GREEN DIGEST

EVERYTHING THAT CONCERNS YOUR MONEY

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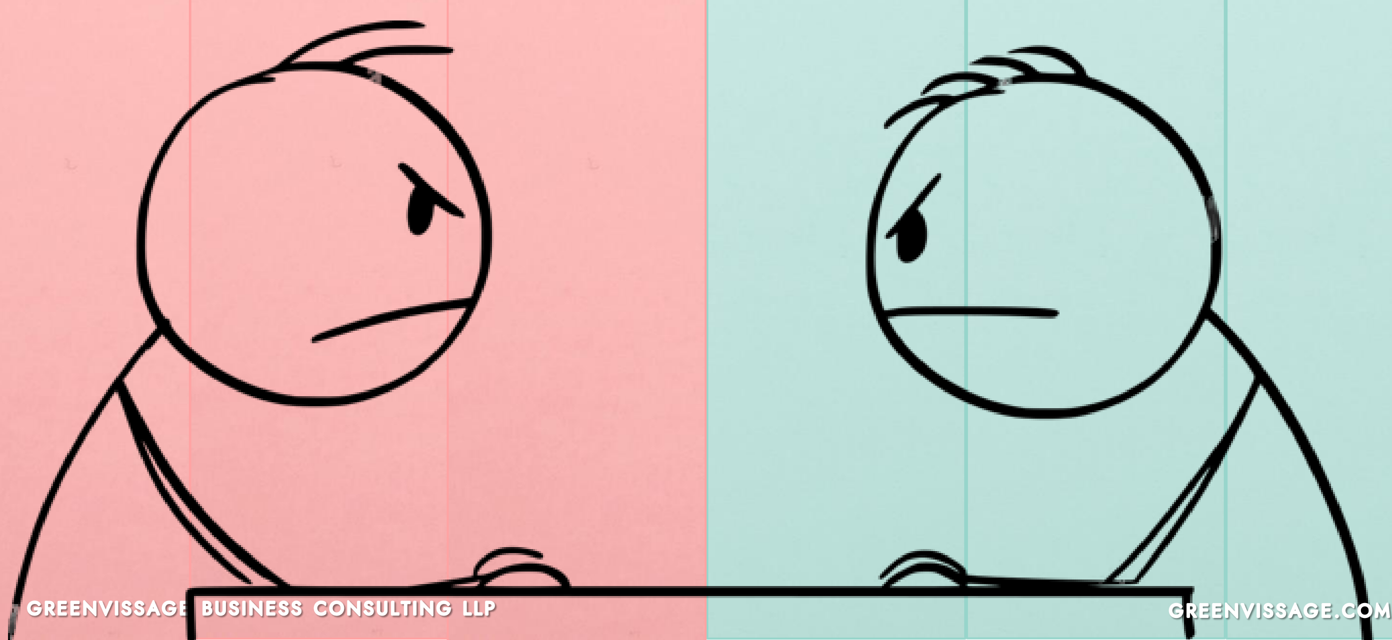
31 PAGES
64 MINUTES

YAY?

NAY?

70 HOURS

WORK WEEK



Greenvissage

IN THIS ISSUE

ABOUT US

Greenvissage is a CFO consulting firm with the passion and expertise in helping companies set up in India and in managing their finances, accounts, payroll, taxes and compliances.
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THE BIG STORY

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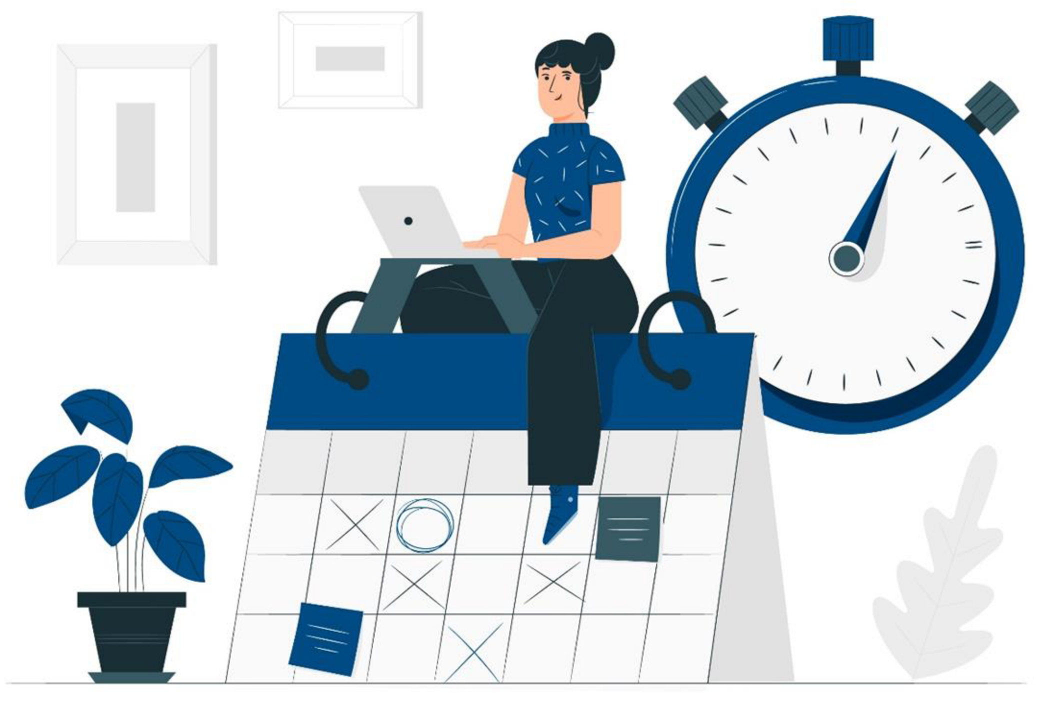
70-hour work week – One size doesn't fit all – Your working hours should be a choice, not a mandate!



Background

"India's work productivity is one of the lowest in the world. So, therefore, my request is that our youngsters must say, This is my country. I will work 70 hours a week for the next 2-3 years. I will not spend my time going to movies or doing other things. I will work 70 hours a week and I will make sure that my country becomes a great power." Narayana Murthy made these comments during a podcast interview with former Infosys CFO Mohandas Pai. Little did he know that his comments would become a topic of national debate, but here we are! Murthy's comments have been met with mixed reactions. Some people, such as Sajjan Jindal, chairman of the JSW Group, Bhavish Aggarwal, co-founder and CEO of Ola, Ayushmaan Kapoor, founder of software development firm Xeno, Harsh Goenka, chairman of RPG Enterprises, CP Gurnani, CEO of IT company Tech Mahindra, agree with Murthy that hard work and long hours are necessary for India to compete on the global stage. Others, such as Vivek Mudaliar, who has had more than 20 years of human resources experience in globally known companies, Somdutta Singh, founder and CEO of Assiduus Global Inc, Dhirendra Vashisht, director-India operations at Bastian Solutions have argued that working 70 hours a week is not sustainable or productive in the long term. Labour unions and health experts have also criticized Murthy's comments, arguing that a 70-hour workweek is illegal in India and would hurt employee health and well-being. The International Labour Organization (ILO) has also warned that a 70-hour workweek could perpetuate gender inequality, hinder diversity and inclusion efforts, and negatively impact employee health and well-being. However, Murthy has defended his comments, saying that he is not asking people to work 70 hours a week indefinitely. He believes that India can become a global economic superpower in 2-3 years if its workforce is willing to work hard during this time. So, the question remains unresolved – Should we work 70 hours a week?

Why should we work 70 hours a week?

People have given a variety of reasons to support working 70 hours a week. Some people argue that working longer hours leads to increased productivity and output. This is because workers have more time to complete their tasks. Working longer hours would lead to a more disciplined and hardworking work culture in India. This is because workers would be more focused on their work and less likely to engage in unproductive activities. The extra time from a 70-hour work week can be used to develop their skills and knowledge. This could help them to advance in their careers and earn higher salaries.

