



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

December 22, 2021

- **Centre fills vacancies in boards of PSBs, insurers, financial institutions** : The Centre has taken a much-awaited significant step towards filling vacancies in boards of various public sector banks (PSBs), insurers and financial institutions (FIs), with the appointment of 25 non-official, part-time directors (non-executive directors). The Appointments Committee of the Cabinet has approved the appointments of these directors for a period of three years, sources said. It brings an end to the long-standing vacancies in these banks and FIs, official sources said. As many as seventeen non-executive directors have now been appointed by the Central government in as many as 11 banks, including State Bank of India (one director to the central board). The other banks are Bank of Baroda (one), Bank of Maharashtra (two), Canara Bank (one), Central Bank of India (one), Indian Bank (two), Indian Overseas Bank (three), Punjab & Sind Bank (one), Punjab & National Bank (two), UCO Bank (two) and Union Bank (one). The insurance companies where government has now appointed part-time non-official directors under the respective laws governing them are General Insurance Corporation (one) Oriental Insurance (one) and The New India Assurance (two). The Centre has also appointed a part-time non-official director each in Exim Bank, NABARD and National Housing Bank.  
<https://www.thehindubusinessline.com/money-and-banking/centre-fills-vacancies-in-boards-of-psbs-insurers-financial-institutions/article38006478.ece>
- **Profitability of PSBs improved post amalgamation: MoS for Finance**: Profitability of public sector banks has improved on a consolidated basis after amalgamation, the government said in Parliament on Tuesday. According to RBI's data, profitability of public sector banks (PSBs) that have been amalgamated/merged during the last five years has improved on a consolidated basis, Minister of State for Finance Bhagwat Karad said in a written reply to the Rajya Sabha. The profitability of State Bank of India (SBI), into which five associate banks of SBI and Bhartiya Mahila Bank were merged with effect from April 1, 2017, improved from a loss of Rs 1,378.35 crore in financial year 2016-17 to a profit of Rs 20,410.47 crore in 2020-21, Karad said.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/profitability-of-psbs-improved-post-amalgamation-mos-for-finance/articleshow/88418084.cms>
- **SBI invests Rs 100 crore in JSW Cement to acquire a minority stake** : The State Bank of India (SBI) on Tuesday has acquired a minority stake in JSW Cement Limited, with an investment of Rs 100 crore in the company via compulsorily convertible preference shares (CCPS). "We have increased our capacity from 6MTPA to 14MTPA and are now working towards achieving the 25MTPA milestone over the next 24 months...I welcome SBI as a strategic investor at JSW Cement and look forward to a long & fruitful association with them," said Parth Jindal, Managing Director of JSW Cement.  
<https://www.thehindubusinessline.com/companies/sbi-invests-rs-100-cr-in-jsw-cement/article38003157.ece>



