



December 28, 2022 – Wednesday

## Key Developments

### Govt tweaks GST rules for claiming input tax credit

GST taxpayers will be required to reverse by November 30 the input tax credit (ITC) claimed in the last fiscal in case their suppliers fail to deposit the due tax by September 30, the Finance Ministry has said. The taxpayers, however, can reclaim the ITC later following the deposit of taxes by the supplier. The ministry has inserted Rule 37A in Central Goods and Services Tax rules to give effect to the new provision. "Where input tax credit has been availed by a registered person..., but the return in Form GSTR-3B for the tax period corresponding to the said statement of outward supplies has not been furnished by such supplier till September 30..., the...input tax credit shall be reversed...on or before November 30 following the end of the such financial year," the ministry said. [https://economictimes.indiatimes.com/news/economy/policy/govt-tweaks-gst-rules-for-claiming-input-tax-credit/articleshow/96549862.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/economy/policy/govt-tweaks-gst-rules-for-claiming-input-tax-credit/articleshow/96549862.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## Economy

### India emerges as leading investment destination for billionaires worldwide

India emerged as one of the leading investment destinations for billionaires across the world, as per the UBS Billionaire Ambitions Report 2022. Billionaires are looking to put more of their money in India due to the strong growth of the region's economy, according to the report. Among the sectors, the billionaires favour energy, possibly due to today's supply constraints and the accelerating secular transition to renewables. In the report, 58 per cent of the billionaire respondents chose India and Southeast Asia as their chosen markets for investment. Only 42 per cent of respondents picked China. [https://economictimes.indiatimes.com/news/economy/indicators/india-emerges-as-leading-investment-destination-for-billionaires-worldwide/articleshow/96534062.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/news/economy/indicators/india-emerges-as-leading-investment-destination-for-billionaires-worldwide/articleshow/96534062.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### Total govt debt rises to Rs 147 lakh cr in Q2: Finance Ministry Report

The total liabilities of the government increased to Rs 147.19 lakh crore at September-end from Rs 145.72 lakh crore at the end of June this fiscal year, according to the latest data on public debt. In percentage terms, it reflects a quarter-on-quarter increase of 1 per cent in second quarter of 2022-23. Public debt accounted for 89.1 per cent of total gross liabilities at September-end 2022, up from 88.3 per cent as on June 30, the quarterly report on public debt management released by the finance ministry on Tuesday said. During the second quarter, it said, the central government raised Rs 4,06,000 crore through dated securities, as against notified amount of Rs 4,22,000 crore in the borrowing calendar, while repayments were at Rs 92,371.15 crore. <https://www.financialexpress.com/economy/total-govt-debt-rises-to-rs-147-lakh-cr-in-q2-finance-ministry-report/2927960/>

## Banking and Finance

### Credit offtake grows 17.5% for fortnight ended Dec 2: CARE Ratings

The credit offtake in India remained at elevated levels of 17.5 per cent year-on-year (YoY), reporting robust growth for the fortnight ended December 2, said credit rating agency CARE Ratings. According to CARE Ratings report, the growth is driven by a low base, non-banking finance companies (NBFC), retail credit, higher working capital demand driven by inflation and improvement in capacity utilisation ratio, and rising demand for fresh capex. The benefit of a lower base is expected to ease in the next few fortnights, optically leading to lower growth rates, CARE Ratings said. [https://www.business-standard.com/article/economy-policy/credit-offtake-grows-17-5-for-fortnight-ended-dec-2-care-ratings-122122700153\\_1.html](https://www.business-standard.com/article/economy-policy/credit-offtake-grows-17-5-for-fortnight-ended-dec-2-care-ratings-122122700153_1.html)

#### **PFRDA proposes bringing gig workers into pension fold: Chairman**

India's pension fund regulator has recommended the federal government introduce a UK-like pension scheme for the country's gig workers, a move aimed at bringing about 90 per cent of the overall workforce into the pension fold, its chairman told Reuters. The Pension Fund Regulatory and Development Authority (PFRDA), which manages over \$102 billion in assets, has proposed that workers at food and cab aggregators be automatically enrolled into the National Pension Scheme (NPS), Chairman Supratim Bandyopadhyay said in an interview on Tuesday. <https://www.thehindubusinessline.com/money-and-banking/pfrda-proposes-bringing-gig-workers-into-pension-fold-chairman/article66310114.ece>

