EVERYTHING THAT CONCERNS YOUR MONEY

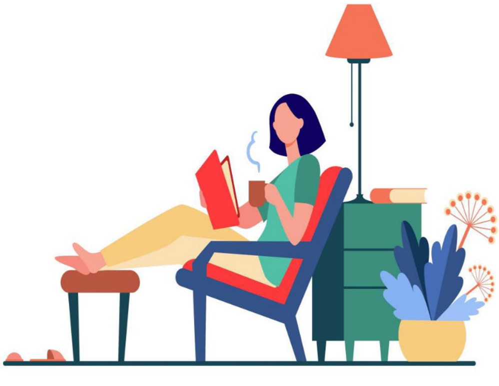
THE GREEN DIGEST

PAGES 26 | SEPTEMBER 2022 | 63 MINUTES

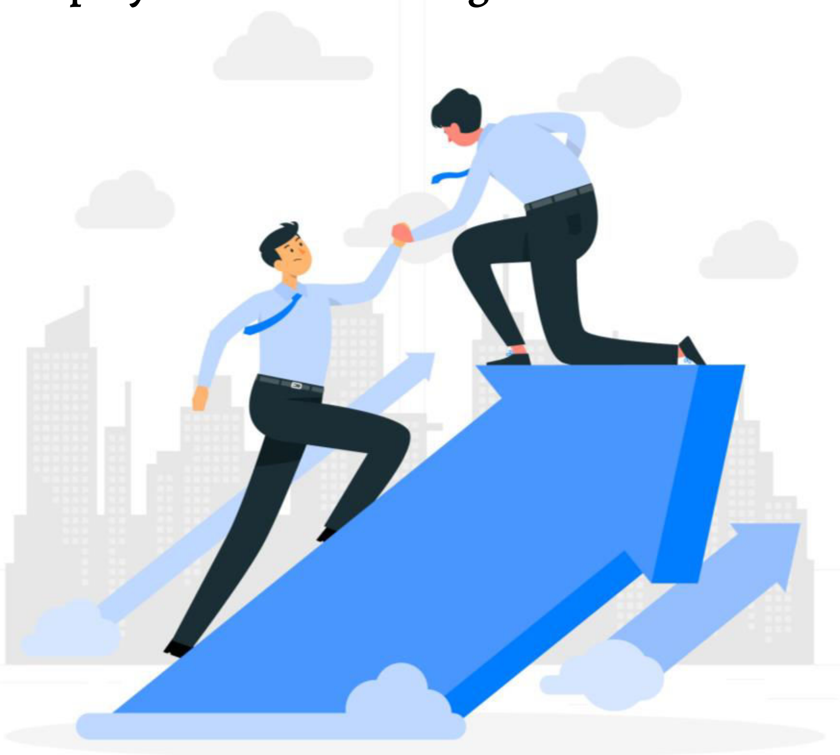
ONDC

"MONOPOLY? WHAT-IS-THAT?"

FOR PRIVATE CIRCULATION ONLY



Open Network for Digital Commerce (ONDC) – Can Government break the monopoly of e-commerce giants in India?



Background

India has always been a huge market, thanks to the billion-plus population. When India opened to the world in 1991, multinational conglomerates saw a huge opportunity for doing business in India. With the induction of technology over the next few decades post-liberalization, India grew faster than most economies in the world. And revolution in the telecom sector followed by a boom in digital transactions made e-commerce a popular choice in the relatively young population of the country. Consumers are happier to be greeted with choices and the whole shipping experience right from the comfort of their homes. However, the dominance of e-commerce and the rise of direct-to-consumer (D2C) business models is also posing an existential threat to Indian traders – wholesalers and retailers. Indian traders are mostly unorganised, with little or no branding, and very low access to funding. Meanwhile, most e-commerce companies are directly or indirectly owned by foreign entities that are powerful, organised, equipped and well-funded. Thus, Indian traders don't stand a chance against them. Others who opted to sell their products through e-commerce platforms have complained that they are left to the whims and fancies of the tech giants in the name of algorithms. This is a massive problem for the Government as well, as the unemployment rate is not something that we boast of. So the Government has taken up this challenge of breaking the monopoly of e-commerce platforms. The Government's preemptive measure might surprise you, however, the Government also sees a great opportunity here for itself – tax collections! India's trading sector is heavily informal and therefore, doesn't contribute much to tax collections. If sales occur digitally, the Government has the added benefit of generating higher tax revenues. So, thus, begins the story of 'Open Network for Digital Commerce' – touted as "the UPI of E-commerce", as the Government is excited after the success of the UPI.

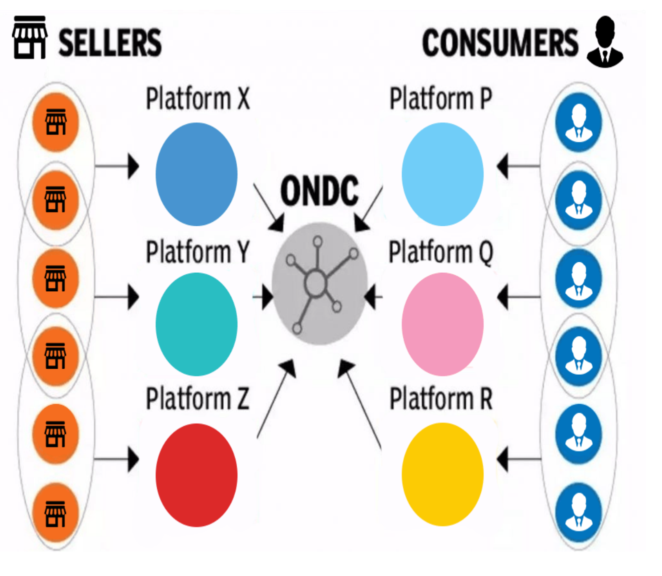
What is ONDC?

Open Network for Digital Commerce (ONDC) is the democratisation of e-commerce platforms. The Government believes that markets must be open and equal to all, and e-commerce platforms are also a market. Thus, small sellers must also have access to the same systems and technology that the giants have. ONDC is set up as a non-profit company similar to the National Payments Corporation of India (NCPI). It shall work as a network that would allow sellers to voluntarily display their products and services across all the participating apps and platforms. ONDC protocols would standardize operations like cataloguing, inventory management, order management and order fulfilment. The network will use open specifications and protocols and therefore, would be limited to any single platform – just like UPI.

Today, NCPI provide the infrastructure and the network for UPI which various apps and websites such as Paytm, Google, PhonePe, etc. use to facilitate online payments. ONDC would work similarly. It doesn't require buyers and sellers to use the same app to complete a transaction. The platforms would be interconnected to the ONDC network and irrespective of the app or website, people can buy and sell products freely. So, you may be registered as a seller with Paytm, and yet a customer might place an order from Amazon, and the network will take care of the rest, just like UPI where you can pay through GooglePay although your friend is using PhonePe. Thus, ONDC goes beyond the current platform-centric digital commerce model where the buyer and sellers have to use the same platform, or the same app, to be digitally visible and do a business transaction. That's a democracy, in a true sense, as no one person owns the market (platform), or rather everybody owns the market! In April, the Department for Promotion of Industry and Internal Trade (DPIIT) launched a test run of ONDC in five cities – Delhi-NCR, Bengaluru, Coimbatore, Bhopal, and Shillong and it has already unveiled its plans to add 150 more retailers in pilot phase.

How does ONDC work?

The e-commerce giant Amazon might seem like one company to a person, however, it consists of a group of companies operating together to provide e-commerce services, for example, Amazon Seller Services Private Limited looks after the registration of sellers and all the services that sellers would require, Amazon Transportation Services Private Limited looks after the shipping of the products from the seller to the Amazon warehouses, and ultimately to the consumers, and similarly more companies are operating under the hood in the entire buying to delivering an experience. ONDC is also a similar network, except that it would interoperate amongst all players.



