EVERYTHING THAT CONCERNS YOUR MONEY

THE GREEN DIGEST

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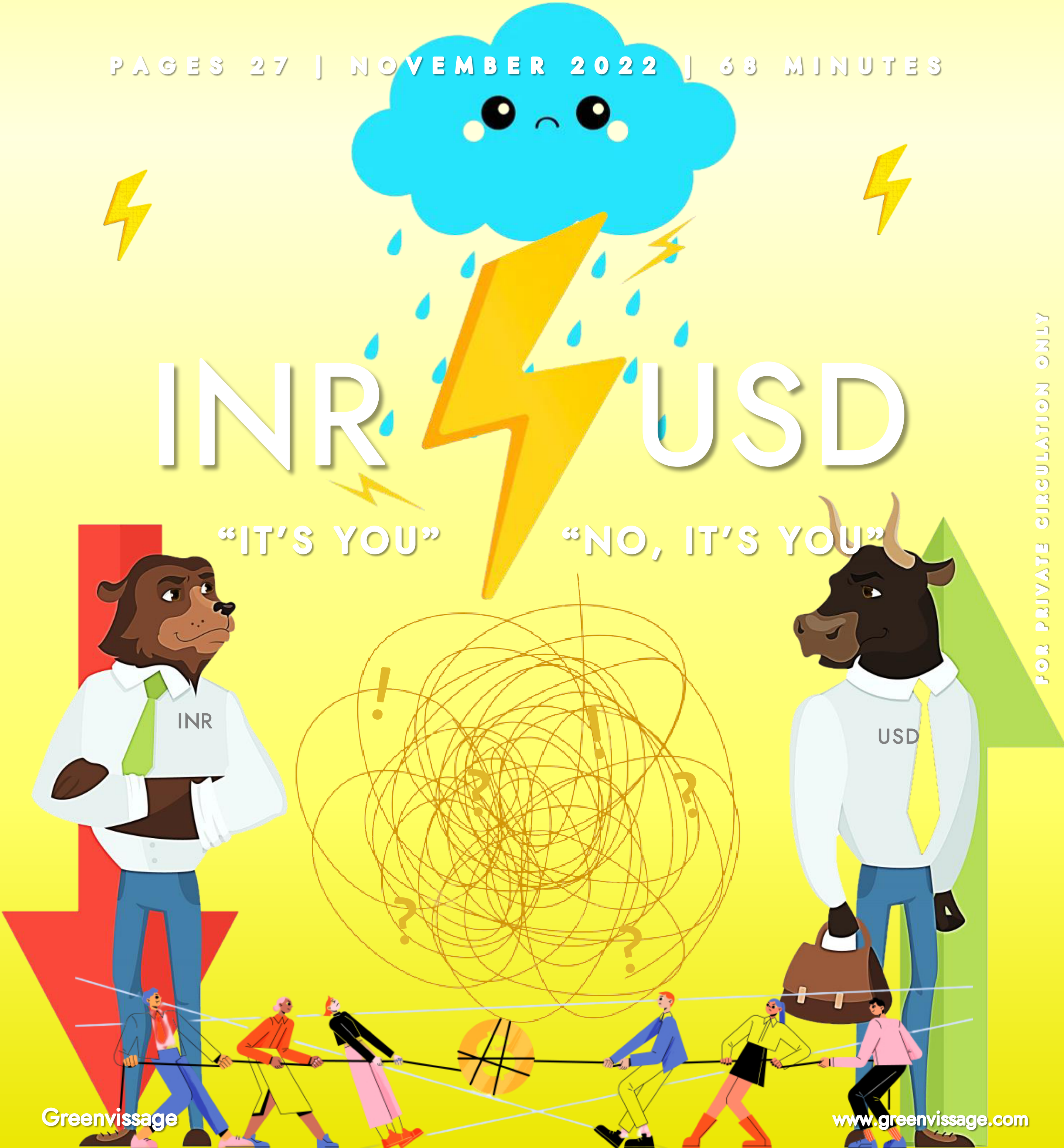

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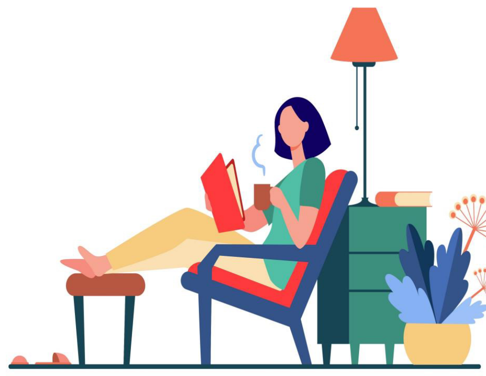
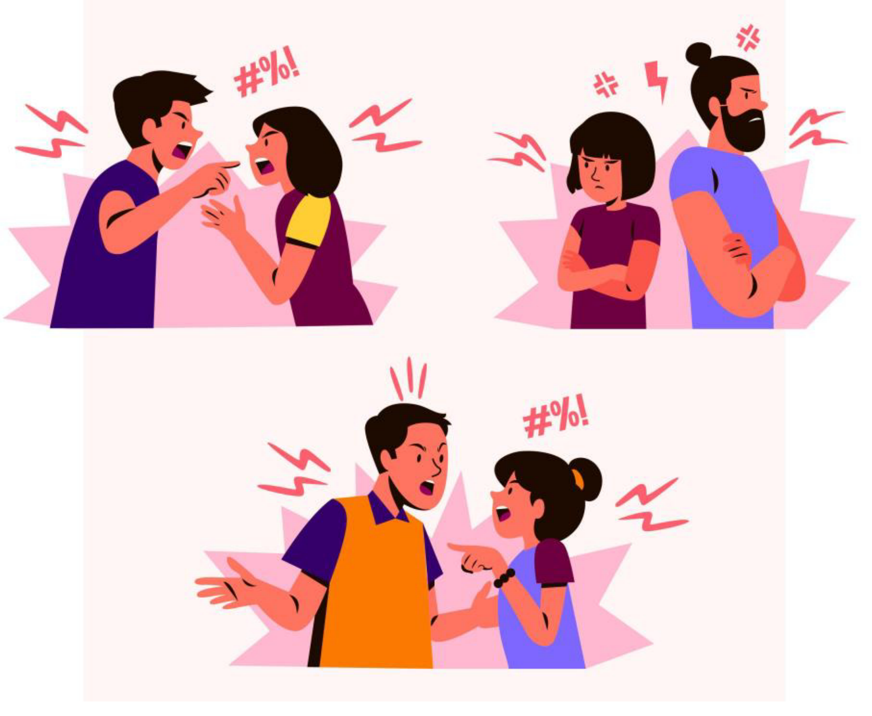


‘It’s not me, it’s you!” – Is the rupee depreciating or the dollar appreciating? Current trend in foreign exchange rates explained.



Background

Just a few weeks ago, Finance Minister Nirmala Sitharaman made a very interesting comment. Responding to a question on the sidelines of the World Bank and International Monetary Fund (IMF) meetings in Washington DC, she said —“First of all I would look at it as not rupee sliding, I would look at it as dollar strengthening.” She further said that the Indian Rupee has withstood the rise of the dollar and performed much better than many other emerging market currencies. And as the news spread, the hell broke loose – TV anchors, politicians, social media, etc. Her comment became a matter of debate amongst almost everyone and everywhere. The value of Indian currency against the US dollar has slipped by 8% in this financial year. Despite the Reserve Bank of India's (RBI)’s relentless efforts, USD/INR breached the psychological level of 80 and even dipped to a record low of 83 at some point. The Indian currency has never before reached such low levels. The matter is deeply concerning as a weak rupee means higher import bills and you might already experience its wrath as the prices of oil increased substantially during the past months. The pandemic, Russia-Ukraine War, the rise in oil prices and then the weakening rupee have all contributed to high levels of inflation in the country. And therefore, many came down heavily on the Finance Minister’s comments marking them as insensitive, as whether the rupee slides or whether the dollar soars, it is the same thing. So then, who is really speaking the truth?

How is value of currency derived?

Currencies are traded in Foreign Exchange Markets, a global decentralized market for currencies. Simply put, one currency is traded against another currency at a particular rate. This rate at which currencies are traded is known as Currency Exchange Rate. The exchange rate does not remain constant but rather keeps changing. In most countries, the currency's value is determined by floating exchange rates. In this system, the value of a currency is determined by the basic economic concept of demand and supply. Just like the value of goods change according to their market demand and supply constraints, the value of currencies also fluctuates according to their demand and supply.