#### **Banks face a highly uncertain outlook, RBI report says**

Indian banks may have weathered the pandemic with high capital buffers and improved asset quality, but going forward, they face a highly uncertain outlook, the Reserve Bank of India has said in a report. The caution is on account of continuing geopolitical tensions, tighter monetary and liquidity conditions and potential adverse spillover effects on profitability and asset quality, the RBI said in its report on the Trend and Progress of Banking in India 2021-22. "With global growth set to deteriorate in 2022 and with rising prospects of a recession in 2023, credit growth could procyclically decelerate across major economies which, in turn, could shrink bank profitability," RBI said. [https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-face-a-highly-uncertain-outlook-rbi-report-says/articleshow/96545874.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/industry/banking/finance/banking/banks-face-a-highly-uncertain-outlook-rbi-report-says/articleshow/96545874.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

#### **RBI to streamline charges for a safer, more affordable payments system**

The Reserve Bank of India (RBI) is aiming to streamline the framework of charges for different payment systems to ensure that the country has a state-of-the-art payment system, which is not only safe and secure but also swift and affordable. The central bank had, in August, released a discussion paper that outlined existing rules for charges in payment systems, while also presenting other options through which such charges could be levied. Based on the feedback received from the stakeholders, the central bank has said that it will structure its policies and streamline the framework of charges for different payment services and activities in the country. [https://www.business-standard.com/article/finance/rbi-to-streamline-charges-for-a-safer-more-affordable-payments-system-122122700906\\_1.html](https://www.business-standard.com/article/finance/rbi-to-streamline-charges-for-a-safer-more-affordable-payments-system-122122700906_1.html)

### **Industry**

#### **Weak demand led to 8% decline in 'Make in India' smartphone shipments**

Economic headwinds, poor consumer demand, and market uncertainties led to a 8 per cent decline in 'Make in India' smartphone shipments (year-over-year) in the third quarter (Q3) this year to reach over 52 million units, a new report said on Tuesday. This is the first decline in any quarter this year. OPPO led the 'Make in India' smartphone shipments with a 24 per cent share, followed by Samsung and Vivo. Bharat FIH remained the top electronics manufacturing services (EMS) player in terms of smartphone shipments and among the Indian players, Dixon emerged as the top smartphone EMS provider, according to Counterpoint Research. [https://www.business-standard.com/article/technology/weak-demand-led-to-8-decline-in-make-in-india-smartphone-shipments-122122700722\\_1.html](https://www.business-standard.com/article/technology/weak-demand-led-to-8-decline-in-make-in-india-smartphone-shipments-122122700722_1.html)

#### **Retail brands registering 8-10% higher conversions over pre-Covid levels, says Deloitte's Rajat Wahi**

Retail brands have seen a strong rebound in the last six months and are registering 8-10 per cent higher footfalls and conversions over pre-Covid levels, Rajat Wahi, Partner, Deloitte India, told FinancialExpress.com. "The business

seems to be recovering well, at least in metros and tier-I cities even as there is slow growth in the tier-II and tier-III towns in terms of overall consumption. Furthermore, the holiday and wedding season will add to the growth of the industry and will help drive the economy,” he said. Retail industry accounts for 25-30 per cent of the total economy, directly employing around 8-10 per cent of the country’s population and indirectly employing 15 per cent of the population. In a conversation, Rajat Wahi talked about the role of the overall retail industry in India’s economic growth. “The overall retail industry is roughly about US \$ 850- 870 billion and while it remained flat in the last two years, it was expected to be about US \$ 1 trillion right now,” he added.

<https://www.financialexpress.com/industry/retail-brands-registering-8-10-higher-conversions-over-pre-covid-levels-says-deloittes-rajat-wahi-interview/2927836/>

#### **DPIIT considering quality control norms for lighters, sports goods**

The Department for Promotion of Industry and Internal Trade (DPIIT) is looking to bring lighters and sports goods under the quality norms, a move aimed at containing the import of sub-standard goods and boosting the domestic industry. The other products for which these norms can be issued include potable water bottles and insulated flasks, resin-treated compressed wood laminates and wooden furniture. The department has floated draft control orders for all these products after consulting the Bureau of Indian Standards (BIS). “Department for Promotion of Industry and Internal Trade has prepared a draft quality control order in respect of lighters in consultation with the Bureau of Indian Standards in order to bring it under mandatory BIS certification keeping in view the human safety and for ensuring the optimum quality of product,” according to one of the office memorandums of the department.

