



## Inside this edition

- MCA has mandated the Security clearance from the Ministry of Home Affairs in case of Foreign Nationals.
- Implementation of filing of Form CSR-2 by the Company
- Amendments in Removal of Names of Companies from the Register of Companies Rules.
- Restoration of name of Independent Director's in the Databank
- National Financial Reporting Authority Amendment Rules, 2022
- Relaxation of additional fees on filing of Form No. 11 by Limited Liability Partnerships

& more

### **MCA has mandate the Security clearance from the Ministry of Home Affairs in case of Foreign Nationals.**



The Ministry of Corporate Affairs (MCA) vide its notification dated June 01, 2022 has notified the Companies (Appointment and Qualification of Directors) Amendment Rules, 2022 which shall come into force on the date of its publication in the Official

Gazette. The amendments interalia provide that:

- In case the person seeking appointment is a national of a country which shares land border with India, necessary security clearance from the Ministry of Home Affairs shall also be attached along with the consent (Form DIR2).
- No application number shall be generated in case of the person applying for Director Identification Number (DIN) is a national of a country which shares land border with India, unless necessary security clearance from Ministry of Home Affairs has been attached along with application for DIN (Form DIR-3).{Insertion of proviso to Rule 10(1)}
- In form DIR-12 a declaration is inserted to be opted by person seeking appointment as director as to whether the national of a country which shares land border with India has sought necessary security clearance from Ministry of Home Affairs or not.

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### **Implementation of filing of Form CSR-2 by the Company**

The Ministry of Corporate Affairs through its notification on May 31, 2022 has notified the Companies (Accounts) Third Amendment Rules, 2022, which shall come into force on the date of its publication in the

Official Gazette. According to the amendment under rule below changes are mentioned:

- For financial year (2020-2021), Form CSR-2 shall be filed separately on or before 30th June 2022 after filing Form AOC-4 or AOC-4 XBRL or AOC-4 NBFC (Ind AS), as the case may be.
- For the financial year (2021-2022), Form CSR-2 shall be filed separately on or before 31st March, 2023 after filing Form AOC-4 or AOC-4 XBRL or AOC-4 NBFC (Ind AS), as the case may be.

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### **Amendments in Removal of Names of Companies from the Register of Companies Rules.**



MCA vide its notification has notified the Companies (Removal of Names of Companies from the Register of Companies) Amendment Rules, 2022. According to the amendment new sub-rule (3) to rule 4 is inserted pertaining to

application for removal of company, which is defining timelines for re-submission of Form STK-2 as follows:

- On examining the application made in Form STK-2, the Registrar shall, if required, call for further information/document and inform the applicant to re-submit the complete Form within 15 days' of servicing such information to applicant.
- After re-submission of Form, if Registrar finds that the Form or document is again defective or incomplete in any respect, then further period of 15 days' time for removal of defects shall be given to the applicant.

For the purposes of the rules the format of Form No. STK-1, Form No. STK-5 and Form No. STK-5A are substituted.

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### **Restoration of name of Independent Director's in the Databank**



MCA vide its notification has notified the Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2022. According to the amendment sub-rule 5 is inserted under rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, which is specifying, any individual whose name has been removed from the databank may apply for restoration of his name on payment of fees of Rs. 1000 and the Indian Institute of Corporate Affairs shall allow such restoration subject to the following conditions, namely:

- his name shall be shown in a separate restored category for a period of one year from the date of restoration within which, he shall be required to pass the online proficiency self-assessment test and thereafter his name shall be included in the databank, only, if he passes the said online proficiency self-assessment test and in such case, the fees paid by him at the time of initial registration shall continue to be valid for the period for which the same was initially paid; and
- in case he fails to pass the online proficiency selfassessment test within one year from then date of restoration, his name shall be removed from the data bank and he shall be required to apply afresh for inclusion of his name in the databank.

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### **National Financial Reporting Authority Amendment Rules, 2022**

MCA vide its notification has notified The National Financial Reporting Authority (NFRA) Amendment Rules, 2022. The amendment substituted Rule 13(Punishment in case of non-compliance) of the NFRA Rules, 2018 by stating that, whoever contravenes any of the provisions of these rules, shall be punishable with fine not exceeding Rs. 5000, and where the contravention is continuing one, with a further fine not exceeding Rs. 500 for every day after the first during which the contravention continues.

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### **Relaxation of additional fees on filing of Form No. 11 by Limited Liability Partnerships**



The Ministry of Corporate Affairs (MCA) vide its notification and in continuation of MCA General Circular No. 04/2022 dated 27.05.2022 decided to further extend the timeline and allow Limited Liability Partnerships to file eForm 11 (Annual Return) for the financial year 2021-2022 without paying additional fees up to July 15, 2022.

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### **All demat accounts maintained by stock brokers need to be tagged by June-end**

Capital markets regulator SEBI said all demat accounts of stock brokers, which are untagged, need to be appropriately tagged by June-end. Credit of securities will not be allowed in any demat account left untagged from July 01 onwards. However, credits on account of corporate actions will be permitted, the Securities and Exchange Board

of India (SEBI) said in a circular. Tagging of bank and demat accounts reflect the purpose for which those bank/demat accounts are being maintained and the reporting of such accounts to the stock exchanges/depositories. SEBI further said that debit of securities will also not be allowed in any demat account left untagged from August.

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### **Adjudication order in the matter of ADF Foods Limited**



SEBI imposed a penalty Rs. 40 lakh on two promoters of ADF Foods Limited and four others in a case related to insider trading. The amount has to be paid by notices jointly and severally. SEBI, based on an alert generated by NSE, had conducted an investigation into

the trading of scrip of ADF Foods Ltd. for the period May 2016 to July 2016. Pursuant to the investigation, the regulator observed that in May 2016, the discussion of the idea to undertake buyback or payment of the dividend was first tabled at a meeting.

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## CONTACT DETAILS:

### Head Office

3<sup>rd</sup> floor, MJ Tower, 55 Rajpur Road, Dehradun

T +91.135.2743283, 2747084, 2742026

E [info@vkalra.com](mailto:info@vkalra.com)

W [www.vkalra.com](http://www.vkalra.com)

### Branch Office

80/28 Malviya Nagar, New Delhi

E [info@vkalra.com](mailto:info@vkalra.com)

W [www.vkalra.com](http://www.vkalra.com)

For any further assistance contact our team at

[kmt@vkalra.com](mailto:kmt@vkalra.com)

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