

EVERYTHING THAT CONCERNS YOUR MONEY

THE GREEN DIGEST

PAGES 25 | APRIL 2022 | 65 MINUTES



DELIVERY

THE SPEED, YOU DON'T NEED

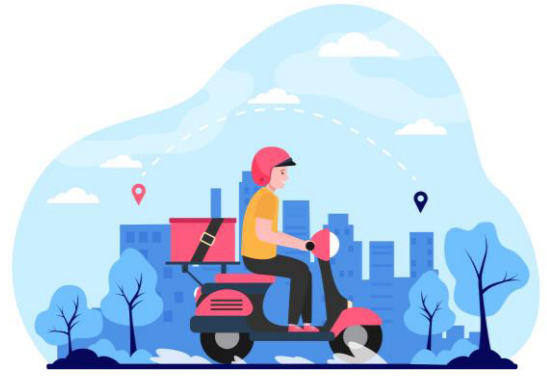


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The Big Story

10 minutes home delivery – Why are hyperlocal startups solving problems that don't exist in first place?

Page 3



Expert Opinion

Complete guide to income tax return filing for financial year 2022

Page 6



Monthly Updates

Policy, economy, compliance and regulatory updates for the month

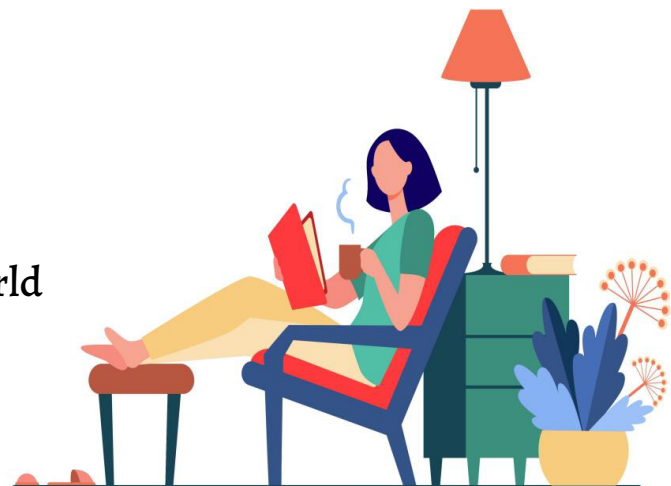
Page 10



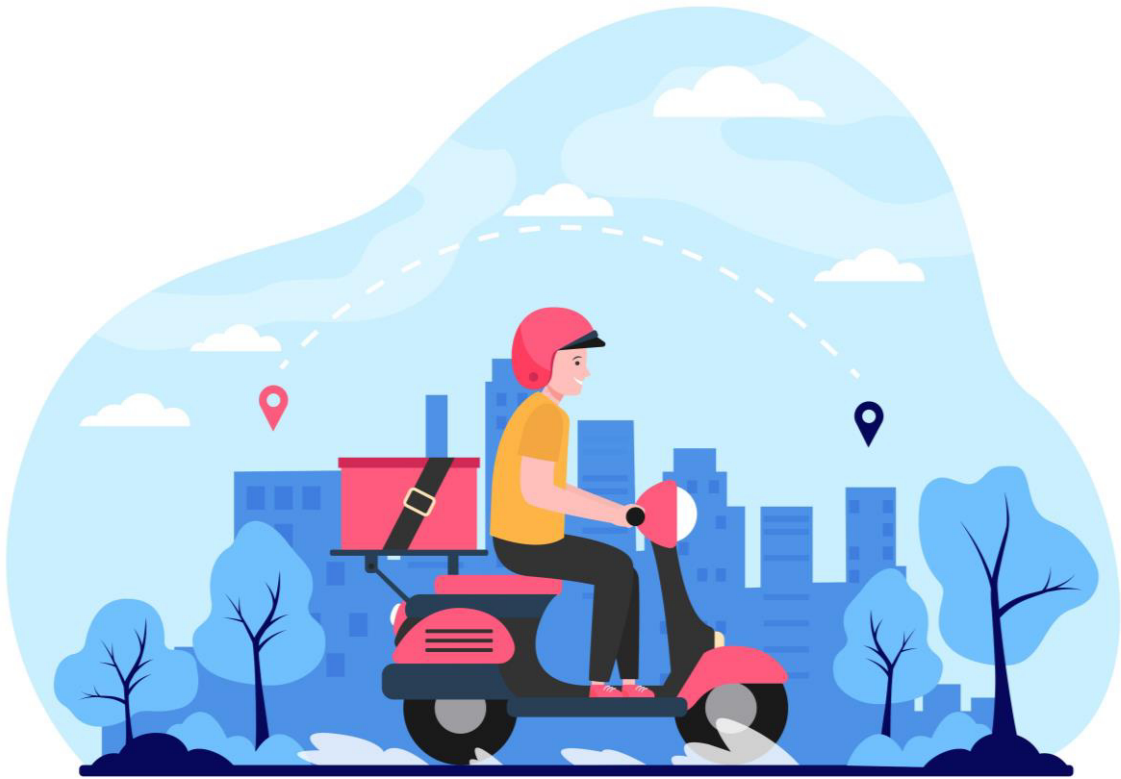
Business News

All that's happening in the business world

Page 17



10-minutes home delivery – Why are hyperlocal startups trying to solve problems that don't exist in first place?



Backdrop

Good tech – bad tech has always been the discussion, and today a new chapter has been opened in the same series. Technology has taken centre stage in Indian business, and hyperlocal startups are at the epicentre of it. The competition is stiff. However, there is an unusual trend amongst the services – instant delivery! India has usually accepted all kinds of technological advances, upgrading our technology-assisted habitat each time. **However, the idea of quicker deliveries seems like a solution to a problem that doesn't exist. Rather, it's a solution that needs a problem!**

Have a look at the announcements of various delivery times promises -

- ✓ Zepto – 10 minutes
- ✓ Ola Store – 10-15 minutes
- ✓ BlinkIt (rebranded from Grofers) – 10-15 minutes

- ✓ Swiggy Instamart – 15-30 minutes
- ✓ Dunzo daily – 19-29 minutes
- ✓ Bigbasket – under 60 minutes
- ✓ Flipkart Quick – 90 minutes
- ✓ Amazon Fresh – 120 minutes
- ✓ Milkbasket – 7 am deliveries
- ✓ Zomato – 10 minutes (latest)

Is it because of demand?

The issue in this context is the fact nobody asked for faster delivery. Yes, given the option to get something delivered faster than expected time, people will definitely lean towards faster speed, however, from an innovation point of view, it does not solve a significant problem, rather, seeks to create an artificial problem and then solve it. **In a world where we already have so many unsolved problems, why are startups solving artificial problems?**

Is it because of the product?

This leads us to a question, who asked for it? Indian roads are already full of rogue riders driving dangerously. In an over-populated country, with road traffic a major problem in metro cities, and delivery boys already cramping the roads, we don't want more pesky riders disturbing our daily routes. And it's not like they are providing emergency services. The latest to join the race is Zomato who unlike others delivering groceries, dairy and packaged products, has promised to deliver freshly prepared food in 10 minutes. **It would have been more logical if pharmacy companies were opting to deliver instant medicines, however, no e-commerce companies have so far made any such attempts.**

Is it because of profitability?

