

EVERYTHING THAT CONCERNS YOUR MONEY

# THE GREEN DIGEST

PAGES 24 | APRIL 2021 | 97 MINUTES

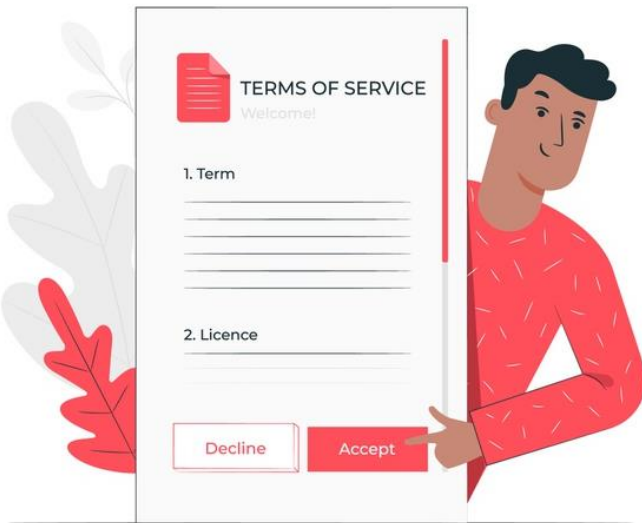
## PRIVACY

THE BEST SELLING PRODUCT

FOR PRIVATE CIRCULATION ONLY



Your right to privacy has become their  
their highest selling product and someone must be held  
responsible for the same. The question is who?



Facebook wants to bring people together. Google wants to make search more friendly. Amazon wants to make available everything at your doorstep. Jio wants everything available under one platform. Newsrooms want to ensure all the best news reach you, sitting at home. Websites and apps want to provide the best information to you, just a click or tap away. Even the government wants to merge and simplify your identities – one card for everything. “We are making the world simpler for you” – that’s what the technological advancements promise when they bring up something new. It is strange that in a commercial era where even social workgroups can’t be run without funding, the global conglomerates are providing services free of cost – Facebook, Google, Amazon, Jio, News channels, Websites, Mobile Apps, etc. Ever wondered how these corporates are able to not only meet their expenses but also become the

most profitable ventures in the world?

Well, the Government consists of power-greedy people backed by powerful people who in turn become more powerful by providing more power to the power-greedy people. You probably already understand the power dynamics. However, how the corporates who take birth with the sole purpose of earning profits can provide services free of cost, is something worth a discussion. So let’s discuss it.

### Your privacy is their product

If you think you are the customers of Google, Facebook, Amazon, News Channels, Apple, Jio, Websites, Apps and others, because you use their services and that’s why they can run, you probably got it wrong, all the way long! Yes, a few of these companies do earn from actual revenue by providing services to you. However, that’s nothing compared to the real activity and the earnings from the same. However, before we understand that, **we first need to understand who we are in this whole conundrum – “Asset”.** Yes, **not customers, we are the assets of these companies and our privacy is their product.** Not protecting it, but using it – that’s what they sell.

Think of it this way – Astronomers work on heavily expensive space projects. If a project fails, the entire expenditure (the tax collected from the people) is worth nothing. That’s why, space research involves a lot of data mining, data projections, permutations,

test trials and many other things that we even don't know or understand. This is because a lot of time, money and human efforts are invested in every project and failure is disheartening. On similar lines, businesses invest heavily in their idea and their products. Unlike space programmes, the ultimate motive is profit and the invisible ethical line often gets forgotten. Businesses take the risk and therefore, they want to earn the well-deserved profit, however, **the greed for guaranteed profits has grown over the years and thanks to technological advancement, has become possible as well.** How? Same as the astronomers – mine data, project data, algorithms, trials, etc. However, data isn't something that can be excavated from the ground or grown in the fields. The only way the data could be obtained is through surveying people. Ask some people to volunteer and collect their answers and use the data. However, businesses need larger sets of data and surveying is a costly affair with very less fruitful results. Thus, the days of surveys are gone, as technology collects data from you 'with your permission' without even you knowing it!

### **How technology has enabled data collection?**

"I agree to the terms and conditions", "I accept the website's privacy policy", "I accept the use of cookies on this website", "I agree to see personalised advertisements" – you surely would be aware of this? No? Well, only if you don't use the internet, mobiles, laptops etc. you would have not come across any of these. Otherwise, I can bet, you have agreed to all the above, several thousand times and maybe even more. Don't worry, everything just happens in a blink because **we have always been taught to use the**

**internet that way – Accept all terms and conditions, just click "Yes", "Yes" and "Yes" and there you go – it is ready to use.** And that's how you legally agree with the companies to allow them to collect data about you and sell your privacy to others.

**'Cookies' are delicious to eat, however, on the internet cookies are trackers deployed by websites that collect data about where you click, which page you visit, where you exit and where you spend more time.** The purpose is to make your experience on the website or the mobile app more delightful the next time, for example, log in once and next time you won't have to. However, the use of cookies, let's call them 'trackers' has increased drastically over the last decade to collect information about literally everything you do on the website. Believe me, Facebook knows more about your likes and dislikes than you might know about yourself. Google knows everything you do in your entire day, things that even you might have forgotten about your schedule. The trackers are installed everywhere and the more products you use, the more trackers you feed and more the data is generated. So, when Facebook says 'Write something here', it is asking you (the asset) to start your machinery and click at several places on the website, so that a lot of data would be generated on the backend.

**The use of cookies is not just restricted to one website, but these cookies can also build a home on your browser and keep a watch on everything you do on other websites or other apps.** You can check that in Facebook settings where it displays a list of advertisers with whom you have interacted, a list of advertisers based on mobile apps installed on your phone, list of advertisers who have shared data with

Facebook claiming that you are that other website's user as well. So when you buy something on Amazon, even Facebook knows that you buy from Amazon.

In the case of News channels, apart from collecting data from the website based on which news piece received more views and clicks, they also have information about which news programme was watched the most or when the Television Rating Points (TRP) was at their highest. In a bid to increase their audience (the assets of the business), the news that gets the most attention is displayed on top or more shows are built surrounding the topic. It is fine till here. **What goes beyond ethical boundaries is when the news channels start fabricating news in a bid to sell the formula (just like an algorithm in the case of apps and websites) that they have developed based on their data mining.** Every business wants to increase its assets, and in this case, you are the asset and they want to engage you as far as possible. So, then begins the telecast of fabricated news – if people are liking more 'India vs Pakistan', there you go – 20 shows added in the timeline this week. If people are getting bored of that, and instead 'North Korea vs South Korea' is getting more hits and viewership, the timeline is adjusted to include more shows on the topic. It doesn't matter what piece of news is important!

### How is big data used?

The use of data is the least concerned area for the companies in data selling businesses – there are millions of companies ready to buy the data and lumpsum amounts just to get the data. This is a business where customers need not be found, they

are available everywhere. Even the assets required for the business (the people) are available everywhere. The only important thing is to make the asset work – show some beautiful images or clickbait titles and lure them into the setup and the asset would do the rest of clicking and tapping.

