GREEN DIGEST

EVERYTHING THAT CONCERNS YOUR MONEY

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JACK MA

IN THIS ISSUE

ABOUT US

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THE BIG STORY

Jack Ma, Ant Group and the Chinese Government saga – A lesson on what happens when you mess with authoritarian regimes!

Introduction

Jack Ma, the Chinese business magnate, a teacher turned billionaire, and the founder of the Alibaba Group, has finally waved the white flag in his struggles with the Chinese Government. The Ant Group in its latest statement has announced that Jack Ma would no longer be the control person at the company and that he will retain only 6.2 per cent control in the company, after restructuring. It might seem a simple rejig or succession planning until someone informs you that Jack Ma currently owns more than 50% stake in the Ant Group. Ant Group operates China's most popular mobile payment app Alipay which has more than 1 billion users as of the date and is certainly the most prized possession of Jack Ma's portfolio. However, the company has gone down to absolutely cut ties with Jack Ma by clarifying that Jack Ma and nine of its other shareholders have agreed to not act in concert when exercising voting rights and therefore, Jack Ma would neither have sole nor joint control over Ant Group. This is a seriously disgraceful exit for a founder. But, why did it come to this point?

The Rise

Jack Ma who failed his college entrance exam, by scoring 1 mark in mathematics on the first attempt and 19 marks on the second attempt had a turnaround in his life when the internet boom began in the 90s. Ma learnt about the internet and had some instant interest in the same. In his early career, he began building websites for Chinese companies, headed a tech company later and eventually went on to establish a China-based business-to-business marketplace – Taobao under the company name Alibaba. The company received funding from Goldman Sachs and Softbank in 1999 and 2000, however, failed to make a mark in the industry. In 2003, Jack Ma realised that buyers on his platform did not trust sellers to honour their obligations, and meanwhile, sellers on his platform were sceptical of seeing online demand. In those times, e-commerce transactions through Taobao involved paying online directly to the seller through the platform and then meeting him in real life to receive the order. There was a gap to be filled, and that's when the company decided to act as custodians by promising buyers they would hold their money in an escrow account and release the payment only after receiving confirmation that the products were delivered. The company called its latest payment solution, you guessed it right – Alipay. The adoption rates soared almost overnight!

To make transactions further seamless, the company worked with the Commercial Bank of China to build an online version of the custodial transaction pipeline and also invited Sun Microsystems to develop the new payment processing infrastructure. Under the new infrastructure, Alipay did the initial payment gateway, and account verification and then sent it to the bank which verified if the user had enough balance and accordingly processed the transaction. Within a few years, the company also allowed customers to keep a balance in their Alipay accounts which carried interest on their savings. The concept worked and Alipay was a huge success. It is estimated that today Ant Group's money market fund manages as much as USD 150 billion from Alipay account balances. Over the years, the company also became a marketplace for insurers, credit scores, loans and wealth management services. This growing financial arm of the company was split off from Alibaba and became Ant Financial, which was later rebranded to Ant Group.

The Fall

In 2020, the Ant Group announced its initial public offer (IPO). By then, it was a massive company with over 80 million merchants using the app and over 711 million monthly active users transacting with the app. The company's revenues clocked close to USD 10 billion, with USD 3 billion in profits, during 6 monthly periods from October 2019 to June 2020. The company offered 10% of its equity to raise USD 34.5 billion from the public. This was expected to be one of the largest IPOs ever the financial world had seen. And the IPO was a huge success with investors subscribing 872 times and placing bids worth USD 2.8 trillion. However, less than 48 hours before the listing, the IPO was called off following a meeting between Ant Group's executives and China's top financial regulators. The company executives announced that there were significant regulatory changes to the Ant Group's business and therefore, the IPO had to be called off until the requirements were met. How many times does it happen that Government brings sweeping changes in regulations right before the world's successful IPO makes its debut on the market?

In China, lending is a tightly regulated state subject and the government was always uncomfortable with technology-driven apps such as Alipay venturing into the consumer lending business. The Communist Party had expressed concerns about how banks tied up with micro-lenders such as Alipay. So, the road was never expected to be easy for Alipay. And then, in October 2020, Jack Ma publicly criticized the financial and regulatory ecosystem in China. He called out Chinese banking regulators for acting like 'pawnshops' and that the financial regulations were 'outdated' and stifling innovation in the sector. That's when the hell broke loose. The comments irked the top leaders of the communist party who then torpedoed the IPO to show the business tycoon who their real boss is.

Ant Group's IPO which was expected to be the deal of the century became the shock of the century, as the IPO was shelved and money was refunded to the investors, with no certainty over when the IPO will happen again. While the company fetched a valuation of USD 280 billion before IPO, today, owing to the myriad regulations imposed during the last 2 years have made the company a fraction of that. Expectations of growth and margin are lower, as the company is now more of a financial company than a technology company. Fidelity Investments has cut its estimate for Ant Group to USD 70 billion last year from its USD 235 billion valuations before the IPO. BlackRock has also lowered its estimate to USD 151 billion while T Rowe Price Group has trimmed down the valuation to USD 112 billion. Meanwhile, Jack Ma, among the richest people in the world, had to disappear from the public eye and has been living a low-profile life since then.

The Crackdown

Ant Group wasn't the only company that was brought to its toes. The Chinese Government launched a series of crackdowns through antitrust investigations and regulatory changes on a broad range of industries that left startups and conglomerates alike in uncertainty and battering their shares. he Government blamed local tech giants such as Alibaba, Tencent Holdings and Meituan for mistreating users. It released new rules that forced the companies to open their algorithms to each other under the hood of transparency.

The regulators slapped new rules on the fintech giants which distorted the entire landscape for web-based financial services. The government came down heavily on companies for false advertising. The antitrust authorities levied USD 2.75 billion and USD 527 million fines on Alibaba and Meituan respectively, for abusing their dominant market positions. Meanwhile, it barred Tencent from entering into any kind of exclusive music copyright agreements. The Government also slashed the time that under 18 children can spend playing games online to an hour on Fridays, Weekends and Holidays, expressing concern over gaming addiction and thereby, cracking down the gaming companies. China also stopped issuing publishing licences for over half a year and as a result, many gaming companies went out of business. In another story, the cybersecurity regulator announced a probe into Didi Chuxing and barred it from signing up new users. It also ordered app stores to remove 25 of its mobile apps. All this happened when the company debuted on the New York Stock Exchange.

The Recovery

Of recently, it appears that the Chinese regulators have toned down a bit. Tencent has received approval for its new gaming licenses. Meanwhile, Ant Group's consumer lending arm has also received approval for increasing its capital registration. However, the bleeding question is whether Ant Group will get another chance at its IPO, now that billionaire Jack Ma is ceding control and the company is openly distancing itself from him. Well, firstly, as per China's so-called A-share market rules, the company cannot list domestically if they have had any change of control during the past two-three years depending on the exchange. Ant Group also needs a sign-off from the China Securities Regulatory Commission which includes the Financial Stability and Development Committee which the Central bank and Finance Ministry are a part of. The company is expected to set up a financial holding company like a regular bank under the new regulations. Ant has been restructuring its business to meet the demands of the regulators, however, it is still unclear what the final structure of the company will be. There is no clarity if there is a need for further separation between Ant's payments operation and other units. So, the company doesn't seem to be anywhere close to an IPO this year.

Conclusion

The cancellation of Ant Group's IPO spiralled a series of regulatory actions that changed the playbook for China's tech companies who were prioritizing growth until then. Over the past few years, the world has seen President Xi Jinping's and his Communist Party's stance toward big tech and the keen interest in controlling the user data held by private sector companies. The Government has been viewing the same as a 'potential threat to national security' – some fancy words that are being used more often these days across the globe. The Ant Group and Chinese Government's saga is the kind of lesson for the business community – something that entrepreneurs will keep in mind each time they deal with an authoritarian regime. No money is greater than the power to rule.

