

EVERYTHING THAT CONCERNS YOUR MONEY

THE GREEN DIGEST

PAGES 27 | AUGUST 2022 | 63 MINUTES



FOREX

“MY VISA GOT APPROVED” – INR





75
Azadi Ka
Amrit Mahotsav

Har Ghar Tiranga
13th-15th August 2022



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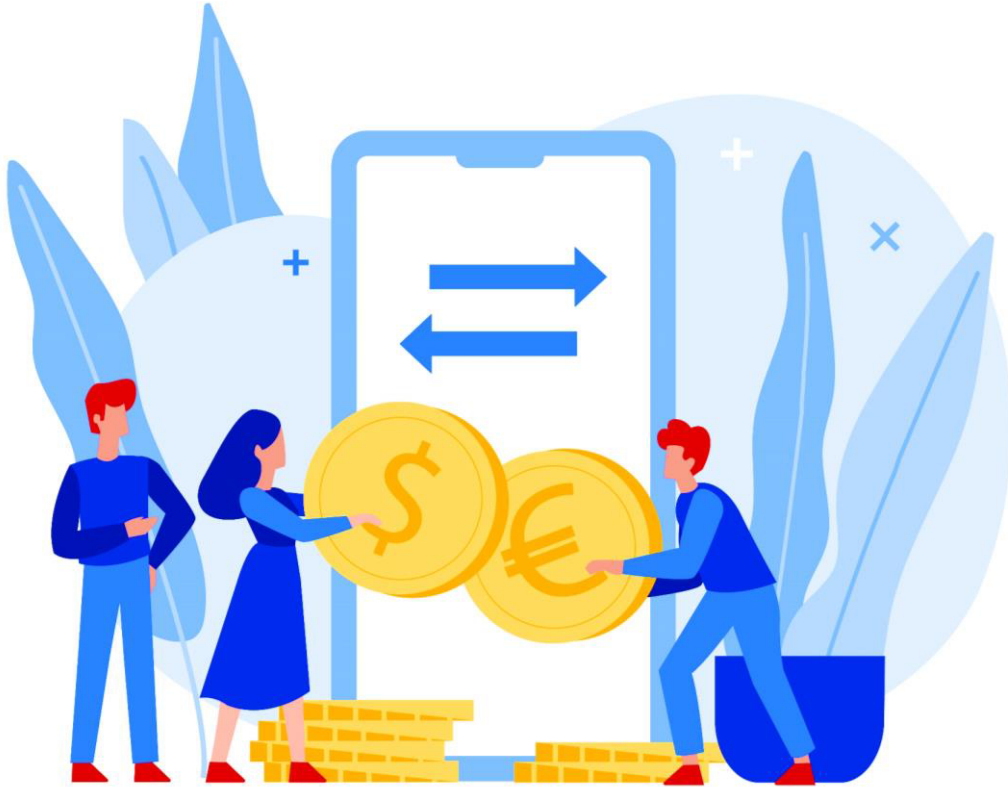
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Indian Rupee Goes International – RBI permits International Trade Settlements in INR, strategic move or option of last resort?



Background

When Russia first attacked Ukraine this year, countries across the world chose to sever ties with Russia. Russia was left alone and couldn't engage in trade with other countries the way it used to. Russia, the biggest oil producer in the world, was locked out of many markets and had nowhere to sell its oil. That's when they found a new trading partner in India who accepted Russia's offer and bought oil at a deep discount. However, the problems didn't end there for Russia.

US, EU, and the UK had also imposed sanctions on Russian banks from accessing the 'Society for Worldwide Interbank Financial Telecommunication (SWIFT) network. SWIFT is a Belgium-based globally secure interbank system that is well-accepted and near universal. The network assures payments across banks and countries and facilitates the movement of goods and services. However,

Russia was locked out of this system. And that's when, India and Russia agreed to deal in Rupees–Rubles, a historic move! The dollar is the de-facto currency for international trade. **Trade across the world, irrespective of the countries involved, happens majorly in US dollars.** India's 86% of imports are in dollars, while we merely buy 5% of our imports, from the United States. So, when India helped Russia, we made a special exception. And now it seems, that the exception is set to become a rule.

The Reserve Bank of India (RBI) has announced to permit settlement of International Trade in Indian Rupees. This means we can bill in Rupees and maybe also import paying Indian Rupees. Of course, this will take time to settle and become the norm, however, the move has been made and the Rupee is set to travel to foreign countries. In this article, let's understand how International Trade Settlements will work in Indian Rupees and what made the Reserve Bank of India resort to such an option.



How do international trade settlements work?

During the second world war and thereafter, the United States served as the main supplier of arms and weapons. In those days, international trades were settled with gold, under the gold standard. With huge exports, the United States became the owner of the majority of the gold in the world. This made the dollar a more reliable currency than any other in the world, as it was backed by a huge reserve of gold. The United States started paying countries in its own currency, by printing more of it, backed by the Gold, instead of using the Gold reserve. Economies around the world started maintaining their reserves in USD, as it was as dependable as Gold. Later, the United States delinked their currency from the gold standard, however, this didn't affect the currency and even today, an approximate 59% of the global central bank reserves are in the United States. Now, please note, that the reserve here doesn't consist of paper currency, as international trades are merely settled through banks and not an exchange of currencies. The balance, in simple words, is maintained as an account balance in a bank account in the United States. Thus, India has a bank account in the United States where all transactions happen in USD and the balance would be in USD. Similarly, most countries maintain their bank account in the United States, as it is the de-facto currency for trade.

Today, when countries import and export goods and services they have to make payments in a foreign currency. For example, if an Indian buyer enters into a transaction with a seller from Germany, the Indian buyer has to first convert his rupees into US dollars. The seller will receive those dollars which will then be converted into Euros. These trades are facilitated by banks in the United States. So when India imports oil from Germany, they would ask

Germany to furnish their bank account details, the bank account that they have in the United States, maintained to receive and pay for international transactions. India would then deposit dollars in that USD account of Germany, out of its USD account. Later, Germany can use the USD balance in their account to pay for trades around the world. Since most trades occur in US dollars, rich countries have a huge stockpile of balance in their bank account in the US. And so did Russia. Russia may not be an ally of the United States, but it too had a huge chunk of its reserve as a balance in the US bank account. So, when the country was banned from the SWIFT network and international trade, it could not use the balance in its US bank account. This is where trade settlement in rupees comes in. Instead of paying and receiving US dollars, why not just bypass and pay or receive in our currencies?

How will international trade settlements occur in Rupee?

If we try to bypass the USD, things do get a little complicated. Consider, a Russian oil exporter who wants to export oil to India. To bypass USD, they will have to maintain an account in India, so that when India makes a payment in Rupee, it will get deposited in Russia's Rupee account maintained in India. This account is known as Rupee Vostro, in which the payments, receipts and balance would be in Rupee. Once the trade is completed, the Russian banks will organise to convert the Rupees at a foreign exchange rate, and pay the Russian company in Rubles, since the Rupee balance won't be of any use to the Russian company. Thus, the Russian banks will ultimately own Indian Rupees in an Indian account. Now, the banks also do not have any other use for the Indian Rupee balance, unless there's another trade of reverse nature. So, in another trade, if an Indian Wheat exporter wants to export wheat to Russia, he could get paid in Rupees



through this balance. Now, if there are excess rupees just lying idle in the Vostro account, the bank can also invest them into Indian government bonds and earn interest on it. All this seems fine and workable until we bring in more currencies.

What would happen when all countries start working on a direct basis? There would be so many Nostro accounts with balances from several countries and banks wouldn't like the same, as this would hinder their business. Of course, the Central Bank in the other country can arrange for inter-bank settlement between its banks to knockoff opposite balances and maintain a net balance for the country, however, that would still be a huge amount, especially if the trade deficit (net imports of the country) is huge. India already has experience in operating alternate payment mechanisms to settle dues in rupees instead of dollars when India and the USSR agreed on a similar arrangement. However, India's balance of trade was skewed with the imports from Russia far exceeding the exports. Our rupee balance in USSR account kept increasing and the arrangement was finally terminated in 1992, and even then, it took a long time to encash the rupee balance. India also had a rupee-rial payment mechanism when Iran faced economic sanctions. It worked well to some extent until the United States placed more sanctions.