<https://www.financialexpress.com/industry/dpiit-considering-quality-control-norms-for-lighters-sports-goods/2927749/>

#### **FMCG industry hopes to recover lost volume, margins in 2023; to shrug off shrinkflation**

Shrinkflation or reducing the size or quantity of a product while keeping the price unchanged was a little-known term in India but a surge in raw material costs following the war in Ukraine pushed several FMCG companies to resort to such a practice to ensure there is no impact on the fragile recovery in demand. And when they exhausted all options, FMCG (Fast Moving Consumer Goods) companies raised prices. Now, they are hoping to recover the lost ground in 2023, with a recovery in margins and volumes, especially from the distressed rural areas amid softening commodity prices. FMCG companies are “cautiously optimistic” and expect the rural market, which accounts for more than one-third of the overall sales, to bounce back in 2023 riding on a good harvest season, government impetus, and improvement in farm income. Besides, they expect the tailwinds of emerging channels like modern trade and e-commerce driving urban demand, and from a rise in premium discretionary categories.

<https://www.financialexpress.com/industry/fmcm-industry-hopes-to-recover-lost-volume-margins-in-2023-to-shrug-off-shrinkflation/2927641/>

#### **E-two-wheeler sales ride past 500,000-mark in 2022, penetrate 4% of mkt**

Electric two-wheelers have zipped past the half million registration mark and have achieved a market penetration of four per cent till the end of calendar year 2022, according to data released by VAHAN.

[https://www.business-standard.com/article/companies/e-two-wheeler-sales-ride-past-500-000-mark-in-2022-penetrate-4-of-mkt-122122700569\\_1.html](https://www.business-standard.com/article/companies/e-two-wheeler-sales-ride-past-500-000-mark-in-2022-penetrate-4-of-mkt-122122700569_1.html)

#### **Digital ad spends in India to touch \$21 bn in next five years: Redseer**

Digital ad spends in India are expected to rise 2.5x to \$21 billion within the next five years, growing at a CAGR of 19-21 per cent, says a recent report by Redseer Strategy Consultants. The report points out that Covid-led accelerated digitisation has fueled the major push. The significant surge in the use of smartphones and internet services has opened many doors for digital advertising. “Upon mapping market sizing across media agencies, we observe significant under-reporting of digital ad spend in India. However, the Redseer projection has considered enterprise spends, SMB spends, influencer marketing, affiliate marketing and gaming,” said Mukesh Kumar, Engagement manager, Redseer Strategy Consultants.

[https://www.business-standard.com/article/companies/digital-ad-spends-in-india-to-touch-21-bn-in-next-five-years-redseer-122122700497\\_1.html](https://www.business-standard.com/article/companies/digital-ad-spends-in-india-to-touch-21-bn-in-next-five-years-redseer-122122700497_1.html)

#### **Airbag market to grow to ₹7,000 crore by FY27: report**

The airbag market is expected to register a compounded annual growth rate of 25-30 per cent over next four years to touch ₹6,000-₹7,000 crore by FY27 from the current level of nearly ₹2,500 crore due to the mandatory increase in number of airbags in vehicles, said a study by ICRA.

<https://www.thehindubusinessline.com/economy/airbag-market-to-grow-to-7000-crore-by-fy27-report/article66309782.ece>

## Infrastructure

### Housing sales in top-7 cities up 54%, top previous high of 2014: Anarock

Despite the sustained hike in property prices and home loan interest rates in 2022, housing sales in the top-7 cities have hit a new peak in 2022, breaching the previous high of 2014, according to an Anarock study. About 364,900 units have been sold so far this calendar year against 236,500 units in 2021 across the top-7 cities, up 54 per cent year on year (YoY), the report said. The study says the last peak was seen in 2014 when 343,000 units were sold in the National Capital Region (NCR), Mumbai Metropolitan Region (MMR), Bengaluru, Pune, Hyderabad, Chennai and Kolkata.

[https://www.business-standard.com/article/current-affairs/housing-sales-in-top-7-cities-up-54-top-previous-high-of-2014-anarock-122122700428\\_1.html](https://www.business-standard.com/article/current-affairs/housing-sales-in-top-7-cities-up-54-top-previous-high-of-2014-anarock-122122700428_1.html)

## Energy

### India plans \$2 billion incentive for green hydrogen industry, says report

India is planning a \$2 billion incentive programme for the green hydrogen industry, three sources told Reuters, in a bid to cut emissions and become a major export player in the field. The 180-billion-rupee (\$2.2 billion) incentive aims to reduce the production cost of green hydrogen by a fifth over the next five years, said a senior government official and an industry manager working in renewable energy. It would do this in part by increasing the scale of the industry, they said. The current cost in India is 300 rupees to 400 rupees per kg, said the manager. India plans \$2 billion incentive for green hydrogen industry, says report

[https://www.business-standard.com/article/economy-policy/india-plans-2-billion-incentive-for-green-hydrogen-industry-says-report-122122700506\\_1.html](https://www.business-standard.com/article/economy-policy/india-plans-2-billion-incentive-for-green-hydrogen-industry-says-report-122122700506_1.html)

## Telecom

### Satellite companies plan to push for GST, other tax sops in Budget 2023-24

Satellite companies plan to push the government to exempt private satellite launch service providers from the 18% goods and services tax (GST) to create a level-playing field with state-owned players, boost their overall competitiveness and make satellite broadband services more affordable in India.