For example, the pair USD/INR helps in understanding the value of the rupee in terms of US dollars. So, if the exchange rate of the Indian rupee in terms of the US dollar is USD/INR = 81.50 then you get USD 1 if you have INR 81.50. Now, if this rate is going up, it means you will have to shell out more INR to get USD, meaning the rupee is getting less valuable or depreciating. Vice versa, if this rate is going up, you will have to pay less INR to get the same USD, meaning the rupee is getting more value or is appreciating. If you are an exporter, and the exchange rate increases by 1-2%, after having sold the goods, you will get 1-2% more when the customer pays the bill, as against the INR amount that you would have expected at the time of sale. Similarly, if you are an importer and the exchange rate decreases by 1-2%, after having bought the goods, you will have to pay 1-2% more when you settle the bill. Hence, the changing value of the rupee is a piece of daily news.

Economic significance

Apart from providing a rate for the trading of currencies, the exchange rate plays a key role in economists and other stakeholders understanding the value of the country's currency in terms of another country's currency. This is because the fluctuation in the exchange rate of the currency happens due to various economical and geopolitical macro factors such as inflation rates, interest rates, recession, current account deficit, government debt, trade terms and negotiations, political stability and government performance etc. Moreover, as the exchange of different currencies takes place in independent exchange markets, the demand for each currency determines its market value. The government or authority of a country exercises no or little control. Of course, the Government has tools to control the exchange rates such as changing policy rates, printing currency or withdrawing the same, major tax reforms, foreign trade policy, and restrictions on foreign remittances, however, these options are more strategic and there is no direct control. So, the change in exchange rates is often linked to the economy, to identify reliable past trends and predict future courses of action.

The Indian Rupee

India imports more products from the United States than it exports to it. If we net the exports and the imports, we would need more USD to settle the international transactions. This is the reason why the demand for the US dollar is always high. This is also the reason why even trades with other countries happen in US dollars because most countries have a net demand of US Dollars and expect exports to bring more inflow of US dollars. The US Dollar has maintained supremacy over the other currencies in the past decades. Now, if suddenly the Indian markets import more heavily than usual, the demand will push the exchange rate further up. This is what happened after India's import bill for oil increased after the recent increase in the global prices of oil. The imports have increased, the demand for US dollars in turn and therefore, the value of the rupee is depreciating. This has happened several times before, however, this time it appears to be a worse situation. The exchange rate has crossed its lifetime record high and has breached the 80-83 mark. This is after all desperate efforts from the Reserve Bank of India (RBI) including an increase in policy rates even though the same would result in higher inflation. RBI even took the unprecedented move of allowing exports in the rupee, however, the same did not gain much traction.

Hence, the Government and Reserve Bank are being criticised for their failure to implement better policies to stop the depreciation of the rupee. However, there's a flip side to this story that most people have not observed.

The US Dollars

The dollar Index is an index that measures the value of the dollar against a basket of 6 other global currencies - the Euro, Japanese Yen, British Pound, Canadian Dollar, Swedish Krona and Swiss Franc. In simple terms, think of the dollar index as an average of the exchange rates between the US Dollar and these currencies. The index depicts how the US Dollar is performing against other prominent currencies of the world. And the current trend is astonishing. The US Dollar Index has soared as much as 17% this year so far and is at its 20-year high. This means the US Dollar has appreciated heavily against the other six currencies. Why? Well, like the rest of the world, the United States too is experiencing inflation and expecting further price rises. Therefore, to control inflation the Federal Reserve of the United States has adopted a hawkish monetary policy stance which simply means, an increase in policy interest rates. If the interest rates are increased, the bank borrowings would be costlier and therefore, people would borrow less and in turn, also spend less. Similarly, people will also save more, instead of spending due to higher interest rates on deposits. Thus, the US Government expects to control inflation to some extent by increasing the policy rates.

Along the same lines, the corporates and institutional investors who have invested their money abroad in other countries markets, are now finding it more attractive to invest the money in their US markets since the interest rates have increased. So most investors are flocking to invest in US Government debt since it is one of the safest investment options in the world (as the US economy is stronger than others) and the same is now also offering a better return on investment. The 2-year US government bond which fetched 0.25% is now earning as high as 4%. Even though the United States is battling inflation and recession, it is still in a better situation than Europe. Besides, it's been history that the United States economy bounces back the fastest after recessionary times. Hence, investors are pouring money into the United States. This also explains why Foreign Institutional Investors (FIIs) have downsized their portfolio in India. Similarly, the investors have withdrawn a lot of money from foreign markets and invested in the US markets. But this also means the US dollar has also moved from foreign country reserves to the US Federal Reserve and therefore, there is a short supply of the US dollars in the international market, which has, in turn, increased the foreign exchange rates. Thus, the increase in interest rate has strengthened the US Dollar and the exchange rates have shot up. The United

FOMC Meeting Date	Rate Change (bps)	Federal Funds Rate
Nov 2, 2022	+75	3.75% to 4.00%
Sept 21, 2022	+75	3.00% to 3.25%
July 27, 2022	+75	2.25% to 2.5%
June 16, 2022	+75	1.5% to 1.75%
May 5, 2022	+50	0.75% to 1.00%
March 17, 2022	+25	0.25% to 0.50%

State Federal Reserve has been consistently increasing the policy rates this year with six consecutive rate hikes pushing the borrowing costs to a new high since 2008. The rates which stood at 0.25 to 0.50% at the beginning of the year, now stand at 3.75% to 4.00%. Thus, the exchange rates are bound to shoot up. While it is a dream run for the exporters in India who are earning more than usual, it is a nightmare for the Indian importers and even worse for the companies who have borrowed money from the United States, as they have to pay higher interest charges on loan.

Is it the US Dollar or Indian Rupee?

The US Federal Reserve is actively increasing interest rates in a bid to control inflation. However, the same has also resulted in increased foreign exchange rates. Though the decision is good for the United States, it is proving to be a nightmare for other countries. From India's perspective, if you compare the Indian rupee against the other global currencies, the Indian currency hasn't performed as badly, as it has performed against the United States. The Rupee is up against the British pound by over 12%, against the Euro by around 8% and against the Yen by 18%. So, when Finance Minister Nirmala Sitharaman said that it is not the rupee that is facing perilous capitulation, but the US dollar that has appreciated heavily, she is right. In fact, the RBI has done a fabulous job of maintaining the value of Indian currency amid such perilous times. The RBI even went on selling US Dollars, dipping into our forex reserves, in exchange for INR to increase its value. So, while the Government is doing everything that it can, it is the policy decisions of the United States that are affecting the policy rates. Think of it as a seller of a famous product restricting the sale of its product in the market – what will happen? The short supply of the product would obviously increase the price of the product. Here, the US Government is doing the same with its currency and therefore, it doesn't seem like the exchange rate is going to decrease any time soon.

(This article was contributed by the editorial team)

Liberalised Remittance Scheme (LRS) – Rules for outward foreign remittances from India

By Amit Chandak, Associate Director, Greenvissage

Introduction

We live in a smaller world as compared to our ancestors. With technological developments, cross-border transactions have become quite common these days. Online remittances have made it easier to transact across nations. Transactions happen all the time, for various purposes such as the export of goods and services, foreign trips, medical facilities, education, investment abroad, sale proceeds of investments, and remittance of income earned. While on the macro level, it is merely diversification of sources of income, for the nation, it has a huge impact on its economy and the national reserves. The foreign currency reserves maintained by the Reserve Bank of India (RBI) enable us to make cross-border payments. Although we only have domestic currency with us, we can pay and receive in foreign currency because the RBI maintains the reserves of these currencies, and ensures the exchange of currencies. While inward remittances increase these reserves and therefore, increase the capacity to import goods from foreign countries, using foreign currency, outward remittances reduce these reserves. Therefore, to ensure that the nation has sufficient foreign currency reserves, the Reserve Bank places various restrictions on the remittance of money to foreign nations. It does this by placing various checks and compliances for remitting money to foreign nations. However, to avoid hardships for common citizens, it has also introduced a set of exemptions where the compliances are open and less restrictive. These exemptions are covered under the RBI's 'Liberalised Remittance Scheme'.

Liberalised Remittance Scheme

The administration of foreign exchange transactions in India is guided by the Foreign Exchange Management Act, of 1999 (FEMA). Under the FEMA law, all transactions involving foreign exchange are classified either as capital account transactions, or current account transactions.

Transactions by residents which do not alter their assets or liabilities including contingent liabilities outside India are classified as current account transactions. The other transactions which alter the assets or liabilities are classified as capital account transactions. Under the same law, the Reserve Bank of India (RBI) introduced the Liberalised Remittance Scheme (LRS) in February 2004. Under the scheme, all resident individuals, including minors, are allowed to freely remit up to USD 2,50,000 per financial year for any permissible transaction. Resident individuals can also avail of foreign exchange facilities within the limit of USD 2,50,000. In the case of minors, the LRS form is to be countersigned by the minor's guardian. The LRS is available only to Indian Residents. Therefore, if you are a person who is not a resident of India, as per the FEMA rules, you cannot avail of the benefits under this scheme. The scheme is not available to Companies, LLPs, Partnership Firms, HUFs, Private or Public Trusts etc. LRS aims to ensure a safe and efficient way of meeting expenses abroad. Indians go abroad for various purposes such as tourism, employment, medical treatments, education etc. The LRS allows people to pay for such expenses without the hassle of protocols and paperwork. Individuals must provide their Permanent Account Number (PAN) for all transactions under LRS.

