

# Info Capsule



THE INSTITUTE OF  
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

October 14, 2019

## **1. Framework for issue of Depository Receipts (CIRCULAR No. SEBI/HO/MRD/DOP1/CIR/P/2019/106 dated: October 10, 2019)**

Referring to provisions under Section 41 of the Companies Act, 2013, Companies (Issue of Global Depository Receipts) Rules, 2014 ('GDR Rules'), the Depository Receipts Scheme, 2014 ('DR Scheme'), Reserve Bank of India ('RBI') notification dated December 15, 2014, Central Government notification dated September 18, 2019 and Central Government notification dated October 07, 2019, SEBI has decided that only 'a company incorporated in India and listed on a Recognized Stock Exchange in India' ('Listed Company') may issue Permissible Securities or their holders may transfer Permissible Securities, for the purpose of issue of Depository Receipts ('DRs'), subject to various compliances given in the circular.

Accordingly a listed company shall be eligible to issue Permissible Securities, for the purpose of issue of DRs, if:

- (a) the Listed Company, any of its promoters, promoter group or directors or selling shareholders are not debarred from accessing the capital market by SEBI;
- (b) any of the promoters or directors of the Listed Company is a promoter or director of any other company which is not debarred from accessing the capital market by SEBI;
- (c) the listed company or any of its promoters or directors is not a wilful defaulter;
- (d) any of its promoters or directors is not a fugitive economic offender.

The detailed circular is available at: [https://www.sebi.gov.in/legal/circulars/oct-2019/framework-for-issue-of-depository-receipts\\_44609.html](https://www.sebi.gov.in/legal/circulars/oct-2019/framework-for-issue-of-depository-receipts_44609.html)