

GREEN DIGEST

EVERYTHING THAT CONCERNS YOUR MONEY



GREENVISSAGE.COM

FOR PRIVATE CIRCULATION ONLY

Page 4

SPOTLIGHT

The Xinjiang Dilemma - Human Rights vs Economic Engagement



Page 9

EXPERT OPINION

Can amendment in insurance laws pave the way for an 'Insured India'?



Page 13

GREENVISSAGE EXPLAINS

Curated financial stories of the month, elaborated by our experts



Page 18

COMPLIANCE UPDATES

Policy, compliance and regulatory updates from the past month



Page 25

BUSINESS NEWS

Top news from the business world



Page 31

ECONOMIC INDICATORS

Analysis of key economic factors



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

At Greenvissage, our constant endeavor is to help companies achieve growth that is scalable, sustainable and hassle-free through our CFO Consulting and Business Advisory Services. Greenvissage, one of the trusted and top CFO Consulting firms serves clients from over 12 countries and wades them through hundreds of statutory and internal target lines every year.

We are one of India's Largest Business advisory service providers with world-class finance talent.

Greenvissage Business Consulting LLP

LLPIN: AAB-9132



PUNE

106, Mayfair Tower I,
Wakdewadi, Pune – 411005, India

[Google Maps](#)

7, Kunal Puram Commercial Complex,
Opp Atlas Copco, Old Mumbai – Pune Highway,
Dapodi, Pune – 411012, India

[Google Maps](#)

MUMBAI

904, 9th Floor, Bhumiraj Costarica,
Off Palm Beach Road, Sector 18, Sanpada,
Navi Mumbai – 400705, India

[Google Maps](#)

Email: info@greenvissage.com

Call: +91 20 6764 0900



SPOTLIGHT

Greenvissage

Xinjiang Dilemma – Human Rights or Economic Engagement?

The cost of silence on human rights, explained



Backdrop

In the world of global business, the drive for profitability often intersects with ethical considerations, creating a challenging dilemma for corporations. The world has witnessed a sharp rise in the need for companies to balance profit-making with maintaining social responsibility, environmental stewardship, and respect for human rights. However, what happens when economic interests are in direct conflict with fundamental human rights? One of the most pressing examples of this dilemma today lies in the Xinjiang region of China. Xinjiang, an autonomous region in China, has been the epicentre of an ongoing human rights controversy for several years. Reports of forced labour, mass surveillance, arbitrary detentions, and systematic cultural suppression of Uyghur Muslims and other ethnic minorities have sparked an international outcry. The United States, alongside several human rights organizations, has raised alarm over the ongoing situation, accusing China of committing atrocities that amount to genocide. Yet, despite

these allegations, some of the world's largest companies and industries remain deeply entrenched in Xinjiang, benefiting from its vast economic potential. As global supply chains intertwine with China's growing market, the ethical question becomes increasingly complex: should businesses continue to engage with a region where human rights violations are allegedly taking place, or is silence complicit in these abuses?

Xinjiang Human Rights Issue

Xinjiang, China's largest and most resource-rich province, is home to a significant population of Uyghur Muslims, who represent around 45% of the region's population. The Uyghurs have a distinct language, culture, and religion, with many practising Islam. Over the years, tensions between the Uyghur population and the Chinese government have been escalating due to concerns about religious freedom, ethnic identity, and political autonomy. In recent years, however, the situation has escalated sharply, with reports emerging from multiple sources

about the systematic crackdown on Uyghur Muslims in Xinjiang. Over one million Uyghurs and other Muslim minorities have reportedly been detained in what China calls "re-education camps," though international organizations and human rights groups characterize these as concentration camps. Detainees are allegedly subjected to forced political indoctrination, torture, and forced labour. There are widespread allegations that Uyghur detainees are being forced to work in factories, often producing goods for export to global markets. The Chinese government has denied this, but evidence continues to surface pointing to forced labour in sectors like textiles, electronics, and agriculture. Xinjiang is described as one of the most heavily surveilled regions in the world, with cameras, facial recognition, and other technologies used to monitor the movement and activities of Uyghur Muslims. Cultural practices, including religious observances like fasting during Ramadan, are severely restricted. Reports have emerged of forced sterilization, abortions, and the use of birth control to curb the population growth of Uyghurs, further fueling accusations of genocide. The Chinese government has repeatedly denied these allegations, asserting that it is merely implementing counter-terrorism measures to combat separatism and extremism in the region. The Chinese Communist Party (CCP) portrays the "re-education camps" as part of a broader initiative to improve education and economic opportunities for Uyghurs, arguing that it is addressing issues of radicalization and religious extremism.

New Chapter in US-China Conflict

The US and several Western countries, including the European Union, have been vocal in condemning the Chinese government's actions in Xinjiang. The main accusations against China focus on violations of international human rights laws, as well as a breach of the United Nations' Universal Declaration of Human Rights. In 2021, the US government officially declared that China's actions in Xinjiang constituted "genocide" and "crimes against humanity." This accusation stems from the reported mass detentions, forced sterilizations, and the ongoing suppression of Uyghur culture and religion. Furthermore, the US has sanctioned Chinese officials and companies linked to these abuses, including placing restrictions on imports from Xinjiang-produced goods due to concerns over forced labour. The American stance is largely shaped by human rights advocacy groups and the broader

international community's push for accountability. For many American policymakers, especially those advocating for human rights, China's treatment of Uyghurs is seen as part of a broader effort to suppress religious freedoms and ethnic identities. This issue has become a significant focal point in US-China relations, with major economic and political ramifications. The human rights violations in Xinjiang also bring into question the global supply chain dynamics. With China being a dominant player in the manufacturing of everything from clothing to electronics, the ethical questions of sourcing goods produced with forced labour are difficult to ignore. Moreover, with more information and evidence of these abuses coming to light, many are asking whether businesses should continue to do business with companies linked to Xinjiang-based operations.

China's Government Response

The Chinese government has responded forcefully to the international backlash. It has consistently denied allegations of human rights violations in Xinjiang, calling them baseless and politically motivated. Beijing portrays the efforts in Xinjiang as part of a legitimate campaign to curb extremism, terrorism, and separatism. The region has been home to violent incidents, including bombings and riots, which the Chinese government has linked to Uyghur separatist groups. China also claims that the "re-education camps" are part of a program to combat poverty and provide vocational training. According to the Chinese government, these camps are designed to help Uyghurs integrate into society by teaching them Mandarin, providing job skills, and preventing the spread of radical ideologies. Critics, however, argue that these claims are disingenuous and that the camps are a form of ethnic cleansing aimed at eradicating Uyghur culture and religion. Additionally, the Chinese government has responded to sanctions and foreign pressure by targeting countries and companies that criticize its policies in Xinjiang. China has leveraged its economic influence to deter countries from joining the condemnation, offering economic incentives to those who support its position.

The Repercussions

In January 2021, the US government, under the administration of then-President Donald Trump, officially declared that

China's actions in Xinjiang constituted genocide and crimes against humanity. This decision was based on extensive evidence of mass detentions, forced labour, sterilization, and other human rights violations. It set a legal and diplomatic precedent for further actions against Chinese officials and entities linked to these abuses. The US government has imposed various sanctions on Chinese officials, businesses, and entities that are believed to be directly involved in the abuses in Xinjiang. The US imposed travel bans and asset freezes on Chinese officials, including members of the Chinese Communist Party, government officials, and security forces. The US has sanctioned Chinese companies accused of being involved in the forced labour of Uyghurs, including companies in industries such as textiles, electronics, and surveillance. For example, in 2020, the US added Xinjiang's biggest cotton producer and other related firms to the Entity List, restricting their ability to do business with American companies. This essentially cut them off from American technology and exports that could be used in their operations. The US has implemented import bans on products linked to forced labour in Xinjiang, particularly in the textile and cotton industries. One of the key actions was the Uyghur Forced Labour Prevention Act, which was passed by Congress in December 2021. This law bans imports from Xinjiang unless companies can prove that their products are not made with forced labour. The law aims to hold companies accountable for their supply chains and prevent the entry of goods produced by forced labour into the US market. In March 2021, the EU imposed sanctions on Chinese officials in response to the human rights abuses, following similar US actions. The US and its allies have called for China to be held accountable for its actions and to stop the repression of Uyghur Muslims. In December 2021, the US announced a diplomatic boycott of the 2022 Beijing Winter Olympics. This meant that US officials would not attend the Games in protest against China's human rights abuses in Xinjiang, particularly the alleged genocide against Uyghurs. The diplomatic boycott was part of a broader US strategy to highlight China's human rights record while still allowing American athletes to participate in the Games.

The Collateral Damage

Many companies have come under scrutiny for their links to Xinjiang, whether directly or indirectly. These companies have faced intense pressure to sever ties with suppliers or

production facilities in the region to avoid complicity in human rights violations. Several major apparel companies, including Nike, Adidas, and H&M, have been accused of sourcing products made with forced labour in Xinjiang. In response, these companies have issued statements pledging to end their business ties with suppliers linked to the region. Nike and Adidas, both of which rely on a vast global supply chain, have found themselves in a precarious position, as the region's textile industry plays a significant role in their production processes. Despite these pledges, scrutiny has remained. Reports have surfaced showing that some of these companies continue to source raw materials like cotton from Xinjiang, which remains one of the largest cotton-producing regions in the world. Critics argue that these companies are either not fully committed to ending their involvement with Xinjiang or are taking insufficient action to ensure ethical sourcing practices.

Technology companies, including Apple, Intel, and Tesla, have also faced criticism for their involvement in Xinjiang, particularly concerning the use of forced labour. Apple, for example, sources components for its products from suppliers in China, and there have been concerns over the treatment of Uyghur workers in these supply chains. Similarly, Intel has faced accusations related to its sourcing of chips from suppliers in the region. Despite public condemnations and pledges to investigate their supply chains, some of these companies continue to face allegations of human rights violations, with critics arguing that their actions are insufficient to address the problem at its root.