Permissible transactions under LRS

Following are the permissible capital account transactions under the Liberalised Remittance Scheme (LRS) –

1. Opening a foreign currency account in another country
2. Purchasing property in a foreign country
3. Investing in mutual funds, venture capital financing, unrated debt securities or promissory notes
4. Setting up a wholly owned subsidiary (WOS) or a joint venture (JV)
5. Extending loans including rupee loans to Non-resident Indians (NRI) relatives

Following are the permissible current account transactions under the Liberalised Remittance Scheme (LRS) –

1. Private visits (other than Nepal/Bhutan including transportation, overseas hotel, lodging etc.)
2. A gift to a person resident outside India
3. Donation to an organisation outside India
4. Going abroad for employment and incidental expenses for immigration
5. Maintenance of a close relative abroad
6. Business trips
7. Medical treatment and education

Prohibited transactions under LRS

As per the RBI guidelines, the following remittances are prohibited under the LRS –

1. Remittance for any purposes that are explicitly mentioned as prohibited under Schedule I and Schedule II of current account transaction rules which includes transactions such as the purchase of lottery tickets and prohibited magazines.
2. Remittance from India for margins or margin calls to overseas exchanges/overseas counterparty.
3. Remittances for purchasing foreign currency convertible bonds issued by Indian companies in the overseas secondary market.
4. Remittance for trading in foreign exchange abroad.
5. Direct or indirect capital account remittances to countries identified by the Financial Action Task Force (FATF) as non-cooperative countries and territories. This list changes from time to time.
6. Direct or indirect remittances to individuals and entities identified as posing a significant risk of committing acts of terrorism as advised separately by the RBI to the banks.

How is residential status under FEMA different from Income Tax?

The criteria to determine residential status in India is different under Income Tax from the same under the Foreign Exchange Management Act (FEMA), each law has its purposes. While the income tax law guides the taxation of global income based on residential status, the FEMA law guides cross-border payments and access to liberalised remittance schemes based on residential status. As per the income tax law, a person can be a resident, non-resident or resident but not ordinarily resident (RNOR) in India. Individuals are treated as residents if they were in India for 182 days or more during the relevant financial year. Further, if a person is in India for 60 days or more in the financial year and their cumulative stay in India is 365 days or more in the four immediately preceding financial years, the person would still be considered a resident in India. As per the latest amendment, from FY 2020-21 onwards, for individuals with annual income above INR 15 lakh, the period of staying in the country has been reduced to 120 days or more, instead of 182 days. Meanwhile, if a person is in India for at least 729 days, during the previous 7 financial years, or has been a non-resident for 9 out of 10 previous financial years, then such person is considered as RNOR. Under the FEMA laws, individuals are recognised as 'Person Resident in India' or 'Person Resident Outside India'. If a person stays for more than 182 days in India during the previous financial year, then the person is treated as a Person Resident in India. However, if a person has stayed in India for more than 182 days during the previous year, and leaves India orstays outside India for employment, business or vacation or an uncertain period of stay, then such person is treated as a Person Resident Outside India, with immediate effect. Similarly, when an individual has not stayed in India for more than 182 days during the previous year, but during the current year comes to India or stays in India for any of the three purposes stated above, the person becomes a Person Resident in India, with immediate effect. Under FEMA laws, it may happen that a person was resident for part of the year and non-resident for the balance year, however, under income tax laws, the residential status remains the same throughout the financial year. Further, under the income tax act, the citizenship of the person is also important, for being exempt from paying taxes in India. However, under FEMA, citizenship is not relevant. It is important to note here that the nationality of a person is not relevant under both laws.

What is Ayushman Bharat Health Account (ABHA) ?

The Ayushman Bharat Health Account (ABHA), earlier known as Ayushman Bharat Health ID, is a programme launched by the Indian government to provide a Digital Health ID to the citizens. Under the programme, a 14-digit ABHA number will be assigned to all citizens to uniquely identify them in India's digital healthcare ecosystem. The health card is aimed at establishing a strong and trustable health identity that can be accepted by all healthcare providers and payers across the country. Individuals can access their digitized health records at any time through the ABHA portal. Citizens can register on the ABHA portal and get an Ayushman Bharat Health Account (ABHA) with a unique 14-digit ABHA ID. Meanwhile, hospitals and doctors will also enrol on the Health Facility Registry (HFR) and the Health Professionals Registry (HPR) respectively. People can upload their health records digitally at the click of a button while doctors, pharmacists and diagnostic service providers can also access medical history with ease if a person shares their health ID number and explicit consent. Although it might look similar to how platforms like Apollo, 1mg, and NetMeds have digitized prescriptions, test results and other items, there's one key difference. These platforms are not centralized systems as they have their own rules, systems, and standards. Meanwhile, ABHA is the government's central health data repository and a person needs to sign up only once. More importantly, hospitals, clinics and insurers - both public and private will also be able to access the records. The key beneficiaries of this whole programme are expected to be health insurance companies which will get more data for analysis and a better understanding of the healthcare system - geographically and demographically. Researchers will also be able to use the data aggregated to study how health and diseases have evolved in the country. Although only a few people know about ABHA ID, 240 million health IDs have already been generated without even anyone noticing the same. This was possible firstly because of the Ayushman Bharat Pradhan Mantri-Jan Arogya Yojana (AB-PMJAY), free health insurance for the poor and the marginalized, and secondly because of the Cowin platform for COVID vaccinations where people have signed up using Aadhar. Under these two programmes, the government has automatically created a health ID for all the beneficiaries.

What are belated returns, revised returns and updated returns?

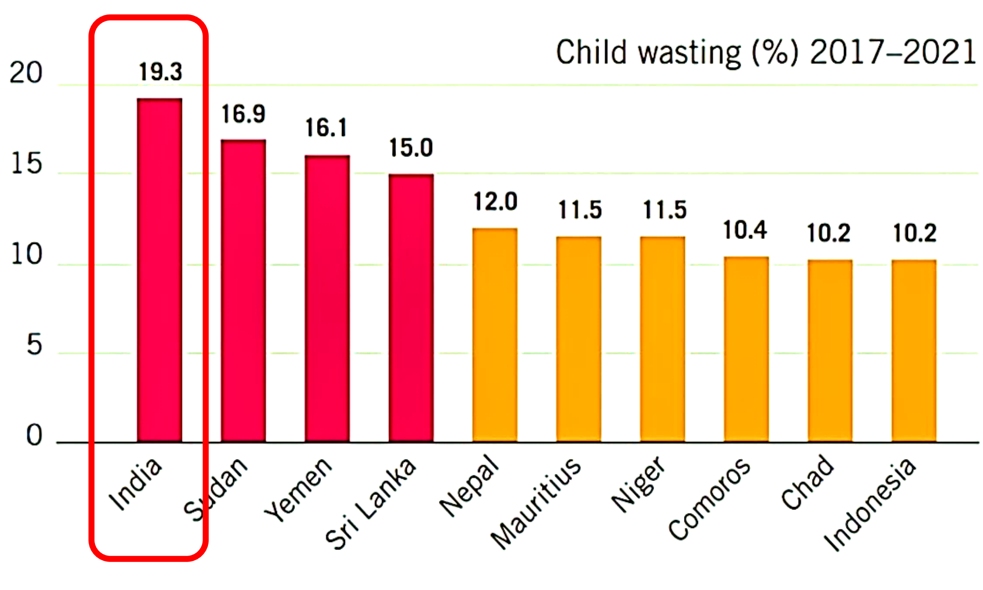
The due date for filing the income tax return for the financial year 2021-22 has already passed. While most people make an honest effort towards filing returns, many others neglect the same, or file tax returns without exercising due caution. It worked well for them until the last decade, however, with the latest Memorandum of Understanding (MOUs) signed by the income tax department where dozens of other authorities share information and databases with the income tax department, the income tax officer already has a lot of information about your income, and also major expenses incurred during any particular year. With the help of data analytics, the income tax department is now sending automated tax notices where there is a difference in the income reported, or if an income has not been reported, as compared to the information already available to the income tax department. Recently, the income tax department announced that it is sending automated notices to people who have earned money through online gaming and not disclosed the same in their tax returns. So, you can imagine, if you fail to file a return or miss disclosing certain income, you are inviting deep trouble, in case the tax department picks your case for scrutiny, or the data analytics point out any anomaly in your return. Non-filing of returns or non-disclosure of income in the tax returns carries tax and penalties as steep as 85% of such income. However, there is still a way out to save yourself from paying extra taxes and penalties.