While it seems troubling based on past experiences, times have changed considerably. India's GDP is higher than Russia's, and also its credit rating, although India still has a trade deficit with Russia. India imported worth INR 64,623 crore in 2021-22, while exported only INR 23,658 crore. The possibility of the rupee balance ballooning similar to the past attempt still exist. However, the current version does not allow utilisation of the excess balance for investment in government treasury bills. This might control the quantum of such trades, as agree to enter such transactions only if they have counter arrangements to

ensure there is no idle balance. How fruitful this arrangement in Rupee would turn out is something that only time can tell us. However, there are certain benefits which seem obvious based on the timing of this latest move.

Why does RBI want to settle trades in Indian Rupees?

The first and obvious reason that most people would have guessed based on the timing of the announcement – is the falling value of the Indian Rupee. The Indian Rupee has lost its value by far and has reached its all-time high. While a weaker Rupee is great news for exporters who are now earning more than usual, and doing nothing new, merely because of the higher foreign exchange rate, it's not the complete story. India is a net importer of goods, with a huge trade deficit. Therefore, losing the value of the rupee means paying more for imports and being a net importer Indian economy is paying a huge bill with every passing day. This is, in turn, triggering inflation in the domestic markets with a higher cost of inputs imported from other countries. Meanwhile, foreign investors aren't looking to park their money in India as our economy isn't exactly booming either. This is the reason why there is a lesser demand for the Indian Rupee and thereby, weakening the currency.

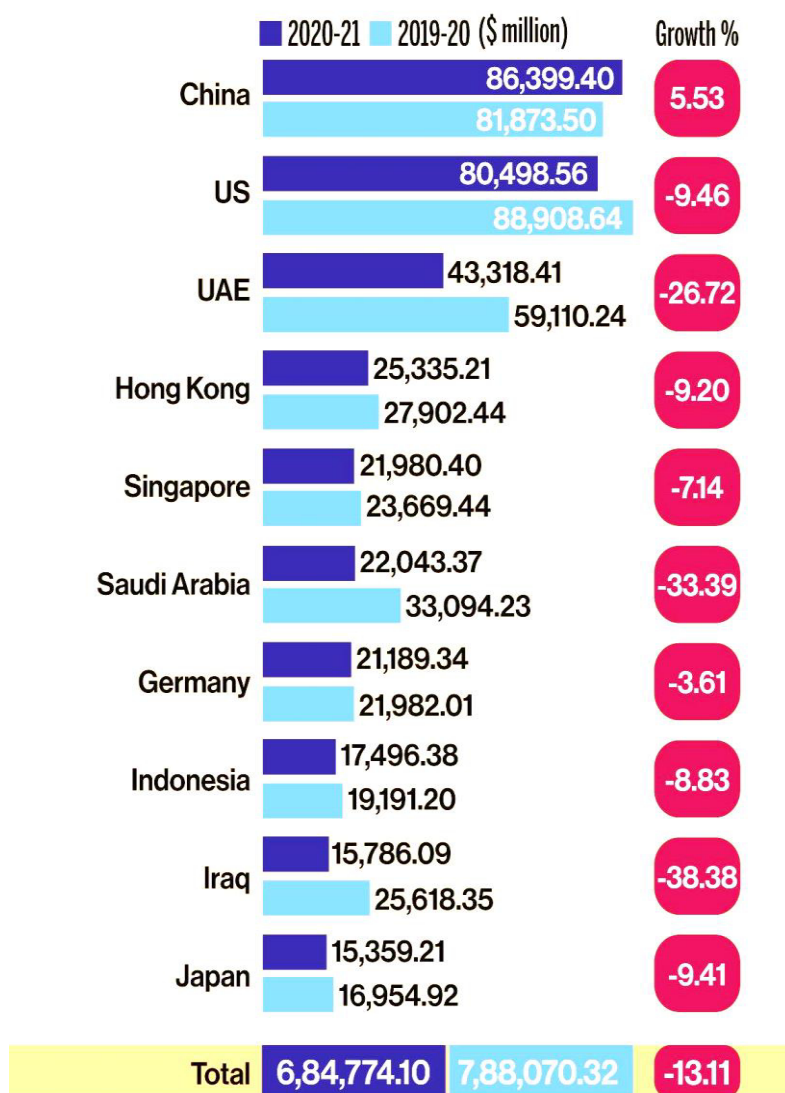
The second reason for the RBI's move is strategic. Russia attacked Ukraine and faced the economic wrath of the world. If India were to carry out any such attacks, or if diplomatic relations with the United States turn sour for any other reason, India would risk and jeopardize its economy. India needs to reduce its dependency on the United States and this move is in the right direction, from that perspective. However, it all depends on how other countries perceive the option and whether they agree to this new arrangement, or how India implements such



arrangement. The recent Ukraine-Russia crisis and sanctions on Russia have been a real eye-opener for most countries and India has struck when the iron is hot.

The third reason for RBI's move can be owing to the recent success in such transactions with Russia whereby the central bank may have considered expanding such transactions to a few more countries. The thing is, India's trade deficit has expanded to a record USD 26.2 billion in June 2022 and is only expected to only rise further. This would mean the Indian rupee is going to tumble down further. The government has already hiked import duties on gold and imposed export duties on petroleum products, on this backdrop. However, that may not be sufficient.

Strengthening the rupee is of paramount importance to India right now and thus, even if India manages to divert a little portion of its trade to Rupee-based settlement, it could save a lot in Dollars and strengthen the currency thereby. India already allows payments in Rupees to Nepal and Bhutan and can expand this to a few more neighbouring countries. Another reason for the move could be Sri Lanka's low foreign exchange reserves. Sri Lanka is in no position to settle its payment with India in foreign currency and therefore, India can follow a trade settlement with Sri Lanka in Rupee to help the neighbouring country in desperate times.



India's
Bilateral Trade
FY 2021 vs FY 2020

What is Enforcement Directorate (ED) and what does it do?

By Amit Chandak, Associate Director, Greenvissage



Background

The Enforcement Directorate (ED) has been in the news these days more than the crime and criminals. The Government under its current regime has been extensively using the services of the Enforcement Directorate in numerous cases. The number of raids by this particular law enforcement agency has increased as much as 27 times since 2014, as compared to the same from 2004 to 2014. The agency has conducted as many as 3,010 raids attaching cash and property worth INR 99,356 crore in the latest 8 years. While these searches to investigate cases of money laundering show the Government's commitment to preventing money laundering and improving systems for gathering financial intelligence, the conviction rate of the agency as compared to the number of raids it conducts, portrays a quite different picture. This is one reason why many have also raised questions about the functioning of the Enforcement Directorate. In this article let's

understand what is enforcement directorate and how it differs from the other legal agencies.

What is Enforcement Directorate?

In 1956, an 'Enforcement Unit' was formed under the Department of Economic Affairs for handling Exchange Control Laws violations under the Foreign Exchange Regulation Act (FERA). This was the first version of the Enforcement Directorate. Thereafter, the agency has become a multi-dimensional organisation and investigates various economic offences. When any offence is registered by a local police station with proceeds of crime over and above INR 1 crore, the police officer forwards the details to the Enforcement Directorate and involves them. The Directorate of Enforcement (ED), commonly known as the Enforcement Directorate, is headquartered in New Delhi. It has five regional offices – Mumbai, Chennai, Chandigarh, Kolkata, and Delhi. The agency also has numerous zonal and sub-zonal offices.



