

# Info Capsule

Friday  
March 05, 2021

**President :** CS Nagendra D. Rao

**Vice President :** CS Devendra V. Deshpande

## ❖ **International Business**

**G20 significant economies have consented to raise International Monetary Fund (March 5, 2021)**

G20 significant economies have consented to raise International Monetary Fund holds with another allotment of the asset's own unique drawing rights (SDRs) money, the IMF's head said on Tuesday, March 02, 2021, in a possible lift for loaning to helpless nations.

*For details:*

*<https://neighborwebsj.com/uncategorized/4247260/g20-significant-economies-have-consented-to-raise-international-monetary-fund/>*



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## ❖ **Ministry of Finance**

**Enabling Dealings by IFSC – Banking Units in Bullion Unallocated Accounts (March 04, 2021)**

To facilitate development of the bullion market in India, generate interest in trading & hedging activities, and serve as a precursor to International Bullion Exchange (IBE), an enabling framework for Banking Units in IFSC to operate Unallocated Accounts has been notified.

The following activities are permitted under the International Financial Services Centres Authority (Banking) Regulations, 2020:

- a) The BUs are permitted to open Unallocated Accounts for undertaking Trading activities under Clause 13(3) of the regulations. To enable such activities, BUs may permit the opening of accounts by their customers under Clause 11 of the regulations.
- b) The BUs are permitted to participate in derivative transactions through Unallocated Accounts under Clause 13 (6) of the regulations. All BUs (IBU/FBU) are permitted to open Unallocated Accounts in Gold (XAU) and Silver (XAG) subject to the Risk Management Framework and Disclosures.

An enabling framework for Banking Units in IFSC to operate Unallocated Accounts for the purpose of trading, hedging and swapping with Physical Gold / Silver is being notified with the following objectives:

- To mitigate the risks of the prospective clients of Banking Units who may be looking to buy/ sell or take positions in gold/silver or for the purpose of trading or to hedge their exposures in bullion.
- To aid in financialization of gold as an asset class.

The aforesaid enabling framework shall encourage Trading, Hedging & Swapping with Physical Gold/Silver.

The detailed framework may be accessed from the following link : <https://ifsc.gov.in/Viewer/Index/156>

*For details:*

*<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1702546>*

## ❖ **Direct Tax**

### **Circular under section 10 of the Direct Tax Vivad se Vishwas Act, 2020 (Circular No. 3 Dated March 4, 2021)**

Vivad se Vishwas Act, 2020 provides that the designated authority 'DA' shall pass a determination order within 15 days from the date of receipt of the declaration and also required to pass another order for full and final settlement of the tax arrear. Representations have been received from the field authorities that under the Income-tax Act, 1961 'the Act', there is no provision available to the Assessing Officer to give effect to the order passed by the DA under Direct Tax Vivad se Vishwas Act, 2020. Accordingly, it is hereby clarified that where the DA has passed orders under Direct Tax Vivad se Vishwas Act, 2020, the Assessing Officer shall pass consequential order under the Act.

*For details:*

[https://www.incometaxindia.gov.in/communications/circular/circular\\_3\\_2021.pdf](https://www.incometaxindia.gov.in/communications/circular/circular_3_2021.pdf)

## ❖ **Business and Economics News**

### • **EPFO liquidates equity outlay, retains 8.5% payout for FY21 [Dated March 5, 2021]**

Amid falling interest rate, the Employees Provident Fund Organisation (EPFO) has managed to hold on to 8.5% rate for the current financial year, providing relief to its nearly five crore active subscribers. Many will be hit hard by the government's move to tax returns if contributions top Rs 2.5 Lakh annually.

*For details:*

<https://timesofindia.indiatimes.com/business/india-business/epfo-liquidates-equity-outlay-retains-8-5-payout-for-fy21/articleshow/81340061.cms>

### • **Banks may seek extension of freeze on NCLT proceedings [Dated March 5, 2021]**

Bankers are worried that there will be a flood of applications at the National Company Law Tribunal (NCLT) after the government suspension of insolvency proceedings ends on March 25 this year. Some resolution cases like Future Retail could get derailed if operational creditors initiate insolvency proceedings. A section of bankers feels that the government can use the leeway under the amendment and extend the suspension up to June, 2021.

*For details:*

<https://timesofindia.indiatimes.com/business/india-business/banks-may-seek-extension-of-freeze-on-nclt-proceedings/articleshow/81338008.cms>

## ❖ **Terminology for today**

### **Garnishment**

A legal process whereby a debtor's personal property is seized in order to satisfy a debt or court award.

## ❖ Ministry of Commerce & Industry

**India attracted total FDI inflow of US\$ 67.54 billion during April to December 2020; FDI equity inflow grew by 40% in the first 9 months of F.Y. 2020-21 (US\$ 51.47 billion)( March 04. 2021 )**

Foreign Direct Investment (FDI) is a major driver of economic growth and an important source of non-debt finance for the economic development of India. It has been the endeavor of the Government to put in place an enabling and investor friendly FDI policy. The intent all this while has been to make the FDI policy more investor friendly and remove the policy bottlenecks that have been hindering the investment inflows into the country. The steps taken in this direction during the last six and a half years have borne fruit, as is evident from the ever-increasing volumes of FDI inflows being received into the country. Continuing on the path of FDI liberalization and simplification, Government has carried out FDI reforms across various sectors.

Measures taken by the Government on the fronts of FDI policy reforms, investment facilitation and ease of doing business have resulted in increased FDI inflows into the country. The following trends in India's Foreign Direct Investment are an endorsement of its status as a preferred investment destination amongst global investors:

- India has attracted total FDI inflow of US\$ 67.54 billion during April to December 2020. It is the highest ever for the first ninth months of a financial year and 22% higher as compared to the first ninth months of 2019-20 (US\$ 55.14 billion).
- FDI equity inflow grew by 40% in the first 9 months of F.Y. 2020-21 (US\$ 51.47 billion) compared to the year ago period (US\$ 36.77 billion).
- FDI inflow increased by 37% in 3rd Quarter of 2020-21 (US\$ 26.16 billion) compared to 3rd quarter of 2019-20 (US\$ 19.09 billion).
- FDI inflow showed positive growth of 24% in the month of December, 2020 (US\$ 9.22 billion) compared to December, 2019 (US\$ 7.46 billion)

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1702438>

## ❖ Market Watch

### Stock Market Indices as on 05.03.2021

S & P BSE Sensex	50405.32 (-440.76)
Nifty 50	14938.10 (-142.65)

### Foreign Exchange Rates as on 04.03.2021

(<https://www.fbil.org.in/#/home>)

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR/ 1 JPY
72.7126	101.4753	87.6851	.6788

### Prepared by Directorate of Academics

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