Under income tax laws, apart from the income tax return that every person is expected to file (referred to as 'Original return'), the tax department gives three more options to the taxpayers to avoid genuine hardships – Belated return, Revised return and Updated return. If you have filed your income tax return, however, missed reporting a portion of your income, you can file a 'Revised return' which is again the same as the original income tax return, except that this time you file the return with the correct information. You are allowed to revise the original return until March 31 of the next financial year.

If you have failed to file your return before the due date, you can still file a 'Belated return' which is the same as the original income tax return with a few disadvantages such as late filing fees, no carry forward of losses, etc. Belated returns can be filed voluntarily up to December 31 of the next financial year. However, if you have to file even a belated return, by December 31, in such cases, you can file an 'Updated return'. This is a new option provided by the income tax department in the latest budget. Updated returns can be filed within 24 months from the end of the financial year. However, it carries an additional 25% tax if the return is filed within the first 12 months, and an additional 50% tax, if the return is filed in the next 12 months. Updated returns carry two mandatory conditions –1) the return can be filed only if there is an increase in the income and the tax, it cannot be filed if you have wrongly disclosed higher income, 2) the return can be filed only after payment of additional taxes, the return cannot be filed unless the tax dues are cleared.

What is Digital Banking Unit (DBU)?

While banking transactions are being digitised, most of us still have to visit the nearest physical branch to get the full banking experience. There are forms to be filled and submitted at the right counters. The bank representatives would process the same. At times, there are even long queues for the same, especially for cash withdrawals. The whole process of physically visiting the bank is cumbersome and time-taking and it gets worse with public sector banks. According to data, State Bank of India has 19,000 customers per branch and only 1 employee to serve about 1,680 customers, as compared to HDFC Bank which has 10,000 customers per branch and 1 employee for every 467 customers. Thus, the quality of services differs vastly amongst the banks. And again, if you live in cities, you might consider yourself lucky, because there are several remote villages in India which do not have fully functional bank branches. So most of these people have to visit nearby cities to avail the full banking services. To overcome these problems, the Reserve Bank of India (RBI) has come up with an innovative solution – Digital Banking Units (DBUs). The digital banking units are much like an actual bank branch, except that they will be digital like ATMs and operate 24x7 just like them. The DBUs will provide the usual traditional banking services including cash withdrawals, deposits, passbook printing, statement generation and fixed or recurring deposits, as also loan applications and the ability to open accounts. The RBI has announced 75 such DBUs in the initial phase. The DBUs will have a Self-Service Zone and also a Digital Assistance Zone where at least 2 bank staff will man the booth to help people when needed. The DBUs can go a long way to improve financial inclusion in the country.



Child Wasting Rate

Children below 5 years who are too thin for their weight, a sign of malnutrition – India has the highest rate in the world

Signal :
- Positive
- Negative
- Mixed

Government policies

New social media appellate panels The Indian Government has notified new rules to set up appellate panels to redress user grievances against the decisions of social media platforms like Twitter and Facebook on hosting contentious content. The Grievance Appellate Committee will consist of three members. The committee will decide on decisions issued by social media if challenged by any aggrieved party and hear appeals against decisions of the Grievance Officer of the social media companies. The Government has also made it mandatory for social media platforms to provide privacy policies and user agreements in the eight scheduled Indian languages. While the big tech companies have been long advocating self-regulation, the government has taken the route of a grievance appellate body.

New social media norms Rajeev Chandrasekhar, the Minister of Information Technology, has said that the new social media norms require platforms to remove illegal content within 72 hours of being flagged. However, according to him, the timelines are too long and platforms are expected to take down such content as fast as possible. According to the minister, the Government was keen on prescribing a 24-hour timeline for the removal of illegal content given that the virality and velocity of misinformation tend to be much higher, however, it settled for 72 hours after wide consultations. The complaints on social media consist of illegal child abuse material, nudity, trademark and patent infringements, misinformation, impersonation, threatening the unity and integrity of the country as well as objectionable content that promotes enmity with the intent to incite violence.

MSP of Rabi Crops increased The Cabinet Committee on Economic Affairs (CCEA) has increased the Minimum Support Price (MSP) for wheat by INR 110 per quintal and for mustard by INR 400 per quintal, for the upcoming Rabi Marketing Season (RMS), 2023-24. The government has also increased the MSP for lentils by INR 500, the highest among all crops. In the budget announcements, the Government had announced that the MSP would be aligned at a level of at least 1.5 times the pan-India weighted average cost of production, to fairly remunerate.

Karnataka Government bans online booking of autorickshaws The Karnataka Government has announced a complete ban on online booking of autorickshaws through ride-hailing apps such as Ola, Uber and Rapido. The decision was taken following a meeting between the Karnataka Transport and Road Safety Department and the representatives of the mobility players. The government would be imposing a fine of INR 5,000 on vehicles found to be operating illegally. Such actions would only be taken against the ride-hailing apps and not the auto autorickshaw drivers.

ONDC's beta run unveils major challenges The Open Network for Digital Commerce (ONDC) has begun its beta test for consumers across 16 locations in Bengaluru. However, many challenges have been faced by the tech platforms partnering with kiranas. One key aspect was efficient inventory management and auto-replenishment of the dynamic store catalogue, as several merchants had to cancel orders because the product shown to the customer was out of stock in their store or was shown at an outdated price. Some Kirana shop owners also cancelled orders due to the unavailability of delivery partners and the prolonged settlement period. Further, there is also the dilemma of multiple carts where a customer orders multiple products from different sellers and receives them separately, as opposed to orders made through the likes of Blinkit or Zepto that deliver products in one go. There are also concerns about the platform's refusal to take responsibility for consumer grievance redressals or handling refunds.

Goods and services tax

E-invoicing for businesses with turnover above 5 crores Businesses with an annual turnover of over INR 5 crore is now mandated to move to e-invoicing under goods and services tax (GST) from January 1. The GST Network has asked its technology providers to make the portal ready to handle the increased capacity by December. The Government officials are also considering bringing all businesses with turnover above INR 1 crore under the e-invoicing framework by the next fiscal year, to plug revenue leakages and improve compliance.

Dual tax on Tobacco products Karnataka High Court has dismissed petitions by tobacco manufacturers and has ruled that the government is entitled to levy Central GST (CGST) as well as excise duty on tobacco and tobacco-derived products. According to the high court, the levy of excise duty on tobacco and tobacco products was a matter of public policy and therefore, the court decided to not interfere in the same.

Rewards for sharing info with the GST department The Directorate General of GST Intelligence (DGGI) has promised rewards to those who share information that leads to the recovery of taxes, to tackle GST evasion, in the latest message. The agency in a message posted on its website has mentioned that paying the right amount of tax is a social responsibility towards the nation and since taxes are the main source of government finance, evasion of taxes hurts everybody and hampers the larger task of nation-building. Thereafter, it promised rewards to any person who helps by providing information that leads to recovery of taxes. As per guidelines issued under statutes like the Central GST Act, Customs Act, Central Excise Act and Narcotic Drugs and Psychotropic Substances (NDPS) Act, rewards are granted to informers and government servants.

Sequential filing of returns From the return filing period of October 2022 onwards, the GST Common Portal will restrict taxpayers from filing GSTR-3B for the month, if GSTR-1 for the same tax period is not been filed. As per amended section 39(10), filing of GSTR-3B for the tax period is restricted, if any of the GSTR-1 for the previous period including the current period has not been furnished by the taxpayer. The Central Government had amended Section 37 and Section 39 of the Central Goods and Service Tax Act (CGST), 2017 vide Notification 18/2022–Central Tax dated September 28, 2022, with effect from October 1, 2022.

Mandatory reporting of HSN Code The Central Board of Indirect Taxes and Customs (CBIC) vide Notification No. 78/2020 – Central Tax dated October 15, 2020, had made it mandatory for taxpayers to report a minimum 4-digit or 6-digit HSN code in table 12 of GSTR-1 based on their Aggregate Annual Turnover (AATO) in the preceding financial year. Part I and Part II of Phase 1 were already implemented from April 1, 2022, and August 1, 2022, respectively. Now, from November 1 onwards, Phase 2 would be implemented on GST Portal which will cover the taxpayers with turnover up to INR 5 crore who would be mandatorily required to report 4-digit HSN codes in their GSTR-1.

Extension of due date The due date for filing the GSTR-3B return for September was extended to October 21 after many taxpayers reported the slow functioning of the GST portal.

No GST on Recovery of Notice Pay Authority for Advance Rulings (AAR), Haryana Bench has held that transactions with employees entered into by a company like recovery of notice pay, recovery of bond or surety amount, deduction from the salary of a nominal sum for provision of canteen facilities, and a charge for the issue of a duplicate identity card would not be like a supply and therefore, would not attract the levy of GST.