As per the 2019 Time Use Survey, individuals aged 15-29 in India allocate more than 7.2 hours daily to employment-related activities in rural regions and 8.5 hours in urban areas. When scrutinizing various states, it's apparent that in urban Uttarakhand, young people, on average, dedicate 9.6 hours to work each day. Countries like Germany and Japan, which have traditionally had long work hours, as examples of how a 70-hour work week could be beneficial for India. These countries have achieved high levels of economic growth and productivity. Some people argue that a 70-hour work week would help to improve India's labour productivity, which is currently one of the lowest in the world. This would make India more competitive in the global economy.

By 2030, the proportion of India's working-age population to the total population is expected to peak at 68.9%. With a relatively youthful demographic, boasting a median age of 28.4 years, India gains a competitive edge in its workforce. There is a pressing need for a committed labour force, particularly among the youth, who are willing to dedicate 70 hours per week to contribute significantly to the nation-building endeavour. In a globalized economy, businesses are constantly competing with each other. Some people argue that working longer hours is necessary to stay ahead of the competition and maintain a competitive advantage. 70 hours a week would also help to achieve their personal goals, such as earning more money, getting ahead in their career, or starting their own business. Some people are passionate about their work and feel that they are making a difference in the world by working long hours. This may be especially true for people who work in fields such as healthcare, education, or social justice.

Why should we NOT work 70 hours?

Research consistently shows that productivity declines significantly after 50 hours of work per week and drops further after 55 hours. This is because workers become fatigued and less focused. Long work hours can lead to burnout, reduced job satisfaction, and an imbalance in work-life equilibrium. Workers may have less time for their families and friends, and they may be more likely to experience stress and health problems. Long work hours can have several negative health implications, including sleep disturbances, increased risk of cardiovascular diseases, obesity, and mental health issues such as stress, anxiety, and depression. Working longer hours can be especially challenging for working mothers, who may have to juggle work and childcare responsibilities. This can hinder their career progression.

The pay gap between top management and bottom management in India is one of the highest in the world. A 2019 study by Hay Group found that senior managers in India are paid 11.7 times more than lower-level workers. This is much higher than the global average of 6.4 times. The pay gap may favour the senior management due to skills and experience, demand and supply metrics and the corporate cultures, however, the high pay gap between top management and bottom management in India is becoming a major problem. While it is unfair to lower-level workers who often work long hours and contribute significantly to the company's success, it also leads to resentment and dissatisfaction among employees. 70-hour work week further deteriorates the situation with the ratio of the number of hours and pay worsening further. People arguing against a 70-hour work week believe that companies should first fairly pay their employees based on their skills, experience, and contribution to the company, regardless of their seniority. Companies should offer flexible work arrangements, such as telecommuting and flextime which can help employees to better balance their work and personal lives.

While this is often available to those in senior management, the same is not available to the middle and lower tier of the organisation.

One size doesn't fit all

In the realm of professional pursuits, it's crucial to acknowledge that not everyone is cut from the same cloth. People harbour diverse aspirations, each paving their unique path to success. Expecting all individuals to conform to a standardized working model, whether it's the figurative 70-hour grind or the more balanced 40-hour week, is an oversight. The number of hours put in doesn't necessarily equate to a person's work ethic, and assumptions based on this metric can be misleading. Life is a dynamic journey, and the approach to work should be adaptable. While pushing hard during certain periods may yield substantial results, it doesn't dictate a lifelong commitment to a specific work intensity. It's unreasonable for employers, especially in top corporations, to demand 60+ hours without commensurate compensation. Disparities in work hours and remuneration are both glaring and unacceptable.

A businessperson's commitment to nearly 70 hours a week stems from ambition and a sense of responsibility. Being the first to arrive and the last to leave showcases dedication. However, a key realization is that such a rigorous schedule may not be suitable for everyone on your team. Understanding that individual aspirations differ is paramount. Not everyone shares the same level of ambition or finds fulfilment in the pursuit of professional milestones. Examining the broader landscape, public figures often championing the 70-hour workweek may have different perspectives rooted in varied experiences. Respecting achievers like Narayan Murthy is essential, but it's equally crucial to recognize that their success narratives were shaped in a different era.

Technological advancements, particularly in artificial intelligence and machine learning, have altered the professional landscape, making certain aspects of work more efficient. Achieving significant goals requires dedication and effort beyond the norm, a sentiment echoed by those who have made noteworthy accomplishments. However, it's essential to acknowledge that happiness and contentment can be derived from diverse sources — be it ambitious pursuits or personal hobbies. The insistence on toiling for success should be balanced with an understanding that not everyone aspires to achieve monumental feats. In essence, the choice to work 70 hours a week is just that—a choice. It should not be imposed as a mandate. Recognizing the individuality of aspirations and work preferences creates a more inclusive and supportive professional environment, where success is not measured solely in hours worked but in the holistic well-being and fulfilment of each team member. *(References – Bloomberg, The Hindu Business Line, The Hindu)*

EXPERT OPINION

Greenvissage

Is it time to impose a tax on agricultural income in India?

By Amit Chandak, Managing Partner, Greenvissage

Background

As the sun sets on the fertile fields of India, casting a golden glow over the nation's agricultural landscape, a lingering question emerges from the shadows: Should agricultural income be subjected to taxation? In a nation where the roots of prosperity are deeply embedded in the soil, the idea of taxing the very essence of sustenance has long been a subject of debate. The British, seeking to augment revenue, initiated income taxation in 1860, including agriculture within its ambit. However, their enthusiasm waned as the Zamindari system took hold. This system, marked by the appointment of landlords who controlled vast tracts of farmland, led to the exploitation of small farmers who toiled for meagre returns. The British, realizing the inequities embedded in the system, stepped back from taxing agricultural income. This trend continued even after India gained independence, with princely states and provinces inheriting the authority to determine agricultural taxes. Over the years, attempts to tax agricultural income were made in states like Kerala, Assam, and Uttar Pradesh but were eventually abandoned. The prevailing belief was that farmers, already burdened with the Zamindari system's remnants, would struggle with additional tax obligations. The administrative and political hurdles further dissuaded policymakers, solidifying the status quo. Fast forward to the present, and India finds itself at a crossroads. With advancements in agriculture, rising income levels, and amendments to land ceiling acts, the landscape has evolved. Large swathes of agricultural land are now owned by individuals and corporations, prompting the question: Is it time to impose a tax on agricultural income?

Taxation of agricultural income

The Constitution of India, under Entry 46 of the State List (List II), empowers state governments to levy and collect taxes on agricultural income. The Constitution of India grants the exclusive power to tax agricultural income to state governments. Therefore, in section 10(1) of the Income Tax Act, 1961, agricultural income earned by the taxpayer in India is is exempt from income tax.

Agricultural income is income derived from agricultural operations, including the sale of agricultural produce, according to the Income Tax Act. The definition of agricultural income is specific and pertains to income derived from agricultural activities, such as the cultivation of crops, livestock, or the sale of agricultural produce. Therefore, certain types of income related to agriculture may not qualify for this exemption. For example, income from agro-processing industries or the sale of agricultural land may not be treated as agricultural income for tax purposes. Income from allied agricultural activities, such as poultry farming, dairy farming, and pisciculture, is not considered to be agricultural income and is therefore taxable. Income from allied agricultural activities, such as poultry farming, dairy farming, and pisciculture, is not considered to be agricultural income and is therefore taxable. Therefore, income from the cultivation of crops, sale of agricultural produce, such as fruits, vegetables, and flowers, from the production of milk, eggs, and other livestock products, or from raising poultry and fish is exempt from taxation. Meanwhile, income from the processing or manufacturing of agricultural produce, from the sale of seeds, fertilizers, and pesticides, from the rental of agricultural land, or agricultural tourism is taxable. Since agricultural income is exempt from income tax, individuals engaged in agriculture are usually not required to file income tax returns unless their total income, including non-agricultural sources, exceeds the basic exemption limit.

Why is agricultural income not taxed?

