THE SECURITIES CONTRACTS (REGULATION)

BILL, 1954

(AS INTRODUCED IN THE LOH SABHA)

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BILL

to prevent undesirable transactions in securities by regulating the business of dealing therein, by prohibiting options and by providing for certain other matters connected therewith.

Be it enacted by Parliament in the Fifth Year of the Republic of India as follows:—

PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Securities Contracts (Regulation) Act, 1954.

(2) It extends to the whole of India.

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

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

(a) ‘contract’ means a contract for or relating to the purchase or sale of securities;

(b) ‘Government security’ means a security, created and issued, whether before or after the commencement of this Act, by the Central Government or a State Government for the purpose of raising a public loan and having one of the forms specified in clause (2) of section 2 of the Public Debt Act, 1944 (XVIII of 1944);

(c) ‘member’ means a member of a recognised stock exchange;

(d) ‘option in securities’ means a contract for the purchase or sale of a right to buy or sell, or a right to buy and sell, securities in future, and includes a teji, a mandi, a teji mandi, a galli, a put, a call or a put and call in securities;
(e) 'prescribed' means prescribed by rules made under this Act;

(f) 'recognised stock exchange' means a stock exchange which is for the time being recognised by the Central Government under section 6;

(g) 'rules', with reference to the rules relating in general to the constitution and management of a stock exchange, includes, in the case of a stock exchange which is an incorporated association, its memorandum and articles of association;

(h) 'securities' include—

(i) shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;

(ii) Government securities; and

(iii) rights or interests in securities;

(i) 'spot delivery contract' means a contract which provides for the actual delivery of securities and the payment of a price therefor either immediately or within a period of three days after the date of the contract, the actual period taken for the despatch of the securities or the remittance of money therefor through the post being excluded from the computation of the period of three days aforesaid if the parties to the contract do not reside in the same town or locality;

(j) 'stock exchange' means any body of individuals, whether incorporated or not, constituted for the purpose of assisting, regulating or controlling the business of buying, selling or dealing in securities.

3. Application for recognition of stock exchanges.—(1) Any stock exchange, which is desirous of being recognised for the purposes of this Act, may make an application in the prescribed manner to the Central Government,

(2) Every application under sub-section (1) shall contain such particulars as may be prescribed, and shall be accompanied by a copy of the bye-laws of the stock exchange for the regulation and control of contracts and also a copy of the rules relating in general to the constitution of the stock exchange, and in particular, to—

(a) the governing body of such stock exchange, its constitution and powers of management and the manner in which its business is to be transacted;

(b) the powers and duties of the office bearers of the stock exchange;
(c) the admission into the stock exchange of various classes of members, the qualifications for membership, and the exclusion, suspension, expulsion and re-admission of members therefrom or thereinto;

(d) the registration of partnerships as members of the stock exchange and the nomination and appointment of authorised representatives and clerks by the stock exchange.

4. Grant of recognition to stock exchanges.—(1) If the Central Government is satisfied, after making such inquiry as may be necessary in this behalf and after obtaining such further information, if any, as it may require,—

(a) that the rules and bye-laws of a stock exchange applying for registration are in conformity with such conditions as may have been prescribed with a view to ensure fair dealing and to protect investors;

(b) that the stock exchange is willing to comply with any such conditions as the Central Government, after consultation with the governing body of the stock exchange and having regard to the area served by the stock exchange and its standing and the nature of the securities dealt with by it, may impose for the purpose of carrying out the objects of this Act; and

(c) that it would be in the interest of the trade and also in the public interest to grant recognition to the stock exchange;

it may grant recognition to the stock exchange subject to the conditions imposed upon it as aforesaid and in such form as may be prescribed.

(2) The conditions which the Central Government may prescribe under clause (a) of sub-section (1) for the grant of recognition to the stock exchanges may include, among other matters, conditions relating to,—

(i) the qualifications for membership of stock exchanges;

(ii) the manner in which contracts shall be entered into and enforced as between members;

(iii) the representation of the Central Government by its nominees on the stock exchanges; and

(iv) the maintenance of accounts of members and their periodical audit by chartered accountants to ensure the solvency of members.

(3) Every grant of recognition to a stock exchange under this section shall be published in the Gazette of India and also in the Official Gazette of the State in which the principal office of the stock exchange is situate, and such recognition shall have effect as from the date of its publication in the Gazette of India.