The data collected is stored by the company in databases. Which advertisements were clicked, what is the age, gender, location, etc. of such person, what are the other things that the same person has liked, how many likes does he do, which part of the website is clicked the most, what is the most searched item, how did he land on the page, what time of the day or day of the week the website or app was used, etc. **While all companies claim that the data is anonymised and stored i.e. your name is not associated with it, however, there is no surety about these claims.** Besides, the data contains everything except your name, so the concern still exists.

The databases are sold to other companies according to their needs. For example, a food delivery app would love to know what food photos are liked the most on social media, what food item is more talked about on the internet, what is the age group of such people, location-wise details, the genderwise details etc. This information would help them to choose which product to promote the most on their app or offer discounts so that people are lured into their app. Similarly, the food delivery app would also have huge data of what the people order, at what time, in which location what is ordered the most, etc. Such data can be used for targetting advertisements, controlling prices and a lot more. This is just a safe example over



here to give an idea of how much data is collected and how it can be used. This is the information we know. The extent to which the data can be collected is a sign enough to scare us, as inappropriate use of such data or availability of such data in the wrong hands can result in a lot more awful situation.

### How Aadhar linking makes privacy vulnerable?

A few years ago, the Government projected aadhar as the game-changer. The Government started linking everything to aadhar. Some political leaders even wanted Facebook profiles to be linked and verified by Aadhar! The projected benefits of linking aadhar to many things were real as one universal recognition to access various services can make things simplified. Take opening bank accounts as an example which has become easier over years with a few taps an account can be opened.

However, only a few spoke about the downsides of linking everything to aadhar. Firstly, the Government manages the aadhar. **It is really difficult to believe that Governments would be able to protect aadhar from all threats when tech giants have failed in the past.** Because when everything is linked to aadhar, the people with ill-intent would launch more attacks on the aadhar data, as the data is precious.

Facebook, Google and others have become valuable companies owing to the huge data generation capacity and the possession of huge data useful for various companies for data analytics and targeted marketing. When your mobile, gas, bank, income tax, Demat, school fees, properties and everything else gets linked to aadhar, imagine how valuable an asset the aadhar data would become. **We already**

**know how the powerful manage to bring new public policies in their company's favour. How do we place trust on the Government (or the future Governments) that the data won't be sold to such corporates?**

### 'Right to Privacy' is a fundamental right

On August 24, 2017, the Supreme Court, in a historic judgement declared the right to privacy as a fundamental right protected under the Indian Constitution. The right to privacy hearings before the nine-judge bench concluded that it is unfortunate that the Government argued that privacy claims are only made by those who have done something wrong, which represents a common misconception of the meaning and value of the right to privacy. A lot can be harmed when our privacy is breached. **There's a reason why we draw curtains at home or keep private diaries.**

Think of celebrities who are surrounded by trackers (followers) all the time. Their privacy going for a toss can be seen 1,000 km away on a television box. The cookies on the websites are just the same except that they are invisible. There's nothing to hide, yet we do not want our neighbours, or the Government, or the corporates to know what we do and when we do and how we live.

The 'nothing to hide' misconception wrongfully equates privacy with secrecy, though the two are distinct concepts. **Privacy is about the choice to withhold information, which others do not need to know. Secrecy, on the other hand, is withholding information that people may have a right to know.**

**"Privacy is the next big thing under real threat!"**

(This article was contributed by the editorial team.)

# Amount paid to manufacturers or suppliers of software cannot be termed as 'Royalty'. Let the world know, a new era of taxation has begun!

By Amit Chandak, Associate Director, Greenvissage



*“During the assessment year 1997-98 and 1998-99, several payments were made to foreign parties for the license to use the software. However, no tax has been deducted at source and thus, following section 40(a) these expenses must be disallowed. Therefore, I have reason to believe that income has escaped assessment as the assessee has failed to disclose material facts in the return filed. Reassessment proceedings are being initiated for all assessment years 1998 to 2001.”*

In the early 2000s, various companies received a similar income tax notice including Samsung Electronics, Lucent Technologies, Sonata Software, etc. and over the years also to stalwarts like IBM Software and Hewlett Packard, marking the beginning of an era of taxation which lasted a long healthy span of 21 years, until the Supreme Court's recent ruling served a 'death sentence' to the aforesaid tax interpretation and beginning a new tax era!

Before we understand the judgement, let's first dive into the history of this case.

## What is the judgement about?

Many companies in India import computer software from foreign countries. Software is usually 'sold' to an end-user, or sold to an Indian or foreign 'distributor' in India 'for resale'. Sometimes, the software is bundled along with the hardware when such hardware is supplied. For example, let's say you want Microsoft Office on your computer. Now either you can directly buy the software from Microsoft's website, or you can buy it from licensed dealers in India (whether a subsidiary of Microsoft or an Indian company) which was earlier delivered through Compact Disc (CD). Sometimes, the Microsoft Office software also comes free along with new laptops. Thus, there are many ways in which the software reaches us. The two-decade-long dispute revolved around the taxability of these cross-border software payments. To be specific, whether the payment received by a non-resident for giving licence of the computer software to a buyer in India is taxable as 'Royalty' or as a 'Sale Receipt'. The dispute related to the following four broad categories of transactions –

1. Purchase of computer software, by a resident from a non-resident supplier or manufacturer, directly.

2. Purchase of computer software, by a resident Indian company acting as a distributor or reseller, and reselling to Indian end-users
3. Purchase of computer software, by a non-resident distributor from a non-resident supplier, and reselling to Indian distributors or end-users
4. Purchase of computer software bundled with hardware, sold by non-resident suppliers, to resident Indian distributors or end-users.

### **Why does the classification 'Sale Receipt' or 'Royalty' matter, if both are taxable?**

All foreign companies are liable to pay taxes in India if such income accrues in India or is deemed to be accruing in India. When software is sold to an Indian company, the foreign company is earning money in India and thus, they must pay taxes. Now, business profits are covered by the 'Double Taxation Avoidance Agreement' (DTAA) and enjoy a special status in such agreements. DTAA, in simple words, is a tax agreement entered into, by two or more countries, to not levy tax on certain kind of transactions, since the same would be taxed in their home country, and thus, double taxation is avoided. India has agreements with all major countries around the world.

As per most DTAA's, business profits are not taxed in the country where such profits are earned (in this case, India), but in the country where such corporate is a resident taxpayer. However, royalty income is not covered by such special status and is taxed in the country where such income is earned. The taxes collected on royalty are retained by India and the foreign companies claim deductions for such taxes

paid in India, in the tax returns they file in their home country. However, when the sale proceeds are taxed as Royalty as against Sale receipts, a 10% TDS is withheld on same. Besides, as per section 206AA, furnishing PAN is mandatory even by a Non-Resident, or TDS would be deducted at 20%. Now, the foreign companies would have to either obtain PAN and file returns under Indian tax laws (which they may not be aware of) or suffer 20% tax withholding. For the foreign companies who sell software in India in bulk, this would result in a major portion of their working capital being blocked by withholding taxes.

