EVERYTHING THAT CONCERNS YOUR MONEY

THE GREEN DIGEST

PAGES 16 | DECEMBER 2020 | 66 MINUTES

FIXING

SOMETHING THAT AIN'T BROKEN

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Tata Bank, Birla Bank, Ambani Bank or State Bank – Where would you like to keep your money?

In 2016, Jio entered the country's telecom sector. Unlike other business startups, the company had abundant finances to support not just its expensive telecom infrastructure and license but also to offer deep discounts at its own cost to topple the market. As per March 2020 statistics, Jio Infocomm holds more than 50% of the telecom market – a feat that it has achieved within a period of four years, in a sector which ain't funny. Besides, disruption caused by Jio led to the exit of various other service providers who could not survive the competition, leaving the country's telecom network at the hands of a few mighty corporates and corporate houses. Some might take pride in having one of the richest billionarie of the world from our country, however, the standard of living of the balance billion people explains the income disparity in our country. If a company led by one family can disrupt the entire telecom sector of a country, can we have a peaceful night sleep, if our money is held by these same people?

Over the past few years, we have seen many co-operative banks collapse. The Non-Performing Assets (NPAs) are piling, bad loans have become a trend and scams have exposed the corruption in our banking system. Meanwhile, India is turning digital. The growth in digital transactions has been unprecedented in the past decade. Thus, our banking system needs to be strengthened for the economy to stay stable over time. So thought the Government and Reserve Bank of India. Thus, the RBI constituted an Internal Working Group (IWG) on June 12, 2020, to review existing guidelines and corporate structure of the Indian banking system. The IWG came up with the following recommendations:

1. 1. The cap on the promoters' stake in the long run (15 years) be raised from 15 per cent to 26 per cent of the paid-up voting equity capital
2. A uniform cap of 15 per cent of the paid-up voting equity capital for non-promoters
3. Large corporate/industrial houses are allowed as promoters of banks after necessary amendments to the Banking Regulation Act, 1949 (to prevent connected lending and cross exposures between banks)
4. Well-run large Non-banking Financial Companies (NBFCs), with asset size of INR 50,000 crore and above be considered for conversion into banks after completion of 10 years of operations and due diligence.

5. For payments banks intending to convert to Small Finance Bank, three years of experience as Payments Bank be considered sufficient.
6. Small Finance Banks and Payments Banks be listed within 6 years from the date of reaching net worth equal to prevalent entry capital requirement for banks or 10 years from the commencement of bank, whichever is earlier.
7. Minimum initial capital requirement for licensing new banks to be enhanced from INR 500 crore to INR 1,000 crore for banks, and from INR 200 crore to INR 300 crore for small finance banks.
8. Non-operative Financial Holding Company (NOFHC) should continue to be the preferred structure for all new licenses.
9. Once the NOFHC structure attains a tax-neutral status, all banks licensed before 2013 to move to the NOFHC structure within 5 years from the announcement of tax-neutrality.
10. Concerns about banks undertaking different activities through Subsidiaries/Joint Ventures/Associates be addressed through suitable regulations.
11. Take steps to harmonize and bring uniformity in different licensing guidelines

The report with the above recommendations has been placed on the RBI website for comments of stakeholders and members of the public. However, the move has already publicly received flakes from all directions, especially the former RBI Governor Raghuram Rajan.

Why the recommendations are expected to hurt more than benefit?

Former RBI Governor Raghuram Rajan and Deputy Governor Viral Acharya have listed two key reasons why corporates should not be allowed to into banking sector:

Risky Lending – According to Raghuram Rajan, Corporates can get lending without any questions asked by an in-house bank e.g. Reliance Bank financing Reliance Jio. While the Government may place an independent working committee to handle the operations, it would still be incapable of covering the loophole. Besides, if corporates handle finance of the country, they may put political pressure on the central bank. According to the duo, if sound regulation and supervision were a complete solution to the entire problem, India would have never had a bad loan problem.

Concentration of Power – It's pretty straightforward that the banks with corporate promoters can easily concentrate economic and political powers and exploit the same. Viral Acharya highlighted instances of promoters turning rogue after receiving the license, owing to self-lending opportunities. Money power would gain more importance in politics and make the country to fall to authoritarian cronyism, according to the duo.

