

ABSOLUTE FINANCE

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GST Special



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ABOUT US

ABSOLUTE FINANCE !

Welcome to Absolute Finance, where we're not just your guides on your financial journey; we're your partners in making the process enjoyable and engaging for all. We understand that finance can often seem like a daunting labyrinth of numbers and concepts, and we're here to break down those barriers. We're committed to bringing a touch of fun and excitement to your financial education.

So, come on board and join us at Absolute Finance, where we blend finance with fun, and make learning an enjoyable and enriching experience for everyone. Let's embark on this exciting adventure together, discovering the world of finance in a whole new light, because your financial future is for everyone, and we're here to make the journey both enlightening and entertaining!

WORD FROM TEAM

At Absolute Finance, we aren't just about guiding you through your financial expedition; we're on a mission to empower you with the information and insights you need to navigate the complex world of finance. Plus, we promise to make it a hoot and a half! We know finance can feel like a never-ending maze, so we make it our goal to jazz up your learning experience and keep you entertained along the way.



MARKET INSIGHT

Indian Indices

Index	Price	Change	%Chg
NIFTY 50	22212.70	-4.80	-0.02
SENSEX	73142.80	-15.44	-0.02
NIFTY BANK	46811.75	-108.05	-0.23
NIFTY IT	38045.65	-84.50	-0.22
S&P BSE Smallcap	46033.47	243.66	0.53

Mostly Active Stocks

Company	Price	Change	Val.(Cr.)
Jio Financial	333.95	31.10	8,931.45
Vodafone Idea	17.55	1.25	3,155.34
Reliance	2,987.25	23.75	2,153.48
HDFC Bank	1,420.60	1.05	2,126.04

This week saw an overall negative closing in indices' performance in the Indian stock market, with S&P BSE small cap indices edging higher and others falling.

Overall Performance:

Indian stock markets closed nearly flat today, with most major indices experiencing minor losses. The broader Nifty 50 dipped slightly by 0.02%, settling at 22,212.70. The benchmark Sensex followed a similar trend, declining 0.02% to close at 73,142.80.

Banking Sector Sees Correction:

The Nifty Bank, representing the banking sector, fell 0.23% to close at 46,811.75. This decline comes after a strong run in the previous week.

IT and Smallcap Show Divergence:

The Nifty IT index also witnessed a slight decline of 0.22%, closing at 38,045.65.

Conversely, the S&P BSE Smallcap index bucked the trend, gaining 0.53% to close at 46,033.47.

Company Performances:

- Jio Financial: Surged 9.33% to ₹333.95.
- Vodafone Idea: Gained 7.13% to ₹17.55.
- Reliance: Up 0.80% at ₹2,987.25.
- HDFC Bank: Marginally increased by 0.07% to ₹1,420.60.

The above Most active stock shows an interesting trend last week's end, with 3 out of the 4 most active stocks belonging to the finance and banking sector. This dominance reflects several key factors and raises questions about future market movements.

INVESTOR'S INSIGHT

Primary Market: 6 IPOs opening next week with 5 companies scheduled for listing

Juniper Hotels, owned by Saraf Hotels and Hyatt Hotels Corporation, will debut on the bourses on February 28, while the trading in GPT Healthcare equity shares will commence with effect from February 29.

The action at primary market seems to be unstoppable tracking the positive momentum in secondary market wherein the Nifty 50 hit a historic high last week. Total six IPOs worth little more than Rs 3,300 crore are set to hit Dalal Street next week, while five companies are scheduled for listing on the bourses.



Platinum Industries IPO:

The stabilizers producer is going to be the first IPO in the mainboard segment, opening on February 27 and closing on February 29, with a price band at Rs 162-171 per share.

The company is planning to raise Rs 235.32 crore through its initial public offering, comprising only a fresh issue with no offer-for-sale (OFS) component.



Exicom Tele-Systems IPO:

The electric vehicle charging solutions company will also launch its Rs 429-crore public issue during the same period, i.e. February 27-29, with a price band at Rs 135-142 per share.