### **What was the cause of the dispute?**

Indian conglomerates believed that these receipts for software sale, earned by foreign parties were their business profits from sales and not Royalty income. Thus, they made payments without withholding any taxes on the same (i.e. TDS). However, the Income Tax Department, in the course of their assessments, believed that such income is the nature of 'Royalty' as the software developers were transferring their rights (granting a license) to their software (i.e. copyright) and thus, the tax must have been withheld at 10% while making payments for such software purchases. And thus, began a tax saga – the income tax department started disallowing software purchases where tax wasn't withheld. The department also re-opened prior period assessments in several cases and disallowed all expenses and levied taxes, interest and penalty for escaping income. The disputes went to tribunals and high courts and kept going back and forth over the last two decades. 103 appeals were pending before the apex court owing to divergent

rulings by various High Courts. The Supreme Court, judging all 103 appeals in a batch, ruled in the favour of the Indian companies for considering software payments as 'business profits' in hands of foreign parties, after examining the provisions of the Copyright law, the Income Tax law, the DTAA's and the agreements between the companies.

### **What were the diverging viewpoints?**

'Royalty' has been defined as the consideration for the transfer of all or any rights (including the granting of a license) in respect of a patent, invention, model, design, secret formula, process, trademark, copyright, literary, artistic or scientific work, in explanation 2 to section 9(1)(vi) of the income tax act. Owing to the said definition which was also retrospectively amended in 2012, to include 'right to use a computer software under the definition of Royalty, the income tax department claimed that the receipts were taxable as Royalty. However, the DTAA defines royalty in a restrictive manner as payments made for the use or right to use any copyright. Further, as per section 90(2), if there are inconsistencies between the income tax act and the DTAA, the provisions of DTAA prevail, as the same is more beneficial to the taxpayer. Thus, the court rulings favoured the taxpayers and rejected the claim of the income tax department.

The income tax department didn't stop there and after the aforesaid ruling, the department claimed that by selling the software or granting license to use software, the foreign parties have 'transferred the right to use a copyright' and thus, the same must be taxed as Royalty as covered under DTAA. On the other hand, the assessee's claimed that the sale of software

was a 'transfer of right to use copyrighted material, and not the copyright itself.' Thus, the same cannot be treated as 'Royalty'. The matter went up to tribunals and high courts and the confusion further increased as different high courts opined differently. The Delhi High Court adopted a firm view that the amount received by the assessee for allowing the use of the software was not royalty, because what is transferred is neither the copyright nor the use of the copyright. The court believed that the transfer related to the right to use the copyrighted material or article, which is distinct from the rights in a copyright. Madras High Court also followed the view adopted by the Delhi High Court. However, the Karnataka High Court, in the case of Samsung Electronics, in 2011, held that payment made to foreign company amounted to 'royalty' and therefore, the Indian purchasers were under obligation to deduct tax at source under Section 195 of the Income Tax Act. The court opined that transferring the right to make a copy of the software and use it for internal business by making copies of the same stored on the hard disk amounted to a use of the copyright under section 14(1) of the Copyright act, as in the absence of such a licence, there would have been an infringement of the copyright.

Thus, the whole dispute surrounded the decision over whether the sale or distribution of software in India was 'transfer of a copyright' or 'transfer of a copyrighted article' and only a decision from the Supreme Court could have resolved the same.

### **What did the Supreme Court rule?**

The Supreme Court explained that if an English publisher sells 2,000 copies of a particular book to an



Indian distributor, who then resells the same at a profit, copyright in the aforesaid book is not transferred to the Indian distributor, either by way of a license or otherwise, since the Indian distributor only makes a profit on the sale of each book. More importantly, the Indian distributor doesn't have any right to reproduce the aforesaid book and then sell copies of the same. On the other hand, if an English publisher were to sell the same book to an Indian publisher along with the right to reproduce and make copies of the aforesaid book with the permission of the author, then it would amount to the transfer of copyright in the book by way of a license or otherwise. In such a case, the amount that the Indian publisher will pay for is to gain the right to reproduce the book, which is in nature 'Royalty' for the exclusive right to reproduce the book in the territory mentioned by the license.

Further, the Supreme Court relied on the ruling in the case *Tata Consultancy Services vs the State of Andhra Pradesh* in 2005 which held such transactions as similar to 'sale of goods'. The license that the foreign supplier granted a license to the distributor to resale or to the end-user to use the license, in substance, was a sale of a physical object which contains an embedded computer program, and is, therefore, sale. Supreme court, thus, in its judgement, ruled that –

1. By selling computer software, the developer of software only granted the end-user a non-exclusive and non-transferable right to use the computer program and to the distributor of the computer software (whether Indian or foreign) a right to resell the computer software without changing its content, with an express stipulation

that no copyright is being transferred to it.

2. The 'license that was granted by way of End User Licenses Agreement (EULA), was not a license in terms of section 30 of the Copyright Act, which transfers all or any of the rights to the copyright, but was a 'license' to only impose restrictions or conditions for the use of computer software.
3. Even though the definition of 'Royalty' under the Income Tax Act was retrospectively amended in 2012 and included the right to use computer software, the same cannot prevail over the Double Taxation Avoidance Agreements (DTAA) which India had signed with various countries. Thus, the taxation in this matter would be decided based on the aforesaid tax treaties.
4. Under the tax treaties, 'Royalty' is defined to include payments made for the use or right to use any copyright. The use of computer software didn't lead to a transfer of copyright. Thus, the payments for them won't qualify as 'Royalty' under the tax treaties. Therefore, the Indian purchasers are under no obligation to deduct tax at source on such payments.

### Impact of the Supreme Court ruling

Firstly, the Indian purchasers of software from foreign countries can relax a bit now as there is no need to withhold taxes on such payments. This might also result in lowering the cost of software purchases, as software companies taking the benefit from this judgement, may consider price revisions. Secondly, the foreign parties can now claim the benefit under DTAA and rely on the aforesaid judgment. The Judgement of the Karnataka High Court in the case of

Samsung Electronics is now overridden. Thus, they no longer need to obtain PAN or file returns in India, if their transactions are limited to aforesaid activity. Besides, these sale receipts would no longer be withheld by taxes. However, that's only the future transactions. The ruling also impacts all the past rulings and the income tax department might have to issue refunds to all companies who have paid the tax demand in the last 20 years. The estimated refund due to IBM India alone is to the tune of INR 1,300 crore and the total outgo for the government can be anywhere between INR 15,000 – 20,000 crore. The blood drawn during the past 20 years is now due to be repaid as the income tax department is now cornered on this matter, with the latest judgement.