Why does the timing of the proposal feel fishy?

There hasn't been any major change in the banking system of the country – problems which have unearthed now have been known for a while. Forming an Internal Working Group (IWG) out of blue, especially when a major corporate house in the in the country is making big moves, places the entire move under question. At present corporates can set up a payments bank in India e.g. Paytm, Airtel, etc already have their payments bank in functioning. The need for extending full banking licenses to the corporate houses is unprecedented and clearly without need.

Rating agency S&P Global has also commented that it is skeptical of the move, given India's weak corporate governance and corporate defaults. R Gandhi, former Deputy Governor of Reserve Bank of India has also raised concerns over the move, if the money collected by such banks will be diverted to the benefit of the corporate house. It is important to ringfence the promoter from the operations of bank.

Converting NBFCs into Banks

Around half of the finance companies with assets over INR 50,000 crore meet the criteria for conversion into full banks. Amongst the top 10 finance companies, Aditya Birla Capital, Bajaj Finance, L&T Finance Holdings, Mahindra Finance, Piramal and Tata Capital are already part of a corporate house. HDFC, LIC, PNB already have finance companies as well as banks in their group. However, a big challenge for the NBFCs is to maintain a high statutory liquidity ratio of 18% and the cash reserve ratio of 4% which not all non-banking companies would be happily able to maintain.

The Public vs Private Saga

According to the latest data released by the Reserve Bank of India, Public sector banks have lost their market share in lending as well as deposits over the past 5 years. The public banks had 74.25% market share in the loans in 2015 while the same in 2020 has dipped to 59.8%. Similarly, Public sector banks had 76.26% market share in deposits which has dipped to 64.75% in 2020. The private sector banks display an exactly opposite story with rise in loans and deposits, as two new full license banks – Bandhan Bank and IDFC First Bank have been operational along with 10 other small finance banks.

The question that remains unaswered? – Why?

Considering how the banking system has been growing better over the years, the question which still doesn't have an answer is Why do we need the Corporates into banking sector? In fact, do we even need any new banks?

(This article was contributed by the editorial team.)

65,92,05,00,00,00,000

Total annual revenue of Reliance Industries

49.8%

1,32,36,79,00,00,00,000

Total annual revenue of all Commercial Banks in India

When income tax department raids your place !

By Amit Chandak, Associate Director, Greenvissage

On a fine morning, you are on your bed, half asleep, lazing around wishing if somebody could drop by your favourite coffee along with the Newspaper to read. When you hear the birds chirping happily, you look around to find mesmerizing sunbeams all around in the room.

You peep in through the window of your room, to find the Sun, not much high in the sky, gazing and smiling at you with all its warmth and the light. Suddenly the doorbell rings. You look at the clock. It's 8:00 am - too early for guests to visit. Whom could it be then? You keep guessing until you reach the door and open it… only to end up ruining your sunny morning.

"We are from the Income Tax Department. We have a search warrant to search your property." You find a large team of officers standing in front of you, who are going to take away the earnings of your life. This is an Income Tax raid! In India, even the honest taxpayers fear the Income Tax department & their raids, owing to two primary contentions –

1. The income tax law is so complex that it is always possible to miss out on some points;
2. This is India, if you are a common man, anything can happen to you.

However, this is not true. That's the reason why, even an honest taxpayer gets tangled in unwanted legal problems, just because of the panic situation that gets created at the time of the IT raid, instead of cooperation. This is mainly due to ignorance of knowledge concerning the legal rights and duties of a person, during an IT raid.

Not all visits are Raids ...

Income Tax Department can visit your premises for two kinds of legal purposes – first is Survey, where the officers merely visit to collect information, check cash balances or the stock; while the second is Search & Seizure, commonly known as Income Tax raid, which is aggressive and the officers may carry or seize any illegal income, wealth or documents. However, both are surprise visits.

