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## BIG DATA

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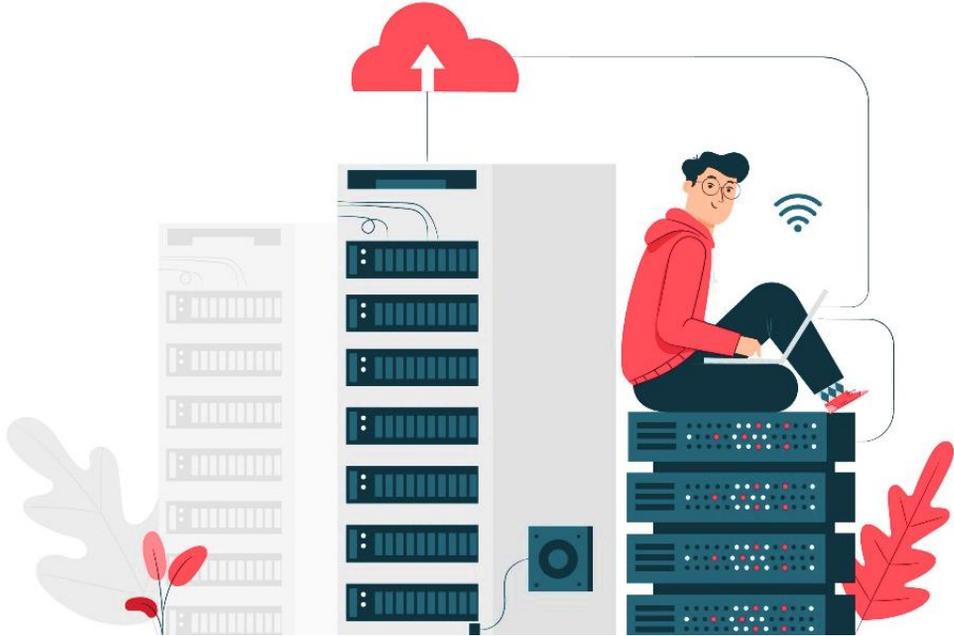
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**Big Data – Fuel of the future. “Build today, sell tomorrow and pocket millions day after.” How data is becoming epicentre of the modern business world, explained.**



## Prologue

Have you ever wondered about human history and our existence on this earth? Sounds like a heavy discussion, as it's not just about a few years, but many known and unknown million years and now 2021 also becomes a part of the same. While the earliest traces of human existence go back to six million years, we evolved to become humans only about 2,00,000 years ago. More interestingly, the civilized form of our living began only 6,000 years ago. The post-industrialization era is just 200 years old; the democratic world order has been established only within the last 100 years, and the modern digital world after the rise of the internet is merely into its 37th year. In the context of human history, our current living, system and culture are insignificant when compared to the several million years before this day, however, from the perspective of human progress and development, it is undisputed that the past couple of centuries weighs a lot more than the thousand centuries before. Do you know what made the difference? – the modern art of 'recording'.

Think of taking up an incomplete task – if you don't know what has happened so far, you will have no option but to restart from scratch. However, if you have notes of the person previously working on the same, you can do much a faster job, as you already have a platform, to begin with. The art of recording our history has evolved exponentially over the years – from writings on the stones and walls once upon a time, we developed papyrus sheets and later, its modern form – the paper. However, the same is now being replaced by computing devices, in this new era that we refer to as the digital age. **Data is being recorded everywhere – from social media posts to the income tax returns, the equity markets, the land records, the gaming and sports scores, the store purchases or the online orders, a database is being maintained by everyone.** And it is not just words, as technology has enabled us to record even pictures, voices, videos, maps, charts, biometrics and even the genome sequencing of the DNA strands inside the cells of organisms – everything in ones and zeros!

Recording data is like placing a bookmark in a book that you are reading – it helps in understanding what has happened so far, and what needs to be done ahead of. However, the future has much superior plans for data than merely recording it, and if you are a business person, you ought to be not just aware of this development, but also accommodate the change into your future course of action. Business is all about opportunities!

## Background

Record-keeping has always been a tedious clerical job. However, with digitalisation things became simpler as data could not only be recorded, but also stored in a compact form, organised in a researchable manner, and convertible into inputs for analysis. And thus, the world began switching to electronic records. With the spread of the internet, data recording received a further impetus, as the inputs could be directly collected from the end people through front-end representatives inputting the details, direct customer emails, web forms filled by people, software logs, and inputs through websites and mobile apps. As a result, businesses generated large databases of orders, purchases, sales, products, audiences, regional preferences, feedbacks, complaints, etc. Those at the helm of the corporates quickly realised that this data could help them predict the future and spot the trends. Thus, data recording became more aggressive which has resulted in today, in all our clicks, taps, scrolls, and screentime being recorded. Businesses are almost snooping us, except that we don't realise it and thus, no discomfort, no complaints.

**Today food and fashion preferences, electoral vote swing, demand-supply dynamics, security market movements, sports game results, pollution and global warming, the spread of diseases, space activities, etc. everything is analysed and predicted based on past data.** However, in

the fast-paced world that we live in today, a human analysing the data and then acting on it within minutes is still not fast enough. Computing devices have added unparalleled speeds to our tasks and automated many things. We now aim to implement the same in our decision-making as well. However, decision-making is a human thing and involves multiple considerations that cannot be combined even in a complex mathematical formula. So, is it possible to automate decision-making? Let's explore that idea in this article.

## What is Big Data?

Since the 1990s, Big Data has been mentioned by people on several occasions. The world was entrenched in big data even before the term was coined. Big data is a term, as straight forward, as it sounds. Technological breakthroughs have reduced the cost of data storage and computation. It is easier and less expensive to store data than ever before. Thus, companies have been recording data at a very high rate, and the same has become so voluminous, or complex that the traditional methods of analysing the data don't work anymore. Industry analyst Doug Laney articulated big data in early 2000s, in 3 V's –

1. Volume, the data under consideration is humongous
2. Velocity, the data streams at an unprecedented speed and need to be handled timely
3. Variety, the data can be structured and numeric, or unstructured text documents, emails, videos, audios, ticker data and transactions, etc.

Over years, two more Vs have become important –

4. Value, data has intrinsic value but is of no use until that value is discovered
5. Veracity, the entire data recording process is a waste, if the data is not truthful, the reliability quotient of the data needs to be high.

The Stock Exchanges such as BSE and NSE are prime examples of big data as they generate about one terabyte of new trade data per day. Meanwhile, social media websites also generate about 500+ terabytes of new data every day which consists of a photo and video uploads, messages and comments. Jet engines also generate 10+ terabytes of data in a 30 minutes flight and with thousands of flights per day, data generated may be in Petabytes.

## Why is Big Data important?

Big data has become a capital asset for corporates. The type or amount of data being recorded isn't the important point anymore, as it is cheap and easy, anyone can do it. However, what an organisation does with such data and how it analyses the same for insights to improve decisions and strategic business moves is what 'big data' targets. Today, several data analytics companies provide solutions to handle such data and generate useful business insights from the same. Think of Google, Facebook, Microsoft, Apple and Amazon, a large part of the value they offer comes from their data, as they are constantly analyzing to produce more efficient products.

Big Data serves several purposes to several companies –

### **Developing and offering products**

Companies use big data to anticipate customer demand. For example, FMCG companies can establish which products are in high demand or reasons why a product failed, or what new product needs to be brought in, based on demand and feedback. Similarly, the Over-the-top (OTT) platforms can add more content of a particular genre based on user watch history and feedback, across different regions. Companies build predictive models for new products and services by classifying key qualities of products or services and modelling the relationship between those qualities and commercial success. Companies also use data and analytics from focus groups,

social media, test markets, and early store rollouts to plan, produce, and launch new products.

### **Customer experience and efficiency**

The race for customers is everywhere. However, the company with a clearer view of customer experience wins the race, most often. Big data enables companies to gather data from social media, web visits, call logs, and other sources to improve the interaction experience and maximize the value delivered.

With big data, companies can analyze and assess production, customer feedback and returns, and other factors to reduce outages and anticipate future demands. It also helps in improving decision-making in line with current market demand. As a result of the data, companies can offer personalized products, implement dynamic pricing, reduce customer churn out, and handle issues proactively.

### **Predictive maintenance and security**

Manufacturing companies predict mechanical failures which are deeply buried in structured data such as the year, make, and model of equipment, as well as in unstructured data that covers log entries, sensor data, error messages and temperature records. Analysis of these data indicates potential issues before the problems happen. This helps the company in deploying maintenance more cost-effectively and also maximizes the parts and equipment uptime.

Meanwhile, big data also helps in identifying security breaches and patterns in data that indicate fraud. It also helps in aggregating information to make regulatory reporting much faster. Companies also use big data for innovation by studying the interdependencies among humans, institutions, entities, and processes and accordingly determining new ways to use those insights.

## Big Data and Artificial Intelligence

Artificial Intelligence (AI) is the branch of computer science that is concerned with building smart machines that can mimic human intelligence. When we are interacting with Siri, Alexa and Google, chatting with a bot instead of a customer service executive, or simply automatically filtering the spam emails, we are using artificial intelligence. Even the recommendations received on Netflix and other websites are based on artificial intelligence. These are machines that have been upgraded to smartly perform the tasks such as talking, chatting, selectively sorting out, or recommending which usually a human brain is capable of performing. Although these are relatively new and often buggy, it is only a small depiction of the capabilities and opportunities ahead. Self-driving cars have been a breakthrough in this field which extensively use artificial intelligence along with sensors and radars, to simulate human decision-making. There are six branches of artificial intelligence –

1. **Machine Learning (ML)** which allows machines to learn on a cumulative basis, instead of being programmed. E.g. image recognition, speech recognition etc.
2. **Artificial Neural Network (ANN)** which tries to replicate the nerves and nerves system of the human body, using a set of mathematical algorithms to define relationships between data and accordingly make decisions. E.g. Instagram's feed recommendation, Amazon's product recommendations etc.
3. **Robotics** which develops robots to perform functions that humans body can perform E.g. Forklift Robots, Vision Systems
4. **Expert Systems (ES)** which deals with extracting knowledge from databases by implementing reasoning and insights rules based on user queries.