When money is earned through illegal means such as smuggling, trafficking, illegal sales, bribery, embezzlement, insider trading, prostitution rings, fraud schemes, theft and robberies, etc. the proceeds become tainted and are termed black money. The criminals usually park the money somewhere, so they are not answerable to anyone in the country. When such money is converted to appear legitimate, the conversion is known as Money Laundering.

According to the Reserve Bank of India, there are three broad ways of laundering money - 1) Placement which refers to the physical disposal of bulk cash proceeds derived from illegal activity, 2) Layering which refers to the separation of illicit proceeds from their source by creating complex layers of financial transactions, concealing the audit trail with anonymity, 3) Integration which refers to re-injection of the proceeds into the economy in a way that they re-enter the financial system as normal business funds.

Simply, the illegal money is taken away from the source it was earned from and then brought back into the financial system through small deposits. These funds move across several accounts through several banks across different locations. Numerous layers of transactions are built to disguise the source of money. Ultimately, the money is used to buy real assets like property, and gold and the gains are made on these assets. At times, shell companies are created and money is moved through them by making fake bills and invoices.

Structuring, Bulk Cash Smuggling, Cash Intensive Businesses, Trade-based laundering, Shell companies and trusts, Round-tripping, Bank Capture, Gambling, Real Estate, Black Salaries, Fictional Loans, Hawala, False invoicing, etc. are the common methods of money laundering. The enforcement directorate works to recover all such money and prosecute the people involved.

Difference between Police and ED

When a bank is robbed, the local police station will be the first authority to investigate the crime. However, as the investigation goes on, **if it is learnt that the thief took all the money and kept it in his house, neither spending it nor transferring it, then the crime is only theft and the Enforcement Directorate won't interfere as the amount has been already seized by the police.** However, if the stolen amount is used to purchase properties and the illegal money is somehow legalised, or if the money is given to someone else to buy properties in different parts of the country, then the money is laundered. This is where the Enforcement Directorate steps in, to look into the layering, and thereafter attachment of properties to recover the money. If the stolen money can be recovered as it is, the police officers are involved. However, if the money has been converted or transferred, the enforcement directorate is involved to recover the money either by attaching the properties or assets involved, or the other properties and assets of people who committed the crime.

Functions of the ED

The Enforcement Directorate operates to achieve the objectives of four important economic laws in India.

Prevention of Money Laundering Act, 2002 (PMLA) – The PMLA was enforced to prevent money laundering and allow the seizure of property or arresting of those involved in money laundering and related matters. The Enforcement Directorate enforced the requirements of this law by conducting investigations in purchases of assets acquired from illegal funds, attaching illegal assets, and ensuring the prosecution of perpetrators.

Foreign Exchange Management Act, 1999 (FEMA) – The FEMA law was introduced as a citizenship law to facilitate foreign exchange and payments, and for the preservation

311

(INR Crores)
Annual budget
of the agency
in FY 2022

Financial Year (F.Y.)	Cases taken up for investigation under FEMA	Cases recorded under PMLA
2012-13	1722	221
2013-14	1041	209
2014-15	915	178
2015-16	1516	111
2016-17	1993	200
2017-18	3627	148
2018-19	2659	195
2019-20	3360	562
2020-21	2747	981
2021-22	5313	1180
TOTAL	24893	3985

23

Number of
people convicted
in 17 years
(2005 - 2022)

ED: Cases investigated vs Cases recorded

of the Indian foreign exchange market. The enforcement directorate is in charge of investigating the charges of violations of foreign trade laws and regulations and prosecuting and fining the guilty. Earlier, the Foreign Exchange Regulation Act, 1973 (FERA) used to provide the powers and control the foreign exchange in India, however, in 1999, a new law was brought in the form of FEMA which replaced the FERA law.

Refugee Economic Crimes Act, 2018 (FEOA) – The FEOA law was enacted to prevent economic offenders from escaping India's legal process by staying outside the jurisdiction of the Indian Judicial System. This law allows the Enforcement Directorate to attach the buildings of refugee economic criminals who escape India and also authorizes their arrest and seizure of their property.

Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (COFEPOSA) – The Enforcement Directorate also works as a funding agency under the COFEPOSA law. It is empowered to fund preventive detention cases related to FEMA violations.

How does the ED operate?

The Enforcement Directorate has the power to survey and search and seizure under the PMLA law. **The Enforcement Directorate is powered to directly carry out search and seizure without calling the person for questioning. They need not summon the person first and then start with the search and seizure.** The Enforcement Directorate searches

for property and seizures of money and documents, once the officials have investigated and found that money has been laundered. The authorities decide based on the search and seizure whether the people involved need to be arrested or not. After arrest, the Enforcement Directorate has to file the prosecution complaint or charge sheet. In respect of attachments, the Enforcement Directorate is required to submit an attachment order to the Courts for further action. These courts are Special Courts under the Prevention of Money Laundering Act. These courts take the proceedings further and adjudicate the case.

The properties attached are provisional, meaning the same is not sealed entirely and can be continued to be used. If properties include factories, hotels, restaurants, etc. which are involved in businesses, they are allowed to continue operating as before. It is the title of the property which cannot be transferred or sold until the case is decided. For example, in 2018, the ED attached the Holiday Inn Hotel at Delhi's Airport in connection with the Air India case. However, the hotel continues to operate as usual while the case continues. The profits earned during such period also go to the Government, if the court decides in favour of the ED. Movable assets such as vehicles are sealed or transferred to Government warehouses. Jewellery and artefacts are sealed and kept with the State Bank of India. The court can order on an interim basis for the proceeds to be distributed to the victims of the crime. For example, the proceeds recovered from Vijay Mallya have been distributed to the banks while the case is still not decided.



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 currency when exchanged for the Indian rupee will fetch them more profits, if the rupee weakens. This is because when our domestic currency weakens against a foreign currency, the exchange rate goes higher. So, if you sell when the exchange rate is 79, and receive the payment when the exchange rate is 80, you are making one rupee extra per dollar, without doing anything. This is called foreign exchange gain, in accounting terms. Meanwhile, a weakening rupee worsens the inflationary conditions in India, as the country is a net importer – importing more than what we export.

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 10 million wireless subscribers and 2.25 million retail internet subscribers, making it one of the leading telecom providers in Canada. This is the second major outage that affected Rogers Communication in the past year. Rogers Communication has been attempting to take over its rival, Shaw Communications, in a \$20 billion deal, however, Canada's competition bureau blocked the deal as it would reduce the competition further in the country's telecom segment. **The concerns about the dominance of the telecom sector by three companies have been growing in Canada for a long time. India too is stepping into a similar situation with Jio and Airtel dominating the telecom sector with BSNL and MTNL in losses and Vodafone-Idea barely surviving.**

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 plunge into a vicious cycle of debt. On the contrary, during bumper harvests, excess supply lowers their income and sometimes, their

stockpiles even go unsold. The Government only offers the minimum support prices (MSP) on select crops and it is already hurting the Government's budget a lot. Another problem with India's farming is land ownership as 86% of farmers in India own less than 2 hectares of land, with 126 million farmers owning 0.6 hectares on average. This leads to monocropping i.e. growing just one crop at a time and destroying the soil health and lowering the crop yields. To compensate, the farmers resort to excessive use of fertilisers which helps in the short run, however, in long run kills the fertility of their land and also overburdens them with debt.



The latest report from the State Bank of India points out that farmers' income in India has increased by 1.3 to 1.7 times during the period from FY 2018 to FY 2022. For cash crops like soybean, tea, coffee, and cotton, the income has doubled for real, however, for non-cash crops like wheat, rice, maize, and millets, income hasn't increased much. Surprisingly, this doesn't include the data from FY 2016 and FY 2017 which if included would portray a completely different picture. Diving into the report reveals that things have become a bit worse than originally imagined. The Ashok Dalwai Committee had categorically stated that the goal of doubling income must be measured in real terms and not nominal. The actual earnings here are termed 'Nominal income'. The problem with comparison on nominal terms is that the income can increase merely



because of inflation and while this may not necessarily mean an increase in the purchasing power of the farmers. Hence, nominal income is adjusted against inflation and the resultant is known as 'Real income'. The SBI's report doesn't talk about Real Income anywhere in the report and the numbers indicate a 'Nominal Growth' and we know how inflation has increased in recent times. A recent survey conducted by the National Sample Survey Office (NSSO) on agricultural household income between 2012–13 and 2018–19, reveals that the growth is just 3.5% in real terms. So, it might seem that the farmers' income has increased, but the growth isn't what was promised and expected.