The exemption of agricultural income from taxation in India is rooted in historical, economic, and social considerations. Advocates of this exemption argue that taxing agricultural income could have detrimental effects on the agrarian economy, rural livelihoods, and food security. The exemption traces back to the colonial era when the British, recognizing the significance of agriculture in India, decided to exempt agricultural income from taxation. This approach aimed to encourage agricultural production and ensure food security, considering India's predominantly agrarian economy at the time. Agriculture has traditionally been the backbone of India's economy, providing sustenance to a significant portion of the population. Taxing agricultural income could be seen as a risk to the stability and growth of this crucial sector. On the other hand, agricultural income is highly variable and dependent on factors beyond the control of farmers, such as weather conditions, pests, and market fluctuations. Taxing such unpredictable income might place an undue burden on farmers during challenging years. Further, the agrarian landscape in India is diverse, with a vast majority of farmers owning small and marginal holdings.

Taxing agricultural income could disproportionately affect these small-scale farmers who may already face economic challenges. Many individuals and families in rural areas depend solely on agriculture for their livelihoods. Taxing agricultural income could directly impact the financial well-being of these communities, potentially leading to increased poverty and migration to urban areas. Unlike in urban settings where individuals often have diverse sources of income, rural areas may lack alternative avenues for earning income. Given the pivotal role of agriculture in ensuring food security, policymakers often argue that exempting agricultural income from taxation helps maintain a robust and self-sufficient food production system.

Taxing farmers might be perceived as counterproductive to the goal of achieving food security. Apart from the economic and political concerns, determining the actual income from agriculture is also challenging due to the diverse nature of agricultural practices. Establishing a robust system for verification and monitoring of agricultural income could be logistically complex and costly. Implementing and administering a tax on agricultural income would require significant administrative capacity.

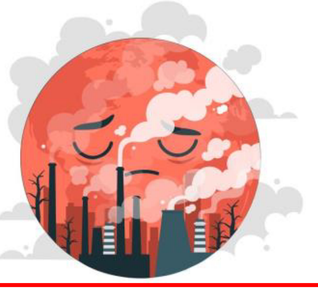
Why is it time to start levying taxes?

At the core of the argument lies the principle of equity. In a nation where all streams of income bear the tax burden, exempting agricultural income creates a dissonance. This exemption breeds horizontal inequality, where individuals with comparable earnings find themselves taxed differently based on the origin of their income. The wheels of progress require funding, and taxing agricultural income emerges as a potential reservoir of resources. The revenue generated could become the lifeblood for investments in education, healthcare, infrastructure, and public goods that stand to benefit the entire nation, including its diligent farmers. The current exemption has become a canvas for tax avoidance strategies. Wealthy individuals exploit this loophole, evading taxes on their non-agricultural income. Taxing agricultural income acts as a check against such practices, fostering a fairer tax landscape and ensuring every citizen contributes their due share. Meanwhile, progressive taxation on agricultural land or revenue could usher in a transformation in land utilization practices. By curbing land hoarding for speculative gains, encourages a more efficient and purposeful use of this precious resource, aligning with sustainable agricultural practices. The myriad agricultural development projects beckon for financial sustenance. Taxing agricultural income emerges as a strategic source to fund these initiatives, reducing reliance on government borrowing and ensuring the holistic development of the agriculture sector.

Echoes from history resonate as we consider the paths of industrialized nations like Japan, China, and the Soviet Union. Taxing agricultural income could become the catalyst for mobilizing resources, propelling India's journey toward industrialization and economic diversification. Verified income tax returns not only legitimize farmers' earnings but also open doors to financial opportunities. Access to loans and financial support becomes more accessible, empowering farmers to invest in their farms, enhance productivity, and break the shackles of financial constraints. Taxing agricultural income could be the impetus for a seismic shift in the dynamics of farmer representation. Encouraging the formation of associations and active participation in policy debates, it empowers farmers to demand accountability and assert their rightful role in shaping the trajectory of development. By incorporating agricultural income into the tax net, the government nurtures a culture of savings among farmers. This not only elevates financial well-being but also acts as a bulwark against poverty, fostering a future where farmers reap the rewards of their hard work. *(References – The Hindu, Times of India, Business Today, The New Indian Express)*

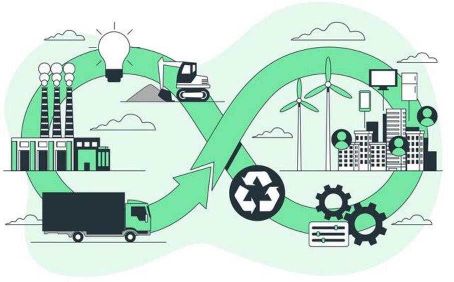
GREENVISSAGE EXPLAINS

Greenvissage



Why is air pollution at alarming levels in India?

India's struggle with air pollution is glaringly evident in the statistics. According to the World Air Quality Report by IQAir, the country ranked eighth in the world for air pollution in 2022, with Delhi retaining its unenviable position as the most polluted capital city for the fourth consecutive year. Alarmingly, 39 out of the 50 most polluted cities globally were in India, with Bhiwadi and Ghaziabad leading the list. The prevalent PM 2.5 particulate matter poses severe health risks, contributing to a significant reduction in life expectancy. Vehicular emissions account for 60% of urban pollution, with India's booming automobile market exacerbating the issue. Poor urban planning focused on widening roads without addressing traffic congestion, leads to increased pollution levels. Unregulated construction emissions contribute to approximately 10% of air pollution in certain regions. Seasonal burning of paddy straw, worsens smog and particulate matter pollution during winters. Diminishing green spaces contributes to pollution, as urban expansion neglects the importance of urban forests, water bodies, and green cover. The impact of air pollution in India is multifaceted, affecting health, the economy, and the environment. Health-wise, pollution-related deaths accounted for 17.8% of all fatalities in the country in 2019, with 1.67 million lives lost. Respiratory infections, cardiovascular diseases, and other health complications plague citizens, significantly reducing life expectancy. Economically, air pollution takes a heavy toll. A report by Dalberg Advisors estimated that achieving safe air quality levels in 2019 could have boosted India's GDP by USD 95 billion, or 3%. Economic losses due to pollution amounted to USD 36.8 billion in 2019, equivalent to 1.36% of the GDP. The economic fallout disproportionately impacts certain states, hindering India's ambition to become a USD 5 trillion economy. The Indian government has undertaken several initiatives to combat air pollution in recent years. These include – Clean Air Action Plan (CAAP) - The CAAP was launched in 2019 to reduce particulate matter concentration in 102 cities by 20-30% by 2024. The plan includes a range of measures, such as stricter vehicular emission standards, promotion of public transportation, and crackdown on industrial pollution. National Air Quality Index (AQI) - The AQI was launched in 2014 to provide real-time information on air quality in major cities across India. This helps people to make informed decisions about their activities and exposure to air pollution. Graded Response Action Plan (GRAP) - The GRAP is a graded set of measures that are implemented in Delhi and the National Capital Region (NCR) depending on the severity of air pollution. The measures include restrictions on vehicle movement, construction activities, and industrial emissions. National Clean Air Programme (NCAP) - The NCAP was launched in 2019 to reduce national PM2.5 and PM10 concentrations by 20-30% by 2024. The plan includes a range of measures, such as source apportionment studies, city-specific action plans, and capacity building. Pradhan Mantri Ujjwala Yojana (PMUY) - The PMUY was launched in 2016 to provide free LPG connections to poor households. This has helped to reduce indoor air pollution, which is a major problem in rural India. The government has also taken steps to promote renewable energy and electric vehicles. The National Electric Mobility Mission 2020 aims to achieve 6 million electric vehicles on Indian roads by 2020. The government has also set a target of 175 GW of renewable energy capacity by 2022. *(References – AQI, Wikipedia, Times of India, NRDC)*



Why is EU's Carbon Border Tax a concern for India?

