

SEBI

➤ **Framework for issue of Depository Receipts**

(Circular dated 10th October, 2019)

- The Market Regulator, SEBI has issued a circular providing framework for issue of Depository Receipts (DRs) applicable to DRs issued by a Listed Company post October 10, 2019.
- The framework provides detailed procedure that needs to be followed for issuance of DRs, besides eligibility criteria for listed companies and obligations of Indian as well as foreign depositories and domestic custodians.

For further details, please refer the following link:

<https://bit.ly/2BiNPHQ>

➤ **Compliance by Listed entities / material subsidiaries w.r.t appointment / resignation of statutory auditor**

(Circular dated 18th October, 2019)

- **Terms of appointment**
 - a. The listed entity / material subsidiary shall at the time of appointment / re-appointment of an auditor, ensure to cover following conditions in terms of appointment:
 - i. To issue limited review / audit report, before resignation (for such period as specified under circular)
 - ii. To report concerns hampering the audit process of listed entity / its material subsidiary to Chairman of the Audit Committee.
 - iii. To provide an appropriate disclaimer in audit report in accordance with the Standards of Auditing as specified by ICAI / NFRA in case of non-receipt of information from management.
 - b. The PCS shall certify compliance by the listed entity / material subsidiary on above terms of appointment in annual secretarial compliance report
- **Information to be obtained on resignation**
Upon resignation, listed entity / its material subsidiary shall obtain information from auditor in the prescribed format and disclose the same to Stock Exchange.
- **Disclosure of Audit Committee's views to the Stock Exchanges**
 - a. Upon resignation, the Audit Committee shall deliberate upon auditor's concern w.r.t its resignation not later than next Audit Committee meeting and communicate its views to the management.
 - b. The listed entity shall disclose the Audit Committee's views to the stock exchanges within 24 hours from date of such meeting.

For further details, please refer the following link:

<https://bit.ly/35J9FSB>

Stock Exchange

➤ **Amendment in the criteria for Migration from SME to Main Board of the Exchange**

(Notification dated 14th October, 2019)

- BSE has notified an additional criteria to the existing criteria for any Company desiring to migrate from the SME Board to the Main board of the Exchange.
- The Company shall now ensure that it complies with following criteria for migration:

Existing criteria

- a. The post issue capital shall be more than Rs. 10 crs.
- b. The company/ its directors/ promoters have not been debarred by SEBI.

Additional criteria

- c. **Market Capitalization calculated on Weighted Average Price (WAP) of preceding 20 traded days from the date of submission of application to the Exchange shall be minimum Rs. 25 crs.**

As per our informal discussion with the exchanges, the aforementioned criteria is for Companies migrating post completion of 2 yrs from date of listing. The exchange may soon issue clarification in this regard.

For further details, please refer the following link:

<https://bit.ly/31iKgvL>

RBI

➤ **Replacement of FEMA Regulations 20(R) and 21(R)**

(Notifications dated 17th October, 2019)

- In supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2017 (FEMA Regulation 20(R)) and Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations 2018 (FEMA Regulation 21(R)), the Reserve Bank of India has notified the following Regulations and Rules:
 - a. Foreign Exchange Management (Debt Instruments) Regulations, 2019 (Notification No. FEMA 396/2019-RB dated 17th October, 2019)
 - b. Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (Notification No. S.O. 3732(E) dated 17th October, 2019)
 - c. Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 (Notification No. FEMA 395/2019-RB dated 17th October, 2019)

For further details, please refer the following links:

<https://bit.ly/2MWiccw>; <https://bit.ly/2pCh9Xe>; <https://bit.ly/2Mu3SZO>

<https://bit.ly/2MUVj99>

MCA

➤ **Expansion of the scope of corporate spend under the Corporate Social Responsibility (CSR) norms**
(Circular dated: 11th October, 2019)

- Till date, companies were allowed to provide CSR funds to technology incubators located within Centre-approved academic institutions.
- The amendment has widened scope of CSR activities and companies can now contribute towards research across various fields such as science, technology, medicine. Besides, CSR fund can be spent on incubators funded by the Centre or state or any state-owned companies.

For further details, please refer the following link:

<https://bit.ly/2BgTWwk>

➤ **Last date for filing DIR-3 KYC expired! Opportunity to redeem**

(News and Updates dated: 15th and 16th October, 2019)

- The last date for filing DIR-3 KYC for the financial year ended 31st March, 2019 has expired on 14th October 2019.
- The DINs of Directors which have not complied with the requirements of filing DIR-3 KYC, have been marked as 'Deactivated due to non-filing of DIR-3 KYC' and are not allowed for filing any e-forms on MCA21 portal.
- In order to re-activate deactivated DIN, DIN holder shall file 'KYC' using e-form DIR-3 KYC or DIR-3-KYC-WEB service as applicable with prescribed fee of Rs. 5000/-

For further details, please refer the following link:

<https://bit.ly/2lIXeR7>

➤ **Inactive Companies permitted to file Form –DIR-12 in exceptional cases**

(Notification dated 16th October, 2019)

- The companies which are inactive as on date, due to non-filing of e-Form ACTIVE (Form INC 22-A), are now permitted to file Form DIR-12 for change in Directors, in following exceptional cases:
 - a. cessation of any director;
 - b. appointment of directors, where total number of directors are less than minimum number required, on account of disqualification of all /any of director;
 - c. appointment of director, where DINs of all or any director(s) have been deactivated; or
 - d. appointment of director(s) for implementation of the order passed by Court or Tribunal or Appellate Tribunal under Companies Act, 2013 or under the Insolvency and Bankruptcy Code, 2016.

For further details, please refer the following link:

<https://bit.ly/2oLQN50>

➤ **Shifting of Registered Office within same State**
(Circular dated 16th October, 2019)

- The application for shifting of registered office shall be examined by Regional Director and order thereon shall be passed within 15 days of the receipt of application.
- The certified copy of the order received from Regional director shall be filed in Form INC-28 within 30 days from the date of receipt of certified order copy.

For further details, please refer the following link:

<https://bit.ly/2oLQN50>

Our Services

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