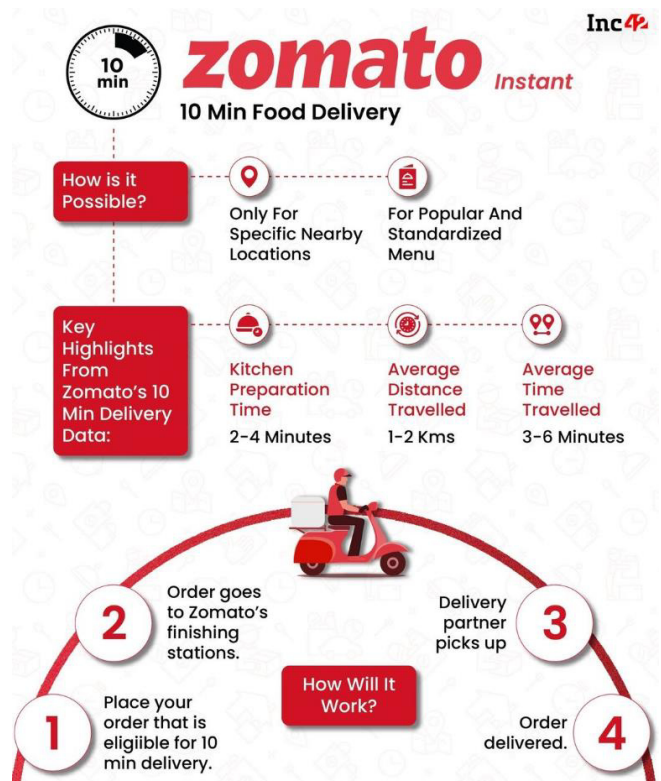
What's more surprising is that these rapid deliveries also don't make any commercial sense. Faster deliveries require significantly larger investments without any corresponding incremental returns. Are the deliveries at higher premium prices? No. Are they increasing customer base or geographical coverage? Most probably not. And yet, a war has begun on a service that nobody wants and the cash burn is huge. **Most of these companies have already spent huge sums of investor money to establish themselves in the market, and instant 10-minute deliveries are only going to further burden the company's balance sheet.** So despite all these factors, why is the 10-minute delivery idea still being backed? In a country where ambulances don't reach in 30 minutes yet, why are groceries and food under 10 minutes?

Its's technology, not racing skills!

The hyperlocal delivery service companies who promise this innovation, argue that the faster delivery time is possible not on the back of the racing skills of their riders, but the combination of predictive technology and local

hubs that reduce travelling time. Given their track record so far, it is hard to believe that they wouldn't squeeze out more from their delivery boys in the name of efficiency. However, it is not the first time this is happening in India. Remember, 30-minutes Pizza promise?

18 years ago when Domino's announced Pizza deliveries in under 30 minutes, people didn't believe their claim, however, we know it today, Domino's has done it, and it's not at the cost of their drivers' lives! The speed limit of delivery vehicles is limited to 45 kmph. What Domino's did was – map their menu, open stores in dense localities, and made their riders remember all city locations. And to do it consistently, they started forecasting orders – preparing their menu according to the probability of ordering a particular item. They also scientifically re-engineered their pizza preparation process to ensure it can be cooked within 10-15 minutes.



Most probably Zomato too has a similar plan - incorporate cloud kitchens in dense areas with more demand, deploy

prediction algorithms for popular food items (as they have the database of billion orders served to date), and build a separate 10-minute menu, different from the regular menu. Zomato recently invested USD 5 million in Mukunda Foods, a company that specialises in food robotics. So, it is possible with automation and technology to deliver certain food items in under 10 minutes, however, one question remains unanswered - Why? When Domino's did it, people were excited about the novelty, however, in Zomato's case, public opinion is altogether divided.

Why the race for faster delivery?

When Deepinder Goyal, the Zomato Co-founder, announced the 10-minute food delivery service, he also said that the company doesn't want to do it, however, it is the popular chorus and everyone is chipping in, seemingly in unison. So, the real story is that it's not about you – the customers. It's about the competition. Zomato like any other company desires to be a leader in its industry vertical and also maintain that position for the foreseeable future. This means it not only has to fight the existing competition but also the expected competition that might crop up in the future. Zomato and other companies who have joined the race, already deliver food and groceries in 30-minutes or a day. It may happen that in future, a new startup might come up with a proposition of shorter delivery times. It's like either they do it, or somebody else will. They have invested millions and billions in the market that they created for themselves. It's obvious, that they don't want a looming threat of a new entrant beginning a new cash war altogether. Zepto did it to Grofers and Big Basket, and certainly, somebody else will do it to Zomato and Swiggy. And thus, in anticipation, the companies have already begun these services to hinder any new entrant into the

market they have built for themselves. It doesn't matter if you order or not, or if the service becomes popular. The fact that there are service providers who already cater provide this service would act as a deterrent to new entrants.

The bottom line

It is difficult to account for the human consequences of actions stemming from technological impulses. The system will take its toll on executing it. Digital technology has enabled us in several dramatic ways, however, there should be a limit to what it can expect the physical world to deliver. Probably this war is not going to end till people and goods teleport themselves. The delivery through drones is already knocking on the doors, with the Government supporting the development of the same. More importantly, there's a real danger of getting used to such service standards that it becomes impossible to revert to the more financially prudent options, in future.



Complete guide to filing income tax returns for financial year 2022

By Amit Chandak, Associate Director, Greenvissage



Introduction

An Income Tax Return or ITR as many people call it is a form where the taxpayers are expected to declare their taxable income and the tax due to the government as per the income tax laws. Besides, the taxpayer is also expected to mention all the eligible deductions and tax payments if any. In India, a taxpayer has to file an Income Tax Return for a particular Financial Year i.e. April to March, irrespective of the accounting year adopted by the taxpayer. Income Tax Department has notified 7 forms i.e. Form ITR 1, ITR 2, ITR 3, ITR 4, ITR 5, ITR 6 and ITR 7 for filing tax returns according to different types of income and types of entities. The taxpayers must file their returns before the due date applicable. In this article, we are discussing all that need to know about the income tax return filing for the financial year 2022.

Form to be used by the taxpayer

The form that must be used by taxpayers is as follows:

ITR 1 (Sahaj)

A resident individual or Hindu undivided family with income from salary or pension, or income from a single house property located in India (no brought forward losses from the previous year), or agricultural income up to INR 5,000, and income from other sources, where the total income does not exceed INR 50 lakhs, can file ITR-1. **In the case of capital gains, income from a business, or investment in unlisted equity shares this form cannot be used.** Further, people with the tax status of Non-resident or Resident not ordinarily resident (RNOR) are also not allowed to use this form. A taxpayer who is a partner in a partnership firm or director of a company, or has assets in

a foreign country or income from a foreign country also cannot opt to file this form. ITR-1 is a simple tax return requiring minimum details.

ITR 2

Individuals or HUFs who do not qualify to file ITR-1, are required to file ITR-2, except those who earn income from business or profession. This is a detailed income tax return.

ITR 3

Individuals or HUFs who have income from business or profession are required to file ITR-3. This is a detailed income tax return.

ITR 4 (Sugam)

In the case of Individuals, HUFs and partnership firms who are Indian residents and generate income from business or profession, they can file ITR-4 if they choose to declare their income under the presumptive income scheme according to section 44AD, 44ADA or 44AE. However, **if a person has income more than INR 50 lakh, has brought forward losses from previous years, is not a resident in India (as per the income tax act), owns unlisted equity shares, or have foreign assets or foreign income, they cannot file ITR-4.** Further, taxpayers with income from more than one house property, or who are the director of a company are also not allowed to file ITR-3. ITR-4 is a much simpler form as compared to ITR-3.

ITR 5

In case of Partnerships, Limited Liability Partnerships (LLP), Investment funds, Business trusts, local authority, Estate of insolvent, Estate of deceased, Artificial Juridical Person (AJP), Body of Individuals (BOIs) and Associations of Persons (AOPs), ITR-5 is required to be filed. Partnership firms can also opt to file ITR-4 if they fulfil the criteria. ITR-5 is a detailed income tax return.

ITR 6

ITR-6 is for all domestic or foreign companies, whether public or private. However, this form cannot be opted by companies who are claiming exemptions under Section 11.

ITR 7

ITR-7 is a special income tax return required to be filed by taxpayers who are mandated to file the return under Section 139(4A) where individuals receive income from a property that belongs to trust or income generated solely for religious or charitable purposes; under section 139(4B) where a taxpayer is a political party; under section 139(4C) where a taxpayer is a Scientific Research Association, Institutions or association that come under Section 10(23A), Medical institutions, hospitals, universities, funds, and other educational institutions, News agencies, institutions that come under section 10(23B); under section 139(4D), where a taxpayer is a college, university, or other institutions; under section 139(4E) where a taxpayer is a business trust; under section 139(4F) where a taxpayer is an investment fund under Section 115UB.