Uniqlo, the Japanese global apparel retailer, has been involved in controversy regarding its supply chain links to the Xinjiang region of China, where serious human rights abuses have been reported. The controversy primarily stems from the reports suggesting that cotton produced in Xinjiang, where forced labour has been widely documented, is used in garments sold by Uniqlo. Xinjiang is one of the world's largest cotton-producing regions, and it is alleged that Uyghur Muslims, along with other ethnic minorities, are being forced to work in cotton fields and factories under conditions that may involve coercion, abuse, and surveillance. In the case of Uniqlo, the company's reliance on China as both a production hub and a consumer market has created a difficult position: disengaging from Xinjiang could harm its business, but continuing to source

from the region while denying the allegations may damage its reputation and alienate socially conscious consumers.

The Cost of Silence

The dilemma of balancing business interests with ethical responsibility is not a new one. In the case of Xinjiang, however, the stakes are particularly high. Companies that choose to continue operating in the region, or that ignore calls to sever ties with suppliers linked to forced labour, risk being complicit in what is widely regarded as one of the most severe human rights crises of the 21st century. From a business perspective, disengaging from Xinjiang is not without its costs. For companies with significant exposure to the Chinese market, cutting ties with the region could mean losing access to one of the world's largest consumer bases and manufacturing hubs. On the other hand, failing to act on human rights violations could tarnish a company's reputation, leading to consumer backlash and shareholder protests. The "cost of silence" is also seen in terms of long-term sustainability. As awareness of human rights issues grows, companies may find it increasingly difficult to ignore the ethical implications of their business practices. Consumers, particularly younger

generations, are more socially conscious than ever, and companies that fail to act responsibly could face a decline in sales, trust, and brand loyalty.

Towards Accountability

The situation in Xinjiang presents a profound challenge for global businesses, as they must navigate the tension between economic opportunity and ethical responsibility. The ongoing human rights violations against Uyghur Muslims cannot be ignored, and the silence of corporations complicit in these abuses will ultimately cost them in the court of public opinion and, possibly, in financial terms as well. As international pressure mounts and the business world faces increasing scrutiny, the choice between profits and principles becomes ever clearer: ethical responsibility must take precedence over short-term gains. The question now is whether global businesses will rise to the occasion or continue to profit from silence.

(References – BBC, The Indian Express, The Hindu, Voice of America)



EXPERT OPINION

Greenvissage

‘Insurance for All by 2047’ – Can amendment in insurance laws pave the way for an ‘Insured India’?

By Amit Chandak, Managing Partner, Greenvissage



Introduction

The Insurance Amendment Bill 2024 introduces pivotal reforms aimed at modernizing India’s insurance industry, which, despite its significant progress, continues to face challenges such as low penetration and density compared to global standards. This article explores the current state of the industry, the historical evolution of insurance regulations, and the transformative amendments proposed in the bill, highlighting their implications for the sector. India’s insurance industry has witnessed considerable growth since its liberalization in 2000. With over 70 insurers operating in both life and non-life segments, the sector plays a critical role in the economy. However, insurance penetration, which measures premiums as a percentage of GDP, remains at a modest 4.2% compared to the global average of 7.4%. Developed economies such as the US and UK boast penetration rates of 12% and 11%, respectively, while markets like China (4.5%) are slightly ahead of India. Insurance density, reflecting per capita premium, further illustrates this disparity. India’s density stands at USD 91, significantly lower than the global average of USD 682.

History and Current State

The Insurance Act of 1938 laid the foundation for the sector, introducing licensing, solvency norms, and capital requirements. The nationalization of life insurance through the LIC Act of 1956 created a state monopoly, which remained unchallenged until the IRDA Act of 1999 opened the sector to private players and foreign investment. Subsequent reforms in 2015 and 2021 increased foreign direct investment (FDI) caps, fostering competition and innovation. The Insurance Amendment Bill 2024 seeks to build on this legacy by addressing structural inefficiencies and aligning the sector with global best practices. Today, the life insurance segment is dominated by the state-run Life Insurance Corporation of India (LIC), which holds over 60% of the market. Private players such as HDFC Life, ICICI Prudential, and SBI Life have also established strong footholds. In the non-life segment, companies like ICICI Lombard, Bajaj Allianz, and New India Assurance lead the market. The reinsurance sector is driven by the General Insurance Corporation of India (GIC), supported by the entry of foreign reinsurers post-liberalization.

Despite the industry's expansion, limited awareness, outdated regulations, and financial constraints have hindered its growth potential. India's insurance regulatory framework has evolved through significant legislative milestones.

Composite Licenses

Currently, insurers must maintain separate licenses for life and non-life products, restricting their ability to offer diverse portfolios under a single entity. This separation often results in inefficiencies, duplication of regulatory processes, and additional operational costs. The proposal to allow composite licenses aims to streamline these processes by enabling insurers to sell life, health, and general insurance under a unified framework. Such a system would improve operational flexibility and reduce compliance burdens, particularly for conglomerates expanding their services. For consumers, this could mean accessing a wider range of products and services from a single insurer, simplifying their insurance experience and improving customer satisfaction. Historically, separate licensing was instituted to maintain clarity in product classifications and to cater to distinct market needs. However, as consumer demands evolve, the lines between different insurance categories are increasingly blurred. For example, health insurance often overlaps with both life and general insurance. By permitting composite licenses, insurers can innovate and offer hybrid products tailored to customer needs, enhancing market competitiveness and product penetration.

Differential Capital Requirements

Currently, all insurers in India are subject to a uniform capital requirement of ₹100 crore, irrespective of their size, specialization, or business scale. This one-size-fits-all approach poses challenges for smaller insurers and niche players, who may find it difficult to meet the high capital threshold. The proposed amendment introduces flexibility by allowing capital requirements to vary depending on the insurer's nature and operations. This reform could unlock opportunities for micro-insurance and regional insurance providers, enabling them to enter the market without the burden of excessive capital requirements. Startups and technology-driven insurers, often operating in specific niches like agriculture or gig economy insurance, could also benefit from this flexibility. Moreover, reducing barriers to entry would foster a more inclusive

insurance ecosystem, promoting innovation and catering to underserved markets. Globally, many countries, such as the UK and Australia, adopt risk-based capital models, where requirements align with the insurer's business risks and scale. By introducing differential requirements, India could follow this global best practice, fostering a more resilient and dynamic insurance sector.

Reduction in Solvency Norms

Indian insurers are currently required to maintain a solvency margin of 150% of their liabilities, one of the highest in the world. While this ensures financial stability and protects policyholders, it also ties up a significant portion of insurers' capital, limiting their ability to invest in growth, innovation, or product development. The proposed amendment seeks to relax these solvency requirements, freeing up capital for strategic investments and market expansion. This reform aligns India with global norms, where solvency requirements are often calibrated based on the insurer's risk profile. For instance, the European Union's Solvency II framework focuses on a risk-based approach, allowing companies to allocate resources more efficiently. In India, the relaxation of solvency norms could also encourage insurers to invest in digital infrastructure, expand into rural markets, and offer more affordable products to consumers. Critics, however, caution that reduced solvency margins might expose insurers to financial vulnerabilities during economic downturns or catastrophic events. To address this, the relaxation will likely be implemented with safeguards, ensuring that the financial health of insurers remains robust while capital is utilized more effectively.

Enhanced Powers for IRDAI

The Insurance Regulatory and Development Authority of India (IRDAI) currently plays a pivotal role in overseeing the insurance sector, but its powers are often limited to broad regulatory oversight. The proposed amendment seeks to empower the IRDAI to define and regulate new classes and subclasses of insurance, providing it with greater flexibility to respond to emerging risks and market demands. This reform is particularly significant in the context of modern risks like cyber threats, climate change, and pandemics. By allowing IRDAI to create tailored regulatory frameworks for such risks, the sector can innovate and develop specialized products, ensuring

comprehensive coverage for consumers. For instance, cyber insurance, a rapidly growing segment globally, requires distinct regulatory standards to address the unique challenges of data breaches and cybersecurity threats. Additionally, the enhanced powers will enable IRDAI to streamline approval processes and reduce bureaucratic delays, encouraging faster product rollouts and greater responsiveness to market dynamics. This aligns with global regulatory practices, such as the principle-based frameworks used in the UK, which emphasize flexibility and innovation over rigid rule-making.

Increasing the FDI Cap to 100%

The current cap on foreign direct investment (FDI) in the insurance sector stands at 74%, raised from 49% in 2021. The proposal to allow 100% FDI aims to attract greater foreign participation, bringing in advanced technology, global expertise, and substantial investment capital. This move could significantly enhance the competitiveness of Indian insurers, enabling them to scale operations, improve customer service, and adopt global best practices. Higher FDI limits also signal India's commitment to creating a liberalized and investor-friendly environment. For foreign insurers, the opportunity to establish wholly-owned subsidiaries offers greater operational autonomy and control. For Indian consumers, increased foreign investment could translate into more innovative products, better pricing, and enhanced customer experiences. However, concerns remain about the potential dominance of foreign players and the implications for domestic insurers. Policymakers will need to ensure that the increased FDI cap fosters healthy competition while safeguarding the interests of Indian insurers and policyholders.

Distribution of Financial Products

Currently, insurers are restricted to offering insurance products, limiting their role in the broader financial services ecosystem. The proposed amendment seeks to allow insurers to distribute other financial products, such as mutual funds, pension schemes, and fixed deposits. This diversification could create new revenue streams for insurers while providing consumers with a one-stop solution for their financial needs. This reform aligns with global practices, where insurers often act as holistic financial advisors. For instance, in markets like the US and Europe, insurance companies frequently distribute

investment products alongside traditional insurance offerings, leveraging their extensive distribution networks and customer relationships. By adopting this model, Indian insurers can strengthen their engagement with customers, cross-sell complementary products, and enhance their overall value proposition. From a consumer perspective, this change simplifies financial planning by integrating insurance and investment services. However, effective implementation will require robust safeguards to prevent conflicts of interest and ensure that insurers maintain a strong focus on their core competency of risk management.