When the IT Department does not have much information about your business but is merely suspicious, they carry out the survey, to collect important information. While Search & Seizure is carried out, only when the IT Department has strong evidence about some undisclosed wealth in your possession. The prominent differences between survey and search are as follows –

Survey	Search & Seizure
Survey can take place only at a business premises or place of the profession. If books are kept at residential premises, only then, residential premises get covered.	Search can take place at any building or place within the jurisdiction of that officer.
Survey can take place only during working hours and on business days. It can continue even after working hours.	Search can take place on any day. It can start after Sunrise, but continue until the procedures are completed.
In Survey, only inspection is conducted of books and verification of cash or inventory.	In Search, the entire place is searched to unearth hidden assets, locks can be break opened, any undisclosed asset can be seized and carried away.
Personal search of a person cannot be done. The help of Police officers cannot be taken.	Every person in the premises, going out or coming in, can be personally searched and their statement can be recorded. The search team is generally accompanied by Police officers.

What should you be doing?

1. The first and foremost thing you should do is, check the warrant – see if it a survey or search.
2. Besides, note the date, address, and authorization. You can also ask for the identity of each member of the raid team, to avoid cases of frauds, as we see in the Bollywood movies.
3. You have the right to personally search every member of the raid team, to avoid any planting of evidence.
4. In the case of any health emergency, you have the right to call a doctor. You also have the right to have meals at a proper time.
5. All the things that are being seized make sure that they are rightly listed and described.
6. You have the right to retain a copy of the Punchnama.
7. You can call your Chartered Accountant or Lawyer although he may not have the right to explain things on your behalf, you can ensure if the raid team is acting within their legal powers.

What should you, not be doing?

1. Do not panic. Irrespective of the fact whether you are an honest taxpayer or not, you should not panic. Cooperate with the raid team.
2. Do not stop them or argue without any legal reason. Allow free and unopposed entrance into the premises.
3. Help them in identifying all the receptacles in which assets or books of accounts and documents are kept. If there are locks, handover the keys.

4. Help them in identifying all the people on the premises, their relationship with you.
5. Do not encourage or allow the entry of any unauthorized person into the premises when the search proceedings are going on.
6. Do not remove any article from its place without the knowledge of the raid team. If you destroy any document to prevent the same from being used as evidence, you shall be punishable under Indian Penal Code for a civil offence.
7. Answer all their questions truthfully and to the best of your knowledge. Do not allow any third party to either prompt or interfere while your statement is being recorded by the officer.
8. Let the search proceedings complete without any disturbances, discuss the legal recommendations at a later stage with your Chartered Accountant.

Words of Wisdom

Pay your taxes honestly, to avoid Income Tax raids. And more importantly, cooperate with the Search proceedings. Most of the times, people go beyond the four corners of the law, generally out of panic, end up creating more problems than they originally existed. This complicates the situation further and then it becomes difficult to handle even for the legal experts to help them out.

Remember, the proceedings may take away a part of your wealth, but not your life or your abilities. Merely by paying taxes, either at the right time, as is always recommended, or later on after search proceedings, you can get back to your routine life.

So when Income Tax Department raids your place... Do not panic, just cooperate!

Did you know?

Sharda Prasad Pandey, the Income Tax commissioner of Lucknow, led the longest-running Income Tax raid in India's history in 1981. IT officials raided the house of a businessman and Congress MLA, Sardar Inder Singh in Kanpur on July 16, 1981. 200 police officers were also present for the safety of the Income Tax officers. Forty five officers were present just for counting the notes! According to Prem Prakash Srivastava, an income tax officer, properties of 15 other members of the family were raided simultaneously and the job took over a month. The story of the Bollywood movie 'Raid' is inspired from the same incident.

Government Policies

- Government has released new Other Service Providers (OSP) guidelines which allow permanent work from home to private sector employees. Registration requirements for OSPs have been done away with to allow BPO, KPO, ITES and Call centres to work free from hassles of OSP regulations. Requirements such as deposit of bank guarantee, static IPs, frequent reporting, publishing network diagram and other penal provisions have also been removed.

