



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**  
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)  
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## **DAILY NEWS DIGEST BY BFSI BOARD. ICAI**

**September 06, 2022**

### **OPEC+ AGREES TO REDUCE PRODUCTION BY 100,000 BBL/DAY IN OCTOBER:**

OPEC+ agreed to make a token oil supply cut for October, seeking to stabilize global markets after a faltering economic backdrop triggered the longest price rout in two years. The group will reduce production by 100,000 barrels a day next month, taking supplies back to August levels, it said in a statement. In its final communiqué after Monday's online conference, the alliance also highlighted that it would be willing to call another ministerial meeting at any time if needed to address market developments. Its next scheduled talks will be on October 5. The surprise move from OPEC+ exactly reverses the September increase that was made in response to entreaties from US President Joe Biden to help bring down oil prices. It could come as a worrying development for consuming nations as they grapple to the inflationary squeeze from crude at \$95 a barrel and the prospect of a winter energy crunch.

**(Moneycontrol)**

**LIZ TRUSS ELECTED AS BRITAIN'S NEW PRIME MINISTER:** Liz Truss on Monday was elected as Britain's new Prime Minister, defeating Rishi Sunak. She has also been named as the leader of the governing Conservative Party. Truss will succeed Boris Johnson and is poised to take power at a time when the country is facing a cost of living crisis, industrial unrest and recession fears.

**(Economic Times)**

### **BANK UNION OPPOSES PUBLIC SECTOR BANKS' 'LOAN MELAS' ON BAD LOAN**

**PILE-UP FEARS:** The Maharashtra State Bank Employees Federation (MSBEF) spoke out against 'loan melas' organised by state-owned banks on Monday, claiming that credit granted without due diligence at such events leads to a buildup of non-performing assets. Such 'melas' add to the retail Non-Performing Assets (NPAs) for the lenders as the loans are granted without much diligence, MSBEF said in a statement.

**(Economic Times)**

**CENTRAL BANK FILES A PERSONAL INSOLVENCY CASE AGAINST BIYANIS:** State-owned Central Bank of India has opened a new front to recover dues from the Biyanis, promoters of the debt laden retail conglomerate Future Group that is facing bankruptcy proceedings. The bank has filed a personal insolvency case against promoter Kishore Biyani, his elder brother Vijay Biyani and cousin Sunil Biyani with total claims of Rs 1,047 crore. The claims were filed in the Mumbai bench of the National Company Law Tribunal (NCLT) a few days ago and are yet to be admitted by the court.

**(Economic Times)**

**VEHICLE LOANS BACK IN DEMAND, SHOW ROBUST GROWTH:** The demand for vehicle loans has been witnessing robust increase tiding over negative growth last year. As per Reserve Bank of India data, vehicle advances of commercial banks grew 18 per cent year-on-year at the end of June 2022. In the same period last year (June 2021), disbursement of vehicle loans declined by 3.5 per cent. "There was a dip in demand last year due to various reasons and adverse economic



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impact of the Covid-19 pandemic as well as supply chain issues for auto companies. But, we have an upward trend now which is expected to continue,” a senior SBI official told. **(Business Line)**

### **EXTERNAL DEBT UP 8.2 PER CENT TO \$620.7 BILLION AT THE END OF FY22:**

India's external debt rose by little over 8 per cent at the end of Fiscal Year 2021-22 (FY22), a report by the Finance Ministry said on Monday. Over three fourth debts are long term, indicating no sudden impact on Foreign Exchange Reserve. India's external debt, at \$ 620.7 billion as at end-March 2022, grew by 8.2 per cent over \$ 573.7 billion as at end-March 2021. External debt as a ratio to GDP fell to 19.9 per cent as at end-March 2022 from 21.2 per cent a year ago. **(Business Line)**

### **SERVICES PMI UP AT 57.2 IN AUGUST, EMPLOYMENT SEES SHARPEST HIKE IN OVER 14 YEARS:**

The services sector marched forward aggressively in August. This was reflected in the Purchasing Managers' Index (PMI) for service, which rose to 57.2 in August as against 55.5 in July. Equally important fact is the sharpest rise in employment for over 14 years. The services sector has an over over 54 per cent share in Gross Domestic Product of the country. Lifting of Covid restrictions and marketing efforts drive growth in sector this sector. **(Business Line)**