Conclusion

The proposed amendments in the Insurance Amendment Bill 2024 represent a transformative vision for India's insurance sector. By addressing structural inefficiencies, promoting innovation, and aligning with global best practices, the reforms aim to create a more dynamic, inclusive, and competitive market. Each amendment—from composite licenses and differential capital requirements to increased FDI and enhanced IRDAI powers—addresses specific challenges while unlocking new growth opportunities. As India aspires to achieve Insurance for All by 2047, these reforms provide the framework to expand coverage, improve affordability, and foster financial resilience among its citizens. However, successful implementation will require collaborative efforts from regulators, insurers, and policymakers to ensure that the sector realizes its full potential. With the right balance of regulation and innovation, India is poised to become a global leader in insurance, driving economic growth and social welfare for decades to come.

(References – Outlook Money, Economic Times, Business Standard)



GREENVISSAGE EXPLAINS

Greenvissage



Is International Gemmological Institute (IGI) a gem in making?

In today's bustling financial landscape, one company is making waves with its upcoming IPO. The International Gemmological Institute (IGI) is marking a significant milestone in its illustrious history. At the beginning of 2024, the unveiling of a grand temple dedicated to the Hindu god Ram in Ayodhya by Prime Minister Narendra Modi was a momentous occasion. This event held deep emotional and spiritual significance for many, and every detail, including the Ram Lalla idol's stunning jewellery, had to be perfect. Enter IGI, which played a crucial role in certifying the authenticity and quality of every piece of jewellery adorning the idol. This task was not just about ensuring the jewellery's integrity but also about honouring the faith and sentiments of millions. IGI's core business involves certifying diamonds and other gemstones. After diamonds are mined, they undergo a rigorous process before reaching jewellery stores, where IGI steps into grade and certifies them. With 19 laboratories in India and 31 globally, IGI specialises in certifying loose gemstones and studded jewellery, ensuring they meet the highest quality standards. Founded in Belgium in 1975, IGI operates 31 labs across 10 countries, serving key markets like India, the US, and China. Its revenue from operations stood at nearly INR 640 crores in 2023, growing at 30–35% annually over the last three years. IGI's profitability is impressive, with a profit after tax of INR 325 crores in 2023 and a consistent 50% profit margin. The company enjoys a strong moat, with high barriers to entry in the industry, and will be the first gemological institute to hit the public markets. IGI is planning an INR 4,225 crore IPO to capitalise on its growth prospects. The IPO proceeds will be used for various purposes, including the acquisition of IGI Belgium and IGI Netherlands, currently subsidiaries of Blackstone Asia. This move will consolidate IGI's global operations and expand its reach. IGI aims to become the world's second-largest independent certification and accreditation services provider for diamonds, studded jewellery, and coloured stones. The jewellery market is a massive opportunity. In 2023, it was valued at an astounding INR 26 lakh crores, growing at a steady 9% annually since 2020. Post-pandemic, gold and diamond-studded jewellery have led the charge, contributing 74% to the market. The jewellery market's growth is fuelled by changing consumer preferences, with jewellery becoming a daily-use fashion accessory. The rise of demi-fine jewellery, online retail, and urbanisation in countries like India further drive demand. With a young, working population and more women joining the workforce, the market is set to sparkle even brighter. By 2028, it's expected to grow to INR 32 lakh crores, with annual growth of 3–6%. One of the significant trends reshaping the jewellery market is the rise of lab-grown diamonds (LGDs). In 2023, LGDs have been outpacing natural diamonds in growth due to their affordability, customisation options, and ethical considerations. LGDs are 70–80% cheaper per carat and can be created in vibrant colours within weeks in a lab. They are seen as a sustainable and ethical choice, free from concerns associated with natural diamonds. This trend is fantastic news for IGI, as it dominates the LGD certification market with a 65% share in 2023, contributing significantly to its revenue. However, IGI faces challenges too. The natural diamond market is affected by geopolitical risks, such as international sanctions on Russian diamonds due to the Russia-Ukraine war. This could create a global supply crunch, impacting IGI's revenue from certifying natural diamonds. Additionally, IGI's revenue concentration on its top 15 customers and its operations primarily in Gujarat and Maharashtra pose risks. The company's trade receivable turnover days have increased, indicating delays in cash collection. Global expansion will also bring challenges like managing different customer expectations and currency exchange rate fluctuations.

(References – Live Mint, Value Research, Money Control)



Is 24X Stock Exchange the future of Global Trading?

The financial markets have always been driven by the pursuit of speed, efficiency, and access. As the world becomes more interconnected, the need for round-the-clock trading is growing, especially for global investors and institutions. In response to this demand, the recent approval of the 24X Exchange by the United States Securities and Exchange Commission (SEC) marks a significant shift in the way equities are traded. Offering extended hours of operation, 24X is poised to become a game changer in the world of securities exchanges, redefining accessibility, liquidity, and market dynamics. The 24X Exchange represents the first SEC-approved national securities exchange designed to facilitate 23-hour-a-day trading on weekdays. The exchange aims to break down the barriers of time zone differences, offering global investors and institutions unprecedented access to US equities at nearly all hours of the day. This new model comes at a time when market participants—ranging from retail traders to large institutional investors—are demanding more flexibility and greater access to trading opportunities. With the approval of 24X, the traditional trading day is being redefined. The exchange will allow for continuous trading, with only a brief one-hour operational pause each day for routine maintenance and software updates. Initially, the 24X Exchange will operate from 4:00 AM ET to 7:00 PM ET on weekdays. This covers a significant portion of the day for global markets, but the true game-changer comes with the second stage of the launch. Once fully implemented, the exchange will provide trading from 8:00 PM ET on Sunday through 7:00 PM ET on Friday, giving traders an almost uninterrupted trading window. One of the main goals of 24X is to address the increasing demand for liquidity in global markets. With 24X, investors can trade US equities without waiting for the US market to reopen. This is a significant advantage for firms needing access to continuous market data and the ability to react to breaking news, economic reports, and corporate announcements. By leveraging MEMX Technologies—a proven, state-of-the-art technology platform—the 24X Exchange promises low-latency trading and high throughput. Investors will benefit from a faster, more resilient infrastructure, allowing for more efficient execution of trades. Historically, the New York Stock Exchange (NYSE) and the Nasdaq have been the two primary exchanges for US equities. However, these exchanges operate under a rigid schedule, closing at 4:00 PM ET each day. This creates a significant problem for investors in other parts of the world, particularly in Asia and Europe, who are left with limited options for accessing US stocks outside of regular market hours. For example, when a major news event occurs after the US market closes, international investors are forced to wait for the next trading day to react. The introduction of 24X helps solve this problem by offering extended trading hours, allowing global investors to act quickly in response to market-moving news or developments. While the 24X Exchange has the potential to transform US equity markets, it is not without its challenges. The integration of extended trading hours will require the cooperation of various market participants, including broker-dealers, clearing firms, and market makers, who will need to adapt their operations to support 24X's extended schedule. There may also be concerns about the liquidity of certain stocks during off-peak hours, which could impact price volatility. Another challenge could be the operational complexity of running a 23-hour-a-day market. Continuous trading will require robust technology systems capable of handling massive amounts of data and trades while minimizing downtime. The exchange must also be prepared to deal with unforeseen market disruptions and potential cyber threats. The arrival of the 24X Exchange could have far-reaching implications for global markets. For one, it could drive the creation of additional liquidity pools across different asset classes, as market participants seek to capitalize on extended trading opportunities. It could also encourage the development of new financial products designed specifically for a 24-hour trading cycle. In terms of investor behaviour, the expansion of trading hours could lead to a shift in market dynamics, as traders become accustomed to operating in a nearly 24/7 environment. While the full impact of these changes remains to be seen, the potential for increased efficiency, liquidity, and access cannot be overstated.

(References – Financial Times, CNBC)



Why RBI is failing to sell Green Bonds?

The Reserve Bank of India (RBI) recently held an auction for INR 5,000 crore worth of sovereign green bonds, designed to raise funds for eco-friendly projects and signal India's commitment to sustainability. However, the response was underwhelming, raising concerns about the viability of India's green bond market. Green bonds are a form of debt where the funds raised are exclusively used for financing projects with environmental benefits. These can include initiatives like solar power plants, water conservation, or clean transportation. Green bonds first emerged globally in 2007, and India launched its first sovereign green bonds in January 2023. The purpose of these bonds is twofold: First, to help fund climate-friendly projects in India, and second, to showcase the country's commitment to addressing climate change. The funds raised from green bonds are governed by strict guidelines. According to the Sovereign Green Bond Framework, the money can only be allocated to projects that are in line with green initiatives, and the government must report how the funds are used annually. When India issued its first green bonds in early 2023, the response was overwhelmingly positive. The INR 16,000 crore bond issue was oversubscribed over four times, and there was significant interest from both domestic and international investors. Public sector banks and insurance companies were the primary buyers, although some foreign investors also showed confidence in the offering despite global economic uncertainty. The funds raised from these bonds went to impactful projects like renewable energy and sustainable water management. This initial success indicated that India's green bonds could be an important part of the country's climate financing strategy, helping bridge the significant gap in funding for sustainability. Despite the early success, the latest auction for INR 5,000 crore worth of green bonds saw a disappointing response. Only INR 1,502 crore was sold at a yield of 6.79%, far below expectations. The remaining INR 3,498 crore was picked up by primary dealers, who are required to step in when the market demand falls short. To understand why this happened, it's important to consider the investor's perspective. Traditional government bonds (G-Secs) are generally considered safe investments, offering stable returns with a high level of liquidity. However, Green bonds typically offer lower yields than conventional G-Secs because they are designed to fund long-term, capital-intensive sustainability projects. The idea is to make funding for climate-friendly projects cheaper and more accessible. However, without a substantial "Greenium" (premium for supporting sustainability), investors are unlikely to prefer them over regular bonds that offer better returns. The secondary market for green bonds is underdeveloped. With fewer green bonds in circulation, it's harder for investors to buy or sell them easily, making it an illiquid investment. This lack of liquidity is a significant deterrent, especially for institutional investors who prefer products they can trade with ease. In India, the primary buyers of green bonds have been institutional investors like banks and insurance companies. Retail investors—ordinary citizens who might otherwise be interested in eco-friendly investments—are generally not drawn to green bonds because of the lack of clear benefits, tax incentives, or a well-established secondary market. In regions like Europe, institutions are often required to invest a portion of their funds in Environmental, Social, and Governance (ESG)-focused products. This regulatory push helps create demand for green bonds even when the returns aren't particularly high. In Brazil, green bonds are linked to national priorities, such as the preservation of the Amazon rainforest, which adds a level of appeal. Unfortunately, in India, there is no such strategic tie-in. The recent auction failure is not just a case of bad timing or weak market conditions. It highlights deeper structural issues in India's green bond market. If green bonds are going to play a meaningful role in financing India's climate goals, policymakers need to rethink how these bonds are structured and marketed to investors. Just as investors are drawn to other financial products because of tax exemptions or incentives, offering similar perks could help attract interest in green bonds. Creating a more liquid market for green bonds would make them more attractive to institutional investors who prioritize flexibility. This could involve expanding the supply of green bonds and improving secondary market trading.