As the European Union (EU) gears up to implement the Carbon Border Tax (CBAM) from January 1, 2026, concerns are mounting in India about the potential ramifications on its exports. The CBAM, part of the "Fit for 55 in 2030 package," seeks to price carbon emissions associated with the production of specific imported goods. This move aligns with the EU's ambitious plan to reduce greenhouse gas emissions by at least 55% by 2030. However, experts warn that this tax could significantly impact India's exports, particularly in sectors such as steel and aluminium, which constitute a substantial portion of trade with the EU.

The CBAM may elevate the costs and diminish the competitiveness of Indian exports, with projections suggesting a 20-35% tax on select imports into the EU from January 1, 2026. Sectors like steel and aluminium, accounting for a substantial share of India's trade with the EU, are expected to bear the brunt of this tax. The CBAM also introduces significant compliance challenges, necessitating Indian producers and importers to navigate complex administrative and technical processes. Monitoring, calculating, reporting, and verifying emissions according to EU standards present a substantial burden, especially for smaller firms. Further, CBAM is viewed as a non-tariff barrier that contradicts zero-duty Free Trade Agreements (FTAs). This potential clash could pose challenges for India's exports, as it raises questions about the compatibility of the CBAM with existing trade agreements. Meanwhile, the imposition of a carbon tax on imports, based on documented carbon emissions, contradicts the EU and developed nations' commitment to supporting the green transition in other countries. This could result in a flow of funds away from the intended direction, undermining global efforts toward sustainability.

India is urged to take a stand against the CBAM in international forums, emphasizing that such mechanisms undermine the principle of 'common but differentiated responsibility.' This principle acknowledges the varying capacities and responsibilities of developed and developing nations in addressing global challenges. India is also considering the possibility of implementing a similar tax on its exports to the EU. While this approach could potentially balance the tax burden for producers, the challenge lies in whether the EU would accept such a move and if it could be implemented without raising legal questions domestically and internationally. To reduce dependence on the EU market, India is encouraged to explore new opportunities in regions like Asia, Africa, and Latin America. Diversifying export markets strategically can help mitigate vulnerability to the impacts of CBAM and other economic changes. Meanwhile, India also has an opportunity to make its production processes greener and more sustainable. By incentivizing cleaner production, the country can not only remain competitive in a more carbon-conscious future but also contribute to international efforts toward a greener global economy. *(References – The Hindu Business Line, The Economic Times)*

What are Deepfakes and how can we address this menace?

Deepfake refers to synthetic media digitally manipulated to convincingly replace one person's likeness with another. Utilizing advanced techniques from machine learning and AI, such as deep learning and Generative Adversarial Networks (GANs), deep fakes serve various purposes, including entertainment, education, art, and activism. While they can enhance film dubbing, facilitate engaging educational experiences, and spur artistic innovation, deepfakes also present ethical and social challenges, including spreading misinformation, violating privacy, and damaging reputations. In a recent revelation by a fact-checking website, a viral video featuring an actor entering a lift was exposed as a deepfake, triggering widespread debates. The usage of deepfakes for commercial purposes is quite common today. Deepfake technology enables realistic lip-syncing for actors who speak different languages, enhancing accessibility and immersion for global audiences. It can also bring historical figures to life in the classroom, creating interactive simulations to make learning more engaging. Meanwhile, artists can use deepfake technology as a creative tool, experimenting with styles or collaborating with others to promote their work. It also empowers individuals to control their digital identity, protecting privacy and allowing diverse forms of self-expression. Deepfakes can also help to amplify the impact of individuals facing discrimination or censorship, giving a voice to those who need it. The technology aids in reconstructing missing or damaged digital data, enhancing public safety by creating realistic training materials for emergency responders. It can drive innovation in entertainment, gaming, marketing, and other industries, enabling new forms of storytelling and interaction.

However, technology poses far wider challenges than its utility. Deepfakes can be used to purposefully spread false information, influencing public opinion and potentially impacting elections. Designed to harass and undermine individuals, deepfakes can fuel unethical actions like revenge porn, leading to privacy violations and psychological distress. They may be used to fabricate evidence, defrauding the public, harming state security, or manipulating legal proceedings. It can create false images or videos to tarnish an individual's or organization's reputation, leading to reputational and financial losses. The technology can be exploited to impersonate executives or manipulate individuals into revealing sensitive information, resulting in financial losses. As deepfakes continue to evolve, a proactive and holistic regulatory approach is imperative. Draw insights from countries like China and Canada, incorporating measures such as obtaining consent for deepfake technologies and public awareness campaigns to prevent harm. Watermarks on AI-generated videos can aid in detection and attribution, revealing the content's origin and ownership. Online platforms should implement measures to educate users on content policies and deter the upload of inappropriate content. Enhancing deepfake detection technologies, and utilizing sophisticated algorithms and context-based identification methods are some measures that should be taken at a community level. The government also needs to develop clear and consistent laws and policies to define and prohibit the malicious use of deepfakes, ensuring effective remedies and sanctions. *(References – Wikipedia, The Guardian, The Hindu)*

COMPLIANCE UPDATES

Greenvissage

Goods and services tax

Cenvat Credit on Construction Services for Renovation The Central Excise and Service Tax Appellate Tribunal, Ahmedabad (CESTAT Ahmedabad) has ruled that Cenvat credit is available for construction services used in the renovation, modernization, and upgradation of an existing plant. This ruling was passed in the case of General Motors India Private Limited where the appellant had claimed Cenvat credit for construction services used to upgrade its factory premises. The Adjudicating Authority denied the Cenvat credit on the ground that the factory was excluded from the definition of input service. However, the CESTAT Ahmedabad held that the construction services received by the appellant were in respect of the expansion, modernization, and modification of the existing plant, which was not excluded from the definition of input service. The CESTAT Ahmedabad also observed that the construction services had contributed to the enhancement and transformation of the plant, falling within the ambit of modification, renovation, and upgradation. This ruling is a significant development for businesses that are engaged in renovating, modernizing, or upgrading their existing facilities. (CESTAT)

New Form DRC-01C for ITC Reconciliation In a significant move to enhance Goods and Services Tax (GST) compliance, the Goods and Services Tax Network (GSTN) has unveiled Form DRC-01C. This new tool, following the recently incorporated rule 88D of the Central Goods and Services Tax Rules, 2017, specifically addresses Input Tax Credit (ITC) mismatches between GSTR 2B and GSTR 3B filings. Form DRC-01C will serve as a pivotal instrument for businesses and taxpayers to efficiently reconcile ITC discrepancies, promoting accuracy and transparency in GST reporting. Empowered by rule 88D, taxpayers can now use this innovative feature to swiftly rectify inconsistencies between their GSTR 2B and GSTR 3B, ensuring the integrity of their GST records. (GSTN)

GST Collection in October Rises 13% India's Goods and Services Tax (GST) collection in October 2023 rose 13% year-on-year to INR 1.72 lakh crore, making it the second-highest-ever monthly tally, according to data released by the Ministry of Finance. The previous highest monthly collection was INR 1.87 lakh crore in April 2023. The strong GST collection in October is a sign of the resilience of the Indian economy, despite global headwinds. It is also a reflection of the government's efforts to improve tax compliance and reduce evasion. The growth in GST collection was driven by both domestic transactions and imports. Revenue from domestic transactions (including import of services) rose 13% year-on-year in October, while revenue from imports rose 11%. (Business Today)

GST Amnesty Scheme Notified The Indian government has notified an amnesty scheme for filing appeals against Goods and Services Tax (GST) demand orders. The scheme will be open till January 31, 2024, for entities that were unable to submit their appeals by March 31, 2023. Under the scheme, taxpayers can file appeals against orders issued by tax officers on or before March 31, 2023. To opt for the scheme, taxpayers will have to pay a pre-deposit of 12.5% of the tax demand, compared to the current 10%. The amnesty scheme is aimed at facilitating taxpayers who missed the appeal deadline due to administrative errors or unforeseen circumstances. It is also expected to promote enhanced compliance and better cooperation with tax authorities. (Financial Express)