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- **RBI likely to consider extension of deadline on tokenisation rules; final decision yet to be taken:** The Reserve Bank of India (RBI) is likely to extend the deadline on new tokenisation rules given the discomfort expressed by various stakeholders in meeting the December 31 deadline, according to two people familiar with the development. "The RBI may extend it for 3-4 months so that the system can prepare in a better way to avoid a massive disruption," said one of the persons quoted above. However, there is no final decision taken on this yet, said the persons quoted above.  
<https://www.moneycontrol.com/news/business/rbi-likely-to-consider-extension-of-deadline-on-tokenisation-rules-final-decision-yet-to-be-taken-7851141.html>
- **No Cabinet decision on privatisation of two PSBs: FM Nirmala Sitharaman:** The Cabinet has not taken any decision on privatisation of two Public Sector Banks (PSBs), which the government had announced in Budget 2021-22, Parliament was informed on Tuesday. In the Union Budget for financial year 2021-22, the government had announced its intent to take up privatisation of two PSBs in the year and approval of a policy of strategic disinvestment of public sector enterprises, Finance Minister Nirmala Sitharaman said in a written reply in the Rajya Sabha on Tuesday. She was responding to a question on privatisation of two PSBs.  
<https://www.livemint.com/news/india/no-cabinet-decision-on-privatisation-of-two-psbs-fm-nirmala-sitharaman-11640092911929.html>
- **RBI empanels CSB Bank to undertake banking biz of central, state govts:** Private sector lender CSB Bank on Tuesday said it has been empanelled as an 'agency bank' by the Reserve Bank of India (RBI) to undertake general banking business of central and state governments. This appointment will allow CSB Bank to undertake general banking business of the central and state governments which may be entrusted by the RBI, the bank said in a statement. "As an agency bank of the RBI, CSB Bank is now authorised to enter into an agreement with different state governments and central government departments for businesses such as tax collections, pension payment, collection of stamp duty, etc.," the bank said.  
<https://economictimes.indiatimes.com/industry/banking/finance/banking/rbi-empanells-csb-bank-to-undertake-banking-biz-of-central-state-govts/articleshow/88410530.cms>
- **YES Bank board approves raising funds up to Rs 10,000 crore:** Private sector lender YES Bank on Tuesday said it plans to raise funds up to Rs 10,000 crore through various instruments, including equity and bonds, to support business growth. The bank said in a stock exchange filing that its board gave a nod for the fundraising proposal. The bank will be seeking the approval from its shareholders, which in effect would result into seeking an extension on the current shareholder approval that is set to expire on February 28, 2022. The lender's stock on Tuesday closed 2.11% higher at Rs 13.04 per share on BSE.  
<https://www.moneycontrol.com/news/business/markets/yes-bank-board-approves-raising-funds-worth-rs-10000-crore-7850781.html>



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- **Axis Bank emerges as highest bidder for Citi consumer biz:** Private sector Axis Bank has emerged as the highest bidder to buy Citi's consumer banking business, according to sources. American banking major Citibank in April announced its plan to exit from the consumer banking business in India as part of a global strategy. The business comprises credit cards, retail banking, home loans and wealth management. The bank has 35 branches in the country and employs about 4,000 people in the consumer banking business. According to the sources, the valuation could be around USD 2 billion (about ₹13,000 crore).  
<https://timesofindia.indiatimes.com/business/india-business/axis-bank-emerges-as-highest-bidder-for-citi-consumer-business/articleshow/88417984.cms>
- **Paytm Payments Bank still India's largest UPI beneficiary bank: NPCI report:** Paytm Payments Bank Ltd (PPBL) has continued to remain the largest beneficiary bank for UPI payments, ahead of all major banks in India. According to the latest report by the National Payments Corporation of India (NPCI), PPBL registered 797.69 million transactions in the month of October 2021 as a beneficiary bank. A beneficiary bank is a receiving bank where a person or entity has an account. According to the Paytm press release, "In January 2021, Paytm Payments Bank registered 368.90 million transactions to become the largest UPI beneficiary bank in India. It has maintained its lead since then (except in May 2021) and continues to grow month-on-month. It has also gained rapid traction as a remitter bank for UPI payments."  
<https://www.apnnews.com/paytm-payments-bank-maintains-its-lead-as-the-largest-upi-beneficiary-bank-confirms-npci-report/>
- **Manappuram Finance plans to raise up to Rs 500 crore via bonds:** Manappuram Finance on Tuesday said it plans to raise up to Rs 500 crore by issuing bonds. A meeting of the company's Financial Resources and Management Committee of the Board of Directors will be held on December 24 to decide on the capital raise plan. "The company is desirous of offering secured, rated redeemable non-convertible debentures for Rs 100 crore with an option to retain oversubscription up to Rs 400 crore aggregating to Rs 500 crore," Manappuram Finance said in a regulatory filing.  
<https://www.moneycontrol.com/news/business/companies/manappuram-finance-plans-to-raise-up-to-rs-500-crore-via-bonds-7851121.html>
- **IT raids on 4 ARCs: Banks may become wary about selling NPAs:** Bankers may balk at selling bad loans to asset reconstruction companies (ARCs) as the Income-Tax Department's recent search action on four ARCs revealed that they had adopted various unfair and fraudulent trade practices in acquiring these loans. This development could be a body blow to ARCs as banks may eschew this channel of recovery, preferring instead to pursue recoveries via the IBC (Insolvency and Bankruptcy Code) and the bank-led National Asset Reconstruction Company Ltd (NARCL) routes.  
<https://www.thehindubusinessline.com/money-and-banking/it-raids-on-4-arcs-banks-may-become-wary-about-selling-npas/article38003717.ece>
- **Mastercard and Google Pay partner for tokenisation for card-based payments:** Mastercard and Google on Tuesday announced the rollout of tokenisation for Google Pay users transacting through Mastercard credit and debit cards. "With this collaboration, Google Pay Android users can scan and