(References – Economic Times, Your Story)



Why Co-branded Credit Cards are failing to make an impact?

Bajaj Finance, once a prominent player in the co-branded credit card space, has recently pulled back from its partnerships with RBL Bank and DBS Bank India. This decision, which means no new co-branded cards will be issued under these partnerships, raises some important questions. What's going wrong with co-branded credit cards? Are they losing their charm? And what role has the Reserve Bank of India's (RBI) new regulatory framework played in this shift? Co-branded credit cards are collaborations between a bank and a brand. The bank handles the credit side of the card, while the brand's logo is prominently displayed. The idea is that the brand can use the card to offer perks and loyalty rewards to its customers, while the bank gains access to a new customer base. Take the ICICI Amazon Pay Card, for instance, which offers cashback and discounts on Amazon purchases, turning every shopping spree into an opportunity to earn rewards. Co-branded cards helped attract new customers who were already loyal to a particular brand. This drove increased card usage, as cardholders typically spend more than regular credit card users. Co-branded cards reported spending levels 1.2 times higher than regular cards, with activation rates 70% higher. Co-branded cards helped cement customer loyalty. When a consumer uses a card with exclusive rewards for a specific brand, like Flipkart or Amazon, it increases the likelihood of repeat purchases from that brand. Co-branded cards offered clear benefits—cashback, discounts, and loyalty points that made everyday spending feel more rewarding. It was a win-win for customers looking to get more value from their purchases. Co-branded cards saw a significant rise over the past few years. From contributing 3-5% of the credit card market in FY20, the share of co-branded cards grew to 12-15% by FY24. Experts predict that by FY28, co-branded cards will account for over 25% of the market, growing at an annual rate of 35-40%. For banks like RBL Bank, Bajaj Finance was a major partner, contributing over 70% of their credit card acquisitions at one point. Even today, about 36% of RBL's credit card acquisitions come through Bajaj Finance. With numbers like that, it's clear why banks have loved co-branded partnerships—they provided a huge growth engine. Despite their rapid growth, the co-branded card model is now facing challenges. The key factor behind this shift is the RBI's intervention and new regulations that have reshaped how these partnerships work. One of the biggest issues that prompted the RBI to step in was the misuse of customer data. Brand partners were gaining access to sensitive customer information, including transaction histories and risk scores, which should have remained strictly confidential. This information was sometimes shared between banks and their brand partners, violating privacy norms. As a result, the RBI ordered several banks to halt the issuance of new co-branded cards until they resolved compliance issues. This crackdown on data sharing forced banks and their brand partners to rethink how they handle customer information. Another issue that led to RBI's intervention was misleading marketing practices. In some cases, brand partners like OneCard were marketing their cards as if they were their product, without clearly indicating that they were issued in partnership with a bank. This lack of transparency violated RBI's guidelines, which mandate that co-branded partnerships must be identified. In some co-branded card agreements, the roles of the bank and the brand were not clearly defined. For example, in Bajaj Finance's co-branded cards, Bajaj acted more like a collections agent for the bank, handling payment collections and earning money from this function. This arrangement was deemed to go against the spirit of a co-branded card partnership, which should be focused on collaboration and shared responsibilities. To address these concerns, the RBI introduced stricter rules for co-branded cards. Brand partners can no longer access transaction data or use customer information for any purpose beyond sourcing cardholders. Banks must identify themselves as the card issuer in marketing materials, and it must be clear to customers that the card is co-branded. Brand partners are now restricted to sourcing new customers and offering their goods or services as part of the card's perks. They can no longer be involved in post-issuance tasks like collections or credit management.

(References – Economic Times, Business Standard, Live Mint)



COMPLIANCE UPDATES

Greenvissage

Goods and services tax

000 ADVISORY ON DIFFERENCE IN VALUE OF TABLE 8A

AND 8C In line with the recent amendments outlined in Notification No. 12/2024-Central Tax and Notification No. 20/2024-Central Tax, for FY 2023-24, the total credit available for inwards supplies will be auto-populated in Table 8A of Form GSTR 9 from GSTR-2B, whereas Table 8C must still be manually filled for ITC on inwards supplies received during the FY but availed in the following FY, within a specified period. This change has led to concerns over possible mismatches between the values in Tables 8A and 8C of GSTR 9. A key factor in this discrepancy lies in the shift from GSTR-2A to GSTR-2B as the data source for Table 8A, which may cause inflated values for FY 22-23 and understated values for FY 23-24. Several specific scenarios highlight how to manage such differences: For invoices from FY 23-24, which are reported in GSTR 1 after the due date of March 2024, taxpayers should report the ITC in Table 8C. If an ITC is claimed in FY 23-24 but reversed due to non-payment within 180 days, the reclaimed ITC should be reported in Table 6H of GSTR 9 for FY 24-25, not in FY 23-24. Similarly, for invoices where goods were not received in FY 23-24 but the ITC was later reclaimed in FY 24-25, the transaction should be recorded in Table 8C. The advisory also clarifies that ITC carried forward from FY 22-23 in Table 8A of GSTR 9 for FY 23-24 need not be reported again in Table 8C. Additionally, if ITC is claimed, reversed, and then reclaimed within FY 23-24, it should only be reported in Table 6H, without duplication in Table 7. These clarifications are provided to assist taxpayers in accurately reconciling the differences between the two tables. (Goods and Services Tax Network)

000 MANDATORY SEQUENTIAL FILING OF GSTR-7

RETURNS Effective from November 1, 2024, taxpayers are required to file GSTR-7 returns sequentially, as per Notification No. 17/2024-Central Tax, dated September 27, 2024. This means that GSTR-7 must be filed in chronological order, starting with the return for the October 2024 tax period. It is important to note that if no deductions have been made in a particular month, taxpayers are still required to file a Nil return for that month. This update addresses the confusion surrounding previous FAQs, which indicated that sequential filing was not mandatory. Taxpayers are advised to adhere to this new filing process to ensure compliance with the latest regulations. For further assistance, taxpayers may contact the GSTN helpdesk.

(Goods and Services Tax Network)

000 GSTR-2B AND INVOICE MANAGEMENT SYSTEM

Some taxpayers did not have their GSTR-2B generated for the October 2024 period on November 14, 2024. The issue arises from the design of the Invoice Management System (IMS), which restricts GSTR-2B generation under specific circumstances. Firstly, taxpayers who have opted for the QRMP (Quarterly Return Monthly Payment) scheme will only have their GSTR-2B generated for the last month of the quarter, not for the first two months. For example, in the quarter of October to December 2024, GSTR-2B will only be available for December, not for October or November. Secondly, if taxpayers have not filed their GSTR-3B for previous periods, their GSTR-2B will not be generated until the pending GSTR-3B is filed. For instance, if the GSTR-3B for September 2024 is pending, the GSTR-2B for October 2024 will not be generated until the September 2024 GSTR-3B is filed. Once the pending GSTR-3B is filed, taxpayers can generate their GSTR-2B for October 2024 by clicking the "Compute GSTR-2B (OCT 2024)" button on the IMS dashboard. (Goods and Services Tax Network)

000 REPORTING TDS DEDUCTED BY SCRAP DEALERS

As per Notification No. 25/2024-Central Tax, effective from October 10, 2024, any registered person receiving supplies of metal scrap, classified under Chapters 72 to 81 of the Customs Tariff Act, 1975, from another registered person, is required to deduct TDS under Section 51 of the CGST Act, 2017. Several taxpayers have raised concerns about being unable to report TDS deducted in October 2024, as their GST registrations were only approved in November 2024. This issue arises because the existing GSTN system design does not allow returns for periods before the registration month to be filed. To resolve this, taxpayers who were granted registration in November 2024 but deducted TDS in October 2024 are advised to report the consolidated amount of TDS deducted from October 10, 2024, to November 30, 2024, in the GSTR-7 return for November 2024. This will ensure compliance with the new provisions under the Notification. (Goods and Services Tax Network)

000 TIME LIMIT FOR REPORTING E-INVOICE

As per the earlier advisory dated September 13, 2023, a 30-day time limit for reporting e-invoices on the IRP portal was implemented for taxpayers with an Annual Aggregate Turnover (AATO) of 100 crores and above. This threshold has now been lowered, and

from April 1, 2025, taxpayers with an AATO of 10 crores and above will also be required to comply with the 30-day reporting limit for e-invoices. This means that e-invoices, Credit Notes, and Debit Notes must be reported on the IRP portal within 30 days from the date of the invoice. For example, if an invoice is dated April 1, 2025, it must be reported by April 30, 2025, and the system will prevent reporting after 30 days. Taxpayers must ensure compliance with this new time frame to avoid any issues with e-invoice reporting. There will be no such restriction for taxpayers with an AATO of less than 10 crores as of now. This new reporting requirement will be effective from April 1, 2025, providing taxpayers with sufficient time to adjust their processes. (Goods and Services Tax Network)

000 AUTHORISED E-INVOICE VERIFICATION APPS GSTN has released a consolidated document listing authorized B2B e-invoice verification apps available for download. This document is designed to provide taxpayers with the latest information on approved apps for verifying e-Invoices. Taxpayers are encouraged to consult this reference to ensure they are using authorized tools for e-invoice verification. (Goods and Services Tax Network)

