

Info Capsule

Tuesday
March 02, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Business and Economic News

Spectrum auction: Telcos place bids worth Rs. 77,000 crore on Day 1 (March 2, 2021)

The Centre is likely to garner revenues beyond its muted expectation from 4G spectrum auction which began on, but the mop-up would be a fraction of the Rs 3.92-trillion worth of airwaves put up for sale. Coming five years after the 2016 auctions, the much-awaited 4G spectrum bidding, where Reliance Jio emerged as the most active participant, has assured the government revenues of more than Rs 77,000 crore in four rounds on day one itself.

For details:

https://www.business-standard.com/article/economy-policy/spectrum-auction-telcos-place-bids-worth-rs-77-000-crore-on-day-1-121030200051_1.html



THE INSTITUTE OF
Company Secretaries of India

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

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(Under the jurisdiction of Ministry of Corporate Affairs)

❖ Securities Laws and Capital Markets

Master Circular

- **Master Circular on Surveillance of Securities Market (March 01, 2021)**

In order to enable the users to have an access to all the applicable circulars at one place, the Master Circular on Surveillance of Securities Market has been prepared. This Master Circular is a compilation of the circulars issued by Integrated Surveillance Department, which are operational as on date of this circular.

For details:

https://www.sebi.gov.in/legal/master-circulars/mar-2021/master-circular-on-surveillance-of-securities-market_49354.html

SEBI Report

- **Consultation Paper on Review of Regulatory Provisions Related to Independent Directors (IDs) (March 01, 2021)**

SEBI has issued a Consultation Paper on "Review of Regulatory Provisions related to Independent Directors" seeking views from the public latest by April 01, 2021. The Consultation Paper, *inter-alia*, has proposed the following:

1. Appointment/re-appointment/removal of IDs shall be subject to the dual approval system, taken through a single voting process and meeting following two thresholds: –
 - i. Approval of shareholders

- ii. Approval of 'majority of the minority' (simple majority) shareholders.
(Minority' shareholders would mean shareholders, other than the promoter and promoter group)
2. Independent Directors shall be appointed on the board only with **prior** approval of the shareholders at a general meeting.
3. SEBI has further proposed to tighten the process of selection of ID by the nomination and remuneration committee. The nomination and remuneration committees can use the services of external agencies to identifying suitable candidates as IDs.
4. If an ID resigns from the board of a company stating reasons such as preoccupation, other commitments or personal reasons, there will be a mandatory cooling-off period of 1 year before the ID can join another board.
5. Considering the importance of the Audit Committee with regard to related party transactions and financial matters, it is proposed that audit committee shall comprise of 2/3rd IDs and 1/3rd Non-Executive Directors (NEDs) who are not related to the promoter, including nominee directors, if any.
6. Whether ESOPs with a long vesting period of 5 years, be permitted for IDs, in place of profit linked commission and what should be the maximum limit of remuneration through ESOPs.

For details : https://www.sebi.gov.in/media/press-releases/mar-2021/sebi-issues-consultation-paper-on-review-of-regulatory-provisions-related-to-independent-directors-_49337.html

❖ **Direct Tax**

Income Tax Department conducts searches in Hyderabad (PIB Dated March 1, 2021)

The Income Tax Department carried out search & seizure operations on 24.02.2021 on a major Pharmaceutical group based out of Hyderabad engaged in the business of manufacturing of intermediates, Active Pharmaceutical Ingredients (APIs) and formulations. Searches have resulted in seizure of cash amounting to Rs. 1.66 crore and incriminating evidence in the form of digital media, pen drives, documents, etc. have been found and seized. During these searches, issues relating to purchases made from bogus and non-existent entities, artificial inflation of certain heads of expenditure, alongwith suppression of receipts relating to by-product sale were detected. The search has led to unearthing of evidence relating to unaccounted income of around Rs. 400 crore out of which the assessee group has admitted an additional income of Rs. 350 crore. Further investigations are in progress.