INDIA'S STARTUP FUNDING

(Y-O-Y PERFORMANCE)

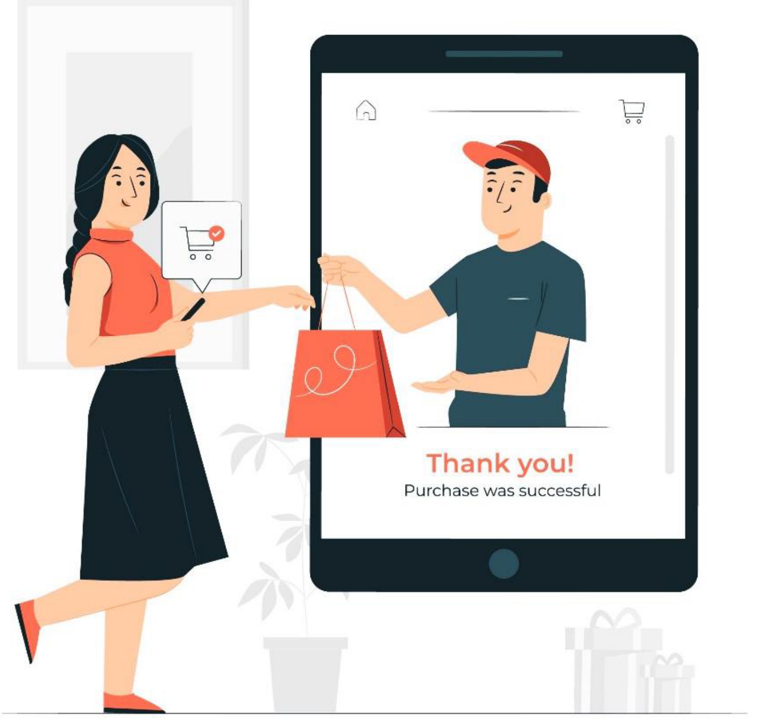
	2022	2021	2020
Total Funding	$25 Bn	$42 Bn	$12 Bn
Deal Count	1.5K	1.6K	953
Average Ticket Size	$18 Mn	$22 Mn	$13 Mn
Total Unique Investors	2.4K	2.4K	1.1K
Unicorns Minted	21	44	12
Number Of M&As	240	210	82
No. Of New Age Tech IPOs	3	11	0

EXPERT OPINION

Greenvissage

Margin Scheme – Simplifying the sale of second-hand goods

By Amit Chandak, Managing Partner, Greenvissage



Introduction

The business of second-hand goods has grown exponentially over the past few decades. This is the result of the participation of large organised corporates, as against the traditional times when the industry usually consisted of unorganised dealers. Goods such as used cars, vehicles, mobile phones, televisions, laptops, watch, handbags, and sneakers are some of the popular items that are being sold in the second-hand market. Various aggregator companies have developed platforms for the sale and transfer of old, used and second-hand goods, giving an impetus to such activities. becomes important to study how Indirect taxes i.e. GST affect the businesses engaged in trading such second-hand goods. Therefore, the government is also tapping into this industry to generate tax revenue while taking care of the nuances of this rather unorthodox business activity. One such consideration can be found under the GST laws which contain margin schemes for dealers of second-hand goods. The scheme aims to simplify the tax implications on the sale of second-hand goods. Let us understand the key points concerning the GST margin scheme in this article.

Underlying principle

The Goods and Services Tax (GST) Margin Scheme allows dealers of second-hand goods to sell used goods by paying GST only on the differential value of such goods instead of the entire transaction value. Second-hand goods are goods that are already sold once and also taxed once. Levying a tax on the entire value of the goods would potentially raise an issue of double taxation. Hence, the GST margin scheme aims to avoid such double taxation as these second-hand goods have already borne the tax incidence earlier, and are merely re-entering the supply chain. The concept is similar to the structured margin schemes for second-hand goods dealers in countries like Singapore and Malaysia. In New Zealand, this scheme specifically excludes livestock and metal goods. In countries like Albania, Belgium, Finland, Israel, Italy, Mauritius and the UK, simplified tax measures are in place for dealers of artworks, collectables and antiques.

Second-hand goods are not defined under the GST Law and therefore, its understanding in common parlance is relied upon while evaluating its taxation. However, the valuation of such second-hand goods is dealt with under Rule 32(5) of the GST Rules and the same is commonly referred to as the 'GST Margin Scheme'. As per Rule 32(5), any dealer in the business of buying and selling second-hand goods can avail of the benefits of the GST Margin Scheme. This is merely an option under the GST law and the dealer doesn't need to follow a margin scheme. The dealer can still opt to levy, collect and deposit the full rate of tax, as applicable on the goods.

Registration

Under the GST laws, a supplier must obtain GST registration if their total supplies exceed the minimum registration threshold. This threshold consists of all kinds of supplies and not merely taxable supplies. Dealers in second-hand goods must evaluate their total turnover similar to businesses in other industries. The gross value of sales is to be considered while calculating the total turnover and not the taxable margin. There is no separate registration required for a dealer to opt for the margin scheme. Besides, any registered supplier can avail of the benefit of the margin scheme after fulfilling the conditions under Rule 32(5).

There are no restrictions concerning multiple businesses under a single registration and therefore, a person dealing in both new and used products doesn't need two separate entities or two separate registrations under the GST law. The dealers can levy full tax on the new products and opt for a margin scheme for the resale of used products, maintaining proper books of accounts and segregating the different types of sales. However, regular suppliers who are not in the business of dealing in second-hand goods cannot sell their used goods under the margin scheme. Further, this scheme also cannot be opted for in case of the sale of used fixed assets. Even, personal assets such as vehicles, jewellery, etc. also are outside the purview of this scheme. Simply, the benefit of the margin scheme is available only to dealers who are ordinarily in the business of dealing with such goods and the sale of such goods is the course of their business.

Conditions

The primary conditions to avail of the benefit of the margin scheme are as follows: (a) The dealer must be a person ordinarily dealing in buying and selling of second-hand goods; (b) The goods being bought or sold must be used; (c) The predecessor owner of the goods being sold should be other than the dealer himself; (d) The goods should not undergo any kind of major processing which change the nature of such goods; (e) The dealer should not have availed any Input Tax Credit (ITC) on the purchase of such second-hand goods. Refurbished goods are considered second-hand goods and the benefit of the margin scheme can be applied to such goods, however, the refurbishments should not result in any major changes to the nature of such goods. It is important to note here that merely unboxing goods does not make the goods second-hand or used. The benefit of the margin scheme is available irrespective of whether the supply is intra-state or inter-state.

Value of supply

The value of supply under the GST margin scheme is considered as the difference between the selling price and the purchase price of the goods. However, when the difference between the selling price and the purchase price is negative i.e. when goods are sold at loss, the value of such supply is considered Nil. Thus, one needs to keep in mind that the loss on such sales of second-hand goods cannot be offset by the profit from selling other second-hand goods. This is because, the value of such goods is considered Nil, and therefore, the resultant turnover would exclude them automatically. In case, the dealer adds any value to the second-hand goods by way of repair, refurbishment and reconditioning, the same shall be added to the value of goods and will be taxable.

Input tax credit

For goods sold under the margin scheme, it is not mandatory to issue a tax invoice for the supply of second-hand goods. Thereby, the person purchasing such goods also cannot claim any input tax credit on the purchase of these goods. If the second-hand goods are purchased from an unregistered person, the dealer doesn't need to pay any further tax on the purchase of such goods as the purchase of such goods from the unregistered person is specifically exempted from GST under Notification No. 10/2017 Central Tax (Rate) dated June 28, 2017. However, this is applicable only for purchases from unregistered persons, and in case of any purchase from a registered person, the dealer would be to pay tax without availing any input tax. Even if the supplier of goods is supplying the goods under the margin scheme, an input tax credit for such purchases will not be available. However, the dealer can take an input tax credit on other expenses apart from the purchase of second-hand goods, such as rent, advertisement, commission, professional expenses, etc.