### The Equalisation Levy angle

In a surprise move, last year, the Government had introduced a new tax levy on foreign e-commerce operators who didn't have a business presence in India. With an amendment to the Finance Bill, 2020, all non-resident entities have been made subject to an equalisation levy at 2% on the sale of goods or services that take place through e-commerce platforms, quarterly. Simply put forth, the income of foreign e-commerce entities generated from India is now taxable. Such tax would apply if the supply is –

1. to a person resident in India (for example, buying goods from Alibaba or Amazon Global)
2. to a person who buys the goods or services through an IP address located in India (for example, foreign online gaming platforms

earning income through Indian gamers)

3. to a non-resident in specified circumstances, (for example, when Facebook or Google collects data from a person residing in India or having an Indian IP address and sells the same to a Non-resident company say, a fashion brand, for targetted advertising, the income from such sale would be liable to equalisation levy)

Until then, an equalisation levy had to be paid by Indian companies advertising on foreign digital platforms for only business to business transactions. However, with the aforesaid amendments, for the first time, an equalisation levy has been brought in for business to consumer transactions as well. The Government has recently clarified that the scope of equalisation levy extends to digital platform services, digital content sales, digital sales of a company's goods, data-related services, software-as-a-service, etc. The clarification further mentions that services which are subject to tax as royalty income under the income tax law will not be liable to equalisation levy.

Now that the Supreme Court has cleared the sale of software from Royalty tax, these transactions would get covered by a 2% equalisation levy. However, the aforesaid judgement only applies to countries with whom the Indian Government has a Double Taxation Avoidance Agreement (DTAA). Thus, the Non-Resident suppliers of software who belong to a country that does not have a tax treaty with India will continue to pay tax on the supply of software as 'Royalty' income and equalisation levy shall not apply.

85% direct tax cases pertain to tax department's appeals

65% cases lost by income tax department of the total

## Government Policies

- India, Japan, Australia and the United States, the Quad-Group, have agreed to a joint-vaccine supply chain initiative whereby a billion doses of the COVID-19 vaccine shall be supplied by 2022. According to this agreement, Vaccines shall be developed in the United States, thereon manufacturing will take place in India, with financial aid from Japan and United States, while Australia will provide logistical support for delivering the vaccine. The Quad-Group is being seen as a geopolitical counterweight to China's growing influence in the Indo-pacific region.
- According to a plan laid out in Parliamentary Standing Committee Report, submitted to Lok Sabha, the Central government is planning to introduce 'Unique Land Parcel Identification Number (ULPIN) scheme' whereby 14-digit identification number for every plot of land in the country within a year, to create a database integrated with the revenue court records and bank records. The scheme has already been rolled out in 10 states and will be extended across the country by March 2022. The 14-digit id shall also be linked to Aadhar voluntarily. Although the Supreme Court ruling had repealed the mandatory linking of Aadhar to bank accounts, mobile sims, school admissions and various others on the same line, the Government has found its way around by offering voluntary linking with such benefits that the option almost seems mandatory.
- As part of its Vehicle Scrapping Scheme, Government will set up 75 fitness centres across the country by March 2023 under the new vehicle scrappage policy. The Government has already set up fitness centres in seven cities. Vehicle Inspection and Certification Centres are established at Cuttack in Odisha, Lucknow in Uttar Pradesh, Bengaluru in Karnataka, Surat in Gujarat, Nashik in Maharashtra, Rohtak in Haryana and Jhuljhuli in Delhi.
- Addressing industry leaders through a webinar, Prime Minister has promised to do away with around 6,000 corporate compliance requirements by August 15 to improve the ease of doing business as well as ease of living. The 'Department for Promotion of Industry and Internal Trade' (DPIIT) is focussing on four issues – 1) relaxing compliance burden 2) removing archaic laws 3) decriminalising several civil offences and 4) simplification of the citizen-government interface. The DPIIT has also announced to launch of a regulatory compliance portal that will act as a bridge between citizens, industries and the government to reduce compliances. While it's fascinating to hear the big numbers and reduction in compliance requirements, the actual impact of the same is too meagre as either the compliance is too small or applicable to a few limited. Besides, one also needs to take into account the rapid introduction of new rules and disorganized changes the Government is introducing.
- Srikar Reddy, Joint Secretary for Ministry of Commerce and Industry has informed that the contribution of private players in the defence sector has grown over the years with more than 460 licences issued to private companies for the production of defence equipment. The government is taking several initiatives to encourage domestic manufacturing in the entire defence manufacturing chain and reduce external dependence for defence procurement. An estimated 24,000 MSMEs are currently involved in the defence supply chain.

- The OPEC+ group, rejecting India's plea has asked the Indian Government to use the oil bought last year when the oil prices had hit rock bottom. Indian Government had requested the Organisation of Petroleum Exporting Countries (OPEC) and its allies together known as OPEC+ to ease the production controls placed on oil production. The OPEC+ countries whose entire economy relies on the revenue from petroleum products had levied several production control measures on its production to control the global supply and increase its prices after the COVID-19 pandemic resulted in negative oil prices for a while.
- On the occasion of Women's day, Maharashtra Government has announced a 1% cut (thus, the effective rate becomes 4%) in stamp duty levied on the transfer of house property or registration on sale deed, if the deed is the name of a woman or women only. On the same lines, Karnataka Government has also announced a lower 3% stamp duty rate for houses worth INR 35 lakh – 45 lakh (i.e. affordable housing segment). Both state governments have run a reduced stamp duty regime after the COVID-19 pandemic to boost real estate demand. Maharashtra Government had earlier announced a 3% cut (thus, effective rate 2%) till December 2020 and a 2% cut (thus, effective rate 3%) till March 2021. Delhi Government has also announced that the circle rates for a residential, commercial and industrial property to remain slashed by 20% till September 2021.
- 17 states have successfully operationalised the 'One Nation One Ration Card system' with Uttarakhand being the latest State to complete the reform, according to a press release by the Ministry of Finance. According to the scheme by Central Government, States completing the 'One Nation One Ration Card' system are eligible for additional borrowing of 0.25% of Gross State Domestic

Product (GSDP). The reform empowers the migratory population who frequently change their place of living to be secured in ration availability.

- Deadlines for coal-fired power plants to adopt new emission norms has been pushed back by India for three years. The country also allowed utilities that miss the new target to continue operating after paying a penalty. The Government had initially set a 2017 deadline for thermal power plants to install Flue Gas Desulphurization (FGD) units that cut emissions of sulphur dioxides.