E.g. Algorithm based stock trading

5. **Fuzzy Logic (FL)** tries to replicate human decision making in situations where multiple solutions are possible, assigning degree values from 0.0 to 1.0 to the answers, instead of giving true or false answers. E.g. Air conditioning according to room temperature, Refrigerators and microwave ovens, etc.
6. **Natural Language Processing (NLP)** deals with developing communication between computers and humans by using natural human languages. E.g. Smart digital assistants (Alexa, Google Assistant), Predictive text, auto-complete, speller checkers and Grammar checkers while typing, etc.

Artificial Intelligence requires a massive scale of data to learn and improve decision-making processes. Machines are capable of processing large data if the process is defined, by analysing the current situations against their database of such situations. However, without big data, developing this database of different situations wouldn't be possible, as it requires analysis of a large number of situations.

Therefore, Big Data and Artificial Intelligence have a synergistic relationship. With their convergence, advanced analytics capabilities like augmented or predictive analytics can be leveraged. Automation is already a part of our lives and there is a growing emphasis on automating more human activities with help of artificial intelligence. Thus, big data has a larger role to play in future, as future technologies depend on the same.

## Business opportunities

“Biryani is the most ordered dish in 2021. Paneer Butter Masala and Butter Naan accounted for 1.1 million in revenue. Gulab Jamun is the most favoured dessert followed by Ras Malai” as per the statistics revealed by

Zomato and Swiggy. The online food delivery platforms have huge databases of food preferences of the people – not just the popular foods, but also the food preferences according to the region, according to the time of day (or night), according to age group, gender and also the weather. **Big Data is not an opportunity merely for the data analytics business but also for all other businesses.**

Zomato and Swiggy can easily sell this data to other food processing companies or restaurants who can then accordingly make adjustments in their products and services. Similarly, Uber and Ola have databases that contain details of taxis, city traffic, and customer preference for the type of cabs. Automobile companies can buy their data to develop cars that fit for serving as taxis. Facebook and other social media platforms have huge databases of likes and dislikes, hashtags, images and videos according to age, gender, location, time posted, etc. which is usually sold to other companies for advertisements and product developments. Amazon has a huge database of customers, their location, products that they prefer, etc which can be sold to other brands who manufacture such products which enables it to develop new and innovative products.

Every business generates certain data based on its industry. **Small businesses usually do not record such data. However, if recorded and maintained well, it can serve value not just to the business, but also be sold for money.** Conglomerates are looking to improve their products and services. Advertisers and marketing agencies are looking to improve their target customer base. Apps

and other service companies are looking to reach their target audiences. Several websites and apps have adopted this model as their business where all they do is collect data in exchange for certain products and services, at times, even for free. For example, the content-based apps that provide content for free, however, collect, store and sell the data collected from their app through taps, clicks, voices, images and other means.

## The bottom line

Data is an undisputed epicentre of future commercial activities and has massive importance in the future ahead. There's no doubt the position that fuel has enjoyed during industrialisation, the same position would be the case for data, in the digitalisation era. **That's the reason why corporate houses like Reliance which has been in the energy, petrochemicals and telecom business is leveraging their brand to establish businesses to capture data and e-commerce sector such as Reliance Jio Phone, Jio Apps, JioMart, etc.** However, this has not been the case with smaller businesses. Several business sectors can generate valuable data, however, being unaware of the opportunity that the future provides, there are no means implemented. By implementing data recording, collection and analysis, businesses generate data that is valuable not just for their businesses but also for others looking for it. **After all, business is all about solving problems, the bigger the problem, the better the payoff.**

*(This article was contributed by the editorial team)*

Source: IT Chronicles

2,000,000,000,000,000,000,000  
Exabytes    Petabytes    Terabytes    Gigabytes    Megabytes    Kilobytes    Bytes

data being generated per day

# GST Annual Returns – FAQs on filing GSTR-9 and GSTR-9C

By Amit Chandak, Associate Director, Greenvissage



## Prologue

Governments run on taxpayers' money. They have two major tasks – collect money from citizens by way of tax, and distribute it back to all citizens by way of governance services. While the Government may not be efficient in the task of distributing the money back to citizens, it is far more efficient at the task of collecting taxes, thanks to the law-abiding taxpayers who follow the laws, irrespective of how just or unjust the laws may be.

When we pay taxes to the Government, it runs its civil projects and provides other services to the citizens of the country. Under direct taxes, you pay tax because you earn more than the limits determined by the Government which it assumes is above the average income of the country. However, under indirect taxes such as Goods and Services Tax (GST), the registered taxpayers are mere 'tax collectors' as the tax is paid by their customers and clients which in turn, the registered taxpayer is expected to

faithfully deposit the same with Government, after taking input credit for the tax, the taxpayers have paid themselves while purchasing goods and services for business use.

Until recently, the responsibility to collect taxes was of the Government, with taxpayers playing the supporting role. Taxpayers were responsible for merely collecting the taxes and paying the Government the taxes that were actually collected. However, after the recent changes in the tax laws, be it GST input tax credit rules, TCS on sale of goods, or TDS on purchases of goods, **it seems the Government has become greedy, as these new laws mandate taxpayers to pay taxes, irrespective of whether the tax was collected or not.** You are expected to keep a watch on each other, the people you deal with, whether they too are tax compliant or not, or else lose your money. This is new democracy!

Meanwhile, red-tapism doesn't seem to be going away soon. With GST laws completing 4+ years, it's high time the tax officers will begin with their roving scrutinies and enquiries. With the GST law being unclear most of the

time, and being amended several hundred times, **there's no doubt that GST litigations are going to rise. The tax officers and the taxpayers will drag each other to court, and irrespective of tribunal/court's decision, the taxpayer is always on the losing side**, it's only the quantum that is undecided, whether it will include – taxes, interest, penalties, late fees, litigation fees, experts' fees, and most importantly, how much time and efforts, as the same is never considered and quantified.

## Background

Under the Goods and services tax (GST) laws, apart from filing monthly/quarterly returns in Form GSTR-1 and GSTR-3B, taxpayers are expected to file an annual return in Form GSTR-9 and an annual reconciliation statement in Form GSTR-9C. GSTR-9 for FY 2020-21 applies to registered taxpayers with aggregate turnover exceeding INR 2 Crores. GSTR-9C for FY 2020-21 applies to registered taxpayers with aggregate turnover exceeding INR 5 Crores. The due date for filing the same has been extended and the same is now February 28, 2022. FY 2020-21 onwards, GSTR-9C can be self-certified i.e. GST audit and certificate from Chartered Accountant / Cost Accountant is no longer required, unlike in the prior years.

Filing of annual returns is an important task to avoid red-tapism. The tax officers act based on information available to them. While the taxpayers may have paid the taxes faithfully, information about various aspects does not reach the tax officers automatically. Annual returns are an opportunity for the taxpayers to reconcile their books with the returns and file an annual statement disclosing that they have paid all the taxes appropriately. This can help in reducing the tax notices and scrutinies.

While annual returns are applicable above a certain threshold, you can still voluntarily file the GSTR-9 and GSTR-9C returns to hand over your reconciliations to tax

officers and strengthen your tax compliance. You can also obtain certificates from Chartered Accountants or Cost Accountants concerning complex aspects such as aggregate turnover, tax credit availment etc. and attach them along with GSTR-9C. It is highly recommended that you take the help of a GST expert who will not only file more accurate annual returns but also recommend changes in documentation, day-to-day compliances and best accounting and reporting practices, to avoid mistakes and errors, before they are committed, instead of reconciling them later.

## FAQs on GSTR-9

**Query 1** – Who is not required to file GSTR-9?

**Guidance** – Following persons are not required to file GSTR-9 – an Input Service Distributor, a person paying tax under section 51 (TDS) or section 52 (TCS), a casual taxable person and a non-resident taxable person. Suppliers under the composition scheme are required to file GSTR-9A while a person paying tax under section 52 (TCS) is required to file GSTR-9B.

**Query 2** – Which annual return must be filed if the taxpayer was earlier registered as composition taxpayer but later switched over to a regular taxpayer?

**Guidance** – In such case, the taxpayer should file GSTR-9A for the period registered as composition taxpayer, and for the remaining financial year, file GSTR-9.

**Query 3** – Is the taxpayer required to file GSTR-9 if registration has been cancelled before March 31? What if the application for cancellation remains pending as of March 31?

**Guidance** – Even if the taxpayer's registration is cancelled, or application for cancellation is pending as of March 31, GSTR-9 should be filed providing details for the period during which the taxpayer was registered.

**Query 4** – If a taxpayer has more than one GST Registration through a single PAN, then whether GSTR-9 is to be filed at the entity level or GSTIN wise?

**Guidance** – If a taxpayer has obtained multiple GST Registrations whether, in one state or more than one state, it shall be treated as a distinct person in respect of each such registration as per section 25(4) of the CGST Act. GSTR-9 should be filed separately for each such GSTIN.