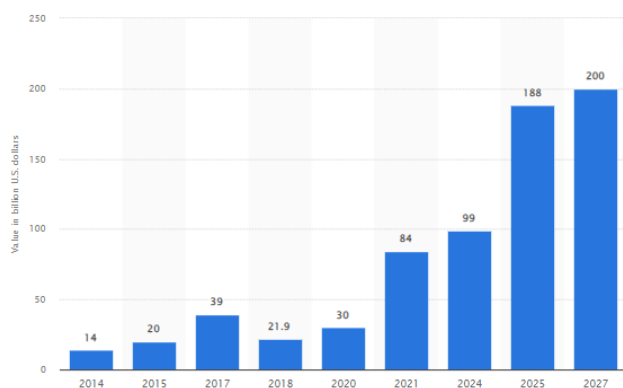
Is the privatisation of public sector banks the right way forward?



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 privatize all public sector banks apart from the State

Bank of India. Public sector banks have been at the centre of all the recent scams. Mehul Choksi defaulted on an INR 13,500 crore loan, Vijay Mallya on loans of INR 9,000 crores, while Nirav Modi took fraudulent credit of INR 14,000 crores. The biggest lenders in all these cases were public sector banks and the government had to infuse INR 3.10 lakh crores in the last 5 years to keep them afloat, all taxpayers' money. Thus, Government wants to step aside and hand over the banks to the private institutions, as the Government has already declared "they have no business running a business." This won't happen overnight, of course, but in instalments. However, the problem isn't restricted merely to public sector banks here. Yes, Bank, ICICI Bank and several other private NBFCs have faced disasters and even collapsed. Meanwhile, Public Sector Banks also make up 85% of the total rural branches in the country and the ATM deployments in those areas. Even in the Prime Minister Jan Dhan Yojana, Public sector banks contributed by opening 44 crore bank accounts, while the private sector contributed only 3% to the total. Public sector banks also play a pivotal role in distributing subsidies, job creation, etc. The recent consolidation alone has reduced the number of employees from 8.5 lakhs in 2017, to 7.7 lakhs in 2021. Above all, there's a huge trust deficit with private institutions as people prefer putting their hard-earned money in a bank that is backed by the government. Thus, the Government's decision to privatise all public sector banks may not be the best foot forward.

Market size of E-commerce in India





Signal :

- Positive
- Negative
- Mixed

Government policies

Central Government dismisses rumours about external debts ■

The Central Government has dismissed apprehensions about India's external debt, calling out the rumours which say Government is burdened with external debt. There were concerns over India's external debt, as repayments to the tune of USD 267 billion, are due in less than one year. According to the Government, India's external liability is USD 620.7 billion, however, the Central Government's share is only USD 130.8 billion, 21% of the total debt liability, including Special Drawing Right (SDR) allocation. Data from the Reserve Bank of India also reveals that the Central Government's debt declined from 52.2% of GDP in FY 2014 to about 51.8% of GDP in FY 2020. However, this went up again in FY2021 by about 10% of GDP on account of the pandemic.

DPIIT to introduce a distinction between the marketplace and inventory-based model ■

The Department for Promotion of Industry and Internal Trade (DPIIT) is planning to introduce a distinction between the marketplace model and the inventory-based model of e-commerce. This is to address the competition-related issues such as heavy discounting, lack of platform neutrality, misuse of data by platforms, and non-transparent search ranking. According to the committee, the eCommerce marketplace should host only third-party

sellers on the platform and not their products.

NCAER recommends privatisation of all public banks apart from SBI ■

The National Council of Applied Economic Research (NCAER) has recommended in a report that the Central Government should privatise all public sector banks (PSBs) except the State Bank of India (SBI), as private banks have emerged as a credible alternative to public sector banks. According to the report, the Government's ownership of banks also hinders the ability of the Reserve Bank of India (RBI) to regulate the sector. Apart from the State Bank of India (SBI), all other public sector banks have lagged behind private banks in all the major indicators of performance during the last decade.

More Indians renouncing citizenship for foreign pursuits ■

According to a statement in parliament by Home Nityanand Rai, the Minister of State for the Ministry of Home Affairs, more than 3.9 lakh Indians have renounced their Indian citizenship in the past three years, with the United States emerging as the top choice. Of the total, about 1.63 lakh Indians relinquished their citizenship in 2021 alone, with 78,000 taking US citizenship. According to the data, apart from choosing countries such as Singapore (7,046) and Sweden (3,754), many people have also renounced their citizenship for Bahrain (170), Angola (2), Iran (21), Iraq (1) and even Burkina Faso (1). More than



1,400 persons took Chinese citizenship, while 48 persons renounced their citizenship for Pakistan.

Eleventh Agricultural census launched ■ Agriculture Minister Narendra Singh Tomar has launched the eleventh agricultural census to collect data on various parameters, including operational holdings. This is for the first time that the census data will be collected through smartphones and tablets. The fieldwork is expected to begin in August 2022. The census is being undertaken now after a delay due to the corona pandemic. The last edition of the census was conducted with the reference year 2015-16.

Government to privatise insurance companies ■ The Central Government has introduced a new amendment bill in Lok Sabha to amend the General Insurance Business (Nationalisation) Act, 1972. In 1972, this Act established the General Insurance Corporation of India (GIC) and nationalised all private General Insurance Companies in India. Thereby, the insurance business was run under four companies (i) National Insurance, (ii) New India Assurance, (iii) Oriental Insurance, and (iv) United India Insurance. Subsequently, in 2002, the control of these companies was transferred from the GIC to the Central Government and GIC exclusively dealt in reinsurance since then. The amendment now seeks to allow reducing the Government's stake to less than 51% and thereby, privatisation of the same.

Goods and services tax

Exemption from filing annual returns ■ To provide relief to businesses, the government has exempted small taxpayers with turnover up to INR 2 crores from filing annual returns for FY 2021-22.

Automatic revocation of cancelled GST registrations ■ The Central Board of Indirect Taxes and Customs (CBIC) has amended rules to allow automatic revocation of cancelled GST registrations once the return filing is regularized.

GST refund on shopping by foreign tourists ■ The Central Government has announced to begin a pilot scheme whereby foreign tourists will receive a refund of goods and services tax (GST) paid while visiting India. The IGST Act

allows refund on goods which are to be taken out of the country by a person who is not a resident of India and is in the country for not more than six months. Several countries follow this system of GST refund for tourists for consumption outside the country, a principle that is also followed in duty-free shops at airports.

Supreme Court allows 90 days period to claim transitional credit ■ In a landmark decision, disposing of 400 cases, the Supreme Court has allowed taxpayers to claim accumulated ITC accrued in the pre-GST regime in 60 days ending October 30. The GST portal is expected to provide a facility for all assesses to claim transitional credit from September 1 till October 30, irrespective of whether the taxpayers have filed a writ petition or not. Further, the court has given 90 days to the officers to verify the claim of credit on merits and pass the appropriate order. The Central Board of Indirect Taxes and Customs (CBIC) has been asked to issue relevant directions to its officers.

Advisory issued by GSTN for changes in GSTR-3B ■ The Goods and Services Tax Network (GSTN) has issued an advisory that the changes brought in Form GSTR-3B vide Notification No. 14/2022 – Central Tax dated July 5 will be implemented and made available shortly. The taxpayers have been advised to file returns till then as per old practices. The Central Board of Indirect Taxes and Customs (CBIC) has notified a few changes in Table 4 of Form GSTR-3B requiring taxpayers to report information on ITC correctly availed, reversal thereof and declaring ineligible ITC in Table 4 of GSTR-3B.