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

Income Tax

000 CONDONATION OF DELAY IN FILING FORMS 9A, 10, 10B, AND 10BB The CBDT has issued Circular No. 16/2024 dated 18th November 2024, addressing the delay in filing Forms 9A, 10, 10B, and 10BB for trusts. These forms must be filed to claim exemptions or report income related to charitable and religious purposes, as well as institutions seeking exemption under Section 10(23C) of the Income Tax Act. In cases where these forms are filed late, the Income Tax Department often treats the receipt amount as income, leading to substantial tax liabilities. To mitigate this, taxpayers can either file an appeal with the Commissioner of Income Tax (Appeals) [CIT(A)] or submit a request for condonation of delay. The new application for condonation of delay must be filed within three years from the end of the assessment year (AY) in question. For instance, if applying for AY 2022-23, the application must be submitted by the end of AY 2025-26. The application will be handled by different authorities based on the delay duration. Key steps for

applying include establishing valid grounds for the delay, providing supporting documents such as court judgments or relevant notifications, submitting a written explanation, and ensuring the transfer of PAN to the Exemption Wing of the Income Tax Department before applying. The competent authority must resolve the application within six months, though delays in disposal are not uncommon. (Central Board of Direct Taxes)

000 ADVANCE TAX PAYMENT DUE DATE As the deadline for the third instalment of advance tax payment for FY 2024-25 approaches, taxpayers are reminded that December 15, 2024, falls on a Sunday. According to tax regulations, if the deadline for any payment or compliance falls on a public holiday or non-working day, it is typically extended to the next working day. Therefore, taxpayers can make their third instalment payment of advance tax on Monday, December 16, 2024. Advance tax applies to individuals, companies, and other entities whose tax liability exceeds INR 10,000 in a financial year. For taxpayers, this third instalment covers the payments due for September, October, and November. Given the extended deadline, taxpayers are encouraged to make the payment promptly to avoid penalties or interest charges. For detailed information and updates, taxpayers are advised to check official announcements and use online payment systems for convenience. (Economic Times)

000 TAX NOTICES CANNOT BE ISSUED TO DEAD PERSON

The Bombay High Court ruled on December 13, 2024, that the Income Tax Department cannot issue reassessment orders to deceased individuals. This decision arose from a case where a reassessment notice was issued to a woman who had died in 2020. The court emphasized that reassessment notices must provide the assessee with an opportunity to defend themselves, which is not possible after death. As such, reassessment orders issued posthumously are invalid, and legal heirs cannot be bound by such orders. This ruling upholds the principle of ensuring the right to a fair hearing in tax matters. (Hindustan Times)

000 NON-DISCLOSURE OF FOREIGN ASSETS The Income Tax (IT) Department has started issuing notices to Indian residents with undeclared foreign Employee Stock Options (ESOPs), foreign assets, and income, including dividends from shares, properties, and other financial assets. This marks a significant

shift as it is the first time many taxpayers have been notified about their non-disclosure of foreign income and assets. For example, a case in Gujarat involves an individual working for a Bengaluru-based IT firm, holding ESOPs from their US parent company. The tax authorities are now receiving information about foreign assets from countries like the USA and UAE. The IT Department has warned that individuals who fail to disclose their foreign assets, including bank accounts, property, and investments, by December 31 may face penalties or prosecution under the Black Money Act. Tax professionals have highlighted the importance of filing revised returns that declare foreign assets, such as bank accounts, insurance contracts, immovable property, and interests in foreign equity, trusts, and custodial accounts. Failure to disclose foreign income can result in a penalty of up to 200% of the tax evaded, or a fine of Rs 10 lakh for non-disclosure. (Business Standard)

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

Customs and foreign trade

INDIA'S TRADE DEFICIT HITS ALL-TIME HIGH India's trade deficit reached a record high of USD 37.8 billion in November, exacerbated by a surge in imports, particularly from China and the UAE. This significant widening of the deficit highlights ongoing concerns regarding the country's trade balance. Despite the continued growth of exports, which saw a year-on-year rise in sectors such as gems and jewellery, petroleum products, and engineering goods, the increase in imports outpaced the export growth. Imports were largely driven by rising crude oil prices and a surge in gold and electronic imports. In particular, imports from China and the UAE saw significant increases, contributing to the imbalance. China's share in India's imports has steadily risen, with goods ranging from machinery to chemicals, while the UAE remains a major trade partner due to the growing volume of oil and gold trade. This widening trade deficit puts pressure on India's currency and its overall economic stability. The government is now focusing on measures to curtail this deficit, including boosting exports and reducing reliance on imports. However, despite these efforts, the current global economic situation, including rising commodity prices and geopolitical tensions, is

complicating the issue, making it harder for India to reduce its trade gap in the short term. (Business Standard)

IMPORTS FROM UAE SURGE 109% IN NOVEMBER TO USD 6.12 BILLION In November, India saw a dramatic 109% surge in imports from the UAE, reaching USD 6.12 billion. This surge is attributed to the India-UAE Comprehensive Economic Partnership Agreement (CEPA), which was implemented in May 2022. The CEPA has facilitated an increase in the flow of goods and services between the two nations, driving up trade volumes. The UAE is a key supplier of oil and petroleum products to India, but it also plays a major role in the trade of gold, aluminium, and electronics. The CEPA, which aims to boost bilateral trade by eliminating tariffs on a range of products, has significantly expanded economic ties between India and the UAE. The agreement has also enhanced India's access to the UAE's rich markets for goods such as textiles, pharmaceuticals, and agricultural products. This trade surge is also reflective of India's increasing reliance on the UAE for energy imports and its status as a hub for re-exporting goods to the rest of the world. As a result, India's import bill has seen a steep rise, though it is hoped that the increased trade volume will eventually balance out through increased exports of Indian goods and services to the UAE. While the agreement has opened new trade avenues, the rising import volume has also contributed to India's growing trade deficit, adding to the economic challenges faced by the country. (Ministry of External Affairs, UAE)

INDIA-UK BUSINESS BOOMS Bilateral business between India and the UK has been booming, fueled by ongoing negotiations for a free trade agreement (FTA) that is expected to significantly boost trade between the two nations. The two countries have set a target of reaching a USD 100 billion trade target by 2030, driven by a shared interest in expanding trade in sectors such as technology, pharmaceuticals, agriculture, and services. The UK has long been a key partner for India, both in terms of trade and investment. However, the potential FTA is seen as a game-changer in terms of deepening these economic ties. Indian businesses are optimistic that the deal will help to unlock new opportunities, particularly in the areas of digital trade, financial services, and education. Similarly, the UK stands to gain access to the rapidly growing Indian market, particularly in sectors such as green energy, infrastructure, and consumer goods. The negotiations for the FTA have gathered

momentum since the UK's exit from the European Union, with both countries keen on establishing more independent trade arrangements. The free trade agreement is expected to remove tariffs and increase market access for Indian goods and services, while also opening up new avenues for UK businesses to tap into India's vast market. While challenges remain in terms of negotiating terms and tariffs, both India and the UK remain hopeful that a robust trade deal will soon be finalized, signalling the beginning of a new era in their bilateral economic relationship. (Economic Times)

000 GTRI SUGGESTS DIVERSIFYING IT EXPORTS The Global Trade Research Initiative (GTRI) has proposed several strategic measures to improve India's trade balance, which has been under pressure due to rising imports and widening deficits. The GTRI's key recommendation is to diversify India's IT exports and reduce import duties to better manage the country's trade imbalance. India's IT sector has traditionally been a major driver of export revenues, but GTRI experts warn that overreliance on traditional IT services like business process outsourcing (BPO) and software solutions could limit future growth. The organization advocates for expanding into newer sectors, such as cybersecurity, artificial intelligence, and cloud computing, where India has a competitive advantage but remains underrepresented in global markets. By diversifying exports, India can reduce its vulnerability to global economic fluctuations and better align with the evolving digital economy. Additionally, GTRI has called for reducing import duties on key inputs for the manufacturing sector, particularly in high-tech industries. High import duties on raw materials and machinery make Indian products more expensive on the global market, limiting their competitiveness. Lowering these tariffs would help reduce costs for Indian manufacturers, making their exports more attractive and boosting industrial output. GTRI's recommendations are aimed at balancing trade by boosting exports while also reducing dependency on high-cost imports, thus helping to ease India's growing trade deficit. (Business Standard)

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

Corporate and allied laws

000 2X HIKE IN SME APPLICATION SIZE The Securities and

Exchange Board of India (SEBI) has proposed stringent regulations for small and medium enterprises (SMEs) looking to list on stock exchanges, to bolster the credibility and integrity of the segment. The proposal includes doubling the minimum application value to INR 2 lakh for investors, as well as enhancing eligibility conditions for SME IPOs. Sebi intends to increase the minimum number of allottees required for a successful listing from 50 to 200. Additionally, there are new measures aimed at preventing fraudulent practices, such as the diversion of funds or the inflation of stock prices through circular transactions. The proposed changes also include stricter lock-in requirements for promoters, with a five-year lock-in for the minimum promoter contribution (MPC) and phased release of lock-ins on shares held more than MPC. Other measures include increasing the minimum issue size to INR 10 crore and mandating a minimum operating profit of INR 3 crore over the preceding three years. Sebi is also aiming to introduce higher disclosure norms, such as quarterly results, and more robust monitoring of related-party transactions, which have been a point of concern due to the high incidence of such transactions among listed SMEs. These regulations are seen as part of an effort to improve transparency and corporate governance on the SME platform, which has grown significantly in market capitalization, with Rs 2 trillion now being raised through SME IPOs. (Business Standard)