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

Income tax

Draft of new Common ITR Form released The Central Board of Direct Taxes (CBDT) has released the Draft Common Income Tax Return for inputs from stakeholders and the general public. Currently, taxpayers are required to furnish tax returns in different forms depending upon the type of person and nature of income. ITRs are designed such that the taxpayer is mandatorily required to go through all the schedules even if the particular schedule is not applicable. The new proposed draft ITR takes a relook at the return filing system in tandem with international best practices and proposes to introduce a common ITR by merging all the existing returns of income except ITR-7. CBDT has also clarified that the current ITR-1 and ITR-4 will continue with the option for taxpayers to either file the existing form (ITR-1 or ITR-4) or the proposed common ITR. The taxpayers will not be required to see the schedules that do not apply to them and facilitate the proper reconciliation of third-party data available with the Income tax department. Basic information (comprising parts A to E), a Schedule for computation of total income (Schedule TI), a Schedule for computation of tax (schedule TTI), Details of bank accounts, and a schedule for the tax payments (schedule XP) will apply to all the taxpayers. Thereafter, the ITR will be customized based on answers by the taxpayers to the questions. The proposed ITR has also ensured that each row contains one distinct value only to simplify the return filing process.

Educational trusts for profits cannot claim income tax exemption Supreme Court bench consisting of Chief Justice U U Lalit, Justice S Ravindra Bhat and P S Narsimha have ruled that the educational trusts or societies who operate for profit cannot claim income tax exemption. According to the court, educational trusts or societies should solely be working in education or education-related activities under Section 10(23C) of the Income Tax Act.

No books of accounts if opted for 44AD Income Tax Appellate Tribunal (ITAT), Amritsar Bench, in the case of Sarabjeet Singh, has held that if an assessee has opted for the presumptive scheme under section 44AD, there shall be no liability to maintain books of account. The assessee was a trader and filed his return taking benefit of 44AD of the Act. His turnover was 15,50,000 and he declared a total income of INR 1,40,880. However, the assessing officer had issued a notice under section 148 for depositing cash in the bank account of a net amount of INR 12,66,500/-. On appeal, the Commissioner of Income Tax (Appeals) upheld the order of the assessing officer, however, the ITAT ruled in the favour of the assessee.

Delay in filing Form 10A The Central Board of Direct Taxes (CBDT) had extended the due date for filing Form 10A required to be filed on or before June 30, 2021, to March 31, 2022, after considering the difficulties reported by the taxpayers in the electronic filing of Form 10A. However, after considering further representations, CBDT has decided to condone the delay in filing Form 10A which has been filed after March 31, 2022, and before November 25, 2022.

Due date for filing TDS returns The Central Board of Direct Taxes (CBDT) has extended the deadline for filing quarterly TDS statements in Form 26Q for the September quarter by a month till November 30. Form 26Q is used for quarterly filing of TDS returns on payments other than salary. The form captures details of the total amount paid and tax deducted on such payments during the quarter.

Due date for filing income tax return The Central Board of Direct Taxes (CBDT) has extended the due date for filing income tax returns for the FY 2021-22 till November 7 for assessees who were liable to file the same on or before October 31.

Due date for filing tax audit report The Central Board of Direct Taxes (CBDT) extended the due date for filing tax audit reports for FY 2021-22 by 7 days till October 7 after considering the difficulties faced by the taxpayers and other stakeholders.

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

Customs and foreign trade

Restrictions on export of sugar extended The Central Government vide Notification 40/2015-2020 dated October 28, 2022, has extended the restriction on the export of Sugar (Raw, Refined and White sugar) to October 31, 2023, which was due to expire on on October 31, 2022. The restriction does not apply to Sugar being exported to the European Union and the United State of America under CXL and TRQ quota as per the prescribed procedure in the respective Public Notices.

CVD on import of Saccharine The Central Board of Indirect Taxes and Customs (CBIC) vide Notification 4/2022 – Customs (CVD) dated October 21, 2022, has levied countervailing duty on imports of 'Saccharine in all its forms' originating in or exported from Thailand, to prevent the circumvention of countervailing duty levied on 'Saccharine in all its forms' originating in or exported from China. The CVD in such cases shall be 20% of the CIF value.

Anti-dumping duty on electro-galvanized steel The Central Board of Indirect Taxes and Customs (CBIC) vide Notification 29/2022 – Customs (ADD) dated October 19, 2022, has imposed anti-dumping duty on electro-galvanized Steel since the material has been imported into India at below normal values and the domestic industry has suffered material injury owing to the same. Such electro-galvanized steel imported from Japan, Singapore and Korea would face additional anti-dumping duties on imports.

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

Corporate laws

Change in classification will not affect MSME's benefits The Ministry of Micro, Small and Medium Enterprises (MSME) has notified that in case of an upward change in terms of investment in plant and machinery or equipment or turnover or both, and consequent re-classification, an MSME enterprise can continue to avail all non-tax benefits of the earlier category for three years, from the date of such upward change, instead of one year. Non-tax benefits include benefits of various schemes of the Government including Public Procurement Policy, Delayed Payments, etc.

Due date for filing Form AOC-4 The due date for filing form AOC-4 for FY 2021-22 has been extended by 30 days. Companies are required to file Form AOC-4 within 30 days from the Annual General Meeting (AGM) date. After the extension, the last date is now October 29. Non-Filing of Form AOC-4 within the due date attracts additional fees of INR 100 per day with effect from 30 October and also penalties from INR 10,000 to INR 2 lakh.

Annual compliance certificate under IBBI laws The Insolvency and Bankruptcy Board of India (IBBI) has issued the IBBI (Model Bye-Laws and Governing Board of Insolvency Professional Agencies) (Second Amendment) Regulations, 2022. According to the new rules, the filing of an annual compliance certificate to be submitted to the Board has been made mandatory. The regulations also prescribe penalties for defaults such as failure to submit disclosures, returns, etc. to the agency, for accepting an assignment with a conflict of interests, for failure to maintain records properly relating to any assignment, or for failure to conduct due diligence while verifying the claim or rejecting a claim without proper reason.

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

Banking and finance

RBI tightens disclosure norms for cooperative banks The Reserve Bank of India (RBI) has mandated that Urban Cooperative Banks follow the disclosure norms that apply to commercial banks on disclosing divergence in asset classification and provisioning. The regulator has also revised thresholds for commercial banks to disclose divergence from FY 2023. The commercial banks are expected to make disclosures if they satisfy any of the two conditions – 1) when additional provisioning for non-performing assets (NPAs) assessed by the RBI exceeds 10% of the reported profit before provisions and contingencies, 2) when additional gross NPAs identified by the regulator exceed 10% of the reported incremental gross NPAs. For Urban Co-operatives Banks, the threshold for reported incremental gross NPAs has been set at 15%. However, the threshold would be reduced progressively in a phased manner after review.

ARCs can act as resolution applicants The Reserve Bank of India (RBI) has raised the minimum capital requirement for Asset Reconstruction Companies (ARC) and has also widened the scope of their activities by allowing them as resolution applicants under bankruptcy law.

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

Accounting and auditing

Recognition of interest expense in case of NPA National Financial Reporting Authority (NFRA) has made public its observations during a disciplinary action under Section 132(4) of the Act for professional misconduct by a statutory auditor of a listed company. NFRA observed that the company had discontinued accrual/recognition of interest expense on its bank borrowings which were classified as non-performing assets (NPA) by the banks, and the company was in negotiations for a one-time settlement. However, according to NFRA, discontinuation of interest expense recognition solely on the expectations of waiver or concession by the lender violated the Indian Accounting Standards. To ensure such violations do not occur, the NFRA has issued a circular to draw the attention of all companies, audit committees and statutory auditors and also, company secretaries to take note and apprise the boards of directors of companies of the issue.

CMA professionals not to quote lower fees The Institute of Cost and Management Accountants of India (ICMAI) has stated in its latest guidelines that a CMA in practice cannot quote any amount less than the minimum fee of the assignment as prescribed in the tender document. In case of non-compliance with the guidelines, the concerned member will be liable to disciplinary proceedings under sections 21 and 22 for violation of Clause (1) of Part II of the Second Schedule of the Cost and Works Accountants Act, 1959. Immunity is granted to the members for prior acts.

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

Payroll and investments

Health insurance consultative committee Insurance Regulatory and Development Authority of India (IRDAI) has constituted a Health Insurance Consultative Committee for two years to arrive at ways and means to increase the penetration of health insurance, identify challenges and the changing dynamics, identify the concerns related to policies and for recommending standard procedures for the collection of data.