**Query 5** – What is the information sought in GSTR-9?

**Guidance** – GSTR-9 contains a total of 6 parts spread out within 19 Tables. Details required in each part is as below:

Part-I Basic information of taxpayer (Table 1 - 3), Part-II Details about turnover on which tax is to be paid (Table 4 - 5), Part-III Details of input tax credit (Table 6 - 8), Part-IV Details of tax paid and payable (Table 9), Part-V Details of transactions of current period reported in next period (Table 10 - 14), Part-VI Other information (Table 15 - 19).

**Query 6** – What should be the source of information for filing GSTR-9?

**Guidance** – GSTR-9 is merely a compilation of data filed in GSTR-3B and GSTR-1. As per the instructions of the form GSTR-9, it is stated that information of outward supplies 'may' be derived from Form GSTR-1. Inward supplies, input tax credit and the net tax paid in cash are to be gathered from Form GSTR-3B. Value as per GSTR-3B and GSTR-1 must be reconciled. If there are any differences, the same must be adjusted in subsequent returns up to September of next year.

**Query 7** – Can taxpayers add information that was missed to be reported in GSTR-3B or GSTR-1?

**Guidance** – GSTR-9 is a mere compilation of data filed in GSTR-3B and GSTR-1 and no other information can be incorporated in GSTR-9. GSTR-9 requires details from

monthly/quarterly returns on an as-is basis. Even if a taxpayer has identified mistakes, still the same data must be reported in the annual return. The actual data present in the financial statements and the books of accounts are not to be considered.

**Query 8** – What is the difference between legal name and trade name?

**Guidance** – Legal name is a name given by the laws which are generally found in PAN. A trade name is a name from which an entity is known generally brand name. E.g. 'Maggi' could be a trading name for Nestle with its legal name being 'Nestle Limited'. Legal name and trade name are auto-populated from GST Registration in GSTR-9.

**Query 9** – How to report Debit notes and credit notes related to an unregistered person?

**Guidance** – Unlike B2B supplies, debit notes and credit notes issued to unregistered persons are to be adjusted against outward supply and net supply is to be furnished in Table 4A. This applies to B2C transactions as well.

**Query 10** – Whether supply made to a registered person (B2B) as required in Table 4B also includes outward supply on which tax is payable by the recipient on a reverse charge basis?

**Guidance** – No. Only outward supply made to the registered person on which tax is payable on a forwarding charge basis by the supplier should be reported in Table 4B. Outward supplies under reverse charge should be reported in Table 5C.

**Query 11** – How to report stock transfer made to another branch situated in another state if both are registered?

**Guidance** – Since both branches are registered persons, these transactions are to be reported in supplies made to the registered person (B2B) Table 4B.

**Query 12** – If Taxpayer has made two types of exports, one with payment of tax and the other without payment of tax, where should these transactions be reported?

**Guidance** – Export with payment of tax are expected to be reported in Table 4C and exports without payment of tax are expected to be reported in Table 5A.

**Query 13** – What are deemed exports to be reported in Table 4E?

**Guidance** – As per Notification No. 48/2017-Central Tax dated October 18, 2017, supply of goods against advance authorization, supply of capital goods against EPCG authorization, supply of goods to EOU (export-oriented undertakings), supply of gold by bank/PSU specified in Notification No. 50/2017-Customs dated June 30, 2017, is considered as ‘Deemed Exports’.

**Query 14** – Whether all advances on which tax is paid but subsequently got adjusted against invoices shall also be reported in Table 4F?

**Guidance** – No, only outstanding advances as of March 31 on which tax was paid but invoice not issued against the same are to be reported in Table 4F.

**Query 15** – How are amendments made in supply to be reported in GSTR-9?

**Guidance** – Amendments in supply are expected to be reported in Table 4K, 4L, 5J, 5K, 10 and 11 depending on the nature of the transaction. E.g. If the value of the original B2B supply is INR 1,00,000 but which was reported as INR 10,000 in GSTR-1 and subsequently amended in the next GSTR-1 with the correct value, then INR 10,000 will be reported in Table 4B and INR 90,000 will be reported in Table 4K.

**Query 16** – What detail is to be provided in Tables 5 and 6?

**Guidance** – Details of outward supplies on which no tax is

payable such as exports, SEZ supply with LUT or bond is to be reported in Table 5. Outward supplies on which the recipient is liable to pay tax on an RCM basis is also to be reported in Table 5.

**Query 17** – What information is to be reported in Table 6?

**Guidance** – In Table 6, the Input tax credit availed in GSTR-3B filed for the year is auto-populated in Table 6A. Only the break up of such ITC has to be reported in Table 6B to 6H.

**Query 18** – How to report ITC breakup in GSTR-9, as GSTR-3B doesn't require ITC to be bifurcated into Input, Input service and capital goods whereas Table 6 requires such breakup?

**Guidance** – Form GSTR-9 was built based on original proposed returns GSTR-1, GSTR-2 and GSTR-3. GSTR-2 required ITC to be bifurcated into Input, Input service and Capital Goods. However, GSTR-2 has been dispensed off and is not required to be filed anymore. Thus, one will have to categorise ITC into Input, Input service and capital goods from books of account.

**Query 19** – Whether ITC about the current year but claimed subsequently in GSTR-3B of April to September of next year, will be reported in Table 6?

**Guidance** – No. Only input tax credit claimed during the year in GSTR-3B is to be reported.

**Query 20** – What information is to be provided in Any other ITC availed but not specified above in Table 6M?

**Guidance** – Table 6M include ITC claimed through Form ITC-01, ITC-02, and TRAN-III credit.

**Query 21** – What is the scope of Table 7A - 7D?

**Guidance** – ITC reversed as per various rules in GSTR-3B filed for the year is to be reported in Table 7. As per proviso to section 16(2) of CGST Act read with Rule 37 of CGST

Rules, the amount of ITC reversed on non-payment of the value of supply along with tax within a period of 180 days from the date of the invoice is to be reported in Table 7A. As per Rule 39, which deals with the procedure for distribution of input tax credit by Input Service Distributor (ISD), if any supplier gives a credit note to the ISD then the input tax credit is required to be reduced and apportioned to each recipient in the same ratio in which the input tax credit contained in the original invoice was distributed. This reduction is to be reported in Table 7B. As per Rule 42 if Input and Input service is used partly for business purposes and partly for non-business purposes or is used for effecting combined taxable and exempt supply, then input credit is to be reversed in Table 7C. As per Rule 43, reversal of input tax credit of capital goods is required when capital goods are used partly for business purposes and partly for non-business purposes or such capital goods are used for effecting taxable as well as exempt supply and the same is reported in Table 7D.

**Query 22** – Whether ineligible ITC as reported in Table 4D of GSTR-3B is to be reported in Table 7E of GSTR-9?

**Guidance** – No, Net ITC as per GSTR-3B does not take into consideration ineligible ITC as reported in Table 4D of GSTR-3B. So the auto-populated figure of Net ITC in Table 6A of GSTR-9 will not contain ineligible ITC. Since the taxpayer has not availed of such ineligible ITC at all, there is no requirement to reverse it. However, if the taxpayer identifies certain ITC to be ineligible at the time of filing GSTR-9 then such amount is to be reported in Table 7E of GSTR-9.

**Query 23** – How is ITC auto-populated in Table 8A?

**Guidance** – Table 3 of GSTR-2A contains details of inward supplies received from a registered person other than supplies attracting reverse charge and Table 5 of GSTR-2A contains details of Debit Note/Credit Note received during

the current period. Table 8A contains the net total of the above two tables of GSTR-2A

**Query 24** – What is the objective of Table 8?

**Guidance** – Table 8 calculates ITC deemed to lapse during the year which is the sum of – 1) Difference of ITC as per GSTR-2A and ITC availed which may be due to ITC received but not claimed (Table 8E) or ineligible to claim (Table 8F). 2) Difference of IGST paid on imports and IGST credit availed. The total ITC lapsed is only informative and it does not have any impact on the Electronic credit ledger. If there is any input tax credit available in GSTR-2A but the taxpayer has not claimed it but claimed during April-September next year, such credit is to be reported in Table 8C. This ITC will not form part of the total ITC to lapse.

**Query 25** – What is the scope of Table 10 to 13?

**Guidance** – Table 10 to 13 plays an important role in GSTR-9. Any changes in supply, made through Amendments, credit note or debit notes during the year, reported in GSTR-1 of April to September of next year, is to be reported in Table 10 if the same is increasing in value of supply, and in Table 11, if resulting in a reduction in the value of supply. In case of invoices or notes, issued during the year but completely reported in GSTR 1 of next year for the first time, such invoices will also be reported in Tables 10 and 11. Similarly, if any input tax credit belongs to the year but has been claimed in GSTR-3B of April to September next year, the same is to be reported in Tables 12 and 13.

**Query 26** – How to report GST Refund is claimed before March, but sanctioned in April, in Table 15?

**Guidance** – GST Refund claimed during the year is to be reported in Table 15A. If the refund is sanctioned after March, then same is not to be reported. Non-GST refund claims and demand are not to be reported in Table 15.

**Query 27** – If a notice has been received from the tax officer that there is a difference between GSTR-1 vs GSTR-3B / GSTR-3B vs GSTR-2A, should such differences be reported in total demand of tax in Table 15E?

**Guidance** – No, only tax demands for which an order has been issued has to be reported in Table 15E. Details of mere notices seeking reconciliation should not be reported.

## FAQs on GSTR-9C

**Query 28** - Should the supply of alcohol for human consumption be included in determining the threshold limit?

**Guidance** – The definition of aggregate turnover includes exempt supply as well as non-taxable supply. Exempt turnover includes supply that attracts a nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6. Non-taxable supply is supply that is not leviable to tax under GST Act. Section 9(1) excludes alcoholic liquor for human consumption from the levy of GST. Thus, it is a non-taxable supply and must be included in aggregate turnover.