GST on Rent from Residential Property ■ Residential property rented to a GST-registered individual would now be subject to an 18% tax under the reverse charge mechanism from July 18 onwards. Apartments rented by companies for their senior executives will now cost more after these rules come into effect. Further, the input tax credit of such rent would be under dispute based on section 17(5)(g) of the Central Goods and Services Act, 2017.

Sale of Indian flags exempt from GST ■ Sale of the Indian national flag irrespective of whether machine made or of polyester will now be exempt from the Goods and Services Tax (GST) as stated by the Ministry of Finance. Hand-



spun national flags made of cotton, silk, wool or Khadi were already exempt from GST. The Revenue Department has now clarified that polyester or machine-made tricolour too would be exempt from the levy following amendments to the 'Flag Code of India, 2002' in December last year.

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

Income tax

Updated Return enabled on Income Tax Portal ■ The Income Tax Department has enabled the filing of Updated Return (ITR-U) for ITR 2 and 3 for AY 2020-21 and AY 2021-22 on the income tax portal.

CBDT issues guidelines on the applicability of 194R ■ The Central Board of Direct Taxes (CBDT) has issued guidelines to address issues arising from the newly introduced section 194R for TDS at 10% on benefits or perquisites from non-salary sources. According to the guidelines, the payer doesn't need to check the taxability of the sum in the hands of the payee before deducting TDS. It has been made clear that the benefit or perquisite covered under Section 194R can be either in cash or in kind or partly in cash and partly in kind. The nature of asset given as benefit or perquisite is not relevant and even capital assets given as benefit or perquisite are covered within the scope of Section 194R. However, CBDT has provided that cash discounts and rebates allowed to the customer are excluded from the purview of Section 194R.

A declaration must be filed before the due date, to claim EOU exemption ■ The Supreme Court has overruled the Karnataka High Court's decision concerning claiming exemption under Section 10B(8) concerning profits and gains of an export-oriented unit, allowing carry forward of losses under section 72. According to the apex court, the assessee has to fulfil both the conditions of section 10B(8) i.e. furnishing a declaration to the assessing officer in writing that the provisions of Section 10B(8) may not be made applicable to him, and also furnish this declaration before the due date of filing return.

Explanation to 14A not applicable retrospectively ■ Delhi

High Court has ruled that the Explanation to Section 14A introduced through the Finance Act, 2022, cannot be presumed to be retrospective. Section 14A provides that deduction shall not be allowed for any expenditure about income that does not form part of the total income. The new explanation introduced to section 14A provided that the provisions of the law shall apply and shall be deemed to have always applied, thereby, making the explanation applicable retrospectively. However, according to the Supreme Court, if an explanation is merely a clarification, then it applies from the date on which the provision being clarified comes into effect. On the contrary, if the explanation changes the law, it cannot be presumed to be retrospective, even if phrases such as 'For removal of doubts' or 'it is declared' are used in the explanation.

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

Customs and foreign trade

Work from home rules for SEZs ■ Ministry of Commerce has issued a new notification to provide for changes in work from home rules. As per new rules, work from home (WFH) will be allowed for a maximum period of one year in a special economic zone (SEZ) unit and the same can be extended to 50% of the total number of employees. This shall apply uniformly to all Special Economic Zones in India. The new rules also permit employees who are temporarily incapacitated, working in IT/ITeS SEZ units, to work from home. Development Commissioner (DC) of SEZs has been permitted to grant a higher number of employees (more than 50%) work from home facility, in a company, for any bonafide reason. A Special Economic Zone (SEZ) in India, refers to a geographical region where economic laws are more liberal than the domestic laws in India, developed to promote international trade and exports. As per the latest data available, there are 378 notified SEZs, of which 265 are operational.

Paperless customs compliance ■ The Central Board of Indirect Taxes and Customs (CBIC) has floated a proposal for a completely paperless customs compliance framework for special economic zones (SEZs). The framework will be



in sync with new legislation proposed by the Government to turn the SEZs into comprehensive economic hubs, with a larger participation of states and further ease of compliance to attract investment. The CBIC has identified processes, including filing bills of entry, filling shipping bills and risk-based examination of cargo which will be migrated to the ICES systems.

Controlled delivery regulations ■ The Central Board of Indirect Taxes and Customs (CBIC) has notified controlled delivery regulations which allow customs officials to install tracking devices to monitor the movement of suspected consignments. The new regulation has included gold and silvers, narcotic drug and psychotropic substances, precious and semi-precious stones, liquor, currency, cigarettes, tobacco, wildlife products and antiques in its list. As per the new rules, if the officer has a reasonable suspicion of a consignment being imported or exported, he can file a report in Form-I and propose to undertake controlled delivery of such consignment.

New exchange rates notified ■ The Ministry of Finance has increased the exchange rates for the dollar to INR 79.90, as against INR 78.95 with effect from July 8. These rates are used to calculate import duty. The revision is due to the depreciation of the rupee against the dollar. The value of the Sterling Pound has been fixed at INR 96.10 as compared to INR 96.70 earlier. The conversion rate for Euro has been fixed at INR 82.15 as compared to INR 83.10

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

Corporate laws

CSR funds can be used for the 'Har Ghar Tiranga' campaign ■ Ministry of Corporate Affairs (MCA) has notified that the companies can spend their CSR funds for activities related to the 'Har Ghar Tiranga' campaign. The campaign has been organised by the government as part of the Azadi Ka Amrit Mahotsav to encourage people to bring home the national flag and hoist it on India's independence day. Under the Companies Act, 2013, certain profitable companies are required to spend at least 2% of their three-year average profit on Corporate Social

Responsibility (CSR) activities.

Due date for LLP Form, 11 extended to July 15 ■ The Ministry of Corporate Affairs (MCA) vide its General Circular dated June 29, 2022, relaxed the payment of additional fees in case of delay in filing Form 11 (Annual Return) for the FY 2021-22 by Limited Liability Partnerships up to July 15, 2022.

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

Banking and finance

RBI imposes restrictions on four co-operative banks ■ The Reserve Bank of India (RBI) has imposed various restrictions on four cooperative banks, namely, Ramgarhia Co-operative Bank, New Delhi, Sahebrao Deshmukh Co-operative Bank, Mumbai, Sangli Sahakari Bank, Mumbai, and Sharada Mahila Co-operative Bank Limited, Tumkur. RBI has imposed the restrictions for six months which includes a cap on withdrawals for the depositors. The Central bank has put restrictions under the Banking Regulation Act, 1949 keeping in view the deteriorating financial positions of these four cooperative banks.

Liquidation of Cooperative banks ■ According to information provided by Bhagwad Karad, Minister of State for the Ministry of Finance, 27 small-sized cooperative banks were liquidated in the past five years while 42 cooperative banks were closed on account of mergers. As per government data, 10 cooperative banks were liquidated in the previous financial year, of which Maharashtra accounted for seven. The stress in cooperative banks has remained at elevated levels after the pandemic due to low returns on assets and equity and based on net interest margin metrics.

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

Accounting and auditing

AASB (ICAI) issues revised CARO Guidance Note ■ The Ministry of Corporate Affairs (MCA) vide notification dated March 24, 2021, had amended Schedule III to the Companies Act, 2013. The amended Schedule III required



various disclosures in financial statements which also correspond to the reporting requirements of CARO 2020. The Auditing and Assurance Standards Board (AASB) of the Institute of Chartered Accountants of India (ICAI) has revised and brought out 'the Guidance Note on the Companies (Auditor's Report) Order, 2020 (Revised 2022 Edition)' to guide various clauses of CARO 2020. The AASB formulates the Engagement and Quality Control Standards. It also develops Guidance Notes, Technical Guides, Implementations Guides and other publications with the prime objective of guiding the auditors.

