



**THE INSTITUTE OF
COST ACCOUNTANTS OF INDIA**
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
CMA BHAWAN
12, SUDDER STREET, KOLKATA – 700 016.

Telephones: +91-33- 2252-1031/1034/1035
+ 91-33-2252-1602/1492/1619
+ 91-33- 2252-7143/7373/2204
Fax : +91-33-2252-7993
+91-33-2252-1026
+91-33-2252-1723
Website : www.icmai.in

DAILY NEWS DIGEST BY BFSI BOARD, ICAI

DT 18.08.2022

- **UNION CABINET APPROVES ENHANCEMENT OF CORPUS UNDER ECLGS FROM RS. 4.5 LAKH CRORE TO RS. 5 LAKH CRORE:** The Union Cabinet, chaired by Prime Minister Shri Narendra Modi has approved the enhancement in the limit of Emergency Credit Line Guarantee Scheme (ECLGS) by Rs 50,000 crore from Rs. 4.5 Lakh crore to Rs. 5 Lakh crore, with the additional amount being earmarked exclusively for enterprises in hospitality and related sectors till validity of the scheme which is 31.3.2023. The increase has been done on account of the severe disruptions caused by COVID-19 pandemic on hospitality and related enterprises. Loans of about Rs. 3.67 Lakh crore have been sanctioned under ECLGS till 5.8.2022.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1852527>

- **CABINET APPROVES INTEREST SUBVENTION OF 1.5% PER ANNUM ON SHORT TERM AGRICULTURE LOAN UPTO RUPEES THREE LAKH:** The Union Cabinet, has approved to restore Interest Subvention on short term agriculture loans to 1.5% for all financial institutions. (Public Sector Banks, Private Sector Bank, Small Finance Banks, Regional Rural Banks, Cooperative Banks and Computerized PACS directly ceded with commercial banks) for the financial year 2022-23 to 2024-25 for lending short term agri-loans upto Rs 3 lakh to the farmers. This increase in Interest Subvention support requires additional budgetary provisions of Rs 34,856 crore for the period of 2022-23 to 2024-25 under the scheme. Under this scheme, short term agriculture loan upto Rs. 3.00 lakh is available to farmers engaged in Agriculture and other allied activities including Animal Husbandry, Dairying, Poultry, fisheries etc. at the rate of 7% p.a. An additional 3% subvention (Prompt Repayment Incentive - PRI) is also given to the farmers for prompt and timely repayment of loans. Recently, under the Aatmanirbhar Bharat campaign, over 3.13 Crore farmers have been issued new Kisan Credit Card (KCC) against the target of 2.5 Crore

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- **UDAN SCHEME OF MINISTRY OF CIVIL AVIATION COMPLETES 5 YEARS OF SUCCESS:** Ministry of Civil Aviation's flagship program Regional Connectivity Scheme UDAN (Ude Deshka Aam Nagrik) has completed 5 years of success since the launch of its first flight by Prime Minister on 27th April 2017. The scheme was initiated on 21st October 2016 with the objective to fulfil the aspirations of the common citizen by following the vision of 'Ude Desh ka Aam Nagrik', with an enhanced aviation infrastructure and air connectivity in tier II and tier III cities. There were 74 operational airports in 2014. Because of the UDAN scheme this number has increased to 141 by now. 425 New routes started under the scheme. 58 airports, 8 heliports and 2 water aerodromes have been connected. 1000 Routes and 220 airports are planned to be facilitated under the scheme by 2026. More than one crore passengers have availed the benefits of this scheme as on 4th August 2022.
<https://pib.gov.in/PressReleasePage.aspx?PRID=1852532>
- **FSIB RECOMMENDS MOHAMMAD MUSTAFA AS NABARD CHAIRMAN:** The Financial Services Institutions Bureau (FSIB) on Wednesday recommended Mohammad Mustafa as the Chairman of NABARD. Mustafa, a 1995 batch IAS officer of the Uttar Pradesh cadre, served as the Chairman and Managing Director (CMD) of Small Industries Development Bank of India. Earlier, he had served as a Joint Secretary in the Department of Financial Services and also as a Director. He had also served as CMD of National Housing Bank between 2014-15 and as MD of CERSAI in 2016.
[FSIB recommends Mohammad Mustafa as NABARD Chairman \(moneycontrol.com\)](https://www.moneycontrol.com/news/business/finance/fsib-recommends-mohammad-mustafa-as-nabard-chairman-1082287.html)
- **FOODGRAIN OUTPUT PEGGED AT RECORD 315.72 MT:** India's wheat output for the 2021-22 crop year (July-June) has been raised to 106.84 million tonnes (mt) in the fourth advance estimates, 0.43 mt higher than what was estimated in May. Besides wheat, the government on Wednesday raised its production estimate of rice and coarse cereals, pegging food grains output at a record 315.72 mt, up by 1.21 mt, from the previous estimate. In the 2020-21, production of food grains wheat, rice, pulses and coarse cereals was at a record high 310.74 mt
[Foodgrain output pegged at record 315.72 mt - The Hindu BusinessLine](https://www.thehindubusinessline.com/news/food-grain-output-pegged-at-record-315-72-mt/article66822222.ece)
- **SENSEX RECLAIMS 60,000 WITH FPIs BACK TO BUYING:** Purchases made by foreign portfolio investors (FPIs) in India's equity markets, worth nearly \$3.5 billion in July and August, have led to a near 18 per cent jump in the Sensex and Nifty from the low levels hit earlier this year. On Wednesday, the Sensex climbed to the 60,000- mark.
[Sensex reclaims 60,000 with FPIs back to buying - The Hindu BusinessLine](https://www.thehindubusinessline.com/news/sensex-reclaims-60000-with-fpis-back-to-buying/article66822222.ece)



