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NEWSLETTER

" Success is not final; failure is not fatal; it's the courage to continue that counts."

This Issue:

- The Companies (Incorporation) Second Amendment Rules, 2022
- The companies (Share Capital and debentures) Amendment Rules, 2014
- The Companies (Prospectus and Allotment

G Prerna & Co.
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The Companies (Incorporation) Second Amendment Rules, 2022

These rules, which shall come into force with effect from June, 01, 2022, substitutes the Declaration by Subscribers and First Directors (Form INC-9). The substituted form consist declaration in respect of compliance under Foreign Exchange Management (Non-debt Instruments) Rules by inserting below checkboxes:

- I am required to obtain the Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith. or I am not required to obtain the Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares.

Further, the Ministry has inserted new declaration in Form No. INC 32 (SPICe+), in part B, namely: "I, on behalf of proposed directors, hereby declare that person seeking appointment is a national of a country which shares a land border with India, necessary security clearance from Ministry of Home Affairs, Government of India shall be attached with the consent."

The companies (Share Capital and debentures) Amendment Rules, 2014

The Ministry of Corporate Affairs has notified these rules, which shall come into force on the date of its publication in the Official Gazette. According to the amendment, in the annexure, in the Securities Transfer Form (Form SH-4), before the enclosures, a declaration has been inserted:

"Transferee is not required to obtain the Government approval under the Foreign Exchange management (Non-debt Instruments) Rules, 2019 prior to transfer of shares; or Transferee is required to obtain the Government approval under the Foreign Exchange management (Non-debt Instruments) rules, 2019 prior to transfer of shares and the same has been obtained and is enclosed herewith."

Details:
https://www.mca.gov.in/bin/dms/getdocument?mds=z0TPPBoxhsbnobHAN7dyxw%253D%253D&type=open

The Companies (Prospectus and Allotment of Securities) Amendment Rules, 2022

The MCA has notified the rules, which shall come into force on the date of its publication in the Official Gazette.

The amendment provides:

1. No offer or invitation of any securities under rule 14 shall be made to a body corporate incorporated in, or a national of, a country which shares a land border with India, unless such body corporate or the national, as the case may be, have obtained Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 and attached the same with the private placement offer cum application letter.
2. In Annexure, in Form PAS-4, in Part-B, after serial number (vii), the following shall be inserted, namely :- "(viii) Tick whichever is applicable:- a. The applicant is not required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares. b. The applicant is required to obtain Government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to subscription of shares and the same has been obtained, and is enclosed herewith. "