(4) No application for the grant of recognition shall be refused except after giving an opportunity to the stock exchange concerned to
be heard in the matter, and the reasons for such refusal shall be communicated to the stock exchange in writing.

(3) No rules of a recognised stock exchange relating to any of the matters specified in sub-section (2) of section 3 shall be amended except with the approval of the Central Government.

5. Withdrawal of recognition.—If the Central Government is of opinion that the recognition granted to a stock exchange under the provisions of this Act should, in the interest of the trade or in the public interest, be withdrawn, the Central Government may, serve on the governing body of the stock exchange a written notice that the Central Government is considering the withdrawal of the recognition for the reasons stated in the notice, and after giving an opportunity to the governing body to show cause why the recognition should not be withdrawn, and after taking into account the representations, if any, made by the body whether orally or in writing, the Central Government may withdraw, by notification in the Official Gazette, the recognition granted to the stock exchange.

Provided that no such withdrawal shall affect the validity of any contract entered into or made before the date of the notification, and the Central Government may, after consultation with the stock exchange, make such provision as it deems fit in the notification of withdrawal or in any subsequent notification similarly published for the due performance of any contracts outstanding on that date.

6. Power of Central Government to call for periodical returns or direct inquiries to be made.—(1) Every recognised stock exchange shall furnish to the Central Government such periodical returns relating to its affairs as may be prescribed.

(2) Every recognised stock exchange and every member thereof shall maintain and preserve for such periods not exceeding five years such accounts, correspondence, memoranda, papers, books and other records as the Central Government, after consultation with the stock exchange concerned, may prescribe in the interest of the trade or in the public interest, and such accounts, correspondence, memoranda, papers, books and other records shall be subject to inspection at all reasonable times by the Central Government.

(3) without prejudice to the provisions contained in sub-sections (1) and (2), the Central Government, if it is satisfied that it is in the interest of the trade or in the public interest so to do, may, by order in writing,—

(a) call upon a recognised stock exchange to furnish in writing such information or explanation relating to its affairs or the affairs of any of its members in relation to the stock exchange as the Central Government may require; or

(b) direct the governing body of such stock exchange to make an inquiry in the prescribed manner in relation to its affairs or the
affairs of any of its members in relation to the stock exchange and submit a report of the result of such inquiry to the Central Government within such time as may be specified in the order, or, in the alternative, direct the inquiry to be made and the report to be submitted by one or more persons appointed by the Central Government in this behalf.

(4) Where an inquiry in relation to the affairs of a recognised stock exchange or the affairs of any of its members in relation to the stock exchange has been undertaken under sub-section (3),—

(a) every director, manager, secretary or other officer of such stock exchange;

(b) every member of such stock exchange;

(c) if the member of the stock exchange is a firm, every partner, manager, secretary or other officer of the firm; and

(d) every other person or body of persons who has had dealings in the course of business with any of the persons mentioned in clauses (a), (b) and (c);

shall be bound to produce before the authority making the inquiry all such books, accounts, correspondence and other documents in his custody or power relating to or having a bearing on the subject matter of such inquiry and also to furnish the authorities within such time as may be specified with any such statement or information relating thereto as may be required of him.

7. Annual reports to be furnished to Central Government by stock exchanges.—Every recognised stock exchange shall furnish the Central Government with a copy of the annual report, and such annual report shall contain such particulars as may be prescribed.

8. Power of Central Government to direct rules to be made or to make rules — (1) Where, after consultation with the governing bodies of stock exchanges generally or with the governing body of any stock exchange in particular, the Central Government is of opinion that it is necessary or expedient so to do, it may, by order in writing together with a statement of the reasons therefor, direct recognised stock exchanges generally or any recognised stock exchange in particular, as the case may be, to make any rules or to amend any rules already made in respect of all or any of the matters specified in sub-section (2) of section 3 within a period of six months from the date of the order.

(2) If any recognised stock exchange fails or neglects to comply with any order made under sub-section (1) within the period specified therein, the Central Government may make the rules for, or amend the rules made by, the recognised stock exchange, either in the form proposed in the order or with such modifications thereof as may be agreed to between the stock exchange and the Central Government.
(3) Where in pursuance of this section any rules have been made or amended, the rules so made or amended shall be published in the Gazette of India and also in the Official Gazette or Gazettes of the State or States in which the principal office or offices of the recognised stock exchange or exchanges is or are situate, and, on the publication thereof in the Gazette of India, the rules so made or amended shall, notwithstanding anything to the contrary contained in the Indian Companies Act, 1913 (VII of 1913), or in any other law for the time being in force, have effect as if they had been made or amended by the recognised stock exchange or stock exchanges, as the case may be.

