

# Info Capsule

Monday  
July 19, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

## ❖ Latest @ ICSI

### Webinar on Faceless Assessment & Faceless Appeals: Laudable initiatives - Mixed Beginning

The introduction of the Faceless Assessment & Faceless Appeals are the biggest Direct Tax reforms to facilitate Ease of Doing Business in India. It is based on the principles of Efficiency, Transparency and Accountability. The Income Tax Department has brought a paradigm shift in building the future with technology by pioneering an ecosystem of assessments and appeals founded on Data and Artificial Intelligence.

With the objective of deliberating in detail about the above scheme and the issues being faced by the tax payers' in the Faceless Assessment & Faceless Appeals, their resolution and also the way forward, the Direct Taxes Committee of PHD Chamber is organizing a **Webinar on Faceless Assessments & Faceless Appeals: Laudable initiatives - Mixed Beginning on Tuesday, July 20, 2021 from 3:00 pm to 5:00 pm.** Members of the ICSI will be awarded 1 credit hour. (Unstructured).

For details:

[https://www.icsi.edu/media/webmodules/Webinar\\_on\\_Faceless\\_Assessments\\_&\\_Faceless\\_Appeals.pdf](https://www.icsi.edu/media/webmodules/Webinar_on_Faceless_Assessments_&_Faceless_Appeals.pdf)



THE INSTITUTE OF  
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

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## ❖ Securities Laws & Capital Market

### SEBI Circulars

#### • Block Mechanism in demat account of clients undertaking sale transactions (July 16, 2021)

SEBI has provided a mechanism of block in the demat account of clients undertaking sale transactions. Under this mechanism, when the client intends to make a sale transaction, shares will be blocked in the demat account of the client in favour of Clearing Corporation. If sale transaction is not executed, shares shall continue to remain in the client's demat account and will be unblocked at the end of the T day. Thus, this mechanism will do away with the movement of shares from client's demat account for early pay-in and back to client's demat account if trade is not executed. The proposed facility of block mechanism is on optional basis and Early Pay-in mechanism shall continue. The facility of block mechanism shall be available to the clients from August 01, 2021.

For details:

[https://www.sebi.gov.in/legal/circulars/jul-2021/block-mechanism-in-demat-account-of-clients-undertaking-sale-transactions\\_51170.html](https://www.sebi.gov.in/legal/circulars/jul-2021/block-mechanism-in-demat-account-of-clients-undertaking-sale-transactions_51170.html)

#### • Introduction of Expected Loss (EL) based Rating Scale and Standardisation of Rating Scales Used by Credit Rating Agencies (July 16, 2021)

The SEBI has introduced the Expected Loss (EL) based Rating Scale to be used by Credit Rating Agencies (CRAs) for ratings of projects/ instruments associated with infrastructure sector. The Expected Loss (EL) based Rating Scale is divided into seven levels, spanning from lowest to highest expected loss. Further, In order to standardise the usage of rating scales, CRAs are advised to align their rating scales with the rating scales prescribed under the guidelines of respective

financial sector regulator or authority. All the provisions of this circular are applicable with immediate effect except that Standardisation of Rating Scales Used by Credit Rating Agencies comes into effect from April 01, 2022. The CRAs shall ensure compliance with the requirements of this circular, latest by March 31, 2022 and also place the compliance status of this circular before their Board of Directors. Further, the CRAs are advised to confirm compliance of this circular to SEBI latest by April 15, 2022.

*For details:*

[https://www.sebi.gov.in/legal/circulars/jul-2021/introduction-of-expected-loss-el-based-rating-scale-and-standardisation-of-rating-scales-used-by-credit-rating-agencies\\_51197.html](https://www.sebi.gov.in/legal/circulars/jul-2021/introduction-of-expected-loss-el-based-rating-scale-and-standardisation-of-rating-scales-used-by-credit-rating-agencies_51197.html)

## **SEBI News**

### **SEBI justifies intervention in PNB Housing-Carlyle deal, citing need for independent valuation (July 16, 2021)**

India's market regulator defended its decision to intervene in the PNB Housing case before the company's extraordinary general meeting, saying it was necessary for shareholders to get the correct valuation at which investors led by the Carlyle Group would acquire shares and management control. Concluding its arguments before the Securities Appellate Tribunal (SAT) on Friday, the SEBI said PNB Housing should have got an independent valuation report prepared and acted on that, as prescribed by the company's articles of association. The SAT will next hear the matter on July 19, 2021.

