

# Info Capsule

Friday  
October 16, 2020

**President : CS Ashish Garg**

**Vice President : CS Nagendra D. Rao**

## ❖ Business and Economic News

### **LTC Cash Voucher Scheme Calculation and Benefits: Here is all you need to know (October 15, 2020)**

The Covid-19 pandemic has created many practical difficulties for all sets of people, and claiming LTC is one of the difficulties being faced by the salaried class. Like many other people, a number of Central government employees are not in a position to avail LTC as traveling within the country is practically difficult in the current Block of 2018-2021. As per the income tax provisions, Leave Travel Concession (LTC) benefit is required to be availed by the employees within a block of 4 years. The current block for the same is 2018-2021, i.e January 1, 2018 to December 31, 2020.

*For details:*

<https://www.financialexpress.com/money/income-tax/ltc-cash-voucher-scheme-calculation-and-benefits-here-is-all-you-need-to-know/2106348/>



**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 Law

### **PUBLIC NOTICE**

- **Last date for investors/applicants with claims upto Rs.7,000/- for making good the deficiencies in their claims, if any (October 15, 2020)**

In the matter of PACL Ltd., the Justice (Retd.) R.M. Lodha Committee vide Press Release provided an opportunity to all investors/applicants with claims upto Rs. 7,000/- whose claim applications were found deficient, to make good deficiencies as may be applicable to their claims, so as to enable their claims to be processed. The last date for accepting such rectified application is October 31, 2020. Investors/applicants with claims upto Rs.7,000/- whose claim applications were found deficient, are again asked to expedite and rectify the deficiencies, if any, in their applications before **October 31, 2020**.

*For details: [https://www.sebi.gov.in/media/public-notices/oct-2020/public-notice-last-date-for-investors-applicants-with-claims-upto-rs-7-000-for-making-good-the-deficiencies-in-their-claims-if-any-\\_47870.html](https://www.sebi.gov.in/media/public-notices/oct-2020/public-notice-last-date-for-investors-applicants-with-claims-upto-rs-7-000-for-making-good-the-deficiencies-in-their-claims-if-any-_47870.html)*

### **SEBI IN NEWS**

- **SEBI to auction Ravi Kiran Realty's properties next month (October 15, 2020)**

SEBI said it will auction properties of Ravi Kiran Realty India Ltd. and its promoters next month to recover investors' money. The company had raised funds by issuing Redeemable Preference Shares (RPS) to 1,176 people without complying with the public issue norms. Under the norms, the firm is required to list its securities on the recognised bourse as the shares were issued to more than 50 persons. It was also required to file a prospectus, among other things, which it failed to do.

*For details:*

<https://economictimes.indiatimes.com/markets/stocks/news/sebi-to-auction-ravi-kiran-realtys-properties-next-month/articleshow/78682052.cms>

- **AMFI denies making proposal to SEBI to launch new benchmark index (October 15, 2020)**

The Association of Mutual Funds in India (AMFI), denied reports that suggested that it had requested market regulator SEBI for the launch of a new index. In a media release, AMFI said: "Referring to a speculative report in a section of the media about AMFI /AMCs proposing to SEBI to launch a new benchmark index, AMFI has clarified that it has not written to SEBI proposing the launch of new index nor capping any stock in the Index."

*For details: <https://www.moneycontrol.com/news/business/markets/amfi-denies-making-proposal-to-sebi-to-launch-new-benchmark-index-5968781.html>*

## ❖ **Indirect Tax**

### **Goods & Services Tax**

- **Special Window to States for meeting the GST Compensation Cess shortfall (October 15, 2020)**

Under Option-I States were to be provided a Special Window of Borrowing of Rs. 1.1 lakh crores, and over and above that, an authorisation for additional Open Market Borrowings of 0.5% of their GSDP. The authorisation for increased OMBs of 0.5% of GSDP has been issued by Ministry of Finance on October 13 and are in relaxation of the reform conditions that were stipulated for eligibility. Additionally, under Option-I, the States are also eligible to carry forward their unutilised borrowing space to the next Financial Year.

*For details: <https://pib.gov.in/PressReleasePage.aspx?PRID=1664833>*

### **Customs**

- **Testing of outside samples by Revenue Laboratories - Circular No. 46/2020 (October 15, 2020)**

As Revenue Laboratories can deal with the samples related to Drug Controller, FSSAI & Textile Committee, all the customs samples, are preferably to be tested in the Revenue Laboratories only. In case facility to test particular commodity or parameter is not available in the nearest Revenue Laboratory, such cases shall be referred to the nearest government laboratory where such facility is available. CRCL, New Delhi shall also function as Referral Laboratory along with other referral laboratories in Pharma, Textile & Food. Whenever CRCL laboratories are not in a position to carry out a test, they shall make use of nearest CDSCO/FSSAI approved laboratories/Textile Committee.

*For details : <https://www.cbic.gov.in/resources//htdocs-cbec/customs/cs-circulars/cs-circulars-2020/Circular-No-46-2020.pdf>*

## ❖ **Banking and Insurance**

### • **Odisha-based NBFC faces ₹251-crore fraud (October 16, 2020)**

A ₹251-crore fraud at a small Odisha-based non-banking financial company has put the spotlight back on how “bogus accounts” are used to divert funds for money laundering. Sambandh Finserve Pvt. Ltd, a micro-finance institution, has told a rating agency that it defaulted on its repayments because of a fraud in its books. The company with debt of ₹433 crore is undergoing an internal probe ordered by its board.