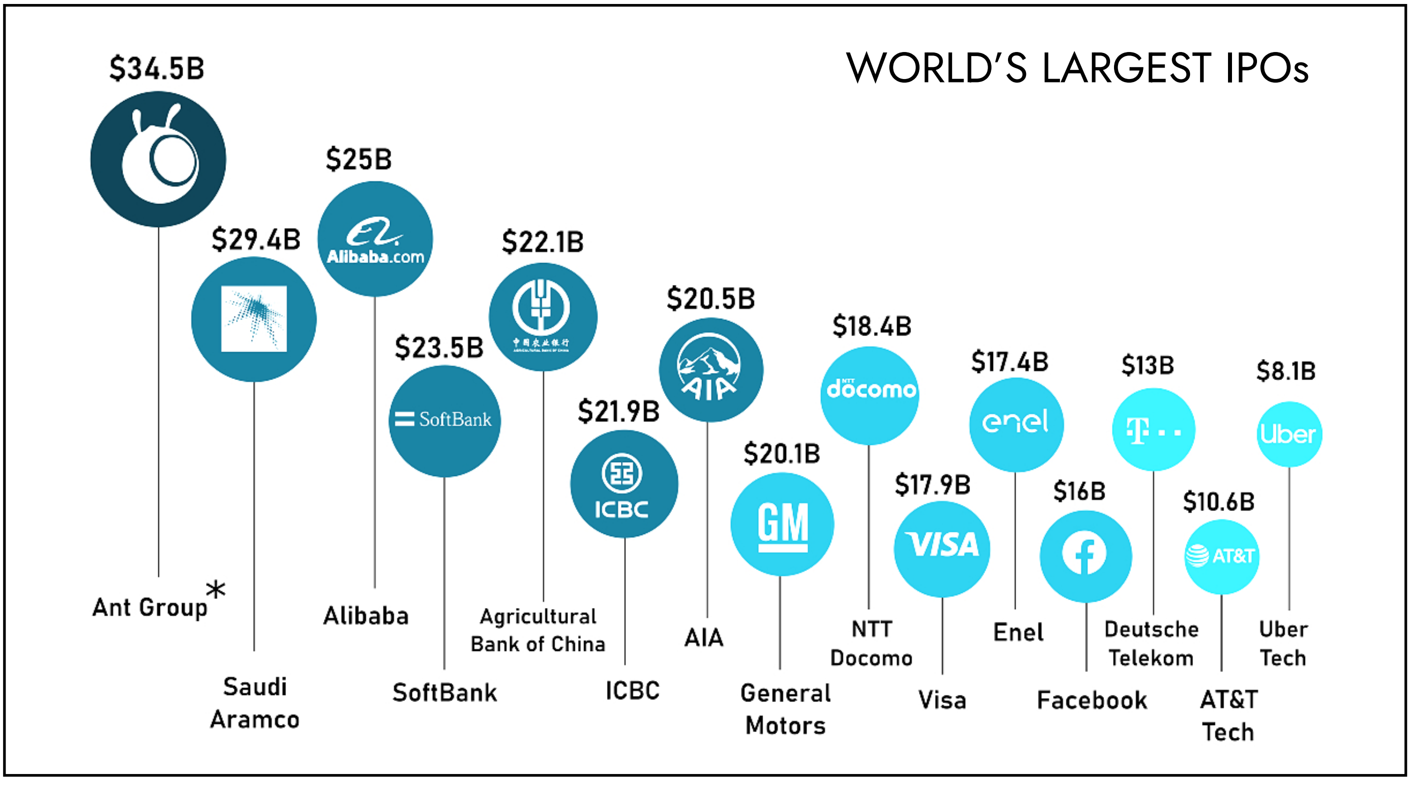
GST compliances

Goods sold under the margin scheme are neither zero-rated supplies nor Nil-rated or exempted supplies. Hence, the total supplies of second-hand goods are to be reported in GST returns as taxable supplies in table 3.1 of GSTR-3B. The taxable value to be mentioned here is the taxable margin of such goods and not the full value. Similarly, in GSTR-1, such supplies of second-hand goods are to be reported under taxable supplies in tables 4, 5 and 7, as applicable.

The provision of an e-way bill is applicable as usual if the gross value exceeds the threshold for generating an e-way bill. Even if the taxable value of such goods is below the threshold limit for generating an e-way bill, it is mandatory to generate an e-way bill for such sales, if the gross value exceeds the threshold. Also, e-invoicing rules shall be applicable if the aggregate annual turnover exceeds the threshold, as applicable to any other dealer. Here, the gross value shall be considered for calculating turnover, and not the taxable value.

Conclusion

The GST margin scheme is a simplified tax regime for dealers of old, used and second-hand goods. However, there are several aspects of the scheme that the Government still needs to clarify. Going ahead, there are going to be several complications in the same, as the trend of reuse and recycling is growing with environmental aspects in focus. Meanwhile, the GST margin scheme is certainly a good option for small dealers.



GREENVISSAGE EXPLAINS

What are sum assured and sum insured in an insurance policy?

Life insurance policies make a big difference in one's long-term financial planning. The insurance policy is a contract between the policyholder and the insurance company which guarantees a certain amount to the insured person's family, in the event of death. They secure the future by ensuring adequate financial help to the family members from your untimely death. When you purchase a life insurance policy, the insurance company offers to provide financial protection to your family members in the unfortunate event of your demise. There are several components of a life insurance policy including riders, death benefits, maturity benefits, etc. However, to have appropriate financial coverage, it is important to understand the concepts of 'sum assured', and 'sum insured' and the difference between the two.

The sum assured is a predetermined amount that the insurance company will pay to the nominee in the event of the insured person's death. It is a guaranteed amount of money that the nominee will receive in your absence if all your premiums have been paid in full. This amount can be chosen at the time of purchasing the policy. Deciding an optimal sum assured depends on a policyholder's income, the needs and future aspirations of the dependents, family assets, and outstanding debts. The sum assured is also an instrumental component that dictates the premiums of the policy. A Human Life Value (HLV) calculator is a popular method of determining the sum assured for a policy. It is available on various websites and one only needs to enter basic details such as an estimate of current and future expenses, income, age, etc the calculator accounts for the inflation and gives you an estimate of the ideal sum assured required. Meanwhile, the 'sum insured' is the amount that the insurance company pays to the policyholder in the case of an unpredictable event such as an illness. This amount is a reimbursement for the costs incurred and not a fixed sum of money like the sum assured. The sum is usually assured in life insurance policies, while insured in non-life insurance policies such as health or car insurance. While the sum assured can be chosen, the sum insured is not pre-defined, instead, the method of calculating the same, inclusions and exclusions are mentioned in the policy.

What is Carbon Border Tax and why is India opposing it?

Recently, a consortium of countries including India jointly opposed the Carbon Border Taxes proposed by the European Union (EU) at the 27th edition of the Conference of Parties (COP) in Egypt. The European Union at the European Green Deal had proposed to make Europe the first climate-neutral continent by 2050. The EU had declared that the group of countries would together reduce their carbon emissions by 55% before 2030, as compared to the 1990 levels. The carbon levels have fallen by 24% to date owing to various measures taken by the Government. However, the emissions from the imports are contributing to 20% of the EU's carbon emissions and are increasing further. Therefore, the EU adopted Carbon Border Adjustment Tax, or simply Carbon Border Tax, to discourage emissions. It is an import duty based on the carbon emissions from the production of the product being imported. It aims to incentivise other countries to reduce their emissions and further shrink the EU's carbon footprint. It is being marked as an improvement from the National Carbon Tax. The National Carbon Tax is the tax that the governments are already imposing on companies within the country which burn fossil fuels. The Emissions Trading System of the EU works to make it expensive for certain businesses to operate in the EU. However, the EU authorities fear that the businesses might simply relocate to other countries where the norms are more relaxed or there are no emission limits. This is known as 'carbon leakage' which only increases total emissions in world.

However, Brazil, South Africa, India and China (the BASIC group) have opposed the EU's proposal as discriminatory and against the principles of equity and 'Common but Differentiated Responsibilities and Respective Capabilities' (CBDR-RC). The CBDR-RC principles note that the richer countries are responsible to provide financial and technological assistance to developing and vulnerable countries to fight climate change. Article 12 of the Rio Declaration states that the standards applicable to developed countries cannot be applied to developing countries and therefore, the EU's uniform standard for all countries is being considered against the global consensus. The EU's policy is also regarded as a disguised form of protectionism where government policies restrict international trade to help domestic industries to improve economic activity within a domestic economy. Although, the target of the policy is Russia, China and Turkey which are large emitters of carbon and major exporters of steel and aluminium to the EU, the Indian industry might get hurt in between. For India, European Union is the third largest trading partner and by increasing the prices of Indian-made goods in the EU, the tax would make Indian goods less attractive to buyers and shrink the demand. Thus, India needs to assess its advantages and disadvantages and talk to the EU with a bilateral approach.

Is there a looming threat over India's Energy Security?

Despite high subsidies to oil, India ranks low in affordability of petrol and diesel. Diesel accounts for 60-70% of India's freight costs and therefore, higher fuel costs entail higher freight costs which in turn, increases the prices for products across the board and leads to inflation. Presently, India imports 80% of its oil requirements and is the third largest oil consumer in the entire world. Last year, due to high prices of Crude Oil, India's Current Account Deficit inflated this year because of higher cost of oil import. Stockpiles at the coal-based thermal power plants fell short despite increase in domestic coal production. The utilities were not prepared for the unprecedented heat wave caused by climate change and the sharp surge in demand which touched 201 gigawatts in April 2022. The demand for coal was further exacerbated by the Russia-Ukraine conflict that resulted in Europe's procuring coal from Indonesia, Australia and South Africa who have been major suppliers for India. Thus, the prices of coal in the international market increased from USD 70 per tonne to USD 421 per tonne during that period. The situation raised alarming concerns about India's long term economic stability. Now, according to the latest estimate by International Energy Agency (IEA), India's energy demand would rise 3% annually until 2030 due to rapid urbanisation and industrialisation. According to another estimate, India's energy consumption is expected to grow 4.5% every year for the next 25 years. Thus, India's energy security is vulnerable and there is a looming threat that India's economy and growth may be hampered if adequate measures are not taken about it. Energy Security refers to access to adequate energy resources and availability of fuel of appropriate quantity and quality at reasonable prices. Energy security aims for adequate amount of energy resources in terms of accessibility, affordability and availability. Although, India is making great strides with deployment of renewable sources of energy and efficiency policies, factors such as climate change, supply logistic issues, Covid-19 induced lockdowns and geopolitical tensions have left a harsh impact India's energy dynamics. Meanwhile, the burning of traditional energy fuels including wood, dung, and crop residue, that cause indoor air pollution is also proving detrimental to the health of the citizens. Approximately 1 out of 4 premature deaths in India are caused by household air pollution, of which 90% are women who work in poorly ventilated kitchens. Thus, to mitigate the risk on energy security, India needs to accelerate its shift to renewable sources and the end of the dominance of fossil fuels. This will also be detrimental in achieving sustainable development goals such as eradication of hunger, malnutrition, poverty, and achievement of universal well-being, energy security is crucial. India has recently taken various initiatives such as Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA), Green Energy Corridor (GEC), National Solar Mission (NSM), National Biofuels Policy and SATAT, Small Hydro Power (SHP), Pradhan Mantri Ujjwala Yojana (PMUY) and International Solar Alliance (ISA). India has to gradually diversify its sources of energy generation and include more renewable sources of energy which are cleaner, greener, and sustainable.

