



**HYDERABAD BRANCH OF SIRC OF ICAI
&
HYDERABAD BRANCH OF SICASA**



E-NEWSLETTER



FEBRUARY 2023



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Office bearers of SICASA Hyderabad



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COMMUNICATION FROM SICASA CHAIRMAN

Dear learners,

Welcome to the newsletter for the month of February. As we move on to next month of this new year I feel delighted to share that that SICASA Hyderabad will be hosting numerous events and activities offline addressing various talents within us to ensure that all opportunities for the students' overall development may be made available to them. Our students are the future of our profession, and it is also our responsibility to look into their overall development in both academic and non-academic fields so that they can evolve into global professionals..

I feel very honoured to say that, this time The National talent hunt for CA Student was indeed a great success. And moreover hosting the finals for students across states was a great pleasure. I hope everyone who have attended enjoyed their time at Hyderabad.

Motivation is something that cannot be installed in the person, it is supposed to develop from within. Wishing every single one of you nothing but the best of health and leaps pf success in life.

As I pen down my last message to you as the Chairman of SICASA Hyderabad, there's a mixed feeling of achievement, gratitude, and happiness. My association with SICASA has been a memorable one. I have always given my best to betterment of students and interaction with young talent made me younger. In this long journey, I feel humbled and fortunate to have received the support, guidance and affection from everyone.

Best wishes,

Always at your service,

CA. Chandra Babu M

EFFECTS OF BUDGET 2023 ON THE INDIAN ECONOMY

As we all know, this is the first budget announced post covid pandemic. Hence, waving off all the fears of covid, the current budget has focused upon reaching new heights. A lot of focus has been drawn towards the tourism, travel and hospital sectors post covid.

To kick start such growth prospectus and keep the growth of the country ongoing, a lot of capital investments have been taken up by the government. Almost Rs.10 lac crores have been budgeted to be invested and this is a hike by straight 33%. By way of investments into construction sector ,i.e roads, infra- projects (not only in the urban sector, but also in the rural India) while keeping in view, borrowings of the country. This is mainly due to the lack of enthusiastic investments by the private sector, reason being the global uncertainty.

Keeping the political view in mind, the "Modi sarkar" has aimed towards reduction in fiscal deficit of the country, since this is the last year of the term of 5 years of ruling of "The Modi sarkar " .

With respect to revenue expenditure, which include expenses such as salaries, pension, etc. is reduced. It stands currently at 11.6% , which was priorly 12.7%. Reason for such reduction is the minimalistic returns expected on revenue investments.