Change in NPS investment allocation rules Under NPS, subscribers have the option to select any one of the registered Pension Funds and actively allocate their contributions across 4 asset classes i.e. Equity (E), Corporate Bonds (C), Government Securities (G) and Alternate Assets (A) with 'Active Choice' with maximum allocation limit being 75%, 100%, 100% and 5% respectively. However, the limit of 75% on asset class E is tapered off at 2.5% every year and is re-allocated to Government securities when the subscriber attains 51 years of age. Now the authority has modified the rules to the allocation of 75% of the subscriber's contribution in Asset Class E (Equity) in Tier-I under active choice without any conditions of tapering from the age of 51 years. Further, the authority has also allowed the option to allocate 100% of the subscriber's contribution in Asset Class E (Equity) in Tier-II (optional NPS account) under active choice without any conditions of tapering.

EPFO clarifies on EDLI Scheme The Employees' Provident Fund Organisation (EPFO) has issued a clarification on the Employees' Deposit Linked Insurance Scheme (EDLI) where an employee has passed away while on the job. Several EPFO offices were rejecting the claims because the contribution was not received in the prior few days, owing to which the EDLI benefits were being paid only for Non-Contributory Period of Service (NCP) days. EPFO has clarified that due verification should be done within 7 days without harassing the family members. If the employer states that the member is on the muster rolls, the reason why the employer's version is not acceptable to the EPFO officer has to be listed.

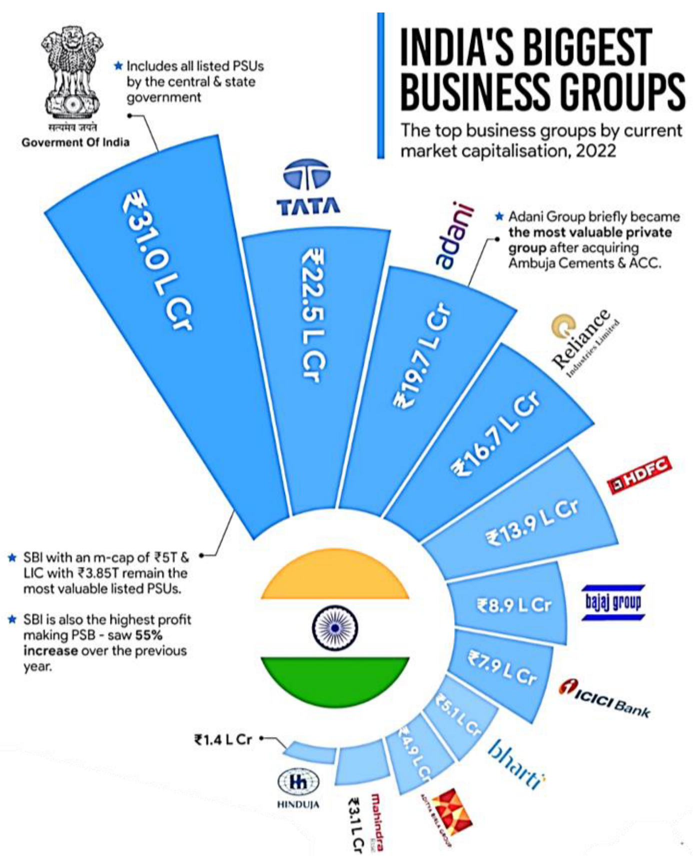
(For queries and more information relating to Payroll, contact our colleague Kumari Snigdha at kumari.snigdha@greenvissage.com)

Markets and economies

RBI releases Digital Rupee The Reserve Bank of India has released the Central Bank Digital Currency (CBDC) of India to be known as the 'Digital Rupee'. The apex bank has also released a Concept Note on Central Bank Digital Currency (CBDC) for India. The first pilot in the Digital Rupee for the wholesale segment will commence on November 1, 2022. Nine banks namely State Bank of India, Bank of Baroda, Union Bank of India, HDFC Bank, ICICI Bank, Kotak Mahindra Bank, Yes Bank, IDFC First Bank and HSBC have been identified for participation in the pilot. The first pilot of the Digital Rupee in the Retail segment has been planned for rollout within a month in select locations in closed user groups comprising customers and merchants.

Demand for Gold returns to pre-covid levels Global demand for gold has returned to pre-covid levels driven by stronger consumer and central bank buying, according to the World Gold Council's latest report. Gold demand in the September quarter was 1,181 tonnes, a 28% increase on a year-on-year basis. Turkey, Uzbekistan and Qatar were amongst the biggest reported buyers during the quarter.

Cash with the public at record high Currency with the public has hit a new high of INR 30.88 lakh crore, for the fortnight that ended October 21, 2022. Cash has remained the preferred mode of payment, even after the Indian government announced demonetisation on November 8, 2016. The total cash in circulation is up 72% from INR 17.97 lakh crore on November 4, 2016 (i.e. before the demonetisation announcement). The same has increased by 239% if compared with the figure on November 25, 2016 (i.e. after the demonetisation of the INR 500 and INR 1,000 notes). Cash in the system has been steadily rising even though the Government and the Reserve Bank of India (RBI) have pushed for the digitisation of payments.



Key Economic Indicators

Indicator	As on	Current	Prior
GDP Growth (%)	Jun-22	13.5	4.1
Inflation (%)	Sep-22	7.41	7.00
Unemployment (%)	Sep-22	6.4	8.3
Trade Balance ($m)	Sep-22	−25.71	−27.98
GOI Bond 10yr (%)	Oct-22	7.44	7.40
Manufacturing PMI	Oct-22	55.3	55.1
Services PMI	Sep-22	54.3	57.2

Global Indices

Equity Index	Country	%
NIFTY 50	India	+7.33
BSE SENSEX	India	+7.55
INDIA VIX	India	−23.32
NIFTY BANK	India	+8.73
DOW JONES	USA	+10.73
NASDAQ	USA	+0.70
S&P 500	USA	+4.83
FSTE 100	UK	+4.02
NIKKEI 225	Japan	+5.39
SHANGHAI COM	China	−0.96
MOEX	Russia	+6.48
CAC 40	France	+9.22
DAX	Germany	+9.25
ASX 200	Australia	+8.20
BOVESPA	Brazil	+0.68
KOSPI	South Korea	+8.18
HANG SENG	Hong Kong	−8.07

Commodities Future

Commodity	Expiry	Price	%
Gold	Dec 5	50,590	+0.32
Silver	Dec 5	58.927	+2.62
Crude Oil	Nov 19	7,409	+10.63
Natural Gas	Nov 25	485	−11.53
Aluminum	Nov 30	200	+4.36
Copper	Nov 30	663	+3.12
Cotton	Nov 30	30,650	−0.94

Currency Exchange Rates

Currency Pair	Current	Prior	%
INR/1 USD	82.71	81.55	−1.42
INR/1 GBP	95.44	90.77	−5.14
INR/1 EUR	82.14	80.11	−2.54
INR/100 YEN	55.93	56.44	+0.90

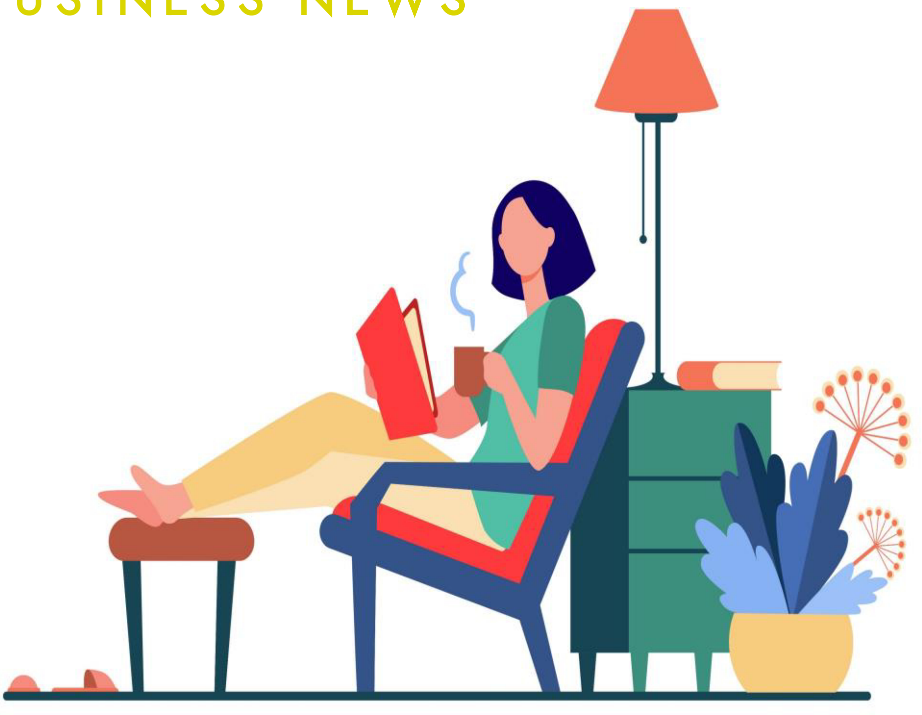
Cryptocurrencies

Currency	Pair	Price	%
Bitcoin	BTC/USD	20,553	+6.30
Ethereum	ETH/USD	1,594	+21.69
Tether	USDT/USD	1.00	+0.07
Binance	BNB/USD	327.90	+16.44