DTC (ICAI) to issue new Guidance Note on Tax Audit

The Direct Tax Committee (DTC) of the Institute of Chartered Accountants of India (ICAI) has issued an exposure draft of the 'Revised Guidance Note on Tax Audit under section 44AB of the Income-tax Act, 1961', for comments. The committee has decided to issue guidance notes on tax audits for each assessment year separately.

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

Payroll and investments

In Focus: New Labour Code

- Following the recommendations 'The Second National Commission on Labour', the Government has replaced 29 existing Labour Laws with four Labour Codes to simplify and modernise labour regulation. These four new labour codes consist of – (1) Occupational Safety, Health & Working Conditions Code, 2020 (2) Social Security Code (3) Industrial Relations Code and (4) Wages Code.
- Labour laws being a subject under Concurrent List, the Central and State Governments are required to pass legislations together on the same. However, the Central Government, intending to converge laws across the states, has prescribed a draft code of laws that the State Governments can follow and pass legislation with appropriate changes, as required. Currently, the state governments are working on their versions of the law and the same will be passed in respective state legislative assemblies.

- The labour codes are primarily for the workers in the factory and do not include supervisory staff. However, unlike the factory act which applied only to factories, the new labour code extends to all employees irrespective of whether they work in a factory or an IT company.
- Under the new Labour Codes, the daily and weekly working hours have been capped at 12 hours and 48 hours, respectively which effectively paves the way for 4 day work week if an employee is allowed to work 12 hours for 4 working days. Additionally, the maximum number of overtime hours for workers has been increased from 50 hours to 125 hours in a quarter across industries.
- The new Labour Codes have reduced the eligibility requirement for leaves from 240 days of work to 180 days of work in a year. Thus, when a new employee joins, he needs to work 180 days to be eligible to take a leave. The quantum of leave earned has not been changed i.e. 1 day of leave earned for every 20 days of work.
- There are no changes in the carry of forwarding of leaves which remains at 30 days. Thus, if an employee has 45 days of leave at the end of the calendar year, the employer will have to mandatorily pay leave encashment of 15 days and allow the balance of 30 days of leave to be carried forward to the next calendar year. The important change is that these rules now apply to all sectors and all industries unlike before.
- Under the new laws, the ratio of the take-home salary and the employees' and employer's contribution to the provident fund has been defined. As per the new provisions, the basic salary of the employee should be at least 50% of the gross salary. This means the Provident Fund Contribution which is based on the basic salary of an employee will also increase, while the take-home salary may decrease, in certain cases.
- The work from home (WFH) model of working, which is a prevalent market practice across sectors, especially after the pandemic, has been recognised by the Government in the new labour codes.

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



Markets and economies

WHO declares MonkeyPox as a health emergency ■ The World Health Organization (WHO) has declared the monkeypox outbreak a global health emergency, the highest alert that the WHO issues. The declaration came after a worldwide surge in cases. The monkeypox outbreak is now an extraordinary event that could spill over into more countries and therefore, requires a coordinated global response, as there are about 16,000 cases of Monkeypox in 75 nations and territories.

India's neo banking market to increase three-fold by 2025

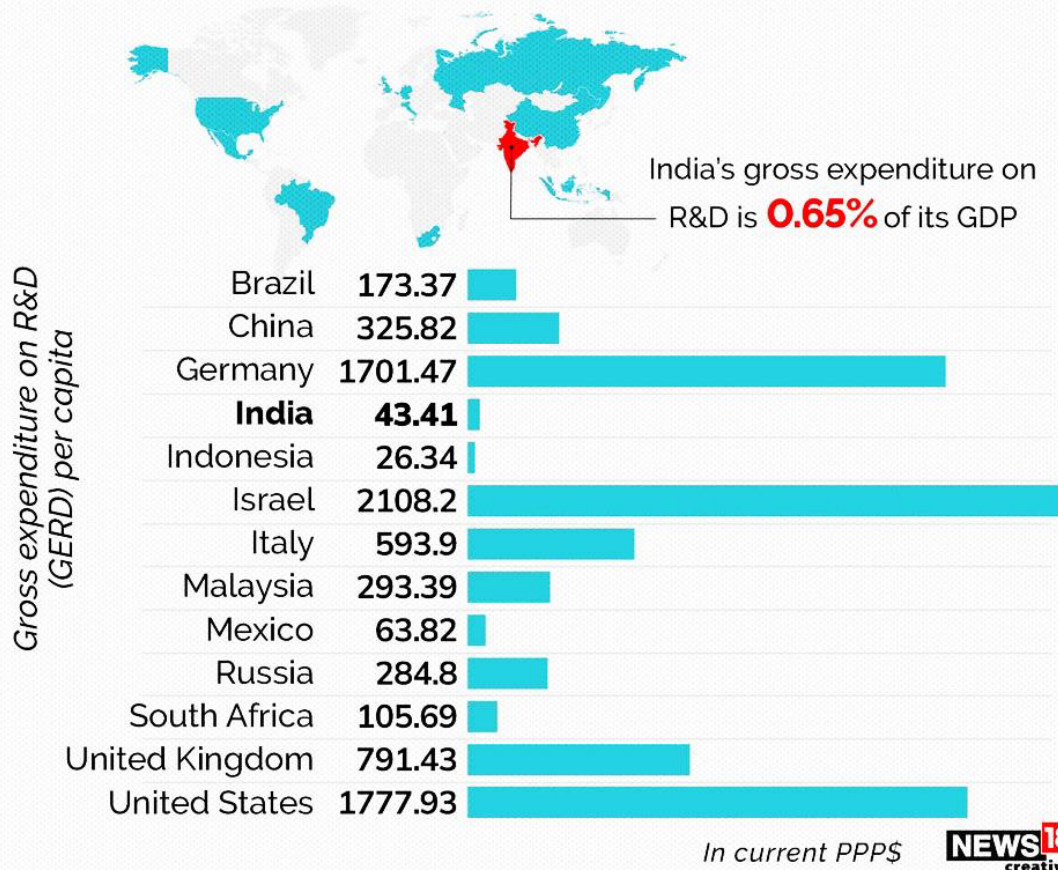
■ Grant Thornton Bharat's latest report has stated that the country's neobanking market will witness over a three-fold jump to reach USD 11.65 billion (about INR 92,000 crore) by FY 2025, owing to the scale of the Indian market.

According to the report, there is a substantial opportunity for neo banking to create value for a large segment of customers. The Indian neo-banking market is valued at USD 3.42 billion as of FY 2022. Neobanks are branchless digital banks interacting directly with customers and providing a seamless banking experience. These banks curate customised financial services products completely online. Currently, the Reserve Bank of India doesn't recognise them as virtual banks.

India's fiscal deficit at 21.2% of the target ■ India's fiscal deficit has touched 21.2% of the annual target in the June quarter, as against 18.2% in the year-ago period. The fiscal deficit is the difference between expenditure and revenue of the government, indicating the total money that government needs to borrow. The Government has projected a fiscal deficit of 6.4% of the GDP for the current financial year, as 6.71% in the previous year.