Think of ONDC in line with a stock exchange where there are multiple buyers, and multiple sellers, participating through brokers on each side, while depositories and clearing corporations play their roles in hindsight. ONDC will play a role similar to the role of Stock Exchanges in stock markets. Needless to say, buyers and sellers would be the most important aspect of this platform, as everything is being built for them to interact seamlessly and transact smoothly with the help of the network. For ONDC to succeed, very high buyer and seller participation would be of paramount importance. Apart from buyers and sellers, there will other participants who will play their roles in the functioning of the network –

The network – Do you know how many people employees the popular cricket body, Indian Premiere League (IPL) has? Well, you can count them on your fingers! IPL Governing Council does all the decision-making and sub-contracts everything from marketing to auction to different companies who operate in that sphere. The ONDC company would be similarly responsible for deciding the framework, the standards and the protocols and licensing different players to run the network. The ONDC would merely oversee the entire functioning while the actual work would be done by other participants.

Buyer-side platforms – The buyer-side platforms would be responsible for connecting the buyers to the network. This would be through websites and apps, and maybe even through Metaverse in future. Their prime task is to allow customers access to browse and search for the products that are on sale on the ONDC network. Currently, only Paytm has built a buyer-side interface. However, most e-commerce companies can join the network with certain changes to their existing platforms. Thus, buyers may not feel any major change in their buying experience.

Seller-side platforms – The seller-side platforms will be responsible for connecting the sellers to the network. They would be required to build applications that allow sellers to access the ONDC network, put their products up for sale, and accept orders. These companies would also be tasked with pitching ONDC to more and more merchants. The buyer-side companies can also double up as seller-side platform providers as it is all about harnessing the technology and providing access to the market. Companies like Digit, eSamudaay, Gofrugal Technologies, Growth Falcons, and SellerApp have already signed up to provide the seller-side platform.

Gateway companies – Searching for products on one website and finding results from another website where the seller is registered won't be possible unless there are companies who interconnect them. The gateway companies would be tasked with the responsibility of broadcasting the request received from buyer-side platforms to the seller-side platforms that are listed on the ONDC registry. All this would happen in real-time. The gateway companies would act as intermediaries or agents facilitating the exchange of information between buyer-side platforms and seller-side platforms.

Technology service providers – To facilitate the entire network various software and technical add-ons would be required. Therefore, many tech companies are also involved in providing these add-ons.

Logistics companies – The logistics companies would register on the platform to provide shipping services. The logistics companies would register themselves in the network registry, integrate themselves with the network and thereafter, accept orders for shipping from the network.

Conclusion

Instead of concentrating power in the hands of a few powerful players, an Open network will allow consumers and sellers to choose which apps they want to use to access a single network. This will also keep government involvement to a minimum. Besides, the ONDC platform will not merely cater the retailers but also to wholesalers and Business to Business (B2B) transactions. The success of the open network would highly depend on the participation of various key players. ONDC is an initiative in the right direction and its success will take Indian e-commerce into a new era of interoperability.

New Overseas Direct Investment (ODI) Regime – Liberating businesses, Liberalizing India

By Amit Chandak, Associate Director, Greenvissage

Introduction

We live in a globalized world where elections in some countries, a war between others, and economic failures of nations, all have a deep impact on our economy. Businesses have outgrown boundaries, and your money is capable of travelling freely travel in most parts of the world, without any restrictions. Today, investments by Indian entities outside India are a very common phenomenon and many companies have to build a heavy presence outside India through Joint Ventures (JV) and Wholly Owned Subsidiaries (WOS). However, Overseas Investments (OI) are generally prohibited unless they are made following the FEMA Act, OI Rules and OI Regulations. The Government intends to permit overseas investments, however, at the same time, it is important to place reasonable restrictions to ensure that money is not siphoned outside India. Hence, the Government and Reserve Bank of India (RBI) together have placed various limits, approval and reporting requirements concerning overseas investments.

New ODI Regulations Framework

On August 22, the Reserve Bank of India (RBI) came up with a new set of Overseas Direct Investment (ODI) Regulations to simplify the existing regulations and realign them to the current business and economic dynamics. RBI has effectively combined the erstwhile FEMA (Transfer or Issue of Foreign Security) Regulations, 2004 (ODI regulations) and FEMA (Acquisition and Transfer of immovable property outside India) Regulations, 2015. These are now covered under FEMA (Overseas Investment) Rules, 2022 (OI Rules) and FEMA (Overseas Investment) Regulations, 2022 (OI Regulations). OI Rules cover the permissions, conditions and restrictions concerning Overseas Direct Investment (ODI). It also covers the pricing guidelines and rules concerning transfer, liquidation and restructuring of such investments. These rules have been framed by the Central Government and will be administered by the Reserve Bank of India. OI Regulations, on the other hand, provide the conditions for undertaking financial commitment, investment in debt instruments, consideration in case of acquisition or transfer of a foreign entity, obligations of Persons Resident in India, reporting requirements, etc. RBI has also issued the FEMA (Overseas Investment) Directions, 2022 (OI Directions) to cover the operational requirements. The changes are quite welcoming as they provide more clarity over the rules, lesser restrictions on investments and simpler reporting requirements. Let's understand some of the key changes in the ODI regulations in this article.

Overseas Direct Investment (ODI) vs Portfolio Investment (OPI)

Under the new regulations, the two terms – Overseas Direct Investment (ODI) and Overseas Portfolio Investment (OPI) have been distinctively defined. The classification is important as there are different investment limits for each type. ODI has been defined to include any investment that results in (a) acquisition of equity in an unlisted foreign entity, (b) subscription to the Memorandum and Association of a foreign entity, (c) acquisition of 10% or more paid-up equity in case of a listed foreign entity, (d) acquisition of control where investment is less than 10% in the equity of a listed foreign entity. Importantly, once an investment qualifies as ODI, it remains the same, even if the percentage falls below 10% in the case of listed companies, or if the control is lost. OPI, on the other hand, has been defined as investments other than ODI in foreign securities. However, it does not include any unlisted debt instruments or any security issued by an Indian Resident, not located in the IFSC. It has been clarified that original investment by a resident in India in a listed company would be considered OPI, even if the company is delisted. The definition of OPI has made it clear that portfolio investments can be made in both listed and unlisted spaces.

Meanwhile, the definition of control has also been inserted. According to the definition, control may be direct or indirect and shall be evident from the right to appoint a majority of directors, or to control management or policy decisions, whether such right is exercised by a person or persons acting individually or in concert. The mode of exercising control could be by way of shareholding, management rights, shareholder agreements, voting agreements entitling to vote for 10% or more, or in any other manner. The concept of control is relevant for determining the eligibility to invest in debt instruments, for lending, guaranteeing, or identifying a subsidiary and step-down subsidiary of a listed foreign entity.

The new rules also substitute the terms JV and WOS with a single term 'Foreign Entity.' Foreign Entity is defined to comprise entities with limited liability, formed/ registered/ incorporated outside India or in an International Financial Services Centre (IFSC), and also unincorporated entities with core activities in the strategic sector. The strategic sector includes energy, and natural resources sectors such as Oil, Gas, Coal, Mineral Ores, submarine cable system and start-ups.

Layering and Round Tipping

Round tripping is a practice where funds are transferred from one country to another and thereafter transferred back to the origin country for purposes. Many companies used such structures for money laundering or tax concessions and therefore, RBI has always prohibited such transactions. Under the erstwhile ODI Regulations

ODI Regulations prohibited setting up Indian subsidiaries through its foreign WOS or JV, and also prohibited the acquisition of a WOS or investment in JV that already had direct/indirect investment in India under the automatic route. In such cases, the Reserve Bank of India provided approvals on a case-to-case basis, depending on the merits of the case. Under the new regime, such prohibition is applicable only when it results in a structure with more than two layers of subsidiaries. Further, the restriction is now applicable only when there is an inward remittance in India. However, these exemptions shall not be available to a resident individual who exercises control in the foreign entity. Effectively, the new rules make it easy for round-tipping structures while exercising caution and permitting a maximum of only two layers of investment.

Key changes in ODI regulations

Foreign securities by way of gift – Under new regulations, a resident individual can acquire foreign securities by way of a gift from a relative, or a person who is resident outside India after compliance with Foreign Contribution (Regulations) Act, 2010. Earlier, general permission was granted to resident individuals for acquiring foreign securities by way of a gift from a person resident outside India.

ODI in Financial Services – Indian entities (except individuals) involved in any business, can now make overseas direct investment in a foreign engaged in financial services activity except for banking or insurance. This shall be allowed only if the Indian entity has net profits during the preceding three financial years. Earlier, only those entities that were engaged in financial services could enter into such investments.

