

Declaration for Subscription and Transfer of Securities

This Update is meant for general information and shall not be deemed to be a legal advice or opinion. This Update is neither intended to be an advertisement or solicitation.

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- **Declaration under Securities Transfer Form**
MCA has modified **Form No. SH.4**, which is the instrument of transfer of securities held in *physical form*.
 - In **Form No. SH.4**, a transferee is now required to *declare* whether a government approval under the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**NDI Rules**”) is required prior to transfer of shares.
 - In case a government approval under the NDI Rules is required prior to transfer of shares, the same is required to be obtained and enclosed along with **Form No. SH.4**.
- **Declaration under Private Placement Offer cum Application Letter**
MCA has amended the Companies (Prospectus and Allotment of Securities) Rules, 2014 and restricted companies from making an offer or invitation of securities to a national of, or body corporate incorporated in, a country which shares a land border with India, unless a government approval under the NDI Rules has been obtained.
 - In a **Private Placement Offer cum Application Letter (Form PAS-4)**, an applicant is now required to *declare* whether a government approval under the **NDI Rules** is required prior to subscription of shares.
 - In case a government approval under the NDI Rules is required prior to subscription of shares, the same is required to be obtained and enclosed along with **Form PAS-4**.

The aforementioned was notified by MCA vide notifications dated May 4, 2022 ([available here](#)) and May 5, 2022 ([available here](#)), respectively.