Due date for filing returns

The due date for filing an income tax return for FY 2021-22, unless extended, is July 31, 2022. However, for taxpayers who are required to comply with tax audit provisions, the due date is October 31, 2022, after filing tax audit reports on or before September 30, 2022. In the case of taxpayers who are required to submit a transfer pricing report under section 92E, the due date for filing the report is October 31, 2022, and the due date for filing an income tax return is November 30, 2022.

After filing the income tax returns, returns can be revised up to December 31, 2022. The last date to file an income tax return, in case a taxpayer has missed filing a return, is also December 31, 2022.

Changes in income tax forms

The Central Board of Direct Taxes (CBDT) has notified the forms for income tax return filing for FY 2022 with some changes. These forms will be soon made available on the income tax portal for the electronic filing of returns. The changes in the income tax return are as follows:

1. Concerning declaration of foreign assets, **the new income tax returns now require taxpayers to declare assets as per calendar year i.e. as of December 31, 2021, irrespective of financial year followed by other countries.**
2. New ITR forms now require the additional disclosures in the Schedule Capital Gains: a) Date of purchase and sale of land/building b) Country and zip code if the property is situated in a foreign country 3) Fair market value of capital assets and consideration received in a slump sale transaction 4) Yearwise details of the cost of improvement to land/building 5) Separate disclosure of the cost of acquisition and indexed cost of acquisition.
3. In new forms, Schedule Capital Gains has been amended to disclose the deduction allowable under Section 48(iii) in respect of the capital gains under section 45(4) attributable to the capital asset remaining with a partnership firm. (ITR-5)
4. Dividend income taxable under section 2(22)(e) is now required to be reported separately. Payment by way of loan or advance, by a closely held company, to a shareholder who owns 10% or more equity, or to a concern in which the shareholder has a substantial interest is deemed to be a dividend under the income tax act and such dividend is taxable under section 2(22)(e).
5. Section 9(1)(i) Explanation 2A provides that the 'Significant Economic Presence (SEP) of a non-resident in India shall constitute a business connection in India. In the new ITR forms, a non-resident has to provide details of

Significant Economic Presence (SEP) in India

6. In ITR-2 and ITR-3, **disclosure of interest accrued on the provident fund which is taxable is now required to be entered separately in the schedule of other sources.**
7. Taxpayers who opt for Section 115BAC are not eligible to set off unabsorbed depreciation attributable to additional depreciation. In the Schedule DPM, the written down value of the block at on beginning of the year is to be increased by the amount of unabsorbed depreciation not allowed to be adjusted on account of opting for Section 115BAC and similarly under Section 115BAD.
8. **A new schedule 'Tax on Deferred ESOP' has been inserted for reporting tax-deferred on ESOP.** The details to be disclosed are - Amount of tax-deferred in previous return, date of sale of securities and tax attributable to such sale; Date on which cease to be an employee; tax payable in the current year; and balance tax-deferred to next year. This schedule will now keep track of the tax-deferred by the employee and the year it should be taxed.
9. The Finance Act 2020 abolished the Dividend Distribution Tax and moved to the traditional system of taxation wherein the shareholders are liable to pay tax on such dividends. The Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020 has removed the enhanced surcharge on such dividend income. Thus, **changes have been made in Schedule Part B - TTI to limit the rate of surcharge on dividends.**
10. Section 89A with effect from the AY 2022-23 has provided that the income of a specified person from the specified account shall be taxed as prescribed by rules which are not been notified yet. However, the ITR Forms have amended Schedule Salary to disclose - Income from retirement benefits in a notified country under Section 89A and income from retirement benefits account in a country other than notified country

11. Schedule BP (Computation of income from business or profession) allows exclusion of certain incomes which are credited to the profit and loss account but are taxable under other heads of income. **The new ITR Forms have added dividends in the list to exclude them from the Schedule BP if it is credited to the Profit and Loss account, in line with section 56(2)(i).**
12. A new row has been inserted in the Schedule Other Sources to allow disclosure of the interest referred to in Section 194LC.
13. Schedule MAT and Schedule AMT now require separate disclosure of adjusted total income under Section 115JC for Units located in IFSC, and other units.
14. **Schedule 80GGA has been inserted for the partners deriving only profit from the firm.** Section 80GGA allows a deduction for the amount contributed to specified associations or institutions, to taxpayers who do not have any income under the head PGBP. The schedule seeks details such as the Name and address of Donee, PAN of Donee, Amount of donation (In cash and another mode) and eligible amount of donation.
15. Changes have been made in Schedule 80-IA and 80-IB as the sunset clause has been incorporated for eligibility to claim the deduction.
16. Schedule TPSA requires taxpayers to indicate the total adjustments made in respect of all the assessment years.
17. In Part A OI Other Information, the taxpayers are now required to disclose the interest on any loan or advances from Deposit-taking NBFCs or Systemically Important Non-deposit Taking NBFCs, disallowed in the earlier year, but it is allowable now.
18. **Schedule Exempt income now requires separate disclosure for income exempt under Sections 10(23FB), 10(23FBA), 10(23FC), 10(23FCA), 10(23FE), 10(23FF), 10(4D).**
19. Schedule Special income requires separate disclosure of the income taxable under Section 115AC - Income by way of interest received by a non-resident from bonds purchased in foreign currency; and Income by way of dividend received by a non-resident from GDRs purchased in foreign currency.
20. Reference to Section 153A and 153C for the return filed in response to a notice, in the filing status of return income, has been removed.
21. Nature of employment for pensioners has been further categorised into Pensioners – CG, Pensioners – SC, Pensioners – PSU and Pensioners – Others.
22. Following new disclosures are required in ITR 3 and ITR 4 in respect of Section 115BAC – 1) Whether the assessee has opted for an alternative tax regime and has filed Form 10-IE in the previous year, 2) Whether the assessee is Opting in now, Not opting, Continue to opt, Opt-out in the current assessment year. A similar disclosure is required in respect of the alternative tax regime under Section 115BA/115BAA/115BAB/115BAD.
23. Audit under Section 44AB is mandatory if the sales turnover exceeds INR 1 crore. However, if the cash receipt and cash payment do not exceed 5%, the threshold is INR 10 crore. The old ITR Forms required the assessee to furnish a response regarding cash receipts and payments only, and it did not seek information concerning receipt or payment through non-account payee cheque or demand draft. This anomaly has now been removed.
24. **New Schedule IF has been inserted to disclose investment made in an unincorporated entity** requiring details such as the Name of the entity, type of the entity, PAN of the entity, and whether the entity is liable for the audit? Whether section 92E applies to the entity?, Share in the profit of the entity, Amount of share in the profit; and Capital balance on March 31 in the entity.



Government policies

India reopens tourist visas ■ Days after announcing international flights to resume fully, the government has also restored the electronic tourist visa facility for 156 countries. However, all land and river borders including the Attari-Wagah post along with Pakistan will continue to remain shut, except for those with special permission. Currently, valid e-Tourist Visa issued for five years, suspended since March 2020, now stand restored to nationals of 156 eligible countries and will also be eligible for issuance of fresh e-Tourist visa. Regular (Paper) Tourist visas with a validity of 5 Years issued to foreign nationals will also be restored and eligible for reissuance. Long duration (10 years) regular tourist visas for the citizens of the United States and Japan have also been restored.

Four Crore pending cases in Courts ■ In a written reply to Lok Sabha, Minister of Law and Justice, Kiren Rijju, has stated that 4,10,47,976 cases are pending in the various district and subordinate courts while figures from Arunachal Pradesh, Lakshadweep, and Andaman and the Nicobar Islands were not available on the National Judicial Data Grid (NJDG).

West Bengal Annual Budget ■ West Bengal Finance Minister Chandrima Bhattacharya has presented a massive INR 3.21 lakh crore budget for the financial year

2022-23. The State Government has proposed incentives for battery-operated and CNG vehicles. It has also provided tax relief for the tea industry. The real estate which has been suffering has been pepped up with a rebate in taxes and registration fees. The total budget allocation for FY 2022-23 has grown 4-fold to INR 3,21,030 crore as against the figure in 2010-11 when the Trinamool Congress government assumed power.