9. Power of recognised stock exchanges to make bye-laws.—(1) Any recognised stock exchange may, subject to the previous approval of the Central Government, make bye-laws for the regulation and control of contracts.

(2) In particular, and without prejudice to the generality of the foregoing power, such bye-laws may provide for—

(a) the opening and closing of markets and the regulation of the hours of trade;

(b) a clearing house for the periodical settlement of contracts and differences thereunder, the delivery of and payment for securities, the passing on of delivery orders and the regulation and maintenance of such clearing house;

(c) the regulation or prohibition of blank transfers;

(d) the number and classes of contracts in respect of which settlements shall be made or differences paid through the clearing house;

(e) the regulation, or prohibition of budlas or carry-over facilities;

(f) the fixing, altering or postponing of days for settlements;

(g) the determination and declaration of market rates, including the opening, closing, highest and lowest rates for securities;

(h) the terms, conditions and incidents of contracts, including the prescription of margin requirements, if any, and conditions relating thereto, and the forms of contracts in writing;

(i) the regulation of the entering into, making, performance, rescission and termination, of contracts, including contracts between members or between a member and his constituent or between a member and a person who is not a member, and the consequences of default or insolvency on the part of a seller or buyer or intermediary, the consequences of a breach or omission by a seller or buyer, and the responsibility of members who are not parties to such contracts;

(j) the regulation of taravani business including the placing of limitations thereon;
(k) the listing of securities on the stock exchange, the inclusion of any security for the purpose of dealings and the suspension or withdrawal of any such securities, and the suspension or prohibition of trading in any specified securities;

(l) the method and procedure for the settlement of claims or disputes, including settlement by arbitration;

(m) the levy and recovery of fees, fines and penalties;

(n) the regulation of the course of business between parties to contracts in any capacity;

(o) the fixing of a scale of brokerage and other charges;

(p) the making, comparing, settling and closing of bargains;

(q) the emergencies in trade which may arise and the exercise of powers in such emergencies, including the power to fix maximum and minimum prices for securities;

(r) the regulation of dealings by members for their own account;

(s) the limitations on the volume of trade done by any individual member in exceptional circumstances;

(t) the obligation of members to supply such information or explanation and to produce such documents relating to the business as the governing body may require.

(3) The bye-laws made under this section may—

(a) specify the bye-laws the contravention of which shall make a contract entered into otherwise than in accordance with the bye-laws void under sub-section (1) of section 14;

(b) provide that the contravention of any of the bye-laws shall render the member concerned liable to one or more of the following punishments, namely:—

(i) fine;

(ii) expulsion from membership;

(iii) suspension from membership for a specified period;

(iv) any other penalty of a like nature not involving the payment of money.

(4) Any bye-laws made under this section shall be subject to such conditions in regard to previous publication as may be prescribed, and, when approved by the Central Government, shall be published in the Gazette of India and also in the Official Gazette of the State in which the principal office of the recognised stock exchange is situate, and shall have effect as from the date of its publication in the Gazette of India:
Provided that if the Central Government is satisfied in any case that in the interest of the trade or in the public interest any bye-law should be made immediately, it may, by order in writing specifying the reasons therefor, dispense with the condition of previous publication.

10. Power of Central Government to make or amend bye-laws of recognised stock exchanges.—(1) The Central Government may, either on a request in writing received by it in this behalf from the governing body of a recognised stock exchange or on its own motion, if it is satisfied after consultation with the governing body of the stock exchange that it is necessary or expedient so to do and after recording its reasons for so doing, make bye-laws for all or any of the matters specified in section 9 or amend any bye-laws made by such stock exchange under that section.

(2) Where in pursuance of this section any bye-laws have been made or amended, the bye-laws so made or amended shall be published in the Gazette of India and also in the Official Gazette of the State in which the principal office of the recognised stock exchange is situate, and on the publication thereof in the Gazette of India, the bye-laws so made or amended shall have effect as if they had been made or amended by the recognised stock exchange concerned.