What challenges does India's booming telecom sector face?

The past two decades have been a golden period for the Indian telecom industry. Presently, India is world's second-largest telecom market with a subscriber base of 1.16 billion. As per Telecom Regulatory Authority of India (TRAI), average wireless data usage per subscriber was 11 GB per month in FY 2020. Thus, the growth has been exponential in terms of technology as well as penetration. Meanwhile, it is expected India will need about 22 million skilled workers in 5G-centric technologies such as Internet of Things (IoT), Artificial Intelligence (AI), robotics and cloud computing, by 2025. The Government has also approved INR 12,195 crores production-linked incentive (PLI) scheme for telecom and networking products. Thus, one may expect the telecom sector to continue its boom in future as well. However, there are various challenges which can hamper the golden run of the sector.

Firstly, India's fixed-line coverage (telephone lines connected to a nationwide network through metal wires or optical fibers) is nowhere close to what most developed countries have. While 70% of the towers in developed countries are connected through fibre networks, in India merely 25% of towers are covered under such network. This won't be sufficient for 5G network which requires towers to be connected to very high-speed systems. Secondly, the approvals from the various departments such as Forest, Railways, National Highway Authority, etc. have always delayed the development of several towers, fiber planning and the rollout processes across the country. A proactive and timely dispute resolution by Telecom Disputes Settlement and Appellate Tribunal is the need of the hour. Then, the rise of voice and messaging services by platforms such as WhatsApp and Telegram using the telecom network is also adversely affect the revenues of the telecom companies. There are also environmental factors such as disposal of e-waste which need to be resolved in the near term, as more than 95% of e-waste is illegally disposed off in India. In terms of penetration, though adequate density has been achieved, there is a large discrepancy between urban and rural penetration which stands at 55.42% and 44.58% respectively. Thus, although the telecom sector is well set to advance into the future, it needs to choose right course of action to address existing challenges.

COMPLIANCE UPDATES

Greenvissage

Goods and Services Tax

Highlights of GST Council Meeting In the 48th GST Council Meeting, the Council recommended the following decisions for implementation:

1. Council has taken several decisions to decriminalize certain offences under section 132, to increase the threshold of the amount of tax for prosecution, and also to reduce the amount of compounding in GST.
2. Council has clarified that GST will not be applicable when the residential dwelling is rented to a registered person if it is rented in a personal capacity for use as its residence. The renting of residential property should be in a personal capacity and not in the course of business.
3. Rule 109C and form GST APL-01/03W will be inserted in the CGST Rules, 2017 to provide the facility for withdrawal of an application of appeal up to a certain specified stage.
4. Council has announced that a circular will be issued to clarify the treatment of statutory dues under GST law in respect of the taxpayers for whom the proceedings have been finalised under IBC, 2016.
5. Rule 12(3) of CGST Rules, 2017 is also amended to provide for the facility to the registered persons who are required to collect tax at source under section 52 or deduct tax at source under section 51 of CGST Act, 2017, to cancel their registration on their request.
6. Sections 37, 39, 44 and 52 of the CGST Act, 2017 are being amended to restrict the filing of returns or statements to a maximum period of three years from the due date of filing of the relevant return or statement.
7. Form GSTR-1 is also being amended to provide for reporting of details of supplies made through the e-commerce operators, covered under section 52 and section 9(5) of the CGST Act, 2017, by the supplier and reporting by the e-commerce in respect of supplies made under section 9(5) of the CGST Act, 2017.

No proposal to reduce e-invoicing threshold The Central Board of Indirect Taxes and Customs (CBIC) has clarified that there is no proposal before the government to lower the threshold from January 1 for the mandatory generation of e-invoices. Currently, businesses with a turnover of INR 10 crore and above are required to generate an electronic invoice for all B2B transactions. Under GST law, e-invoicing for business-to-business (B2B) transactions was mandatory for companies with a turnover of over INR 100 crore. From October 1, 2022, the threshold was reduced to INR 10 crore.

Reverse ITC if supplier does not file GSTR-3B The Ministry of Finance has introduced a new Rule 37A which limits the input tax credit based on the filing of GSTR-3B. According to the new rule, the taxpayers will have to reverse the input tax credit availed by them, by November 30 of the following year, if the supplier has failed to deposit the due tax by September 30. However, they can reclaim the tax credit later following the deposit of taxes by the supplier. The new rule will add more burden on taxpayers and higher tax credit loss.

GST collections in December According to the latest statistics, the Government collected INR 1.5 lakh crore as GST in December. Gross GST collections stood at INR 1.46 lakh crore in November 2022 and INR 1.3 lakh crore in December 2021. Therefore, the collection for December was 15.2% higher YoY, and 2.5% higher than the previous month.

GST officers to seek all invoices in case of mismatch The Central Board of Indirect Taxes & Customs (CBIC) issued a new circular to clarify guidelines for recovery proceedings for the period 2017-18 and 2018-19. GST officers have been directed to seek details of all invoices on which input tax credit (ITC) has been availed of by erring business in cases of mismatch in GSTR-1 and GSTR-3B before initiating recovery action for short payment or non-payment of taxes. The new order is following the recommendations of the GST Council. The tax officers are also expected to check if any reversal of ITC is required to be made. If ITC claim for the said financial year exceeds INR 5 lakhs, the officer concerned will ask the business to produce a certificate from the supplier certified by a Chartered Accountant. In case the credit is below INR 5 lakh, a certificate from the supplier would be sufficient.

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

Income tax

Linking of PAN with Aadhar The income tax department is issuing a warning to taxpayers who have not linked their PAN with their Aadhaar. As per the latest update, PAN holders who are not otherwise exempt as per Notification No. 37/2017, dated May 11, 2017, have to link their PAN with Aadhar at the earliest, or else the unlinked PAN would soon become inoperative. The last date to link PAN with Aadhaar is March 31, 2023.

Form 10F can be filed manually The Central Board of Direct Taxes (CBDT) has issued a notification to exempt taxpayers from mandatory electronic filing of Form 10F till March 31, 2023. Form 10F is required to be filed by non-resident taxpayers who do not have a PAN or are not required to have one. Such taxpayers have to furnish additional documents and information in Form 10F if certain prescribed details are not available in the Tax Residency Certificate (TRC) to avail of tax treaty benefits at the time of withholding of tax.

EU adopts 15% Global Minimum Tax Rate The European Union has adopted a plan for a global minimum 15 per cent tax on multinational businesses after giving final approval after months of wrangling. The Minimum tax rate is a landmark agreement between nearly 140 countries to stop the race between Governments to cut taxes to lure large corporate entities to their territory.

CBDT files review petition in Benami Law ruling The Central Board of Direct Taxes (CBDT) has filed a review petition before the Supreme Court against its recent ruling that struck down the retrospective applicability of the anti-Benami transactions law. CBDT has argued that the possession of illicit assets by those charged should be considered a continuing criminal offence.

CBDT streamlines filing of SLP by tax officials The Central Board of Direct Taxes (CBDT) has prescribed fresh timelines for filing of appeals in tax cases to ensure tax officials do not delay in following up with Supreme Court rulings. In the latest instructions, CBDT has outlined a standard operating procedure for filing appeals and special leave petitions (SLPs). The board has listed various actions that would have to be completed within 85 days of the order date. A special Leave Petition (SLP) against the High Court ruling has to be filed in Supreme Court within 90 days from the date of the order.