This is the first company from the EV charging segment coming out with IPO. The IPO is a mix of fresh issuance of shares worth Rs 329 crore by the company, and an OFS of Rs 100 crore by promoter NextWave Communications.



OSWAL METAL CORPORATION

Owais Metal and Mineral Processing IPO:

The first public issue in the SME segment will be by the metals and minerals production & processing company. The Rs 42.7-crore IPO will be opening on February 26 and closing on February 28, with a price band at Rs 83-87 per share.

The book built issue consists of only a fresh issue portion with no OFS component.



MVK Agro Food Product IPO:

The sugar company will be last one, in the SME segment, to launch a public issue next week. The Rs 65.88-crore IPO will open for subscription during February 29 and March 4.

It is a fixed price issue with price at Rs 120 per share.

Further, among others, Eastern India-focussed hospitals chain GPT Healthcare will close its Rs 525-crore maiden public issue next week on February 26, while Sadhav Shipping, from the SME segment, will be closing its IPO on February 27.



"Financial freedom is not about making a lot of money; it's about having your money work for you."

- Robert Kiyosaki

"Investing is not based on huge technical understanding and setup, but is value based on Company's fundamentals"

Fundamental Analysis



We understand your world

Mr.Sashidhar Jagdishan
MD & CEO



The bank was incorporated In August 1994. HDFC Bank got its Banking license in January 1995. The company got listed on the exchanges in May 1995. It is India's largest private-sector bank. HDFC Bank-HDFC Limited Merger consummated effective 1st July 2023. Under the leadership of Mr.Sashidhar Jagdishan as MD & CEO of HDFC Bank for three more years, HDFC Bank is prospering to greater heights

HDFC Bank's business philosophy is based on five core values: Operational Excellence, Customer Focus, Product Leadership, People and Sustainability.

Performance Analysis:

HDFC Bank has shown a consistent growth in its net interest income over the past 10 years with a CAGR of 19.2%.

The bank's adjusted EPS has also grown at a CAGR of 18.3% over the past 10 years.

The bank's BVPS has grown at a CAGR of 21.1% over the past 10 years.

Valuation: The key valuation ratios of HDFC Bank Ltd's currently when compared to its past seem to suggest it is in the Undervalued zone.

HDFC Bank appears to have strong fundamentals and is well-positioned for future growth. However, there are also some risks that investors should be aware of. It is important to do your own research and consider your own risk tolerance before making any investment decisions.

Company Valuation:

Market Cap (₹ Cr.) : 10,79,290.00

P/E ratio : 18.00

Book Value (₹): 575.74

Face Value (₹): 1.00

Dividend Yield : 0.98 %

ROCE : 4.43%

Price / Book Ratio : 2.47

ROE: 15.84%

Profit & Loss

Particulars	Mar 2021	Mar 2022	Mar 2023
Interest Earned	1,28,552	1,35,936	1,70,754
Other Income + Depreciation	27,333	31,759	33,912
Interest Expended	59,248	58,584	77,780
Operating Expense	53,842	58,238	65,388
Profit Before Tax	42,796	50,873	61,498
Tax%	26	25	25
Net Profit	31,833	38,053	45,997
PATM%	25	28	27

Balance Sheet

Particulars	Mar 2021	Mar 2022	Mar 2023
Share Capital	551	555	558
Reserves	2,09,259	2,46,431	2,87,762
Borrowings	15,11,418	17,84,970	21,39,212
Other Liabilities	78,279	90,979	1,02,900
Total Liabilities	17,99,507	21,22,934	25,30,432
Fixed Assets	5,144	6,476	8,476
Capital WIP	0	0	0
Investments (Long Term)	4,38,823	4,49,264	5,11,582
Other Assets	13,55,540	16,67,194	20,10,375
Total Assets	17,99,507	21,22,934	25,30,432

Every master was once a disaster. No one comes out of the womb a financial genius." - Gaurav Munjal

Media Entertainment Industry



Disney, RIL sign binding pact to merge media operations in India: Report

Walt Disney Co. and Reliance Industries Ltd. have signed a binding pact to merge their media operations in India, according to people familiar with the matter, as the US entertainment giant recasts its strategy amid intense competition in the world's most-populous country.