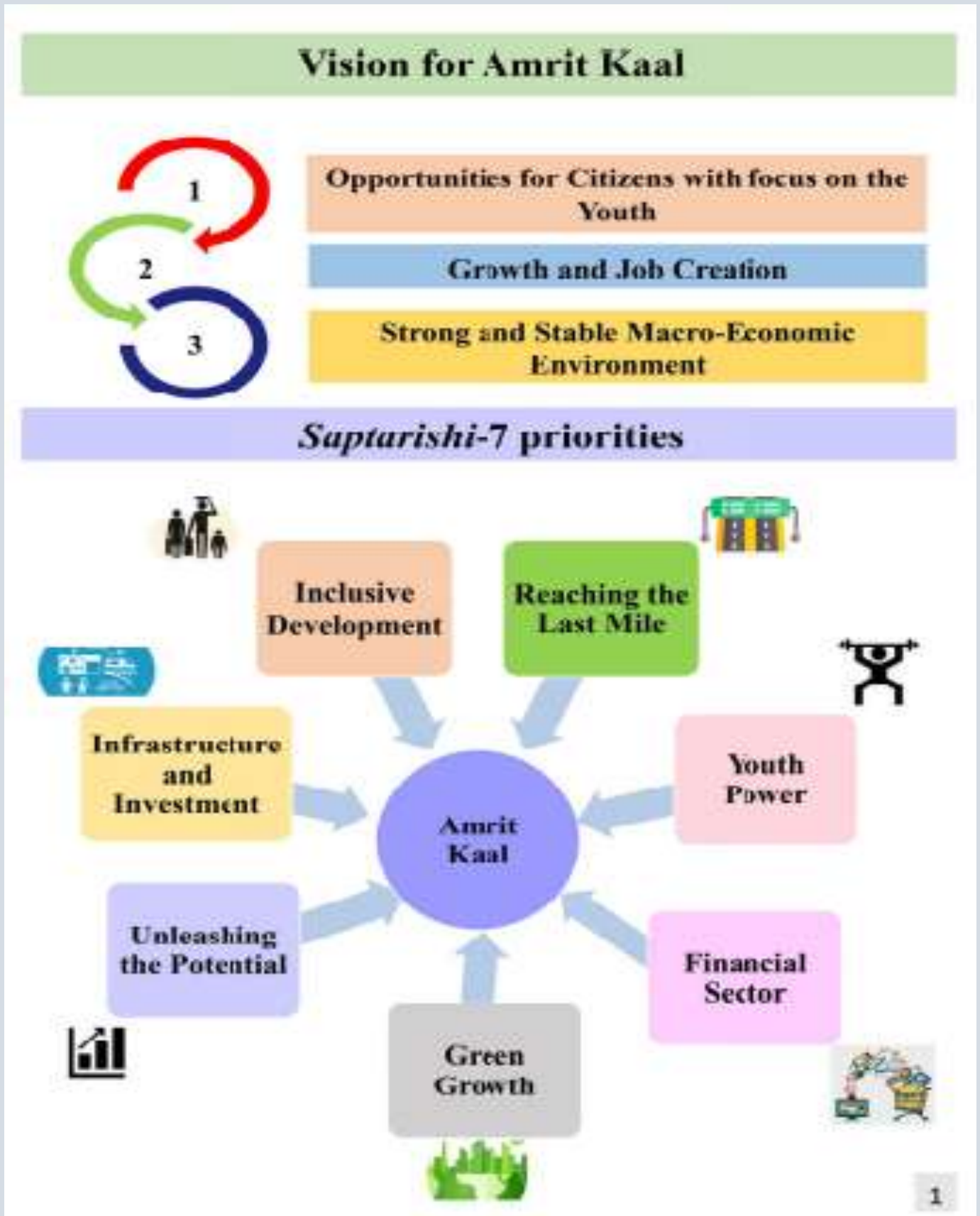
By way of heavy capital expenditure, the government is aiming for job creation as well as nationwide development. Since the growth of economy and increase in GDP will be observed only upon increase in savings and expenditure patterns of the public .Of course, for which income generation is to be looked upon !Also, to sustain the high inflation rates, post pandemic and also as a consequence of Russia-Ukraine war, income generation has become need of the hour. The logic being simple, higher the income, higher is the expenditure patterns and so will be the the tax collections! How can the budget miss upon tax element.

In the official website, New scheme introduced under section 115 BAC has been set up as the default option and also under new scheme the basic exemption limit has been extended upto Rs 7 lakhs. This to promote and attract more tax payers under the new scheme.

Considering the changes and new amendments announced in the Budget of 2023, a lot of hope as to development of the nation in various sectors is expected.

VAGDEVI

BUDGET – A GLIMPSE



Sabka Saath Sabka Vikas-Inclusive Development

Agriculture and Cooperatives

Building Digital Public Infrastructure

Building an accessible, inclusive and informative solution for Farmers

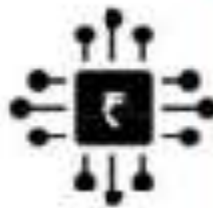


Setting up Agriculture Accelerator Fund

For encouraging innovative start-ups in rural areas

ANB* Horticulture Clean Plant Program to be launched

To boost production of high value horticultural crops



Targeted Funding

₹20 lakh crore agricultural credit targeted at Animal Husbandry, Dairy and Fisheries sector

Making India Global Hub For Millets: ‘Sree Anna’

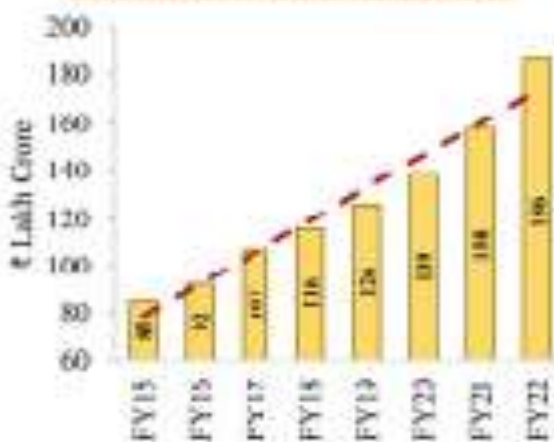
Support to be given to IIMR[†], Hyderabad for promoting research



