

Info Capsule

Friday
December 10, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ **Insolvency and Bankruptcy**

IBBI Quarterly Newsletter for Jul-Sep, 2021 (December 08, 2021)

Insolvency and Bankruptcy Board of India (IBBI) issued quarterly newsletter for the July-September, 2021, the newsletter inter-alia carries information pertaining to various order issued by Courts/NCLT/NCLAT, recent updates, details of recent MoUs signed by IBBI and data pertaining to CIRPs and Liquidations etc.

For details:

https://ibbi.gov.in/uploads/what_snew/fe8c71b65477be42045dd9d0a9a88656.pdf



**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)



❖ **Direct Tax**

• **Notification No. 135 (December 08, 2021)**

The Protocol, amending the Agreement between the Government of the Republic of India and the Government of the Kyrgyz Republic for the avoidance of double taxation and for the prevention of fiscal evasion with respect to taxes on income which was signed at New Delhi on 13th April, 1999, has been signed at Bishkek, Kyrgyz Republic on 14th June, 2019, as set out in the Annexure. The date of entry into force of the said amending Protocol is the 22nd October, 2020, being the date of the later notification of the completion of the procedures required by the respective laws for the entry into force of the said amending Protocol, in accordance with Article 3 of the said amending Protocol.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 90 of the Income-tax Act, 1961, the Central Government hereby notifies that all the provisions of the said amending Protocol shall have effect in the Union of India.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-135-2021.pdf>

• **Notification No. 134 (December 06, 2021)**

The Central Government hereby specifies the Jeevan Akshay-VII Plan of the Life Insurance Corporation of India, as filed by that Corporation with the Insurance Regulatory and Development Authority, as the annuity plan of the Life Insurance Corporation of India for the purposes of the clause (xii) of sub-section (2) of Section 80C of the Income-tax Act, 1961 for the assessment year 2021-22 and subsequent years.

For details:

<https://incometaxindia.gov.in/communications/notification/notification-no-134-2021.pdf>

❖ **Securities Laws & Capital Markets**

SEBI Circular

- **Transaction in Corporate Bonds through Request for Quote platform by Portfolio Management Services (PMS) (December 09, 2021)**

In order to enhance transparency pertaining to debt investments by Portfolio Management Services (PMS) in corporate bonds and to increase liquidity on exchange platform, SEBI has prescribed that on a monthly basis, PMS shall undertake at least 10% of their total secondary market trades by value in CBs in that month by placing/seeking quotes through one-to-one (OTO) or one-to-many (OTM) mode on the Request for Quote platform of stock exchanges (RFQ). In order to ensure compliance with the abovementioned 10 percent requirement, PMS shall consider the trades executed by value through OTO or OTM mode of RFQ with respect to the total secondary market trades in CBs, during the current month and immediate preceding two months on a rolling basis. The above shall come into force with effect from April 1, 2022.

For details:

https://www.sebi.gov.in/legal/circulars/dec-2021/transaction-in-corporate-bonds-through-request-for-quote-platform-by-portfolio-management-services-pms_54523.html

CONSULTATION PAPER

- **Consultation Paper on Algorithmic Trading by Retail Investors (December 09, 2021)**

SEBI has placed a consultation paper for public comments on algorithmic trading being done by retail investors including use of API access and automation of trades using the same, latest by January 15, 2022. SEBI, from time to time, has provided broad guidelines on algorithmic trading according to which any order that is generated using automated execution logic shall be known as Algorithmic Trading. Generally, the features of algorithmic trading ('algo trading') include using a defined set of instructions in the form of algos to generate trading signals and placing orders. The algo trading system automatically monitors the live stock prices and initiates an order when the given criteria are met. This frees the trader from having to monitor live stock prices and initiate manual order placement.

For details:

https://www.sebi.gov.in/reports-and-statistics/reports/dec-2021/consultation-paper-on-algorithmic-trading-by-retail-investors_54515.html

❖ **Business and Economic News**

- **Reliance Capital slides 5%; company asks creditors to submit claims (December 09, 2021)**

Shares of beleaguered company Reliance Capital shed 5 per cent in early trade on Thursday after the firm asked creditors to submit claims with proof by December 20 following the initiation of corporate insolvency proceedings.

The Reserve Bank of India had applied for the initiation of the Corporate Insolvency Resolution Process (CIRP) against the Anil Ambani-led company last week. The regulator had superseded Reliance Capital's board, citing defaults and governance issues. In a statement, the company's promoters said they support the central bank's application of referring the company to the NCLT under Section 227 for the fast track resolution. Reliance Capital owes creditors over Rs 19,805 crore, the majority of the amount through bonds under the trustee Vistra ITCL India.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/reliance-capital-slides-5-company-asks-creditors-to-submit-claims/articleshow/88180499.cms>

- **A merger of Srei companies' debt could boost recovery (December 10, 2021)**

Lenders to the bankrupt Srei Group are hoping that consolidation of the two debt-laden companies - Srei Infrastructure Finance and Srei Equipment Finance - will enhance its value and ensure a better recovery for ₹30,000 crore in stuck dues. Lenders are set to seek National Company Law Tribunal (NCLT) approval for consolidation of debt in the next few days following which creditor claims will be ascertained and bids will be called to find a buyer for the company.

For details:

<https://economictimes.indiatimes.com/markets/stocks/news/a-merger-of-srei-companies-debt-could-boost-recovery/articleshow/88196843.cms>

- **PM Modi to take final call on cryptocurrency regulatory framework (December 10, 2021)**

Prime Minister Narendra Modi will take a final decision on the regulatory framework for cryptocurrencies amid conflicting views among stakeholders, two persons familiar with the development said. The options include a complete ban on private cryptocurrencies, a partial ban, allowing all categories of crypto products with regulation, or just a select few with regulation, one of the persons said.

For details:

<https://economictimes.indiatimes.com/news/economy/policy/pm-modi-to-take-final-call-on-cryptocurrency-regulatory-framework/articleshow/88196615.cms?from=mdr>

❖ *International Business News*

MG to export Hector from its Gujarat plant: Expansion plans revealed (December 10, 2021)

MG Motor India has today announced the commencement of exports from its state-of-the-art manufacturing facility in Halol, Gujarat. The British automotive marque will begin with exporting the MG Hector SUV to Nepal as the first step towards its expansion plan for other South Asian countries.

For details:

<https://www.financialexpress.com/auto/car-news/mg-to-export-hector-from-its-gujarat-plant-expansion-plans-revealed/2385953/>

❖ *Terminology for today*

Organizational Ambidexterity

Organizational ambidexterity refers to the ability of an organization to both explore and exploit to compete in mature technologies and markets where efficiency, control, and incremental improvement are prized and to also compete in new technologies and markets where flexibility, autonomy, and experimentation are needed.

❖ *Market Watch*

Stock Market Indices as on 10.12.2021

S & P BSE Sensex	58786.67 (-20.46)
Nifty 50	17511.30 (-5.55)

Foreign Exchange Rates as on 09.12.2021

(<https://www.geojit.com/currency-futures/rbi-reference-rate>)

INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
75.35	85.20	99.68	0.66

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082116

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