000 REVIEW OF CUSTODIAN NORMS TO EASE OPERATIONS The Securities and Exchange Board of India (SEBI) has proposed several measures aimed at easing operations and compliance for custodians, entities responsible for managing the assets of foreign portfolio investors (FPIs). The changes aim to update regulatory frameworks that have remained largely unchanged for nearly three decades. One of the key proposals is a review of the net worth criteria for custodians, which has been set at INR 50 crore since 1996. SEBI now plans to increase this requirement to INR 100 crore. Custodians who currently do not meet the new threshold will be granted three years to comply with the new norms. In addition to the net worth revision, SEBI is proposing the relaxation of certain operational procedures. This includes allowing local custodians and market participants to rely on Know Your Customer (KYC) documentation attested by global custodians. This would streamline the process, reducing the burden on local entities. documentation attested by global custodians. This

would streamline the process, reducing the burden on local entities. SEBI is also considering increasing the monitoring and compliance responsibilities of custodians. These entities would be held to higher standards of governance, risk management, and technical capability, aligning their obligations with those of large stock brokers or brokers deemed systemically important. These additional requirements are aimed at ensuring the custodians can handle the growing complexity and scale of the financial market. A working group formed by SEBI has also recommended easing certain operational requirements for custodians, such as the storage of physical records and processes related to changes in control and the code of conduct. As of September 2024, custodians were managing around INR 278.5 trillion in assets, a significant increase from INR 2.7 trillion in 2002, highlighting the growing importance and scale of their role in India's financial markets. (Business Standard)

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

Finance and banking

000 RBI KEEPS MPC RATES UNCHANGED In its latest monetary policy announcement on December 6, 2024, the Reserve Bank of India (RBI) kept the repo rate unchanged at 6.5%, marking the 11th consecutive meeting with no adjustments. The six-member Monetary Policy Committee (MPC), led by Governor Shaktikanta Das, voted by a 4-2 majority to maintain a "Neutral" policy stance. The key focus remains on balancing inflation and growth, with the RBI signalling its intent to use various policy tools to align inflation with the target while supporting economic expansion. In addition to the repo rate decision, the RBI reduced the Cash Reserve Ratio (CRR) by 50 basis points to 4%, which will release approximately INR 1.16 lakh crore into the banking system in two phases. As a result, the liquidity available for lending and investments is expected to increase, aiding economic activity. The RBI also revised its GDP growth forecast for FY25 downward, adjusting the estimate from 7.2% to 6.6%. Inflation projections for FY25 were raised from 4.5% to 4.8%, with the third-quarter forecast adjusted sharply higher to 5.7%. The central bank anticipates gradual moderation in inflation by

FY26, with targets set at 4.6% in Q1FY26 and 4% in Q2FY26. Additional measures announced include linking the FX-Retail platform to the Bharat Connect platform, raising the collateral-free agriculture loan limit to INR 2 lakh, and launching an initiative to regulate Artificial Intelligence in the financial sector. These moves highlight the RBI's ongoing efforts to enhance financial inclusivity and address emerging challenges in the banking sector. (Live Mint)

000 SANJAY MALHOTRA APPOINTED AS NEW RBI GOVERNOR The Government of India has appointed Sanjay Malhotra as the 26th Governor of the Reserve Bank of India (RBI). Malhotra, a seasoned Indian Administrative Service (IAS) officer, will assume office on December 11, 2024, following the conclusion of Shaktikanta Das's tenure. At 56, Malhotra brings over three decades of experience in various sectors, including finance, taxation, power, and information technology. Notably, he has previously served as Secretary (Revenue) in the Ministry of Finance, where he was instrumental in shaping India's tax policies. His leadership is expected to steer the RBI through complex economic challenges, continuing its pivotal role in managing monetary policy and supporting India's economic growth. Malhotra replaces Shaktikanta Das, who held the position since December 2018 and was reappointed in 2021 for an extended term. Das's tenure is credited with stabilizing the financial system and successfully navigating market uncertainties. With Malhotra now at the helm, there is anticipation that his extensive background in finance and governance will usher in fresh perspectives for the RBI's policies and operations. (Financial Express)

000 CEILING ON REMUNERATION OF NON-EXECUTIVE DIRECTORS OF BANKS The Reserve Bank of India (RBI) has increased the annual remuneration ceiling for non-executive directors at banks to INR 30 lakh. This move aims to attract skilled professionals and align with the evolving needs of the banking sector. It applies to both private and public sector banks, ensuring that these roles remain competitive and appealing to experienced candidates. The revised cap is expected to improve the overall quality of governance within banks. (Economic Times)

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

Accounting and management

000 NFRA PROPOSES EXTENDING AUDIT STANDARDS TO LLPS The National Financial Reporting Authority (NFRA) has proposed extending auditing standards for companies to limited liability partnerships (LLPs). During its 19th board meeting, the NFRA recommended that the 40 finalized standards on auditing (SA) and related quality management measures, which were developed for company audits, be applied to LLPs as well, with necessary adjustments. The proposal aims to improve auditing practices in LLPs, a hybrid business structure that combines elements of both companies and partnerships. Currently, LLPs are audited under the standards set by the Institute of Chartered Accountants of India (ICAI), but there are no specific auditing standards issued for them. This regulatory gap has prompted the NFRA to recommend that the proposed auditing norms, upon approval by the government, be implemented from April 2026. These standards would ensure more consistency and higher quality audits for LLPs, reflecting the growing importance of these entities in India's business ecosystem. ICAI raised concerns about proposals related to group and joint audits, fearing that these could lead to excessive concentration of work among a few large audit firms, as well as duplication of efforts. (Business Standard)

000 CMA EQUIVALENT TO CA IN KERALA GOVERNMENT JOBS The Kerala State Government has officially recognized the Institute of Cost Accountants of India's (ICMAI) Cost and Management Accountant (CMA) qualification as equivalent to the Chartered Accountancy (CA) qualification for public sector job appointments. The Personnel and Administrative Reforms (Rules) Department issued the order stating that passing the final exams of ICMAI, leading to designations such as Associate Cost and Management Accountant (ACMA) or Fellow Cost and Management Accountant (FCMA), will now be treated on par with CA membership for recruitment in state government departments, public sector undertakings, and state-run institutions. It enables CMA professionals to compete for a broader range of financial roles, previously dominated by Chartered Accountants. This change is seen as part of Kerala's broader goal to prioritize merit-based appointments and attract specialized skills to the public sector. (Study Café)

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

Payroll and personal finance

000 100% DIGITAL PAYROLL PROCESSING Darwinbox has launched a cutting-edge payroll upgrade, offering 100% digital payroll processing for the first time in India. The new platform leverages the proprietary RIVeR (Review, Initiate, Verify & e-approve, Release & Report) framework, which streamlines payroll management by consolidating all payroll processes into a single system. This eliminates manual intervention, reduces errors, and improves compliance. By automating data flow across HR systems, the solution ensures high accuracy and seamless reconciliation. The platform also supports in-the-flow verification and e-approval, making it easier for companies to manage payroll and stay audit-ready. Darwinbox's payroll system is expected to revolutionize payroll management, especially for large organizations with complex payroll structures. This new solution also aligns with the company's vision of providing businesses with innovative HR tech to streamline operations globally. As the first of its kind in India, this launch is set to significantly improve payroll processing efficiency for businesses across industries. (Economic Times)

000 WITHDRAW EPF THROUGH ATM Starting January 2025, the Employees' Provident Fund Organisation (EPFO) will introduce a convenient new feature, allowing subscribers to withdraw their provident fund savings directly via ATM cards linked to their EPFO accounts. This facility will enable quicker and easier access to funds, up to a specified limit, and is part of a broader IT infrastructure upgrade, known as EPFO 2.01. The modernization aims to streamline operations, reduce claim rejections, and improve the speed of transactions, all designed to offer a smoother experience for the 70 million EPFO subscribers. The overhaul, which includes the development of a new advanced software platform, has already improved customer service, offering features such as end-to-end auto-processing and centralized claim settlements. EPFO subscribers can also access their account details online, file claims through the Umang app, and pensioners can upload digital life certificates. These updates align with the government's goal to make the EPFO system as efficient as global banking systems. (Hindustan Times)

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



BUSINESS NEWS

Greenvissage

Government

000 SWITZERLAND WITHDRAWS MFN STATUS OF INDIA

Switzerland has officially withdrawn India's status as a Most Favored Nation (MFN) under the World Trade Organization (WTO) framework, a move that has raised concerns among economic observers. The decision, which came as a surprise to many, comes in the wake of increasing tensions between the two countries regarding trade and economic relations. Under the MFN principle, nations extend the same trade advantages and tariff rates to each other that they grant to other WTO members, but Switzerland has now chosen to revise this policy. The withdrawal of MFN status may lead to changes in the trade dynamics between Switzerland and India, with potential implications for Swiss companies operating in India and Indian exporters facing higher tariffs on certain goods. Experts are speculating that the decision could be linked to Switzerland's ongoing trade negotiations with other global economies and its desire to safeguard its economic interests. The move has sparked debates in both countries regarding the future of their trade relationship and whether this will lead to further diplomatic tensions. India, known for its growing economic power, may seek alternative strategies to mitigate the impact of this decision and ensure its continued growth in the global market. (Live Mint)

000 ONDC TRANSACTIONS EXPECTED TO GROW 7X-8X

The number of transactions on the Open Network for Digital Commerce (ONDC) has surged nearly threefold since December last year, with expectations for further growth of 7X-8X by December 2025, according to ONDC's CEO, Thampy Koshy. The open network, which facilitates digital transactions across various sectors, has gained significant traction, with over 40 buyer-side applications seeing increased activity. More than 20 apps are processing over 1,000 transactions daily, while some handle upwards of 30,000 transactions. As of October 2024, ONDC recorded 14 million transactions, with mobility-related transactions accounting for 5.5 million. The network's zero-commission model for the mobility sector is expected to raise drivers' monthly earnings by 30%, from INR 37,500 to around INR 48,000-49,000. ONDC's impact is highlighted by partnerships with major platforms like Ola, Uber, and Rapido, which provide various services, including last-mile logistics and direct metro ticket sales. Additionally, ONDC is implementing a new commission structure and introducing a

transaction fee of INR 1.5 per transaction over INR 250, starting January 2025. This surge in transactions reflects ONDC's growing role in driving digital inclusion and disrupting traditional commission-based models in the mobility sector. (Inc42)