CAG report highlights errors in tax collections Comptroller and Auditor General of India (CAG) in its latest audit report on Direct Taxes has highlighted 57 instances of significant errors and irregularities in tax assessments of high-value cases. The report for the year ended March 2021 was tabled in the Parliament which contained 467 audit observations having a tax effect of INR 8,413 crore. These cases mainly pertained to arithmetical errors in the computation of income and tax, errors in levy of interest, irregularities in allowing depreciation, business losses, capital losses, incorrect allowance of business expenditure, unexplained investment, cash credit, etc.

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

Customs and foreign trade

Government increases windfall tax The Central Government has increased the windfall tax on domestically produced crude oil to INR 2,100 per tonne from the existing INR 1,700, effective from January 3. The windfall tax on aviation turbine fuel has also been hiked to INR 4.5 per litre from the existing INR 1.5 per litre. The windfall tax on high-speed diesel for exports has been reduced to INR 5 per litre and along with the cess, the total would be INR 7 per litre. Earlier, the Central Government had slashed windfall tax to INR 1,700 per tonne from INR 4,900 per tonne. The special additional excise duty on petrol continues to remain unchanged at nil.

Import of private jets and helicopters The Ministry of Civil Aviation's documents reveal that the Government is proposing to curb the import of private jets and helicopters to plug the widening trade deficit. According to the Government, planes weighing more than 15,000 kilograms (33,100 pounds) unladen as well as turbo jets are non-essential, and therefore, shouldn't be brought in from abroad as much as being imported currently.

CBIC issues rules of origin The Central Board of Indirect Taxes and Customs (CBIC) has notified the Rules of Origin through the latest notification which relates to the eligibility requirement to claim the preferential customs duty on trade in goods under the Economic Cooperation and Trade Agreement (ECTA). The rules will come into effect from December 29 when the ECTA will also come into effect. RoAs specify the threshold for value addition in the country concerned to qualify for the tax concessions under the FTA so that the benefits are not misused by firms based in other countries.

UK to revoke CVD on import of steel from India The United Kingdom's Trade Remedies Authority (TRA) has proposed to revoke the countervailing measures on imports of stainless steel bars and rods from India, in its initial findings. Countervailing measures are placed to offset imports being sold at unfair prices due to government subsidies in the country of origin. The TRA set out in its Statements of Essential Facts (SEF) that revoking the measure will not cause any injury to the UK's domestic industry.

Russian Steel Exports to India rise Russian steel exports to India have increased by 468 per cent between April and November this year, the highest in recent times. Shipments coming into India stood at 2,18,000 tonnes with a value of USD 253 million for the eight months under review. The same during last year for the same period was merely 38,400 tonnes valued at USD 61 million. Cheaper offerings, distressed selling by mills and a fall in international steel prices have been the major causes of rising imports from Russia.

100% work from home for SEZ employees The Special Economic Zone (SEZ) rules have been amended to allow 100% work from home for technology companies in SEZs till December 31, 2023.

(For queries or more information about customs and foreign trade, contact our colleague Adnan at adnan.ginwala@greenvissage.com)

Corporate and allied laws

Multi-year motor insurance policies Insurance Regulatory and Development Authority of India (IRDAI) has proposed to introduce an insurance cover of three years for cars and five years for two-wheelers, to give wider choice to customers. The insurance regulator has floated a draft on 'Long-Term Motor Products covering both Motor Third Party Insurance and Own Damage Insurance' which proposes to permit all general insurers to offer a 3-year insurance policy in respect of private cars and 5 years for two-wheelers, co-terminus with motor third party liability cover. The premium for the entire term of the policy coverage would be collected at the time of the sale of insurance.

AGM through Video Conference The Ministry of Corporate Affairs (MCA) has allowed companies whose Annual General Meetings (AGMs) are due in the year 2023 to hold them through Video Conference (VC) mode till September 30, 2023. The MCA, in a separate move, has also allowed companies to hold their extraordinary general meetings (EGMs) via video conference and transact items through postal ballot till September 30, 2023.

MCA to shift 56 forms to new portal The Ministry of Corporate Affairs (MCA) has announced that it will shift as many as 56 forms to version 3 of the portal, in effect, migrating all company forms to the new portal in two phases. Applications for reservation of name for a new company, change in name of the existing company, and form for GST Identification Number will be amongst the first few forms to be migrated. Other forms are expected to be migrated by Jan 23.

Foreign investment in insurance companies The Insurance Regulatory and Development Authority of India (IRDAI) has allowed foreign investors including foreign portfolio investors to invest in preference shares and subordinated debt issued by Indian insurance companies. The move will allow insurers to expand their pool of capital to fund their business growth in India. The regulator has also allowed the subordinated debt issued by the Indian insurers to be listed in local stock exchanges, while overseas listing remains prohibited.

Changes in share buyback rule Securities and Exchange Board of India (SEBI) has announced that it would allow listed companies to utilise 75 per cent of their surplus funds for share buybacks instead of 50 per cent earlier. This will allow companies to utilise more funds for share buyback offers. Listed companies use buybacks as a means to improve value for shareholders. SEBI has said that these buybacks would be slowly phased out from the secondary market exchange platforms and conducted on a separate window. According to the regulator, the tender route is more equitable and other ways are vulnerable to favouritism. In the tender route, shares are bought back by the companies at a premium to the market price and since the acceptance ratio is higher it benefits retail investors. SEBI has also proposed to cut the buyback window to 66 days from the present 90-day period.

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

Banking and finance

Highlights of MPC meeting The Monetary Policy Committee (MPC) at its meeting on December 7 decided to increase the policy repo rate under the liquidity adjustment facility (LAF) by 35 basis points to 6.25 per cent. Consequently, the standing deposit facility (SDF) rate stands adjusted to 6.00 per cent and the marginal standing facility (MSF) rate and the Bank Rate to 6.50 per cent. As per the MPC data, real GDP increased by 6.3% YoY in Q2 after an increase of 13.5 per cent in Q1. Meanwhile, CPI inflation moderated to 6.8 per cent in October 2022 from 7.4 per cent in September, with favourable base effects mitigating the impact of a pick-up in price momentum in October. The real GDP growth for 2022-23 is projected at 6.8 per cent with Q3 at 4.4 per cent and Q4 at 4.2 per cent.

RBI introduces UPI mandates The Reserve Bank of India (RBI) has announced the introduction of the functionality of a single block and multiple debits in a Unified Payments Interface (UPI), commonly dubbed as 'UPI mandate'. RBI is now allowing users to block their funds in bank accounts using UPI to make specific payments later on. Users can enable a payment mandate for a merchant by earmarking funds in their bank accounts for debits whenever required. This will enable faster transactions in the stock market, retail purchases of government securities, spending on e-commerce platforms and hotel bookings.

CIBIL launches 'Fit Rank' for MSMEs TransUnion CIBIL, the credit information company, has launched a new ranking system for MSME borrowers called the 'FIT Rank', with the intent of deepening credit flow to small businesses and also helping lenders avoid loan losses on such bets. The rankings have been launched in association with Online PSB Loans. The company will rate over 6 crore micro, small and medium enterprises (MSMEs) by drawing inputs from their current accounts, income tax returns and also Goods and Service Tax (GST) returns. It will then arrive at a score between 1-10 to rate a borrower after taking consent to draw the relevant data.

Hedging Gold in IFSC To provide greater flexibility to resident entities in India, and to hedge the price risk of their gold exposures efficiently, the rules have been amended to permit resident entities to hedge their gold price risk on recognised exchanges in the International Financial Services Centre (IFSC). Resident entities in India are currently not permitted to hedge their exposure to gold price risk in overseas markets.

Debt market trading hours restored The Reserve Bank of India (RBI) has restored the debt market trading hours to pre-pandemic timings for call/notice/term money, commercial paper, certificates of deposit and repo in corporate bond segments of the money market as well as for rupee interest rate derivatives, with effect from December 12. Earlier, the central bank had reduced the market trading hours with effect from April 7, 2020, due to the pandemic. Restoration of trading timings was started by the RBI in a phased manner from November 9, 2020.

RBI moves fraud reporting to DAKSH portal The Reserve Bank of India (RBI), through a circular, has announced that the fraud reporting module will be migrated to the DAKSH portal, the Reserve Bank's advanced supervisory monitoring system, to streamline reporting, enhance efficiency and automate the payments fraud management process, from January 1 onwards. RBI operationalised the Central Payments Fraud Information Registry (CPFIR) in March 2020 with reporting of payment frauds by scheduled commercial banks and non-bank Prepaid Payment Instrument (PPI) issuers. All RBI-authorised Payment System Operators (PSOs), providers and payment system participants operating in India are required to report all payment frauds, including attempted incidents, irrespective of value, either reported by their customers or detected by the entities themselves. This reporting was earlier facilitated through Electronic Data Submission Portal (EDSP).