## Goods and Services Tax

- Goods and Services Tax Network (GSTN) has enabled the 'Core business activity' feature that requires the taxpayer to select one core business activity on the GST Portal, to curb businesses from taking input tax credit on unrelated activities. The core business activity provides three options – Manufacturing, Trader, and Service Provider and others. A manufacturer is a registered person who produces new products from raw materials and components using tools, equipment and machines and then sells them to the consumers, wholesalers, distributors, retailers or other manufacturers. A manufacturer may sell some more brought out items or may provide some ancillary services with his manufactured goods, but he would continue to be classified as a manufacturer because it is the Primary Business Activity. A trader is a registered person who engages in the buying and selling of goods. Traders have been further classified as Wholesaler or Distributor and Retailer. The Retailer includes a registered person selling goods through e-commerce operators. A service provider is a registered person who provides service to a recipient of service and is neither a manufacturer



nor a trader, for example, banking service, IT service, works contract service, agents, intermediaries, goods transport agency, etc. For different GSTN numbers, different categories can be updated. Businesses are supposed to mention the category, which involves the majority of their business practices and is predominantly carried at that particular location.

- To a query in the Rajya Sabha, Minister of State for Finance, Anurag Thakur clarified that the Government has no proposal for scrutiny of GST assessment and some stages of investigations by Series Fraud Investigation Officer in a faceless mode presently as the GST laws and rules already provide for electronic filing and assessment of returns on the common portal.
- The civil aviation ministry is working on the airline industry's demand to bring Aviation Turbine Fuel (ATF) under the ambit of GST and has taken up the matter with the finance ministry. ATF or jet fuel cost accounts for 45-55% of airline's operating expenses in India, amongst the highest in the world and the industry has long been demanding that it should be brought under the Goods and Services Tax (GST) regime.
- The Comptroller and Auditor General (CAG)'s report presented in the Parliament has noted that the government has been slow in implementing technology and simplified filing process for Goods and Services Tax (GST), although tax evasion detection has been improved. The report mentions that the number of cases detected via anti-evasion activities has improved 72% between FY18 and FY19 from INR 38,686 crore to INR 66,507 crore; while the same was 49% between FY17 and FY18. The Ministry attributed the significant increase in the number and amount of cases detected through anti-evasion activities to the setting up of the Directorate General of Analytics and Risk

Management (DGARM), entrusted with the function of analysing big data.

- Effective April 1, e-invoicing is now mandatory to all taxpayers with an annual turnover exceeding INR 50 crore (earlier INR 100 crore from January 1, 2021, and previously INR 500 crore from October 1, 2020). It can be expected that e-invoicing will soon become effective to more and more taxpayers and replace the e-way bill system altogether.
- Effective April 1, taxpayers have to mandatorily disclose the HSN code in the GST tax invoice from April 2021. Taxpayers with turnover up to INR 5 crore will have to disclose 4 digit HSN code for Business to Business invoices, while for others, 6 digit HSN code in all Business to Business (B2B) as well as Business to Consumer (B2C) invoices. Only certain taxpayers dealing in specified goods would be required to disclose the full 8-digit HSN code.

(For queries or more information relating to GST, contact our colleague Ashish Gandhi at [ashish.gandhi@greenvissage.com](mailto:ashish.gandhi@greenvissage.com))

## Income Tax

- Income-tax Department has notified the new Income-tax return forms for FY 2020-21. The excel and java based utilities have been discontinued from this year and replaced by JSON based desktop utility. A single utility shall fulfil the needs for taxpayers filing ITR-1, 2, 3, or 4. Currently, ITR-1 and ITR-4 have been activated in this utility while other forms will be updated shortly.
- For FY 2020-21 Income-tax returns, it is mandatory to import a pre-filled XML file from the Income-tax e-filing portal which can be accessed after logging into the portal, My Account > Download Pre-Filled for AY 2021-22, and can be imported to the utility for prefilling the personal and other available details. It is recommended that

any change in the PAN data pre-filled in the XMLfile, should be updated on the e-filing website and XML should be regenerated, instead of directly editing in the Income-tax return.

- The Central Board of Direct Taxes (CBDT), has streamlined the process of selection of cases for the issue of notices under section 148, commonly referred to as 'Income escaping assessment', directing only the following categories of cases to be considered as 'potential cases' for FY 2012-13 to FY 2016-17 –

1. Cases where there are audit objections (audit of revenue department by the Comptroller and Auditor General)
2. Cases where information from any other Government Agency or Law Enforcement Agency is received
3. Potential cases based on reports of Directorate of Income-tax (Investigation), Directorate of Intelligence & Criminal Investigation, cases from Non-Filer Management System (NMS) as flagged by the Directorate of Income-tax (Systems) based on risk profiling.
4. Cases where information is received based on field survey action
5. Cases where information is received from any Income-tax authority with the approval of the Chief Commissioner of Income-tax

- The Finance Bill, 2021 has been amended to change the limit on the taxability of interest earned on Provident Fund contributions over INR 2,50,000 to a new limit of INR 5,00,000 for Government sector employees. The limit shall remain INR 2,50,000 as announced in the Budget speech this year, for private-sector employees.

- The Supreme Court has ruled that payments made to non-residents for software purchase cannot be

taxed as royalty. Thus, the tax liability of foreign software sellers without a permanent establishment in India would reduce to a 2% equalisation levy from the 10% royalty tax which the Indian buyers were been liable to withhold. The ruling will lower the cost of software purchases for Indian firms if the overseas sellers chose to lower the prices owing to the tax relief.

- Karnataka High Court has ruled that the fair market value of bonus shares computed as per Rule 11U and Rule 11UA of the Income-tax Rules cannot be considered as income from other sources under Section 56(2)(vii). The court noted that the issue of bonus shares by the capitalization of reserves was merely a reallocation of the companies funds and there was no inflow of fresh funds or increase in the capital employed. When a shareholder gets a bonus share, the value of original shares held by him depreciates and the value of two shares put together remains nearly the same as the value of the original share before the issue of bonus shares.

- Central Government has extended the last date for linking the Aadhaar number with PAN from March 31 to June 30, citing the difficulties arising out of the COVID-19 pandemic.

- Amendments to Finance Bill 2021 clarify that offshore e-commerce platforms are not liable to pay a 2% equalization levy, or digital service tax, on that portion of goods that are sourced from India. The digital tax applies only to non-resident companies with annual revenue exceeding INR 2 crore and covers online sales of goods and services to Indians.

- The Government has realised INR 53,346 crore through the Direct Tax Dispute Resolution Scheme Vivad Se Vishwas till February 22, as announced in the parliament.

- Finance Minister Nirmala Sitharaman has clarified that salary income earned by non-resident Indians in Gulf countries would continue to be exempt from tax in India. The budget has merely incorporated a general definition of the term 'liable to tax' to provide clarity and the amendment has not altered the taxability of salary income earned by NRIs in Gulf countries.
- Effective April 1, the rights of the taxpayers are set to stand reduced as two quasi-judicial bodies the Income-tax Settlement Commission (ITSC) and the Authority for Advance Rulings (AAR) are being replaced with administrative bodies comprising of Chief Commissioners of Income-tax. Thus, the Income-tax department is set to become more authoritative than before.
- Effective April 1, the tax will have to be deducted at source (TDS) at higher rates, if the vendor or service provider has not filed their Income-tax return (ITR) for the immediate past two years, however, are liable for TDS deduction in the current period.