Kerala Annual Budget ■ The Kerala State Government presented an annual budget led by Finance Minister K N Balagopal emphasizing the development of industry and food and science parks. The budget has proposed changes in the plantation and agriculture sectors to encourage new crops. The chief source of funds will be Kerala Infrastructure Investment Fund Board (KIFFB) which funds public works in the state and has sanctioned INR 70,762 crore so far. The budget estimate for FY 2022-23 has been envisaged at 1,34,097 crore revenue against the expenditure of INR 1,57,065 crore, and thus, a deficit of INR 22,968 crore is slightly lower than Rs 23,176 crore in the revised estimate for the previous year.

Government postpones overseas listing of local enterprises ■ The Central Government has reversed its plans to allow local enterprises to list overseas to bolster the capital markets, as against the announcement last year that the new rules for overseas listings would be

announced in February. The plan has been put on hold as Government believes there is enough depth in local capital markets for firms to raise funds at good valuations.

New Investment Policy extended to upcoming units

The Union Cabinet has approved the extension of the New Investment Policy 2012 for three upcoming units of Hindustan Urvarak & Rasayan (HURL) at Gorakhpur, Sindri and Barauni. The cost of these projects is INR 25,120 crore where the Gas Authority of India Limited (GAIL) is supplying natural gas to these units. HURL, incorporated in June 2016, is a joint venture between Coal India, National Thermal Power Corporation (NTPC) and Indian Oil Corporation (IOC).

Ease of doing business in the power sector

Ministry of Power has announced that it will ease 22 compliance issues in the first phase of the ease of doing business action plan. The ministry has already eased compliance norms related to 79 items affecting industry and consumers since 2021. The ministry has started a fresh exercise in 2022 which will continue till March 31, and the second phase till August 15.

Consensus on IP waiver for COVID-19 Vaccine

India along with the United States, European Union and South Africa have reached a consensus on key elements of a long-sought intellectual property waiver for COVID-19 vaccines and a tentative agreement among the four World Trade Organization members that awaits approvals. The length of patent waivers would be 3 years or 5 years is yet to be finalized.

IMF provides emergency funding to Ukraine

The International Monetary Fund (IMF) has approved USD 1.4 billion emergency funding support to Ukraine. This is in addition to USD 700 million disbursed by the IMF in December and USD 2.7 billion in IMF special drawing rights in August.

Goods and services tax

Maharashtra settlement of taxes bill passed

The Maharashtra State Assembly has passed a bill that allows settlement of arrears of tax, interest, penalty or late fee payable under Acts before the implementation of Goods

and Services Tax (GST). 'The Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2022' will come into effect from April 1 and allows individuals or businesses to make the payment of arrears between April 1 to September 30. Arrears determined by statutory order which are INR 10,000 or less per financial year are being written off as more than one lakh traders will be benefited. Those with arrears of INR 10 lakh or less can pay 20% of their dues and the rest 80% will be waived. For bigger dealers facing a financial crunch, the option to pay the amount by instalments has also been provided.

GST on Airline MRO Services The Goods and Services Tax (GST) rate for domestic maintenance, repair and overhaul (MRO) services for the aviation sector has been reduced to 5% instead of 18% earlier.

GST collections at all-time high GST collections have reached a record high of INR 1.42 lakh crore in March as the financial year-end saw strong sales and a crackdown on tax evasions.

Updates on GST Portal Goods and Services Tax Network (GSTN) has announced the following changes to be implemented in the upcoming months –

1. SMS based NIL Return filing for GSTR-3B, GSTR-1.
2. Improvements in GSTR-2A to show the status of filing of GSTR-1 and GSTR-3B by the supplier.
3. To show the status of the amendment of invoice with the month of the amendment.
4. Providing detail of invoices considered for computation in table 8A of GSTR-9.
5. The flow of ITC due to IGST paid on import from ICES to GST System.
6. Linking GSTR-1 with GSTR-3B (for the flow of liability). PDF mail of filled GSTR-3B.
7. Linking GSTR-2A/2B & ICEGATE data with GSTR-3B for better ITC management.
8. Delinking of credit/debit notes with invoices GSTR-1
9. Matching Tool for comparison of system drafted purchase register and own purchase register.
10. Facility to create Vendor Master /HSN masters on taxpayer dashboard.

11. Communication of channel between buyer and supplier for missing invoices.
12. Improvement of Comparison table liability and ITC.
13. Enabling GSPs to do some more activities.
14. Compilation of common errors and way around.
15. Showing the status of the application after every stage of processing.

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

Income tax

Due date of filing Form 10AB extended ■ Owing to the difficulties faced in electronic filing, the Central Board of Direct Taxes (CBDT) has extended the due date for filing Form 10AB to September 30. As per section 10(23C) educational, medical, charitable or religious institutions are eligible for exemptions subject to fulfilment of conditions. Institutions substantially financed by the Government or with annual receipt not exceeding INR 5 crores are tax-exempt, if not established for profit. Meanwhile, other institutions are required to claim an exemption after approval from the Principal Commissioner or Commissioner. Similarly, Section 12A provides conditions for a charitable institution to avail of tax exemption whereby the charitable trust has to apply for approval under Section 80G to provide a deduction to the donor for the donations made. All such trusts claiming exemption under sections 10(23C) and 80G(5) are required to file Form 10AB to renew their status.

New Advance Pricing Agreements ■ The Central Board of Direct Taxes (CBDT) has entered into 62 new Advance Pricing Agreements (APA) in FY 2021-22 with resident taxpayers which include 13 bilateral and 49 unilateral agreements. The total number of APAs has now gone up to 421. In FY 2020-21, 31 such agreements were entered into, while the same count in FY 2019-20 was 57.

Changes to the Budget Announcements ■ The Lok Sabha passed the Finance Bill, 2022 on March 25 with more than 35 changes in the Finance Bill as introduced on February 1,

the annual budget announcement day. The key changes vis-à-vis the budget announcements are as follows:

1. The Finance Bill has extended the time limit for completing the assessment proceedings for the financial year 2019-20 to September 30, 2022, instead of March 31, 2022.
2. Concerning income arising from the transfer of Virtual Digital Asset (VDA), the tax is to be considered at 30% without any deduction, except the cost of acquisition. The amendments now further explicitly clarify that the same would be allowed only when there is a cost of acquisition and therefore if no cost was incurred, no deduction would be allowed. It is further clarified that losses on one virtual digital asset cannot be set off against income from another virtual digital asset. The definition of 'transfer' will also apply to a virtual digital asset, even if not held as Capital Asset.
3. It has been clarified that an updated return cannot be filed in case of search, survey or requisition. Meanwhile, the return of loss filed under section 139(3) can also be updated, by filing an Updated Return.
4. Based on rulings by Courts, various taxpayers had claimed deduction of surcharge and cess in previous years. With Budget 2022, it was clarified that surcharge and cess are akin to tax and therefore not allowable as expenses, with effect retrospectively from FY 2005. With further amendments to the finance bill, the tax authorities are now empowered to treat the same as a mistake apparent from the record and rectify the said orders with a limitation period of 4 years to be reckoned from March 31, 2022. Such a claim would also be treated as under-reporting of income for the levying penalty. However, immunity from the penalty has been granted if the taxpayer suo moto applies for re-computation and makes the tax payments.
5. It has been clarified that the provider of benefit or perquisite is responsible to ensure that the tax required to be deducted on such benefit or prerequisite has been deducted and deposited to the tax department.
6. It is clarified that books of accounts will include books maintained in electronic or digital form.

Reopening old assessments based on algorithms ■ The Income Tax Department has begun reopening old assessments through the 'Insight' portal that selects cases based on algorithmic scanning of data it has been fed. This is as per new rules which apply from the year 2021-to 22 whereby the taxman cannot send notice until the system picks up the case, adding a degree of randomness.

Equalisation levy is justified ■ Finance Minister Nirmala Sitharaman has justified that the 2% equalisation levy (EL) imposed by India on the supply of services by multinational enterprises is a sovereign right to tax revenues earned from operations in the country, in a post-Budget conference in Bengaluru. She further emphasised that it is important for the industry to stand up and tell their international sellers that India deserves to tax this. The G20 countries in October 2021 have approved a global minimum corporate tax of 15% to reallocate taxing rights for large profitable multinational enterprises (MNEs) to countries where they sell products and services. The equalisation levy has fetched about INR 2,200 crore in FY21 and is projected to generate revenue of over INR 3,000 crore in FY22.