*For details:*

<https://www.moneycontrol.com/news/business/markets/sebi-justifies-intervention-in-pnb-housing-carlyle-deal-citing-need-for-independent-valuation-7184301.html>

## **❖ Market Watch**

### **Stock Market Indices as on 19.07.2021**

S & P BSE Sensex	52553.40 (-586.66)
Nifty 50	15752.40 (-171.00)

### **Foreign Exchange Rates as on 16.07.2021**

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

<b>INR / 1 USD</b>	<b>INR / 1 EUR</b>	<b>INR / 1 GBP</b>	<b>INR / 1 JPY</b>
74.41	87.96	102.97	0.68

## ❖ **Banking and Insurance**

### • **IBA to soon move application to RBI for setting up Rs. 6,000-cr bad bank (July 18, 2021)**

Having secured licence from the Registrar of Companies, the Indian Banks' Association (IBA) will soon move an application to the Reserve Bank of India (RBI) to set up a Rs. 6,000-crore National Asset Reconstruction Company Ltd. (NARCL) or bad bank, according to sources. With registration of the company, the process for putting an initial capital of Rs. 100 crore is on as per the guidelines, the sources said adding that the next step will be audit and then move application to the RBI seeking licence for the asset reconstruction company.

*For details:*

<https://www.financialexpress.com/industry/banking-finance/iba-to-soon-move-application-to-rbi-for-setting-up-rs-6000-cr-bad-bank/2292686/>

### • **Cooperation Ministry: Cooperatives' financial heft seen behind Centre's bid for greater control (July 19, 2021)**

From a tiny wing of the agriculture ministry with less than a dozen employees in a nondescript corner of Krishi Bhawan, the department of cooperation's morphing into a full-fledged ministry last week, with Amit Shah at its helm, is seen as having not just political but economic ramifications. There are about 8.5 lakh co-operatives in the country with roughly 38 crore members. Of these, 1,539 are urban cooperative banks (UCBs) and 97,006 rural ones with a combined asset size of as much as Rs. 17-18 lakh crore.

*For details:*

<https://www.financialexpress.com/industry/banking-finance/cooperation-ministry-cooperatives-financial-heft-seen-behind-centres-bid-for-greater-control/2292836/>

### • **Cryptocurrency bank plans India operations, takes cooperative route to get around RBI rules (July 19, 2021)**

At a time when the Reserve Bank of India (RBI) frowns on private virtual currencies, the proposal of cryptocurrency bank Cashaa to launch banking operations in India for customers of virtual currencies like Bitcoin from August, through the credit co-operative society route, has raised eyebrows in financial circles. Cashaa says it has launched Unicas, the world's first crypto-friendly financial institution with physical branches in India in association with the United Multistate Credit Co-operative Society.

*For details:*

<https://indianexpress.com/article/business/banking-and-finance/cryptocurrency-bank-plans-india-operations-takes-cooperative-route-to-get-around-rbi-rules-7411089/>

## ❖ **Competition Law**

### **Make mediation first step to settle disputes : CJI N V Ramana (July 18, 2021)**

With the pendency of cases crossing the 4.5-crore mark over burdening the three-tier justice delivery system, Chief Justice of India N V Ramana on Saturday, July 17, 2021 said mediation should be made mandatory as a first step for dispute resolution and a law should be framed in this regard.

"Given the growing scope of mediation, it is time for India to enter mission mode. To popularise mediation as cheaper and faster dispute resolution mechanism, a movement needs to be launched," the CJI said.

*For details:*

[http://timesofindia.indiatimes.com/articleshow/84515193.cms?utm\\_source=whatsapp&utm\\_medium=social&utm\\_campaign=TOIArticleshowicon&utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://timesofindia.indiatimes.com/articleshow/84515193.cms?utm_source=whatsapp&utm_medium=social&utm_campaign=TOIArticleshowicon&utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### **Prepared by Directorate of Academics**

*For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082116*

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