For details:

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1701706>

❖ **Indirect Tax****Goods and Services Tax – Compliance Calendar for the month of March, 2021**

S. No.	Return	Description	Month(s) Period	Revised Due Date
1.	GSTR – 7	Details of TDS deducted, amount of TDS paid and payable and any refund of TDS claimed	February, 2021	March 10, 2021
2.	GSTR – 8	Details of Tax collected at Source	February, 2021	March 10, 2021
3.	GSTR – 1 (Monthly)	Details of outward supplies (Aggregate Turnover greater than 1.5 Crores and up to 5 Crores)	February, 2021	March 11, 2021
4.	GSTR – 6	Input Service Distributor	February, 2021	March 13, 2021
5.	GSTR – 2B	Auto-drafted Input Tax Credit Statement	February, 2021	March 14, 2021
6.	GSTR – 5	Details of outward taxable supplies and tax payable by Non Resident Taxable person(monthly)	February, 2021	March 20, 2021
7.	GSTR – 5A	Details of outward taxable supplies and tax payable by OIDAR(monthly)	February, 2021	March 20, 2021
8.	GSTR – 3B*	Aggregate Annual Turnover above Rs. 5 Crores in preceding F.Y.	February, 2021	March 20, 2021
		Group A States: Aggregate Annual Turnover up to Rs. 5 Crores in preceding F.Y.	February, 2021	March 22, 2021
		Group B States: Aggregate Annual Turnover up to Rs. 5 Crores	February, 2021	March 24, 2021
9.	GST – PMT 06	Challan for deposit of GST	February, 2021	March 25, 2021
10.	GSTR – 9	Annual Return	F.Y. 2019 - 20	March 31, 2021
11.	GSTR – 9C	Reconciliation Statement	F.Y. 2019 - 20	March 31, 2021

* GSTR – 3B : **Group A States** : Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana, Andhra Pradesh.

Union Territories : Daman & Diu and Dadra & Nagar Haveli, Puducherry, Andaman and Nicobar Islands, Lakshadweep.

Group B States: Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand, Odisha, Jammu and Kashmir, Ladakh, Chandigarh, Delhi.

❖ *Pronouncement*

March 01, 2021	<i>A. Navinchandra Steels Private Limited (Appellant) vs. SREI Equipment Finance Limited & Ors. (Respondents)</i>	<i>The Supreme Court of India</i>
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Insolvency Proceedings are maintainable even if there is pending Winding Up petition against the Corporate Debtor.

Fact of the case

In this appeal, the appellant's contention was that post admission of a winding up petition, no petition under Section 7 of the IBC can be filed. According to it the effect of Section 446 of the Companies Act, 1956 (which is equivalent to Section 279 of the Companies Act, 2013) is that no suit or other legal proceeding can be initiated once there is admission of a winding up petition.

Judgment

The Supreme Court observed that the IBC is a special statute dealing with revival of companies that are in the red, winding up only being resorted to in case all attempts of revival fail vis-à-vis the Companies Act, which is a general statute dealing with companies, including companies that are in the red, the IBC is not only a special statute which must prevail in the event of conflict, but has a non-obstante clause contained in Section 238, which makes it even clearer that in case of conflict, the provisions of the IBC will prevail.

A petition either under Section 7 or Section 9 of the IBC is an independent proceeding which is unaffected by winding up proceedings that may be filed qua the same company. It is, thus, not possible to accede to the argument of the Appellant that given Section 446 of the Companies Act, 1956 / Section 279 of the Companies Act, 2013, once a winding up petition is admitted, the winding up petition should trump any subsequent attempt at revival of the company through Section 7 or Section 9 petition filed under the IBC. For all these reasons, therefore, the present appeal is dismissed.

For details:

https://main.sci.gov.in/supremecourt/2020/27013/27013_2020_33_1504_26551_Judgement_01-Mar-2021.pdf

❖ Terminology for today

Consular Invoice

Consular Invoice is a document, which is required by some foreign countries, that describes a shipment of goods and declares certain information such as the identities of the consignor and consignee, along with the value of the shipment. Consular Invoices are certified by a consular official of the foreign country, and are used by the country's customs officials to verify the value, quantity, and nature of the shipment.

❖ Market Watch

Stock Market Indices as on 02.03.2021

S & P BSE Sensex	50296.89 (+447.05)
Nifty 50	14919.10 (+157.55)

Foreign Exchange Rates as on 01.03.2021

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

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR/ 1 JPY
73.2948	102.4915	88.5875	.6878

Prepared by Directorate of Academics

For any suggestions, please write to academics@icsi.edu, or call at 01204082269

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