Acquisition of Immovable Property – Under new regulations, a person can acquire immovable property outside India jointly with a relative who is a person resident outside India, even if there is an outflow of funds. The condition related to the 'no outflow of funds' has been removed.

Investment in Overseas Startups – As per the new Regulations, any ODI in startups (recognised as a startup under the laws of such country) can be made by an Indian entity only from the internal accruals. In the case of resident individuals, such investments can be made from their own funds. Investments in startups, being risky, are prohibited if made by securing loans.

Acquisition of shares by way of ESOPs – Any resident being a director or employee of an Indian entity can acquire shares or interest in an overseas entity, if such plan or benefit has been offered by the overseas entity on a global basis. Earlier, the rules dealt only with ESOPs, however, the new rules also cover employee benefits. There are no restrictions concerning remittance or outflow of funds.

Restructuring of the balance sheet – Earlier unlisted companies were permitted to write off capital and other receivables up to 25 % of the equity investment with prior approval from RBI. Now, the new rules, do not require RBI approvals for such restructuring if the diminution in the outstanding value is proportionate to the losses. However, a certificate from a registered valuer or certified public accountant of the host country would is required where the diminution exceeds USD 10 million, or 20% of the total outstanding dues of an Indian company or investor.

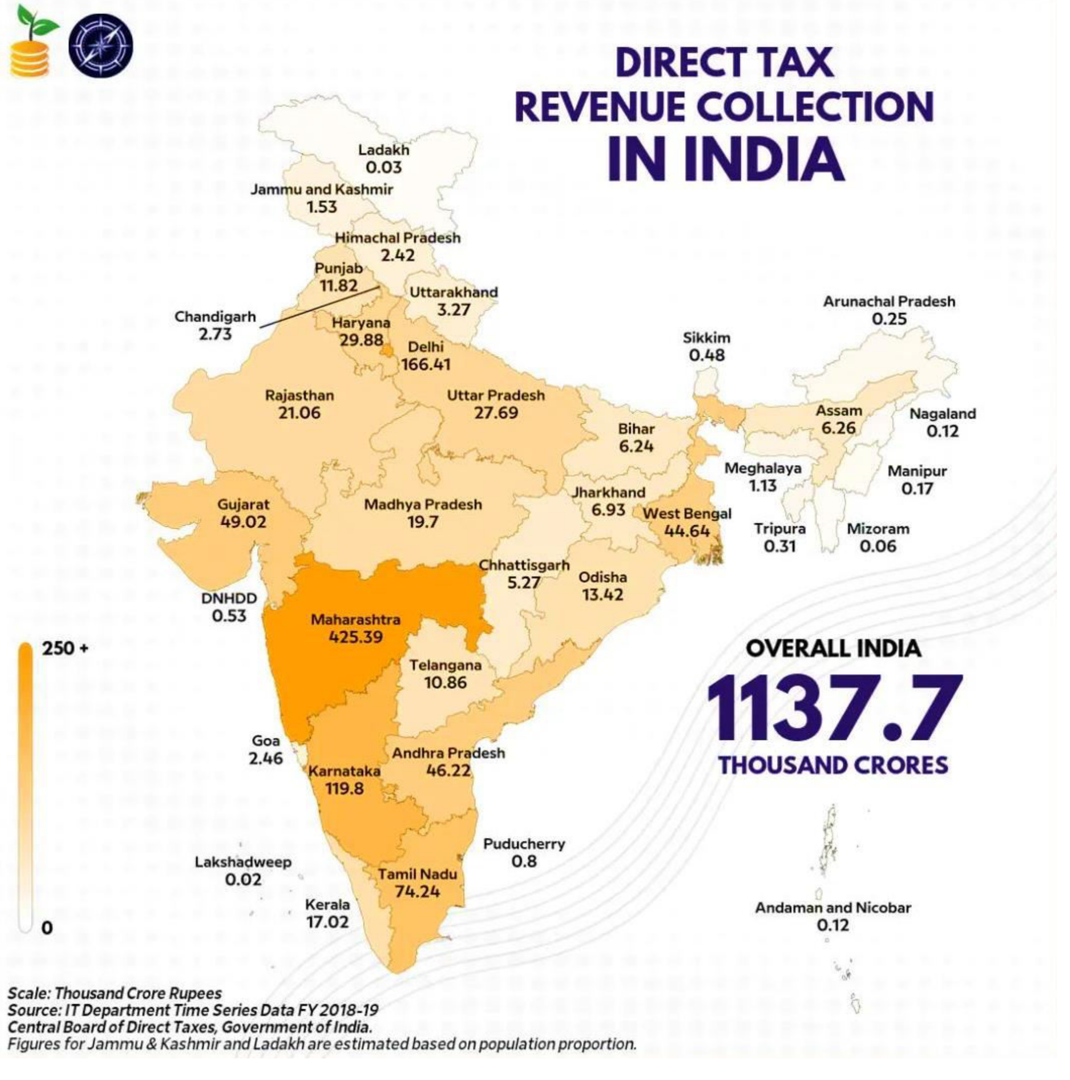
Investment in IFSC – A new schedule has been introduced in the regulations providing rules concerning investment in IFSC. The rules require approval from the regulator where the application would be disposed of in 45 days, or deemed to be approved otherw ise. Indian entities can also invest in IFSC without any net profit criteria and regardless of their nature of business. Resident individuals invest in IFSC without any net profit criteria and regardless of their nature of business. Resident individuals are also allowed to contribute to an investment fund or vehicle in an IFSC.

Valuation and pricing – Earlier valuation of shares was required to be obtained from a Merchant Banker (investment exceeding USD 5 million) or from a CA/CPA. Now, the responsibility has been transferred to the Authorised Bank to ensure the pricing is as per internationally accepted standards and at arm's length.

Transfer and liquidation – The Indian entity has to stay invested for at least one year from the date of making ODI before making any transfer or liquidation in the overseas entity. Full disinvestment is permitted only when there are no equity or debt outstanding dues, and when no approval is required from RBI for any write-off.

Deferred payments – Deferred payment of overseas direct investment is now permitted if a definite period is provided in the agreement in case of equity, with securities being issued/ transferred upfront.

Reporting requirements – ODI and OPI are now expected to be reported in Form FS and Form OPI. Annual Performance Reports (APR) are to be filed by December 31, unless the foreign company's accounting year ends on December 31. If the accounting year ends on December 31, the report can be filed by December 31 next year.



Why are employees being prohibited from emailing on Indian vacation?

As pandemic-related travel curbs are being lifted, many multinational companies, are requesting their overseas employees vacationing in India to avoid taking office laptops or doing any sort of work while they are in India. While this might sound like caring for the mental health of the employee, the real reason is to save the company from tax litigations. Foreign companies do not have permanent establishments in India. Since they do not operate from India, do not perform their work in India and thereby, do not earn their income in India, they do not pay taxes on such income. However, when an employee carries office laptops or work documents, responds to work emails, or attends video conferences while being in India on a vacation, the company could be forced to pay taxes by the Indian Tax Department. This is because India's rules on taxation and Permanent Establishment (PE) are strict and attending an official call or replying to an email could result in the levy of taxes on the company. PE, in tax compliance, is a litmus test that determines which country has the right to tax the revenue of the company, based on where the company operates and earns from, amongst various other factors. Often, MNCs work on global projects which the Indian arm of the same entity contributes to. A percentage of the global revenue earned through such projects is usually allocated to India as income earned in India and domestic taxes are levied on the same. However, if employees do not exercise caution as mentioned above, the tax department can dispute this percentage to be on the higher side, and thereby demand higher taxes. The concern in this regard has grown amongst various companies who are now even making their employees and executives sign undertakings that they will not meet clients or potential customers while in India.

What is Moonlighting and why is it becoming a concern for the IT industry?