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

Accounting and management

Concurrent audit for co-operative societies The Central Government has proposed a concurrent audit for Multi-State Co-operative Societies (MSCS) with a turnover or deposits above a certain threshold as a part of the Multi-State Co-operative Societies (Amendment) Bill, 2022.

ICAI issues a revised implementation guide for SA 230 The Institute of Chartered Accountants of India (ICAI) has revised the implementation guide to the Standard on Auditing (SA) 230 relating to 'Audit Documentation'. The revision has been done to provide practical implementation guidance to auditors on this standard. Implementation guide was last issued in 2018.

(For queries and more information about accounting, contact our colleague Rahul at rahul.mundada@greenvissage.com)

Payroll and personal finance

In Focus: Health Insurance

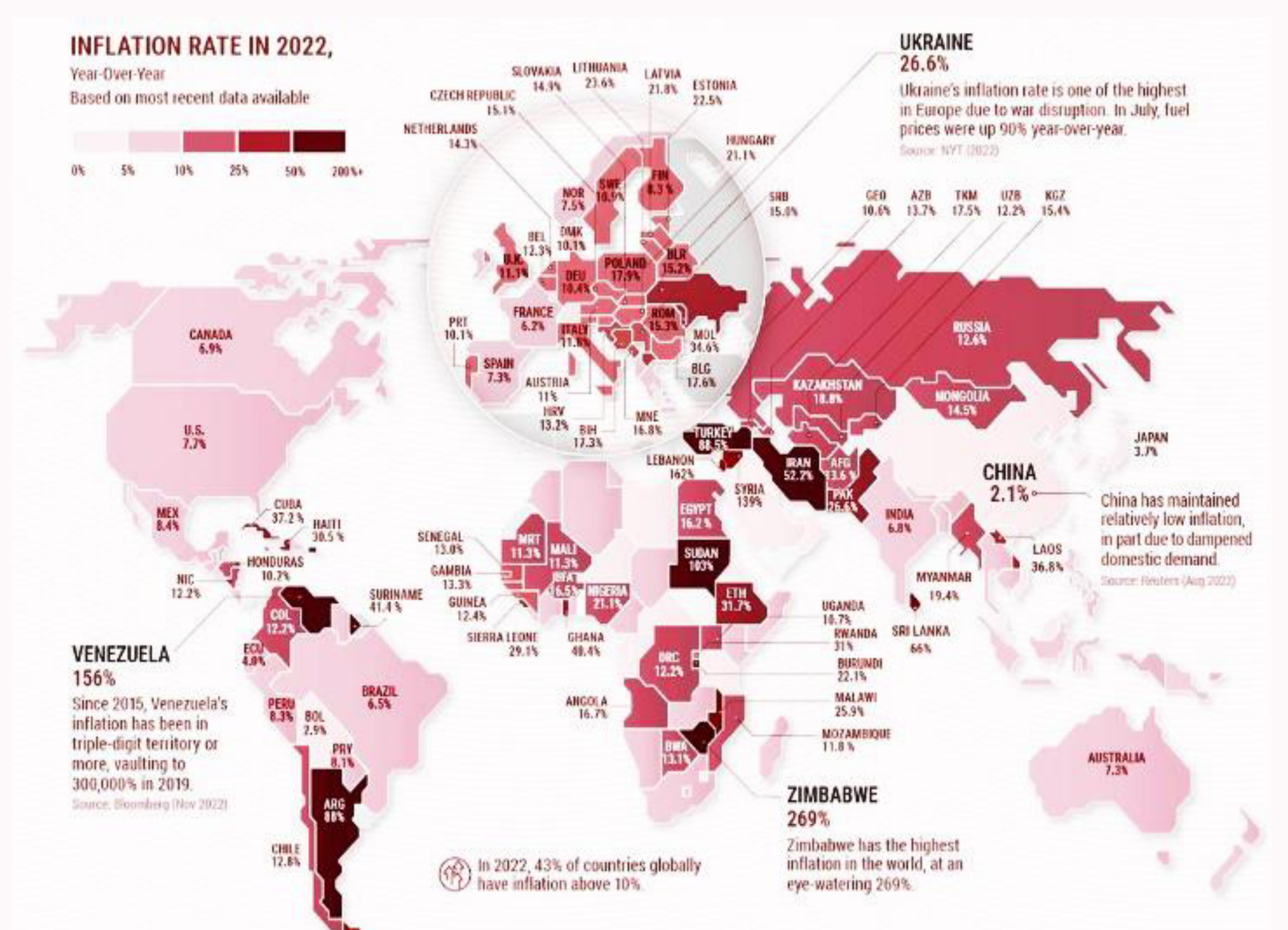
1. With technology, the insurance industry is getting more and more automated as most queries for insurance policies are being handled by bots. Insurance being an important financial aspect, buying insurance policies through a trusted agent who can assist in making claims is important.
2. To differentiate between various insurance companies, it is important to visit hospitals to verify the claim ratio and quick approvals of claims by insurance companies. Further, one must ensure that the policy covers multiple diseases, multiple times in the same year for various family members – it is tricky, but one must look to cover as much as possible. Ensure that the riders cover the Non-Consumables as well such as syringes, paper etc.
3. Most insurance policies require 24-hour hospitalization to claim the insurance proceeds, however, with advancements in technology, there are many procedures which do not need hospitalization and therefore while taking a health insurance policy, it is important to ensure that daycare treatments are also covered. One should also look into policy to ensure there is no room for capping in the policy while being treated.
4. Insurance companies add co-payment clauses after the age of 60 years. To ensure that you receive full cover, it is preferable to pay a higher premium by adding a zero co-payment clause. Ayurveda Unani Siddha Homeopathy (AYUSH) – Alternate Medicine cover can also be added as the same is opted for by many people for post-injury recovery and healing.
5. While buying a policy, ensure that you are disclosing all pre-existing diseases which will not be covered for the first few years, however, it is essential to keep in mind that the policy would in force for decades and therefore, disclosure is better than a rejection of claims later. However, one must not fall for discounts given by insurance companies for linking health data apps with them. Since the data is personal and real-time, it can be sold by the insurance company or even used against you.
6. To save in premiums, one must look for policies with a higher No Claim Bonus. Insurance companies have become competitive and therefore, better policies always exist.

PMNAM launched to boost career opportunities The Ministry of Skill Development and Entrepreneurship (MSDE) held the Pradhan Mantri National Apprenticeship Mela (PMNAM) on December 12, 2022, across 197 locations in 25 states and union territories, to boost career opportunities for India's youth under the Skill India Mission. Several local businesses were invited to be a part of the mela to provide local youth with the opportunity to shape their careers through apprenticeship training.

Partial withdrawal of NPS through Nodal Officers only With effect from January 1, 2023, all NPS subscribers can opt for partial withdrawal of their National Pension System (NPS) corpus only through associated nodal offices. Earlier, owing to the Covid-19 pandemic, direct online applications on a self-declaration basis were introduced, however, the same are now being withdrawn for NPS subscribers from January 1.

Head of Family's consent to update Aadhar address Unique Identification Authority of India (UIDAI) is now allowing residents to update their addresses Aadhaar online with the consent of their head of the family. Under the new process, proof of relationship documents such as a ration card, mark sheet, marriage certificate, passport, etc. can be submitted, mentioning the name of both the applicant and head of the family (HoF) and the relationship between them. The process requires OTP-based authentication by the HoF. If proof of relationship document is not available, UIDAI will allow the resident to submit a self-declaration by the HoF in the UIDAI-prescribed format.

(For queries and more information about payroll and personal finance, contact our colleague Snigdha at kumari.snigdha@greenvissage.com)



GLOBAL INFLATION RATES

BUSINESS NEWS

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Governments

Supreme Court upholds demonetisation decision Supreme Court has upheld the Union Government's November 2016 decision to demonetise INR 500 and INR 1000 currency notes. According to the judgment, section 26(2) of the Reserve Bank of India (RBI) Act empowers the Central Government to demonetize and the same cannot be interpreted only about specific series of banknotes, but all series of banknotes. According to the court, there was a consultation between the Central Government and the Reserve Bank of India (RBI) for six months and therefore held that the same cannot be struck down on the grounds of excessive delegation. The Supreme Court also held that the period of 52 days for the exchange of notes cannot be said to be unreasonable.

PSUs allowed to invest in debt mutual funds The Department of Investment and Public Enterprises (DIPAM), under the Ministry of Finance, has issued an official memorandum to allow Central Public Sector Enterprises (CPSE) to invest in debt schemes of all mutual funds. Earlier, the regulations limited CPSE to investment in public sector mutual funds only where the government held more than 50 per cent share. However, the period of maturity of any instrument of investment shall not exceed one year from the date of investment, except in the case of term deposits with banks and government securities where it can extend up to three years. The new guidelines are based on proposals received from CPSEs, mutual funds and private sector banks who sought liberalisation of policies and the introduction of a new monetary instrument for trading in short-term funds.