- Government has approved INR 107.42 crores for 29 projects under various schemes comprising integrated cold chain and value addition, and creation of backward and forward linkages (BFL). The Government expects the move to generate 12,600 employment opportunities and benefit to 2 lakh farmers in the regions of Andhra Pradesh, Gujarat, Himachal Pradesh, Jammu and Kashmir, Kerala, Nagaland, Punjab, Telangana, Uttarakhand, and Uttar Pradesh. The objective of the scheme is to reduce post-harvest losses of horticulture and non-horticulture produce and also to provide better pricing to the farmers.

- In an unprecedented move, the Government has issued an ordinance to regulate online news portals and content providers. Electronic media is already regulated by the Cable Television Networks (Regulation) Act, 1995, however, there was no law or body to oversee digital content in the past. The move, since its announcement, has received several criticisms from authorities, content creators and users on various social media platforms.

- The Finance Minister Nirmala Sitharaman announced various relief measures under the Income Tax Act for Developers and Home-Buyers, to boost demand for real estate, terming it as Atmanirbhar 3.0 stimulus. Accordingly, first-time buyers of houses costing up to 2 crores will get income tax relief of up to 20 per cent which will be available till June 30, 2021. Besides, the lenders are also permitted to extend loans without collateral and with credit risk fully borne by the government.

- Government has launched 'Har Ghar Nal Yojna' (tap water for every house), a scheme worth INR 5,000 crore to bring 2,995 villages in two districts of Sonbhadra and Mirzapur in Uttar Pradesh under regular water supply through pipelines. The scheme is expected to be completed within the next two years.

- The government has allowed income tax exemption to Abu Dhabi's Sovereign Wealth Fund (SWF), MIC Redwood 1 RSC, for making long-term investments in India in specified priority sectors of infrastructure, in line with the Budget announcement. Any income like dividend, interest, or long-term capital gains arising from an investment made by the sovereign fund between November 2, 2020, to March 31, 2024, is entitled to exemption if conditions are met. This is the first foreign SWF to get 100% tax exemption.

Goods and Services Tax

- The Central Board of Indirect Taxes and Customs (CBIC) has announced that the buyers must ensure proper e-invoices are issued to them by large listed GST-registered businesses. In the absence of such e-invoices, the buyers could lose input tax credit.

- The GST monthly return filing of GSTR-3B has increased by 36% as compared to the same during the corresponding period last year. The collections have also grown by over 10% breaching the INR 1 lakh crore mark for the first time this year.

- The Goods and Services Tax Network (GSTN) has announced that it has upgraded its facilities to handle up to 3 lakh logged-in users at once.

- GSTN, with help of data analytics, is attempting to automatically block e-invoicing transactions or highlight suspicious transactions, by businesses who are on the radar of tax authorities' for GST evasion.

- Auto populated GSTR-3B has been made available to taxpayers in PDF format for the tax filing month of October 2020 onwards.

- E-invoicing has been made mandatory for the taxpayers with aggregate turnover exceeding INR 100 crore in any preceding financial year from 2017-18 onwards, effective January 1.

- The Goods and Services Tax Council is considering comprehensive changes to the registration process for new GST applicants to make the process stringent for those not opting for the Aadhaar-based authentication.

- Due to lack of preparedness by the banks, the government has waived off penalty for not implementing dynamic QR code on invoices issued by taxpayers with INR 500 crore or more annual turnover. The penalty for not displaying a QR code on invoices which was effective from December 1, will now be applicable from April 1.

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

Income Tax

- The Central Board of Direct Taxes (CBDT) through a circular has allowed condonation of delay in filing audit reports by trusts, institutions, universities and hospitals who claim tax exemption, in form 10BB, for years before AY 2018-19.

- The Income Tax Department has clarified that the Goods and Services Tax (GST) turnover details available to taxpayers on the income-tax portal in Form 26AS is aimed to provide additional information to the assessees without any extra compliance burden.

- The Government has proposed to amend the income tax law to exempt real estate developers and home buyers from tax liability if the actual consideration for an asset is lower than the stamp duty value (circle rate) by not more than 20%.

- The Income Tax Department has announced that it shall validate with the Institute of Chartered Accountants of India (ICAI) the unique document identification number (UDIN) of documents uploaded on the website when Chartered Accountants upload tax audit reports.

