

# Info Capsule

Thursday  
March 31, 2022

**President:** CS Devendra V. Deshpande

**Vice President:** CS Manish Gupta

## ❖ **Technology and Automation**

### **Artificial Intelligence (March 30, 2022)**

Government of India has taken several steps to promote upskilling or reskilling in the field of Artificial Intelligence which include the following: -

- i) Ministry of Electronics and IT (MeitY) has initiated a programme titled FutureSkills PRIME (www.futureskillsprime.in) in collaboration with NASSCOM, a B2C framework for re-skilling/ up-skilling of IT professionals in 10 Emerging areas including Artificial Intelligence.
- ii) Government has published the National Strategy for Artificial Intelligence in June 2018 and proposes to develop an ecosystem for the research and adoption of Artificial Intelligence.
- iii) Government has launched 'National AI Portal' (<https://indiaai.gov.in/>) which is a repository of Artificial Intelligence (AI) based initiatives in the country at a single place.

The government has adopted various other additional steps to promote capacity building in Artificial Intelligence.

*For details:*

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1811372>



**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)



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

### **SEBI Circular**

#### **Clarification on applicability of regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to Related Party Transactions (March 30, 2022)**

SEBI vide this circular has clarified that for an related party transaction (RPT) that has been approved by the audit committee and shareholders prior to April 1, 2022, there shall be no requirement to seek fresh approval from the shareholders. The RPT that has been approved by the audit committee prior to April 1, 2022 which continues beyond such date and becomes material as per the revised materiality threshold shall be placed before the shareholders in the first General Meeting held after April 1, 2022. Further, provided that the explanatory statement contained in the notice sent to the shareholders for seeking approval for an RPT shall provide relevant information so as to enable the shareholders to take a view whether the terms and conditions of the proposed RPT are not unfavorable to the listed entity, compared to the terms and conditions, had similar transaction been entered into between two unrelated parties.

*For details:*

[https://www.sebi.gov.in/legal/circulars/mar-2022/clarification-on-applicability-of-regulation-23-of-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-in-relation-to-related-party-transactions\\_57398.html](https://www.sebi.gov.in/legal/circulars/mar-2022/clarification-on-applicability-of-regulation-23-of-sebi-listing-obligations-and-disclosure-requirements-regulations-2015-in-relation-to-related-party-transactions_57398.html)

### **SEBI News**

#### • **Frequently Asked Questions on SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (March 30, 2022)**

SEBI has issued Frequently Asked Questions (FAQs) on SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (SAST Regulations, 2011). These FAQs offer a simplistic explanation/clarification of terms/concepts related to the SAST Regulations, 2011.

*For details:*

[https://www.sebi.gov.in/sebi\\_data/faqfiles/mar-2022/1648620806406.pdf](https://www.sebi.gov.in/sebi_data/faqfiles/mar-2022/1648620806406.pdf)

- **SEBI issues timelines for rebalancing portfolios of mutual fund schemes (March 30, 2022)**

Markets regulator SEBI on March 30, 2022 came out with timelines for rebalancing of portfolios of mutual fund schemes in order to bring uniformity. Issuing a circular, the watchdog said the rebalancing period will be applicable in the event of deviation from mandated asset allocation mentioned in the Scheme Information Document (SID) due to passive breaches. Passive breaches are generally that have not arisen due to omission and commission of Asset Management Companies (AMCs). The mandated rebalancing period for all mutual fund schemes, except Index Funds and Exchange Traded Funds (ETFs) is 30 business days.

*For details:*

[https://www.business-standard.com/article/markets/sebi-issues-timelines-for-rebalancing-portfolios-of-mutual-fund-schemes-122033001152\\_1.html](https://www.business-standard.com/article/markets/sebi-issues-timelines-for-rebalancing-portfolios-of-mutual-fund-schemes-122033001152_1.html)

### **SEBI Press Release**

- **“Manthan” – SEBI Ideathon to promote innovation in the Securities Market (March 30, 2022)**