Startup India Standup India The Union Government, in Parliament, informed that it has recognised 84,102 entities as startups as on November 30 during the current financial year, under the Startup India, Standup India programme launched in January 2016. These startups are eligible for availing a host of incentives including income tax benefits under the scheme.

Anti-maritime Piracy law passed in Lok Sabha The Anti-Maritime Piracy Bill, 2019 that seeks to provide an effective legal instrument to combat piracy not only in territorial waters and the exclusive economic zone (EEZ) but also on the high seas has been passed by the Lok Sabha. S Jishankar, External Affairs Minister, said that the provision for death has been amended to punishment with death or with imprisonment for life if a person is committing the act of piracy and causes death or an attempt thereof. Notably, the bill empowers Indian authorities to deal with piracy on the high seas beyond the exclusive economic zone which is 200 nautical miles from the country's coastline.

Economies

Funding in Indian Startups declines According to Tracxn Geo Quarterly Report, funding in Indian startups has dropped by 35% YoY to USD 24.7 billion in 2022 from USD 37.2 billion last year. The significant drop in funding is attributed to a decline in late-stage investments which fell by 45%.

Russia becomes India's largest oil supplier For the first time, Russia has emerged as a top oil supplier to India replacing Iraq, as refiners bought oil from Russia in fear of a price cap that could hit supplies and choke payment avenues. India's oil imports from Russia rose for the fifth straight month totalling 9,08,000 barrels per day in November, up 4 per cent from October. The Group of Seven Nations, Australia, and the 27 European Union countries, have imposed a price cap of USD 60 per barrel on Russian seaborne oil from December 5 onwards to limit Russia's ability to finance its war.

US Federal Reserve hikes key policy rates The United States Federal Reserve has reinforced its fight against inflation by raising its key interest rate for the 7th time during 2022 while signalling more hikes in the upcoming period. The federal reserve increased the benchmark rate by a half-point to a range of 4.25% to 4.5%. This is its highest level in 15 years.

Bad loans written off by banks Finance Minister, Nirmala Sitharaman, revealed that bad loans worth INR 10,09,511 crore have been written off by banks during the last five financial years. Banks write off Non-performing assets as part of their regular exercise to clean up their balance sheet, avail tax benefit and optimise their capital, under the guidelines laid by the

Reserve Bank of India (RBI) and policies approved by the board of directors.

■ **India ranks fifth in top Global 500 companies** The Hurun Global 500 rankings have ranked India in the fifth spot, up four spots from the previous year, in the list of top global 500 companies. India added nine new entities taking its total to 20 companies in the list of top global 500. The four new entrants this year are all Adani Group enterprises including Adani Enterprises (USD 63 billion), Adani Transmission (USD 44 billion), Adani Total Gas (USD 43 billion) and Adani Green Energy (USD 40 billion). The list is led by Reliance Industries with a market capitalisation of USD 202 billion, followed by Tata Consultancy Services (USD 139 billion), HDFC Bank (USD 97 billion), State Bank of India (USD 62 billion) and Life Insurance Corporation of India (USD 45 billion), amongst others. According to the report, out of the 500 top global companies, 50% of companies have a presence in India.

■ **Japan announces incentive to move out of Tokyo** The Japanese Government has offered 1 million yen, equivalent to USD 7,500 per child in financial support to families who decide to move out of the Tokyo metropolitan area. Japan's towns and villages have steadily shrunk and populations have aged, as most young people migrate to Tokyo, Osaka, and other big cities. To counter this, the government launched a scheme in 2019 offering 300,000 yen per child and a one-time 30,000,000 yen payment to families migrating to smaller regions. However, the scheme didn't take off and only 2,400 people opted for it. The incentive has now been raised in a bid to reverse the population drop in unfashionable regions. Child support will be provided if a child is under 18. To receive the benefits, families will have to move outside the greater Tokyo area or to the mountainous areas within the city's boundaries and live in their new homes for at least five years or return the cash if they move out before then. Those starting businesses in their new homes can avail of even more financial support.

Corporates

■ **IndiGo announces new flights** IndiGo has announced 12 daily and 168 weekly new flights to and from the new Goa International Airport (Mopa, North Goa) effective from January 5. This will be IndiGo's largest-ever new station launch and will immediately connect New Goa International Airport to 8 cities across India. These new flights are being introduced to cater to the increasing demand and will improve direct connectivity to North Goa. The present Goa Dabolim Airport in South Goa will remain active, and IndiGo will continue its existing operations there.

■ **Reliance GIC seeks urgent capital infusion** Reliance General Insurance Company, a subsidiary of debt-laden Reliance Capital has sought an urgent capital infusion of INR 600 crore from the parent firm to pursue growth and preserve the business. The capital infusion can take the company's solvency to about 175% from the present 155%.

■ **Reliance Retail launches 'Independence' brand** Reliance Retail has announced its new consumer packaged goods brand 'Independence' in Gujarat with plans for national rollout as part of its ambition in the FMCG segment. The brand has been launched by Reliance Consumer Products, the subsidiary of the country's leading retailing firm Reliance Retail Ventures (RRVL). Under the 'Independence' brand, the company will offer a range of products under several categories, including staples, processed foods and other daily essentials. The company also plans to develop Gujarat as a go-to-market state to create excellence in execution for its FMCG business.

■ **US health regulator warns Glenmark pharma** Glenmark Pharma, the drug maker, has been pulled up by the United States health regulator for manufacturing lapses including failure to establish required laboratory control mechanisms at its Goa-based manufacturing plant. The US health regulator noted significant violations of Current Good Manufacturing Practice (CGMP) regulations for finished pharmaceuticals.

■ **Air India to buy 150 Boeing Max 737** Air India, owned by Tata Group, is all set to sign a deal with Boeing to buy around 150 737 Max planes to expand its fleet. This will be Tata Sons' first major order after the group bought the ailing airline from the Government of India. The order is also the biggest Indian order for the American aircraft manufacturer after it sold 75 aircraft to Akasa Air in 2021. Boeing has promised to deliver 50 aircraft by March 2023.

Videocon Chairman arrested by CBI The Central Bureau of Investigation (CBI) has arrested Venugopal Dhoot, the business tycoon and chairman of Videocon, three years after booking him for his alleged involvement in the ICICI bank fraud case. The arrest came days after the agency picked up Chanda Kochhar, the former ICICI bank MD and CEO, and Deepak Kochhar, her husband. The CBI has charged that ICICI bank had sanctioned INR 1,875 crore loan to the Videocon Group in violation of the lending policies.

HDFC Bank announces partnership with Microsoft HDFC Bank has announced that it is partnering with Microsoft in the next phase of its digital transformation journey. The bank is aiming to unlock business value by transforming the application portfolio, modernising the data landscape, and securing the enterprise with Microsoft Cloud. The bank is also developing in-house intellectual properties as well as co-creating with several other fintech companies.

Startups

Harappa Educations announces 40% layoff Harappa Education, the Delhi-based ed-tech startup, has announced that it has laid off 73 employees, which is equivalent to 40% of its workforce. Employees have been asked to resign over messages and calls. The company also mentioned that this was the first round of layoffs and that more employees might lose their jobs in the coming period.

Paytm witnesses a 150% jump in loans Paytm has announced that its loan book has jumped 150% in volumes during the October-November period, as compared to the same during the previous year. The company's loan distribution business continued to add loan disbursals at an annualised run rate of INR 39,000 crore (USD 4.8 billion) in November.

BharatPe CEO quits his role Suhail Sameer, BharatPe CEO, has quit his position to assume the role of a Strategic Advisor to oversee phases of the company's business. The current CFO, Nalin Negi, has been appointed as the interim CEO. Suhail Sameer previously worked with RP-Sanjiv Goenka Group's FMCG business and joined BharatPe in August 2020. In recent weeks, Suhail Sameer was criticised by Ashneer Grover, the former Co-founder who was ousted for alleged financial misappropriation. Four senior executives including CTO Vijay Aggarwal, VP of technology Geetanshu Singla, CPO for lending and consumer products Rajat Jain, and Nehul Malhotra, head of a consumer lending platform PostPe have also left the company recently.

Zomato's Cofounder quits the company Gunjan Patidar, Co-founder and Chief Technology Officer (CTO) at Zomato, has announced to quit the company. Gunjan Patidar, the company's third employee, had been with the company since 2008 and was responsible for all tech verticals. Earlier, Zomato co-founder Mohit Gupta, and new initiatives head and former food delivery chief Rahul Ganjoo quit the company in November last year. Meanwhile, the head of its Intercity Legends service, Siddharth Jhawar, also announced his exit from the company a week ago. Co-founder Gaurav Gupta had earlier quit the company in 2021, after the IPO.