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	7.00	6.90	0.00
SSA	7.60	7.60	0.00

Signal :
Positive
Negative
Mixed



Corporates

Brickworks Ratings banned by SEBI The Securities and Exchange Board of India (SEBI) has cancelled the licence of Brickwork Ratings, the rating agency, prohibiting it from taking up any new clients, while directing the company to wind up operations within six months. The SEBI has listed various violations by Brickwork including failure to document meetings with the management, lack of independent analysis of financial projections, delay in recognizing defaults and conflict of interest. The SEBI and the Reserve Bank of India (RBI) conducted a joint audit of the rating agency in January 2020 that led to an administrative warning and enquiry. Brickworks had sought interim relief in the Karnataka high court which restrained the regulator from cancelling Brickwork's registration. However, SEBI moved a special leave petition before the Supreme Court, and the apex court stayed the Karnataka High Court's order. The SEBI's stringent action follows successive lapses in the ratings of several issuers including Welspun, IDFC First, Adani Rail, Coffee Day Enterprises, Magma Fincorp, Essel Group, SREI Infrastructure, Indiabulls Housing Finance and Brickwork's promoter entity, Canara Bank.

Airbus and Tata to manufacture Aircraft in India Airbus, the European aviation major, and India's TATA group have announced that the two companies will jointly manufacture at least forty C-295 transport aircraft in India with the final assembly line to be set up in Gujarat's Vadodara as part of an INR 21,935 crore deal. The parts of the aircraft would be manufactured at different places in the country depending on the requirement. The project seeks to replace the ageing fleet of the Avro transport aircraft that first flew in 1961. While cost negotiations of the contract were completed 7 years ago, the deal was stuck due to financial issues and the prioritisation of various other projects. An estimated 8 aircraft would be manufactured in India, each year starting in 2026. This is the first project of its kind in which a military aircraft will be manufactured in India by a private company.

Reliance Jio becomes largest landline service provider Reliance Jio has become the largest landline service provider in the country for the first time with 7.35 million landline connections as on August 31, beating BSNL, the state-owned telecom operator and market leader who now has 7.13 million connections, according to the latest data released by the Telecom Regulatory Authority of India (TRAI). MTNL is placed in the third position in the list with 2.6 million connections. Reliance Jio launched Jio Fibre in 2019 which included both landline and fibre-based broadband services. The number of landline connections has declined steeply from 36.76 million in 2010 to 20.58 million in 2020. However, post-pandemic the number of connections increased to 25.97 million in August.

FCI to construct new modern silos Food Corporation of India (FCI) has announced its plans to construct 111.125 Lakh Metric Tonnes (LMT) modern steel silos at 249 locations across 12 states under the Hub and Spoke model with a total investment of INR 9,236 crores. The proposed model of development is DBFOT (Design, Build, Finance, Operate and Transfer) and DBFOO (Design, Build, Finance, Own and Operate) wherein the private entities shall be responsible for the construction and operation of these modern silos for a pre-defined period. The silos would be constructed in three phases over next 3-4 years.

Suzlon secures order from Aditya Birla Group The Suzlon Group has announced that it has bagged an order for the development of 144.9 megawatts (MW) of wind power projects for Aditya Birla Group. The company has planned to install around 69 units of wind turbine generators with a Hybrid Lattice Tubular tower and a rated capacity of 2.1 MW each. The project will be located at sites in Gujarat and Madhya Pradesh and is expected to be commissioned in 2023. The project can provide electricity to 0.94 lakh households and curb 3.72 lakh tonnes of CO_2 emissions per year.

INOX to live screen cricket matches INOX Leisure, the leading multiplex chain in India, has announced that it will live screen all matches to be played by India at the ICC Men's T20 World Cup 2022 in its cinema halls across the country. The company has signed an agreement with the International Cricket Council (ICC) to showcase all group matches to be played by Team India, followed by the semi-finals and the final match. The company operates in 74 cities with 165 multiplexes, and 705 screens and has a total seating capacity of 1.57 lakh seats across India. Earlier this year, INOX Leisure and PVR announced a merger to create the country's largest multiplex chain.

Maiden Pharma clarifies deaths due to its cough syrups Maiden Pharmaceuticals, the Haryana-based pharma company, has stated the export of its cough syrups that allegedly caused the death of 66 children in the Gambia. According to the company, it has valid drug approvals for the export of the products in question and they were not selling anything in the domestic market. It further iterated that the raw materials procured by the company were also from certified and reputed companies. The cough syrups in question are Promethazine Oral Solution, Kofexmalin Baby Cough Syrup, Makoff Baby Cough Syrup, and Magrip N Cold Syrup. The Central Drugs Standard Control Organisation (CDSCO) officials have taken samples of the cough syrups in question and are probing into the allegations levelled against the company. The probe follows the death of 66 children in Gambia who allegedly died after the intake of the cough syrup made by Maiden Pharma, which is being potentially linked to acute kidney injuries. Later, the World Health Organisation (WHO) also issued a global alert over four cough and cold syrups made by Maiden Pharma in connection with these deaths.

Wipro announces five-year plans for freshers Wipro, the technology giant, has announced that it has introduced a five-year salary plan for freshers including those who come via campus placements. These five-year plans are being communicated along with the offer letters. The five-year plan outlines what freshers can expect in terms of salary structure, annual increments, and bonuses. Wipro onboarded around 15,000 employees in the first half of the current fiscal year. The company has also stated that it would honour all job offers made to candidates, however, will conduct the onboarding process in phases. Wipro recorded an attrition rate of 23% in the second quarter, down 30 basis points from the first quarter. The company expects attrition to further decline to around 20% in the third quarter as the gap between demand and supply of talent reduces.

Dabur to acquire a 51% stake in Badshah Masala Dabur India, the FMCG major, has announced that it will acquire a 51% stake in Badshah Masala for INR 587.52 crore. The company has also announced that it will buy the remaining 49% over the next five years, subject to regulatory approvals. Dabur India is looking to expand its food business to INR 500 crore in three years in new adjacent categories.

Startups

Veranda to acquire J K Shah Classes Veranda Learning Solutions has announced that it has signed a definitive agreement for the acquisition of equity shares of J K Shah Education Private Limited through its wholly owned subsidiary, Veranda XL Learning Solutions Private Limited. The transaction will be completed in two phases with the first phase accounting for 76% of the outstanding capital for INR 337.82 crore. J K Shah Classes are a pioneer in coaching the CA, CS, and CMA aspirants in India for the last 39 years and are also one of the largest test-prep organisations in India. J K Shah classes currently operate through 75 centres located across 39 Indian cities and are headquartered in Mumbai. Professor J K Shah will continue to remain as Chairman for Life on the board to guide the growth and strategy of the company.

PayU terminates a deal to acquire BillDesk Prosus NV, the Netherlands-headquartered parent company of PayU Payments, has said that it has terminated the deal to acquire Indian payment aggregator BillDesk. PayU had secured approval from the Competition Commission of India (CCI), however, conditions precedent to the acquisition were not fulfilled and therefore, the agreement was terminated automatically following its terms, according to the company. The company announced the deal a year ago which would have increased its total investment in India to USD 10 billion. The expected deal was set to be the country's second-largest internet deal.

Tohands raises INR 50 lakhs funding Tohands, a startup founded by Praveen Mishra, a 21 years old entrepreneur from Uttar Pradesh, along with his cofounders Satyam Sahu and Shanmuga Vadival, has raised INR 50 lakh in funding from Startup India Seed fund and T-hub. The startup has developed smart calculators which were also launched by Telangana IT secretary Jayesh Ranjan last month. The smart calculators spare the shopkeepers from the hassles of jotting down all the income and expenses made during the day and presenting an updated statement at the click of a button. According to Praveen Mishra, the shopkeepers use a calculator to calculate the sum and then write it down on paper, and later, add it all up again at end of the day using a calculator to arrive at the final amount. While small business owners are usually not comfortable using digital cash books, nor do they have the resources to invest in fancy billing machines, smart calculators are designed to help them keep track of daily expenses and income. The startup has developed three versions of the smart calculator with the latest version available for pre-order at INR 3,000.