PAN Aadhar linking with late fees ■ The Ministry of Finance (MoF) has allowed the linking of PAN and Aadhar by March 31, 2023, after payment of late fees of INR 1000, as the due date of March 31, 2022, expired.

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

Customs and foreign trade

India achieves 400 billion merchandise export target ■ For the first time since 2014, India has achieved its annual export target of exporting goods, crossing the USD 400 billion mark, nine days ahead of schedule. Gems and jewellery, the second-largest category, rose to an unprecedented USD 32 billion, representing 10% of India's exports.

Foreign Trade Policy extended by six months ■ According to the latest Directorate General of Foreign Trade (DGFT) notification, the existing Foreign Trade Policy (FTP) has been extended till September 30, from

March 31. The Foreign Trade Policy provides guidelines for enhancing exports for economic growth and employment generation. The existing Foreign Trade Policy 2015-20 was valid up to March 31, 2021, however, was extended for a year, and is now further extended by six months.

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

Corporate laws

SEBI amends Alternate Investment Fund rules ■ The Securities Exchange Board of India (SEBI) has notified the SEBI (Alternative Investment Funds) (Second Amendment) Regulations, 2022. According to the new rules, Category III AIF cannot invest not more than 10% of the investable funds in a company, directly or through other AIF. Meanwhile, the large value funds for accredited investors of Category III AIF are permitted to invest up to 20% of the investable funds.

SEBI amends Collective Investment Scheme rules ■ The Securities and Exchange Board of India (SEBI) has introduced new amendments to the collective investment schemes (CIS) to bring them in line with mutual funds. The criteria of net worth and of having a track record in a relevant field for eligibility to register have been enhanced. CIMC and its group, associates or shareholders cannot hold more than 10 per cent shareholding or representation on the board, to avoid conflict of interest. The amendments also include a mandatory investment of CIMC and its designated employees in the collective investment schemes to align their interests. Other changes include rationalization of fees and expenses to be charged, reduction of timelines for the offer period of the scheme, allotment of units and refund of money to investors.

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

Banking and finance

RBI's latest dollar-rupee swap auction ■ The Reserve Bank of India (RBI) conducted a USD 5 billion dollar-rupee swap auction to infusion dollars and withdraw rupees from the financial system. As the central bank received 246

bids aggregating USD 13.56 billion, the swap went smoothly as RBI accepted 86 bids worth USD 5.135 billion at the average premium of 649 paise. Dollar inflows into the market are expected to strengthen the rupee. The swap has helped the central bank to withdraw INR 39,000 crore from the banking system, and thereby, INR 7.6 lakh crore liquidity. Foreign investors have been pulling out funds from India and have withdrawn INR 34,000 crores from Indian stocks in March alone, leading the rupee to its lifetime low.

The government doesn't issue cryptocurrencies ■ Pankaj Chaudhary, Minister of State for Finance informed Rajya Sabha that cryptocurrencies are unregulated in India and RBI does not issue a cryptocurrency. He further mentioned that the traditional paper currency is a legal tender, issued by RBI, and the Government is only going to launch a digital version of the same called the Central Bank Digital Currency (CBDC). He also added that the printing of notes has declined as INR 4,378 crore were printed in FY 2019-20 and the same has decreased to 4,012 crore in 2021.

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

Accounting and auditing

ICAI's financial books under scanner ■ The Central Vigilance Commission (CVC) has recommended a special audit of the accounts of the Institute of Chartered Accountants of India (ICAI) by the Comptroller and Auditor General (CAG). The committee has also recommended greater disclosures and transparency in the functioning of the institute. The recommendations came after CVC was asked to examine complaints of financial irregularities in the years FY 2020 and FY 2021 during the tenures of former presidents Prafulla Chhajed and Atul Gupta, respectively.

Parliamentary panel recommends setting up the Indian Institute of Accounting ■ Parliamentary panel has recommended government to set up an Indian Institute of Accounting (IIAs) similar to IITs and IIMs, as tabled in parliament. The panel has also suggested that multiple bodies are required to promote healthy competition, raising the standards and improving the credibility of

financial reporting and auditing in the country. The Government has also tabled a bill to amend the Chartered Accountants Act, 1949, the Cost and Works Accountants Act, 1959, and the Company Secretaries Act, 1980. The amendment bill seeks the formation of a disciplinary directorate headed by a Director (Discipline), instead of placing the matter before the Board of Discipline or the Disciplinary Committee.

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

Payroll and personal savings

Major Cryptocurrency hacking ■ In one of the major digital heists ever, hackers stole cryptocurrency worth over USD 600 million from a digital ledger used by players of the popular online game Axie Infinity. Ronin Network said that the attack targeting its blockchain netted 173,600 ether and USD 25.5 million worth of stablecoin, making it one of the largest theft in the cryptocurrency world.

ESIC adds 1.28 million new members ■ As per official data released by National Statistical Office (NSO), 12.84 lakh new members have joined the ESIC scheme in January 2022 against 15.34 lakh. According to the report, gross new enrolments from September 2017 to January 2022 were 6.21 crore.

Allotment of Labour Identification Number (LIN) ■ While sharing information with Rajya Sabha, Shri Rameswar Teli, Minister of State for Ministry of Labour & Employment, has stated that as of March 21, 2022, a total 35,27,962 establishments have been allotted Labour Identification Number (LIN). Labour Identification Number (LIN) is a unique number allotted to the establishments/employers who register themselves on Shram Suvidha Portal (SSP) for compliance with various Labour Laws.

Investment limit through UPI increased ■ The Securities Exchange Board of India (SEBI) has increased the investment limit for payments through the UPI mechanism for retail investors from INR 5 lakh to INR 2 lakh at present. This new limit will apply to public issues of debt securities on or after May 1, 2022.

Trading in US Stocks now possible through NSE

Indian investors can now trade in select US stocks through the National Stock Exchange's (NSE) newly formed international exchange, NSE IFSC, a wholly-owned subsidiary of the NSE. Investors can invest in NSE IFSC receipts on US stocks in the form of unsponsored depository receipts (DRs). This will include DRs of 50 US stocks such as Apple, Alphabet, Amazon, Tesla, Microsoft, Morgan Stanley, Nike, P&G, Coca-Cola, and Exxon Mobil. Retail investors can transact on the NSE IFSC platform. However, the same shall be limited to USD 250,000 per year, under the Liberalised Remittance Scheme (LRS) limits prescribed by the Reserve Bank of India (RBI). Investors can open a Demat account at the IFSC. The stock receipts are considered foreign assets for income tax returns and short-term capital gains are taxed at the slab rate while long-term capital gains are taxed at 20 per cent with indexation.

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

Markets and economies

Rupee strengthens against dollars

Rupee gaining against the US dollar, even after the rate hike by the United States Federal Reserve, against expectations owing to RBI's optimistic view and huge forex reserves which stands at a whopping USD 632 billion. Other factors such as dialogue between Russia and Ukraine, easing of oil prices, and the possibility of China easing its monetary policy have also helped.

India's Equity Market amongst Top Five

India's equity market has entered the world's top five clubs in terms of market capitalisation for the first time. The total market capitalisation stands at USD 3.21 trillion higher than that of the United Kingdom USD 3.19 trillion, Saudi Arabia USD 3.18 trillion, and Canada USD 3.18 trillion. This year, India has climbed two positions, despite a 7.4 per cent drop in its market capitalisation.

India world's largest fantasy sports market

According to a report by the Federation of Indian Fantasy Sports (FIFS), in collaboration with Deloitte, India's fantasy sports market is estimated to grow from INR 34,600 crore

in FY 2021 to INR 1,65,000 crore by INR 2025, at a CAGR of 38%. India is the world's biggest fantasy sports market with a user base of over 13 crores. Cricket is expected to grow at a 30 per cent CAGR over the next four years and remains the highest contributor to the overall revenue.

Digital economy to witness exponential growth

Finance Minister Nirmala Sitharaman has said that India's digital economy is expected to witness exponential growth to USD 800 billion by 2030 owing to rising internet penetration and increasing income while addressing IIT Bombay Alumni Association virtually. According to the finance minister, India has over 6,300 fintech, of which 28% are in investment technology, 27% in payments, 16% in lending and 9% in banking infrastructure.

