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30<sup>th</sup> May 2022 – Issue 376

***Companies (Share Capital and Debentures) Amendment Rules, 2022:***

The Central Government through sub-section (1) and (3) of sec. 56 read with sub-sections (1) and (2) of sec. 469 of the Companies Act, 2013, amended Companies (Share Capital and Debentures) Amendment Rules, 2014 to Companies (Share Capital and Debentures) Amendment Rules, 2022.

In the Act of 2014, in the Annexure, in Form No. SH-4, before the Enclosures, following declaration is inserted:

*“Declaration:*

*Transferee is not required to obtain the Government approval under the Foreign Exchange Management (Non-debt Instrument) Rules, 2019 prior to transfers 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”.*

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

Through Sec. 42 read with sections (1) and (2) of Section 469 of the Companies Act, 2013, the Central Government amended Companies (Prospectus and Allotment of Securities) Amendment Rules, 2014, to **Companies (Prospectus and Allotment of Securities) Amendment Rules, 2022.**

Followings are inserted:

In rule 14, in sub-rule (1), after the fourth proviso, the following proviso inserted:

*“Provided also that no offer or invitation of any securities under this rule shall be made to a body corporate incorporated in, or a national of, a country which shares a land border*



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*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.”*

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***Clarification of Holding of annual General Meeting:***

The Ministry of Corporate Affairs (MCA) through the notification dated 05.05.2022 decided to allow the companies whose AGMs are due in the Year 2022, to conduct their AGMs on or before 31<sup>st</sup> December, 2022 in accordance to the requirements laid down in Para 3 & 4 of the General Circular No. 20/2020 dated 05.05.2020

[https://www.mca.gov.in/Ministry/pdf/Circular20\\_05052020.pdf](https://www.mca.gov.in/Ministry/pdf/Circular20_05052020.pdf).

It is also clarified that this notification shall not be construed as conferring any extension of time for holding AGMs by the companies under the Companies Act, 2013, and upon violation of the relevant timelines, legal action will be taken against the respective companies under Companies Act, 2013.

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***Clarification on passing of Ordinary and Special resolutions by the companies under the Companies Act, 2013 read with rules made on account of COVID-19- Extension of timeline:***

The Ministry of Corporate Affairs (MCA) through the notification dated 05.05.2022 decided to allow companies to conduct their EGMs through Video Conference (VC) or Other Audio Visual Means (OAVM) or transact items through postal ballot in accordance with framework provided in the Circular up to 31<sup>st</sup> December, 2022. Rest of the requirements mentioned in the circulars will remain unchanged.

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***Companies (Incorporation) Second Amendment Rules, 2022:***

Through this notification, the Central Government amended Companies (Incorporation) Second Amendment Rules, 2014 to Companies (Incorporation) Second Amendment Rules, 2022.

This notification substituted the FORM No. INC-9, namely:

*In FORM No.INC-32 (SPICe+), in Part-B, following declaration shall be inserted at the end:*

*"I, on behalf of the 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.*

*Yes  No*

*(If yes is opted, a copy of the security clearance is to be attached)."*

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***Securities Exchange Board of India vide circular dated May 25, 2022, has issued Simplification of procedure and standardization of formats of documents for issuance of duplicate securities certificates***

SEBI vide circular dated May 25, 2022, has issued Simplification of procedure and standardization of formats of documents for issuance of duplicate securities certificates.

With a view to make issuance of duplicate securities more efficient and investor friendly, the procedure and documentation requirements for issuance of duplicate securities has been further simplified.

Fake / forged / stolen certificates or certificates where duplicate certificate is issued, must be seized and defaced by the RTA / listed company and disposed of in the manner, authorized by the Board of the Company.



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The listed company shall take special contingency insurance policy from the insurance company towards the risk arising out of the requirements relating to issuance of duplicate securities in order to safeguard and protect the interest of the listed company.

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