



**THE INSTITUTE OF
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(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
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DAILY NEWS DIGEST BY BFSI BOARD

February 06, 2023

ALLOCATION IN BUDGET FY 2023-24 FOR DPT OF FISHERIES 38.45% OVER THE BUDGET OF FY 2022-23:

The budget for FY 2023-24, announced allocation of an amount of INR 2248.77 crore as against the corresponding figure of INR 1624.18 crore during 2022-23 for the Department of Fisheries, with an overall increase of 38.45% over the budget of FY 2022-23 from the last one and is one of the highest ever annual budgetary support for the Department. Further, a new sub-scheme named Pradhan Mantri Matsya Kisan Samridhi Sah-Yojana (PM-MKSSY): Central Sector Sub-scheme under PMMSY with targeted investment of INR 6,000 crore was announced with the objective to enhance further the earnings and incomes of fishermen, fish vendors and micro & small enterprises engaged in fisheries sector. Indian fisheries sector continues to grow at a very healthy pace. India has already become 3rd largest fish producer, 2nd largest aquaculture producer and 4th largest exporter of fish and fisheries products. It has clocked the double-digit annual growth rate of 10.34% in FY 2021-22 and has reached record fish production of 162.48 lakh tons

(Press Information Bureau)

PERVEZ MUSHARRAF, PAKISTAN'S FORMER MILITARY RULER, PASSES AWAY:

Pervez Musharraf, Pakistan's former military dictator who ruled for nearly a decade from 1999 but spent later years fighting a litany of charges in exile, died in Dubai on February 5. He was 79. Musharraf, a retired four-star general, passed away after a long battle with a rare disease named amyloidosis, Pakistani media reported.

(Moneycontrol)

MPC MEETING; RBI'S FIRST POLICY STANCE OF 2023 ON FEB 8; MODEST RATE HIKE EXPECTED AMID GLOBAL WOES:

RBI Governor Shaktikanta Das will unveil the first monetary policy of 2023 on February 8 after a two-day review amid concerns of further slowdown in economic growth and tight global financial conditions. The review by the six-member Monetary Policy Committee (MPC) led by Das will likely indicate the course the RBI will adopt in 2023 as it seeks to strike a fine balance between sustaining growth while battling against global spillovers. This week's monetary policy is seen as crucial as it will be the RBI's first policy stance for the calendar year 2023 and comes exactly one week after Finance Minister Nirmala Sitharaman unveiled the Union Budget 2023-24 in the Parliament on February 1. RBI is expected to raise the main interest rate by a modest 25 basis points (bps) to 6.50 percent before leaving it at that level for the rest of the year, according to economists who participated in a poll conducted by Reuters.

(Moneycontrol)

PM MODI TO UNVEIL ASIA'S LARGEST HELICOPTER FACTORY IN KARNATAKA ON FEB 6:

Prime Minister Narendra Modi will unveil Asia's largest helicopter manufacturing



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facility in Karnataka's Tumakuru - also a new greenfield helicopter factory on February 6. The greenfield helicopter factory, spread across 615 acres, is planned with a vision to become a one-stop solution for all helicopter requirements of the country, according to the defence ministry.

(Moneycontrol)

EPF WITHDRAWALS WILL BE LESS TAXING NOW: Withdrawals from an EPF account before the completion of five years will be taxed at 20% instead of the current 30% if the users' PAN card is not seeded with the EPF account, according to Budget 2023. Withdrawals from an EPF account before the completion of five years are currently taxable. TDS is not applicable if the withdrawal amount is less than Rs 50,000. However, TDS will be imposed at the maximum rate of 30 per cent for withdrawals exceeding Rs 50,000 if you haven't seeded your PAN.

(Economic Times)

CGTMSE: NEARLY 8.50 LAKH LOAN GUARANTEES APPROVED FOR MICRO, SMALL UNITS IN FY23 TILL DECEMBER: The government's Credit Guarantee Scheme (CGS), which facilitates collateral-free credit flow to micro and small enterprises under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE), has approved 8.43 lakh loan guarantees involving Rs 71,843 crore during the nine-month period (April-December) of the current fiscal, surpassing the entire FY22 and FY21 figures, official data showed. According to the data shared by the Parliament by the minister of state for MSMEs Bhanu Pratap Singh Verma on February 2, 8.35 lakh guarantees amounting to Rs 36,899 crore were approved in FY21 followed by 7.17 lakh guarantees involving Rs 56,171 crore approved in FY22.

(Financial Express)

FPIs REGISTER STEEPEST OUTFLOW IN 7 MONTHS AT RS 28,852 CR IN JANUARY: Foreign investors pulled out Rs 28,852 crore from Indian equities in January, making it the worst outflow in the last seven months, primarily due to attractiveness of the Chinese markets. This came following a net investment of Rs 11,119 crore in December and Rs 36,238 crore in November, data with the depositories showed. Going ahead, FPI flows are expected to remain volatile as Indian equities continued their large underperformance compared to global markets, Shrikant Chouhan, Head of Equity Research(Retail), Kotak Securities, said. According to the data, FPIs withdrew a net sum of Rs 28,852 crore from equities in January. This was also the biggest monthly withdrawal by FPIs since June 2022, when they had pulled out Rs 50,203 crore from equities.