India's growing media and entertainment industry

According to the Ministry of Information and Broadcasting, the Indian media and entertainment industry is one of the fastest-growing media industries in the world and will achieve the USD 100 billion mark by 2030, currently valued at USD 28 billion.

India's unemployment decreases

India's urban unemployment rate has decreased from July-September 2021, as the labour force participation and worker population increased. The urban unemployment rate stands at 9.8% in the July-September quarter significantly improved from 12.6% in the April-June quarter, as per the Government's Periodic Labour Force Survey. However, the survey is based on 5,676 urban blocks covering 44,272 households and 1,71,405 persons in urban areas. The unemployment rate for women has also improved to 11.6% from 14.3%. The Labour Force Participation Rate (LFPR) in urban areas for persons above 15 years also increased to 73.5% in July-September from 73.1% in the preceding quarter. However, for women, LFPR decreased to 19.9% from 20.1% and thus, the overall labour force participation increased to 46.9% from 46.8%

Savings scheme interest rates unchanged

Government has announced that the interest rates for small saving schemes shall remain unchanged for Quarter 1 of FY 2023. These schemes include Public Provident Fund, National Savings Certificate, and Post Office Small Saving Schemes.

Key Economic Indicators

Indicator	As on	Current	Prior
GDP Growth (%)	Dec-21	5.4	8.5
Inflation (%)	Feb-22	6.0	6.0
Unemployment (%)	Feb-22	8.1	6.6
Trade Balance (\$m)	Jan-22	-18.69	-20.88
GOI Bond 10yr (%)	Feb-22	6.84	6.77
Manufacturing PMI	Mar-22	54.0	54.9
Services PMI	Mar-22	53.6	51.8

Global Indices

Equity Index	Country	%
NIFTY 50	India	+10.15
BSE SENSEX	India	+10.50
INDIA VIX	India	-33.55
NIFTY BANK	India	+13.27
DOW JONES	USA	+5.71
NASDAQ	USA	+8.54
S&P 500	USA	+7.45
FSTE 100	UK	+8.81
NIKKEI 225	Japan	+8.46
SHANGHAI COM	China	-1.73
MOEX	Russia	+6.79
CAC 40	France	+9.57
DAX	Germany	+10.80
ASX 200	Australia	+6.63
BOVESPA	Brazil	+6.62
KOSPI	South Korea	+2.80
HANG SENG	Hong Kong	+5.02

Commodities Future

Commodity	Expiry	Price	%
Gold	June 3	51,876	-1.20
Silver	May 5	66,608	-4.06
Crude Oil	Apr 19	7,505	-11.40
Natural Gas	Apr 26	469	35.01
Aluminum	Apr 29	277	+2.65
Copper	Apr 29	818	+1.88
Cotton	Apr 29	43,800	+17.24

Currency Exchange Rates

Currency Pair	Current	Prior	%
INR/1 USD	75.81	75.49	-0.42
INR/1 GBP	99.55	100.92	+1.36
INR/1 EUR	84.66	84.26	-0.47
INR/100 YEN	62.23	65.34	+4.76

Cryptocurrencies

Currency	Pair	Price	%
Bitcoin	BTC/USD	44,778	+8.61
Ethereum	ETH/USD	3,306	+21.58
XRP	XRP/USD	0.79	+6.08
Btc Cash	BCH/USD	352	+16.58

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 Coffee to merge with Tata Consumer Products

Tata Consumer Products (TCPL) has announced to merge the entire Tata Coffee business with itself, as part of a reorganisation plan to unlock synergies and efficiencies. The plantation business of Tata Coffee (TCL) will be demerged into TCPL Beverages & Foods (TBFL), the remaining business consisting of extraction and branded coffee will be merged with Tata Consumer. Earlier, the consumer products business of Tata Chemicals was merged with Tata Global Beverages and renamed Tata Consumer Products. The company is the owner of the brands such as TATA Salt, TATA Tea, Tetley, Eight O'clock, Himalayan Water, Tata Water Plus, Tata Gluco Plus, Tata Salt, Tata Sampann, Tata Soufull, and Tata Q.

TCS wins deal from Australian Government Agency

Tata Consultancy Services (TCS) has bagged a multi-year deal with an Australian government entity, Western Power, to transform the energy supplier's digital software system to provide cleaner and resilient energy to Western Australia.

Tata Communications announces deal with Formula 1

Tata Communications and Formula 1 have announced a multi-year strategic collaboration for end-to-end managed network services for global video contribution. Tata

Communications will facilitate the transfer of 100+ video feeds and 250+ audio channels between the Grand Prix venue and F1's Media and Technology Centre in the UK.

Air India gets its new Chairman

N Chandrasekaran, the chairman of Tata Sons, has been appointed as the chairman of newly acquired Air India. Air India had been looking for a CEO to lead the company after Ilker Ayci, the former executive of Turkish Airlines turned down the position, owing to controversies.

Tata Motors to deploy Mobile Showrooms

Tata Motors has announced that it will deploy more than 100 mobile showrooms to offer a doorstep car buying experience in rural areas, and boost its brand awareness. The mobile showrooms, a one-stop solution for customers, will be equipped with GPS trackers to monitor their movements.

ArcelorMittal partners with Greenko Group

ArcelorMittal, the second-largest steel producer in the world, has entered into a strategic partnership with India's leading renewable energy company, the Greenko Group. The two companies will work together to construct a 975 megawatt nominal solar and wind capacity project worth USD 600 million, supported by Greenko's hydro pumped storage project and funded by ArcelorMittal. The commissioning is expected by 2024 while the transmission will be through Power Grid Corporation of India.

Adani Group acquires stake in Bloomberg Quint ■ Adani Group has announced that it will acquire a minority stake in Quintillion Business Media, a digital media group, commonly known as 'Bloomberg Quint', after entering into a binding term sheet with the Adani Group.

Biocon acquires Viatris ■ Biocon Logistics, a subsidiary of Biocon, has announced its acquisition of Pennsylvania based Viatris, in a USD 3.3 billion deal. Viatris (formerly Mylan) has partnered with Biocon to develop and commercialize a portfolio of biosimilar and insulin products.

Reliance Capital finds several prominent bidders ■ Adani Finserve, KKR, Piramal Finance, and Poonawala Finance amongst 14 prominent firms, have expressed interest to acquire Anil Ambani's debt-ridden Reliance Capital. The Reserve Bank of India (RBI) had superseded Reliance Capital owing to payment defaults and severe governance issues, in November 2021. The other companies who have submitted their 'Expression of Interest' include ArpWood, Varde Partners, Multiples Fund, Nippon Life, JC Flowers, Brookfield, Oaktree, Apollo Global, Blackstone, and Hero Fincorp. The investors are expected to acquire the entire company or one or more of the eight subsidiaries of Reliance Capital including Reliance General Insurance, Reliance Nippon Life Insurance, Reliance Securities, Reliance Asset Reconstruction Company, and Reliance Home Finance, and Reliance Commercial Finance. Reliance Capital was the third-largest non-banking financial company that the RBI has initiated bankruptcy proceedings under the Insolvency and Bankruptcy Code, with SREI Group and the Dewan Housing Finance Corporation (DHFL) being the top two.

Future Enterprises defaults on debt repayment ■ Future Enterprises has said that the company has defaulted on a debt payment of INR 19.16 crore to Punjab National Bank, Canara Bank and Union Bank of India under the one-time restructuring plan. The company is part of the INR 24,713 crore deal with Reliance Retail whereby the company will acquire 19 group companies in retail, wholesale, logistics and warehousing segments, and then sell itself to Reliance Retail.

Infosys acquires Oddity ■ Infosys has announced that it is

acquiring Germany-based digital marketing, experience, and commerce agency "Oddity" for a consideration of EUR 50 million including earn-outs, management incentives and bonuses. With more than 300 digital experts in Stuttgart, Berlin, Cologne, Belgrade, Shanghai and Taipei, Oddity is one of the largest digital agencies in Germany.

