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## **DAILY NEWS DIGEST BY BFSI BOARD**

**14 February 2025**



### **ECONOMY**

**Trump's reciprocal tariffs and who might be affected:** US President Donald Trump has threatened to broaden his trade war by unveiling reciprocal tariffs Thursday, the latest among sweeping measures targeting allies and competitors alike. Trump's fresh salvo, which he said would hit "every country," could bring a broad tariff hike on emerging market economies and add to inflation fears domestically, analysts warn. Analysts expect reciprocal tariffs mean hiking rates on imports to match the level that other countries apply to US products. Matching this based on specific products would likely raise the United States' average tariff rate by around two percentage points, said Goldman Sachs analysts in a recent note. Reciprocal tariffs may open the door to "a broad tariff hike" on emerging market economies who have high duties on US products, JPMorgan analysts expect. If officials go by average tariff rates applied on all products, countries like India or Thailand -- which tax imports at higher average rates than the United States does -- could be more affected.

***(Economic Times)***

**Govt won't extend duty-free import of yellow peas beyond Feb:** Food Minister Prahlad Joshi on Thursday said the government will not extend duty-free import of yellow peas beyond February this year to protect the interest of farmers. The government allowed the duty-free import of yellow peas in December 2023 and extended it three times till February 28 to boost domestic supplies after the local crop failed. Before that, it imposed a hefty duty on yellow peas imports. According to industry sources, India imported a record almost 6.7 million tonnes of pulses in 2024, of which yellow peas alone comprised around 2.9 million tonnes. Most of the imports have been below the Minimum Support Price (MSP) rates, around ₹56-85 per kilogramme, which could impact farmers' earnings.

***(Business Standard)***



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**FPI selloff leads to worst equity market start in nearly 10 years:** Foreign portfolio investors (FPIs) have sold over \$10 billion (more than ₹97,000 crore) worth of Indian equities in the first six weeks of 2025 – the highest outflow ever recorded during this period. This massive selloff has led to the worst start for domestic markets in nearly a decade. The selloff has been driven by a combination of slowing corporate earnings and shifts in US policy, which have made US debt securities more attractive and strengthened the dollar. Heightened FPI selling has pushed the benchmark Nifty down by 2.6 per cent, while the Nifty Midcap 100 and Nifty Smallcap 100 have fallen by 11 per cent and 15 per cent, respectively. This marks the steepest six-week decline at the start of a year since 2016 for all three indices.

*(Business Standard)*

## **BANKING & FINANCE**



**RBI moves to fine companies for availing foreign guarantee:** RBI has told at least two state-owned banks to penalize corporate clients for breaching foreign exchange laws by obtaining guarantees from overseas banks. While such guarantees are barred under FEMA, RBI's 2019 master direction allows them. The discrepancies between these regulations have led to confusion and potential legal conflicts, prompting RBI to demand regularization.

*(Economic Times)*

**Public sector insurers turn profitable in Oct-Dec quarter:** All four public sector general insurance companies (PSGICs) turned profitable by the third quarter of this financial year, posting a combined profit of ₹1,066 crore. A finance ministry statement on Thursday said that the state-run general insurers reported a magnificent turnaround from combined losses of more than ₹10,000 crore in 2022-23, backed by improved risk-management practices, loss control initiatives, adoption of technology, development of new products, better customer services and diversification of portfolio. "After a gap of seven years, United India Insurance Company Ltd. posted profit in Q3 of FY 25," the ministry said, noting that Oriental Insurance Company Ltd. and National Insurance Company Ltd. started posting quarterly profits from the second quarter of 2023-24 and second quarter of 2024-25, respectively.

*(Economic Times)*



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**RBI bars New India Co-operative Bank from doing fresh business; customers can't withdraw deposits:** The Reserve Bank of India has placed restrictions on New India Co-operative Bank of Mumbai, citing liquidity concerns. With deposits amounting to Rs 2436 crores at the end of March 2024, the bank is now prohibited from granting loans, renewing advances, or accepting new deposits starting February 13, 2025, to safeguard depositors' interests.