**Query 29** – Should stock transfers/ cross charges between branches located in the same or different states be included in aggregate turnover?

**Guidance** – Section 2(6) defines aggregate turnover to include inter-state supplies of a person having the same PAN. Thus, stock transfers/cross charges of services provided from a branch located in one State to a branch located in another state will be included in the aggregate turnover of the branch supplying the goods/services. However, aggregate turnover shall not include stock transfers effected within the same state having a single GSTIN for determining the threshold limit. Where more than one GSTINs has been taken for branches located in the same state, then such branch transfers shall be

included for computing threshold limit.

**Query 30** – Will a registered person exclusively deal in exempted supplies exceeding the threshold required to file GSTR-9C?

**Guidance** – Yes, aggregate turnover includes even exempted supplies.

**Query 31** – What are the documents to be enclosed along with GSTR-9C?

**Guidance** – As per section 35(5), a copy of audited accounts and such other documents in such form and manner as may be prescribed ought to be submitted along with GSTR-9C. No documents other than audited annual accounts have been prescribed in Rule 80(3).

**Query 32** – What is the turnover to be declared in Table 5A of GSTR-9C?

**Guidance** – Table 5A requires the turnover as per the audited Annual Financial Statement for the GSTIN to be reported. In case of multiple GSTINs, GSTIN wise turnover must be derived and declared in respective GSTR-9C. Turnover must purely flow from the 'audited annual financial statements' even if such turnover consists of adjustments/revenue recognition on account of a requirement of an Accounting Standard.

**Query 33** – What details are to be provided in Table 5B?

**Guidance** – Table 5B requires the addition of unbilled revenue at the beginning of the financial year. Unbilled revenue recorded in the books of accounts following the accrual system for which the invoice is issued under GST law in the current period is required to be declared in Table 5B.

**Query 34** – Should the registered person disclose details of notice pay recovery from employees or incentives received from suppliers in GSTR-9C?

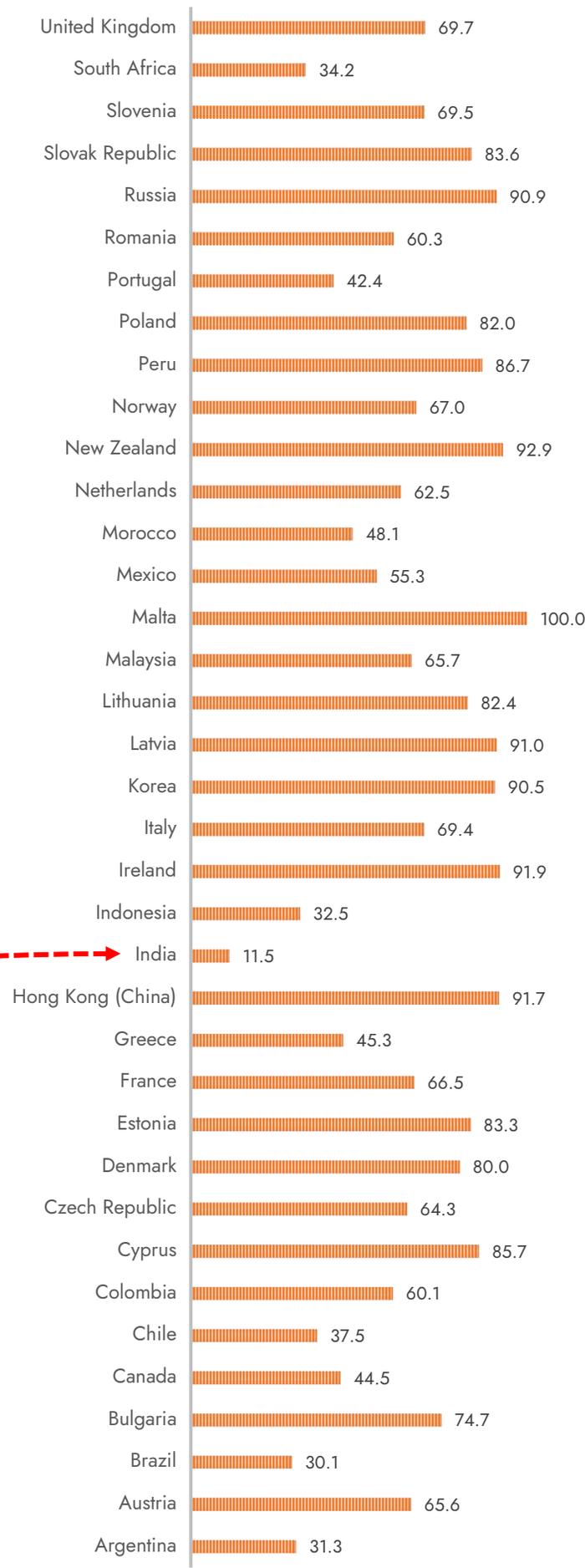
**Guidance** – If a taxpayer has considered the notice pay recovered from employees as a taxable supply and has not disclosed the same as an income in the Profit and Loss account, it would be reported under Table 5O of GSTR-9C. Similarly, incentives/ rebate received from suppliers is considered as a supply under GST and should be considered taxable supply and reported in Table 5O.

**Query 35** – How to report ITC booked in earlier financial years claimed in the current financial year in Table 12B?

**Guidance** – The details for 12B of GSTR-9C should be drawn from the amount as reported in Table 12C of GSTR-9C of the previous financial year.

**Query 36** – How to report ITC accounted in books during the year and not claimed in returns during the year, but claimed in the next year?

**Guidance** – Such ITC must be reported in Table 12C of GSTR-9C. This credit can also relate to goods that are in transit at the close of the financial year and which are received in the next year.



# 11.5%

Indian tax department's success rate in tax litigations is lowest amongst others

Source: OECD 2017



## Government policies

**New Semiconductor Policy** ■ The Government has notified the new semiconductor policy to attract large investments for setting up semiconductor wafer fabrication facilities in the country and strengthening the electronics manufacturing ecosystem in India. Under the new policy, the government will provide up to 50% of the project cost for two semiconductor and two display fabs in the country. Support under the scheme shall be provided on a pari-passu basis for a period of six years. Additional support of infrastructure will also be provided through EMC 2.0 scheme. The application window starts January 1 and will be open for 45 days.

**Indian Footwear Sizing System** ■ The Department for Promotion of Industry and Internal Trade (DPIIT) has initiated a first-ever developmental project of the 'Indian Footwear Sizing System' in consultation with the Chennai-based Central Leather Research Institute to standardise the footwear size ranges required to cover the needs of the local population. On completion of this project, the new Indian Standard of footwear will be available for Indian consumers instead of the UK, the US or European standard size followed to date. The DPIIT has approved INR 10.80 crore for the completion of this project to carry out accurate measurements considering all variations concerning religion, age, gender, and health condition.

**National Strategy on Blockchain** ■ The Union Ministry of Electronics and Information Technology (MeitY) has released a 52-page document 'National Strategy on Blockchain' detailing how the Government can adopt blockchain infrastructure and has also recommended 44 areas where the technology can be applied to make government services better. The key areas include the transfer of land and property, digital certificate management, pharmaceutical supply chains, e-notary services, e-voting, smart grid management and electronic health record management. The ministry intends to create trusted digital platforms through shared blockchain infrastructure, as the technology allows storing data in a distributed ledger with the ownership of all stakeholders. In a blockchain, data is recorded in a chain and is replicated at all locations. Thus, all mining nodes have an entire blockchain that can flag any unauthorised changes, if they occur and thereby, the dependency on a third party for verification is also eliminated.

**Humans in Space Policy** ■ The Indian government is looking to amend its 'Humans in Space Policy 2021' to allow private space-tech startups to become a part of India's mission to place a man on the moon. The humans in space policy apply to private players, and most of the upcoming regulations are expected to focus on private players, and most of the upcoming regulations are expected to focus on private entities in the space

ecosystem. Space tech start-ups like Pixxel, GalaxEye, Skyroot Aerospace and Agnikul Cosmos are among the firms developing the country's private space industry. Skyroot Aerospace and Agnikul both have been working on developing their rockets and plan to launch these into space next year. Agnikul Cosmos is also working on 3D-printing engines for small rockets that can put satellites into low-Earth orbits. India's first human space flight mission 'Gaganyaan', earlier scheduled for launch in December 2021 was postponed to December 2022 owing to the Covid-19 pandemic. India does not have laws and regulations to govern commercial space activities the draft Space Activities Bill is still pending since 2017.

**New Cooperative Policy** ■ Union Home Minister Amit Shah, also the Minister of Cooperation, has announced that the Government will soon unveil a new comprehensive cooperative policy to widen the reach of cooperatives at the grassroots level and strengthen the cooperative sector. The government has decided to amend the Multi-State Cooperative Societies Act, 2002 to establish an effective regulatory mechanism for multi-state cooperative societies and remove the loopholes in the existing act.

**Memorandum of Understanding** ■ The Union Cabinet has approved the memorandum of understanding (MOU) between the Institute of Chartered Accountants of India (ICAI) and the Polish Chamber of Statutory Auditors (PIBR), and also the memorandum of understanding between the Competition Commission of India (CCI) and the Competition Commission of Mauritius (CCM). MOUs help the authorities to exchange information and to work in cooperation, on certain agreed aspects.

**Water Taxi Service** ■ Maharashtra is set to launch a water taxi service from Mumbai to Navi Mumbai in the next few weeks where the trial run on the route has already begun. The route will have a stop at Jawaharlal Nehru Port (JNPT) with a fare around INR 750 and a total fare from Mumbai to Navi Mumbai to be around INR 1,200-1,500 per passenger. The boats will take less than 30 minutes from DCT to Navi Mumbai which by taxi takes more than an hour. The tickets will need to be booked a day in advance on [watertaximumbai.com](http://watertaximumbai.com).