### **GROSS BANK CREDIT BY INDIAN AIRPORTS DOUBLES TO ₹8,673 CR IN TWO YEARS:**

The outstanding amount of gross bank credit by Indian airports has almost doubled over the past two years to ₹8,673 crore as of July 2022 compared with ₹4,970 crore at the same time in 2020, according RBI data. According to the data, in July 2021 Indian airports' cumulative gross bank credit was ₹7,420 crore which increased by 16.5 per cent to ₹8,673 crore as of July 29, 2022. There has been an almost 30 per cent hike in the gross bank credit since the beginning of FY23 (Between April and July 2022). **(Business Line)**

**G-Sec LISTING ON GLOBAL INDICES DEFERRED TO 2023:** The Centre will not factor in any potential inflows from the listing of certain categories of government securities on overseas bond indices when it finalises its borrowing calendar for the second half of this fiscal later this month, an official source told FE. This indicates the listing of G-sec on global bond indices is unlikely to take place in 2022, if not in FY23. **(Financial Express)**

### **EPFO CALLS FOR INCREASING RETIREMENT AGE TO EASE PRESSURE ON PENSION FUNDS:**

By 2047, India is expected to become an ageing society as around 140 million people are estimated to be above the age of 60 years. This can put immense pressure on the pension funds in the nations. The Employees' Provident Fund Organisation (EPFO), in its Vision 2047 document, has vouched for increasing the retirement age in the nation, and aligning it with life expectancy to ensure the viability of the pension system in India and provide adequate retirement benefits. **(Business Standard)**

### **SBI TO RAISE UP TO RS 7,000 CR VIA BASEL-III AT1 BONDS ON SEPT 11:**

State Bank of India (SBI) plans to raise up to Rs 7,000 crore, which includes Rs 5,000 crore in greenshoe through Basel-III Additional Tier-I bonds, market participants said. Bidding for the bonds will take place on Wednesday between 11 a.m. and 12 p.m. Non convertible Taxable Perpetual Subordinated



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Unsecured Basel-III compliant Additional Tier 1 Bonds in the nature of debentures of face value Rs 1 Crore each. AT1 Bonds are a type of perpetual bonds that don't have any expiry date which is issued to raise long term capital. **(Business Standard)**

### **HDFC BANK, PRECISION BIO TO TEST APPLICATIONS UNDER RBI'S SANDBOX**

**SCHEME:** HDFC Bank and Precision Biometric India have been selected by the Reserve Bank for testing their 'on tap' retail payments applications under the regulatory sandbox scheme, the central bank said on Monday. Regulatory sandbox (RS) refers to live testing of new products or services in a controlled/test regulatory environment for which regulators may permit certain relaxations for the limited purpose of the testing. The regulatory sandbox allows the regulator, innovators, financial service providers and customers to conduct field tests to collect evidence on the benefits and risks of new products and systems. The product 'Offline Retail Payments' by HDFC Bank (in partnership with Crunchfish AB) provides the capability for customers and merchants to pay and receive payments in offline mode, the RBI said in a release. **(Business Standard)**

## ***FINANCIAL TERMINOLOGY/CONCEPTS***

### **ROBOTIC PROCESS AUTOMATION (RPA)**

- ❖ RPA in finance can be defined as the use of robotic applications to augment (or replace) human efforts in the financial sector. RPA helps banks and accounting departments automate repetitive manual processes, allowing the employees to focus on more critical tasks and the firm to gain a competitive advantage.
- ❖ To further enhance RPA, banks implement intelligent automation by adding artificial intelligence technologies, such as machine learning and natural language processing capabilities. This enables RPA software to handle complex processes, understand human language, recognize emotions, and adapt to real-time data.
- ❖ Robotic process automation is being used in different industries, such as healthcare, manufacturing, and insurance. The global RPA market was valued at \$1.57 billion in 2020 and is expected to rise at a CAGR of 32.8% from 2021 to 2028.
- ❖ RPA can be used in handling accounts payable with optical character recognition (OCR), loan processing, KYC, fraud detection etc.



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### **RBI KEY RATES**

Repo Rate: 5.40%  
SDF: 5.15%  
MSF & Bank Rate: 5.65%  
CRR: 4.50%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

### **FOREX (FBIL 1.30 PM)**

INR / 1 USD : 79.8936  
INR / 1 GBP : 91.5671  
INR / 1 EUR : 79.0483  
INR /100 JPY : 56.9000

### **EQUITY MARKET**

Sensex: 59245.98 (+442.65)  
NIFTY : 17665.80 (+126.30)  
Bank NIFTY: 39805.80 (+384.80)

**(CMA Chittaranjan Chattopadhyay)**  
**Chairman,**  
**Banking, Financial Services & Insurance Board**

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