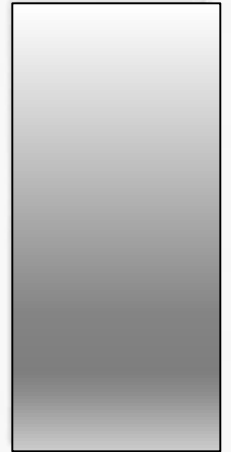


# **LEGALITE** ADVISORS

IMPORTANT LEGAL UPDATES FOR MAY, 2022



# Companies Act

- **The Ministry of Corporate Affairs (“MCA”) - general circular no.6/2022 on relaxation in paying additional fees in case of delay in filing by limited liability partnership (“LLP”) dated 31st May, 2022 (“Circular”).**
  - The MCA *vide* the Circular has provided relaxation in paying additional fees with respect to filing all the event based LLP E-forms, due dates of which are falling between February 25,2022 to May 31, 2022 up to 30<sup>th</sup> June, 2022.
  - **Link of the Circular.**  
<https://www.mca.gov.in/bin/dms/getdocument?mds=xVZAKAA2Ap%252B7ha8Y%252FML4fw%253D%253D&type=open>

## Companies Act (Contd...)

- **The Ministry of Corporate Affairs (“MCA”) – notification no. G.S.R (E) on the Companies (Accounts) Third Amendment Rules, 2022 dated May 31, 2022 (“Notification”).**
  - The MCA *vide* the Notification has further amended the Companies (Accounts) Rules, 2014 (“**Rules**”) which shall come into force on the date of publication in the official gazette.
  - *Vide* the said amendment, the MCA has further extended the due date for filing of Form CSR-2 for the FY 2020-2021 from May 31, 2022 to June 30, 2022 for all the companies covered under the provision of section 135(1) of the Companies Act, 2013 and which are required to furnish a report on Corporate Social Responsibility in Form CSR-2 with the Registrar of Companies.
  - Further, the MCA has inserted a proviso after the proviso to rule 12(1B) of the Rules which specifies that the Form CSR-2 for the FY 2021-2022 shall be filed separately on or before March 31, 2023 after the filing of e-form AOC-4 or e-form AOC-4 XBRL or AOC-4 NBFC (Ind AS), as the case may be.
  - **Link of the Notification.**  
<https://www.mca.gov.in/bin/dms/getdocument?mds=etX2rFPydhq%252FwWixdv5zXQ%253D%253D&type=open>

## Companies Act (Contd...)

- **The Ministry of Corporate Affairs (“MCA”) - Notification No. G.S.R 401(E) on the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2022 dated May 30, 2022 (“Notification”).**
  - The MCA *vide* the Notification has amended the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 pursuant to which a company or a body corporate incorporated in a country sharing a land border with India is required to submit a declaration in Form CAA-16 at the time of making an application for compromise or arrangement.
  - As per the said amendment, a compromise or an arrangement between an Indian Company and a company or body corporate which has been incorporated in a country which shares land border with India i.e China, Pakistan, Bangladesh, Afghanistan, Nepal, Bhutan and Myanmar shall not be effective unless a declaration in Form No.CAA-16 is provided at the stage of submission of application under section 230 of the Companies Act, 2013.
  - The format of Form No.CAA.16 is enclosed in the Notification.
  - **Link of the Notification.**  
<https://egazette.nic.in/WriteReadData/2022/236112.pdf>

## Companies Act (Contd...)

- **The Ministry of Corporate Affairs (“MCA”) – general circular no. 05/2022 on section 8 companies carrying out micro finance/micro credit activities dated May 30, 2022 (“Circular”).**
  - The MCA *vide* direction letter no. No. 05/33/2017 dated February 10, 2020 and letter dated August 31, 2020 specifically prohibited inclusion of micro finance activities in the object clause of section 8 companies unless the Net Owned Fund (NOF) and other requirement as laid down by RBI are complied with.
  - However the MCA has observed that after incorporation of said section 8 companies, many of them have started amending their object clause in order to carry out micro finance activities by way of passing special resolution, and subsequently filing e-Form MGT-14 with respective Registrar of Companies (“**ROCs**”).
  - The MCA has directed that the offices of Director General of Corporate Affairs (**DGCOA**) shall ensure strict compliance with the instruction by all RoCs. The MCA further directed that RoCs shall circulate these directions to all the officers/officials to ensure due examination in accordance with law while processing the e-forms relating to the incorporation of companies and change in objects.
  - **Link of the Circular.**  
<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MTEwNjkyMTQ2&docCategory=Circulars&type=open>