## Goods and services tax

**Provisional ITC Rule Removed** ■ The Central Board of Indirect Taxes and Customs (CBIC) has removed the 5% provisional input tax credit rule and effective January 1, only ITC that reflects in GSTR-2B can be availed in GSTR-3B. Central Board of Indirect Taxes and Customs (CBIC) has notified sections 108, 109, and 113 to 122 of the Finance Act, 2021 to be effective from January 1. ITC can be availed only when the details of the invoice or debit note have been furnished by the supplier in the GSTR-1/IFF and such details have been communicated to the recipient in GSTR-2B". Earlier, provisional tax credit (without invoices in GSTR-2B) could be claimed in the GSTR-3B to the extent of 5% of eligible ITC reflected in the GSTR-2B.

**GSTR-9 and GSTR-9C** ■ The Ministry of Finance has announced that taxpayers with Annual Aggregate Turnover (AATO) up to INR 5 crore are not required to file the reconciliation statement GSTR-9C FY 2020-21 onwards which is now to be submitted on a self-certification basis, instead of a Chartered Accountant or a Cost Accountant. Further, taxpayers having AATO up to INR 2 crore are not required to file Annual Return GSTR-9 for FY 2021-21.

**Mandatory Aadhar Authentication** ■ The Central Government vide Notification 38/2021-CT dated 21.12.2021 has notified January 1 as the implementation date for Rule 10B of CGST Rules, 2017. Accordingly, it is now mandatory for the registered person to undergo Aadhaar authentication for – 1) Filing of application for revocation of cancellation of registration 2) Filing of refund application 3) Refund of the IGST paid on goods exported out of India.

**GST on Health Insurance Premium** ■ Minister of State for Finance Bhagwat K Karad, in a written reply to Lok Sabha, has said that there is no recommendation under consideration of the GST Council to reduce Goods and Services Tax (GST) on health insurance premiums. The GST levied on health insurance premiums is 18 per cent. The rate of GST is decided on the recommendations of the GST Council, a constitutional body comprising members from the central government and state governments.

**GST on Ethanol** ■ The goods and service tax on ethanol meant for blending with gasoline has been reduced from 18% to 5%, to curb dependence on imported fuels, under the Ethanol Blended Petrol Programme.

**New GST Rates for Textiles** ■ Despite concerns expressed by the industry, the government has not deferred the implementation of higher Goods and Services Tax (GST) on certain textile products. The new GST rates will kick in from January 1. The industry had opposed the increase citing higher compliance costs, especially for the unorganised sector and micro, small and medium enterprises (MSMEs). The finance ministry is expected to take up with the GST Council the concerns raised by the industry over the latter's decision to increase the rates on several textile products to 12%.

**Inclusion of Petrol and Diesel under GST** ■ The Central Government and the GST council have jointly submitted an affidavit that the GST council has unanimously decided to keep both the products out of the GST ambit, owing to revenue considerations. The response has come after the high court issued notice on public interest litigation seeking inclusion of petroleum products under the GST.

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

## Income tax

**Advance Tax Collections** ■ The Advance tax collections in the FY22 Q3 have almost doubled from the year-earlier period. The advance tax collections in the December quarter stood at INR 94,107 crore, 90% higher than INR 49,536 crore in the same period last year. Corporate advance tax accounted for INR 54,445 crore, up 75% from INR 31,107 crore. Personal income tax rose 115% to INR 39,662 crore.

**CAG Audit Report** ■ Pointing out significant errors and irregularities in tax assessments, the Government auditor Comptroller and Auditor General of India has asked the Central Board of Direct Taxes (CBDT) to put in place foolproof information technology system and internal

control mechanism to avoid recurrences. Comptroller and Auditor General of India (CAG) tabled in Parliament a report consisting of an audit of 356 high-value cases of corporate tax with a tax effect of INR 12,476 crore.

**General Anti Avoidance Rule** ■ After private equity firms and fund houses, the income tax department has reopened assessments for escaping capital gains and General Anti Avoidance Rule (GAAR) over several multinationals who invested in India or sold part of their assets through Mauritius between 2013 and 2016. The tax department has only reopened assessments in cases where investments were routed through Mauritius. Investments via Singapore and Cyprus too could come under the lens.

(For queries and more information relating to Income Tax, contact our colleague Sneha Halder at sneha.halder@greenvissage.com)

## Customs and foreign trade

**Production-linked Scheme (PLI)** ■ The Ministry of IT and Electronics (MeitY) has sought an additional corpus of USD 3 billion (about INR 22,500 crore) to expand the incentives under production-linked (PLI) schemes for the IT hardware and wearables & hearables segment to capture 15% of the USD 350 billion global markets by 2026. Of the total, about USD 2 billion is for IT hardware and the balance of USD 1 billion is for wearables and hearables. As part of the PLI scheme, an estimated outlay of INR 1.97 lakh crore was announced in 13 key manufacturing sectors including mobile manufacturing and specified electronic components, critical key starting materials/drug intermediaries and active pharmaceutical ingredients, manufacturing of medical devices, automobiles and auto components, pharmaceutical drugs, speciality steel, telecom and networking products, electronic/technology products, white goods (ACs and LEDs), food products, textile products – MMF segment and technical textiles, high-efficiency solar PV modules, and advanced chemistry cell (ACC) Battery.

**Customs duty on Palm Oil** ■ The Central Board of Indirect Taxes and Customs (CBIC) has decided to cut basic customs duty on refined palm oil to 12.3% from 17.5%

The reduced rate shall be applicable till March 2022 to boost the domestic supply in the economy and also ease the rising prices of vegetable oil in domestic market.

**Rise in Exports from Gujarat** ■ Exports from Gujarat has touched a record high, crossing the INR 5 lakh crore mark for the first time. More importantly, this feat has been achieved in the first half of the year itself. Gujarat has been exporting goods worth about INR 4.50 lakh crore annually. However, in the current financial year, the exports have touched INR 5.16 lakh crore in the first six months (April to October) which is a 118% jump compared to the same period last year. Experts believe that the annual exports from the state will cross INR Nine lakh crore this year.

**The budget expectation for SEZs** ■ The Department of Commerce has pitched to allow units located in special economic zones (SEZ) to sell their output in the domestic market without any additional customs duty. The idea has received in-principle approval from the finance ministry and may be included in the upcoming budget. The decision stems from the fact that SEZs have been proliferating rapidly in India, many now operate at sub-par levels and some have even suspended operations. India currently has 426 SEZs that have been given formal approval under the SEZ Act, 2005, and 33 SEZs with in-principle approval. However, only 268 were operational as of September 30.

**Export of Spices** ■ Agriculture Minister Narendra Singh Tomar has said in a statement that the annual production of spices in the country rose 60% to record 107 lakh tonnes since the 2014-15 season. Besides, India's earnings from exports of spices almost doubled during the period at INR 29,535 crore. Among spices, jeera output rose 14.8%, garlic 14.7%, ginger 7.5%, saunf 6.8%, coriander 6.2%, fenugreek 5.8%, red chilli 4.2%, and turmeric 1.3 %

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

## Corporate laws

**Annual General Meeting Due Date** ■ The Ministry of

Corporate Affairs (MCA) has clarified that the deadline for holding annual general meetings (AGMs) for FY21 will not be extended further as the deadline ended on November 30. However, it has decided to allow companies to hold their AGMs through video conferencing or other audio-visual modes till June 30, given the threat imposed by the new variant. The said extension will also be applicable on extraordinary general meetings (EGMs), in case of any special resolution.

**Disclosure of Mergers to CCI** ■ The Competition Commission of India (CCI) has done away with certain disclosure requirements related to non-compete restrictions at the time of entities seeking approval for merger deals. Deals beyond certain thresholds require clearance from the CCI which keeps a tab on anti-competitive practices across sectors in the marketplace.

**Investment Advisers and Research Analysts** ■ The Securities and Exchange Board of India (SEBI) has requested investment advisers and research analysts to disclose the investor charter and data about complaints received on their websites and mobile applications, under the new guidelines effective from January 1.

**Mutual Funds Risk Management Framework** ■ The Securities and Exchange Board of India (SEBI) has extended the deadline for implementing the risk management framework for mutual funds as well as the two-tier structure for benchmarking of certain categories of schemes, till April 1. The implementation was to come into force from January 1.

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

## Banking and finance

**Card Tokenisation** ■ Reserve Bank of India (RBI) has prohibited online merchants from storing credit or debit card information such as card number, CVV and expiry date while processing online transactions, with effect from January 1. The merchants have to purge all card details such as card number, CVV and expiry date while

processing online transactions, with effect from January 1. The merchants have to purge all card details stored before this date and adopt a new system of tokenisation. Card networks like Visa, Mastercard or RuPay will issue tokens on request, on behalf of the card-issuing banks or companies. Each token will refer to a particular card, the database of which shall remain with the card-issuing companies. The online merchants can optionally save the token (instead of card details earlier) and thus, actual card details will never be allowed to be stored by the merchants. This is expected to reduce the possibility of data theft and fraud. United Payment Interface (UPI) already uses the tokenisation concept which has been successful in making it one of the safest online payment systems in India.

**Legal Entity Identifier (LEI) Code** ■ Companies will have to mandatorily quote the legal entity identifier (LEI) number to undertake cross-border transactions of INR 50 crore or more, from October 2022 onwards. LEI is a 20-digit number used to uniquely identify parties in a financial transaction to improve the quality and accuracy of financial data systems. The identifier has been introduced by the central bank in a phased manner for participants in the over-the-counter (OTC) derivative, non-derivative markets, large corporate borrowers and large value transactions in centralised payment systems.

