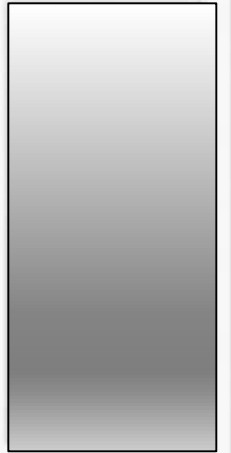


LEGALITE ADVISORS

IMPORTANT LEGAL UPDATES FOR APRIL, 2022



Companies Act

□ **The Ministry of Corporate Affairs (“MCA”)- G.S.R. 320 (E)- The Companies (Registration of Charges) Amendment Rules, 2022 (“Amendment Rules”) dated April 27, 2022 (“Notification”).**

- The MCA has *vide* the Notification, further amended the Companies (Registration of Charges) Rules, 2014 (“**Rules**”) which shall come into force on the date of their publication in the official gazette i.e., April 27, 2022.
- *Vide* the Notification the following new sub-rule (5) has been inserted after sub-rule (4) in rule 3 of the Rules:

“(5) Nothing contained in this rule shall apply to any charge required to be created or modified by a banking company under section 77 in favour of the Reserve Bank of India when any loan or advance has been made to it under sub-clause (d) of clause (4) of section 17 of the Reserve Bank of India Act, 1934 (2 of 1934).”.

- Rule 3 of the Rules deals with process of registration of creation or modification of charges as per section 77, 78 and 79 of the Companies Act, 2013 by way of filing e-form CHG-1 (for other than debentures) or e-form CHG-9 (for debentures) with the Registrar of Companies.
- **Link of the Notification:**

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NzQ1MTQ4NDI=&docCategory=Notifications&type=open>

Companies Act (Contd...)

- **The Ministry of Corporate Affairs (“MCA”) –G.S.R (E) The Companies (Incorporation) Amendment Rules, 2022 (“Amendment Rules”) dated April 08, 2022 (“Notification”)**
 - The MCA has *vide* the Notification further amended the Companies (Incorporation) Rules, 2014 (“**Rules**”) which shall come into force on the date of their publication in the official gazette i.e. April 08, 2022.
 - In rule 12 of the Rules, following proviso has been inserted viz.
 - *“Provided further that in case of a Company being incorporated as a Nidhi, the declaration by the Central Government under section 406 of the Act shall be obtained by the Nidhi Company before commencing the business and a declaration in this behalf shall be submitted at the stage of incorporation of the Company”.*
 - Section 406 of the Companies Act, 2013 prescribes that the Central Government of India may by notification in the official gazette declare the company to be Nidhi or Mutual Benefit Society as the case may be.
 - Further, Form No. INC-20A and Form INC-32 (Spice+) in Part B have been updated *vide* the Notification:

Companies Act (Contd...)

- In Form INC-20A i.e Declaration for commencement of business, stakeholders in case Nidhi Company shall be mandatorily required to attach declaration issued by the Central Government under section 406 of the Act.
- In Form INC-32 (Spice+), in Part-B under declaration section following shall be inserted at the end namely:
 - *“I further declare that the Company shall not commence the business of Nidhi, unless all the required approvals including the declaration to be issued under Section 406 of the Act have been obtained from the Central Government”*
- **Link of the Notification:**

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NjIzMjE5NzM=&docCategory=Notifications&type=open>

Companies Act (Contd...)

- **The Ministry of Corporate Affairs (“MCA”) –G.S.R 279 (E)–Companies (Management and Administration) Amendment Rules, 2022 (“Amendment Rules”) dated April 06, 2022 (“Notification”).**
- MCA has *vide* the Notification further amended the Companies (Management and Administration) Rules, 2014 (“**Rules**”) which shall come into force on the date of publication in the official gazette i.e. April 06, 2022.
- *Vide* the Amendment Rules, sub-rule (3) has been inserted in rule 14 after sub-rule (2) of the Rules which states that the following details of the register or index or return in respect of the members of a Company shall not be available for any inspection under sub-section (2) or for taking extracts or copies under sub-section (3) of section 94:
 - address or registered address (in case of a body corporate);
 - e-mail ID;
 - (Unique Identification Number;
 - PAN Number.
- Section 94 of the Companies Act read with Rule 14 of the Rules deal with inspection of registers and indices maintained pursuant to section 88 and returns prepared pursuant to section 92 of the Companies Act, 2013 by the members, debenture holder, other security holder, beneficial owner or any other person in a manner prescribed therein.

Companies Act (Contd...)

- **Link of the Notification:**

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=NDY4MzE1MjA=&docCategory=Notifications&type=open>

Securities Law

- **The Securities and Exchange Board of India (“SEBI”) – circular no. SEBI/HO/CFD/CMD1/CIR/P/2022/47 on clarification on applicability of regulation 23(4) read with regulation 23(3)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to Related Party Transactions, dated April 08, 2022 (“Circular”).**
 - SEBI *vide* the Circular has provided clarification on validity of the shareholders’ approval of omnibus RPTs approved in a general meeting.
 - For RPTs approved in an AGM, the validity of the omnibus approval shall be upto the date of the next AGM for a period not exceeding 15 (fifteen) months.
 - For RPTs approved in general meeting other than AGMs, the validity of such omnibus approvals shall not exceed 1 (one) year.
 - **Link of the Circular.**

[https://www.sebi.gov.in/legal/circulars/apr-2022/clarification-on-applicability-of-regulation-23-4-read-with-regulation-23-3-e-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-in-relation-to-related-party-transactio- 57807.html](https://www.sebi.gov.in/legal/circulars/apr-2022/clarification-on-applicability-of-regulation-23-4-read-with-regulation-23-3-e-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-in-relation-to-related-party-transactio-57807.html)

Deets / Disclaimer

❑ Deets.

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Thank You



There is no wealth like knowledge and no poverty like ignorance - Buddha