## Companies Act (Contd...)

- **The Ministry of Corporate Affairs (“MCA”) - general circular no. 04/2022 on relaxation in paying additional fees in case of delay in filing e-form 11 (Annual Returns) by limited liability partnership (“LLP”) dated 27th May, 2022 (“Circular”).**
  - On the account of various representations received from the MCA users for seeking extension on timelines for filing e-form 11 i.e Annual Return of LLP and in the view of the transition from version-2 of MCA-21 to version-3 of MCA-21, the MCA *vide* the Circular has allowed LLPs to file e-form 11 (Annual Return of Limited Liability Partnership) for the financial year 2021-2022 without paying additional fees up to **June 30<sup>th</sup>, 2022.**
  - **Link of the Circular.**  
<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MTAzNjcwNjAw&docCategory=Circulars&type=open>

## Companies Act (Contd...)

□ **The Ministry of Corporate Affairs (“MCA”) - notification No. G.S.R \_(E)-on the Companies (Incorporation) Second Amendment Rules, 2022 dated May 20, 2022 (“Notification”).**

- The MCA *vide* the Notification has amended the Companies (Incorporation) Rules, 2014, which shall come into the force *w.e.f* June 01, 2022.
- *Vide* the said amendment, the MCA has substituted Form No. INC-9 i.e. a declaration by subscribers and first directors that they are non-convicted under any act and non-guilty of any offence.
- Further *Vide* the said amendment the MCA has modified Form No.INC-32 (SPICe+) by inserting a declaration in Part-B at the end namely.

*“I on behalf of the proposed directors, hereby declares 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 (*If yes is opted, a copy of the security clearance is to be attached*)
- No

▪ **Link of the Notification.**

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=OTk2MzQ2NzU=&docCategory=Notifications&type=open>

## Companies Act (Contd...)

- The Ministry of Corporate Affairs (“MCA”) – general circular 2/2022 on relaxation to conducting extra ordinary general meetings through video conferencing (“VC”) or other audio visual means (“OAVM”) dated May 05, 2022 (“Circular”).
  - MCA *vide* the Circular has further granted relaxation to allow the companies to conduct their extra ordinary general meetings through VC or OVAM mode or to transact the items through postal ballot in accordance with the framework provided in earlier circulars (*details whereof are given in the enclosed Circular*) up to **December 31, 2022** and all ordinary and special resolution passed shall be considered as valid.
  - **Link of the Circular.**  
<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=Nzg2Mjk4MzY=&docCategory=Circular&type=open>



## Companies Act (Contd...)

- **The Ministry of Corporate Affairs (“MCA”) - notification no. G.S.R 338(E) on the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2022 dated May 05, 2022 (“Notification”).**
- The MCA vide the Notification has amended the Companies (Prospectus and Allotment of Securities) Rules, 2014 (“**Rules**”) which shall come into force w.e.f May 05, 2022 as under:

After the fourth proviso of Rule 14 (1), a new proviso shall be inserted, which stipulates 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 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.

A consequential change has been made to the private placement offer letter format Form PAS-4 wherein new field has been inserted in Part B of the Annexure to Form PAS-4 in order to enforce the requirement as detailed above.

- **Link of the Notification.**

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=Nzg2MjU1Nzg=&docCategory=Notifications&type=open>

## Companies Act (Contd...)

- The Ministry of Corporate Affairs (“MCA”) – general circular 2/2022 on relaxation to conducting an annual general meeting through video conferencing (“VC”) or other audio visual means (“OAVM”) dated May 05,2022 (“Circular”).
  - MCA *vide* the Circular has further granted relaxation to allow the companies whose annual general meetings (“AGM”) are due in the year 2022, to conduct the said AGM through VC or OVAM mode on or before **December 31, 2022**.
  - The said Circular further clarifies that the relaxation should not be constructed as the extension time for holding of AGMs under the Companies Act, 2013.
  - **Link of the Circular.**  
<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=Nzg2MzA1NTc=&docCategory=Circulars&type=open>

## Companies Act (Contd...)

- **The Ministry of Corporate Affairs (“MCA”) - notification no. G.S.R 335(E) on the Companies (Share Capital and Debentures) Amendment Rules, 2022 dated May 04, 2022 (“Notification”).**
  - The MCA *vide* the Notification has amended the Companies (Share Capital and Debentures) Rules, 2014 (**Rules**) which shall come into force *w.e.f* May 04, 2022.
  - The Notification pertains to the insertion of a declaration in Form No.SH-4 (securities transfer forms) with regards to whether transferee is required to obtain Government approval under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to the transfer of shares or not (“**Declaration**”). If such approval is required, then a copy of approval is to be attached with the said Form No.SH-4.
  - The language on the said Declaration is enclosed in the Notification.
  - **Link of the Notification:**  
<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=Nzg2MjcwNzE=&docCategory=Notifications&type=open>