CBIC Clarifies GST Implications for Electricity Charges The Central Board of Indirect Taxes and Customs (CBIC) has clarified the Goods and Services Tax (GST) implications for electricity charges. Electricity charges bundled with renting of immovable property and/or maintenance of premises will be considered a composite supply and taxed at 18% GST, even if billed separately. Electricity charges recovered by real estate owners, residential welfare associations (RWAs), or real estate developers on a pure agent basis will not be considered part of the value of supply and will not be subject to GST. These clarifications apply to real estate companies, malls, airport operators, and other businesses that supply electricity to their lessees or occupants. This will also provide relief to businesses that were previously unsure of the GST implications of their electricity supply arrangements. (Times of India)

(For queries or more information about goods and services tax, contact our colleague Ashish at ashish.gandhi@greenvissage.com)

Income tax

CBDT Amends Rule 14-14B and introduces Form 6D The Central Board of Direct Taxes (CBDT) has amended Income Tax Rule 14-14B and introduced Form No. 6D for furnishing an inventory valuation report. The amendments came into effect on September 28, 2023. The amendments require assessees whose inventory valuation reports are required to be furnished under clause (ii) of sub-section (2A) of section 142 of the Income-tax Act, 1961, to furnish the report in Form No. 6D. Form No. 6D requires the cost accountant to provide information such as the name and address of the assessee, the period for which the inventory is valued, the basis of valuation of the inventory, the value of the inventory at the beginning and end of the period, and any other information that the cost accountant considers relevant. The amendments to Rule 14-14B also include provisions for the remuneration of cost accountants for conducting inventory valuations. This will help the Assessing Officer to better understand the inventory valuation process and to identify any potential errors or discrepancies. (CBDT)

Tax Refund of INR 1,128 Crore to Vodafone Idea In a major win for Vodafone Idea, the Bombay High Court directed the Income Tax (IT) department to refund INR 1,128 crore in taxes paid by the telecom company for the assessment year 2016-17. The court held that the assessment order passed by the IT department in August 2023 was time-barred and unsustainable. The case relates to a petition filed by Vodafone Idea in 2020, challenging the IT department's order to pay INR 1,128 crore in additional taxes. The company had argued that it had already paid all the taxes due for the assessment year 2016-17. The Bombay High Court agreed with Vodafone Idea's arguments and ruled that the IT department had failed to follow the proper procedure in passing the assessment order. The court also directed the IT department to complete the refund process within 30 days. (The Times of India)

Scrutiny of FPIs to Identify Resident Indians Indian tax authorities are investigating foreign institutional investors (FPIs) to identify resident Indians who may be using the FPI route to mask their investments. At least a dozen FPIs have received notices from the income tax department in recent weeks, seeking information on how they raise money, the share of Indian investments in their fund pools, and details of their top investors. The tax department is specifically interested in knowing whether FPIs are being used by resident Indians to evade taxes or launder money. This is especially concerning as India is scheduled to be evaluated by the Financial Action Task Force (FATF), a global body to combat money laundering, this month. The FATF evaluation will assess India's compliance with international anti-money laundering and counter-terrorist financing standards. If India is found to be lacking in these areas, it could face economic sanctions. (Economic Times)

Income Tax Return Filing Hits Record 76.5 Million A record 76.5 million income tax returns (ITRs) were filed for the assessment year 2023-24 (FY23) till the due date of October 31, 11.7% higher than 68.5 million returns filed for FY22 till the respective due date. Further, the total number of ITRs filed this fiscal assessment year stood at 78.5 million, an all-time high again. Around 77.8 million ITRs were filed in FY 2022-23. Out of the 76.5 million ITRs filed for AY 23-24, more than 75.1 million have already been verified. Further, out of the 75.1 million verified ITRs, 71.9 million have already been processed till October 31, meaning almost 96% of the verified ITRs stand processed. (The Economic Times)

FATF Removes Cayman Islands from Grey List The Financial Action Task Force (FATF), an intergovernmental organization that sets anti-money laundering standards, has removed the Cayman Islands from its grey list. This means that the Cayman Islands is no longer subject to increased monitoring by the FATF. The Cayman Islands was placed on the grey list in 2021 due to concerns about its anti-money laundering and counter-terrorist financing framework. However, the FATF has now concluded that the Cayman Islands has made significant progress in addressing these concerns. The removal of the Cayman Islands from the grey list is a positive development for the global private equity industry. Many PE funds invest through Cayman Islands-based entities, and the greylisting has created additional compliance burdens for these funds. (Business Standard)

Applicability of MFN for Taxation The Supreme Court of India delivered a significant judgment on the applicability of the Most Favored Nation (MFN) clause in India's tax treaties. The MFN clause is a provision in a tax treaty that ensures that a country will provide the same or more favourable tax treatment to residents of another country as it provides to residents of any third country. The Supreme Court held that to invoke the MFN clause, a notification under Section 90(1) of the Income Tax Act is mandatory. The Court also held that the beneficial treatment agreed with a third country can be applied by invoking the MFN clause, only if the third country was a member of the Organisation for Economic Co-operation and Development (OECD) at the time of signing its tax treaty with India. The Supreme Court's judgment has implications for both foreign and domestic taxpayers. For foreign taxpayers, the judgment means that they will not be able to automatically claim the benefit of the MFN clause unless a notification has been issued by the Indian government. For domestic taxpayers, the judgment means that they will be liable to pay taxes on interest income on refunds from third countries, even if the benefit of the MFN clause is available for such income. (Business Standard)

360-Degree Profiling of HNI Taxpayers The Income Tax Department has initiated 360-degree profiling of high-net-worth individuals (HNIs) with reported or likely annual income exceeding INR 1 crore, in a bid to crack down on tax evasion. This exercise involves scrutinizing their investment patterns, expenditures, and income sources. The department is concerned that the cut in the highest tax rate on personal income from 42.74% to 39% in Budget FY24 has not curbed tax evasion among HNIs. In FY23, only 2.61 lakh taxpayers showed annual taxable income of more than INR 1 crore in their tax returns, while the actual number of individuals with such income is estimated to be much higher. The department is using a variety of data sources to identify HNIs who may be underpaying their taxes, including information from banks, financial institutions, and real estate registries. It is also using data analytics to identify patterns and anomalies in income and expenditure data. Once the profiling exercise is complete, the department will send notices to those who have under-reported their income. (Financial Express)

Equilization levy may be replaced from FY26 India is set to replace its 'Google Tax' with the OECD's 2-Pillar Solution from the financial year 2025-26 (FY26). The 2-Pillar Solution is a global agreement that aims to reform international taxation rules and ensure that multinational enterprises (MNEs) pay their fair share of taxes wherever they operate. The first pillar of the 2-Pillar Solution will introduce a new profit allocation rule for MNEs, which will allocate a portion of their profits to market jurisdictions based on their sales. The second pillar will introduce a global minimum tax rate of 15% on MNEs. The Indian government has stated that the 2-Pillar Solution is a significant step forward in reforming international taxation rules. The government believes that the new solution will ensure that India receives a fair share of taxes from MNEs and will also help to reduce tax avoidance by these companies. The Indian government has also stated that the 2-Pillar Solution will be implemented in a phased manner, with the first pillar being implemented in FY26 and the second pillar being implemented in FY27. (Financial Express)

70% of Taxpayers Opted for New Income Tax Regime The Central Board of Direct Taxes (CBDT) Chairman, Nitin Gupta, announced on Tuesday that nearly 70% of individual taxpayers have opted for the new personal income tax (PIT) regime. This is a significant increase from the previous year when only a small percentage of taxpayers switched to the new regime. The new PIT regime was introduced in the Union Budget 2020-21, and it offers lower tax rates in exchange for giving up certain exemptions and deductions. The government has made the new regime the default option for taxpayers from the current fiscal year, to encourage more people to adopt it. Gupta said that the government's efforts to promote the new PIT regime have paid off and that the high adoption rate is a sign that taxpayers are embracing the new system. He also added that the new regime is simpler and more transparent than the old one and that it will make it easier for taxpayers to comply with their tax obligations. The adoption of the new PIT regime is a positive development for both the government and taxpayers. The government will be able to collect more tax revenue without having to raise tax rates, while taxpayers will benefit from lower taxes and a simpler tax system. (Financial Express)