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## Corporate Laws

- Ministry of Corporate Affairs (MCA) has made amendments in the Companies Law to mandate companies to disclose their investments in cryptocurrencies. The companies would have to disclose cryptocurrencies in which they had traded, the profit and losses in such trades and deposits or advances taken from other persons in these currencies.
- The Ministry of Corporate Affairs (MCA) has notified amendment in the directors'

remuneration to amend Schedule V of the Companies Act, 2013. After the words "managerial person or persons", the words "or other director or directors" have been inserted, and after the words "managerial person", the words "or other directors" has been inserted. The word 'other director' shall mean a non-executive director or an independent director.

- Further amendments include an amendment in the limits for annual remuneration payable to directors. Where the effective capital is less than INR 5 crore, the annual remuneration payable cannot exceed INR 60 lakh in the case of a managerial person and INR 12 lakh in the case of other directors. Where the effective capital is between INR 5 crore to 100 crores, the annual remuneration cannot exceed INR 84 lakh in the case of a managerial person and INR 17 lakh in the case of other directors. Where the effective capital is INR 100 crore to 250 crores, the annual remuneration cannot exceed INR 120 lakh in the case of a managerial person and INR 24 lakh in the case of other directors. Where the effective capital is INR 250 crore and above, the annual remuneration cannot exceed INR 120 lakhs plus 0.01% of the effective capital over INR 250 crore in the case of a managerial person and INR 24 lakh plus 0.01% of the effective capital over INR 250 crore in case of other directors.

(For queries and more information relating to Corporate Laws, contact our colleague Adnan Ginwala at [adnan.ginwala@greenvissage.com](mailto:adnan.ginwala@greenvissage.com))

## Customs and Foreign Trade

- The first consignment of iron-rich 'red rice', locally known as 'Bao-dhaan', cultivated in Assam without using chemical fertilisers, has been shipped by India to the United States. During the April- January period of 2020-21, the non-basmati rice exports have increased 115%

- The government has decided to impose 40% basic customs duty (BCD) on solar modules and 25% on solar cells from 1 April 2022, to make imports costlier and encourage local manufacturing, according to a notification by the ministry of new and renewable energy. The idea is to emerge as a leading global supplier of these items, besides meeting local requirements locally. Such custom duty will replace the 15% safeguard duty currently being imposed on imports from China and Malaysia. Presently, India's solar sector, like any other country, is reliant on imports of solar equipment.

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## Banking and Finance

- From April 1 onwards, old cheque books of Dena Bank, Vijaya Bank, Oriental Bank of Commerce (OBC), United Bank of India (UBI), Syndicate Bank, Andhra Bank, Corporation Bank and Allahabad Bank have become invalid as these banks have merged with other large banks including Bank of Baroda (BoB), Punjab National Bank (PNB), Union Bank of India (UBI), Canara Bank and Indian Bank. The account holders of these eight banks must get a new cheque book as the old ones have become invalid from April 1.

Meanwhile, other people have to take care that they are not duped by any debtor issuing old cheques. Further, the IFSC codes of these banks shall also become invalid. On April 1, 2019, Dena Bank and Vijaya Bank were merged with Bank of Baroda. The Oriental Bank of Commerce (OBC) and United Bank of India were amalgamated with Punjab National Bank on April 1, 2020. Other banks that were merged include Syndicate Bank who merged with Canara Bank, Andhra Bank and Corporation Bank who merged with Union Bank

of India, Allahabad Bank who merged with Indian Bank.

- Automatic payments from the account for mobile, utility, and other bills, as well as subscription charges for over-the-top (OTT) platforms, were likely to be disrupted from April 1 owing to a new rule issued by the Reserve Bank of India (RBI) whereby an additional two factor of authentication (2FA) was required for recurring online transactions using credit cards, debit cards, UPI, or other prepaid payment instruments (PPIs). However, due to the hardships faced by the banks in implementing the same, the RBI has extended the deadline by 6 months to September 30. According to the new rule, banks and payment platforms will have to send a notification to customers at least 24 hours before the account is debited, seeking their consent to a recurring transaction, by a mode of notification i.e. email or SMS, chosen by the consumer at the time of registering the e-mandate for recurring payments. The banks will have to decline the payment if the consent is not received. Such notification will be sent for every recurring payment, each time.
- The government is looking forward to upgrading the QR code for UPI in a way that incorporates the GST component and shows the same separately, to enable the government to come out with fiscal incentives for payments that are made digitally.
- National Payments Corporation of India (NPCI) has partnered with SBI Payments to launch 'RuPay SoftPoS' for Indian merchants, which can transform NFC enabled smartphones into Point of Sale (PoS) terminals for the retailers. Merchants will be able to accept contactless payments of up to INR 5000 through a simple tap and pay on their smartphones.

(For queries and more information relating to banking and finance, contact our colleague Kethaan Parakh at [ksparakh@greenvissage.com](mailto:ksparakh@greenvissage.com))



## Accounting and Auditing

*Important changes to disclosures in the financial statements, effective from April 1 –*

1. Companies have to mandatorily round off the figures appearing in the financial statements where the criteria for rounding off shall be based on 'total income', instead of 'turnover'.
2. Companies have to disclose the shareholding of the promoters in the note on Share Capital in the Financial Statements mentioning details along with any changes during the financial year.
3. Current maturities of long term borrowings have to be disclosed separately under the head 'Short Term Borrowings' instead of 'Other Current Liabilities'.
4. Trade payables ageing schedule has to be given in the note on trade payables. The schedule must specify payables outstanding for less than 1 year, for 1-2 years, and so on.
5. Security Deposits maintained with the company have to be reclassified as 'Other Non-Current Assets' instead of 'Long term loans and advances.'
6. The companies will now have to disclose the purposes for which the borrowed funds have been utilised. Further, the company shall also disclose if the funds have been used for any other purpose than they were borrowed for, whether the books of accounts with the quarterly or monthly returns filed with the banker are in agreement or reconciliation of the same.
7. The details of the immovable property (other than properties where the company is a lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company will have to be disclosed. If the immovable property is jointly held with others, the details are required to be given to the extent of the company's share.
8. Revaluation of Property, Plant and Equipment will have to be disclosed if revalued, and whether the same is based on a valuation by a registered valuer.
9. Loans or advances in the nature of loans granted to promoters, directors, key managerial personnel and the related parties either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayment will have to be disclosed in the financial statements.
10. Disclosure regarding capital work-in-progress along with ageing schedule and the details of Capital WIP whose completion is overdue or has exceeded its cost compared to its original plan will have to be provided.
11. The note on intangible assets shall additionally disclose the amount of change due to revaluation if the change is 10% or more than the carrying value of each class of intangible assets.
12. Disclosure with respect to any proceedings which have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 will have to be disclosed in financial statements.
13. A disclosure will have to included to mention if the company is being declared as a wilful defaulter by any bank or financial institutions or other lenders.