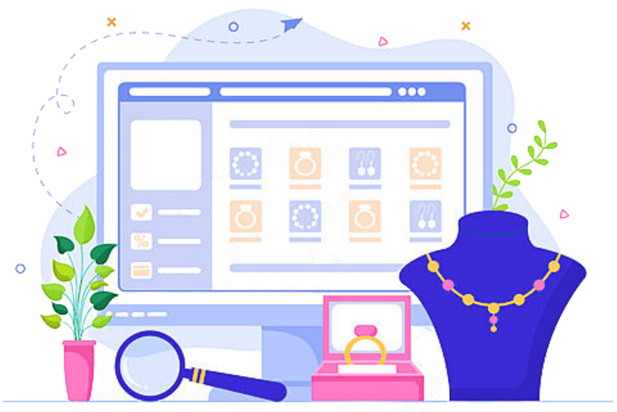
Post-pandemic, most employers have provided employees with an option to work from home. Working from home has allowed employees to stay safe and healthy while managing their personal life and career from the comfort of home. However, with the freedom and flexibility a new serious concern has grown for the employers - dual employment by employees, commonly referred to as 'Moonlighting' by the employers. Of late many employees have been double-dealing with their company, taking advantage of the situation, by accepting offers from multiple companies and working for both companies simultaneously. Employers are achieving this through longer working hours, taking higher pressure for the sake of monetary benefits and higher income. In some instances, employees have been found hiring proxies to complete their work. From the employer's perspective, this behaviour of employees is a serious concern as Moonlighting is leading to lower productivity levels of such people, and in turn, their teams too. More importantly, the employers are concerned about data and information leakage to their rival companies if such employees are also working for the rival companies. There's no restriction from the Government concerning moonlight, however, companies usually include clauses in the employment agreement that prohibits them from taking up other jobs that are not freelance. Therefore, concerned companies are opting for a 'return to office' policy, as a solution the same.

Why is Japan asking its youth to drink more liquor?

The National Tax Agency of Japan has invited people to submit business plans to promote liquor consumption in India. According to its website, individuals aged between 20 and 39 can submit business plans to revitalise the liquor industry in Japan. The competition invites entries from across countries. Selected business plans will take part in a final tournament in Tokyo. While this is surely a good programme to encourage enterprenuership, one might wonder why the tax agency is promoting liquor, and promote the same amongst young people. Well, the tax agency has a big tax problem.

In Japan, the liquor industry contributes to regional economies and the growth of small to medium enterprises which dominate liquor production in the country. However, Japan's liquor industry has been on a decline. According to National Tax Agency's own report, in FY 2020, the tax on liquor comprised only 1.9% of the total tax collection. In comparison, 2010, tax on liquor made up 3.3% of overall tax collections in FY 2010, 3.6% in FY 2000, and 4.1% in FY 1994. Data from last two decades shows that the consumption of liquor has gone down in Japan and thereby, the tax collection as well. The report also notes that there has been a shift in consumption habits, with drinkers preferring low-priced liquor. The pandemic, further led to the decline in the consumption, especially at restaurants, owing to lockdowns. While the country's economy regained its pre-pandemic levels, concerns remain over its continued recovery. Thus, the Government has come up with the competition amongst various other measures to promote its alcohol industry including online festivals for wine and craft beer, awareness campaigns about local shops, online registry of breweries, etc.

How will India's new bullion exchange will boost its gold market?



Indian love gold, and thus, it's a huge economy sector for the country. The demand for gold in our country is so huge that we account for nearly 25% of the global demand for gold. And yet, even after such high level of consumption, we have very little influence on the pricing of gold. This is because the prices vary heavily across cities and the transaction structure is quite fragmented in the Indian gold market. Therefore, India has always been a price-taker and not a price-setter at the international level. However, the Government's latest move might bring a little change to this status quo. Recently, the Government launched 'India International Bullion Exchange (IIBX)' with focus on centralising the import market for Gold and other precious metals. Although other countries have had very limited success with such attempts, India is expecting to centralise the market with help of IIBX rather than merely facilitating trade like the existing commodity exchange. The exchange is expected to enable jewellers to directly do business with international dealers rather than going through banks and licensed intermediaries. This streamlining of process will also save money by eliminating the margins charged by intermediaries. IIBX will also reduce the freight costs, as it is located near the Gujarat Maritime Cluster. At IIBX, jewellers can place bids for gold, and execute transactions, if the bid matches the sellers' ask price on the platform. The exchange will then import the gold and store it in one of its designated vaults. The market participants, in turn, will receive electronic tokens secured against the physical gold deposits.

Signal :
Positive
Negative
Mixed

Government policies

Centre takes mines back from states Pralhad Joshi, the Union Minister for Coal and Mines has announced that the Central Government has decided to take back mineral mines from states due to non-production. The Government plans to put up the 17 blocks for auction. In March, Lok Sabha passed the Mines and Minerals (Development and Regulation) Amendment Bill, 2021 which proposed to remove curbs of end-use for future auctions of mineral mining rights, allowing operators of existing captive mines to sell up to 50% of minerals extracted in a year. According to Pralhad Joshi, the relaxation of removing end-use restrictions for captive coal mines has improved production and is expected to touch 140 million tonnes by the end of the fiscal year.

Additional battery safety standards introduced The Ministry of Road Transport has introduced additional safety provisions in the battery safety standards, expressing concern over cases of fire incidents in electric two-wheelers. The new safety standards will come into effect from October 1. The amendments include additional safety requirements related to battery cells, onboard chargers, design of battery pack, and thermal propagation due to internal cell short circuits leading to the fire.

Windfall tax on export of petroleum products increased At the third fortnightly review, the government announced to raise the windfall profit tax on the export of diesel to INR 7 per litre from INR 5 a litre. The Government has also introduced a new INR 2 per litre tax on the export of Aviation Turbine Fuel (ATF). Earlier, the government had scrapped the windfall profit tax on ATF exports. Meanwhile, the government has also slashed the levy on domestically produced crude oil in line with softening rates which have been cut to INR 13,000 per tonne from INR 17,750.

Relaxation in overseas investment rules Indian Government has announced that an Indian corporate entity can now make overseas investments beyond the prescribed limit in strategic sectors such as energy and natural resources after obtaining necessary permissions. Releasing an explanatory note on Overseas Direct Investment Rules and Regulations 2022, the Finance Ministry has mentioned that a non-financial entity can make a direct investment under the automatic route into a foreign entity engaged in financial services activity except banking and insurance.

Amendments to electricity law R K Singh, Union Minister for Power, while introducing the Electricity Amendment Bill has presented his vision for India's power network to be future-ready and insulated from cyber attacks. The Electricity Amendment Bill 2022 provides for the routine inspection of the national electricity grid for

10BE apply only to funds or institutions approved under maintaining cyber hygiene in the network. According to R K Singh, the country has a single grid and therefore, any issue in one corner of the nation can collapse the entire grid. The new law strengthens the functioning of the National Load Despatch Centre (NLDC) for the safety and security of the grid and the economic and efficient operation of the power system in the country. Earlier this year, the Indian Government admitted that there were cyber attacks on the national power grid.

Goods and services tax

E-invoicing mandatory if turnover exceeds INR 10 crores The Central Board of Indirect Taxes and Customs (CBIC) has made e-invoicing mandatory for businesses with aggregate turnover exceeding INR 10 crore in any of the financial years under the GST regime, effective from October 1. The move is expected to further plug in the revenue leakage and ensure better tax compliance from businesses. Currently, e-invoicing is compulsory for businesses with an annual turnover of over INR 20 crore.

RCM on Renting only for business entities The Ministry of Finance has clarified that the new GST rule concerning the renting of residential units is applicable only when renting residential units to a a business entity. The clarification further elaborates that GST shall not be applicable if it is rented to a private person for personal use, and also if the proprietor or partner of the firm rents the residence for personal use. The 47th GST Council meeting had recommended that the tenant should be liable to pay 18 per cent GST on a reverse charge basis (RCM), which was tax-exempt until then.

Procedure to file GSTR-1 Nil Return simplified To further simplify the return filing, a single-click NIL filing of GSTR-1 has been introduced on GST Portal. Taxpayers can now file Nil GSTR-1 returns by simply ticking the check box 'File Nil GSTR-1' available on the GSTR-1 dashboard. Taxpayers can file Nil GSTR-1 if they do not have any outward supplies, no amendments, no credit or debit notes, no advances for services, etc.