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pay across all Bharat QR-enabled merchants, tap-and-pay, and make in-app transactions through their Mastercard debit and credit card. For a convenient registration, users will have to do a one-time setup by entering their card details and their OTP to add their card on the Google Pay app,” they said in a statement.

<https://www.businesstoday.in/latest/corporate/story/mastercard-google-pay-offer-tokenisation-for-card-based-payments-316317-2021-12-21>

- **Banks, merchants seek permission from customers to tokenise card data:** With just about 10 days left for the tokenisation deadline, banks and merchants have started alerting customers about the need to permit tokenisation of their card data. According to players, full preparedness of the ecosystem is still some time away though most large banks and merchants are ready for the new norms that come into effect from January 1. Customers can continue shopping by putting in their card data each time or using options like UPI or cash options.  
<https://www.thehindubusinessline.com/money-and-banking/banks-merchants-seek-permission-from-customers-to-tokenise-card-data/article38003260.ece>
- **Reliance General Insurance to launch nine sandbox approved products:** Reliance General Insurance will soon launch nine sandbox products to meet evolving consumer needs. Three out of the nine products are from the telematics segment, while the rest are designed to address current and future policy requirements of customers, the insurer said on Tuesday. “The company has already received sandbox approval for the nine products from Insurance Regulatory and Development Authority of India (IRDAI) in one go in the second cohort,” it said, adding that it is among the few companies with highest sandbox approval rates in the country.  
<https://www.thehindubusinessline.com/companies/reliance-general-insurance-to-launch-nine-sandbox-approved-products/article38005563.ece>
- **G-Sec yields rise further on perceived liquidity tightening due to VRRR:** Government securities (G-Sec) yields went up further on Tuesday as market players perceived the surprise three-day variable reverse repo auction that the Reserve Bank of India (RBI) conducted the previous day as a sign of tightening liquidity. Yield on the 10-year benchmark G-Sec, carrying 6.10 per cent coupon, rose about three basis points to close at 6.4691 per cent, with its price declining about 24 paise to ₹97.3950.  
<https://www.thehindubusinessline.com/money-and-banking/g-sec-yields-rise-further-on-perceived-liquidity-tightening-due-to-vrrr/article38006287.ece>
- **Rupee jumps 31 paise to end at 75.59:** The rupee surged by 31 paise to close at 75.59 (provisional) against the US dollar on Tuesday as positive domestic equities and a weak American currency in the overseas markets boosted investor sentiment. At the interbank forex market, the domestic unit opened strong at 75.74 against the greenback and witnessed an intra-day high of 75.41 and a low of 75.74 during the day's trade. It finally ended at 75.59 a dollar.  
<https://www.thehindu.com/business/markets/rupee-jumps-31-paise-to-end-at-7559-against-us-dollar/article38004307.ece>



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- **Sensex closes nearly 500 points higher, Nifty above 16,700:** The BSE Sensex closed at 56,319.01, up 497.00 points or 0.89 per cent. It recorded an intraday high of 56,900.74 and a low of 56,047.22. The Nifty 50 closed at 16,770.85, up 156.65 points or 0.94 per cent. It recorded an intraday high of 16,936.40 and a low of 16,688.25. HCL Tech, Wipro, UPL, Tata Steel and Adani Ports were the top gainers on the Nifty 50 while Powergrid, Axis Bank, Bajaj Finance, Tata Consumer and Cipla were the top laggards.

<https://www.thehindubusinessline.com/markets/sensex-up-over-1000-pts-intraday-nifty-tops-16900/article38003243.ece>

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