[https://economictimes.indiatimes.com/industry/telecom/telecom-policy/satellite-companies-plan-to-push-for-gst-other-tax-sops-in-budget-2023-24/articleshow/96551965.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/industry/telecom/telecom-policy/satellite-companies-plan-to-push-for-gst-other-tax-sops-in-budget-2023-24/articleshow/96551965.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## States

### Delhi's peak power demand clocks 4,906 MW season's highest, surpasses last two years' record

Delhi's peak power demand clocked to 4,906 MegaWatts which according to State Load Dispatch Centre (SLDC) data, is the highest this season. Delhi's peak power demand this year is more than the peak power demand clocked in December of both 2021 and 2020. To meet the power challenges, the BSES uses a mix of advanced forecasting models, including Artificial Intelligence and Machine Learning and state-of-the-art weather forecasting solutions. Moreover, Green power plays a vital role in meeting power demand in these areas.

[https://economictimes.indiatimes.com/industry/energy/power/delhis-peak-power-demand-clocks-4906-mw-seasons-highest-surpasses-last-two-years-record/articleshow/96544028.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/industry/energy/power/delhis-peak-power-demand-clocks-4906-mw-seasons-highest-surpasses-last-two-years-record/articleshow/96544028.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

### Late Payment Surcharge rules help cut receivables of power producers: India Ratings

Late Payment Surcharge 2022 Rules is facilitating receivables reduction for independent power producers, according to India Ratings and Research (Ind-Ra). India Ratings and Research (Ind-Ra) said the implementation of the LPS Rules 2022 issued by the Ministry of Power on June 3, 2022, has brought in greater discipline from state electricity distribution companies (discoms) in making timely payments to independent power producers (IPPs) in the renewable and thermal power sectors.

[https://economictimes.indiatimes.com/industry/energy/power/late-payment-surcharge-rules-help-cut-receivables-of-power-producers-india-ratings/articleshow/96542281.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/industry/energy/power/late-payment-surcharge-rules-help-cut-receivables-of-power-producers-india-ratings/articleshow/96542281.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

## External

### **India-Australia free trade agreement will boost Indian apparel exports**

Customs duty advantage under the India-Australia free trade agreement will help Indian apparel exporters get greater market access in that country as compared to their competitors, AEPC said on Tuesday. The agreement is coming into force from December 29. Apparel Export Promotion Council (AEPC) Vice Chairman Sudhir Sekhri said Australia is the largest importer of garments in the southern hemisphere. While China's share in import of apparel into Australia is more than 70 per cent, India's share is less than 5 per cent. "With the India-Australia ECTA (Economic Cooperation and Trade Agreement) getting operationalised, India will have a slight duty advantage over Vietnam and Indonesia for imports in the Australian market," he said.

[https://www.business-standard.com/article/international/india-australia-free-trade-agreement-will-boost-indian-apparel-exports-122122700581\\_1.html](https://www.business-standard.com/article/international/india-australia-free-trade-agreement-will-boost-indian-apparel-exports-122122700581_1.html)

### **Global headwinds, a challenge to India's trade prospects in 2023**

India's exports moved in tandem with the global trade in 2022, grew steadily till June, and then started to slow down. As Russia's prolonged aggression in Ukraine and resurgence of Covid infections in China started taking a toll on the world economy in the second half of the year, India's trade prospects, too, came under a shadow.

<https://www.thehindubusinessline.com/economy/global-headwinds-a-challenge-to-indias-trade-prospects-in-2023/article66310176.ece>

### **Startups will attract significant foreign direct investments in 2023: DPIIT Secretary Anurag Jain**

The country's startups will attract significant foreign direct investments (FDI) in 2023 on account of steps being taken by the government to strengthen the ecosystem for budding entrepreneurs, a top government official has said. Secretary in Department for Promotion of Industry and Internal Trade (DPIIT) Anurag Jain said India has the third largest startup ecosystem in the world and the way startups here are performing; soon the country will become a top ecosystem globally. "Number of recognized startups is increasing significantly, the Fund of Funds for Startups (FFS) and Startup India Seed Fund Scheme are doing good. Startups too will attract significant FDI in 2023," Jain told PTI. Presently, India has one of the most liberalized FDI policies wherein very few sectors require government approval, he said.

<https://www.financialexpress.com/industry/startups-will-attract-significant-foreign-direct-investments-in-2023-dpiit-secretary-anurag-jain/2928084/>