- The Delhi High Court has ruled that money received by the property owner from the tenant after the termination of a lease agreement either as part of compensation or damages should be treated as his income and subjected to tax. The case involved a property owner who had agreed with a tenant and fixed rent and how much it would increase every year. The tenant did not abide by the agreement and the property owner filed a suit where the court ruled in the favour of the property owner and awarded him profits and damages with interest.

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

Corporate Laws

- The Securities and Exchange Board of India (SEBI) has announced 'Flexi Cap' mutual fund schemes where the fund would have to invest a minimum of 65% of its total assets in equity and has also allowed the fund houses to rename their existing schemes to this new category.

- The Securities Exchange Board of India (SEBI) has relaxed the various surveillance measures which were put in place to curb volatility in the markets due to the pandemic.

- The Ministry of Corporate Affairs (MCA) is finalising rules for listing of unlisted companies in foreign jurisdictions, to make it possible for startups and small and medium enterprises to raise capital abroad. The plan allows a listing in eight jurisdictions, to begin with - the US, the UK, South Korea, Japan, France, Germany, and Canada.

- The Ministry of Corporate Affairs (MCA) has notified Company Secretaries (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Amendment Rules, 2020 which allows filing complaints and other procedures through electronic mode.

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

Customs and Foreign Trade

- The Government has reduced the basic customs duty on crude palm oil to 27.5%, which was earlier 37.5%, to increase the availability of the palm oil in the domestic market. The duty cut would also ease the rising edible oil prices in domestic markets.

- The Central Board of Indirect Taxes and Customs (CBIC) has extended the anti-dumping duty on imports of methylene chloride from China till January 31, 2021.

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

Banking and Finance

- The Reserve Bank of India (RBI) has extended the deadline for banks to comply with new guidelines in respect of existing current accounts to December 15. Earlier, the banks were advised in respect of existing current and cash credit or overdraft accounts that the banks shall ensure compliance by November 5. The central bank has also proposed to issue frequently asked questions to guide the bankers.

- The National Payments Corporation of India (NPCI), the body that operates the UPI payments infrastructure in India, has announced that it shall enforce a cap to ensure that no single payments app processes more than 30% of UPI transactions in a month. The move shall affect Google Pay and PhonePe who are market leaders in the sector.

- The Reserve Bank of India (RBI) has permitted co-origination of Public Sector Loans by Banks and Non-Banking Financial Companies (NBFCs), after its announcement in the monetary policy in this regard, to improve the flow of credit.

- Fastag shall be mandatory for all four-wheeler vehicles sold before December 2017 from January 1, 2021.

- The Ministry of Home Affairs (MHA) has relaxed the Foreign Contribution Regulation Act (FCRA) 2011 norms for farmers, students, religious and other groups who are not directly aligned to any political party to receive foreign funds if the groups are not involved in active politics. FCRA regulates foreign donations and ensures that such contributions do not adversely affect the internal security of the country. The International Commission of Jurists (ICJ) has raised concerns over India's FCRA norms.

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

Accounting and Auditing

NEW

In focus: IndAS 1

- *Do the IndAS prescribe a format for presentation of general purpose financial statements?* No, the IndAS only prescribe the information required to be presented.

- *Can an entity claim compliance with IndAS, if it has not complied with one or few standards and state the fact that they have complied with all standards except the ones specifically mentioned?* Paragraph 16 of Ind AS 1 states that an entity whose financial statements comply with IndASs have to make an explicit and unreserved statement of compliance in the notes. The financial statements cannot be described as complying with IndASs unless they comply with all the requirements of IndAS.

- *Is offsetting of revenue against expenses, permissible in case of a company acting as an agent and having sub-agents, where a commission is paid to subagents from the commission received as an agent?* An entity cannot offset assets and liabilities or income and expenses unless required or permitted by an IndAS. Offsetting in the statements of profit and loss or balance sheet, except when offsetting reflects the substance of the transaction or event, detracts the ability of users to understand the transactions, events and other conditions which have occurred and their assessment of future cash flows.