SEBI asks OYO to resubmit IPO papers Oravel Stays or Oyo, the Gurugram-based hospitality unicorn, has been asked by the Securities Exchange Board of India (SEBI), the capital markets regulator, to refile the draft IPO papers with certain updates. The new order will delay the company's IPO further, as OYO had filed preliminary documents with the SEBI in September 2021 for an INR 8,430 crore IPO. The proposed offering consists of a fresh issue of shares of up to INR 7,000 crore and an offer-for-sale of as much as INR 1,430 crore.

Conglomerates

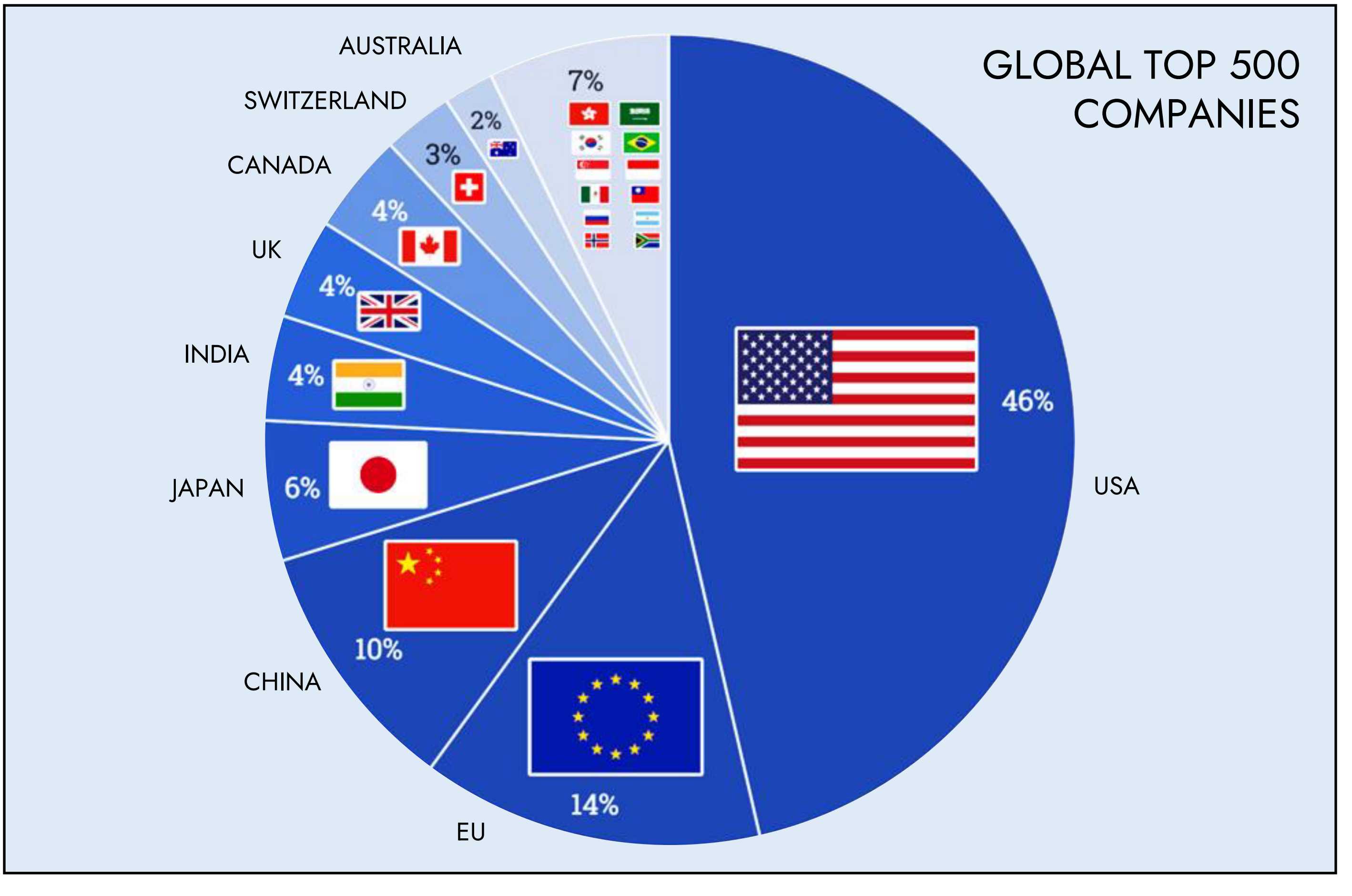
General Motors regains top position in auto sales General Motors, the Detroit-based automaker, has reclaimed its coveted United States sales crown from Toyota Motors, as it gained in its annual vehicle sales despite supply chain problems. General Motors has announced that it sold 2.27 million vehicles in the United States during the year 2022, up by

2.5% over 2021, which includes a 41.4% increase during the fourth quarter. Meanwhile, analysts have estimated that the United States Auto industry sales declined by 8 – 10% last year as compared to 2021.

Salesforce announces 10% layoffs Salesforce, the largest private employer in San Francisco, has announced that it is cutting its workforce by 10% and reducing some office spaces as part of a restructuring plan. According to reports, the company has more than 73,000 workers as of January 31, 2022. In a letter to employees, Marc Benioff, co-CEO, said that customers have been more measured in their purchasing decisions given the challenging macroeconomic environment and therefore, Salesforce was forced to make the difficult decision to lay off workers.

Meta receives ultimatum from EU The European Union (EU) has issued an ultimatum to Meta Inc over the way the company uses the data for personalized advertisements on Facebook and Instagram. Facebook has been fined USD 223 million in penalties while Instagram with USD 191 million. The company is now facing a three-month window to make sure the processing of such information complies with European Union rules.

Google challenges CCI order at NCLAT Google, the tech giant, has approached the National Company Law Appellate Tribunal (NCLAT) to challenge the Competition Commission of India (CCI) order on unfair business practices in Android mobile devices. In October, the CCI slapped a penalty of INR 1,337.76 crores for abusing its dominant position in multiple markets concerning Android mobile devices and ordered the internet major to cease various unfair business practices. Google has mentioned to the tribunal that the antitrust investigators have copied parts of a European ruling against the United States firm for abusing the market dominance of its Android operating system, and has argued that the decision should be quashed.



ECONOMIC INDICATORS

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ECONOMIC INDICATORS

Key Economic Indicators

Indicator	As on	Current	Prior
GDP Growth (%)	Sep-22	6.30	13.50
Inflation (%)	Nov-22	5.88	6.77
Unemployment (%)	Dec-22	8.30	8.00
Trade Balance ($m)	Nov-22	(19.89)	(26.91)
Business confidence	Dec-22	134.00	138.00
Manufacturing PMI	Dec-22	57.80	55.70
Services PMI	Dec-22	58.50	56.40

Global Indices

Index	Country	%
NIFTY 50	India	(3.44)
BSE SENSEX	India	(3.67)
INDIA VIX	India	11.48
NIFTY BANK	India	(3.31)
DOW JONES	USA	0.46
NASDAQ	USA	(3.96)
S&P 500	USA	(1.00)
FSTE 100	UK	2.98
NIKKEI 225	Japan	(6.91)
SHANGHAI COM	China	(1.54)
MOEX	Russia	(0.99)
CAC 40	France	2.75
DAX	Germany	1.67
S&P ASX 200	Australia	(1.61)
BOVESPA	Brazil	(5.14)
KOSPI	South Korea	(4.15)
HANG SENG	Hong Kong	5.48

Commodities Future

Commodity	Expiry	Price	%
Gold	Feb-23	55,730.00	3.56
Silver	Mar-23	69,178.00	5.33
Crude Oil	Jan-23	6,140.00	(0.39)
Natural Gas	Jan-23	318.00	(32.80)
Aluminum	Jan-23	204.85	(4.54)
Copper	Jan-23	734.35	5.40
Zinc	Jan-23	271.25	(1.52)

Currency Exchange Rates

Pair	Current	Prior	%
INR/1 USD	82.63	82.28	(0.43)
INR/1 GBP	98.47	100.20	1.72
INR/1 EUR	86.92	86.26	(0.77)
INR/100 YEN	61.63	59.94	(2.82)

Cryptocurrencies

Pair	Crypto	Price	%
BTC/USD	Bitcoin	16,932.00	(0.41)
ETH/USD	Ethereum	1,263.30	0.23
USDT/USD	Tether	1.00	0.02
BNB/USD	Binance	261.60	(9.67)

Small Savings Schemes

Scheme	Current	Prior	%
SSCS	8.00	7.60	0.40
SSA	7.60	7.60	-
NSC	7.00	6.80	0.20
PPF	7.10	7.10	-
KVP	7.20	7.00	0.20

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