The due date for filing Form 10-IC for FY 2021 extended The Income Tax Department has extended the deadline for businesses to claim a lower corporate tax rate without incentives for FY 2021 to January 31, 2024. Companies that opted for the lower tax rate of 22% plus any applicable surcharge and cess, but did not file form 10-IC with their tax return, can now do so by the extended deadline. To be eligible for the lower tax rate, companies must not avail of specified deductions and incentives. The decision to extend the deadline comes after the department received requests for relief from businesses that had missed the original deadline. (Livemint)

(For queries or more information about income tax, contact our colleague Sneha at sneha.halder@greenvissage.com)

Customs and foreign trade

Non-Basmati White Rice Export to UAE Approved by DGFT In a historic move, the Directorate General of Foreign Trade (DGFT) has given the green light for the export of a whopping 75,000 metric tons of non-basmati white rice to the United Arab Emirates (UAE) through the National Cooperative Consumers' Federation of India Ltd (NCCF). This decision marks a significant milestone in India's agricultural exports, showcasing the country's prowess in meeting international demand for rice. The NCCF's approval as the designated agency for this substantial export further underscores the commitment to streamline trade processes and promote efficiency. This record-breaking shipment is poised to strengthen economic ties between India and the UAE while bolstering the global standing of Indian agricultural products. (Zee Business)

Global Campaign to Combat Counterfeiting and Piracy The United Nations (UN), under the auspices of the UN Office on Drugs and Crime (UNODC), has launched a global campaign to raise awareness about the dangers of counterfeit goods and their link to organized crime. The campaign, called 'Counterfeit: Don't Buy Into Organized Crime', is centred around a Public Service Announcement (PSA) entitled 'Look Behind.' The PSA will be shown on the NASDAQ screen in New York's Times Square and aired on several international television stations. The campaign aims to educate consumers about the harmful effects of counterfeiting, including the dangers of counterfeit goods, the links between counterfeiting and organized crime, and the importance of supporting legitimate businesses. (World Customs Organization)

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Corporate and allied laws

Partners with 10% Stake to be Considered Beneficial Owners To strengthen anti-money laundering (AML) measures, the Securities and Exchange Board of India (SEBI) has amended its guidelines to include partners with a 10% stake in a firm under the definition of beneficial owners. Earlier, the threshold for ownership was 15%. The new guidelines, which came into effect on November 11, 2023, also specify that the beneficial owner of a partnership firm is the one who has ownership of or entitlement to more than 10% of the capital or profits of the partnership, or who exercises control through other means. The SEBI's new guidelines are expected to make it more difficult for criminals to use the securities market to launder money. The guidelines will also help SEBI to better identify and track beneficial owners, which is essential for preventing money laundering and other financial crimes. (Money Control)

MHA amends foreign contribution rules In a significant development, the Ministry of Home Affairs (MHA) has introduced amendments to the Foreign Contribution (Regulation) Rules, requiring non-governmental organizations (NGOs) to disclose their assets more comprehensively. The revised rules stipulate updated forms for reporting, ensuring a more transparent and detailed account of the assets held by NGOs. These amendments aim to strengthen the oversight of foreign contributions and enhance accountability in the sector. NGOs operating in India are now obligated to adhere to the modified reporting requirements, providing a clearer picture of their financial holdings. The MHA's initiative underscores the government's commitment to promoting transparency and preventing misuse of foreign contributions in the country's non-profit sector. (The Hindu)

MCA Extends Virtual AGMs and EGMs Facility until September 2024 The Ministry of Corporate Affairs (MCA) has extended the facility of holding annual general meetings (AGMs) and extraordinary general meetings (EGMs) through video conferencing (VC) or other audio-visual means (OAVM) until September 30, 2024. This is a major relief for Indian companies, as it will allow them to continue to hold their AGMs and EGMs in a virtual format, even after the COVID-19 pandemic has subsided. The MCA issued a circular on September 25, 2023, clarifying that all companies whose AGMs are due in the year 2023 or 2024 can conduct them through VC or OAVM on or before September 30, 2024. The circular also allows companies to hold their EGMs through VC or OAVM and transact items through postal ballot till the end of September 2024. To hold a virtual AGM or EGM, companies must comply with certain requirements, such as - the notice of the meeting must clearly state that the meeting will be held through VC or OAVM, the company must use a secure and reliable VC or OAVM platform, the company must provide all members with an opportunity to participate in the meeting and vote on resolutions, the company must keep a record of the meeting and voting results. (Ministry of Corporate Affairs)

(For queries or more information about corporate and allied laws, contact our colleague Adnan at adnan.ginwala@greenvissage.com)

Finance and banking

Financial institutions to display information under SARFAESI The Reserve Bank of India (RBI) has directed financial institutions to display information on secured assets possessed under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) on their websites. The information must be displayed in the prescribed format and updated every month. The RBI has given financial institutions six months to comply with the directive. This directive is a part of the RBI's efforts to improve transparency and accountability in the financial sector. The SARFAESI Act empowers financial institutions to recover their dues by taking possession and selling the secured assets of defaulting borrowers without the intervention of a court of law. The RBI's directive to financial institutions to display information on secured assets possessed under the SARFAESI Act is good news for borrowers. It will make it easier for borrowers to track the status of their recovery cases and ensure that their rights are protected. If a borrower finds that their secured assets have been taken possession of under the SARFAESI Act without due notice or process, they can challenge the action of the financial institution in the Debts Recovery Tribunal. (Reserve Bank of India)

Linking UPI with Japan's PayNow Reserve Bank of India (RBI) Governor Shaktikanta Das has pitched the idea of linking India's Unified Payments Interface (UPI) with Japan's fast payment system PayNow to make cross-border payments more efficient and cost-effective. Das proposed at the Symposium on Indian Economy 2023 in Tokyo. He said that linking the two payment systems would leverage the power of fintech and make cross-border payments more efficient and less costly. Das also noted that such a linkage would help to promote trade and investment between India and Japan. If the linkage between UPI and Japan's fast payment system is successful, it would be a significant step forward for cross-border payments. UPI is one of the most popular digital payment systems in the world, with over 600 crore transactions processed in September 2023. Linking UPI with Japan's fast payment system would make it easier and cheaper for people in both countries to send and receive money. (Economic Times)

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Accounting and management

In Focus: Green Shoe Option

The Green Shoe Option, also known as the over-allotment option, is a provision in an underwriting agreement that allows the underwriters to purchase additional shares of common stock from the issuing company after the initial public offering (IPO) has been priced. This option is typically exercised if the IPO is oversubscribed, meaning that there is more demand for the shares than there are shares available.

Suppose a company is planning to go public and offer 10 lakh shares of common stock in its IPO. The underwriters believe that the IPO will be oversubscribed, so they negotiate a Green Shoe Option with the company. The Green Shoe Option gives the underwriters the right to purchase an additional 1.5 lakh shares of common stock from the company at the IPO price. If the IPO is oversubscribed, the underwriters may exercise the Green Shoe Option to sell the additional shares. This would allow the underwriters to meet the excess demand from investors and stabilize the price of the stock after the IPO.

The Green Shoe Option can stabilize the price of a stock after an IPO in multiple ways. First, it gives underwriters the ability to sell more shares if the demand is high. This can help to prevent the stock price from rising too quickly, which could lead to a bubble. Second, the Green Shoe Option gives underwriters the ability to buy back shares if the price falls too low. This can help to support the stock price and prevent a panic sell-off. Third, the Green Shoe Option signals to investors that underwriters are confident in the stock. This can help to boost investor confidence and demand for the stock.