HOW MUCH COUNTRIES SPEND ON R&D

India's GERD is one of the lowest in the world





Key Economic Indicators

Indicator	As on	Current	Prior
GDP Growth (%)	Mar-22	4.1	5.4
Inflation (%)	Jun-22	7.01	7.04
Unemployment (%)	Apr-22	7.8	7.6
Trade Balance (\$m)	Jun-22	-26.18	-24.29
GOI Bond 10yr (%)	Jun-22	7.32	7.45
Manufacturing PMI	Jun-22	53.9	54.6
Services PMI	Jun-22	59.2	58.9

Global Indices

Equity Index	Country	%
NIFTY 50	India	+8.93
BSE SENSEX	India	+8.81
INDIA VIX	India	-22.12
NIFTY BANK	India	+11.78
DOW JONES	USA	+5.62
NASDAQ	USA	+11.35
S&P 500	USA	+7.97
FSTE 100	UK	+3.55
NIKKEI 225	Japan	+7.19
SHANGHAI COM	China	-3.97
MOEX	Russia	+0.33
CAC 40	France	+8.72
DAX	Germany	+5.24
ASX 200	Australia	+6.20
BOVESPA	Brazil	+4.26
KOSPI	South Korea	+6.34
HANG SENG	Hong Kong	-7.79

Commodities Future

Commodity	Expiry	Price	%
Gold	Sep 5	51,430	-1.55
Silver	Sep 5	58,352	-0.88
Crude Oil	Aug 19	7,840	-10.09
Natural Gas	Aug 26	643	+39.18
Aluminum	Aug 30	215	+1.97
Copper	Aug 30	658	-2.53
Cotton	Aug 30	44,960	+9.58

Currency Exchange Rates

Currency Pair	Current	Prior	%
INR/1 USD	79.91	78.29	-2.07
INR/1 GBP	95.59	96.08	+0.51
INR/1 EUR	81.46	82.67	+1.47
INR/100 YEN	57.96	57.95	-0.02

Cryptocurrencies

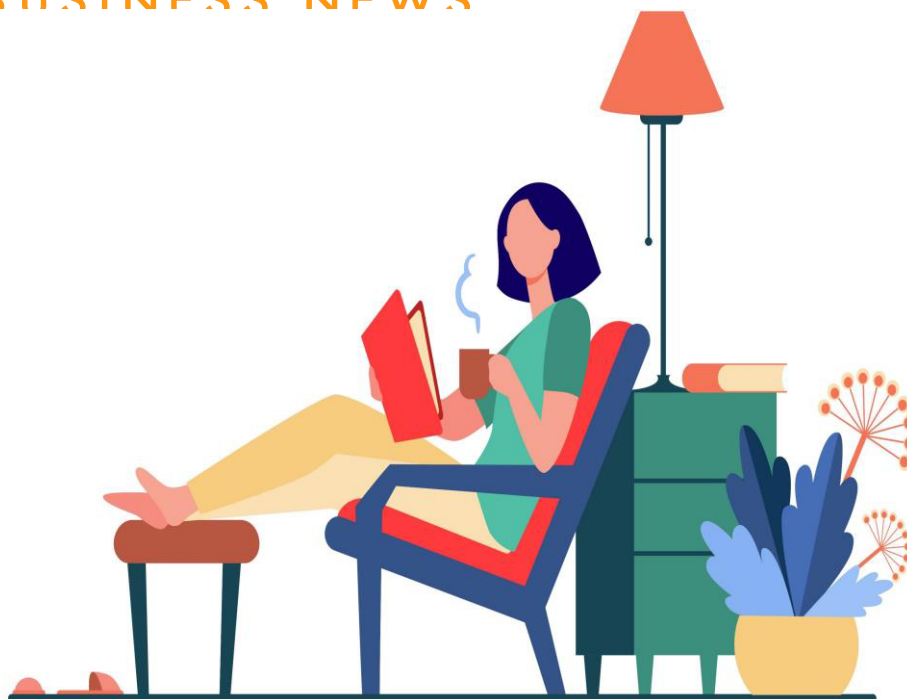
Currency	Pair	Price	%
Bitcoin	BTC/USD	23,794	+24.37
Ethereum	ETH/USD	1,705	+61.69
XRP	XRP/USD	0.37	+15.09
Btc Cash	BCH/USD	146	+41.09

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

Tata Motors bags EV order from Delhi Transport Corporation ■ Tata Motors has clinched an order of 1,500 electric buses from Delhi Transport Corporation (DTC) as part of a tender by Convergence Energy Services (CESL). As per the contract, Tata Motors will supply, operate, and maintain electric buses for 12 years. Tata Motors has announced that these buses would be equipped with modern features to enable safe and comfortable travel. The company claims that it has already supplied more than 650 electric buses across the country.

Adani Group enters 5G spectrum race ■ Adani Data Networks, led by Gautam Adani, has announced that it will take part in the upcoming 5G spectrum auction. The company has been given a letter of intent for the grant of a unified licence for the Gujarat circle by the Department of Telecommunications. The license will allow the company to offer calls and internet services. However, the company has said that it isn't interested in providing consumer services. The company is participating in the auction to deploy its own private 5G networks through private networks along with enhanced cyber security on its verticals including airports, ports & logistics, power generation, transmission, distribution, and various manufacturing operations.

Yes Bank to acquire a 20% stake in Asset Reconstruction Company ■ The Reserve Bank of India (RBI) has approved Yes Bank to acquire a 20% stake in JC Flowers & Co's asset reconstruction company. Yes Bank will now be classified as a sponsor of the ARC and is expected to spend approximately INR 300-400 crore to acquire the stake. The stake ARC is a key part of Yes Bank's plan to transfer INR 48,000 crore of stressed loans out of its balance sheet.

HDFC Bank to become the sixth largest bank in the world ■ HDFC Bank's merger with its parent company HDFC Limited will land the company amongst the top 10 most valuable banks in the world, and the first Indian bank to enter the list. HDFC Bank has a market capitalisation of USD 108 billion which will increase to USD 160 billion after the merger. The bank is ranked at number 17 and after the merger will jump to number 6, leaving behind Morgan Stanley, State Bank of India and Citibank. US-based JPMorgan Chase has the largest market capitalisation of USD 337 billion, leading others by a significant margin, as Bank of America placed second and has a market capitalisation of USD 269 billion, while China's ICBC ranks third with USD 221 billion market capitalisation.

Shriram Group's merger gets approval from IRDAI ■ The Insurance Regulatory and Development Authority of India (IRDAI) has provided its approval for the proposed amalgamation of Shriram Group companies. Shriram



Group now awaits regulatory permissions from the National Company Law Tribunal (NCLT) and Competition Commission of India (CCI) before it goes ahead with the merger.

SEBI bars former promoters of Religare Enterprise

The Securities Exchange Board of India (SEBI) has barred Malvinder and Shivinder Singh, the former promoters of Religare Enterprises, from the securities market for 3 years, for alleged diversion of funds. The board has also imposed a penalty of INR 10 crore each on the brothers and has banned them from being a director or key managerial personnel in any listed firm for 3 years. SEBI has also barred 8 other entities from the securities market for 2 years which include RHC Holding, A-1 Book Company, Religare Corporate Services, Malav Holdings, Shivi Holdings, ANR Securities, and Sunil Godhwani and Anil Saxena. These entities have also been fined INR 5 crore each. These allegations pertain to the period from FY 2012 to FY 2018.

Public sector undertakings

ONGC signs MOU with Greenko Group Oil and Natural Gas Corporation (ONGC) has signed a memorandum of understanding (MoU) with renewable energy company Greenko Group to pursue opportunities in renewable energy, green hydrogen, green ammonia and other derivatives of green hydrogen. The companies will develop a green ammonia production and storage facility with a 1 million metric tonnes per annum (MMTPA) capacity for export purposes. The plant will use a 1.3 gigawatts (GW) green hydrogen plant, powered by about 6GW of solar and wind power along with Greenko's pumped-hydro energy storage platform. The project will aid India's Green Hydrogen Mission and advance the country's decarbonization efforts.

Russian firm Gazprom defaults on GAIL's LNG deal

Gas Authority of India Limited (GAIL), India's largest gas firm, has a long-term deal with the Singapore-based unit of Russian gas producer Gazprom, to import 2.85 million tonnes of liquefied natural gas (LNG) per annum. However, Gazprom has defaulted since June, on the supply of 5 cargoes of LNG under that contract citing difficulty in

sourcing gas due to sanctions. The contract provides for making up the volumes not supplied later, however, the Russian firm has not indicated how and when it will make up for the lost volumes.

ECGC to launch its IPO

Export Credit Guarantee Corporation of India (ECGC)'s Chairman and Managing Director, M Senthilnathan, has reported that the company will begin the process to list itself in the last quarter of this year. The Department of Investment and Public Asset Management (DIPAM) has completed its initial review.