Dermicool brand to merge with Boroplus ■ Emami Limited, the health and skincare products company known for the 'Boroplus brand, has announced that it is buying the Dermicool brand, the prickly heat talcum powder, from Reckitt for INR 432 crores. This would be the biggest acquisition by Emami after acquiring Kesh King in 2015 for INR 1,651 crores. Emami exports to over 60 countries and has a direct domestic reach through its 9 lakh outlets and an overall reach of over 45 lakh outlets.

Invesco withdraws its notice to Zee ■ Investco Developing Markets Fund (Invesco), which is the largest stakeholder in Zee Entertainment Enterprises (ZEE) with an 18% stake, has announced to withdraw its notice to remove the MD and CEO Punit Goenka from the board of ZEE, a day after the company won its appeal in the Bombay High Court. It has also announced its support for the proposed merger between ZEE and Sony Pictures Networks India. Earlier, Invesco had also sought the induction of 6 new independent directors but Zee rejected the requisition, moved to the court and secured an injunction. However, the Bombay High Court's ruled in favour of Invesco recognising the requisition for an extraordinary general meeting as valid.

Mahindra Group enters Metaverse ■ Mahindra Group has announced its foray into Metaverse as the company is working on creating interactive multiverses such as Metaverse based car dealership DealerVerse, a marketplace for Non-fungible tokens Middlemist, a virtual Meta Bank, and a gaming centre.

L&T enters Metaverse ■ L&T Technology Services (LTTS), the engineering services unit of L&T Group, has announced that the company is setting up a Centre of Excellence for Metaverse, expected to be launched by July-August this year, and is also creating a business unit for Meta. The company is also expecting to leverage its current work for its clients, under its new Meta ecosystem.

Family feud enlarges Max Group's troubles ■ Max Group founder Analjit Singh's wife has accused her husband of siphoning off funds from the group holding company and has also filed a suit in the National Company Law Tribunal, seeking a probe into the affairs of Max Ventures & Investment Holdings and has also sought directions to declare Analjit Singh as unfit to be a director and shareholder of the company. According to the petition, the company's assets were being sold, alienated or siphoned off through bogus transactions and Neelu Singh was being overthrown by her husband Analjit Singh from the business where she owns a 24.1% stake. She has also alleged that Analjit Singh was having an illicit affair with a woman and the same woman is the key beneficiary of these illegal acts.

Reliance Retail acquires Clovia ■ Reliance Retail has announced that it is acquiring a majority stake of 89% in the direct to consumer (D2C) apparel and innerwear brand 'Clovia' for USD 125 million. Clovia was founded in 2013 and had raised nearly USD 25.8 million before this acquisition. Reliance Retail has already acquired innerwear brands such as Zivame and Amante and has also acquired a 52% stake in Ritu Kumar's firm Ritika Private Limited.

HDFC Bank announces Digital 2.0 ■ HDFC Bank has announced that it is creating a dedicated app 'SmartHub Vyapar' for merchant loans, as it looks to triple its INR 1,000 crore monthly merchant loans figure. The bank is also launching 'AutoFirst' to offer fully automated auto loans to its customers.

HDFC Limited set its new lending record ■ HDFC Limited has announced that it has approved retail home loans totalling more than INR 2 lakh crore in the FY 2022, its highest ever in a financial year, as compared to INR 1.55 lakh crore in the pandemic hit a year, registering a year-on-year growth of 30. The demand for home loans has surged post-pandemic owing to the low-interest rates, stable property prices and stamp duty exemptions.

Raymond in talks to sell ColorPlus and Park Avenue ■ Raymond, the clothing brand, is looking to sell its apparel retailing brands of ColorPlus and Park Avenue and has also

held talks with Denmark's retail group 'Bestseller'. The company is looking at a valuation of nearly INR 500 crore for ColorPlus and a much higher valuation for Park Avenue. Raymond has already laid off more than 1000 employees during the pandemic in 2021. Brands like ColorPlus and Park Avenue are facing stiff competition from global brands such as Spain's Zara, Sweden-based H&M, and Japan's Uniqlo.

Bajaj Electricals extends agreement with Morphy Richards ■ Bajaj Electricals (BEL) has announced the extension of its trademark agreement with the UK based Morphy Richards for another 15, effective from July 1. BEL will now be able to continue using the trademark Morphy Richards for producing, marketing, and selling home appliances in India and also in Nepal, Bhutan, Bangladesh, the Maldives, and Sri Lanka. BEL has been offering products under the Morphy Richards brand since 2002.

Omaxe Group raided by income tax department ■ The income tax department has alleged that Omaxe, the leading real estate group in Delhi, has indulged in unaccounted cash transactions with customers to the tune of over INR 3,000 crore, after raiding the premises of the company covering more than 45 premises in Delhi and NCR, Chandigarh, Ludhiana, Lucknow and Indore. Unaccounted cash of INR 25 crore and jewellery worth INR 5 crore have also been seized while 11 lockers have been put under restraint.

Public sector enterprises

IOC buys oil from Russia ■ Indian Oil Corporation, India's largest oil refinery, has said that it has bought 3 million barrels of Urals oil from Russia along with 2 million barrels of West African oil from Exxon, for May. This is the second shipment of oil that IOC is buying from Russia since the Ukraine invasion started. The Urals oil has been bought through Vitol, an energy and commodities trader, at a discounted price. Earlier, India had bought 3 million barrels of oil from Russia at a discounted price of USD 20 to 25 per barrel. Being the third-largest oil importer and consumer, India has continued business with Russia.

Indian Potash increases imports from Canada ■ Indian Potash Ltd (IPL) has increased its imports from Canada, Israel, and Jordan and will be buying 1.2 million tonnes of Potash from Canada, 0.6 million tonnes from Israel, and 0.3 million tonnes from Jordan in 2022, to replace its supply from Russia and Belarus and to ensure sufficient supplies for the upcoming sowing season. India was close to signing a 3-year fertiliser import deal with Russia in February, however, the same has been postponed following the Ukraine invasion.

NMDC announces its new production record ■ National Mineral Development Corporation (NMDC), the Government-owned mining company, has announced that it has produced a record 40 million tonnes (MT) of iron ore in FY 2022, as compared to 35 metric tonnes in the preceding pandemic-hit fiscal year.

JNPT announces further expansion ■ Jawaharlal Nehru Port Trust (JNPT), the largest container port in India, has announced that it will invest around INR 4,300 crore under the PM Gati Shakti project to develop the second phase of the fourth terminal and an SEZ.

PNB reports fraud in IL&FS loan ■ Punjab National Bank has reported fraud of INR 2,060 crore in the non-performing accounts of Infrastructure Leasing & Financial Services Ltd (IL&FS) Tamil Nadu Power Company. The bank has made a provision of INR 824 crore as per the Reserve Bank of India's prudential norms. Earlier, the state-owned lender Punjab & Sind Bank had declared INR 148 crore as a fraud in IL&FS. The company had a payment due of INR 7,181 crore as of March 31, 2021.

IOC announces expansion plans in the northeast ■ Indian Oil Corporation (IOC) has announced its plans to have 3 new plants in the Northeast to increase its LPG bottling capacity to 8 crore cylinders annually by 2030. The new LPG bottling plants will come up in Mizoram, Meghalaya, and Arunachal Pradesh. The proposed plants will come up at a total investment of INR 325-350 crore in a combination of wholly-owned and public-private partnership (PPP) models. While the LPG bottling plant's unit in Mizoram will be brownfield, the plants in Arunachal Pradesh and Meghalaya will be set up as greenfield facilities.

Startups

RazorPay acquires Izealiant Technologies ■ Razorpay, the leading payment and banking platform for businesses, has acquired IZEaliant Technologies, a fintech startup from Pune that provides payments technology solutions for banks. IZEaliant was founded in 2015, to provide mobile-first, API-enabled, and cloud-ready payment processing products for banks and financial institutions.

RBI bans Paytm from onboarding new customers ■ The Reserve Bank of India (RBI) has directed Paytm Payments Bank to stop the onboarding of new customers and also appoint an information technology audit firm to conduct a comprehensive system audit of its system. The action has been taken based on material supervisory concerns observed by the RBI. The company has 100 million KYC customers and was adding 0.4 million users every month. Paytm Payments Bank has claimed today that reports claiming the fintech had leaked data to Chinese firms are false and sensationalist.