Setting-up of widely available storage capacity

Will enhance Farmers’ remuneration by enabling sale at appropriate times

More Credit to Agriculture Sector



Record Foodgrain Production



*ANB - Atmanirbhar Bharat

†IIMR-Indian Institute of Millet Research

Sabka Saath Sabka Vikas-Inclusive Development

Health



157 New Nursing Colleges to be established

Sickle Cell Anaemia elimination Mission to be launched



New Programme to promote research in Pharmaceuticals to be launched

Joint Public and Private Medical Research to be encouraged via select ICMR labs



Increase in Expenditure on Health and Education (% of GDP)



Education and Skilling

- ✓ Revamped Teachers' training via District Institutes of Education and Training
- ✓ National Digital Library to be set up for children and adolescents
- ✓ States will be encouraged to set up physical libraries at Panchayat and ward levels



The Big Tent that accommodates all



9 crore drinking water connections to rural houses



Cash transfer of ₹2.2 lakh crore to over 11.4 crore Farmers under PM-KISAN



Insurance cover for 44.6 crore persons under PMSBY* and PMJJY^

11.7 crore household toilets constructed under SBM



9.6 crore LPG connections under Ujjawala

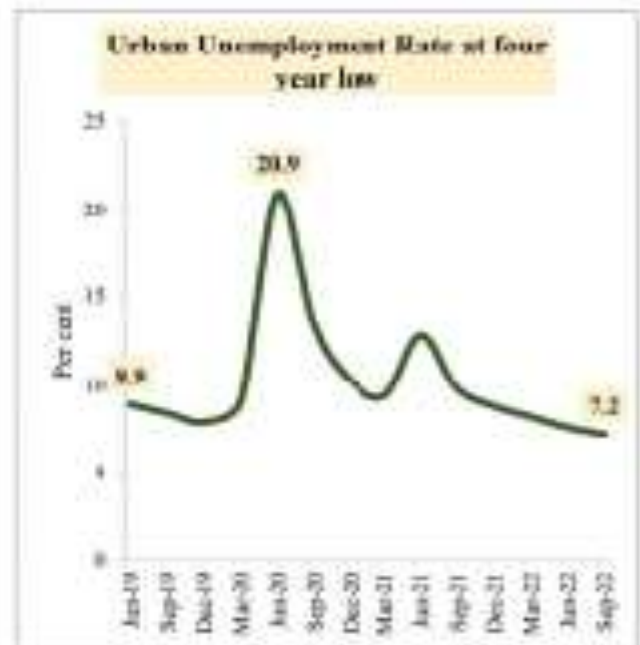
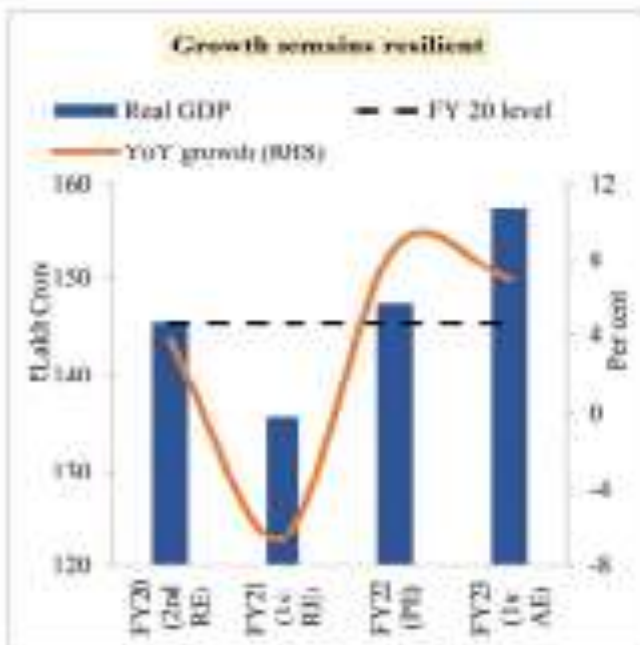


220 crore Covid vaccinations of 102 crore persons



47.8 crore PM Jan Dhan bank accounts

Inclusive Development Achievements



*PMSBY: Pradhan Mantri Suraksha Bima Yojana
 ^PMJJY: Pradhan Mantri Jeevan Jyoti Yojana