- *Is it appropriate to conclude that restatement of comparative amounts is impracticable on the basis that it would involve undue cost?* As per paragraph 7 of IndAS 1 applying a requirement is impracticable only when the entity cannot apply after every reasonable effort. What are reasonable efforts to conclude that it is impracticable to restate the comparative amounts would depend on the facts and circumstances of each case.

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

Payroll and Personal Savings

- In the wage revision of public sector bank officers, which was pending since 2017, a 2.5% increase has been finalised by the Indian Banks' Association (IBA) and Workmen Unions, which was termed as 'meagre' by various unions. The family pension will now be paid at a uniform rate of 30%. No announcement was made against the demand of implementing five-day banking.

- Overturning Odisha High Court's decision, the Supreme Court has ruled in the case of Punjab National Bank that the employers are free to reject over-qualified applicants for the job vacancies. According to the bench, qualifications are prescribed keeping in view the need and interest of an institution and that the Courts are not fit to assess expediency or advisability on such qualifications. The case involved a graduate candidate applying for the post of peon.

- Investments in small savings schemes during the first six months of the FY 2020-21 have crossed INR 1 trillion mark, as more and more citizens have deposited their money into safer schemes following the pandemic. This is the highest ever contribution in a period of six months, aggregating to 25% more than last year and 130% more than the average of the past five years.

- The Employees' State Insurance Corporation (ESIC) had extended the due date for workers to avail the unemployment benefit to November 30 and the same has now expired. Under the scheme, unemployment benefits were paid to the workers covered under the ESI scheme.

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

Economic Indicators

- Latest statistics relating to the key economic indicators of Indian economy stand as follows:

Indicator	As on	Current	Prior
GDP Growth (%)	Sep-20	−7.5	−23.9
Inflation (%)	Oct-20	7.61	7.27
Unemployment (%)	Oct-20	7.0	6.7
Trade Balance ($m)	Nov-20	−9960	−8780
GOI Bond 10yr (%)	Nov-20	5.90	5.88

- The movement in the major indices of various stock exchanges across the world, during the month of November, 2020 was as follows:

Equity Index	Country	%
NIFTY 50	India	+ 8.11
BSE SENSEX	India	+ 7.61
INDIA VIX	India	– 12.05
NIFTY BANK	India	+ 12.14
DOW JONES	USA	+ 6.69
NASDAQ	USA	+ 4.78
S&P 500	USA	+ 5.40
FSTE 100	UK	+ 10.83
NIKKEI 225	Japan	+ 9.97
SHANGHAI COM	China	+ 4.00
MOEX	Russia	+ 9.98
CAC 40	France	+ 13.07
DAX	Germany	+ 6.56
ASX 200	Australia	+ 7.17
BOVESPA	Brazil	+ 12.71
FTSE STI	Singapore	+ 10.12
KOSPI	South Korea	+ 13.03
HANG SENG	Hong Kong	+ 4.37

- The movement in the major commodities futures with latest expiry, as per MCX during the month of November, 2020 was as follows:

Commodity	Expiry	Price	%
Gold	05/02	49.209	– 2.94
Silver	05/03	63,848	+ 4,81
Crude Oil	18/12	3,415	+ 29.41
Natural Gas	28/12	192	– 22.78
Aluminum	31/12	166	+ 8.92
Copper	31/12	597	+ 13.45
Cotton	31/12	19,900	+ 2.31

- The movement in the reference rates of major global currencies during the month of November, 2020 was as follows:

Currency Pair	Nov 30	Oct 31	%
INR/1 USD	73.51	73.97	+ 0.62
INR/1 GBP	98.24	96.33	– 1.99
INR/1 EUR	87.90	86.96	– 1.08
INR/100 YEN	70.44	70.87	+ 0.61

- Movement in the major cryptocurrencies during the month of November, 2020 was as follows:

Currency	Pair	Price	%
Bitcoin	BTC/USD	19,338.00	+ 38.71
Ethereum	ETH/USD	606.85	+ 55.43
Tether	USDT/USD	1.00	+ 0.02
XRP	XRP/USD	0.62	+ 156.92
Btc Cash	BCH/USD	287.05	+ 8.84

Corporate News

- **HuffPost India** has shut down its operations in India following the new Foreign Direct Investment (FDI) regulations which allow only 26 per cent FDI in digital media subject to the approval of Central Government. The Government has provided 1 year time frame for the companies to comply with the guidelines.