Cleartax acquires Xpedize ■ Fintech Software as a Service and tax filing platform Clear popularly known for 'Cleartax' has announced that it has acquired Gurugram based supply chain fintech platform Xpedize, to enter MSME lending and business-to-business (B2B) payments sector. This is the company's second acquisition after taking over Ybanq, another B2B payment platform in July 2021. Xpedize will be rebranded as 'Clear Invoice Discounting' and will provide working capital and liquidity to suppliers.

BYJU's partners with Qatar's QIA ■ Byju's has announced that the company is partnering with Qatar's sovereign wealth fund (QIA) to set up a new ed-tech business and research centre in Doha, to drive research and innovation and create learning solutions customized for students in the Middle East and North Africa (MENA) region. Earlier, Byju's had announced that it will be the sponsor for the Qatar 2022 FIFA World Cup, the first Indian entity to sponsor the FIFA World Cup. The company has recently raised USD 800 million in pre-IPO funding at a valuation of USD 22 billion.

Zomato extends a loan to Grofers ■ Zomato, an online food delivery platform, has announced that its board has approved granting a loan of up to USD 150 million (around INR 1,145 crore) to Grofers India, the digital grocery shopping player. The company's board has also approved the acquisition of a 16.66 per cent stake in Mukunda Foods, the food robotics and automation firm, for cash consideration of USD 5 million. The company had last year invested USD 100 million (INR 745 crore) for around a 9% stake in Grofers.

Kuhoo raises seed funding ■ Kuhoo, the fintech platform, has announced that it has raised USD 20 million in seed funds from West Bridge Capital. The startup aims to utilise the fund to transform the student loan fintech sector, as the company aims to provide online loans to students aspiring to study in universities both in India and abroad. The company is the first student loan provider to offer products across various streams like engineering, MBA, executive education, online courses, coaching classes, and even new age courses.

Equity markets

Rainbow Hospitals gets approval for IPO ■ Rainbow Children's Medicare, a Multi-specialty pediatric hospital chain has received SEBI's approval to raise funds through initial public offerings (IPOs). Rainbow is backed by the UK based development finance institution CDC Group, and established its first 50-bed pediatric speciality hospital in Hyderabad, in 1999. As of September 2021, the company operates 14 hospitals and three clinics in six cities in India with a total bed capacity of 1,500 beds.

eMudhra gets approval for IPO ■ eMudhra, the largest licensed certifying authority in India, has decided to go for IPO and has received approval from SEBI. eMudhra has a market share of 37.9 per cent in FY 2021, in the digital signature certificate (DSC) market space, and has grown from 36.5 per cent in FY 2020.

Navi Technologies applies for IPO ■ Sachin Bansal's Navi Technologies has filed preliminary papers with SEBI to raise INR 3,350 crore through an initial public offering (IPO). Navi Technologies is a tech-driven financial

products and services company and is a digital lending app that provides loans of up to INR 20 lakh instantly through a completely paperless process. The company has expanded offerings to include personal loans, home loans, general insurance and mutual funds. It also offers microfinance loans through a subsidiary.

Vikram Solar to apply for IPO ■ Vikram Solar, one of the largest solar module manufacturers, is set to file draft IPO papers with SEBI with an offer size of about INR 2,000 crore. The company has plants in West Bengal and Tamil Nadu with a total solar module manufacturing capacity of 2.5 gigawatts. Meanwhile, the government is also pushing for higher production of clean and renewable energy to reduce the dependence on fossil fuels.

Corrtech International applies for IPO ■ Corrtech International, a pipeline laying solutions provider, has filed papers with SEBI to raise funds through an initial public offering (IPO). The company is one of the leading focused providers of pipeline laying solutions including hydrocarbon pipeline laying works in India and is also engaged in providing EPC (Engineering, Procurement and Construction) solutions for material and feed handling in oil and gas refineries. Proceeds from the issue are expected to be used for redemption of debentures, financing purchase of new equipment, infusion of equity into the subsidiary company and incremental working capital requirements of the company.

Upcoming IPOs ■ The upcoming initial public offers (IPOs) announced by the companies and expected to be launched in the coming months are as follows:

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

Global conglomerates

Apple's investors question Tim Cook's remuneration

Norges Bank Investment Management (NBIM), Norway's sovereign wealth fund and Apple's eighth-largest shareholder have decided to vote against the company's management remuneration plan, seeking transparency on total remuneration. The board should ensure that all benefits have a clear business rationale," read the statement. The fund has advised investors to vote against Tim Cook's USD 99 million pay package that he received last year, as his pay was 1,447 times higher than the average employee at Apple. Tim Cook earned USD 3 million in base salary and a USD 12 million bonus for achieving the company's financial and environmental sustainability goals. Besides, his compensation also includes USD 0.7 million for personal air travel, USD 0.6 million for security, USD 0.023 for vacations, and USD 0.017 for a pension plan.

SpaceX launches 48 new satellites ■ Elon Musk-led SpaceX has successfully launched 48 new Starlink satellites into orbit. Starlink is a giant constellation of broadband satellites that SpaceX is assembling in Earth's lower orbit and the company has launched more than 2,000 such crafts since 2019. The company has permission to launch 12,000 satellites and has also applied for up to 30,000 more. Starlink has also come to Ukraine's rescue when the country suffered internet outages during the initial days of the Russian invasion.

Heineken exits from Russia ■ Heineken N V, the Dutch brewing giant, has announced that it is pulling out from Russia amidst the ongoing war with Ukraine, a decision which will cost the company 400 million euros (USD 438 million), as the company no longer finds it sustainable or viable in the current environment. The company employs 1,800 people in Russia and has agreed to pay workers till December 2022.

Shopee shuts down its India business ■ Shopee, the e-commerce arm of Singapore based Sea Limited, has announced its decision to shut down its operations in India merely months after launching them, due to global market uncertainties. The company has also pulled out of France. India has recently banned 'Free Fire', a game owned by Sea Limited which led to a loss of over USD 15 billion in Shopee's market capitalisation.

Miscellaneous

Polio returns in Israel ■ Israel's Ministry of Health has stated that a new case of polio has been detected in a 4-year-old child in Jerusalem, the first case of polio in Israel since 1989. According to the statement, the child was not vaccinated as part of the routine childhood vaccinations in Israel. United Nations Children's Fund (UNICEF) in Malawi has expressed concerns over the outbreak of the virus reported in Malawi.



NEW FINANCIAL YEAR!

Wishing you a prosperous year ahead

War Economics – Why do so many Indian students study in Ukraine? Indian Government’s primary focus in this crisis time has been the evacuation of its 18,000 Indian students stranded in the war zone. While the government has deployed Air India and Indigo flights, Indian airforce, union ministers, multiple embassies, etc the same was more reactionary to the rising criticism rather than a proactive plan. Yes, the Government issued various advisories to the indian students, however, these were ...



Budget 2022 – New Faceless Assessment Scheme The scheme for faceless assessment for determination of arm’s length price under section 92CA, dispute resolution panel under section 144C and appeal to the appellate tribunal under section 253, were required to be issued by March 31, 2023; and for the procedure of appellate tribunal under section 255 were required to notified by March 31, 2024. These dates have been extended to March 31, 2024...



Budget 2022 – Concept of ‘Updated Returns’ explained After filing the return, a taxpayer has an option to file a revised return or if not filed altogether, an option of filing of belated return. The period to file such returns is 5 months in the case of the individual assessee, 2 months for audited businesses, and 1 month for assessees with transfer pricing transactions. Since this period is too limited, the income tax law is introducing a new option to file ...



Sri Lanka – Debt trap, economic crisis and bankruptcy, explained

On a sunny Sunday, I was enjoying my cup of coffee along with my newspaper. Suddenly, a loud voice came from the kitchen, “There’s no milk!” You might have been there, and you know exactly what is to be done – run to the nearest dairy and get the milk as soon as possible. Else you will have to deal with a boiling head in the kitchen, instead of boiling milk, and anybody would prefer the latter. So, ...



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Greenvissage is a consulting firm with the passion and expertise in helping companies setup in India and in managing their finances, accounts, payroll, taxes and compliances. Greenvissage serves clients from over 12 countries and wades them through hundreds of statutory and internal target lines every year.

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