# Securities Law

- **The Securities and Exchange Board of India (“SEBI”) circular no. SEBI/HO/DDHS/P/CIR/2022/0063 (“Circular/SEBI Circular”) on relaxation from compliance with regulation 58(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) dated May 13, 2022.**
  - This Circular is in continuation to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 w.r.t. providing relaxation from dispatching the hard copies of the financial statement in compliance with the provisions of Regulation 58(1)(b) of SEBI LODR.
  - The SEBI vide Circular dated May 13, 2022, has relaxed the companies upto December 31, 2022 which has its non-convertible securities listed from complying with the provisions of dispatching of hard copies of the audited Financial Statement along with the auditor’s report thereon, for the year ended 2022, as prescribed under the provisions of Section 136 of the Companies Act, 2013 and relevant rules framed thereunder to those holders of non-convertible securities whose email ids are not registered.
  - Further, the SEBI Circular is effective from May 13, 2022 and is in consonance with the MCA Circular dated May 05, 2022.

# Securities Law (Contd...)

- Summary

- ✓ Relaxation from: Regulation 58(1)(b) of SEBI LODR
- ✓ Relaxation for F.Y. ended: March 31, 2022
- ✓ Relaxation w.e.f.: May 13, 2022
- ✓ Relaxation upto: December 31, 2022

- **Link of the Circular**

[https://www.sebi.gov.in/legal/circulars/may-2022/relaxation-from-compliance-with-certainprovisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-for-entities-with-listed-non-convertible-securities\\_58924.html](https://www.sebi.gov.in/legal/circulars/may-2022/relaxation-from-compliance-with-certainprovisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-for-entities-with-listed-non-convertible-securities_58924.html)

- **Link of the MCA Circular**

<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=Nzg2Mjk4MzY=&docCategory=Circulars&type=open>  
<https://www.mca.gov.in/bin/ebook/dms/getdocument?doc=MTM1MTk=&docCategory=Circulars&type=open>

## Securities Law (Contd...)

- **The Securities and Exchange Board of India (“SEBI”) Circular No.: SEBI/HO/CFD/CMD2/CIR/P/2022/62 (“Circular/SEBI Circular”) on Relaxation From compliance with Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) dated May 13, 2022.**
  - This Circular provides relaxation from the compliance of Regulation 36(1)(b) of SEBI LODR w.r.t. compliance of dispatching of hard copy of the **annual report** containing salient features in accordance with the provisions of Section 136 of the Companies Act, 2013 to those shareholders whose email ids are not registered with the Company. The relaxation is granted upto **December 31, 2022**.
  - The Circular provides that the notice of an Annual General Meeting being published by way of an advertisement in accordance with the provisions of Regulation 47 of SEBI LODR, shall also contain the link of the website, wherein Annual Report has been placed.
  - Further, the provisions of Regulation 36(1)(c) of SEBI LODR, shall be applicable to the listed entities, meaning, the listed entities shall dispatch a hard copy of the annual report to those shareholder(s) who **requests** for the same.
  - The requirement of sending proxy forms as required under Regulation 44(4) of SEBI LODR, is dispensed with till **December 31, 2022** wherein General Meetings are held through **electronic mode** only.

## Securities Law (Contd...)

- The SEBI vide Circular dated May 13, 2022, has relaxed the companies **upto December 31, 2022** which has its non-convertible securities listed from complying with the provisions of dispatching of hard copies of the audited Financial Statement along with the auditor's report thereon, for the year ended 2022, as prescribed under the provisions of Section 136 of the Companies Act, 2013 and relevant rules framed thereunder to those holders of non-convertible securities whose email ids are not registered.
- This SEBI Circular is **effective from May 13, 2022.**
- Summary
  - ✓ **Relaxation from:** Regulation 36(1)(b) of SEBI LODR
  - ✓ **Relaxation for F.Y. ended:** March 31, 2022
  - ✓ **Relaxation w.e.f.:** May 13, 2022
  - ✓ **Relaxation upto:** December 31, 2022
- **Link of the Circular:**  
[https://www.sebi.gov.in/legal/circulars/may-2022/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015\\_58920.html](https://www.sebi.gov.in/legal/circulars/may-2022/relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015_58920.html)

## Deets / Disclaimer

### ❑ Deets.

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**Thank You**



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