(3) Notwithstanding anything contained in this section, where the governing body of a recognised stock exchange objects to any bye-laws made or amended under this section by the Central Government on its own motion, it may, within six months of the publication thereof in the Gazette of India under sub-section (2), apply to the Central Government for revision thereof, and the Central Government may, after giving an opportunity to the governing body of the stock exchange to be heard in the matter, revise the bye-laws so made or amended, and where any bye-laws so made or amended are revised as a result of any action taken under this sub-section, the bye-laws so revised shall be published and shall become effective as provided in sub-section (2).

(4) The making or the amendment or revision of any bye-laws under this section shall in all cases be subject to the condition of previous publication:

Provided that if the Central Government is satisfied in any case that in the interest of the trade or in the public interest any bye-laws should be made, amended or revised immediately, it may, by order in writing specifying the reasons therefor, dispense with the condition of previous publication.

11. Power of Central Government to supersede governing body of a recognised stock exchange.—(1) Without prejudice to any other powers vested in the Central Government under this Act, where the Central Government is of opinion that the governing body of any recognised stock exchange should be superseded, then notwithstanding
anything contained in any other law for the time being in force, the Central Government may serve on the governing body a written notice that the Central Government is considering the supersession of the governing body for the reasons specified in the notice and after giving an opportunity to the governing body to show cause why it should not be superseded and after taking into account the representations made by the body, whether orally or in writing, it may, by notification in the Official Gazette declare the governing body of such stock exchange to be superseded and may appoint any person or persons to exercise and perform all the powers and duties of the governing body, and, where more persons than one are appointed, may appoint one of such persons to be the chairman and another to be the vice-chairman thereof.

(2) On the publication of a notification in the Official Gazette under sub-section (1), the following consequences shall ensue, namely:

(a) the members of the governing body which has been superseded shall, as from the date of the notification of supersession, cease to hold office as such members;

(b) the person or persons appointed under sub-section (1) may exercise and perform all the powers and duties of the governing body which has been superseded;

(c) all such property of the recognised stock exchange as the person or persons appointed under sub-section (1) may, by order in writing, specify in this behalf as being necessary for the purpose of enabling him or them to carry on the business of the stock exchange, shall vest in such person or persons.

(3) Notwithstanding anything to the contrary contained in any law or the rules or bye-laws of the recognised stock exchange the governing body of which is superseded under sub-section (1), the person or persons appointed under that sub-section shall hold office for such period as may be specified in the notification published under that sub-section, and the Central Government may from time to time, by like notification, vary such period.

(4) On the determination of the period of office of any person or persons appointed under this section, the recognised stock exchange shall forthwith reconstitute a governing body in accordance with its rules:

Provided that until a governing body is so reconstituted, the person or persons appointed under sub-section (1) shall continue to exercise and perform their powers and duties.

(5) On the reconstitution of a governing body under sub-section (4), all the property of the recognised stock exchange which has vested in, or was in the possession of, the person or persons appointed under
sub-section (1) shall vest or revest, as the case may be, in the governing body so reconstituted.

12. Power to suspend business of recognised stock exchanges. - If for the purpose of meeting any emergency which has arisen in the trade the Central Government considers it expedient so to do, it may, by notification in the Official Gazette, for reasons to be set out therein, direct a recognised stock exchange to suspend such of its business for such period not exceeding seven days and subject to such conditions as may be specified in the notification, and, if in the opinion of the Central Government, the interest of the trade or the public interest requires that the period should be extended, may, by like notification extend the said period from time to time:

Provided that where the period of suspension is to be extended beyond the first period, no notification extending the period of suspension shall be issued unless the governing body of the recognised association has been given an opportunity of being heard in the matter.

CONTRACTS AND OPTIONS IN SECURITIES

13. Contracts in notified areas illegal in certain circumstances.—If the Central Government, is satisfied, having regard to the nature or the volume of transactions in securities in any State or area, that it is necessary so to do, it may, by notification in the Official Gazette, declare this section to apply to such State or area, and thereupon every contract in such State or area which is entered into after the date of the notification otherwise than between members of a recognised stock exchange or through or with such member shall be illegal.

14. Contracts in notified areas to be void in certain circumstances.—(1) Any contract entered into in any State or area specified in the notification under section 13 which is in contravention of any of the bye-laws specified in that behalf under clause (a) of sub-section (3) of section 9 shall be void—

(i) as respects the rights of any member of the recognised stock exchange who has entered into such contract in contravention of any such bye-law, and also

(ii) as respects the rights of any other person who has knowingly participated in the transaction entailing such contravention.