Reaching the Last Mile



Pradhan Mantri PVTG* Development Mission to be launched

Financial assistance to be given for sustainable micro irrigation in drought prone regions of Karnataka



More teachers to be recruited for 740 Eklavya Model Residential Schools

Bharat (SHRI)* to be set up for digitization of ancient inscriptions



Infrastructure and Investment

Incentives to boost Investment in Infrastructure and productive capacity

Multiplier Impact →

Rise in growth and employment



Increased capital investment outlay by 33.4% to ₹10 lakh crore



Continuation of 50 year interest free loan to State Governments to incentivize infrastructure investment



Highest ever Capital outlay of ₹2.4 lakh crore for Railways



100 transport infrastructure projects identified for end-to-end connectivity for ports, coal, steel, fertilizer sectors



Creating Urban Infrastructure in Tier 2 and 3 cities via establishment of UIDF**

*PVTG: Particularly Vulnerable Tribal Groups; SHRI: Shared Repository of Inscriptions.

**UIDF: Urban Infrastructure Development Fund

Unleashing the Potential-Trust Based Governance



Measures



Expected Outcomes



Make AI in India: Three specialized AI centres to be set up in educational Institutes

AI based solutions in agriculture, health and sustainable cities

National Data Governance Policy to be introduced

Enable access to anonymized data for research by Start-ups and academia

Vivad se Vishwas I: Less stringent contract execution for MSMEs

Relief to MSMEs affected during the Covid period

Vivad se Vishwas II: Easier and standardized settlement scheme

Faster settlement of contractual disputes of Govt. and Govt. undertakings

Phase 3 of **E-Courts** to be launched

Effective administration of Justice

Entity Digi Locker to be set-up for use by business enterprises and charitable trusts

Facilitating secure online storing and sharing of documents with the business ecosystem

Setting up of 100 **labs for 5G services** based application development

To tap employment potential and business opportunities

R&D grant for **Lab Grown Diamonds (LGD)** sector

To reduce import dependency by encouraging domestic production

Green Growth

PMU-PRANAM* to be launched

Will incentivize States/UTs to promote usage of alternative fertilizers

500 new 'Waste to Wealth' plants To be established under GOBARDHAN† scheme for promoting circular economy

Green Credit Programme
To be notified under EPA to incentivize sustainable actions

Sustainable Ecosystem development

- MISHTI‡ to be taken up for Mangrove plantation along the coastline
- Amrit Ekharbar to be implemented for optimal usage of wetlands

Other Initiatives

- Setting up 10,000 bio inputs resource centres to facilitate farmers to adopt natural farming
- Promotion of Battery energy storage systems
- Promotion of coastal shipping for energy efficient transportation
- Funds to be allocated for replacing old polluting vehicles

Amrit Peedhi - Youth Power

PMKVY 4.0 will be launched
Covering new courses like coding, AI, Robotics, 3D printing etc.

Measures to boost Tourism sector
At least 50 destinations to be selected, through challenge mode, to be developed as a complete package for domestic and foreign tourists

States will be encouraged to set-up Unity Malls
For promotion and sale of ODOP (One District-One Product), GI and handicraft products

* PRANAM: PM Programme for Restoration, Awareness, Nourishment and Revitalisation of Mother Earth
 † MISHTI: Mangrove Initiative for Shrivellie Habitats and Tangled Decrees
 ‡ UCCAM/Amrit: Utilizing Organic Bio-Agro resources (UCCAM)

Financial Sector

Setting up of National Financial Information registry

To enable efficient lending, promote financial inclusion and enhance financial stability

Setting up of a Central Data processing Centre

For faster handling of administrative work under the Companies Act

Credit Guarantee scheme for MSMEs

Expanded corpus under a revamped scheme to enable additional collateral free guaranteed credit of ₹2 lakh crore



Modi Suman Bachat Plan

One-time new small savings scheme for a 2-year period with a deposit facility of up to ₹2 lakh for women

Benefits for Senior Citizens

Enhanced maximum deposit limit for senior citizens savings scheme from ₹15 lakh to ₹30 lakh

Other Initiatives

- Initiatives to promote business activities in GIFT IFSC
- Create more trained professionals in Securities Markets via award of educational certificates

Fiscal Management



50 year Interest Free Loans to States

- To be spent on Capital Expenditure within 2023-24
- Part of the loan is conditional on States increasing actual Capital expenditure and parts of outlay will be linked to States undertaking several reforms

