[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
NOTIFICATION

New Delhi, dated the 27th October, 2023

G.S.R. ___ (E).- In exercise of the powers conferred by section 29 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Prospectus and Allotment of Securities) Rules, 2014, namely:-

1. Short title and commencement. - (1) These rules may be called the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023.

(2) They shall come into force on the date of publication in the Official Gazette.

2. In the Companies (Prospectus and Allotment of Securities) Rules, 2014 (hereinafter referred to as the said rules) rule 9 shall be numbered as sub-rule (1) thereof, and after sub-rule (1) as so numbered, the following sub-rules shall be inserted, namely: -

"(2) Every public company which issued share warrants prior to commencement of the Companies Act, 2013 (18 of 2013) and not converted into shares shall, -

(a) within a period of three months of the commencement of the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023 inform the Registrar about the details of such share warrants in Form PAS-7; and

(b) within a period of six months of the commencement of the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2023, require the bearers of the share warrants to surrender such warrants to the company and get the shares dematerialised in their account and for this purpose the company shall place a notice for the bearers of share warrants in Form PAS-8 on the website of the company, if any and shall also publish the same in a newspaper in the vernacular language which is in circulation in the district and in English language in an English newspaper, widely circulated in the State in which the registered office of the company is situated.

(3) In case any bearer of share warrant does not surrender the share warrants within the period referred to in sub-rule (2), the company shall convert the such share warrants into dematerialised form and transfer the same to the Investor Education and Protection Fund established under section 125 of the Act."

3. After rule 9A of the said rules, the following rule shall be inserted, namely:-

"9B. **Issue of securities in dematerialised form by private companies**:- (1) Every private company, other than a small company, shall within the period referred to in sub-rule (2) -

(a) issue the securities only in dematerialised form; and

(b) facilitate dematerialisation of all its securities,

in accordance with provisions of the Depositories Act, 1996 (22 of 1996) and regulations made thereunder.

(2) A private company, which as on last day of a financial year, ending on or after 31st March, 2023, is not a small company as per audited financial statements for such financial year, shall, within eighteen months of closure of such financial year, comply with the provisions of this rule.

(3) Every private company referred to in sub-rule (2) making any offer for issue of any securities or buyback of securities or issue of bonus shares or rights offer, after the date when it is required to comply with this rule, shall ensure that before making such offer, entire holding of securities of its promoters, directors, key managerial personnel has been dematerialised in accordance with the provisions of the Depositories Act, 1996 (22 of 1996) and regulations made thereunder.

(4) Every holder of securities of the private company referred to in sub-rule (2),-

(a) who intends to transfer such securities on or after the date when the company is required to comply with this rule, shall get such securities dematerialised before the transfer; or

(b) who subscribes to any securities of the concerned private company whether by way of private placement or bonus shares or rights offer on or after the date when the company is required to comply with this rule shall ensure that all his securities are held in dematerialised form before such subscription.

(5) The provisions of sub-rules (4) to (10) of rule 9A shall, mutatis mutandis, apply to the dematerialisation of securities under this rule.

(6) The provisions of this rule shall not apply in case of a Government company.".

4. In the Annexure to the said rules, after the Form PAS-6, the following Forms shall be inserted, namely:-

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"Form PAS-7
(Details of pending share warrants)
[Rule 9(2)(a)]

Name of the Company:

CIN:

Details of pending share warrants issued prior to the commencement of Companies Act, 2013 (18 of 2013):-
(For each approval of Central Government in case the approval was sought on more than one occasion)

(i) Date of approval of the Central Government: .....

(ii) Date of issue of share warrants: .....

(iii) Number of shares against which share warrants issued: .....

(iv) Details of persons to whom share warrants issued: .....

Sl. No.	Name of the person to whom share warrants issued	Certificate number against which share warrants issued	Distinctive number of shares against which share warrant issued	Number of shares involved

Declaration

I ____ am authorised by the Board of Directors of the Company *vide* resolution number _____* dated (DD/MM/YYYY)* to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. It is also certified that whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed.

To be digitally signed by

*Designation
(Director/Managing Director/Manager/Company Secretary/Chief Executive Officer/Chief Financial Officer)

*Director identification number (DIN) of the Director; or DIN or Permanent Account Number of the Manager or Chief Executive Officer or Chief Financial Officer; or Membership number of the Company Secretary

Certificate by practicing professional

I ..... (name/category of professional) declare that I have been duly engaged for the purpose of certification of this form. It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and the rules made thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars including attachment(s) from the original/certified records maintained by the company/applicant, which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed.

I further certify that:

1. The records of share warrant have been properly prepared, signed by the required officers of the company and maintained and were found to be in order;

2. All the required attachments have been completely and legibly attached to this form.

* To be digitally signed by
Category of professional

Chartered accountant (in whole-time practice)

Cost accountant (in whole-time practice)

Company secretary (in whole-time practice)

* Whether associate or fellow:

Associate ○ Fellow ○

Membership number

Certificate of practice number

Note: Attention is drawn to provisions of sections 448 and 449 of the Companies Act, 2013 which provide for punishment for false statement/certificate and punishment for false evidence respectively.

This eForm has been taken on file maintained by the Registrar of Companies through electronic mode and on the basis of statement of correctness given by the filing company.

Form PAS-8
(Notice for bearers of pending share warrants)
[Rule 9(2)(b)]

Notice

Name of the Company_____

Pursuant to rule 9(2)(b) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, every bearer of share warrants is required to surrender the relevant share warrants with the company concerned for conversion of warrants into shares in the dematerialised form.

Accordingly, notice is hereby given to every bearer of share warrant by _____ (name of the company) to surrender the relevant share warrants with the company for conversion of such warrants into shares in the dematerialised form.

In case, the share warrants are not surrendered within the period referred to in rule 9(2)(b), the company shall convert the share warrants into shares and transfer the same to Investor Education and Protection Fund established under section 125 of the Companies Act, 2013.

Sd/

On behalf of _____ (Name of the Company).".

F.NO. 1/21/2013-CL-V

(Inder Deep Singh Dhariwal)
Joint Secretary to the Government of India

Note:—The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 251(E), dated the 31st March, 2014 and lastly amended *vide* notification G.S.R. 37(E), dated the 20th January, 2023.