Changes in GSTR-3B Table 4 The Central Board of Indirect Taxes and Customs (CIBC) vide Notification No. 14/2022 – Central Tax dated July 5, 2022, has notified changes in Table 4 of Form GSTR-3B for correct reporting of information regarding ITC availed, ITC reversal and ineligible ITC. These changes are now incorporated in GSTR-3B and are available on the GST portal from September 1 onwards. While filing returns, the taxpayers need to take into consideration these changes and report their ITC availment, reversal and ineligible credit under appropriate items.

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

Income tax

Benami law cannot be applied retrospectively The Supreme Court has ruled that the amended Benami Act which came into effect on November 1, 2016, can be applied only prospectively. The Court has even declared the 'unconstitutional' nature of the provisions of the law which provide a three-year jail term and penalty. The court has quashed the jail term because the same was arbitrary. The court has also set aside all actions which have been taken before the implementation of the Benami Transactions (Prohibition) Amendment Act, 2016.

File ITR-U if not disclosed income from online games The Central Board of Direct Taxes (CBDT) has asked taxpayers to file updated income tax returns (ITR-U) if they've won money playing online games in the previous financial years. The ITR-U allows taxpayers to include any income they forgot to pay tax on while filing their original ITR. Currently, taxpayers can file ITR-U for FY 2020 and FY 2021. Taxpayers who have income from online games, lotteries, and betting generally have to pay 30% tax along with interest. However, while ITR-U, they have to pay an extra 25% tax and interest due, if filed within 12 months, and an additional 50% tax and interest, if filed between 12-24 months.

Donations to charitable organisations The Central Board of Direct Taxes (CBDT) has clarified that statement of donation in Form 10BD and certificate of donation in from section 80G(2)(a)(iv) i.e. Category D organisations where donation is entitled to 50% deduction without qualifying limit. In respect of donations which fall in any other category, the deduction will be allowed to the assessee based on the claim made by him in his return of income. Thus, while filing returns, taxpayers need to ensure that their donations to category D organisations is reported by such organisation, or else such donations may be disallowed later through notice or during scrutiny.

Banks seeking clarity on section 194R Banks have approached the Central Board of Direct Taxes (CBDT) for clarity on the scope of section 194R, as it is feared that the newly introduced provision forces them to deduct a 10% tax at source on incentives extended to large business customers through credit cards. Section 194R, introduced in the Budget 2023, requires any person providing a resident, any benefit or perquisite arising from a business or profession, to ensure that tax has been deducted at 10% of the value of the benefit or perquisite. This section is effective from July 1.

Record number of returns filed The income tax department has revealed that 5.83 crore income tax returns (ITRs) were filed by July 31, similar to the same in a previous financial year. On July 31 alone, a record 72.4 lakh income tax returns were filed, shattering all previous single-day records (the maximum being 4.9 million in 2019). The department has also revealed that a large number of taxpayers did their due diligence by comparing their data in the annual information statement (AIS) and taxpayer information summary (TIS). The income tax portal keeps a record of when AIS and TIS were accessed and downloaded.

Ex-gratia payment to employees for COVID-19 treatment not taxable The Central Board of Direct Taxes (CBDT) has notified that the ex-gratia payment to the employees by the employer for the treatment of covid-19 shall not be treated as perquisite under the Income Tax Act, 1961 as per the Finance Act, 2022 amendment. The Finance Ministry had earlier announced that the amount received by a taxpayer for medical treatment from an employer or any person for treatment of COVID-19 during FY 2019-20 and subsequent years, shall not be taxable. Further, any relief to the family members as well would be tax-exempt. The exemption was without any limit for the amount received from the employer, and the exemption was limited to INR 10 lakh for the amount received from any other persons. Now, CBDT has clarified that such receipts would also not be taxable as 'perquisite' as many taxpayers and experts had raised concerns over the same.

IT department checking new areas for tax evasion Nitin Gupta, the Chairman of the Central Board of Direct Taxes (CBDT) during an interaction mentioned that the tax department is looking into new areas of the economy to check for tax evasion such as asset reconstruction companies, gaming, betting, etc. The department's investigation units are now using analytics to sift through voluminous data on Indians holding assets abroad. The CBDT Chairman said that they were getting large datasets through the CRS (Common Reporting Standard) and FATCA (Foreign Account Tax Compliance Act) regimes from various countries apart from several global tax leaks on Indians holding assets abroad. While the CRS is a global uniform standard for the automatic exchange of financial account information, FATCA is a tax information reporting regime between India and the US which requires financial institutions to identify their US accounts through enhanced due diligence reviews and report them periodically with each other.

Cash transactions under the scanner of the IT department The Income Tax Department has announced that it shall monitor cash transactions in hospitals, banquet halls, and businesses to combat tax evasion. Accepting INR 20,000 or more in cash for a loan or deposit is against the law. Further, people are also prohibited from taking cash payments of INR 2 lakh or more in aggregate from another person. The income tax department is looking forward to taking action against hospitals, professionals, and businesses that fail to adhere to these regulations. The department plans to track patients who have paid large sums to private medical facilities using data from health service suppliers. Health facilities have been disregarding the law to collect patients' PAN cards upon admission.

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

Customs and foreign trade

Aircraft operators to share passenger info with Government The Central Board of Indirect Taxes and Customs (CBIC) has issued a new notification 'Passenger Name Record Information Regulations, 2022' that requires Aircraft operators to share all travel-related information about passengers who are going to travel in and out of India at least 24 hours before their flight departure time. The information has to be shared with CBIC and National Customs Targeting Centre-Passenger (NCTC-P) for conducting a risk analysis of passengers. The purpose is to prevent, detect, investigate and prosecute offences under the Act. This change will also enable law enforcement agencies and government departments in India and abroad. The passenger information will include details like PNR, date of reservation and issue of the ticket, available frequent flyer and benefits information, all available payment/billing information, travel itinerary for specific PNR, travel agency/travel agent, etc.

Concessional import duties on edible oils extended The Central Board of Indirect Taxes and Customs (CBIC) has notified that the existing concessional import duties on specified edible oils have been extended up to March 31, 2023, to increase domestic supply and keep prices under control.

Russian Banks in advance talks to facilitate bilateral trade Over 15 Russian banks are in advanced talks with Indian lenders to facilitate bilateral business in the local currencies, bypassing the western sanctions. Russian banks are expected to open a customised trade account with local banks in India. These talks are being led by Indian Banks' Association and also the Indian Economic Trade Organisation which is coordinating with local companies to regulate trade. Banks and regulators are looking to set up a custom, common exchange rate that will be announced daily by the Reserve Bank of India (RBI) and the Central Bank of Russia, in contrast to the ordinary global trade where the rate of a currency is determined by the US dollar. Russia is also in talks to accept India's RuPay payment system in local ATMs and terminals while India would vis versa adopt Russia's Mir system domestically.

The monetary threshold for legal actions in customs increased The Central Board of Indirect Taxes and Customs (CBIC) has increased the monetary threshold for prosecution and arrest in customs violations. In baggage and outright smuggling cases, the market value of goods or foreign currency has been increased from over INR 20 lakh to INR 50 lakh for legal action. In the case of commercial frauds, the threshold value of offending goods has been enhanced from INR 50 lakh to INR 2 crores.

Faceless assessment in customs The Customs department has announced that it will begin a standardised risk-based faceless assessment system across the country for clearance of imported consignments in phases starting with metal, from September 5. The move is aimed to promote ease of doing business by bringing uniformity in customs examination and reducing the time taken for clearing consignments.

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

Corporate laws

Change in companies' registered address rules The Ministry of Corporate Affairs (MCA) has amended the Companies (Incorporation) Rules, 2014 to ensure transparency in process of physical verification of the registered addresses. The registered office is a mandatory requirement under the company law which should have a name board affixed, in a language generally used in that locality., the details have to be displayed in a language commonly used in that area. As per the amendments, section 12(9) prescribed that if the registrar feels that the company is not carrying on any business or operations, they may request a physical verification of the registered office. If the company is found in default, the Registrar may initiate action for the removal of the name of the company from the register of companies. The registrar based upon the information or documents available shall visit the address of the registered office, conduct verification in presence of two independent witnesses of the locality and also seek the assistance of the local Police if required. During such verifications, the Registrar shall take a photograph of the registered office and prepare a report of the physical verification in the prescribed format. In case of a negative report of physical verification, the Registrar shall send a notice to the company and its directors, requesting them to send their representations within thirty days, before taking further actions prescribed under section 248.