*For details : <https://www.livemint.com/industry/banking/odisha-based-nbfc-faces-251-crore-fraud-11602813705065.html>*

### • **Behind Centre’s shift, a nudge from Reserve Bank (October 16, 2020)**

To meet the GST shortfall, RBI wanted the central government to borrow, not state governments. The view has been that the Centre can borrow at cheaper rates than states, at least 50 basis points cheaper. The RBI assured the Centre that it will manage the Centre’s borrowing in the best possible manner. a senior official told The Indian Express.

*For details: <https://indianexpress.com/article/business/banking-and-finance/behind-centres-shift-a-nudge-from-reserve-bank-6748541/>*

### • **IRDAI asks life insurers to launch Saral Jeevan Bima from January 1 (October 16, 2020)**

The IRDAI has announced guidelines on standard individual term life insurance product — Saral Jeevan Bima. All life insurance companies will mandatorily have to offer the standard product with effect from January 1, 2021. This product is a non-linked, non-participating individual pure risk premium life insurance plan, which provides for payment of sum assured in lump sum to the nominee in case of the policyholder’s death during the policy term.

*For details: <https://www.financialexpress.com/money/insurance/irdai-asks-life-insurers-to-launch-saral-jeevan-bima-from-january-1/2106686/>*

*[https://www.irdai.gov.in/ADMINCMS/cms/Circulars\\_Layout.aspx?page=PageNo4264](https://www.irdai.gov.in/ADMINCMS/cms/Circulars_Layout.aspx?page=PageNo4264)*

## ❖ **Market Watch**

Capital Market	
S & P BSE Sensex	39982.98 (+254.57)
Nifty 50	11762.45 (+82.10)

Reference Rate			
INR / 1 USD	INR / 1 EUR	INR / 1 GBP	INR/ 1 JPY
73.20 (-0.09%)	85.98 (-0.29%)	94.97 (-0.28%)	0.70 (+0.08%)

## ❖ Pronouncement

October 07, 2020	Anup Sushil Dubey (Appellant) vs. National Agriculture Co-operative Marketing Federation of India Ltd. & Ors. (Respondents)	NCLAT
------------------	--------------------------------------------------------------------------------------------------------------------------------	-------

### Fact of the case

NAFED (Operational Creditor) and the Umarai Worldwide Private Limited (Corporate Debtor) entered into a Leave and Licence Agreement for the usage of cold storage facilities on October 01, 2015, for a period of three years. The Agreement provides for the payment of licence fee of Rs. 9,31,000/- payable on the 7<sup>th</sup> day of every calendar month with an increase of 10% in the monthly licence fee on or after the expiry of 12 months. As per the Agreement, in case of default in payment of any monthly licence fee, the Corporate Debtor would be liable to pay an interest @ 21% p.a. for the delayed period. Respondent stated that the Corporate Debtor defaulted in the payment of monthly rentals from September 2017 onwards together with interest, electricity and water charges.

### The main issues which fall for consideration in this Appeal are:

- Whether dues, if any, arising from the 'Leave and Licence Agreement' is construed as an 'Operational Debt'?
- Whether there is any 'Pre-Existing Dispute' prior to the issuance of the Demand Notice?

### Judgement

The NCLAT held that the premises in the case on hand is leased out for 'Commercial Purpose', the cold storage owner/NAFED on collection is required to pay 'service tax' which is reflected in the tax invoices and 'Ledger Accounts' which is part of the record filed. Therefore, the NCLAT in accordance with the observations made by the Hon'ble Supreme Court in *Mobilox Innovations Private Limited V/s. Kirusa Software Private Limited (2018)*, and having regard to the facts of this instant case, opined that the subject lease rentals arising out of use and occupation of a cold storage unit which is for Commercial Purpose is an 'Operational Debt' as envisaged under Section 5 (21) of the IBC Code, 2016. Further, the dues claimed by the Respondent in the subject matter and issue, squarely falls within the ambit of the definition of 'Operational Debt' as defined under Section 5 (21) of the IBC Code, 2016. Furthermore, it is held that the communication on record clearly establish the fact that there is a 'Debt due and payable' and there is no 'Pre-Existing Dispute'. Hence, the NCLAT dismissed the present Appeal.

For details: <https://nclat.nic.in/!Useradmin/unload/5487276125f7d8cc994789.ndf>

### Prepared by Directorate of Academics

For any suggestions, please write to [academics@icsi.edu](mailto:academics@icsi.edu), or call at 01204082269

Disclaimer : Although due care and diligence have been taken in preparation and uploading this info capsule, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this info capsule. Anyone wishing to act on the basis of the material contained herein should do so after cross checking with the original source.

VISION  
"To be a global leader in promoting  
good corporate governance"

ICSII Motto  
अत्यं वद। धर्मं चर।  
speak the truth. abide by the law.

MISSION  
"To develop high calibre professionals  
facilitating good corporate governance"

Connect with ICSI

[www.icsi.edu](http://www.icsi.edu) | [f](#) [t](#) [in](#) [v](#) [o](#) | Online Helpdesk : <http://support.icsi.edu>