(Business Standard)

INDIA, FRANCE, UAE UNVEIL PLANS FOR CO-OPERATION UNDER TRILATERAL FRAMEWORK: India, France and the United Arab Emirates on Saturday unveiled an ambitious roadmap for cooperation in a plethora of areas including defence, energy and technology under a trilateral framework, a move that comes amid the geopolitical turmoil triggered by the conflict in Ukraine. The plan was finalised during a phone conversation among External Affairs Minister S



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Jaishankar, his French counterpart Catherine Colonna and UAE's Sheikh Abdullah bin Zayed Al Nahyan. India, France and the UAE also agreed to boost cooperation in food security and circular economy and vowed to focus on key issues such as single-use plastic pollution and desertification.

(Business Standard)

GOVT TO HIKE DEARNESS ALLOWANCE FOR 10 MN EMPLOYEES, PENSIONERS

TO 42%: The central government is likely to increase dearness allowance (DA) for its over one crore employees and pensioners by four percentage points to 42 per cent from existing 38 per cent as per the agreed formula for the purpose. The dearness allowance for employees and pensioners are worked out on the basis of the latest Consumer Price Index for Industrial Workers (CPI-IW) brought out by the Labour Bureau every month. The Labour Bureau is a wing of the Labour Ministry.

(Business Standard)

INDIA RANKS THIRD IN WORLD 'START-UP' ECOSYSTEM: UNION MINISTER

ANURAG THAKUR: Union Minister Anurag Singh Thakur on Saturday said India is now the hub of 'Start-up' ecosystem in the world, ranking third with 90,000 'Start-Ups' and 107 unicorn companies worth 30 billion dollars. The Minister for Information and Broadcasting, and Youth Affairs and Sports was speaking at the valedictory function of 36th Inter-University North Zone Youth Festival (Antarnaad) under the aegis of Association of Indian Universities (AIU) at the Jammu University.

(Economic Times)

HARYANA GOVT EMPLOYEES TO GET MEDICAL REIMBURSEMENT FOR AYURVEDIC TREATMENT:

Haryana's Health and AYUSH Minister Anil Vij on Friday announced that the state government employees will also get reimbursement for Ayurvedic medicines treatment in addition to the allopathic ones. "Like allopathic medicines, now Ayurvedic medicines will also be reimbursed, I issued orders in this regard yesterday," the minister said.

(Business Standard)

INDIAN CRYPTO EXCHANGE WazirX MOVES FUNDS AFTER BINANCE CUTS OFF SERVICE:

Indian crypto exchange WazirX said it was transferring funds held with Binance for its operations to other wallets after Binance said it was cutting off the service, the latest in a running dispute between the two companies over their relationship. WazirX said in a tweet Friday that it was in the process of transferring the funds and expected to complete the job within hours. "Users can continue to trade, deposit & withdraw funds as usual," the tweet continued. "Your funds are safe with us." The amount of the funds being transferred wasn't disclosed.

(Business Standard)



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FINANCIAL TERMINOLOGY/CONCEPTS

RAMP SCHEME

- ❖ Raising and Accelerating MSME Performance (RAMP) scheme is a World Bank-assisted central sector program to strengthen India's Micro Small and Medium Enterprises (MSME) sector.
- ❖ The program aims to improve access to market and credit, strengthening institutions, enhance Centre-state partnerships, address issues of delayed payments and greening of MSMEs, and ramp up implementation capacity and MSME coverage in states.
- ❖ It will improve capacity building, handholding, skill development, quality enrichment, technological upgradation, digitization, outreach and marketing promotion. It will promote a larger formalisation in the MSME sector.
- ❖ The RAMP scheme is in line with the recommendations by UK Sinha Committee, KV Kamath Committee and Economic Advisory Council to the Prime Minister (PMEAC). The Reserve Bank of India (RBI) had formed the UK Sinha Committee in 2019 to suggest measures for the economic and financial sustainability of the MSME sector.
- ❖ The scheme was announced by Finance Minister Nirmala Sitharaman in the Union Budget 2022-23. The Union Cabinet, chaired by Prime Minister Narendra Modi, approved it in March 2022. PM Modi launched the scheme at a program in New Delhi on June 30, 2022.
- ❖ The total outlay for the program is Rs 6,062.45 crore, of which Rs 3750 crore would be loaned by the World Bank and the remaining 2312.45 crore would be contributed by the Indian government.



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RBI KEY RATES

Repo Rate: 6.25%
SDF: 6.00%
MSF & Bank Rate: 6.50%
CRR: 4.50%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 82.2296
INR / 1 GBP : 100.4813
INR / 1 EUR : 89.5985
INR /100 JPY : 63.9400

EQUITY MARKET

Sensex: 60841.88 (+909.64)
NIFTY: 17854.00 (+243.60)
Bnk NIFTY: 41499.70 (+830.40)

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- ❖ **Aide Memoire on lending to MSME Sector (including restructuring of MSME Credit).**
- ❖ **Guidance Note on the Internal Audit of General Insurance Companies.**
- ❖ **BFSI Chronicle (quarterly issue of BFSIB)**

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CMA Chittaranjan Chattopadhyay

Chairman,

Banking, Financial Services & Insurance Board

The Institute of Cost Accountants of India

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