*(Economic Times)*

**RBI extends tenure of R Subramaniakumar as MD & CEO of RBL Bank for 3 years:** RBI has approved the re-appointment of R Subramaniakumar as the Managing Director & CEO of the bank for a period of three years. RBI vide its letter dated February 13, 2025 has approved the re-appointment of R Subramaniakumar as the MD & CEO of the bank, for a further period of three years with effect from June 23, 2025 to June 22, 2028.

*(Economic Times)*

**RBI allows pre-approved credit lines on UPI from small finance banks:** RBI has widened the scope of UPI transactions by allowing small finance banks (SFBs) to provide pre-sanctioned credit lines. RBI had introduced credit lines on UPI in September 2023 for banks and third party apps. Under this facility, payments through a pre-sanctioned credit line issued by bank to individuals, with prior consent, are enabled for transactions using the UPI system.

*(Business Standard)*

## INDUSTRY OUTLOOK



**Adani Green decides to 'respectfully withdraw' from \$1 billion wind energy project in Sri Lanka:** Gautam Adani-owned Adani Green Energy has decided to withdraw from its planned \$1 billion wind energy project in Sri Lanka. Despite securing most approvals, Adani Green cited delays including unresolved environmental clearance and a Supreme Court case, as reasons for its decision. When contacted, Adani Green shared a letter with FinancialExpress.com, that it had sent to Sri Lanka's Board of Investment (BOI), informing about its decision to "respectfully withdraw" while remaining open to future projects. Adani Green has been under discussions with the different government departments of Sri Lanka since past more than two years in respect of establishing 484 MW Renewable Energy Wind Farms at Mannar and Pooneryn, Sri Lanka, along with its associated



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Transmission system, as also additional 220 KV and 400 KV Transmission network expansion to carry electrons to consumptive centers in the southern part of Sri Lanka.

***(Financial Express)***

**Big relief from SPAM calls, TRAI bans 10-digit numbers for telemarketing!:** In a bid to curb the misuse of telecom resources and enhance consumer protection, the Telecom Regulatory Authority of India (TRAI) has introduced stricter regulations under the amended Telecom Commercial Communications Customer Preference Regulations (TCCCPR), 2018. These amendments, announced on February 12, 2025, aim to combat unsolicited commercial communications (UCC) while ensuring legitimate marketing activities operate within a transparent framework. In a bid to improve transparency, TRAI has restricted commercial communication via standard 10-digit mobile numbers. Instead, a designated number series must be used: the '140' series will continue for promotional calls, while the newly allocated '1600' series will be used for transactional and service calls. Consumers can now lodge complaints against spam messages and calls from unregistered senders without pre-registering their communication preferences. TRAI has also simplified the complaint process—any report containing essential details will be treated as valid. The window for reporting spam has been extended from three days to seven days, and telecom operators must now take action against UCC complaints within five days, down from the earlier 30-day limit. Additionally, the threshold for penalising senders has been lowered—from requiring 10 complaints in seven days to just five complaints within 10 days.

***(Financial Express)***

**ChatGPT maker OpenAI's plan to set up India data centre in the works:** ChatGPT maker OpenAI has initiated the process of setting up data centre operations in India to support the growing number of users and the increasing demand for its artificial intelligence (AI) tools in the country, sources told Business Standard. The data centre is likely to house the data of Indian users as well as some smaller neighbouring countries, a person familiar with the development said.

***(Business Standard)***



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## REGULATION & DEVELOPMENT

**Section 80C tax-saving deductions now under clause 123:** Finance minister Nirmala Sitharaman on February 13 tabled the new Income Tax Bill in the Lok Sabha and taxpayers, as expected, will have to brace for several changes. As per the current plan, it will come into force from April 1, 2026. Multiple instruments are eligible for deductions under 80C with the limit capped at Rs 1.5 lakh. In the new Bill, such deductions will be housed under section, or clause, 123. The new I-T Bill is 622-pages long with 536 sections. The Income Tax Act has 298 sections across 823 pages.