Startups

Ola Electric suspends production of Ola electric

Ola Electric has suspended the production of its electric scooters at the Tamil Nadu plant. According to the company, the plant has been shut for annual maintenance and installation of new machines. Ola Electric has about 4,000 units of scooters piled up at the plant, apart from thousands of units ready to be shipped to customers. Ola Electric is producing around 100 units per day, as against its installed capacity of 600.

SuperShare raises USD 6.5 million funding

SuperShare, a content sharing startup, has raised USD 6.5 million in a Series A funding round from Lachy Groom, Accel India and Lightspeed. The company is yet to launch its app. The company will use the fresh capital to accelerate its product and market development activities. SuperShare was founded in 2021 by IIT Bombay alumni – Modi and Advait Vishwanath. It is the second product of the parent company Quip Media.

Shareholders approve Zomato's acquisition of Blinkit

97% of Zomato's shareholders have approved the proposal to acquire the hyperlocal quick commerce startup Blinkit. Zomato is now all set to acquire 33,018 equity shares of Blink Commerce Private Limited for INR 4,447 crore (USD 570 million) in an all-stock deal. The food aggregator will issue 62.85 crore shares, a 6.7% stake, for consideration.

Flipkart adds a new vertical for audiobooks through Pocket FM

Flipkart has announced the addition of a



new vertical for audiobooks onboarding the Indian audio streaming service Pocket FM. Flipkart will now offer audiobooks, audio stories and podcasts on its platform. The company is tapping into a new segment of audio content which is dominated by its rival Amazon.

Equity markets

Adani Capital to launch its IPO ■ After FMCG subsidiary Adani Wilmar, Gautam Adani is now planning to launch an initial public offering (IPO) of its non-banking arm Adani Capital. The company is planning to raise approximately INR 1,500 crore (USD 188 million) through the issue, offering a 10% stake in the company to the public. The IPO is expected to launch in 2024.

Gujarat Polysol Chemicals gets SEBI's approval for IPO ■ Chemical manufacturer Gujarat Polysol Chemicals has received approval from the Securities and Exchange Board of India (SEBI) to raise funds through initial public offerings (IPOs). Gujarat Polysol Chemicals is looking to raise INR 414 crore through the IPO which comprises of fresh issue of equity shares of INR 87 crore and an offer for sale (OFS) of INR 327 crore by its promoters. The company has mentioned that it will use the net proceeds to retire its debt and for other general corporate purposes.

PKH ventures get SEBI's approval for IPO ■ Construction and hospitality firm, PKH Ventures, has received approval from the Securities and Exchange Board of India (SEBI) to raise funds through initial public offerings (IPOs). As per the draft prospectus, the issue will consist of fresh equity shares of over 18.2 million and an offer for sale of 9.8 million equity shares by the promoters. Proceeds of the issue will be used to invest in the subsidiaries - Halaipani Hydro Project and Garuda Construction, funding long-term working capital requirements and funding strategic acquisitions and investments.

Mirae Asset launches Margin Trade Facility ■ mStock by Mirae Asset has launched a margin trade facility (MTF) option for its traders at an interest rate starting at 7.99%, one of the lowest in the industry. A Margin Trading

Facility (MTF) is a facility offered to an investor while buying shares and securities from the available resources by allowing him to pay a fraction of the margin.

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 Microfin
20. Fusion Microfinance
21. Chemspec Chemicals
22. Shri Bajrang Power And Ispat Limited
23. Hinduja Leyland Finance
24. VLCC Healthcare
25. Studs Accessories
26. Annai Infra Developers
27. Popular Vehicles And Services
28. Narmada Bio-Chem
29. Tamilnad Mercantile Bank

Global conglomerates

Instagram launches creator marketplace ■ Instagram has launched a new creator marketplace that allows brands to discover and connect with creators to partner with. The marketplace is currently available on an invite-only basis



in the United States. Companies can filter creators by gender, age, number of followers and interests, and also by the demographics of their audience, such as gender, age, interests, country, and city. The marketplace also has an interesting creators tab which shows the brands the creators who have expressed interest in working with them. The new creator marketplace is being seen as a bid to take on TikTok's Creator Marketplace.

Jack Ma to relinquish ownership of Ant Group ■ Chinese billionaire, Jack Ma, will relinquish his ownership of Ant Group after government pressure. Jack Ma founded the Alibaba Group which owns the Alibaba payments network. The 57-year-old entrepreneur owns a third of Hangzhou Yunbo Investment Consultancy Co, the entity that controls over 50% of Ant Group's shares. Ant Group was set for an IPO in 2020 with a valuation of over USD 300 billion, however, the Chinese regulators intervened at the last minute, and demanded a restructuring of the company into a financial holding company.

Oppo allegedly evaded USD 551 million in customs duty ■ According to an investigation report of the Directorate of Revenue Intelligence (DRI) Oppo, the Chinese smartphone maker, has allegedly evaded customs duty worth USD 551 million. The company has been held for wrongfully using duty exemptions on various imported items, for use in mobile phone production. It has also been alleged that Oppo made royalty payments to its parent company and did not add the same to the transaction value of imported goods. Chinese firms have struggled to do business in India after the geopolitical tensions ramped up in 2020. The Government has already banned 300 Chinese apps citing security concerns and has also toughened rules on

Chinese investments in India.

Vivo denies allegations of money laundering and financial terrorism ■ The Directorate of Enforcement (ED) has alleged that Vivo India has laundered money to destabilise India's financial system. In reply, Vivo India, the Chinese mobile phone company, has submitted an affidavit in the Delhi High Court that it hasn't laundered any money or committed any financial terrorism. The company has also stated that it has greatly contributed to the financial integrity and economic stability of India. According to the company, the remittances by the company to China are legitimately towards the raw material and other services required for mobile manufacturing. The company imports components such as motherboards, semiconductors, printed circuit boards and sensors, from China.

Miscellaneous

Amnesty routed 51 crores for anti-national work ■ The Enforcement Directorate (ED) has told the Delhi Special Court that Amnesty International UK illegally routed INR 51 crore to its Indian arm for anti-national work comprising its two projects 'Justice for the 1984 Sikh Massacre' and 'Access to Justice in J&K'. According to the ED, these projects generated public outrage and put pressure on political parties. ED has held Amnesty in violation of various rules under the Foreign Contribution (Regulation) Act (FCRA). The FCRA regulates the use of foreign funds by individuals and associations to prevent foreign entities from influencing the working of governmental or non-governmental organisations.





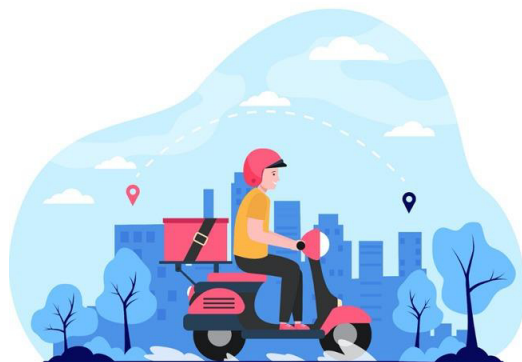
Factoring – How bill discounting can revive the MSME sector

Businesses are often stuck between debtors who won't pay on time and creditors who won't wait. In between, a businessperson often ends up offering higher discounts to their debtors for early clearing of receivables or buying at higher prices from its creditors who may offer a longer credit period to settle the bills. If you are a businessperson, you might have already experienced how ...



10-min deliveries – Solving problems that don't exist. Why?

Good tech – bad tech has always been the discussion, and today a new chapter has been opened in the same series. Technology has taken centre stage in Indian business, and hyperlocal startups are at the epicentre of it. The competition is stiff. However, there is an unusual trend amongst the services – instant delivery! India has usually accepted all kinds of technological advances, upgrading ...



Budget 2022 – Concept of 'Updated Returns' explained

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



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

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



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