Fiscal Deficit of 3.5% of GSDP allowed for States (0.5% tied to Power sector reforms)

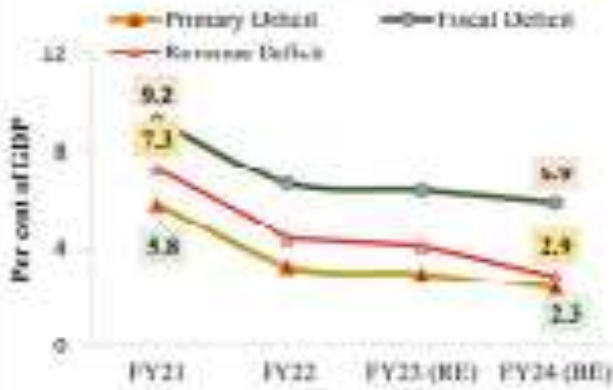


Fiscal Consolidation

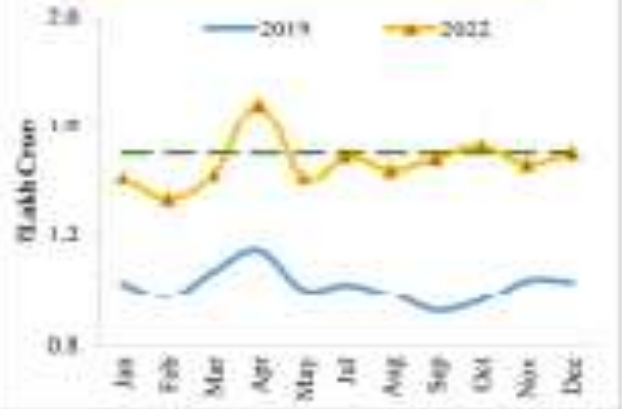
Targeted Fiscal Deficit to be below 4.5% by 2025-26

Indian Economy backed by strong macroeconomic fundamentals

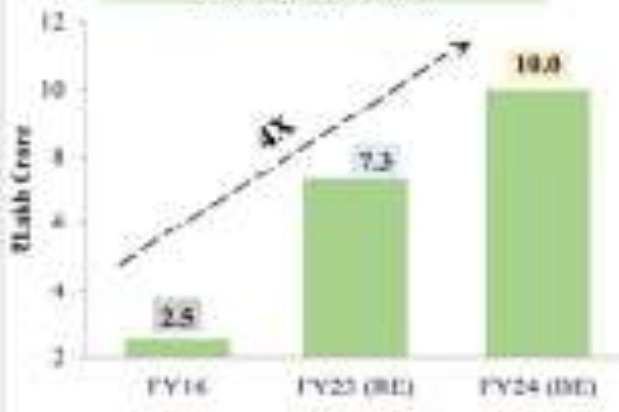
Union Government on the path of fiscal consolidation



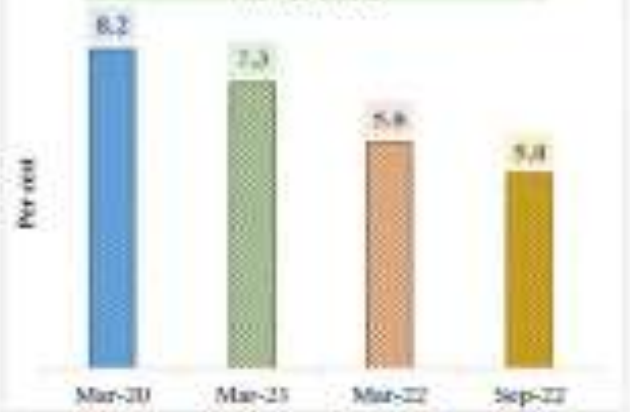
GST monthly revenue continues to remain around ₹1.5 lakh crore



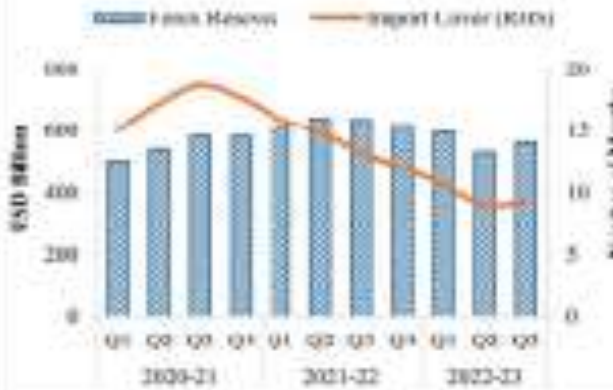
Increasing Capital Expenditure of Union Government