000 GRAP III AIR POLLUTION CURBS RE-IMPOSED ACROSS DELHI-NCR

The Central air quality panel for Delhi-NCR has re-imposed GRAP III measures due to rising pollution levels. The AQI in Delhi reached the 'very poor' category, hitting 367. This triggered the implementation of Stage 3 restrictions under the Graded Response Action Plan (GRAP), effective immediately. Non-essential medium goods vehicles with BS-IV or older standards are banned in Delhi. Light commercial diesel vehicles registered outside Delhi, and meeting BS-IV or older standards will also be restricted from entering the capital. They are exempt from restrictions imposed on BS-III petrol and BS-IV diesel vehicles. Delhi and NCR state governments are asked to stagger timings for public offices and municipal bodies, with the Centre potentially adopting similar measures for central government offices. Demolition and excavation work has been suspended. Educational institutions in Delhi and NCR will conduct classes up to Class V in a hybrid mode, with the option for online classes. The re-imposition of GRAP III follows the national capital's continued struggle with air pollution and aims to curb the worsening conditions. (Live Mint)

Economies

000 BRITAIN ENFORCES ONLINE SAFETY LAWS

The United Kingdom officially launched its stringent Online Safety Act, ushering in a new era of digital regulation aimed at combatting harmful online content. The act, which had been in place since October 2023, now mandates tech giants such as Meta, Google, and TikTok to take stronger action against illegal content like terrorism, hate speech, fraud, and child sexual abuse. Ofcom, the British media watchdog, introduced the first edition of the codes of practice, setting clear responsibilities for tech firms. These include conducting risk assessments and implementing enhanced moderation tools. Failure to comply could result in hefty fines—up to 10% of global revenues—as well as possible jail time for senior managers in severe cases. The regulations apply to a broad range of platforms, including social media,

search engines, and messaging services. Ofcom emphasized that tech companies must be proactive in detecting and removing illegal content, with specific tools like hash-matching required for child sexual abuse material. Furthermore, Ofcom will continue to refine its guidelines, consulting on additional measures in 2025. British Technology Minister Peter Kyle expressed strong backing for the regulator's enforcement powers, highlighting that these measures bridge the gap between online and offline legal protections. (CNBC)

000 BITCOIN HITS NEW RECORD ABOVE USD 106,000

Bitcoin surged to a new all-time high, surpassing USD 106,000, as investors anticipated an interest rate cut by the US Federal Reserve later this week. The cryptocurrency reached a peak of USD 106,509 before slightly pulling back to around USD 103,873, maintaining a notable increase of nearly 8%, 50% since the US presidential election, and a staggering 145% increase for the year. The rally is largely driven by expectations that the Fed will lower interest rates during its two-day policy meeting, which concludes on Wednesday. Such a move is seen as favourable for Bitcoin, which often reacts positively to lower rates due to its similarities with tech stocks. The anticipated rate cut, with a 96% probability of a 25-basis-point reduction, is expected to weaken the US dollar and boost the money supply—both factors that have historically been correlated with higher Bitcoin prices. Additionally, the broader cryptocurrency market saw gains, with Ether approaching USD 4,000, while shares of Bitcoin proxy company MicroStrategy jumped 4% after announcing its inclusion in the Nasdaq-100 index. As Bitcoin continues its meteoric rise, the promise of a more favourable regulatory environment and the potential for a national strategic Bitcoin reserve under a future administration further fuel optimism in the crypto space. (CNBC)

000 FRENCH BONDS UNDER PRESSURE FOLLOWING MOODY'S DOWNGRADE

French government bonds are facing significant pressure after Moody's Investors Service downgraded the country's credit rating, citing concerns over rising debt levels and slow economic growth. The downgrade to AA3 from AA2 comes amid a challenging economic backdrop, with France struggling to meet its fiscal consolidation targets and dealing with persistent budget deficits. Moody's expressed its concerns that the government's fiscal policy could fall short of addressing the country's long-term fiscal sustainability. This move has led to increased market volatility, with bond yields rising as investors weigh the potential risks of holding French

debt. The downgrade has also sparked concerns about the future trajectory of the European Union's second-largest economy, especially as inflationary pressures and global uncertainties persist. While France remains one of the core members of the European Union, the downgrade reflects broader concerns about its ability to maintain economic stability and manage its fiscal obligations. The market's reaction to the downgrade suggests that investors may become more cautious, seeking safer assets amid mounting concerns about fiscal and economic challenges in France. As the situation unfolds, the French government is under increased pressure to adopt stronger fiscal policies to reassure investors and restore confidence in the country's creditworthiness. (Financial Times)

000 79% OF INDIAN FIRMS TO INCREASE AI SPENDING IN 2025

A recent Freshworks AI Workplace Report reveals that 79% of Indian firms are planning to significantly increase their AI budgets in 2025, with an average increase of 41%, the highest globally. The report, based on a survey of 4,000 global professionals from various departments, highlights India's leadership in AI adoption. 45% of professionals in India use AI daily, nearly double the global average of 26%. The report further shows that 74% of Indian professionals consider themselves knowledgeable or experts in AI, surpassing the global average of 55%. India leads in workplace AI integration, with 65% of employees reporting mandatory AI use policies. Additionally, 88% of Indian workers use AI-powered software weekly, outpacing regions like the US, UK, and Europe. Indian companies are also optimistic about AI's impact on ROI. 85% of Indian organizations report improved returns from AI investments, especially in IT and marketing. Furthermore, 90% of businesses believe AI is crucial for success by 2025, and 88% are investing in AI training to future-proof their workforce. AI adoption is especially prominent in IT and customer service roles, where 88% of professionals find AI chatbots essential for improving service quality and easing workloads. The report emphasizes that AI is becoming integral to both business operations and employee productivity, highlighting India's exceptional progress in AI integration. (Your Story)

Corporates

000 INDIGO AIMS TO INCREASE INTERNATIONAL CAPACITY TO 30% BY FY25 END IndiGo, India's leading

target to boost its international capacity to 30% by the end of FY25. This goal is part of the airline's strategy to expand its global footprint by adding new international destinations and deploying additional aircraft on foreign routes. As of now, international capacity comprises 28% of IndiGo's total available seat kilometres (ASKMs), with this share expected to rise as new markets and frequencies are introduced. Abhijit Dasgupta, Senior Vice President of Network Planning and Revenue Management at IndiGo, emphasized that the airline's international routes not only serve as key growth drivers but also contribute significantly to profitability. The introduction of the A321XLR and A350 aircraft is anticipated to further accelerate this growth. Recent expansions into regions like the CIS and Indonesia highlight an increasing demand for international travel, driven by macroeconomic factors and competitive pricing. By the end of the fiscal year, IndiGo plans to add three more international destinations, bringing its total to 40. With rising income levels in India, IndiGo's increased capacity will cater to a growing population of aspirational travellers seeking diverse travel options, including for leisure, work, education, and medical purposes. Additionally, the development of new airports in India, such as those in Navi Mumbai and Noida, is expected to enhance the airline's ability to manage future growth and improve regional and global connectivity. (The Hindu Business Line)

ADANI GROUP FACES DEBT CRUNCH The Adani Group is facing a significant financial challenge as USD 1.7 billion in debt, taken across three of its entities, is set to mature by the end of March 2025. This substantial debt load, primarily concentrated in the companies' infrastructure and energy sectors, has raised concerns over the group's ability to meet its obligations without affecting its operations or financial stability. The maturity of this debt comes at a time when the Adani Group, which has been embroiled in controversies and facing market volatility, is under scrutiny by investors and financial analysts. The conglomerate has been actively managing its liabilities through refinancing efforts, but with rising interest rates and a tighter global financial environment, securing new funding could prove challenging. The group's debt repayment strategy is seen as crucial for maintaining investor confidence and ensuring continued growth across its vast portfolio. While the Adani Group remains optimistic about navigating these financial hurdles, analysts warn that the next few months will be critical in determining its ability to avert a

liquidity crisis. The situation has prompted the company to explore various options, including asset sales and renegotiation of terms, to secure its financial future and sustain its ambitious expansion plans. (Economic Times)

TOTAL ENERGIES PAUSES INVESTMENTS IN THE ADANI GROUP French oil giant TotalEnergies has halted investments in the Adani Group following a corruption scandal that has enveloped the Indian conglomerate. The decision comes after US authorities charged Adani's chairman, Gautam Adani, along with seven other individuals, for allegedly paying around USD 265 million in bribes to Indian government officials in exchange for lucrative contracts. This development marks the first significant fallout from the bribery case, which also includes accusations of misleading the public about the scheme. TotalEnergies, which holds a 20% stake in Adani Green Energy Ltd and has significant financial exposure to Adani Group, expressed concern over the lack of disclosure regarding the ongoing US investigation into the matter. As a result, the French company stated it would not make any further financial commitments to the Adani Group until the allegations are clarified. The pause in investments has caused a sharp drop in the stock price of Adani Green Energy, further fueling criticism of the group's transparency and governance practices. In India, the political fallout continues, with opposition lawmakers calling for a parliamentary discussion on the issue. Meanwhile, a US development agency is reviewing the impact of the allegations on its USD 550 million loan agreement with an Adani-backed Sri Lankan port project. (Reuters)

Startups

ZOMATO FACES 803 CRORE GST DEMAND Foodtech giant Zomato has received a demand notice of INR 803 crore (approximately USD 100 million) from the Joint Commissioner of CGST & Central Excise, Thane, Maharashtra, related to the non-payment of GST on delivery charges. This demand pertains to the period from October 29, 2019, to March 31, 2022. The INR 803 crore amount includes INR 401.7 crore each for GST dues and interest/penalties. In response, Zomato has expressed confidence in its case, backed by advice from legal and tax experts, and plans to file an appeal with the relevant authorities. This demand could have an impact on Zomato's

stock performance, as the company's market capitalization stands at INR 2.75 lakh crore (around USD 32.8 billion). Despite the GST demand, Zomato reported significant growth in its operating revenue and net profit for Q2 FY25, with a 68.5% quarter-on-quarter increase in revenue. This follows its recent successful USD 1 billion capital raise through a Qualified Institutions Placement (QIP). In comparison, its competitor Swiggy posted lower revenue and a net loss during the same period, highlighting the competitive dynamics in India's food delivery sector. (Entracker)