**Electric Vehicles in PSL framework** ■ The Reserve Bank of India is considering the Niti Aayog proposal to categorise loans to purchase electric vehicles (EVs) under the Priority Sector Lending (PSL) segment. If the proposal goes through, loans for buying electric vehicles, currently covered by the broader auto retail category, will be charged with lower interest rates. Under the PSL framework, 40% of banks and other lenders' total credit is to be compulsorily loaned to specific sectors including agriculture, small businesses, education, etc. Despite the sales growth, EVs currently do not have a robust resale market, making it difficult for banks to ascertain their residual value and thus, there are higher risks for the lender and in turn, higher financing costs. Currently, Agriculture, Micro, Small and Medium Enterprises, Export Credit, Education, Housing, Social Infrastructure, Renewable Energy and Others are covered under the priority sector lending framework.

**Monetary Policy Announcements** ■ The Reserve Bank of India's (RBI) six-member Monetary Policy Committee (MPC) has decided to keep the key rates unchanged in its bi-monthly policy statement for the ninth consecutive time. Governor Shaktikanta Das has announced that the policy maintains an 'accommodative' stance with the same repo rate at 4% and the reverse repo rate at 3.35%. The Marginal Standing Facility (MSF) & Bank Rate has also remained unchanged at 4.25% in a bid to manage liquidity to maintain financial stability. RBI has projected the GDP growth at 17.2% for Q1 and 7.8% for Q2 of FY23 and has retained a GDP growth target at 9.5% in FY22. The projection for CPI inflation has also remained the same at 5.3% in 2021-22.

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

## Accounting and auditing

**In Focus:** AS 4

**Query** – A company sold its commercial property to another company for INR 3 Crores on January 31 and agreed to sell the property. However, legal formalities such as registration of sale deed were concluded on April 4. Due to this, the company has not recorded the sale and has shown the amount received as an advance. The book value of the commercial property is INR 1.5 Crores as of March 31. Financial statements for the year were approved on May 31. Is this treatment appropriate?

**Guidance** – As per Para 13 of AS 4, Assets and liabilities should be adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to the conditions existing at the balance sheet date. In this case, the sale of the property was concluded before the approval of financial statements by the Board. This is an event occurring after the balance sheet date as the agreement to sell was entered into before the balance sheet date. Registration of the sale deed simply provides additional information relating to the conditions existing at the balance sheet date. Hence, the company should carry out adjustments to assets as

necessary and the property should be derecognized in the balance sheet as of March 31 and profit on the sale of the property should be recognised in the statement of profit or loss for the year.

**Query** – If the Board of Directors (BOD) approved the financial statement for the year on July 31, will the following events that occurred before the approval of financial statements by the Board of directors be adjusting event or non-adjusting events? 1) The BOD at their meeting on June 23 recommended a dividend of 15% to be paid to the shareholders after its approval at the annual general meeting 2) Fire occurred in the godown on April 4, damaging a huge quantity of stock of value 3) A major debtor against whom insolvency proceedings were instituted before March 31 is declared insolvent on June 15.

**Guidance** – The dividend proposed after the Balance Sheet date is a non-adjusting event. The same only needs to be disclosed in the notes to the financial statements. Concerning the fire that occurred on April 4, the event has taken place after the balance sheet date. Thus, the same is a non-adjusting event, as it does not provide any additional information about the stock as of March 31. The same may be disclosed merely by way of a note. Concerning the debtor, the insolvency proceedings were ongoing as on the Balance sheet date and the results of the same were declared later. Thus, the same is an adjusting event and a provision must be made in the balance sheet to offset the receivables not recoverable.

**Query** – A company incurs losses due to fire at its entire office premises in February. However, the company has a valid insurance policy covering this mishap and it filed for an insurance claim in April, for a loss due to fire which is approved by the Insurance Company in May before the financial statements are approved by the board of directors. Should the insurance claim be recognised in the financial statements? Alternatively, if the claim is filed in March, and approved in May, what will be the accounting treatment?

**Guidance** – As per Para 6 of AS 4, Contingent gains should not be recognised in financial statements since their recognition may result in the recognition of revenue which

may never be realised. However, when the realization of a gain is virtually certain, then such gain is not a contingency and accounting for the gain is appropriate. Thus, the insurance claim can be recognised in the year it is determined that is no contingency that the insurance company will settle the claim. If the settlement is probable, then the claim should be disclosed but not recognised. The company should recognise the loss on the property due to fire in the financial statements, however, the insurance claim was filed only in April and thus, the event has occurred after the balance sheet date. If the claim was filed in March and is approved in May, the event has occurred before the balance sheet date and there may be a probability of receiving the insurance claim. However, there is no certainty about the receipt of the same as on the balance sheet date and therefore, the same should not be recognised. It can be disclosed by way of notes.

(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

### In Focus: RBI Retail Direct Scheme

The Reserve Bank of India has launched the 'RBI Retail Direct Scheme' this year which allows retail investors to open and maintain their government securities account with the Reserve Bank of India for free. The scheme eases the access for retail investors to the government securities market. Only institutional investors were allowed to bid until now. The Retail Direct Gilt Account' (RDG) can be opened through the online portal.

Securities available through Retail Direct Scheme are Treasury Bills, Government of India dated Securities, State Development Loans and Sovereign Gold Bonds.

These instruments offer an option for long term investment for the retail customer. These Government-backed instruments are risk-free and carry no credit risk and offer decent yield for a longer duration. There is an inverse relationship between prices and interest rates. When interest rates are low, prospects of gains are high.

The RDG account is free and involves no market intermediaries. It is free of cost facility from the RBI to reduce the overall transaction charges for retail customers which they were otherwise required to pay for investing through aggregators or debt mutual funds.

Once registered on the RBI's online portal, individuals can buy securities directly in the primary market whenever new bonds are issued by the government, with bids as little as INR 10,000 to buy these bonds. Investors can also buy or sell their holdings in the secondary market by using RBI's screen-based, anonymous electronic order matching system for trading activities, similar to buying and selling shares using online portals or mobile applications.

Only one RDG account can be opened by an individual, either single or joint, provided the second holder also meets the eligibility criteria. The second holder can also open an individual RDG account separately. Details such as bank account, PAN, Aadhaar for verification of identity and address, phone number linked to Aadhaar and email address are required for account opening. Non-resident retail investors are also eligible to invest under the Foreign Exchange Management Act (FEMA).

The process for bidding in primary auctions through the Retail Direct platform is as follows:

1. Log in on the Primary Market Retail Direct platform and select the 'Primary Market' option beside the dashboard, at the top of the page.
2. Select security to bid from the 'Auction Watch' and enter the bid amount in the 'Bid Entry' window.
3. Investors can fund their bid either at the time of bidding or at a later time, but before the closure of the bidding/subscription window. Bids that are not funded as of the date of submission of bids to RBI will be cancelled.
4. For making payment for the bids, retail clients can use services like UPI (Transfer or Block) and Net Banking to transfer funds to a designated current account using Payment Gateways linked to the Online Portal.
5. Based on the allotment advice received as a part of the auction result, the allotments will be made to the individual investors.

6. In case of full allotment, each bidder will be allocated the entire Face Value for which bids were submitted. In case of partial allotment, a pro-rata allotment will be made to the bidder based on the partial allocation percentage determined in the auction.

The securities are allotted at the weighted average price of the successful bids in the auction. Since the price at which the securities are allotted is the weighted average price of the successful bids, the price can be calculated only after the auction is over. Thus, the price of the security is unknown during the time of bidding and therefore, to cover for this uncertainty, a markup is applied in case the weighted average price comes out to be higher. The excess markup, if any, is refunded to the linked bank account within two business days from the date of auction.

(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

**Equity markets** ■ The bull run in the equity markets has been hurt recently by the possibility of the Covid-19 pandemic staging another recovery and spilling over into 2022. If the Omicron variant leads to shutdowns and restrictions in countries around the world, it could have a snowball effect on the global economy. Supply chains could be strained once again, the rising commodity prices could see a further increase, businesses would see a decline in their revenues as lockdowns and restrictions would lead to reduced footfalls across stores and business markets.

**Cryptocurrencies** ■ The parliamentary law on Cryptocurrencies was swept under the carpet as the winter session concluded without the bill being introduced, though listed in the agenda. Stakeholders had raised concerns over as the description of the bill as it mentioned prohibition all private cryptocurrencies in India and allowing for certain exceptions to promote the underlying technology of cryptocurrency and its uses. Currently, all advertisements relating to cryptocurrencies have disappeared from all kinds of marketing platforms.