The media unit of Reliance, controlled by billionaire Mukesh Ambani, and its affiliates are expected to own at least 61% in the merged entity, with Disney holding the rest, the people said, asking not to be identified as the information is not public.

Zee Entertainment seeks Rs 69 crore refund from Star after failed ICC TV deal:

Zee Entertainment Enterprises has accused Walt Disney-owned Star India of violating the ICC TV rights agreement and has sought a refund of Rs 69 crore paid as part of the agreement.

Zee asserted in its Q3 financial statements that it has strong grounds to counter Star India's claims in the ICC TV rights agreement matter. The company added that it has accrued Rs 72.1 crore for bank guarantee commission and interest expenses for its share of bank guarantee and deposit

Karnataka accounts for 20% of Indian media, entertainment industry: state IT minister

Karnataka accounts for 20% of the Indian media and entertainment industry, employing more than 15,000 professionals. It also has more than 300 specialised AVGC (animation, visual effects, gaming, and comics)-XR studios, Karnataka IT minister Priyank Kharge said in Bengaluru on Tuesday.

Adani arm acquires majority stake in IANS India:

Adani Enterprises Ltd has bought a 50.5% stake in IANS India, which owns and operates the newswire service Indo-Asian News Service (IANS), as the Adani Group solidifies its presence in the news media business.

The stake was purchased by AMG Media Networks, a wholly-owned subsidiary of Adani Enterprises. The company said the cost of the acquisition is Rs 5,10,000. However, sources indicate that the value may be higher

India to be 3rd largest media and entertainment market in 5 yrs:

Union Information and Broadcasting Minister Anurag Thakur has said India will become the third largest media and entertainment market in the world in next five years. Speaking at the inauguration of 54th edition of the International Film Festival of India (IFFI) in Panaji on Monday, Thakur also said that for the first time, IFFI has decided to bestow the best web series OTT award, acknowledging the transformative role of original content creators in the country.



Energy sector



India to add 18 more Nuclear power reactors with total capacity of 13,800 MWe by 2032:

NPCIL:

New Delhi, India will add 18 more nuclear power reactors with a cumulative capacity to generate 13,800 MWe of electricity, taking the total share of atomic power in the energy mix to 22,480 MWe by 2031-32. This was announced by the Nuclear Power Corporation of India Limited (NPCIL) after Prime Minister Narendra Modi dedicated two home-built 700 MW nuclear power reactors at Kakrapar in Gujarat last week.



In a first, Centre taps private sector to invest Rs 2.16 lakh crore in nuclear energy:

The Centre will invite private companies to invest about \$26 billion (₹2.16 lakh crore) in nuclear energy to increase the amount of electricity from sources that don't produce carbon dioxide emissions, said two government officials who are directly involved in the matter.

Skipper secures Rs 737 crore order from Power Grid:

Kolkata, Skipper Limited, leading manufacturers for power transmission and distribution structures, on Sunday said it has secured an order worth Rs 737 crore from Power Grid Corporation of India Limited (PGCIL) for design, supply and construction of a cutting-edge 765 kV transmission line for the central PSU. Skipper director Sharan Bansal expressed enthusiasm about this latest achievement in the power transmission and distribution sector, emphasising the company's optimistic outlook on the industry



MoS Petroleum Teli lays foundation stone for HPCL Petroleum, Oil Lubricants, and LPG Depot at Assam's Karmadanga:

The Foundation Stone for the HPCL Petroleum, Oil Lubricants (POL), and LPG Depot was laid at Karmadanga in the Chirang District of Bodoland Territorial Region (BTR) in Assam by Union Minister of State for Petroleum and Natural Gas Rameshwar Teli along with Chief of BTR Pramod Boro.



