

Info Capsule

Friday
February 05, 2021

President : CS Nagendra D. Rao

Vice President : CS Devendra V. Deshpande

❖ Business and Economics News

New Bill set to amend the Electricity Act, end licence raj in power supply (February 05, 2021)

The Centre is ready with a Bill to amend the Electricity Act, 2003 to set the ball rolling on abolition of power “distribution licence” and allow any company to supply electricity to an area, after necessary regulatory approval. The move will also end the monopoly of existing power distribution companies (discoms), which are mostly state-owned entities.

It also implies that all areas will be thrown open to private discoms. The amended terms as part of the Electricity Bill, 2021, will be tabled in the ongoing session of Parliament.

For details:

https://www.business-standard.com/article/economy-policy/bill-to-amend-the-electricity-act-ready-end-licence-raj-in-power-121020500026_1.html



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(Under the jurisdiction of Ministry of Corporate Affairs)

❖ Securities Laws and Capital Markets

SEBI Orders

- **Adjudication Order in respect of 6 entities in the matter of Birla Pacific Medspa Limited (February 4, 2021)**

SEBI imposed a total penalty of Rs 1.2 crore on six entities for diverting proceeds from IPO funds of Birla Pacific Medspa Ltd (BPML) as well as for indulging in manipulative trading and thereby violated the provisions of Regulations 3(a),(b),(c) & (d) and 4(1), 4(2)(a) & (e) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

For details:

https://www.sebi.gov.in/enforcement/orders/feb-2021/adjudication-order-in-respect-of-6-entities-in-the-matter-of-birla-pacific-medspa-limited_49015.html

- **Order in the Matter of Acropetal Technologies Ltd. (February 4, 2021)**

SEBI has barred Acropetal Technologies Ltd. and D. Ravi Kumar, its Chairman and MD, from accessing the securities market for a period of two years for consciously avoided paying dividend to the shareholders. Further, the Chairman and MD is also restrained from holding any position of Director or KMP in any listed company or any intermediary registered with SEBI, or associating himself with any listed public company or a public company which intends to raise money from the public for a period of two years.

For details:

https://www.sebi.gov.in/enforcement/orders/feb-2021/order-in-the-matter-of-acropetal-technologies-ltd_49017.html

❖ **Indirect Taxes****Goods and Services Tax – Compliance Calendar for the month of February, 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	January, 2021	February 10, 2021
2.	GSTR – 8	Details of Tax collected at Source	January, 2021	February 10, 2021
3.	GSTR – 1 (Monthly)	Details of outward supplies (Aggregate Turnover greater than 1.5 Crores and up to 5 Crores)	January, 2021	February 11, 2021
4.	GSTR – 6	Input Service Distributor	January, 2021	February 13, 2021
5.	GSTR – 2B	Auto-drafted Input Tax Credit Statement	January, 2021	February 14, 2021
6.	GSTR – 5	Details of outward taxable supplies and tax payable by Non Resident Taxable person(monthly)	January, 2021	February 20, 2021
7.	GSTR – 5A	Details of outward taxable supplies and tax payable by OIDAR(monthly)	January, 2021	February 20, 2021
8.	GSTR – 3B*	Aggregate Annual Turnover above Rs. 5 Crores in preceding F.Y.	January, 2021	February 20, 2021
		Group A States: Aggregate Annual Turnover up to Rs. 5 Crores in preceding F.Y.	January, 2021	February 22, 2021
		Group B States: Aggregate Annual Turnover up to Rs. 5 Crores	January, 2021	February 24, 2021
9.	GST – PMT 06	Challan for deposit of GST	January, 2021	February 25, 2021
10.	GSTR – 9 & 9A	Annual Return	F.Y. 2019 - 20	February 28, 2021
11.	GSTR – 9C	Reconciliation Statement	F.Y. 2019 - 20	February 28, 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

❖ **Banking and Insurance**

• **Monetary Policy Statement, 2020-21 Resolution of the Monetary Policy Committee (MPC) February 3-5, 2021 (February 05, 2021)**

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting on February 5, 2021 decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 4.0 per cent. Consequently, the reverse repo rate under the LAF remains unchanged at 3.35 per cent and the Marginal Standing Facility (MSF) rate and the Bank Rate at 4.25 per cent. The MPC also decided to continue with the accommodative stance as long as necessary – at least during the current financial year and into the next financial year – to revive growth on a durable basis and mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51077

• **Statement on Developmental and Regulatory Policies (February 05, 2021)**

The Reserve Bank of India has issued the Statement on Developmental and Regulatory Policies on February 05, 2021. This Statement sets out various developmental and regulatory policy measures on (i) liquidity management and support to targeted sectors; (ii) regulation and supervision (iii) deepening financial markets; (iv) upgrading payment and settlement systems and (v) consumer protection.

For details:

https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=51078

• **Consolidated Regulations (February 04, 2021)**

For the benefit of regulated entities, the Insurance Regulatory and Development Authority of India (IRDAI) has consolidated all the regulations pertaining to the respective subjects (e.g. Health, TPA, Advt. etc.) and placed at one place.

For details:

https://www.irdai.gov.in/ADMINCMS/cms/whatsNew_Layout.aspx?page=PageNo4133&flag=1

❖ **Market Watch**

Stock Market Indices as on 05.02.2021

S & P BSE Sensex	50731.63 (+ 117.34)
Nifty 50	14924.25 (+28.60)

Foreign Exchange Rates as on 04.02.2021

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

INR / 1 USD	INR / 1 GBP	INR / 1 EUR	INR/ 1 JPY
72.9152	99.1739	87.5916	.6933

❖ *Insolvency and Bankruptcy*

Retail investors hold around Rs 1,000 crore in bankrupt listed companies (February 04, 2021)

Retail investors, hoping for a turnaround in listed companies mired in bankruptcy proceedings, hold significant stakes in these entities, reveals a Business Standard analysis. A study of 115 companies undergoing proceedings under the Insolvency and Bankruptcy Code (IBC) shows that retail investors hold stakes in a majority of them.

There are nearly 7,500 individual shareholders per company on a median basis, holding a nominal share capital of up to Rs 1 lakh for the full sample.

For details:

https://www.business-standard.com/article/markets/retail-investors-hold-around-rs-1-000-crore-of-bankrupt-listed-companies-121020400245_1.html#:~:text=Retail%20investors%20hold%20around%20Rs%201%2000%20crore%20in%20bankrupt%20listed%20companies,-Sachin%20P%20Mampatta&text=A%20study%20of%20115%20companies,in%20a%20majority%20of%20them

❖ *Terminology for today*

Blockage Discount

An amount or percentage deducted from the current market price of a publicly traded stock to reflect the decrease in the per share value of a block of stock that is of a size that could not be sold in a reasonable period of time given normal trading volume.

Prepared by Directorate of Academics

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

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