## Key Economic Indicators

Indicator	As on	Current	Prior
GDP Growth (%)	Sep-21	8.4	20.1
Inflation (%)	Nov-21	4.9	4.5
Unemployment (%)	Sep-21	6.9	8.3
Trade Balance (\$m)	Nov-21	-22.91	-19.73
GOI Bond 10yr (%)	Nov-21	6.45	6.39
Manufacturing PMI	Nov-21	57.6	55.9
Services PMI	Nov-21	58.1	58.4

## Global Indices

Equity Index	Country	%
NIFTY 50	India	-0.27
BSE SENSEX	India	-0.35
INDIA VIX	India	-10.31
NIFTY BANK	India	-2.81
DOW JONES	USA	+4.90
NASDAQ	USA	+1.71
S&P 500	USA	+4.13
FSTE 100	UK	+3.58
NIKKEI 225	Japan	+3.74
SHANGHAI COM	China	+1.85
MOEX	Russia	-4.06
CAC 40	France	+5.26
DAX	Germany	+4.07
ASX 200	Australia	+3.04
BOVESPA	Brazil	+0.34
KOSPI	South Korea	+1.10
HANG SENG	Hong Kong	-1.64

## Commodities Future

Commodity	Expiry	Price	%
Gold	Feb 4	48,083	+0.82
Silver	Mar 4	62,681	+2.57
Crude Oil	Jan 19	5,617	+13.22
Natural Gas	Jan 25	277	-13.89
Aluminum	Jan 31	225	+6.03
Copper	Jan 31	749	+3.84
Cotton	Jan 31	34,190	+11.30

## Currency Exchange Rates

Currency Pair	Current	Prior	%
INR/1 USD	75.15	74.41	-0.99
INR/1 GBP	100.66	99.55	-1.11
INR/1 EUR	85.13	83.65	-1.77
INR/100 YEN	65.69	64.71	-1.51

## Cryptocurrencies

Currency	Pair	Price	%
Bitcoin	BTC/USD	47,976	-15.98
Ethereum	ETH/USD	3,784	-20.02
XRP	XRP/USD	0.84	-16.59
Btc Cash	BCH/USD	434	-24.28

## Small Savings Schemes

Scheme	Current	Prior	%
Savings	4.00	4.00	0.00
FD (5 years)	6.70	6.70	0.00
NSC	6.80	6.80	0.00
PPF	7.10	7.10	0.00
KVP	6.90	6.90	0.00
SSA	7.60	7.60	0.00



## Indian Corporates

**Tata Motors** ■ Tata Motors has announced to invest over USD 1 billion in its commercial vehicle business on the back of its electric vehicles segment, over the next 4-5 years. Tata Motors had poured in over INR 1,800 crore in FY20 in its commercial vehicle business and is planning to invest a similar amount in Electric vehicles, as the upcoming BS-VI phase-2 emission norms in 2023, put the spotlight on EVs and CNG. The company already commands a 10% share in the passenger EV space and is looking to build futuristic EVs in the commercial vehicle (CV) space. It is working on options for short-range battery-operated vehicles for the last mile and gas-based fuel-cell electric vehicles. The company is also building solutions for steel and cement companies that want electric trucks for mining applications.

**Reliance Industries** ■ Reliance Industries has agreed with the state-owned Chemicals Derivatives Company (TA'ZIZ), to set up over USD 2 billion chemical production facility in Ruwais, Abu Dhabi. The joint venture TA'ZIZ EDC & PVC will construct and operate a Chlor-alkali, ethylene dichloride (EDC), and polyvinyl chloride (PVC) production facility. TA'ZIZ is a joint venture between Abu Dhabi National Oil Company (ADNOC) and ADQ, which own 60% and 40%, respectively. The firms intend to capitalize on the growing demand for these critical industrial raw materials

and leverage each other's strengths as global industrial and energy leaders. India's need for PVC for its growth and the same being abundantly available in UAE provides a win-win partnership for both companies.

**Zee Entertainment and Sony Pictures** ■ The board of directors of Zee Entertainment Enterprises have approved the merger with Sony Pictures Networks India, allowing the latter to hold a 60.86% stake in the merged entity. The combined entity will own 75 television channels, two video streaming services, two film studios and a digital content studio, thus, emerging as a formidable player in the entertainment industry. Under the deal with Sony, Goenka will continue to lead the combined entity, while Sony will nominate a majority of the board. The deal now hinges on shareholder approval where Zee's largest shareholder Invesco (17.88%) has different plans and wants to remove MD and CEO Puneet Goenka from the company. The founders of Zee hold only a 3.99% stake in the company.

**OPPO India and ISRO** ■ Indian Space Research Organisation (ISRO) and Chinese smartphone maker Oppo have agreed to strengthen the research and development of the domestic satellite navigation system's NavIC messaging service, previously known as 'Indian Regional Navigation Satellite System' (IRNSS). The NavIC (Navigation with Indian Constellation) is an independent satellite-based positioning system that will provide rapid, ready-to-use, end-to-end application-specific solutions on

the mobile handset platform. The agreement has sparked controversies, as the Government had opposed Chinese companies last year.

**Precision Camshafts** ■ The Ministry of Corporate Affairs has initiated investigations under the Companies Act, 2013 against Precision Camshafts. The shares of the company were nosedived on the stock exchanges. The company has stated that the questions are based on basic and regular information related to accounts of earlier years and statutory registers.

## Public sector undertakings

**Indian Oil** ■ Indian Oil Skytanking Limited (IOSL) has been awarded a 30-year concession to design, build and operate fuel infrastructure at the Noida International Airport, to help the airport provide aviation turbine fuel cost-efficiently and under an open access model to airlines. Under this agreement, IOSL will build facilities that will include 10,000 m<sup>3</sup> of fuel-storage tanks to increase the capacity rapidly as per air traffic demand and an underground hydrant system connecting all aircraft stands, with fuel pipelines, to enhance safety.

**India Tourism Development Corporation** ■ The Central Government has approved the monetisation of New Delhi's strategically located The Ashok, a five-star hotel run by the India Tourism Development Corporation (ITDC).

**Public Sector Banks** ■ The employees of public sector banks held strikes across the country to protest against the proposed privatisation of banks by the government. As a result, services such as deposits and withdrawal at branches, cheque clearance and loan approvals remain paralysed due to the two-day strike.

## Startups

**Slice** ■ Fintech startup Slice, owned by Bengaluru based GaragePrenuers Internet, has raised USD 220 million in a Series B round valuing the company at over USD 1 billion to become India's 41st unicorn in 2021. Slice offers prepaid

visa cards, the 'Slice Super Card,' with a credit line that allows users to build credit scores and win rewards and discounts. The company has more than 5 million registered users, a 40% month-on-month growth rate, and annual revenue of USD 60 million. The funding round was led by Tiger Global and Insight Partners, followed by Sunley House Capital, Moore Strategic Ventures, and angel investor Binny Bansal. The company planned to use the proceeds to grow its existing lines of business, invest in new products, and grow its engineering functions.

**UpGrad** ■ Bengaluru-based ed-tech unicorn UpGrad has agreed to acquire Global Study Partners (GSP), the largest study abroad company based in Australia. The company has announced its plans to invest USD 16 million to acquire a 100% stake in GSP and commit another USD 10 million to its future growth. GSP, founded in 2015, has 600 institutions in Australia, Britain, Canada, and the US. It also boasts more than 1,300 recruitment partners working across a broad spectrum of education and migration agents, schools, test preparation centres, alumni associations, and many others. The agreement marks upGrad's first global acquisition and is looking to build revenue worth USD 100 million in study abroad businesses over the next three years.

**Sequoia India** ■ The venture capital firm Sequoia India has announced its first cohort of women entrepreneurship-focused Sequoia Spark Fellowship, comprising of 15 startups run by 20 female founders, including seven from India. Hailing from India, Pakistan, Indonesia, Singapore, and the UAE, the startups build products across various sectors ranging from edtech, fintech, software as a service (SaaS), consumer internet, and cryptocurrency. Each startup will receive a USD 100,000 grant from Sequoia India's fellowship program and also offers access to mentorship sessions and hands-on support from Sequoia India portfolio specialists, across hiring, legal, finance, product, technology, and marketing. The Sequoia Spark Fellowship was launched in July 2021 to encourage women entrepreneurship in India and Southeast Asia.

**Pharmeasy and 1MG** ■ PharmEasy and 1MG, two of the country's largest online pharmaceutical companies in

India are going offline in a bid to have an omnichannel presence in the market to widen their user base. 1MG, backed by Tata Digital, is set to open its first physical store in Gurugram next month while PharmEasy is expanding its offline presence through franchise stores, offering its name and branding to pharmaceutical retailers to set up stores, for a commission on the sales of its drugs in return. The physical presence of 1MG and PharmEasy shall be a new direct competition to other established players like Apollo Pharmacy and Medplus.

**Swiggy and Zomato** ■ Food delivery platforms such as Swiggy and Zomato will now charge 5% Goods and Services Tax on the entire value of food supplies from January 1, under the new rules. This will provide the government with more taxes from the smaller restaurants that usually do not register under Goods and Services Tax laws. This essentially implies that the apps will collect the 5% GST from customers instead of restaurants, and thus, the prices of food from restaurants that didn't charge GST earlier, is now bound to increase for the end consumers.

**Flipkart** ■ Walmart-owned Indian e-commerce giant Flipkart has announced to launch its initial public offering (IPO) in an overseas listing next year around November-December, 2022. Most likely, Flipkart will also raise funds at a higher valuation before going public. The company was last valued at USD 37.6 billion in July 2021, after its funding round in 2018 where Walmart acquired a 72% stake. The new grocery vertical of Flipkart is key in the run-up to the IPO. The company recently made an investment of USD 145 million in Ninjacart.

**Campfire** ■ The founder of Kochi-based startup Campfire, Ashwin Sreenivas, has made his way to the Forbes' annual 30 Under 30 list. Campfire helps brands by collating user insights about a product from the online community using artificial intelligence (AI). A company can see historical activity around its product on platforms like Twitter, Github, Discord, or Subreddit for years. This information is crucial in a post-pandemic world where businesses have to cultivate a strong brand and need to retain loyal communities. Campfire is backed by Kevin Hartz, the co-founder of Eventbrite.