IRDAI issues new guidelines for anti-money laundering Insurance Regulatory and Development Authority of India (IRDAI), the insurance regulator, has announced new guidelines for anti-money laundering. The new rules consolidate and update guidelines on anti-money laundering replacing the norms issued in 2013. Exemptions and relaxations from the guidelines for companies have been done away with and therefore, no insurer can claim any relaxations to comply with the money-laundering rules. Further, the risk assessment levels are now based on the size of the business and therefore, the periodicity of conducting 'anti-money laundering and counter financing of terrorism' review and compliance audit and risk assessment, shall not be on fixed intervals but would be based on the risk exposure of the company.

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

Banking and finance

RBI introduces regulations for digital lenders The Reserve Bank of India (RBI) has approved 12 new regulations for digital lenders. According to the new rules, all loan disbursals and repayments are expected to occur to and from the bank accounts of customers and lenders, without passing through a nodal account, to avoid money laundering. The central bank has also asked for customers to be given a cooling-off period to opt out of the loan. The rules also mandate that no data can be collected and credit limit cannot be increased without the explicit consent of the borrower. The central bank has reiterated that all lending, including that done over merchant platforms, must be reported to credit information bureaus for transparency. The regulations also mandate that all fees payable to the loan service provider will be paid by banks and non-banks, and not by the borrower. The companies are also expected to disclose an all-inclusive cost of digital loans to the borrowers.

RBI releases a list of illegal forex trading apps The Reserve Bank of India (RBI) has issued an 'Alert List' comprising names of apps and entities who are not authorised to deal in forex or to operate electronic trading platforms for forex transactions. Many unauthorised platforms are luring people into promising lofty returns on investment, however, such platforms are not just risky but can also land the users in legal trouble. These apps and websites include Alpari, AnyFX, Ava Trade, Binomo, eToro, Exness, Expert Option, FBS, FinFxPro, Forex.com, Forex4money, Foxorex, FTMO, FVP Trade, FXPrimus, FXStreet, FXCM, FxNice, HotForex, ibell Markets, IC Markets, iFOREX, IG Markets, IQ Option, NTS Forex Trading, OctaFX, Olymp Trade, TD Ameritrade, TP Global FX, Trade Sight FX, Urban Forex, XM and XTB.

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

Accounting and auditing

IASB proposes updates to IFRS for SMEs The International Accounting Standards Board (IASB) has introduced updated proposals for the IFRS for SMEs accounting standard, to reflect improvements in International Financial Reporting Standards (IFRS) for small and medium-sized entities (SMEs). The IASB's proposals include updating the current standard principles to align with those of the Conceptual Framework for Financial Reporting issued in 2018. It is aimed to set out financial reporting fundamental concepts to support the board in developing IFRS. The framework's role is to provide accurate information while implementing a standard precedent, so similar transactions are treated consistently. IFRS for SMEs provides a streamlined set of standards that small and midsized private companies can use without dealing with complex rules required of public companies.

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

Payroll and investments

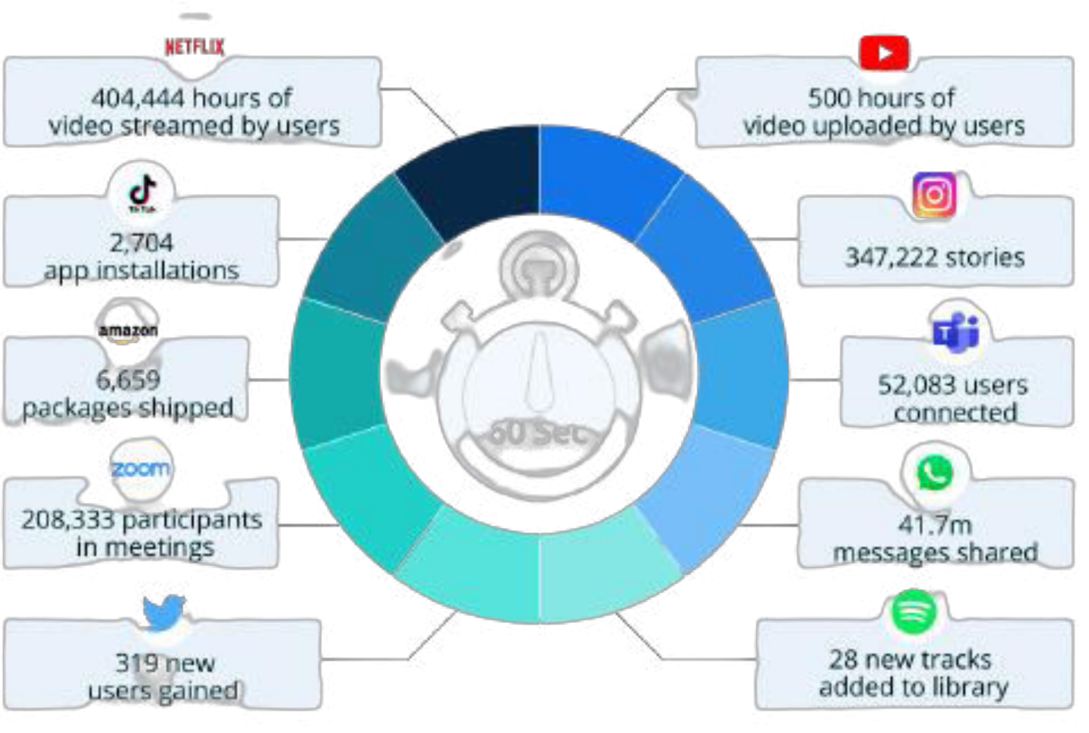
Post-pandemic return to office Indian companies are rolling out many measures to woo their employees back to the office. During the pandemic, several domestic firms had slashed salaries as employees started working from home. Now, the companies are asking employees to come back to the office, with benefits such as higher variable pay, employee engagement budgets, and extra leaves. Consulting major KPMG India has mandated 2 days per week in-office policy while consumer electronics firm Panasonic has switched back to working from the office across divisions. Several companies have also tweaked their reimbursement policy to reduce the benefits of working from home. For instance, KPMG India earlier offered a blanket amount for internet reimbursement to all employees, but now it will be disbursed on a case-on-case basis. Many companies have also reduced their Covid leave allowance for those testing positive to 7 days, from 14 days. Companies are also adopting a hybrid model of work to allow employees to choose the day, place, and clothes to wear at the workplace. The importance of working as a team at the workplace is increasingly being felt by companies worldwide.

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

Economic indicators

GDP of several states returns to pre-covid levels Emerging from the shock of the Covid-19 pandemic, economies of 19 States and Union Territories have exceeded their pre-Covid levels, with 7 of them, recording double-digit growth rates during 2021-22, according to an analysis of official data for 21 states and UTs. The growth rates of 11 states including Gujarat and Maharashtra were not available for 2021-22. The analysis shows that the size of the Gross State Domestic Product (GSDP) of the 19 states and UTs had contracted or recorded a negligible growth during 2020-21 — the year when the government had imposed a nationwide lockdown because of the Covid-19 outbreak. One must note here that the sharp jump in the GSDP of some states is due to the base effect.

Loans to companies at record high While inflation is a cause for worry, the credit growth has increased to a record high of INR 31.82 lakh crore in July, following rising demand for project finance and working capital. Credit to industry had remained stagnant at INR 28-29 lakh crore per month in 2020 and 2021. As per the RBI's July data on sectoral credit, loans to industry expanded 10.5% year on year, the highest in the last eight years.