(For queries and more information relating to Accounting, contact our colleague Rahul Mundada at [rahul.mundada@greenvissage.com](mailto:rahul.mundada@greenvissage.com))

## Payroll and Personal Savings

- On March 31, the Government had announced steep cuts in the interest rates of Small Savings Schemes such as Public Provident Fund (PPF), National Savings Certificate (NSC), Senior Citizen Savings Scheme, and other similar investments. However, within 12 hours of the announcement, the Government on April 1, rolled back the new rates and announced that the old rates would continue for the next quarter, calling the earlier announcement as a minor 'oversight'.

The strange turnout of events is being correlated to the ongoing state legislative assembly elections in West Bengal, Tamil Nadu, Assam and Kerala, where West Bengal alone accounts for 15.1% of gross investment in such schemes, the highest in the country, according to FY 2017-18 data.

- All major banks have reduced their home loan interest rates. The State Bank of India (SBI) and HDFC have cut their home loan rates from 6.75% to 6.70% while Kotak Mahindra is offering loans at 6.65%. The latest to join the trend is ICICI bank who is offering housing loans at a 6.70% interest rate, the lowest in 10 years by the bank, effective from March 5, 2021. The interest concession is usually based on the loan amount and CIBIL score of the borrower.
- To encourage more women to become property owners, many financial institutions are offering differential pricing, with a lower interest rate for women home buyers. Further, the states such as Delhi, Maharashtra and Karnataka are already offering a lower stamp duty rate if the buyer or sale deed is in the name of women. The states of Bihar, Haryana, Punjab, Maharashtra, Orissa and Uttar Pradesh also offer similar concessions. Given the economic situation, it is the best time for buying a house property in the name of a

woman, with a loan from banks, and subsequent tax deductions under section 80C.

- The Central Board of Trustees (CBT) of Employees Provident Fund Organisation (EPFO) have recommended an 8.5% annual rate of interest to the member accounts for FY 2020-21. The rate would be notified in the government gazette following which the EPFO would credit the interest into the accounts of subscribers.
- State Bank of India has announced various assets to be auctioned in a mega auction. Banks auctions properties in a final attempt to recover whatever value is left out of the assets where in most cases the banks suffer loss in auctions. If lucky, through bank auctions, investors can get a 20-30% discount on the market price of the asset. Interested bidders have to deposit 10% of the reserve money in advance to participate in the auction. The reserve price is a minimum price set by the bank and bids have to be placed above this price.
- The rate of return of small savings schemes of post office as compared to prior period is as follows:

Scheme	21-22 Q1	20-21 Q4	%
Savings	4.00	4.00	0.00
FD (5 years)	6.70	7.70	- 1.00
RD (5 years)	5.80	7.20	- 1.40
NSC	6.80	7.90	- 0.90
PPF	7.10	7.90	- 0.80
KVP	6.90	7.60	- 0.80
SSA	7.60	8.40	- 0.80

(For queries and more information relating to Payroll, contact our colleague Kumari Snigdha at [kumari.snigdha@greenvissage.com](mailto:kumari.snigdha@greenvissage.com))

## Economic Indicators

- Latest statistics relating to the key economic indicators of Indian economy stand as follows:

Indicator	As on	Current	Prior
GDP Growth (%)	Dec-20	0.40	- 7.30
Inflation (%)	Feb-21	5.03	4.06
Unemployment (%)	Jan-21	6.50	9.10
Trade Balance (\$m)	Mar-21	-14110	-12620
GOI Bond 10yr (%)	Mar-21	6.18	6.24

- The movement in the major indices of various stock exchanges across the world, during the month of March, 2021 was as follows:

Equity Index	Country	%
NIFTY 50	India	- 0.47
BSE SENSEX	India	- 0.74
INDIA VIX	India	- 21.80
NIFTY BANK	India	- 3.89
DOW JONES	USA	+ 5.26
NASDAQ	USA	+ 4.33
S&P 500	USA	+ 4.63
FTSE 100	UK	+ 1.61
NIKKEI 225	Japan	+ 3.43
SHANGHAI COM	China	- 0.50
MOEX	Russia	+ 4.22
CAC 40	France	+ 5.54
DAX	Germany	+ 8.52
ASX 200	Australia	+ 1.76
BOVESPA	Brazil	+ 0.04
FTSE STI	Singapore	+ 0.04
KOSPI	South Korea	+ 2.86
HANG SENG	Hong Kong	- 0.59

- The movement in the major commodities futures with latest expiry, as per MCX during the month of March, 2021 was as follows:

Commodity	Expiry	Price	%
Gold	04-Jun	45,404	+ 1.11
Silver	05-May	65,040	- 4.28
Crude Oil	19-Apr	4,516	+ 0.07
Natural Gas	27-Apr	194	- 6.23
Aluminum	30-Apr	178	+ 1.14
Copper	30-Apr	669	- 4.54
Cotton	30-Apr	22,260	- 4.10

- The movement in the reference rates of major global currencies during the month of March, 2021 was as follows:

Currency Pair	Mar 31	Feb 28	%
INR/1 USD	72.40	73.04	+ 0.87
INR/1 GBP	99.62	101.90	+ 2.23
INR/1 EUR	85.31	88.80	+ 3.92
INR/100 YEN	66.26	68.78	+ 3.66

- Movement in the major cryptocurrencies during the month of March, 2021 was as follows:

Currency	Pair	Price	%
Bitcoin	BTC/USD	58,804	+ 14.48
Ethereum	ETH/USD	2,070	+ 27.05
Tether	USDT/USD	1.00	- 0.10
XRP	XRP/USD	0.61	+ 33.84
Btc Cash	BCH/USD	563.15	+ 4.28

- Finance Minister Nirmala Sitharaman has said that the Government's stance on the Cryptocurrency would be a calibrated one and that the world is moving fast with technology and India cannot stay behind. New cryptocurrency regulation bill will be introduced in parliament.