BYJU's to lay off further 2,500 employees BYJU's, the edtech giant, has announced that it will lay off a further 2,500 employees amongst other cost-cutting initiatives taken by the company. The USD 22 billion startups will cut 5% of their workforce in a phased manner across their product, content, media, and technology teams. The company is consolidating several of its acquired units, including Toppr, Meritnation, TutorVista, Scholar, and HashLearn. Aakash and Great Learning are expected to continue functioning individually. The company has shifted its focus towards profitable growth after its huge losses put it in the spotlight. With the demand for tech services on the decline, Byju's incurred losses of INR 4,588 crore in FY 2020-21 compared to INR 262 crore last year.

Conglomerates

Google fined USD 113 million in anti-trust The Competition Commission of India (CCI), India's antitrust watchdog, has fined Google USD 113 million for abusing the dominant position of its Google Play Store. The commission has ordered the company to allow app developers to use third-party payment processing services for in-app purchases or for purchasing apps. According to the commission, mandating developers to use Google's billing system for paid apps and in-app purchases through Play Store constituted an imposition of unfair conditions and therefore, violated the provisions of the Competition Act. The regulator interviewed several industry players such as Paytm, Zomato, InfoEdge, Samsung, Vivo, Xiaomi, Microsoft and Realme as part of the investigation. India is Google's largest market by users and the company has poured billions to find untapped regions in pursuit of growth.

Microsoft acquires land in Pune Microsoft Corporation, the tech giant, has acquired a 10.89 lakh square feet commercial plot in Pimpri Waghere, Pune from Finolex Industries for a consolidated amount of INR 328.84 crore while paying stamp duty of INR 16.44 crore on the deal. Pune, apart from Bengaluru and Hyderabad, has been perceived as an ideal location for setting up large campuses due to the availability of quality real estate, affordable housing, and human resources. Earlier, in June this year, Mastercard Technology had leased over 4,00,000 square feet of space in a commercial building in Pune for 20 years with rent starting at INR 4.12 crore per month.

Apple asks its vendors to shift some production to India Apple, the iPhone maker, has asked its suppliers to move some AirPods and Beats headphone production to India. Foxconn has announced its plans to produce Beats headphones in India, along with Airpods in the future. Apple has been shifting some areas of iPhone production from China to other markets, including India. The move comes as Apple looks to diversify its supply chain and reduce its reliance on China in the face of ongoing US-China hostilities and Covid-19 restrictions in China. The company started manufacturing iPhone 13 in India earlier this year and is also planning to assemble iPads in the country. Apple's iPhone exports from India surpassed USD 1 billion in five months since April and are set to reach USD 2.5 billion in the 12 months through March 2023.

Netflix signs up with BARB for measuring viewership Netflix, the streaming giant, has signed with the BARB (Broadcasters' Audience Research Board), United Kingdom's TV industry rating service, to independently measure its viewership. Netflix has only released limited audience data in the past such as ranked lists of its most popular shows and movies. However, Netflix will now be reporting viewing figures that would be measured by BARB. The industry-owned body reports monthly statistics for over 300 UK TV channels. Audiences, competitors, and media outlets will now be able to determine how Netflix's offerings measure up against other TV shows and sporting events. Netflix is gearing up to launch an ad-supported tier for its streaming platform to boost subscribers.

Sony Honda to roll out EV in 2026 Sony Honda Mobility Inc, a joint venture between tech giant Sony and automaker Honda, has announced that the venture will roll out the first batch of its electric vehicles by 2026. The pre-orders will be accepted from 2025 onwards and the electric vehicles will be sold online. The company will deliver its first model in the United States in early 2026, and in Japan later that year. Yasuhide Mizuno, the chairperson of Sony Honda Mobility, has said that the EV will be manufactured by Honda at one of its plants in Ohio. The automaker hasn't yet revealed key details, including the name, pricing, and battery range of its upcoming EV, except that the car will feature Level 3 autonomous drive system functions to match the offerings of competitors like Mercedes-Benz, Tesla, General Motors, and Ford. The EV will offer a software system developed by Sony as a monthly subscription service.

Tata Steel to supply 'Zeremis' Steel to Ford Tata Steel has entered into a deal with automobile firm Ford for the supply of 'Zeremis' (Zero-Emission Green Steel). Tata Steel's Dutch arm has signed a memorandum of understanding to supply Ford's plants in Europe with green steel after the company switched to green hydrogen-based steelmaking in the Netherlands. Ford is officially the first customer to place an order for the green steel that Tata Steel plans to produce via the hydrogen route, by 2030. Meanwhile, Ford has set a target to achieve carbon neutrality by 2035.

Markets

New account settlement guidelines The Securities and Exchange Board of India (SEBI) recently announced new guidelines on the settlement of clients' funds lying with stock brokers, effective from October 1. Under the new account settlement process, stock brokers are expected to transfer unused funds back to the customer's bank account on the first Friday of every quarter. The idea of doing this in one day is to test if brokers are misusing client capital in any way. Such account settlement regulation is unique to India as most countries allow banks and brokers to hold unused funds forever and also use them for working capital requirements. Nitin Kamath, the co-founder of Zerodha, has listed a few issues in the new guidelines including the operational risk of sending large amounts in one single day, the higher working capital requirement for brokers, and a hit on the float income. These challenges would ultimately culminate in increased brokerage charges, according to Nitin Kamath.

SEBI issues new guidelines on rating scales The Securities Exchange Board of India (SEBI) has announced new guidelines to standardise the usage of rating scales used by Credit Rating Agencies (CRAs). Credit ratings indicate the degree of safety of the issuer or the entity concerning the servicing of its debt obligations. The new guidelines will come into force from January 1, 2023. According to SEBI, a 'Rating Outlook' will indicate the CRA's view on the expected direction of the rating movement in the near to medium term, whereas a 'Rating Watch' will indicate the same in the short term. CRA will have to assign a rating outlook and disclose the same in the press release.

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. DCX Systems
2. Fusion Micro Finance
3. Global Health
4. Bikaji Foods International
5. INOX Green Energy
6. Go Airlines
7. Arohan Financial
8. MobiKwik
9. Utkarsh Small Finance Bank
10. Ixigo
11. Penna Cement
12. Keventer Agro
13. Sterlite Power
14. Fincare Small Finance Bank
15. Seven Islands Shipping
16. PharmEasy
17. SAMHI Hotels
18. Bajaj Energy
19. Apeejay Surrendra Park Hotel
20. Gemini Edibles and Fats
21. ESAF Small Finance Bank
22. Medi Assist Insurance TPA
23. Inspira Enterprise India
24. Muthoot Microfin
25. Chemspec Chemicals
26. Shri Bajrang Power and Ispat
27. Hinduja Leyland Finance
28. VLCC Healthcare
29. Studds Accessories
30. Annai Infra Developers
31. Popular Vehicles and Services
32. Narmada Bio-chem

Miscellaneous

India receives the fourth tranche of information from Swiss banks India has received the fourth set of Swiss bank account details of its nationals and organisations as part of the Automatic Exchange Of Information (AEOI) agreement in January 2018 under which Switzerland has shared particulars of nearly 34 lakh financial accounts with 101 countries. The Federal Tax Administration has informed that the nature of the financial information includes the name, address, country of residence, tax identification number, information concerning the reporting financial institution, and account balance and capital information. Under the same agreement, India too shares bulk financial and banking information with 78 countries while receiving the same from 107 countries.

Has the Government achieved its target of doubling the farmers' income? In 2016, Prime Minister Narendra Modi promised that the Government aims to double the farmers' income by 2022. It's 2022 and a fair time to evaluate the situation. However, firstly let's understand the problems with India's farming model. Indian Farming is largely dependent on the monsoon. When the monsoons aren't kind, crops fail, and farmers' income tanks ...

Is the privatisation of public sector banks the right way forward? Almost 50 years ago, India nationalized 14 commercial banks in the country, an extraordinary move, a historic event of its own. From 1947 to 1969, a whopping 665 private banks failed and people lost faith in the country's banking system. Thus, the government had to bridge the gap. Today, 50 years later, the government is looking to reverse that decision. There are reports and suggestions by Government committees that the Government is looking to ...

What caused the massive nationwide internet outage in Canada? A massive nationwide internet outage hit Canada recently caused primarily because of a maintenance update core network. 90% of the telecom market share in Canada is controlled by three companies – Rogers, BCE Inc and Telus Corp. The recent outage was caused by Rogers Communications, one of the big three telecom providers, who faced a service outage that lasted for over 15 hours affecting transport, banking, ATM services, and emergency services too. The company provides internet to ...

How a weaker rupee is a jackpot for the Indian exporters? While the weakening rupee is disheartening Indian merchants, and also students who are looking to fly abroad, Indian exporters are celebrating the same. Exporters of textile, engineering goods, petroleum products, jewellery and chemicals – the top five Indian exports – are set to make the most from the sharp decline in the Indian rupee, among other exporters. This is because Indian exporters receive their income in foreign currency. The foreign ...

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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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