Key Economic Indicators

Indicator	As on	Current	Prior
GDP Growth (%)	Jun-22	13.5	4.1
Inflation (%)	Jul-22	6.7	7.0
Unemployment (%)	Aug-22	8.3	6.8
Trade Balance ($m)	Aug-22	-28.68	-30.00
GOI Bond 10yr (%)	Aug-22	7.18	7.32
Manufacturing PMI	Aug-22	56.2	53.9
Services PMI	Aug-22	57.2	59.2

Global Indices

Equity Index	Country	%
NIFTY 50	India	+1.70
BSE SENSEX	India	+0.99
INDIA VIX	India	−1.41
NIFTY BANK	India	+5.56
DOW JONES	USA	+5.56
NASDAQ	USA	−6.40
S&P 500	USA	−3.81
FSTE 100	UK	+1.66
NIKKEI 225	Japan	+1.42
SHANGHAI COM	China	+0.99
MOEX	Russia	−3.81
CAC 40	France	+1.42
DAX	Germany	−9.55
ASX 200	Australia	−1.41
BOVESPA	Brazil	−1.27
KOSPI	South Korea	−3.75
HANG SENG	Hong Kong	+1.70

Commodities Future

Commodity	Expiry	Price	%
Gold	Oct 5	50,396	−2.01
Silver	Oct 5	54,711	−6.24
Crude Oil	Sep 19	6,858	−12.53
Natural Gas	Sep 27	631	−1.76
Aluminum	Sep 30	200	−6.85
Copper	Sep 30	653	−0.74
Cotton	Oct 30	36,800	−18.15

Currency Exchange Rates

Currency Pair	Current	Prior	%
INR/1 USD	79.40	79.91	+0.64
INR/1 GBP	92.01	95.59	+3.74
INR/1 EUR	79.55	81.46	+2.34
INR/100 YEN	56.96	57.96	+1.73

Cryptocurrencies

Currency	Pair	Price	%
Bitcoin	BTC/USD	19,307	+0.91
Ethereum	ETH/USD	1,635	+55.01
XRP	XRP/USD	0.34	+5.02
Btc Cash	BCH/USD	127	+22.77

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

Signal :
- Positive
- Negative
- Mixed

Indian Corporates

IndiGo to allow three-point disembarkment from aircraft IndiGo, the leading airline company in India, has rolled out a new system whereby passengers will be able to disembark from three doors of the plane allowing them to get off the aircraft faster. The three-point disembarkation process will be carried out using two forward ramps and one rear exit ramp. IndiGo will be the first low-cost airline in the world to use this process. The standard disembarkation process takes around 13-14 minutes with two-point disembarkation while the new system will take 7-8 minutes, resulting in a quicker turnaround of planes. The company has announced the model to be first implemented in Bengaluru, Mumbai and Delhi and thereafter, gradually in all airports.

INOX to launch 77 new screens INOX Leisure, the multiplex operator, has announced its plans to launch 77 additional screens by the end of the current financial year. Currently, the company operates 163 multiplexes and 692 screens in 73 cities across India. INOX had opened eight new screens during the previous financial year – the most number of screens in the industry despite the pandemic and restrictions. The company also has 834 additional screens in the pipeline after the current financial year. The company has partnered with International Cricket Council (ICC) to screen live matches at select cinemas to increase its revenue. The company is also selling superhero and sportsperson merchandise as an alternative revenue stream.

Infosys sells stake in Trifacta Infosys, the Indian IT major, has sold its entire stake in US-based data engineering software company Trifacta for USD 12 million, as per the latest regulatory filing. In 2016, Infosys invested USD 10 million in Trifacta for a 20% stake in the company. Trifacta, founded in 2012, provides data preparation software that enables users to transform data for analysis. The company is backed by Accel, Greylock Partners, Ignition, and Cathay Innovation, among others.

SpiceJet to raise INR 2,000 crore through stake sale SpiceJet, the Indian airline struggling with its finances in recent times, has engaged in talks with foreign and domestic investors to raise INR 2,000 crore via stake sale. SpiceJet's finances had deteriorated during the pandemic dragging its market share down to fifth from second-largest. Recently, the company has also attracted scrutiny from the Directorate General of Civil Aviation (DGCA) for mid-air malfunctions whereby the company was penalised with a 50% cap on the number of seats in flight for eight weeks period. The company is also facing protests by its staff for not restoring their salaries. The company is also contending several issues with lessors, Original Equipment Manufacturers (OEMs), and the previous owners of the airline.

5G spectrum auctions Indian government has managed to sell 5G spectrums for INR 1.5 lakh crore in the first auction of the 5G spectrum. Reliance Jio acquired 24,740 MHz of 5G airwaves that offer mobile internet speeds 10 times faster than 4G at INR 88,078 crore, almost 59% of the total, after 40 rounds over seven straight days. Bharti Airtel has bought 19,867.8 MHz of bandwidth worth INR 43,084 crore while cash-strapped Vodafone Idea spent INR 18,799 crore to buy 6,228 MHz of airwaves. Adani Data Networks made modest purchases of INR 212 crore for 400 MHz of spectrum across six cities in only the 26 GHz band, purely for its captive network needs.

Agusta Westland chopper seized in DHFL raids The Central Bureau of Investigation (CBI) has seized an AgustaWestland helicopter from the property of Avinash Bhosale, a builder in Pune accused of money laundering and cheating in the INR 34,000 crore case of Diwan Housing Finance Limited (DHFL). CBI officers found the helicopter inside a large hall built like a hangar, with pop culture posters decorating the walls. The CBI has been carrying out searches at many locations to locate assets acquired from the proceeds of the scam. Former DHFL executives Kapil Wadhawan, Deepak Wadhawan and others have been charged by the CBI for cheating a consortium of 17 banks led by Union Bank of India. The executives diverted INR 34,615 crore bank loans to shell companies and a parallel accounting system, known as Bandra Books.

Micro Labs accused of distributing freebies to doctors for prescribing Dolo 650 The Central Board of Direct Taxes (CBDT) has accused Micro Labs Limited, the pharma company that manufactures the popular Dolo 650 tablets, of distributing INR 1,000 crore freebies to doctors for prescribing the anti-inflammatory, fever-reducer drug to patients. Federation of Medical and Sales Representatives Association of India (FMSRAI) has said that the market price of any tablet up to 500mg was regulated under the price control mechanism during the pandemic, however, the price of tablets above 500mg wasn't regulated. Meanwhile, the company has denied the allegations because it only made INR 350 crores in sales during the pandemic.

L&T commissions green hydrogen plant Larsen & Toubro has commissioned a green hydrogen plant in Hazira, Gujarat where the company aims to make 45 kg of green hydrogen per day and utilise it for captive consumption in the plant. Green hydrogen is produced by splitting water into hydrogen and oxygen using renewable energy. L&T has already pledged to achieve water neutrality by 2035 and carbon neutrality by 2040, as per its ESG commitments. The Government has already announced a National Hydrogen Policy to produce 5 million tonnes of green hydrogen annually by 2030, incentivising green hydrogen production while speeding up the shift from fossil fuels.

Public sector undertakings

IRCTC withdraws its plan to monetise consumer data The Indian Railways Catering and Tourism Corporation (IRCTC) has come under fire from customers and digital rights groups after the company's plans to monetise digital data became public. The company had floated a tender to appoint a consultant to identify a business model to monetise the data. This has raised concerns about privacy from the Internet Freedom Foundation (IFF) who urged IRCTC to not prioritise perverse commercial interests over the rights and interests of citizens.

SIDBI to collaborate with Tata Power to produce Green Energy Small Industries Development Bank of India (SIDBI) has announced its collaboration with Tata Power Renewable Microgrid (TPRMG), a subsidiary of Tata Power, to launch 1,000 green energy enterprises across the country. The 'Sustainable is Attainable' program of Tata Power and the 'Empowering MSMEs' campaign of SIDBI are the driving forces behind the partnership. Under the program, shortlisted entrepreneurs will have to complete a capacity-building activity to receive an impetus called 'Go Responsive, Enterprise Incentive (GREENi) from SIDBI. TPRMG will shortlist entrepreneurs both from their existing microgrid network and from new areas to provide them with affordable green energy solutions and technical knowledge. Tata Power's TPRMG operates a solar-based off-grid generating plant with an energy storage system supplying power to remote areas of the country.

Startups

Unacademy suspends contracts of educators Unacademy, the SoftBank-backed tech unicorn has suspended contracts of its doubt-solving NEET and IIT-JEE educators, in a series of measures to cut costs amid a funding slowdown. The educators received emails stating that their contracts were suspended for six months and thus, their services were not required and they will not get paid for such period. The company has mentioned that it is making strategic changes to its customised learning solutions which will significantly reduce its doubt solving on its platform. Thus, the company has suspended all deliverables related to doubt solutions.