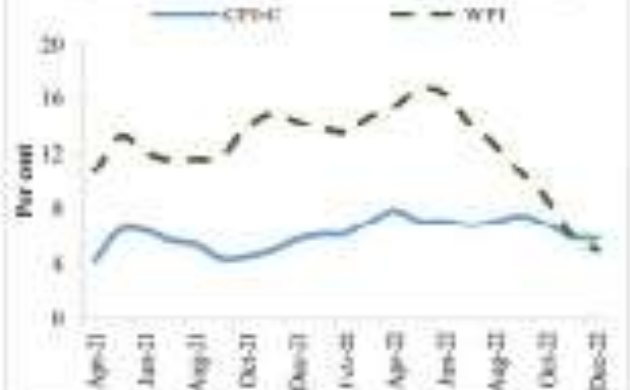
Asset quality in banks improving with lower NPAs



Sufficient Foreign Exchange Reserves to cover 9 months of Imports



Wholesale prices converging to retail prices



Tax Proposals

Simplification in Indirect Taxes to deliver



Higher Exports



Higher domestic manufacturing



More value addition in the economy



Green energy and mobility

Changes to custom duty on

Benefits

Import of capital goods for Li-Ion battery manufacturing



For Greener mobility

Import of mobile camera lens



Deepening Value Addition

Denatured ethyl alcohol



For chemical industry

Key inputs for producing shrimp feed



More marine exports

Seeds for manufacturing lab grown diamonds



Export Promotion

Continuing concessional basic custom duty on copper scrap



Augmenting raw material availability for MSMEs

Compounded rubber, to bring it at par with natural rubber



To curb duty circumvention

Direct Tax Proposals

To reduce the compliance burden, promote entrepreneurial spirit and provide tax relief to citizens



45% of the returns on tax payers' portal were processed within 24 hours



Average processing period reduced from 93 to 16 days in 8 years



Processed more than 6.5 crore returns this year

Further Simplifying Personal Income Tax



Income limit for rebate of income tax increased from ₹5 lakh to ₹7 lakh in the new regime

New Income tax regime

Exemption limit increased to ₹ 3 lakh



- Highest surcharge rate on income above ₹5 crore to be reduced from 37% to 25% under new regime
- Extending benefits of standard deduction to new tax regime for salaried class and pensioners
- Increasing tax exemption limit to ₹25 lakh on leave encashment on retirement for non-government salaried employees

Simplifying Tax Benefits for Industry

MSME



- Enhanced limits for micro enterprises and professionals to avail benefits of presumptive taxation, 95% of receipts to be non-cash
- Deduction on payments made to MSMEs to be allowed only when payment is actually made

- Extending 15% corporate tax benefits to new co-operatives, commencing manufacturing till 31st March, 2024
- Higher limit of ₹2 lakh per member for deposits & loans in cash by PACS and PCARDBs
- Higher limit of ₹3 crore for TDS on cash withdrawal for co-operative societies



COOPERATIVES

STARTUPS



- Extension of the date of incorporation by one year for income tax benefits to start-ups
- Benefit of carry forward of losses on change of shareholding of start-ups from seven years of incorporation to ten years.

- Income of authorities, boards and commissions set up by statutes of the Union or State to be exempted from income tax in certain sectors
- Extension of period of tax benefits to funds relocating to IFSC, GIFT City till 31st March, 2025



RATIONALISATION

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SUPRITHI

INVITATION

SICASA Hyderabad is inviting articles for E-Newsletter: INSIGHT for the month of March, 2023. All the students who want to get featured can submit their articles, artworks, poems, short stories etc. which are related to Chartered Accountancy curriculum for our further newsletters.

Send us your works on : sicasahydnewsletter@gmail.com

Last date for submission: 28th February, 2023

Rules:

1. No word limit but the articles shall be confined to topic opted.
2. No plagiarism allowed; content sent should be original.
3. Send your works to the mail with the following attachments:
 - Your work
 - Full name along with student registration number & firm name
 - Passport photo
 - Contact details
 - Subject of email must contain the details of your work (E.g., Article/Artwork etc.)