## Equity markets

**MapMyIndia** ■ Delhi-based digital mapping agency MapmyIndia's IPO made its market debut at a 35% premium, making it one of the successful debuts of the year 2021. Rakesh and Rashmi Verma, the couple and co-founders, started the company 25 years ago and mapped streets and roads by travelling on foot. The company now posts a net revenue from operations of INR 152 crores with a net profit of INR 59 crore, in 2021. The company has Ola, PhonePe and Yulu in their customer base and also serves government organisations such as the Central Board of Direct Taxes. The couple still owns 54% of the company post-IPO. They had initially worked in the US with General Motors and IBM, respectively.

**MedPlus** ■ MedPlus Health Services debuted on stock markets with a healthy 30.65% premium. The public issue of the country's second-largest pharmacy retailer generated a decent response from investors and was subscribed about 53 times.

**Banned for Trading** ■ The National Stock Exchange (NSE) has put Indiabulls Housing Finance, Vodafone Idea, Escorts and Zee Entertainment Enterprises under the ban for trade in the futures and options segment as the stocks crossed 95% of the market-wide position limit (MWPL). MWPL is a limit that defines the maximum number of unsettled option contracts for any given derivative stock.

**Global Top Ten Companies** ■ A recent survey by QUICK-FactSet reveals that Tencent Holdings and Alibaba Group Holding are no longer amongst the top 10 global companies in terms of market capitalisation, in wake of Beijing's widening crackdown on private enterprises. Apple, Microsoft, and Google's parent company Alphabet Inc have occupied the top three positions on the list. Saudi Aramco is placed in the fourth position, followed by Amazon.com, Tesla, and Facebook's parent Meta. Chip designer Nvidia and Warren Buffet's Berkshire Hathaway have bagged the eighth and ninth positions, respectively. Taiwan Semiconductor Manufacturing Company (TSMC) holds the tenth position.

**Upcoming IPOs** ■ The upcoming initial public offers

offers (IPOs) announced by the companies and expected to be launched in coming months are as follows:

1. Tamilnad Mercantile Bank
2. Ixigo (Le Travenues Technology)
3. PKH Ventures
4. Wellness Forever Medicare
5. OYO (Oravel Stays)
6. Ruchi Soya
7. Go First (Go Airlines)
8. Fincare Small Finance Bank
9. Adani Wilmar
10. Penna Cement Industries
11. Life Insurance Corporation of India (LIC)
12. MobiKwik
13. Lava International

## Global Conglomerates

**Amazon India** ■ The Competition Commission of India (CCI) has suspended Amazon's 2019 investment in a Future Group entity and has also imposed a penalty of INR 202 crores on the marketplace for suppressing information about the deal. The dispute over Future Retail, which has more than 1,500 supermarkets and other outlets, is the most hostile flashpoint between Amazon and Reliance, as the companies are trying to gain upper hand in winning retail consumers.

**Mastercard and Google** ■ Mastercard and Google have announced a partnership to allow Google Pay users to transact using Mastercard credit and debit cards on the app through a digital token without sharing card details with merchants, in line with New Tokenisation Rules of Reserve Bank of India (RBI). GooglePay Android users will be able to scan and pay across all Bharat QR-enabled merchants and tap-and-pay machines and make in-app transactions with their respective cards. In case the mobile device is misplaced, card details will remain secured as a digital token. The token can be updated by the card issuer in case of loss, expiration or replacement of the card.

**Meta (Formerly Facebook)** ■ After private testing for

more than a year, Meta has released its social virtual reality space 'Horizon Worlds' which is a virtual world with avatars that requires a Facebook account to hang out with up to 20 people at a time in a virtual space. Horizon Worlds was initially deployed for beta testing where developers could build and test VR games, however, over time, developers regularly held comedy shows, movie nights, and meditation sessions. When users enter, they are greeted by a guide who are Meta employees with superuser powers, to teach users how to navigate the world. There is no monetization on Horizon Worlds yet, however, the company may combine Horizon Worlds with Horizon Venues (a standalone experience for throwing large events in VR) and Horizon Workrooms (its VR work collaboration software) to introduce monetization later.

**Starlink** ■ Starlink, SpaceX's satellite-based internet provider has applied for a license to operate in India. Elon Musk's SpaceX had been accepting pre-orders for the beta version of its satellite-based internet service for a fully refundable deposit of USD 99 (around INR 7,400) where the pre-orders had already crossed 5,000. However, the industry body including rival Bharti Airtel backed OneWeb, Amazon, Hughes, Google, Microsoft, and Facebook has written to the Telecom Authority of India and the Indian Space Research Organisation (ISRO) challenging Musk's service without a valid license and that Starlink was not licensed to offer the services in India. The company has sought its customers in the US, UK and Canada and has received good reviews about its Internet speed. It is now eyeing the USD 1 trillion internet and maritime services market in China and India.

**Tesla** ■ Tesla, Elon Musk's electric carmaker company, is planning to launch a new product for kids, named the 'Cyberquad,' a mini-blade runner pickup truck, with a top speed of 10 mph, designed especially for children aged eight and above. The Cybertruck resembles Tesla's upcoming electric pickup truck and features an average battery-electric for kid car, along with a full steel frame cushioned seating and fully adjustable suspension. The Cybertruck was expected to be shipped by early 2021 but its production was delayed to 2022 owing to the pandemic.

**Apple** ■ iPhone manufacturer Apple has commenced the

trial production of its latest flagship iPhone 13 at the Foxconn plant near Chennai to strengthen its iPhone manufacturing capacity in India. The commercial production of the smartphone in the same facility is expected to commence in February 2022. The products will cater both to domestic markets and exports.

**WhatsApp** ■ The National Payments Corporation of India (NPCI) has given WhatsApp the approval to double the userbase of its payments app to 40 million. WhatsApp is competing with some of the biggest payments services in India, including Alphabet Inc's Google Pay, SoftBank and Ant Group-backed Paytm and Walmart's PhonePe. WhatsApp currently has 20 million users on its app.

## Miscellaneous

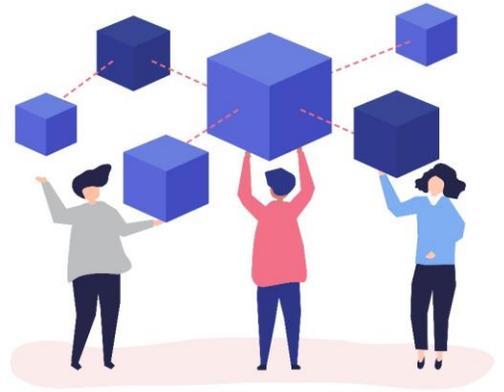
**Income tax raids** ■ Income tax department has been unusually active with several raids being conducted on big corporates such as Xiaomi, Oppo, OnePlus, Rising Star and Dixon. Besides, the Foxconn manufacturing unit which produces cell phone components for Apple, Blackberry and Redmi has also been under the tax department's radar. The income tax department has also conducted raids on Akhilesh Yadav, the leader of the

Samajwadi Party. The income tax department has also conducted raids on a group based in Neyveli, Tamil Nadu engaged in the business of chit funds and also runs educational institutions, and another group based in Asansol, West Bengal across 30 locations who are engaged in the business of iron and steel products, infrastructure, cement, poly fabs, agro-tech & food processing, etc.

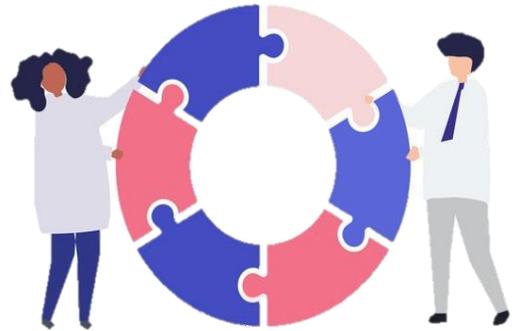
**Aishwarya Rai Bachchan** ■ Bollywood actress Aishwarya Rai Bachchan was summoned and questioned for six hours by the Enforcement Directorate (ED) at its office in Delhi, concerning the 'Panama Papers' global tax leaks case. The quizzing of the 48-year-old daughter-in-law of superstar Amitabh Bachchan and Samajwadi Party MP Jaya Bachchan has come weeks after her husband Abhishek Bachchan was questioned by the agency in another case emerging from the same set of papers linked to the offshore leaks case. The ED recorded Aishwarya Rai Bachchan's statement under the provisions of the Foreign Exchange Management Act (FEMA). 'Panama Papers' are a stockpile of records from Panamanian legal firm Mossack Fonseca leaked by the Washington-based International Consortium of Investigative Journalists (ICIJ) in 2016 naming several world leaders and celebrities who allegedly stashed away money abroad in offshore companies.



**Bitcoin – The journey so far** In 2008, when the world met eyes with reality, as the global financial crisis emerged, an anonymous person ‘Satoshi Nakamoto’ was developing a new ‘peer to peer network’ to create a system for electronic transactions without any third party involved – a system like nature, where trust is no longer required, as the network is capable of taking care of itself based on cryptography. The result of the same was the first cryptocurrency ...



**Amount paid for use of software is not ‘Royalty’.** “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 ...



**Cryptocurrencies – Volatility and other problems** Bitcoin, the most popular cryptocurrency, is not yet recognized as legal currency by any government. However, any person can buy, hold or sell and even trade cryptocurrencies, subject to rules and regulations in their countries. Buying cryptocurrencies is similar to buying stocks – Investors can purchase bitcoins through cryptocurrency exchanges and store them in ...



**Helicopter Money – When Government Goes on Shopping Spree** “It’s not raining money”, a phrase that I have heard my parents say several times in my childhood whenever I went out of bounds to buy something expensive. I teach the same to my kids today! The implied meaning is simple – we work day in and day out to earn money and it is not easy to earn money, although spending it is the opposite. Life would have been so easier if earning was ...



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