000 REBEL FOODS RAISES USD 210 MILLION IN SERIES G FUNDING ROUND

Mumbai-based cloud kitchen leader Rebel Foods has successfully raised USD 210 million in its Series G funding round, led by Singapore's Temasek and supported by existing investor Evolve. The funding, which includes both primary and secondary share sales, marks a key milestone for Rebel Foods, which operates popular food brands such as Faasos, Oven Story, and Behrouz Biryani. The round also provided a partial exit for early investors, including Lightbox and Coatue, although the company did not disclose its specific valuation. The raised capital will be used to expand operations and strengthen its diverse brand portfolio. Rebel Foods has seen significant improvements in its financial performance, with revenues growing by 19% to INR 1,420 crore in FY24, and losses narrowing by 42% to INR 378 crore. Cost-reduction strategies, including workforce optimization and expense management, have helped reduce the company's monthly cash burn to INR 25 crore. With over 450 cloud kitchens across India and international markets, Rebel Foods plans to expand further by opening 250 physical outlets and exploring offline food courts featuring multiple brands under one roof. Its proprietary technology platform, Rebel OS, remains a key factor in its ability to scale rapidly and introduce new brands. Rebel Foods has raised over USD 710 million to date, positioning itself as a leader in the competitive food tech space. (Indian Startup News)

000 ZEPTO'S REVENUE SOARS 120%, NET LOSSES NARROWED IN FY24

Zepto, the quick commerce unicorn led by Aadit Palicha, has reported a remarkable 120% year-on-year growth in revenue, reaching INR 4,454 crore in FY24, up from INR 2,025 crore in FY23. This surge is attributed to the growing consumer preference for fast, 10-minute deliveries over traditional e-commerce and local stores. Despite this revenue leap, Zepto's expenses rose by 72% to INR 5,747 crore, driven by

increased spending on marketing, operations, procurement, and employee benefits. Notably, procurement costs alone surged by 87% to INR 3,481 crore. However, Zepto managed to reduce its net losses by 2%, from INR 1,271 crore in FY23 to INR 1,248 crore in FY24, improving its loss-to-revenue ratio. The company also achieved a significant milestone by completing a full statutory audit with no financial qualifications, reflecting its strong governance practices. As Zepto holds a 29% market share in India's quick-commerce sector, it continues to outperform competitors like Blinkit and Swiggy Instamart. The company has plans to further diversify, with the upcoming launch of a dedicated app for Zepto Café, which has been expanding rapidly with over 100 new locations and 30,000 daily orders. Zepto's optimistic outlook points toward a path to profitability shortly. (Indian Startup News)

Conglomerates

000 SOFTBANK TO ANNOUNCE USD 100 BILLION US INVESTMENT PLAN

SoftBank CEO Masayoshi Son is set to announce a significant USD 100 billion investment in the United States over the next four years during a visit to President-elect Donald Trump's Mar-a-Lago residence in Palm Beach, Florida. This announcement, which will take place on Monday, promises to create 100,000 jobs, primarily focused on artificial intelligence and related infrastructure. The investment will be sourced from various SoftBank-controlled entities, including its Vision Fund, capital projects, and its majority-owned chipmaker, Arm Holdings. While some of the funding may include previously announced investments, such as SoftBank's USD 1.5 billion stake in OpenAI, the plan marks a major commitment to US job creation and technological development. This initiative follows a similar pledge made by Son and Trump in 2016 when SoftBank committed to investing USD 50 billion and creating 50,000 jobs in the US. This renewed collaboration highlights SoftBank's continued confidence in the US market and its growing focus on emerging technologies like AI. (CNBC)

000 TESLA FIGHTS TO AVOID SCRAPPING ELON MUSK'S PAY PACKAGE

Tesla is facing mounting pressure to defend the structure of Elon Musk's controversial pay package, which could cost the company billions if altered or scrapped. The pay

arrangement, which was approved in 2018, grants Musk a performance-based compensation plan that links his earnings to Tesla's market value and key financial milestones. However, shareholders and activists have raised concerns about the package's extraordinary size and its alignment with Tesla's long-term interests. In recent developments, some investors have called for a reevaluation of the deal, arguing that the potential payout could be too costly for the company, especially as Musk's wealth has already skyrocketed. Despite these concerns, Tesla is fighting to maintain the arrangement, citing Musk's leadership and ability to drive innovation as essential to the company's success. Critics, however, argue that the performance metrics set for the pay package are too lenient, allowing Musk to receive enormous compensation even if the company's financial performance does not justify it. The stakes are high, as any changes to the pay package could lead to significant financial repercussions for Tesla, impacting its cash flow and market valuation. As the debate continues, all eyes are on how the company will navigate this challenge without compromising its financial stability or investor confidence. (Financial Times)

000 HONEYWELL EXPLORES SEPARATION OF AEROSPACE BUSINESS

Honeywell International is considering the strategic separation of its aerospace division, a move that could reshape the company's operations and refocus its business portfolio. The aerospace unit, which contributes significantly to Honeywell's revenue, designs and manufactures aviation products and services for both commercial and military markets. However, amid growing pressure from investors for better value creation, Honeywell is exploring the possibility of spinning off the division into a standalone entity. This decision follows increasing scrutiny from shareholders who believe the aerospace business might be more successful if operated independently, given its distinct growth trajectory and market dynamics. A potential spin-off could unlock value for investors by allowing both Honeywell and its aerospace arm to pursue more focused strategies. However, such a move also raises questions about the future structure of the company and the potential costs involved in separating operations. The aerospace unit has long been a key part of Honeywell's diversified portfolio, and any split would require careful management to ensure a smooth transition. As the company weighs its options, it faces the challenge of balancing

shareholder interests with the long-term sustainability and growth of its various business segments. Investors and industry analysts will closely monitor any developments, as the decision could have significant implications for Honeywell's future direction. (Financial Times)

000 HSBC SUED OVER SCAM FAILURES BY AUSTRALIAN REGULATOR

HSBC is facing a legal battle after being sued by Australia's financial regulator over alleged failures to prevent fraudulent activities within the bank. The Australian Securities and Investments Commission (ASIC) filed the lawsuit, accusing HSBC of not taking adequate measures to protect its customers from scams, which led to significant financial losses. According to the regulator, the bank failed to meet its obligations to identify and report suspicious transactions, which could have prevented the scams from escalating. The allegations centre on HSBC's handling of customer funds and its lack of response to warning signs of fraudulent activities that were within its power to detect. The case marks a significant escalation in the Australian government's crackdown on financial institutions that fail to safeguard consumers from fraud. HSBC, one of the largest banking groups in the world, has denied the accusations, stating that it complied with all applicable regulations and industry standards. However, the lawsuit has raised concerns about the broader issue of financial institutions' responsibility to protect their clients from increasingly sophisticated scams. As the legal proceedings unfold, the case could have far-reaching consequences for HSBC's operations in Australia and its reputation globally, as regulators continue to scrutinize the banking sector's role in preventing fraud. (Financial Times)



ECONOMIC INDICATORS

■ Key Economic Indicators

Indicator	As on	Current	Prior
GDP Growth (%)	Sep-24	5.40	6.70
Unemployment (%)	Nov-24	8.00	8.70
Inflation (%)	Nov-24	5.48	6.21
Balance of Trade (\$bn)	Nov-24	(37.84)	(27.10)
Business confidence	Sep-24	119.00	127.00
Manufacturing PMI	Dec-24	57.40	56.50
Services PMI	Dec-24	60.80	58.40

(Trading Economics)

■ Global Indices

Index	Country	Change %
NIFTY 50	India	4.74%
BSE SENSEX	India	5.31%
NIFTY BANK	India	6.61%
INDIA VIX	India	-4.99%
DOW JONES	USA	0.88%
S&P 500	USA	3.07%
NASDAQ 100	USA	6.67%
S&P TSX	Canada	1.54%
BOVESPA	Brazil	-2.49%
DAX	Germany	6.01%
FSTE 100	UK	2.54%
CAC 40	France	1.08%
FTSE MIB	Italy	1.79%
MOEX	Russia	-10.86%
NIKKEI 225	Japan	2.12%
S&P ASX 200	Australia	-0.43%
SHANGHAI	China	1.67%
HANG SENG	Hong Kong	1.90%
KOSPI	South Korea	2.98%

(Investing.com)

■ Commodities Future

Commodity	Expiry	Price	Change %
Gold	Feb-25	77,350.00	0.08
Silver	Mar-25	91,278.00	0.01
Crude Oil	Jan-25	5,970.00	0.34
Natural Gas	Dec-24	269.10	19.23
Aluminum	Dec-24	243.30	0.60
Copper	Dec-24	813.25	(3.20)
Cotton	Dec-24	54,600.00	(2.50)

(MCX India)

■ Currency Exchange Rates

Pair	Current	Prior	Change %
USD/INR	84.83	84.09	(0.88)
GBP/INR	107.16	108.95	1.64
EUR/INR	89.18	91.25	2.27
YEN/INR	55.18	55.03	(0.27)

(FBIL India)

■ Cryptocurrencies

Pair	Crypto	Price	Change %
BTC/USD	Bitcoin	1,04,461.00	31.11
ETH/USD	Ethereum	3,938.73	22.65
BNB/USD	Binance	710.20	12.07
SOL/USD	Solona	216.47	5.73

(Crypto.com)

■ Bank Policy Rates

Type	Current	Prior	Change %
Repo rate	6.50	6.50	-
Standing deposit	6.25	6.25	-
Marginal facility	6.75	6.75	-
Bank rate	6.75	6.75	-
Reverse Repo	3.35	3.35	-

(RBI India)



For queries and feedback, please write to us at info@greenvissage.com

To read previous issues, visit greenvissage.com/resources

Disclaimer

This newsletter is a compilation work by Greenvissage editorial team, for private circulation, to update and educate the intended audience and by no means rendering professional advice or service. This newsletter is meant for general information only.

The newsletter may contain proprietary information and thus is restricted for further circulation. We do not claim any copyrights for the images used.

Opinions expressed in the newsletter are those of the individual writers who have contributed to the newsletter and not of the enterprise. While sufficient care has been taken to ensure the accuracy of the information, we recommend readers to take any decisions in consultation with a professional.

The enterprise shall not be responsible for any loss whatsoever sustained by any person or entity by reason of access to, use of or reliance on, this newsletter. By using this newsletter or any information contained in it, the user accepts this entire notice and terms of use.