PFC ties with Italian export credit agency SACE to boost India-Italy cooperation

State-owned Power Finance Corporation (PFC) on Friday said it has become the first government firm to collaborate with SACE, an Italian export credit agency, to boost the cooperation between the two countries. PFC is partnering with SACE, the export credit agency of Italy, for an innovative ECA-backed financing facility under its 'Push Strategy' initiative, according to a statement. This proposed partnership will position PFC as the first government-owned entity in India to partner with SACE under this initiative.

"Financial peace isn't the absence of money, it's the freedom from worry and fear about it." - Dave Ramsey



Goods and Services Tax Council **GST NEWS**

GST Council may soon clarify tax exemption to RERA:

The GST Council is likely to soon clarify that the Real Estate Regulatory Authority (RERA) will not be required to pay Goods and Services Tax (GST), news agency PTI reported on Sunday, citing an official.

The regulatory authority, which functions as a regulator for the realty sector, was set up in different states to ensure transparency in real estate projects, protect the interest of consumers, and establish an adjudicating mechanism for speedy dispute redressal.

Consumer or exchequer - who will win after GST compensation cess expiry?

The interim Budget presented on February 1 said that the compensation cess collected in 2024-25 would be used to pre-pay the back-to-back GST loans to the tune of Rs 1.24 lakh crore.

The Centre could face the challenge of choosing between the consumers and filling its own coffers, once it clears the Goods and Services Tax (GST) loans.

GST Council may issue clarification on expat salary taxation amid controversy:

The Goods and Services Tax (GST) Council may issue a circular to address the controversy surrounding the spate of notices sent to Indian arms of foreign companies seeking to tax salaries paid to expatriates by the local unit.

The circular may clarify that input tax credit should not be held back for the period 2017-2022, as the practice of sending expatriates to the Indian unit, known as secondment, amounts to exports of services, people familiar with the development said on condition of anonymity.

Population, GST lie in the heart of India's North, South money wars over central funds:

Not just Karnataka, Kerala and Tamil Nadu have also raised concerns over the shrinking share in devolution from central taxes.

With a few months left for general elections, the narrative of a North, South divide has picked up steam and this time it is primarily over the allocation of central funds among states.

GST intelligence unit detected over Rs 1.98 lakh crore worth tax evasion cases in 2023:

The GST intelligence unit detected tax evasion of more than Rs 1.98 lakh crore last year and arrested 140 masterminds who were involved in defrauding the exchequer, the finance ministry said on Thursday.

In 2023, the Directorate General of GST Intelligence (DGGI) detected significant GST evasion in diverse sectors like online gaming, casinos, insurance and secondment (import of manpower services).

Decriminalise more provisions in tax laws in Budget 2024, say lawyers and CAs:

Legal and accounting experts are seeking more provisions of decriminalisation in both the income tax and goods and services tax (GST) laws from the interim budget that will be presented on February 1.

It will be a vote-on-account since this is an election year.

France was the first nation to implement GST in 1954

GST Special

"One Nation, One Tax"

The Finance Club of NSB Bangalore - VANIJYA, hosted an insightful "One Nation One Tax" seminar on 15th February 2024, empowering students with the intricacies of GST. Industry veterans like Mr. B.T. MANOHAR Chairman: State Taxes and GST Committee FKCCI, CA Venugopal Gella, Mr. L.R. Ashwin Sharma Tax Advocate and GSTP and Mr. M.G. Kodandaram IRS (Retd.) shared their valuable insights on:



- The impact of GST on businesses and profitability.
- Understanding the intricacies of filing GST returns.
- The role of tax and duties in cross-border business.



Goods and Services Tax (GST) is a unified indirect tax levied on the supply of goods and services. It replaced multiple indirect taxes like excise duty, VAT, and service tax in 2017.

It aims to create a single national market by simplifying the tax system and reducing cascading effects

It has Subsumed various Indirect taxes that were previously applied within GST:

Central Taxes: Central Excise Duty, Additional Excise Duty, Service Tax, Additional Customs Duty (CVD), Special Additional Duty of Customs (SAD)

State Taxes: State VAT, Central Sales Tax (CST), Entry Tax, Luxury Tax, Entertainment Tax, etc.