Ms. Madhabi Puri Buch, Chairperson, SEBI launched “Manthan” – SEBI Ideathon, at a function held in Mumbai on March 30, 2022. Launching the Ideathon, Ms. Buch highlighted that adoption of Financial Technology (FinTech) in the securities market presents significant opportunities for stakeholders. The focus of Manthan is on ideation, that it is SEBI’s belief that every single idea is worth evaluating - participants are encouraged to bring out any idea, even those which may not be achievable immediately. As part of the Ideathon, interactive knowledge sharing sessions will be organized for registered participants through webinars to facilitate the submission of strong and truly innovative ideas. The event is open for registration from March 30, 2022 to May 14, 2022. All interested participants are invited to register at <https://manthan.devfolio.co/>

*For details:*

[https://www.sebi.gov.in/media/press-releases/mar-2022/-manthan-sebi-ideathon-to-promote-innovation-in-the-securities-market\\_57401.html](https://www.sebi.gov.in/media/press-releases/mar-2022/-manthan-sebi-ideathon-to-promote-innovation-in-the-securities-market_57401.html)

### ❖ **Market Watch**

<b>Stock Market Indices as on 31.03.2022</b>	
S & P BSE Sensex	58568.51 (-115.48)
Nifty 50	17464.75 (-33.50)

<b>Foreign Exchange Rates as on 30.03.2022</b> <i>(<a href="https://www.geojit.com/currency-futures">https://www.geojit.com/currency-futures</a>)</i>			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR / 1 JPY
75.59	83.52	99.03	0.61

## ❖ **Ministry of Finance**

### **More than 37,000 users joined UPI123Pay since its launch on 8th March 2022 (March 28, 2022)**

Various steps have been taken by Reserve Bank of India (RBI) to expand the reach of UPI outside India. The steps are-

- a) NPCI International Payments Limited (NIPL), a wholly owned subsidiary of National Payments Corporation of India (NPCI) is devoted for internationalisation of UPI. NIPL has undertaken various initiatives across nations to enable cross-border acceptance of BHIM UPI QR at merchant establishment. These partnerships will facilitate Indian travellers to make payments using the BHIM UPI QR for all their retail purchases at international merchant establishments.
- b) Currently, BHIM UPI QR has gained acceptance in Singapore (March, 2020), Bhutan (July, 2021) and recently with partners in UAE and Nepal (February, 2022). However, travel restrictions owing to the pandemic over the last two years have impacted overseas use of this facility.
- c) In this regard, RBI has been facilitating engagements for the expansion of UPI in countries which have potential for collaboration.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1810601>

## ❖ **Business and Economic News**

### • **Ease of Doing Business (March 30, 2022)**

The Government of India has undertaken a number of steps to ensure the quick registration of companies in India, namely:

- i) A single integrated new web form called SPICe+ along with AGILE PRO-S has been deployed. This form provides eleven services related to starting a business.
- ii) Zero fee is now charged for incorporation of all companies with authorized capital up to Rs. 15 lakh or with up to 20 members where no share capital is applicable.
- iii) A Central Registration Centre (CRC) has been set up for name reservation and incorporation of companies & Limited Liability Partnership (LLP) within 1 day.
- iv) The LLP Incorporation Form called FiLLiP has also been integrated with Central Board of Direct Taxes (CBDT) to provide PAN/TAN at the time of Incorporation of LLP itself.
- v) Provisions with regard to incorporation and functioning of One-Person Companies (OPCs) have been revised so as to incentivize incorporation of OPCs, etc.

For details: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1811559>

- **Budget Session: Accountancy Bill approval, vehicle safety norms, and more (March 31, 2022)**

Lok Sabha on Wednesday approved a bill to revamp the functioning of the institutes of chartered accountants, cost accountants and company secretaries, with Union minister Nirmala Sitharaman asserting that the changes will not impact the autonomy of these bodies. The Chartered Accountants, Cost and Works Accountants and Company Secretaries (Amendment) Bill seeks to appoint non-Chartered Accountant, non-cost accountant and non-company secretary as the presiding officer of the disciplinary committees of the respective institutes.