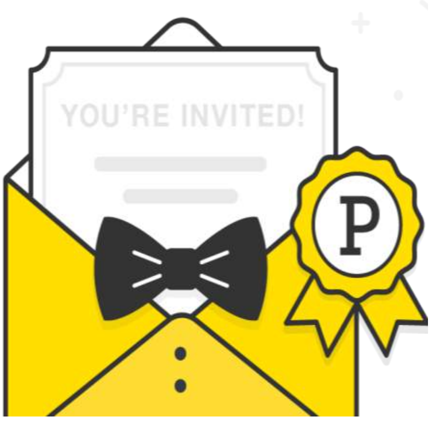
- Amazon has announced that it shall invest INR 20,761 crore to build an Amazon Web Services (AWS) Cloud Centre in Telegana, the biggest foreign direct investment ever for the state. The move shall benefit the company to gain an edge over Google Cloud and Microsoft Azure who are aggressively present in the Indian market.
- Pfizer Inc, US-based pharma company and BioNTech, German biotech company, have announced that their mRNA-based COVID vaccine candidate, has demonstrated the efficacy of 90% against COVID-19 in participants, based on the first interim analysis, terming the event as a great day for humanity.
- Toyota Kirloskar Motors (TKM) has declared a lockout at its Bidadi, Bangalore manufacturing facility in Karnataka following workers' union members resorting to strike at factory premises, protesting the suspension of a worker.
- Steel Authority of India (SAIL) has announced a shorter working period scheme for its employees allowing 72,000 employees to opt for a shorter working period like three days a week, alternate day or four hours every day with a variable pay structure, forgoing proportionate salary benefits.
- Karvy Stock Broking has been declared as a defaulter by the National Stock Exchange (NSE) and accordingly has been expelled for non-compliance with the NSE guidelines, effective November 23.
- Laxmi Vilas Bank has been merged to DBS bank and shall operate as DBS bank immediately with effect from November 27. The bank was placed on moratorium for a few days while the central bank was quick to find remedies in the form of amalgamation with the DBS bank.
- Indiabulls and others have moved to court challenging the Laxmivilas Bank and DBS bank merger, to protect the interest of the equity holders. According to the final scheme of amalgamation, the equity paid-up capital of Laxmivilas Bank is to be written off, thus, leaving the shareholders empty-handed.
- The National Payments Corporation of India (NPCI) has permitted WhatsApp to go live on UPI payments. The popular social media app has been permitted to start with a maximum user base of 20 million users and expand gradually over time, in a graded manner. Several users have already received the option and found it convenient.
- The Securities Exchange Board of India (SEBI) filed a petition with the Supreme Court to direct Sahara India conglomerate chief Subrata Roy and two of his companies to deposit INR 62,600 crore due to its investors. Sahara has been embroiled in a legal battle with SEBI over repaying money to investors who put their money in a bond scheme later ruled to be illegal.

The last mile !

Transfer Pricing – Understanding the concept of Arm's Length Price When we imagine big corporates, handshakes are one of the prominent flashes in our mind. We are often reminded that a good handshake is key to a good meeting. So, what's a good handshake? As experts list the rules – "Approach the person from his line of sight, look straight in the eye, keep a smile on the face, offer a hand when you have the attention, hold hand with a firm grip, with …

A regulatory view on business structures for foreign investments in India Darkness is frightening in childhood, however, as we grow up, the fear of darkness is left far behind, because we are able to embrace it better. Knowledge empowers us, while uncertainty invokes fearfulness. If you are travelling to a foreign land, it's an adventurous trip. However, if your money is travelling to a foreign land, it's called a risky detour. Adventure in life translates to …

A Complete Guide to Equalisation Levy in India Equalisation levy is an unilateral measure to tax some digital activities. It was introduced in Finance Act 2016 with the intention of taxing the digital transactions i.e. the income accruing to foreign e-commerce companies from India. To tackle taxation issues in transaction conducted in cyber space, equalisation levy has been introduced. The equalisation levy has recently been widened to …



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