Benefits of GST

Transparency: Easier compliance and reduced tax evasion.

Efficiency: Streamlined tax administration and reduced logistics costs.

Competitiveness: Level playing field for businesses across states.

Revenue growth: Increased tax base and improved collections.

Knowledge Shared By The Speakers:



Mr. B.T. Manohar
Speaker

Mr. Manohar sir enlightened all about how despite 52 GST Council meetings, states are content with revenue, despite ongoing discussions and changes within the GST framework, none of the states are experiencing revenue decline. This could be due to several factors, such as:

- **Compensation mechanism:** Initially, the central government compensated states for potential revenue losses for five years. This period ended in June 2022, but discussions are ongoing for possible extensions or alternative arrangements.
- **Improved tax collection efficiency:** GST has streamlined tax administration and potentially improved collection efficiency, leading to higher overall revenue despite lower tax rates.
- **Economic growth:** India's economic growth may have offset potential revenue losses due to GST implementation.

Mr. B.T. Manohar sir briefed us about GST education and its importance. He mentioned how the government struggled to implement GST in India. He also gave a light on the history of GST;

Seeds of Change (1990s):

- The idea of a unified Goods and Services Tax (GST) emerged in the 1990s as a way to simplify the complex indirect tax system in India.
- The Kelkar Task Force on Indirect Taxes (2000) formally proposed the implementation of GST.

Building the Framework (2000s):

- An Empowered Committee of State Finance Ministers drafted a design and roadmap for GST in 2009.
- The Constitution Amendment Bill was introduced in 2011, facing challenges regarding compensation to states.
- Extensive consultations and negotiations took place between the central government and states over several years.

Landmark Reform (2017):

- The 122nd Amendment to the Constitution of India, enabling the implementation of GST, was passed in 2015.
- On July 1, 2017, India launched GST, replacing multiple indirect taxes like excise duty, VAT, and service tax with a unified system.
- This marked a significant milestone in India's economic reforms.



"Don't let making a living prevent you from making a life" – John Wooden

"C.A. Venugopal Cella" spoke on "One Nation One Tax" about the followings:

Introduction:

- Importance of understanding GST as business owners.
- GST is a destination-based tax, meaning the tax is collected at the state where the goods or services are consumed.
- It replaced multiple indirect taxes, leading to simplification and increased revenue collection.



C.A. Venugopal
Speaker

Impact on Businesses:

- Unified taxation across states eliminates tax disparities and promotes competition.
- Increased transparency and ease of compliance due to technology integration.
- Input tax credit (ITC) allows businesses to claim tax paid on purchases, reducing their overall tax burden.
- Challenges include transitioning to the new system, understanding complex rules and regulations, and managing technology adoption.



Mr. Kodandaram
Speaker

Mr. Kodandaram M.G. spoke were specifically about International trade, tariffs, and GST in India. His Discussion where based on the following aspects;

Exports and International Trade:

- India's exports play a significant role in the overall economy.
- Various government initiatives promote exports, such as SEZs, trade agreements, and export incentives.
- Challenges include complex regulations, infrastructure bottlenecks, and global competition.

Tariffs:

- India uses tariffs to protect domestic industries and generate revenue.
- Tariff rates vary depending on the product category and country of origin.
- Free Trade Agreements (FTAs) can reduce tariffs for member countries.

GST and Exports:

- Exports are generally considered zero-rated under GST, meaning no GST is levied on exports.
- Exporters can claim refunds of input tax credit (ITC) on goods and services used for exports.
- Certain export-related activities may be subject to GST, requiring compliance with GST regulations.

Mr. Kodandaram also made us aware about EXIM bank (<https://www.eximbankindia.in/>) and India Trade Portal (<https://www.indiantradeportal.in/>), that how they are there to help and promote exports, research for exporters, facilitate payment transfer activities and much more.