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- **CBIC RAISES THE THRESHOLD FOR PROSECUTION, ARREST IN CASE OF SMUGGLING AND DUTY EVASION:** Central Board of Indirect Taxes and Custom (CBIC) has upped the threshold for launching prosecution and arrest to ₹50 lakh in case of smuggling and ₹2 crore in case of duty evasion. Earlier, these limits were ₹20 lakh and ₹1 crore respectively. According to CBIC circular, prosecution will be launched if the market value of the goods involved is ₹50 lakh or more.
[CBIC raises the threshold for prosecution, arrest in case of smuggling and duty evasion - The Hindu BusinessLine](#)
- **COMPANY LAW BREACHES BY CHINESE FIRMS: ICAI DISCIPLINARY NOTICES TO OVER 200 CAs:** The CA Institute has issued disciplinary notices to more than 200 chartered accountants for their alleged role in aiding several Chinese firms violate the Companies Act 2013, through their India-incorporated subsidiaries and shell companies in recent years. Action initiated based on a list of 400 CAs, Company Secretaries sent by govt to institutes
[Company law breaches by Chinese firms: ICAI disciplinary notices to over 200 CAs - The Hindu BusinessLine](#)
- **NOW, CONTRIBUTIONS TO NPS, ATAL PENSION YOJANA CAN BE REMITTED VIA UPI:** Pension regulator PFRDA has added more convenience to subscribers of the National Pension System (NPS) and Atal Pension Yojana (APY), enabling voluntary contributions through the popular Unified Payments Interface (UPI), a real-time payment system. According to PFRDA, one can deposit contributions via UPI handle-D-Remit.
[Now, contributions to NPS, Atal Pension Yojana can be remitted via UPI - The Hindu BusinessLine](#)
- **AFTER AMAZON, FLIPKART FINED FOR ALLOWING SALE OF POOR QUALITY COOKERS:** The Central Consumer Protection Authority (CCPA) on Wednesday said it has imposed a penalty of Rs 1 lakh on e-commerce firm Flipkart for allowing sale of substandard domestic pressure cookers on its platform, in violation of mandatory standards.
[After Amazon, Flipkart fined for allowing sale of poor quality cookers | Business Standard News \(business-standard.com\)](#)



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- **MICROFINANCE LOANS GROW 24% YOY IN Q1 OF FY23; CREDIT QUALITY STABLE:** The loan portfolio of microfinance institutions (MFI) increased 24 per cent year-on-year (YoY) to Rs 2.75 trillion by end of this June from Rs 2.22 trillion a year ago. Sequentially, the loan book expanded from Rs 2.62 trillion at end of March 2022 (Q4Fy22), according to Sa-Dhan, the self-regulatory organisation (SRO) for microfinance. Barring banks, portfolio of other microfinance lenders recorded double digit growth. Non-banking finance companies working as MFIs recorded growth of 35.18 per cent. The small Finance Banks clocked 27.66 per cent YoY growth.

[Microfinance loans grow 24% YoY in Q1 of FY23; credit quality stable | Business Standard News \(business-standard.com\)](https://www.business-standard.com/news/microfinance-loans-grow-24%-yoy-in-q1-of-fy23-credit-quality-stable)



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FINANCIAL TERMINOLOGY :
BLOCKCHAIN IN BANKING SECTOR

⌘ Blockchain, the technology underpinning the cryptocurrency could revolutionise the world economy. Blockchain is basically a distributed ledger. It can store facts like, who owns a particular piece of land or say a bond. The technology can be used to keep an immutable record of ownership and enable transaction of the asset amongst distrusting parties.

⌘ Blockchain provides transaction immutability and a distributed ledger architecture, which are key requirements for eliminating the need for an enforcer of trust in the ecosystem.

⌘ Blockchain maintains an immutable record of transactions and therefore asset ownership since the time the asset first appears in a transaction on the blockchain. This significantly reduces risk and the need for associated mitigating operations for multiple asset types. This capability will enable the reduction of the occurrence of theft, fraud and misselling of high value assets and intellectual properties.

⌘ Financial Industry has been trying to experiment with blockchain by replicating existing asset transactions on the blockchain. In infrastructure terms the blockchain is an open source software that is built to support the transfer of digital assets amongst market participants in real time.



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RBI KEY RATES

Repo Rate: 5.40%

SDF: 5.15%

MSF & Bank Rate: 5.65%

Fixed Reverse Repo Rate: 3.35%

CRR: 4.50%

SLR: 18.00%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 79.4335

INR / 1 GBP : 96.1839

INR / 1 EUR : 80.7680

INR /100 JPY : 59.0500

EQUITY MARKET

Sensex: 60260.13 (+ 417.92)

NIFTY : 17944.30 (+ 119.00)

Bank NIFTY: 39461.70 (+222.00)

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