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Payroll and personal finance

- **SEBI Extends Timelines for Demat and Trading Accounts**

In a recent development, the Securities and Exchange Board of India (SEBI) has announced an extension of timelines related to the dematerialization (demat) of securities and the operation of trading accounts. This move comes as part of SEBI's ongoing efforts to streamline processes and facilitate a smoother experience for market participants. The circular issued by SEBI outlines the extended timelines for various activities, including the conversion of physical shares into demat form and the submission of documents for account opening. The extension is a response to the challenges faced by investors and market entities, considering the disruptions caused by the global pandemic. (Outlook India)

- **New TCS Rules for Foreign Travel from October 1, 2023**

Starting from October 1, 2023, new Tax Collection at Source (TCS) rules will come into effect, impacting travellers planning to travel abroad. The most significant change is that the TCS rate on overseas tour packages has been increased from 5% to 20% for any amount above INR 7 lakh. However, the 5% rate will continue to prevail if the total cost of the package is under INR 7 lakh. The TCS threshold for all categories of Liberalised Remittance Scheme (LRS) payments has been restored to INR 7 lakh per financial year per individual. TCS will now be applicable on all overseas remittances made through debit and credit cards, as well as cash and wire transfers. TCS will not be applicable on payments made for medical and educational expenses abroad. It is important to note that the new TCS rules will apply to all foreign trips booked after October 1, 2023, even if the travel dates are after that date. Therefore, it is advisable to plan your foreign trip carefully and take the necessary steps to reduce your TCS burden. (The Economic Times)

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BUSINESS NEWS

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Government

Lithium Discovery in Jharkhand In a significant development, India has made a breakthrough lithium discovery in the state of Jharkhand, signalling a potential boost for the country's green energy initiatives. The discovery is expected to play a crucial role in meeting the rising demand for lithium, a key component in batteries for electric vehicles and renewable energy storage. This finding aligns with India's commitment to sustainable energy solutions and reducing dependence on fossil fuels. (Money Control)

Government bans 22 Betting Apps including Mahadev The Indian government has banned 22 betting apps and websites, including the controversial Mahadev Book Online, following investigations by the Enforcement Directorate (ED). The ED is probing allegations that the promoters of the Mahadev app had facilitated an INR 508 crore payment to a politician, believed to be Chhattisgarh Chief Minister Bhupesh Baghel. The government issued blocking orders against the apps and websites under Section 69A of the Information Technology Act, which allows it to block online content that poses a threat to national security, sovereignty, and integrity. The ED's investigation revealed that the Mahadev app was operating illegally and was being used for money laundering and other criminal activities. The other apps and websites that have been banned include Reddyannaprestopro, Betway, 1xBet, and 22Bet. The government has also directed internet service providers (ISPs) to block access to these apps and websites. The ban on betting apps and websites is a welcome move by the government. Online betting has become a major problem in India, with millions of people addicted to it. Online betting can lead to financial ruin and social problems. The government's ban will help to curb the problem of online betting and protect people from its harmful effects. (The Times of India)

Economies

JP Morgan Upgrades India to Overweight JP Morgan has upgraded India equities to Overweight from Neutral and added Sun Pharmaceuticals Industries Ltd, Bank of Baroda Ltd, and Hindustan Unilever to its EM model portfolio. The global brokerage cited strong emerging market nominal GDP compounding, competitive risk-adjusted returns to developed market equities, and a deeper domestic bond market that should support lower risk premia as reasons for its upgrade. JP Morgan also noted that India offers the strongest emerging market nominal GDP compounding due to its demographic trends and infrastructure investment needs. The brokerage also believes that India has competitive risk-adjusted returns to developed market equities. The addition of Sun Pharmaceuticals, Bank of Baroda, and Hindustan Unilever to JP Morgan's EM model portfolio is a bullish signal for the Indian stock market. These companies are leaders in their respective sectors and are well-positioned to benefit from India's long-term economic growth. (Business Today)

US Federal Reserve Pauses Rate Hikes The US Federal Reserve signalled that it is done raising interest rates for now, but it also warned that the risk of a recession is rising and that it may need to keep rates high for longer than expected. In a statement after its two-day policy meeting, the Fed said that it "expects that ongoing increases in the target range will be appropriate" to bring inflation down to its 2% target. However, the Fed also said that it "will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments." The Fed's statement was more cautious than its previous statements, which had led markets to believe that the central bank was on a path to aggressive rate hikes. However, the Fed's new stance reflects the growing concern among economists and policymakers that the US economy is headed for a recession. (Reuters)

Corporates

Tata Motors Divests 9.9% Stake in Tata Technologies Tata Motors Limited (TML) has successfully sold a 9.9% stake in Tata Technologies, generating proceeds of INR 1,613 crore. This strategic move aligns with Tata Motors' ongoing efforts to optimize its portfolio and streamline its business operations. The divestment in Tata Technologies is part of Tata Motors' broader strategy to enhance financial efficiency and focus on core areas. The transaction, valued at approximately USD 2 billion, is expected to contribute to Tata Motors' financial resilience and future growth initiatives. This divestiture marks a significant development in Tata Motors' corporate strategy, allowing the company to reallocate resources strategically and strengthen its position in the dynamic automotive landscape. Tata Technologies is a leading global engineering services company that provides services to the automotive, aerospace, industrial machinery, and other industries. The company has a strong track record of innovation and has helped its clients develop and launch new products and services. (Business Standard)

Axis Bank Introduces India's First Numberless Credit Card Axis Bank, one of India's largest private sector banks, has launched the country's first numberless credit card in partnership with fintech startup Fibe. The card called the Fibe Axis Bank Credit Card, offers enhanced security as it doesn't have a card number, expiry date, or CVV printed on it. This reduces the risk of identity theft or unauthorized access to customers' card details ensuring absolute security and privacy. Customers can easily access their Fibe Axis Bank Credit Card details on the Fibe app, giving them complete control over their information. To make a payment, customers can simply generate a one-time use (OTP) token on the app and share it with the merchant. The card also supports tap-and-pay for added convenience. The Fibe Axis Bank Credit Card is powered by RuPay and can be linked to UPI, making it easy to make payments both online and offline. The card also offers several other benefits, including up to 3% cashback on all spends, zero joining fees and annual fees for a lifetime, and complimentary travel insurance. (Times of India)

Reliance Industries Unveils Landmark Bond Issue Reliance Industries has announced its largest-ever bond issue aiming to raise substantial capital. The conglomerate plans to issue bonds worth INR 20,000 crores, marking a crucial moment for the company's financial strategy. This issuance is the biggest ever by a non-entity BFSI firm and will have a base size and a green shoe option of INR 10,000 crore each. The bonds will have a 10-year maturity as per CRISIL and Care ratings. This decision aligns with Reliance's ongoing efforts to strengthen its financial position and fund various expansion projects. The bond issue is expected to attract considerable attention from investors, given the company's reputation and market standing. This development comes at a time when the business landscape is evolving rapidly, and companies are exploring diverse funding avenues. (Economic Times)

Ambani Siblings Approved for RIL Board by Shareholders Shareholders of Reliance Industries Ltd (RIL) approved the appointment of Isha Ambani, Akash Ambani, and Anant Ambani as non-executive directors on the company's board. This decision comes despite concerns raised by some proxy advisory firms about the appointment of Anant Ambani, the youngest of the three siblings, due to his age and limited experience. Isha and Akash Ambani received over 98% of the votes in favour of their appointments, while Anant Ambani received 92.75% of the votes. This overwhelming approval from shareholders reflects their confidence in the next generation of leadership at RIL. The Ambani siblings have all been involved in Reliance's businesses for several years. Isha Ambani is the Director of Reliance Retail, while Akash Ambani is the Director of Jio Platforms. Anant Ambani is the Director of Reliance New Energy Solar. (Hindustan Times)

SAT clears decks for Punit Goenka to resume helm at Zee The Securities Appellate Tribunal (SAT) set aside an order of the Securities and Exchange Board of India (SEBI) barring Zee Entertainment Enterprises Ltd. CEO Punit Goenka from holding any key managerial position in the media house or any other company. The SEBI order was passed in August 2023 over allegations that Goenka and his father, Zee founder Subhash Chandra, had siphoned off company funds. The SAT directed Goenka to cooperate with SEBI in its investigation, but the order cleared the way for him to resume his position as CEO of Zee. This is a significant development, as Zee has been trying to consummate a planned merger with the Sony Group's Indian unit since 2021. The National Company Law Tribunal (NCLT) approved the merger in August, but it has been delayed due to regulatory approvals and objections from financial creditors of Zee promoters. The SAT order is a victory for Goenka and Zee, and it is likely to pave the way for the completion of the merger.

