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DAILY NEWS DIGEST BY BFSI BOARD

25 March 2025



ECONOMY

Trump announces 25% tariff on nations buying Venezuelan oil, effective April 2: U.S. President Donald Trump announced on Monday that any country purchasing oil and gas from Venezuela will face a 25% tariff on trade with the United States. In a post on his social media platform, Truth Social, Trump said the tariff would come into effect on April 2. "Therefore, any Country that purchases Oil and/or Gas from Venezuela will be forced to pay a Tariff of 25% to the United States on any Trade they do with our Country. All documentation will be signed and registered, and the Tariff will take place on April 2nd, 2025, LIBERATION DAY IN AMERICA," he wrote.

(Moneycontrol)

RBI's \$10 billion FX swap oversubscribed, cut-off at Rs 5.86: The Reserve Bank of India's (RBI) \$10 billion, 3-year dollar/rupee buy-sell swap auction on Monday to boost rupee liquidity was oversubscribed by a little over two times, with the cutoff rate set at 5.86 rupees. Under the swap, the central bank will inject liquidity amounting to \$10.04 billion equivalent of rupees into the banking system on Wednesday. The transaction will be reversed in three years. The swap is part of series of measures that the RBI has taken to ease a liquidity crunch in the banking system. The liquidity deficit stood at about 2 trillion rupees (\$23.27 billion) last Friday. The central bank injected about \$64 billion worth of rupee liquidity into the system through open market bond purchases, longer-tenor repo operations, and FX swaps, before Monday's auction.

(Moneycontrol)

IMF suggests IFRS 9 adoption for strengthening credit risk management: RBI: Indian banks need to strengthen credit risk management by adopting International Financial Reporting Standards (IFRS 9) and enhancing supervision of individual loans, collateral valuation, and connected



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borrower groups, the International Monetary Fund (IMF) said in its Financial System Stability Assessment (FSSA) report. The Reserve Bank of India (RBI) released the report's findings on Monday. The Financial Sector Assessment Program (FSAP) is a joint initiative of the IMF and World Bank. It conducts a comprehensive and in-depth analysis of a country's financial sector. The last FSAP for India was conducted in 2017, and the FSSA report was published by the IMF on December 21, 2017.

(Business Standard)

BANKING & FINANCE



RBI revises priority sector lending guidelines, new rules effective from April 1, 2025:

The Reserve Bank on Monday issued revised guidelines on Priority Sector Lending (PSL) to facilitate better targeting of bank credit to the priority sectors of the economy. The new guidelines will come into effect from April 1, 2025. The major changes in the new norms include the enhancement of several loan limits, including housing loans for enhanced PSL coverage, and the broadening of the purposes based on which loans may be classified under 'renewable energy.' There is also a revision of the overall PSL target for urban cooperative banks (UCBs) to 60% of Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposures (CEOBSE), whichever is higher. Bank loans to the housing sector for priority sector classification have been prescribed in three categories: Rs 50 lakh for centres with a population of 50 lakh and above. Rs 45 lakh for centres with a population of 10 lakh and above but below 50 lakh. Rs 35 lakh for centres with a population below 10 lakh. On renewable energy, the guidelines state that bank loans up to a limit of Rs 35 crore to borrowers for renewable energy-based power generators and renewable energy-based public utilities will be eligible for priority sector classification. For individual households, the loan limit will be Rs 10 lakh per borrower.

(Moneycontrol)

Payments Council urges PM to implement MDR on UPI, RuPay transactions:

The Payment Council of India has submitted a letter to the Prime Minister requesting an urgent reconsideration of the Zero Merchant Discount Rate (MDR) policy for Unified Payments Interface (UPI) and RuPay debit card transactions. The letter comes amidst the lower MDR subsidy that the government announced for the current financial year. Last week the government decided on Rs 1,500 crore as the subsidy payout for UPI transactions while the industry was expecting around Rs 5,500-



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6,000 crore. Payment Council of India represents payment and fintech companies. The organisation has requested the re-introduction of 30bps or 0.3 percent as MDR on UPI payments for large merchants. Large merchants are those with a turnover of over Rs 40 lakh annually.

(Moneycontrol)

FinMin launches BAANKNET, e-BKray to enhance PSU bank e-auctions for asset sales:

The Finance Ministry has launched a revamped e-auction portal named 'BAANKNET' to further streamline the listing and auctioning of banks' assets, Parliament was informed on Monday. The revamped e-auction portal was launched on January 3, 2025, Minister of State for Finance Pankaj Chaudhary said in a written reply to the Lok Sabha. The platform 'e-BKray' was launched in February 2019, he said. The BAANKNET portal is specifically designed to enhance transparency and speed up the process of disposing of non-performing asset (NPA) cases, he added.

(Economic Times)

Vikram Sahu to take over as the new Bank of America India Head, to replace Kaku

Nakhate: Vikram Sahu, head of global equity research of Bank of America will take over as the new country executive, India. He will replace Kaku Nakhate, who will complete 15 years as the CEO of Indian operations in June. The appointment will be subject to regulatory approvals.