## Corporate News

- **Google** has announced that it shall deduct United States' tax from the earnings of its global YouTubers starting June this year. The company has asked the Youtubers to update their tax info in AdSense or else the tax deduction would take place at 24% of total earnings worldwide. The tax is to be deducted only for earnings made through viewers from the United States and not the other countries, provided the necessary documents have been submitted. For countries that have a tax treaty with the United States, the rate shall be 15% of the earnings from United States' viewers while for other countries the rate shall be 30% and if no documents are submitted, the entire global income whether earned from United States' viewers or other viewers would be taxed at 24%.
- **Google** has committed USD 5,00,000 to NASSCOM to target 1,00,000 women agricultural workers and provide them with digital and financial literacy skills, in the areas of Bihar, Haryana, Himachal Pradesh, Rajasthan, Uttarakhand, and Uttar Pradesh. It shall also launch a platform called 'Women Will' to contain tutorials on topics like becoming an income earner which consists of educational videos on tailoring, beauty parlour, Kirana shop, xerox shop and tuition centres.
- **Cairn** has filed a case in the United States court to enforce the USD 1.4 billion arbitration award by attaching the properties of Indian embassies or even Air India's planes. Meanwhile, the Government has asked Cairn to settle the long-standing tax dispute using the Vivad se Vishwas scheme, paying around half the amount due, in a case where India has already lost the case in a forum and filed an appeal. The Finance Ministry has warned that the award shall not be given easily and would be a long-drawn process where the value of award money will keep declining.
- Founder and CEO Deepinder Goyal has announced that **Zomato** is adding its product line of health and dietary supplements, marking its entry into nutrition supplements or 'functional food'. The supplements belong to Zomato's brands and will 'Made in India' products.
- According to a report of the Parliamentary Standing Committee, **BSNL** shall not become profitable at least until FY 2023-24. The report noted that the company has become EBITDA Positive (Earnings before interest, tax, depreciation and amortisation), owing to the reduction in expenditure due to Voluntary Retirement Scheme (VRS) offered to employees. BSNL has 68,000 towers, of which 13,000 earn over INR 1,000 crore per annum in rent, on a gross basis, while the company earns about INR 400 crore per annum by allowing others to use its fibre.
- The Enforcement Directorate has attached INR 197 crore worth of properties of **Unitech Group** in connection with a money laundering case. 10 properties, including a resort each in Sikkim (Gangtok) and Kerala (Alappuzha), have been provisionally attached under provisions of the Prevention of Money Laundering Act (PMLA).
- **Socialswag**, a fan engagement startup, launched by actors Akshay Kumar and Rana Daggubati, has garnered USD 1 million in its seed funding round, which will be used to launch initial products on the platform. The platform is live with a website with an app expected to be rolled out in the next couple of weeks.
- **National Thermal Power Corporation (NTPC)** is set to make India's biggest solar power plant of 100 megawatts (MW) capacity, set up in Telegana operational by May 2021.



- South Korean electronics giant **Samsung** has entered the OTT market in India with the introduction of Samsung TV Plus, which comes with 27 channels, including 22 global channels and 5 Indian local channels including Republic, 9XM, and The Q. Samsung TV Plus will be available on any Samsung Smart TV launched of 2017 to 2021.
- **Reliance Jio** has collaborated with mobile chipmaker company Qualcomm to host an online shooting game 'Call of Duty Mobile Aces Esports Challenge' on the JioGames Esports platform. Call of Duty, a competitor of PUBG, has gained from the ban of PUBG in India.
- **Airtel Africa** has announced that Mastercard would invest USD 100 million in its wholly-owned subsidiary Airtel Mobile Commerce. Mastercard would hold a minority stake on completion of the deal with Airtel Africa continuing to hold the majority stake.
- **HDFC Bank's** wait to get back to the issuance of new credit cards is likely to get longer as technical glitches faced in the last month may prompt the Reserve Bank of India (RBI) to continue with the ban. The outages might trigger an adverse audit report by the RBI-appointed firm as the central bank which has moved to a 24×7 payments cycle has little tolerance for outages.
- **Adani Enterprises** along with its wholly-owned subsidiary Gare Palma II Collieries (GPIICPL) have inked a deal with Maharashtra State Power Generation Co Ltd (MAHAGENCO) for the development and operation of the Gare Palma Sector II coal mine. The coal ministry had allocated a coal mine in the Raigarh district of Chhattisgarh to MAHAGENCO in 2015.
- **Bharat Road Network (BRNL)** has signed an agreement with Cube Highways for the sale of Ghaziabad Aligarh Expressway Private Limited (GAEPL). The proceeds will be utilised to reduce debt and also capitalise on growth opportunities in the highways sector.
- **IndiGo** has announced the commencement of door-to-door baggage transfer service in Delhi and Hyderabad. The '6EBagport', service allows customer's baggage to get effectively and securely packed and transported with tracking from the first destination to the last one. The company will soon launch the service in partnership with CarterPorter, in Mumbai and Bengaluru as well.
- **Coinbase Global** has received approval from the Securities and Exchange Commission (SEC) to list its shares on the NASDAQ. The decision is another boost to the legitimacy of digital currencies which are rapidly gaining acceptance from the mainstream financial services industry.
- Telecom operator **Bharti Airtel** has commissioned a captive solar power plant to meet the energy needs of its data centres in Uttar Pradesh. The facility in Tilhar (Shahjahanpur, UP) is the first of the two solar plants being set up by Airtel in partnership with AMP Energy. The second plant at Begampur is expected to go live soon.
- **Shriram Life Insurance** has introduced a 12-hour claim settlement process for non-early claims. Non-early claims are those claims which are filed after 3 years of a policy being issued. Typically, insurers take between 2 to 7 days to settle life insurance claims. The time taken is higher if the claims are suspicious and require investigation.
- **Big Bazaar** will roll out a two-hour home delivery service offering a range of assortments to shoppers in the country's top three cities — Mumbai, Bengaluru, and the Delhi NCR. The three cities have 55 stores which will allow consumers to place orders across fashion, food, FMCG, and home products.



### Budget 2021 – How Tax Assessments have changed

The time limit for completion of assessment, reassessment and re-computation and for passing an order under section 143 or 144 commonly referred as ‘Scrutiny assessment’ was earlier 33 months from the end of the relevant financial year, which was curtailed to 30 months for FY 2017-18 and 24 months for FY 2019-20 and subsequent assessment years. Due to computerisation, this time limit is being further ...



### Budget 2021 – Changes in Goods and Services Tax

Section 16 allows taxpayers’ to claim an input tax credit based on GSTR-2A and 2B. However, a new clause (aa) has been inserted in the aforesaid section, adding one more condition to claim of ITC. Henceforth, ITC on invoices and debit notes can be availed only when the details of such invoice or debit note have been furnished by the supplier in the statement of outward supplies i.e. GSTR-1 or ...



### An insight into the inside story of Budget 2021 –

**Opinion** Another year and another budget! On February 1, Finance Minister Nirmala Sitharaman presented the budget for the Union Government of India, her third budget presentation or let’s say three and a half, as the COVID-19 relief package which spread over five press conferences, should be counted as one half. Thankfully, this year’s budget speech wasn’t another record-breaking 150-minute ...



### Hindu Undivided Family – A uniquely Indian

**concept and tax savings** India is diverse and unique in many ways. Many of the economic theories and business models fail to hold in India owing to the unique nature of the economy, the country and the citizens. India is deeply influenced by and believes in its traditions passed on from generation to generation. These traditions are not merely restricted to the family rituals, celebrations or ...

Newsletter by:



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