The merger would create a USD 10 billion company, which would be one of the largest media companies in India. (The Hindu Business Line)

Startups

CRED Introduces Garage, a Vehicle Management Service CRED, the innovative credit card payment platform, has launched 'CRED Garage' a new vehicle management service. The platform aims to provide users with a comprehensive solution for managing their vehicles, including maintenance reminders, service tracking, and expense management. This move diversifies CRED's offerings beyond its primary credit card payment focus, providing users with added value in their day-to-day lives. (The Economic Times)

Groww Surpasses Zerodha as India's Largest Stockbroker In a notable shift, Groww has overtaken Zerodha as India's largest stockbroker. This milestone reflects the growing popularity of Groww's user-friendly investment platform. Groww, a Bengaluru-based fintech startup, has overtaken Zerodha as the top brokerage in India in terms of active investors, according to data released by the National Stock Exchange (NSE). As of the end of September 2023, Groww had 6.63 million active investors, while Zerodha had 6.48 million. This is a significant milestone for Groww, which has seen rapid growth in recent years. Discount brokers like Groww and Zerodha have disrupted the traditional market by offering low-cost and hassle-free trading services. (Live Mint)

Swiggy Hikes Platform Fee to INR 3 Food delivery giant Swiggy has increased its platform fee for food orders from INR 2 to INR 3, effective October 4, 2023. The fee is charged on top of the delivery fee and applies to all customers, including those subscribed to Swiggy One, the company's loyalty program. The increase in platform fees is likely to have a mixed impact on customers and restaurants. For customers, it could mean higher prices for food orders. For restaurants, the increase in platform fees could mean lower margins. Swiggy already charges a commission of up to 30% on food orders, and the increase in platform fees will further reduce the amount of money that restaurants make on each order. The increase in platform fees comes at a time when the food delivery industry is facing increasing competition. Zomato, Swiggy's main rival, also charges a platform fee of INR 3 for food orders. Additionally, new players such as Amazon Food and BigBasket Food are entering the market with lower commissions. (Inc 42)

MojoCare Board Chooses Fund Return to Investors MojoCare, a prominent player in the technology sector, has made a strategic decision to return funds to its investors. The board of MojoCare reached this conclusion, reflecting a significant development in the company's financial strategy. This move is indicative of the company's commitment to transparency and responsiveness to market dynamics. The decision to return funds is likely driven by a careful evaluation of MojoCare's current financial standing and market conditions. By returning funds to investors, MojoCare aims to realign its financial resources and optimize its strategic direction. This development is poised to impact the technology landscape, with stakeholders closely monitoring MojoCare's next steps in light of this decisive move. (The Economic Times)

Nazara Technologies Launches Publishing Platform for Game Developers Nazara Technologies, a leading Indian gaming and sports media company, has launched a new game publishing division called Nazara Publishing. The platform is dedicated to launching high-quality games for both the Indian and global markets. Nazara Publishing will invest a minimum of ₹1 crore per game and aims to launch up to 20 games over the next 18 months. The company will collaborate with both Indian and global developers to adapt and introduce their games to the extensive gaming community in India, as well as publish games created by Indian developers worldwide. Nazara Technologies CEO and Joint MD Nitish Mittersain said that the company is committed to nurturing both Indian and global game developers, providing them with the resources, expertise, and network to deliver top-tier gaming experiences to India's vast audience. (CNBC TV18)

Conglomerates

UAW secures groundbreaking labour deal The United Auto

Workers (UAW) union has announced a groundbreaking tentative labour contract with Ford, potentially marking the most significant gains for unionized auto workers in decades. The proposed deal includes a substantial 25% pay increase over the four-year contract period, reinstates cost-of-living adjustments that were previously suspended, and accelerates the timeline for new workers to achieve the highest wage of $40 per hour for assembly workers by the end of the contract. The negotiations, led by UAW President Shawn Fain, involved a strategic and unconventional "targeted strike" approach against the Big Three Detroit automakers—Ford, GM, and Stellantis—initiated in September. Fain's tactics, resembling the Joker's chaos-inducing methods, aimed to maximize disruption for automakers. After almost six weeks of intense negotiations and public sparring between Fain and carmaker CEOs, the UAW claims victory with a contract that includes unprecedented gains. The deal now awaits approval from local UAW leaders and a simple majority vote by Ford's union-represented workers for ratification. With the Ford contract settled, the UAW shifted focus to intensify negotiations with GM and Stellantis, applying pressure through calls for strikes at key facilities. (Bloomberg)

■ **Meta Cuts 11,000 Jobs** Meta Platforms, the parent company of Facebook, Instagram, and WhatsApp, announced on Wednesday, November 9, 2022, that it would be cutting more than 11,000 jobs, or 13% of its workforce. This is the company's first major job cut since it was founded in 2004. The layoffs come as Meta faces several challenges, including a slowing advertising market, rising costs, and increased competition from TikTok and other rivals. The company is also investing heavily in its metaverse ambitions, which is a risky bet that has yet to pay off. The layoffs will affect employees across all levels and functions at Meta. The company said that it would be providing severance packages to affected employees, including 16 weeks of base pay and two additional weeks for every year of service. Meta will also be vesting any remaining restricted stock units and providing six months of healthcare coverage. (Reuters)

ECONOMIC INDICATORS

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ECONOMIC INDICATORS

Key Economic Indicators

Indicator	As on	Current	Prior
GDP Growth (%)	Jun-23	7.80	6.10
Inflation (%)	Sep-23	5.02	6.83
Unemployment (%)	Sep-23	7.10	8.10
Trade Balance ($m)	Sep-23	(19.37)	(24.20)
Business confidence	Oct-23	135.00	132.00
Manufacturing PMI	Oct-23	55.50	57.50
Services PMI	Oct-23	58.40	61.00

Commodities Future

Commodity	Expiry	Price	%
Gold	Dec-23	60,149.00	4.47
Silver	Dec-23	71,105.00	1.77
Crude Oil	Nov-23	6,353.00	(15.78)
Natural Gas	Nov-23	252.60	2.43
Aluminum	Nov-23	206.00	(2.90)
Copper	Nov-23	703.10	(2.71)
Zinc	Nov-23	227.90	(2.19)

Global Indices

Index	Country	%
NIFTY 50	India	(2.26)
BSE SENSEX	India	(2.67)
INDIA VIX	India	1.05
NIFTY BANK	India	(1.97)
DOW JONES	USA	0.26
NASDAQ	USA	(1.01)
S&P 500	USA	(0.68)
FSTE 100	UK	(2.16)
NIKKEI 225	Japan	1.84
SHANGHAI COM	China	(1.28)
MOEX	Russia	1.43
CAC 40	France	(0.26)
DAX	Germany	(0.70)
S&P ASX 200	Australia	(1.51)
BOVESPA	Brazil	1.69
KOSPI	South Korea	(1.60)
HANG SENG	Hong Kong	(3.59)

Currency Exchange Rates

Pair	Current	Prior	%
INR/1 USD	83.28	83.06	(0.27)
INR/1 GBP	102.31	101.67	(0.63)
INR/1 EUR	89.17	87.94	(1.41)
INR/100 YEN	55.16	55.81	1.16

Cryptocurrencies

Pair	Crypto	Price	%
BTC/USD	Bitcoin	36,727.40	36.04
ETH/USD	Ethereum	1,924.76	14.42
USDT/USD	Tether	1.00	0.01
BNB/USD	Binance	249.00	15.55

Small Savings Schemes

Scheme	Current	Prior	%
SSCS	8.20	8.20	-
SSA	8.00	8.00	-
NSC	7.70	7.70	-
PPF	7.10	7.10	-
KVP	7.50	7.50	-

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