Dreamfolks raises INR 253 crore from anchor investors Dreamfolks Services, the Airport Service aggregator platform, has raised INR 253 crore from anchor investors before the initial public offer. Societe Generale, BNP Paribas Arbitrage, Saint Capital Fund, Segantii India Mauritius, Kuber India Fund, Smallcap World Fund, Inc, Aditya Birla Sun Life Mutual Fund, Sundaram Mutual Fund, Quant Mutual Fund and PNB Metlife India Insurance Company Limited are amongst the key anchor investors. The company allotted 7.76 crore shares to anchor investors at INR 326 apiece. DreamFolks facilitates consumers' access to airport-related services like lounges, food and beverages, spas, meet and assist airport transfers, transit hotels or nap room access, and baggage transfer services. The company's revenue increased from INR 98.7 crore in FY2017 to INR 367.04 crore in FY 2020. The company's IPO was entirely an offer-for-sale (OFS) of 1.72 crore equity shares by its promoters – Liberatha Peter Kallat, Dinesh Nagpal and Mukesh Yadav.

Brightchamps buys Singapore-based Schola Brightchamps, the edtech startup backed by Flipkart co-founder Binny Bansal has bought Schola, the Singapore-based communications and English-learning platform, for USD 15 million. According to the company, the acquisition will help them to add English speaking and communications vertical segment and help them to scale faster in its key markets such as Vietnam, Thailand and Indonesia. Schola was founded by former senior Facebook executives, Aditya Gupta and Nhu Tran Le Thanh and offered a variety of courses in a live, one-on-one class model for kids from 4 to 15 years of age. Brightchamps had earlier announced that it has earmarked USD 100 million for mergers and acquisitions in FY 2023.

Equity markets

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. Go Airlines
2. Arohan Financial
3. MobiKwik
4. Utkarsh Small Finance Bank
5. Ixigo
6. Penna Cement
7. Keventer Agro
8. Sterlite Power
9. Fincare Small Finance Bank
10. Seven Islands Shipping
11. PharmEasy
12. SAMHI Hotels
13. Bajaj Energy
14. Apeejay Surrendra Park Hotel
15. Gemini Edibles And Fats
16. ESAF Small Finance Bank
17. Medi Assist Insurance TPA Private Limited
18. Inspira Enterprise India Limited
19. Muthoot Microfinance
20. Fusion Microfinance
21. Chemspec Chemicals
22. Shri Bajrang Power And Ispat Limited
23. Hinduja Leyland Finance
24. VLCC Healthcare
25. Studds Accessories
26. Annai Infra Developers
27. Popular Vehicles And Services
28. Narmada Bio-Chem
29. Tamilnad Mercantile Bank

Adani Enterprises enters Nifty 50 index The Index Maintenance Sub-Committee - Equity (IMSC) of NSE Indices has decided to replace Shree Cement from National Stock Exchange's (NSE) benchmark index Nifty 50, with Adani Enterprises, from September 30. Adani Enterprises is the flagship company of the Adani Group. Shree Cement is the leading cement-making firm with brands such as Roofon, Bangur Power, Shree Jung Rodhak, Bangur Cement and Rockstrong. Meanwhile, Adani Total Gas, Bharat Electronics (BEL), Hindustan Aeronautics (HAL), Indian Railway Catering and Tourism Corporation (IRCTC), Mphasis, Samvardhana Motherson and Shree Cement will be added to the Nifty Next 50 index. Adani Enterprises, Jubilant Foodworks, Lupin, MindTree, Punjab National Bank (PNB), Steel Authority of India (SAIL) and Zydus Lifesciences have been dropped from the Nifty Next 50 index. B&B Triplewall Containers and SecUR Credentials are also excluded from the Nifty SME Emerge index on account of the proposed migration of these companies from NSE's SME Emerge platform to the exchange's main board.

Global conglomerates

Disney Star retains ICC media rights Disney Star has retained the Indian media rights for TV and digital, for both the men's and women's events run by the International Cricket Council (ICC) including the World Cup and T20 World Cup, for a further period of four years. The company bagged these rights at a staggering price of approximately USD 2.8-3 billion (the winning amount has not been disclosed to the public). The last 8 years' rights cycle from 2015-2023 cost Star Sports USD 2.02 billion for the global rights of ICC tournaments.

Elon Musk and termination of Twitter deal Elon Musk has added the recent allegations by a whistleblower against Twitter as a reason for terminating USD 44 billion deal. According to Elon Musk, Peiter Zatko, Twitter's former head of security, has constituted a further breach of the deal, and thus, they are sending a subpoena to fetch documents regarding the company's spam accounts and alleged vulnerabilities. Last week, Peiter Zatko revealed that Twitter has severe security shortcomings regarding users' data and that the company has misled regulators. He also alleged that Twitter has hired Indian government agents and also shared the platform's user data with them.

Miscellaneous

Silly Souls Goa Café allegedly has links to Irani family Union Minister Smriti Irani's daughter Zoish Irani has been in controversies over ownership of Silly Souls Goa Café, a restaurant with a bar without a license. However, the Delhi High Court has cleared the air claiming that she neither owns the land nor applied for a liquor licence. According to the court's decision, the property is owned by Anthony D'Gama, a resident who passed away in May 2021 and thereafter, his wife Merlyn D'Gama and their son Dean D'Gama have renewed the licence. However, according to the Ministry of Corporate Affairs' public records, Smriti Irani's daughter Zoish Irani, son Zohr Irani, husband Zubin Irani and his daughter Shanelle Irani together own two companies - Ugraya Mercantile Private Limited and Ugraya Agro Farms Private Limited, as of March 31, 2021. These two companies have in turn invested in EightAll Food and Beverages, the company whose registered address as per the GST certificate is the same as that of the Silly Souls Café and Bar. Further, the lease agreement and the licenses from the Directorate of Food and Drugs Administration in Goa, accessed under a Right to Information (RTI) application, have also revealed Anthony D'Gama has given the property on lease to Eightall Food and Beverages for ten years at a monthly rent of INR 50,000.

The US announces cancellation of certain student loans The United States President Joseph Biden has announced that his Government is cancelling up to USD 10,000 in student loans for Americans earning USD 125,000 or less per year, to provide relief to America's indebted university graduates. He has also announced to pause all payments until December 31.

New VPN Rules – Is the Government stretching too far? Indian Computer Emergency Response Team (CERT-In), India's cybersecurity watchdog, has issued new directives for companies offering Virtual Private networks (VPN). Under the new directive, VPN provider companies are required to store user data for at least five years, amongst other rules. These companies are now mandated to collect specific customer data even if the users delete their …

Why is gambling becoming a worry for India Inc? Real Money Games (RMGs) are games in which the players play for a wager. These games make up around 80% of India's online gaming industry. According to a report by Economic Times, Indian gamers have spent approximately USD 1.73 billion in online sports betting during the year 2021. The experts have drawn concern as the lines between gaming and gambling are becoming a blur. Many critics …

Why are Gold Jewellers protesting new hallmarking rules? A man in Kerala was recently arrested by the Customs for smuggling gold in a rather novel way – he had 'painted' gold worth INR 14 lakhs in the inner layers of the jeans that he was wearing, in a paste form. That speaks for Gold and its royal properties, and of course the innovative smuggling methods. Gold has been traditionally the most preferred long term investment for Indians…

Home loans – best investment of idle money and wealth creation Before you point it out, yes, there's an oxymoron in the title – how can a loan be an investment? However, this is the twenty-first century – the mindset of loans and borrowings being a burden or a negative aspect of finance, is an old school theory. Modern economics teaches us how leveraging the balance sheet can lead to exponential growth in business because the logic is simple – if you can earn at a rate higher than the interest rate for the loan …

Newsletter by:

Greenvissage

Greenvissage Business Consulting LLP

LLPIN: AAB-9132

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.

PUNE

106, Mayfair Tower I,
Wakdewadi, Pune – 411005, India

Google Maps

7, Kunal Puram Commercial Complex,
Opp Atlas Copco, Old Mumbai – Pune Highway,
Dapodi, Pune – 411012, India

Google Maps

MUMBAI

904, 9th Floor, Bhumiraj Costarica,
Off Palm Beach Road, Sector 18, Sanpada,
Navi Mumbai – 400705, India

Google Maps

Call: +91 20 6764 0900 | Email: info@greenvissage.com

If you have any queries, please write to us at info@greenvissage.com