(2) Nothing in sub-section (1) shall be construed to affect the right of any person other than a member of the recognised stock exchange to enforce any such contract or to recover any sum under or in respect of such contract if such person had no knowledge that the transaction was in contravention of any of the bye-laws specified in clause (a) of sub-section (3) of section 9.
15. Members may not act as principals in certain circumstances.—No member of a recognised stock exchange shall in respect of any securities enter into any contract as a principal with any person other than a member of a recognised stock exchange, unless he has secured the consent or authority of such person and discloses in the note, memorandum or agreement of sale or purchase that he is acting as a principal:

Provided that where the member has secured the consent or authority of such person otherwise than in writing he shall secure written confirmation by such person of such consent or authority within three days from the date of the contract:

Provided further that no such written consent or authority of such person shall be necessary for closing out any outstanding contract entered into by such person in accordance with the bye-laws, if the member discloses in the note, memorandum or agreement of sale or purchase in respect of such closing out that he is acting as a principal.

16. Exclusion of spot delivery contracts from sections 13, 14 and 15.—Nothing contained in sections 13, 14 and 15 shall apply to spot delivery contracts.

17. Power to prohibit contracts in certain cases.—(1) If the Central Government is of opinion that it is necessary to prevent undesirable speculation in specified securities in any State or area, it may, after consultation with the recognised stock exchanges, if any, in the State or area, by notification in the Official Gazette, declare that no person in the State or area specified in the notification shall, save with the permission of the Central Government, enter into any contract for the sale or purchase of any security specified in the notification except to the extent and in the manner, if any, specified therein.

(2) All contracts in contravention of the provisions of sub-section (1) entered into after the date of the notification issued thereunder shall be illegal.

18. Licensing of dealers in securities generally.—(1) Subject to the provisions of sub-section (3) and to the other provisions contained in this Act, no person shall carry on or purport to carry on the business of dealing in securities in any State or area with respect to which this section may be made applicable by the Central Government by notification in the Official Gazette, except under the authority of a licence granted by the Central Government in this behalf.

(2) No notification under sub-section (1) shall be issued with respect to any State or area unless the Central Government is satisfied, having regard to the manner in which securities are being dealt with in such State or area, that it is desirable or expedient in the interest of the trade or in the public interest that such dealings should be regulated by a system of licensing.
(3) The restrictions imposed by sub-section (1) in relation to dealings in securities shall not apply to the doing of anything by or on behalf of,—

(a) a member of any recognised stock exchange; or

(b) the Reserve Bank of India or any local authority or any corporation set up under the authority of a Central Act, a State Act or a Provincial Act; or

(c) any exempted dealer; or

(d) any person acting in the capacity of a trustee; or

(e) any other person who has effected any transaction with or through the agency of any such person as is referred to in clauses (a), (b), (c) and (d).

19. Prohibition of options in securities.—Notwithstanding anything contained in this Act or in any other law for the time being in force, all options in securities entered into after such date as may be specified in this behalf by the Central Government, by notification in the Official Gazette, shall be illegal.

(2) Any option in securities which has been entered into before the date of the notification under sub-section (1) and which remains to be performed, whether wholly or in part, after the said date, shall, to that extent, become void.

Listing of Securities by Public Companies

20. Power to compel listing of securities by public companies.—Notwithstanding anything contained in any other law for the time being in force, if the Central Government is of opinion, having regard to the nature of the securities issued by any public company as defined in the Indian Companies Act, 1913 (VIII of 1913) or to the dealings in them, that it is necessary or expedient in the interest of the trade or in the public interest so to do, it may require the company, after giving it an opportunity of being heard in the matter, to comply with such requirements as may be prescribed with respect to the listing of its securities on any recognised stock exchange.

21. Right of appeal against refusal by stock exchanges to list securities of public companies.—Where a recognised stock exchange acting in pursuance of any power given to it by its bye-laws, refuses to list the securities of any public company, the company shall be entitled to be furnished with the reasons for such refusal, and may appeal against the decision of the recognised stock exchange to the Central Government, and the Central Government may, after giving the stock exchange an opportunity of being heard, vary or set aside the decision of the recognised stock exchange, and when it does so the stock exchange shall be bound to act in conformity with the orders of the Central Government.
22. Penalty for contravention of certain provisions of Act.—
(1) Any person who,—

(a) without reasonable excuse (the burden of proving which shall be on him) fails to comply with any requisition made under sub-section (4) of section 6; or

(b) enters into any contract in contravention of any of the provisions contained in section 13 or section 15 or section 17; or

(c) contravenes the provisions contained in sub-section (1) of section 18; or

(d) enters into any option in securities in contravention of the provisions contained in section 19,
shall, on conviction, be punishable with imprisonment for a term which may extend to one year, or with fine, or with both.

