

The Companies (Amendment) Act, 2001

UNION OF INDIA

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Act 57 of 2001

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An Act further to amend the Companies Act, 1956. Be it enacted by Parliament in the Fifty- second year of the Republic of India as follows:-

1.

- (1) Short title and commencement.- This Act may be called the Companies (Amendment) Act, 2001.
- (2) It shall be deemed to have come into force on the 23rd day of October, 2001.

2. Amendment of section 77A.

In section 77A of the Companies Act, 1956 (1 of 1956) (hereinafter referred to as the principal Act),-(a) in sub- section (2), in clause (b), the following shall be inserted, namely:- ' Provided that nothing contained in this clause shall apply in any case where-(A) the buy- back is or less than ten per cent. of the total paid- up equity capital and free reserves of the company; and (B) such buy- back has been authorized by the Board by means of a resolution passed at its meeting: Provided further that no offer of buy- back shall be made within a period of three hundred and sixty- five days reckoned from the date of the preceding offer of buy- back, if any. Explanation.- For the purposes of this clause, the expression " offer of buy- back " means the offer of such buy- back made in pursuance of the resolution of the Board referred to in the first proviso;';(b) in sub- section (4), for the words " special resolution ", the words " special resolution or a resolution passed by the Board " shall be substituted;(c) in sub- section (6), after the words, brackets, letter and figure " special resolution under clause (b) of sub- section (2) ", the words, brackets and letter " or the Board has passed a resolution under the first proviso to clause (b) of that sub- section shall be inserted;(d) in sub- section (8), for the words " within a period of twenty- four months ", the words " within a period of six months " shall be substituted.

3. Amendment of section 292.

In section 292 of the principal Act, in sub- section 1, after clause (a), the following clause shall be inserted, namely:- " (aa) the power to authorize the buy- back referred to in the first proviso to clause (b) of sub- section (2) of section 77A;".

4. Repeal and saving.

(1)The Companies (Amendment) Ordinance, 2001 (Ord. 7 of 2001) is hereby repealed.(2)Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the principal Act, as amended by this Act.