Facts about GST

- The idea of a nationwide GST in India was first proposed by the Kelkar Task Force on Indirect taxes in 2000
- First Adopter: Assam became the first state to implement GST.
- Brand Ambassador: Amitabh Bachchan was appointed as the brand ambassador to raise awareness.
- Alcohol is exempted from GST
- GST Registration Numbers: Over 138 million businesses have registered for GST in India, making it one of the world's largest GST systems.
- Highest GST Invoice Value: The highest GST invoice value recorded in India was for INR 28,321 crore (approximately USD 3.8 billion), issued for the purchase of fighter jets.
- GST on Space Travel: Interestingly, space travel services are subject to a 18% GST rate, potentially targeting future space tourism ventures.
- GST on Blood Donation: Blood donation itself is exempt from GST, but services like blood storage and processing attract a 5% GST.
- GST on Renting a Cow: Surprising but true, renting a cow for religious purposes is subject to a 18% GST.
- GST on Online Gaming: Online gaming platforms have to pay 18% GST on the fees they charge users, impacting the evolving online gaming industry.

Mr. Vijay Kelkar
Indian Economist

The Vijay Kelkar Committee recommended that GST be implemented in India. The Kelkar Task Force on indirect tax reforms, chaired by Vijay Kelkar, suggested the introduction of a national-level GST



"The goal isn't more money. The goal is living life on your terms."

- Chris Brogan

Concept of the Week

Greenwashing

Greenwashing refers to the practice of conveying a false impression or providing misleading information about the environmental practices of a company or the environmental benefits of a product, service, or activity. This term is typically used in the context of marketing and public relations efforts where companies may overstate or misrepresent their commitment to sustainability or environmental responsibility in order to appeal to environmentally-conscious consumers.

Some examples of Greenwashing:

Misleading Labels: A company may use labels such as "natural" or "eco-friendly" on their products without providing any evidence to support these claims. For example, a cleaning product labeled as "natural" might contain only a small percentage of natural ingredients while the rest are harmful chemicals.

Exaggerated Claims: A car manufacturer might advertise a new model as "environmentally friendly" due to improved fuel efficiency while ignoring the fact that the manufacturing process still produces a significant amount of pollution.

Irrelevant Emphasis: A fast-food chain might promote the fact that they use biodegradable packaging for their products, but this focus on packaging sustainability distracts from the larger environmental issues associated with mass meat production and deforestation for agriculture.

Green Imagery: Using images of nature or greenery in advertising campaigns to create the impression of environmental friendliness, even if the company's actual practices are not environmentally responsible. For example, an oil company might run ads featuring lush landscapes while downplaying their environmental impact.

Empty Initiatives: A company may launch a high-profile environmental initiative or campaign to improve its public image without making significant changes to its overall environmental practices. For instance, a clothing brand might start a recycling program for old garments but continue to produce clothing using environmentally harmful materials and processes.

Cherry-Picked Data: Selectively presenting data or statistics to make a company's environmental impact appear smaller or more positive than it actually is. For example, a beverage company might highlight improvements in water usage efficiency while ignoring its overall carbon footprint.

More than just literature

Q.1 I'm a piece of paper that shows how much money you have in a bank account. What am I?

"_ _ N _ S _ _ T _ _ _ _ T"

Q2. I'm a percentage of your income that you set aside for future expenses. What am I?

"_ _ _ _ I _ _ S"

Q3. I'm a financial instrument you can buy to protect yourself against the risk of loss.

"_ _ N _ _ R _ _ _ E"

Q4. I'm a measure of the overall health of an economy based on factors like inflation and unemployment. What am I?

"_ _ _ _"

Q5. I'm something that everyone scares to pay but would love to get. I am something over and above the principal, What am I?

"_ _ _ _ E _ _ S _"

Q6. I'm something that you get in return of a small piece of company, for which you become the owner of the company.

"_ _ I _ _ D _ _ D"

Upload your answers here -

CLICK
HERE






Absolute Finance 2.0




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