or not); or

(b) a facsimile copy of a document; or

15 of 1992.

Amendment of section 58A.

Amendment of section 80.

Amendment of section 153B.

Amendment of section 370.

Amendment of section 372.

Amendment of section 530.

Insertion of new section 610A.

Admissibility of micro films, facsimile copies of documents, computer print-outs and documents on computer media as documents and as evidence.

(c) a statement contained in a document and included in a printed material produced by a computer (hereinafter referred to as a "computer printout"), if the conditions mentioned in sub-section (2) are satisfied,

shall be deemed to be also a document for the purposes of this Act and the rules made thereunder and shall be admissible in any proceedings thereunder, without further proof or production of the original, as evidence of any contents of the original or of any fact stated therein of which direct evidence should be admissible.

(2) The conditions referred to in sub-section (1) in respect of a computer printout shall be the following, namely:—

(a) the information contained in the statement reproduces or is derived from returns and document filed by the company on paper or on computer network, floppy, diskette, magnetic cartridge tape, CD-rom or any other computer readable media;

(b) while receiving returns or documents on computer media, necessary checks by scanning the documents filed on computer media will be carried out and media will be duly authenticated by the Registrar; and

(c) the Registrar shall also take due care to preserve the computer media by duplicating, transferring, mastering or storage without loss of data.