***(Moneycontrol)***

**SEBI opens doors for stockbrokers in government securities market via separate business units:** SEBI has allowed stockbrokers to directly participate in the government securities (G-Secs) market through a separate business unit (SBU). This move follows the Reserve Bank of India's February 7 notification permitting SEBI-registered non-bank brokers to access the Negotiated Dealing System-Order Matching (NDS-OM) platform under the 'Master Direction - Reserve Bank of India (Access Criteria for NDS-OM) Directions, 2025'. The new framework requires stockbrokers to operate their G-Sec trading activities under an independent SBU within the broking entity. SEBI's circular outlines the operational guidelines, including eligibility, risk management, investor grievance handling, and enforcement mechanisms.

***(Business Today)***

**MCA extends deadline for private companies to convert physical shares into electronic form:** The ministry of corporate affairs (MCA) has given an extension for private companies to convert their physical shares into electronic form by June 2025. The extension has come as two depositories NSDL (National Securities Depository Limited) and CDSL (Central Depository Services Limited) have a huge backlog of applications from companies to deal with.

***(Financial Express)***

**IBBI mandates timely reporting of insolvency assignments on portal:** Regulator IBBI has made it mandatory for insolvency professionals to report their assignments on its electronic portal within the prescribed time to streamline record-keeping. In a circular dated February 11, the insolvency regulator said, "The IPs (insolvency professionals) are mandated to intimate the insolvency and bankruptcy board of India (IBBI) of his/her appointment under various processes



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under the Code". Currently, the IPs add their assignments on the IBBI portal for appointments for interim resolution professionals (IRPs) or resolution professionals (RPs) under the corporate insolvency resolution process (CIRP), as well as for liquidators in liquidation and voluntary liquidation processes, the Board said.

***(Business Standard)***



## FINANCIAL TERMINOLOGY

### ADHESION CONTRACT

- ❖ An adhesion contract is an agreement that usually has non-negotiable terms and conditions. Generally, it's prepared by a party to a potential transaction that has the product or service sought by another party, the consumer. The former has the stronger bargaining position. The latter must accept the adhesion contract to obtain the product or service.
- ❖ Adhesion contracts are "take it or leave it" agreements where you must accept the contract or walk away.
- ❖ Adhesion contracts are often used for insurance, leases, vehicle purchases, mortgages, and other transactions where there is a high volume of customers who fit a standard form of agreement. For instance, with an insurance contract, the company and its agent have the power to draft the contract, while the potential policyholder only has the right of refusal. In other words, the customer cannot counter the offer or create their own, new contract to which the insurer could agree.



### **RBI KEY RATES**

Repo Rate: 6.25%  
SDF: 6.00%  
MSF & Bank Rate: 6.50%  
CRR: 4.00%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

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

INR / 1 USD : 86.8822  
INR / 1 GBP : 108.5622  
INR / 1 EUR : 90.6732  
INR /100 JPY: 56.4000

### **EQUITY MARKET**

Sensex: 76138.97 (-32.11)  
NIFTY: 23031.40 (-13.85)  
Bnk NIFTY: 49359.85 (-119.60)

### **Courses conducted by BFSI Board**

- ❖ **Certificate Course on Concurrent Audit of Banks**
- ❖ **Certificate Course on Credit Management of Banks**
- ❖ **Certificate Course on Treasury and International Banking**
- ❖ **Certificate Course on Investment Management**
- ❖ **Certificate Course on General Insurance.**
- ❖ **Advance Certificate Course on FinTech**

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### **Publications by BFSI Board**

- ❖ **Aide Memoire on Infrastructure Financing.**
- ❖ **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)**
- ❖ **Handbook on Stock & Book Debts Audit (Revised and Enlarged 2<sup>nd</sup> Edition)**

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### **TEAM BFSIB**

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