

Info Capsule

Wednesday
August 11, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ ***Insolvency and Bankruptcy***

4,540 companies admitted into CIRP; 394 companies stand resolved with 36% realisation of claims by financial creditors under IBC (August 10, 2021)

Union Minister of State for Corporate Affairs Shri Rao Inderjit Singh in a written reply to a question in Rajya Sabha on August 10, 2021 stated that as on June 30, 2021, 4540 companies were admitted into Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 (IBC).

Giving further details on the resolution status, it was stated that 394 companies were resolved till June 30, 2021 wherein financial creditors (FCs) including financial institutions, had total claims amounting to Rs. 6.80 lakh crore, out of which Rs. 2.45 lakh crore have been realised, which is 36% of their claims.

For details:

<https://www.pib.gov.in/PressReleasesPage.aspx?PRID=1744535>



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भारतीय कम्पनी सचिव संस्थान

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❖ ***Securities Laws & Capital Markets***

SEBI Circular

Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper (August 10, 2021)

The SEBI vide notification dated August 09, 2021 notified the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, pursuant to merger and repeal of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013.

The process of merging these regulations into the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 also entails consolidation of related existing circulars (annexed to this circular) into a single operational circular, with consequent changes. The stipulations contained in such circulars have been detailed chapter-wise in this operational circular.

This operational circular provides a chapter-wise framework for the issuance, listing and trading of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities or Commercial Paper

For details:

https://www.sebi.gov.in/legal/circulars/aug-2021/operational-circular-for-issue-and-listing-of-non-convertible-securities-ncs-securitised-debt-instruments-sdi-security-receipts-sr-municipal-debt-securities-and-commercial-paper-cp-_51761.html

❖ **Direct Tax**

Income Tax (22nd Amendment) Rules 2021 [August 9, 2021]

CBDT has notified Income tax (22nd Amendment) Rules, 2021 to insert the following two rules as follow:

Rule 21AI	<p>Computation of exempt income of specified fund for the purposes of clause (4D) of section 10</p> <p>The Rule provides formula for computation of income attributable to units held by non-resident (not being the permanent establishment of a non-resident in India) in a specified fund for the purpose of clause (4D) of section 10 of the Income tax Act, 1961.</p>
Rule21AJ	<p>Determination of income of a specified fund attributable to units held by non-residents under sub-section (1A) of section 115AD</p> <p>The Rule provides formula of calculation, for purposes of sub-section (1A) of section 115AD, the income of a specified fund by way of short-term or long-term capital gains, referred to in clause (b) of sub-section (1) of section 115AD, attributable to the units held by non-resident (not being the permanent establishment of a non-resident in India)</p>

For details:

https://www.incometaxindia.gov.in/communications/notification/notification_90_2021.pdf

❖ **Banking and Insurance**

• **Monitoring of Availability of Cash in ATMs (August 10, 2021)**

It has been decided by the Reserve Bank of India that the banks / White Label ATM Operators (WLAOs) shall strengthen their systems / mechanisms to monitor availability of cash in ATMs and ensure timely replenishment to avoid cash-outs. Any non-compliance in this regard shall be viewed seriously and shall attract monetary penalty. The Scheme shall be effective from October 01, 2021.

For details:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=12144&Mode=0>

- **Nearly 72 per cent of financial transactions of public sector banks done through digital channels: Govt. (August 10, 2021)**

The government on August 10, 2021 said nearly 72 per cent of financial transactions of Public Sector Banks (PSBs) are now done through digital channels, with customers active on digital channels having doubled from 3.4 crore in 2019-20 to 7.6 crore in 2020-21.

For details:

<https://www.financialexpress.com/industry/banking-finance/nearly-72-per-cent-of-financial-transactions-of-public-sector-banks-done-through-digital-channels-govt/2308230/>

- **Global banks unwind lucrative India trades after RBI warning (August 11, 2021)**

Foreign banks have been forced to unwind billions of dollars worth of profitable currency trades at the behest of India's central bank, according to people with knowledge of the matter. The issue in focus is a flurry of currency swap trades that involved the banks converting rupee-denominated deposits into dollars that were then used to buy foreign sovereign debt including US Treasuries, which are unlisted in India. The Reserve Bank of India warned the banks of a regulatory breach last week, saying they must limit their holdings of such unlisted securities to no more than 10% of investments classified as the non-statutory liquidity ratio portfolio.

For details:

<https://economictimes.indiatimes.com/industry/banking/finance/banking/global-banks-unwind-lucrative-india-trades-after-rbi-warning/articleshow/85231986.cms>

❖ Market Watch

Stock Market Indices as on 11.08.2021	
S & P BSE Sensex	54525.93 (-28.73)
Nifty 50	16282.25 (+2.15)

Foreign Exchange Rates as on 10.08.2021 (https://www.geojit.com/currency-futures/rbi-reference-rate.aspx)			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
74.19	87.18	102.85	0.67

Prepared by Directorate of Academics

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