*For details:*

[https://www.business-standard.com/article/economy-policy/budget-session-accountancy-bill-approval-vehicle-safety-norms-and-more-122033100015\\_1.html](https://www.business-standard.com/article/economy-policy/budget-session-accountancy-bill-approval-vehicle-safety-norms-and-more-122033100015_1.html)

## ❖ **Direct Tax**

- **Clarification with respect to relaxation of provisions of rule 114AAA of Income-tax Rules, 1962 prescribing the manner of making Permanent Account Number (PAN) inoperative (Circular No. 7 Dated March 30, 2022)**

The Ministry of Finance has extended the deadline for linking PAN Card with Aadhaar number till March 31, 2023. The deadline was otherwise set to end by 31.03.2022. However, a penalty up to Rupees 1000 will be payable for late linking of PAN-Aadhaar after March 31, 2022. A fee of Rs 500 will be payable for giving Aadhaar details for up to three months from April 1, 2022 and a fee of Rs.1000 after that.

A Press Release issued by the Ministry has said that "till 31st March, 2023 the PAN of the assesseees who have not intimated their Aadhaar, will continue to be functional for the procedures under the Act, like furnishing of return of income, processing of refunds etc".

*For details:*

<https://incometaxindia.gov.in/communications/circular/circular-no-7-2022.pdf>

- **Faceless Inquiry or Valuation Scheme, 2022 [Notification No. 19 Dated March 30, 2022]**

The Central Government hereby makes the Faceless Inquiry or Valuation Scheme, 2022. In this Scheme, unless the context otherwise requires,

- (a) "Act" means the Income-tax Act, 1961;
- (b) "Automated allocation" means an algorithm for randomised allocation of cases, by using suitable technological tools, including artificial intelligence and machine learning, with a view to optimise the use of resources.

### Scope of the Scheme

- (a) issuing notice under sub-section (1) of section 142 of the Act,
- (b) making inquiry before assessment under sub-section (2) of section 142 of the Act,
- (c) directing the assessee to get his accounts audited under sub-section (2A) of section 142 of the Act,
- (d) estimating the value of any asset, property or investment by a Valuation Officer under section 142A of the Act,

shall be in a faceless manner, through automated allocation, in accordance with and to the extent provided in section 144B of the Act with reference to making faceless assessment of total income or loss of assessee

*For details:*

<https://incometaxindia.gov.in/communications/notification/notification-19-2022.pdf>

- **e-Assessment of Income Escaping Assessment Scheme, 2022 [Notification No. 18 Dated March 29, 2022]**

The Central Government hereby makes the e-Assessment of Income Escaping Assessment Scheme, 2022. In this Scheme, unless the context otherwise requires,

- (a) "Act" means the Income-tax Act, 1961;
- (b) "Automated allocation" means an algorithm for randomised allocation of cases, by using suitable technological tools, including artificial intelligence and machine learning, with a view to optimise the use of resources.

### Scope of the Scheme

- (a) assessment, reassessment or recomputation under section 147 of the Act,
- (b) issuance of notice under section 148 of the Act,

shall be through automated allocation, in accordance with risk management strategy formulated by the Board as referred to in section 148 of the Act for issuance of notice, and in a faceless manner, to the extent provided in section 144B of the Act with reference to making assessment or reassessment of total income or loss of assessee.

*For details :*

<https://incometaxindia.gov.in/communications/notification/notification-18-2022.pdf>

- **Income-tax (Third Amendment) Rules, 2022 [Notification No. 17 Dated March 29, 2022]**

The Central Board of Direct Taxes (CBDT) on March 29, 2022 has issued the Income-tax (Third Amendment) Rules, 2022 to further amend the Income-tax Rules, 1962. This has come into force on April 1, 2022.

The following has been amended namely:

- In Rule 114 which specify “Application for allotment of a permanent account number.” the following sub-rule (5A) has been inserted namely:

“Every person who, in accordance with the provisions of sub-section (2) of section 139AA, is required to intimate his Aadhaar number to the prescribed authority in the prescribed form and manner, fails to do so by the date referred to in the said sub-section, shall, at the time of subsequent intimation of his Aadhaar number to the prescribed authority, be liable to pay, by way of fee a prescribed amount”

- In Rule 114AAA which specify “Manner of making permanent account number inoperative” the following proviso will be inserted after clause (2) namely:

“Provided that the provisions of this sub-rule shall have effect from the date specified by the Board”

*For details:*

<https://incometaxindia.gov.in/communications/notification/notification-17-2022.pdf>

**Prepared by Directorate of Academics**

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

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