(Economic Times)

INDUSTRY OUTLOOK



India to abolish equalisation levy on digital ads from April 1: The government on Monday proposed abolishing the equalisation levy (EL) or digital tax on online advertisements starting April 1, as part of the 59 amendments to the Finance Bill 2025, which is being debated in the Lok Sabha. The move, which affects a number of American tech giants, is seen as part of a bouquet of pre-emptive measures, including reduction of import duties on high-end/luxury vehicles, to ward off the threat of retaliatory tariffs by the US on April 2. The Finance Ministry has accordingly added reduction of the levy as a part titled 'Amendments to the Finance Act 2016' in the list of official amendment in the Finance Bill 2025. The levy is charged at 6 per cent in respect of the sum received or receivable by a non-resident for online advertisement services. In 2020, EL was also imposed on non-resident e-commerce operators. The rate was 2 per cent, but it was removed in 2024.

(Business Line)



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Indian Overseas Bank issues show cause notice to IL&FS Engineering: IL&FS Engineering Services on Monday said it has received a show cause notice from Indian Overseas Bank (IOB) for reviewing the classification of the company's loan account as a suspicious fraud account. Facilities involved for Rs 123 crore, though irregularities have not been quantified by the lender, IL&FS Engineering said in a regulatory filing. This was first observed by Grant Thornton India in their forensic audit report and was duly reported to MCA for appropriate action, it said. As per the directions of NCLT on October 1, 2018, the reconstituted Audit Committee of new Board comprising nominated directors of Ministry of Corporate Affairs had conducted a special audit (held as Forensic Audit') for all high-value transactions undertaken by IL&FS Ltd (IL&FS) and a few of its group companies which included IL&FS Engineering through Grant Thornton India LLP, it said.

(Business Standard)



REGULATION & DEVELOPMENT

SEBI board approves doubling disclosure threshold for FPIs to Rs 50,000 crore: The board of the Securities and Exchange Board of India (SEBI) has on March 24 approved increasing the threshold for granular disclosures by foreign portfolio investors (FPIs) to Rs 50,000 crore from the current Rs 25,000 crore. These disclosures are related to ensuring compliance with PMLA/PMLR regulations. "Cash equity market trading volumes have more than doubled between FY 2022-23 (when the limits were set) and the current FY 2024-25. In light of this, the Board approved a proposal to increase the applicable threshold from the present Rs 25,000 crore to Rs 50,000 crore. FPIs holding more than Rs 50,000 crore of equity AUM in the Indian markets will now be required to make additional disclosures as described in the circular dated August 24, 2023," stated the release issued by Sebi.

(Moneycontrol)

SEBI not to prescribe cooling-off period for independent directors in MII: In a bid to improve ease of doing business, SEBI has decided not to prescribe a cooling-off period for public interest directors transitioning from one market infrastructure institution (MII) to another. The capital market regulator has shifted the responsibility of appointing specific key managerial personnel in MIIs to the governing Board from the nomination and Remuneration Committee. MII may prescribe a minimum cooling-off period for its key managerial positions and directors, including Managing Director and PIDs, before joining a competing MII. The existing process for the



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appointment of PIDs, which requires prior approval of SEBI but not that of shareholder approval will continue, said SEBI.

(Business Line)

Ajay Seth, 1987-batch IAS officer, designated as new Finance Secretary: Ajay Seth, a 1987-batch IAS officer of the Karnataka cadre, has been designated as the new Finance Secretary. The appointment was confirmed through an official order issued by the Ministry of Personnel on Monday. Seth currently serves as the Secretary of the Department of Economic Affairs. His designation as Finance Secretary follows the elevation of Tuhin Kant Pandey—who previously held the position—to Chairman of the Securities and Exchange Board of India (SEBI). “The Appointments Committee of the Cabinet has approved designating Seth as the Finance Secretary,” the order stated.

(Business Today)



FINANCIAL TERMINOLOGY

FOREIGN TRADE ZONE (FTZ)

- ❖ A Foreign Trade Zone (FTZ), also known as a free trade zone, is a designated area within a country where goods can be imported, stored, processed, or manufactured, and then re-exported, without being subject to customs duties or other regulations until they enter the country's domestic market.
- ❖ FTZs are geographically defined areas within a country that are treated as if they are outside the country's customs territory for the purpose of trade.
- ❖ The primary goal of FTZs is to encourage international trade and investment by providing businesses with a duty-free environment for certain activities.



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 : 85.8318
INR / 1 GBP : 111.0166
INR / 1 EUR : 93.0171
INR /100 JPY: 57.3500

EQUITY MARKET

Sensex: 77984.38 (+1078.87)
NIFTY: 23658.35 (+307.95)
Bnk NIFTY: 51704.95 (+1,111.40)

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