(2) Any person who fails to comply with the orders of the Central Government under section 20 or section 21 shall on conviction be punishable with fine which may extend to one thousand rupees.

23. Offences by companies.—(1) Where an offence has been committed by a company, every person who, at the time when the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence, and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section 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.

(2) Notwithstanding anything contained in sub-section (1) where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any gross negligence on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer of the company, shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section,—

(a) 'company' means any body corporate and includes a firm or other association of individuals, and

(b) 'director', in relation to a firm, means a partner in the firm.
24. Certain offences to be cognizable.—Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Act V of 1898), any offence punishable under sub-section (1) of section 22 shall be deemed to be a cognizable offence within the meaning of that Code.

25. Jurisdiction to try offences under this Act.—No court inferior to that of a presidency magistrate or a magistrate of the first class shall take cognizance of or try any offence punishable under this Act, and no such court shall take cognizance of any such offence except with the previous sanction of the Central Government.

Miscellaneous

26. Title to dividends.—It shall be lawful for the holder of any security whose name appears on the books of the company issuing the said security to receive any dividend or bonus or to be entitled to any other right declared by the company in respect thereof for any year, notwithstanding that the said security has already been transferred by him for consideration, unless the transferee who claims the dividend, bonus or other right lodges the security and all other documents relating to the transfer which may be required by the company with the company for being registered in his name at least fifteen days before the company closes its register of members for the year:

Provided that, where the company refuses to register the transfer of the security in the name of the transferee, nothing contained in this section shall affect the right of the transferee to enforce against the transferor or any other person his rights, if any, in relation to the transfer.

27. Power to exempt.—The Central Government may, by notification in the Official Gazette, exempt, subject to such conditions and in such circumstances as may be specified in the notification, any class of dealers in securities whose main business is something other than the business of dealing in securities or any class of contracts from the operation of all or any of the provisions of this Act.

28. Protection of action taken in good faith.—No suit, prosecution or other legal proceeding whatsoever shall lie in any court against the governing body or any member, office bearer or servant of any recognised stock exchange or against any person or persons appointed under sub-section (1) of section 11 for anything which is in good faith done or intended to be done in pursuance of this Act or of any rules or bye-laws made thereunder.

29. Power to make rules.—(1) The Central Government may, by notification in the Official Gazette, make rules for the purpose of carrying into effect the objects of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for,—
(a) the manner in which applications may be made, the particulars which they should contain and the levy of a fee in respect of such applications;

(b) the manner in which any inquiry for the purpose of recognizing any stock exchange may be made, the conditions which may be imposed for the grant of such recognition, including conditions as to the admission of members if the stock exchange concerned is to be the only recognised stock exchange in the area; and the form in which such recognition shall be granted;

(c) the particulars which should be contained in the periodical returns and annual reports to be furnished to the Central Government;

(d) the documents which should be maintained and preserved under section 6 and the periods for which they should be preserved;

(e) the manner in which any inquiry by the governing body of a stock exchange shall be made under section 6;

(f) the manner in which the bye-laws to be made or amended under this Act shall before being so made or amended be published for criticism;

(g) the manner in which applications may be made by dealers in securities for licences under section 18, the fee payable in respect thereof and the period of such licences, the conditions subject to which licences may be granted, including conditions relating to the forms which may be used in making contracts, the documents to be maintained by licensed dealers and the furnishing of periodical information to such authority as may be specified and the revocation of licences for breach of conditions;

(h) the requirements which shall be complied with by public companies for the purpose of getting their securities listed on any stock exchange; and

(i) any other matter which is to be or may be prescribed.

(3) Any rules made under this section shall be subject to the condition of previous publication and shall, as soon as may be, after their publication in the Official Gazette, be laid before both Houses of Parliament.

30. Repeal.—The Bombay Securities Contracts Control Act, 1925 (Bombay Act VIII of 1925) is hereby repealed.