



POCKET MONEY

Vol III Issue 29
14th September 2025

Brief on what they kept from you about your money this week.

[Click here](#)



For all previous editions



01 Alarming: RBI considering digital repossession?

It seems the RBI is considering new rules that would allow lenders to remotely lock mobile phones purchased on credit if borrowers fail to make their EMI payments. This is disturbing on multiple levels. While intended to curb small-loan delinquency, it risks undermining basic consumer rights. Phones are more than gadgets: they are portals to communication, work, emergency services, education, social security and banking. Denying access equates to stripping someone of the means to participate in essential civic and social life. Even though the draft rules require prior borrower consent and bar lenders from tampering with personal data, consent under financial pressure hardly feels voluntary. Worse, this approach normalizes “digital repossession” without judicial oversight. Mind it that overwhelmingly such consumer durable small loans are being supplied by NBFCs today who are already notorious for their exorbitant rates and recovery practices. Such rules would disproportionately harm the poor and vulnerable borrowers.

02

Ethanol gains, public pain

Union Minister of Consumer Affairs, Food and Public Distribution Prahlad Joshi says ethanol blending has saved about ₹1.44 lakh crore in foreign exchange by cutting crude oil imports and E20 petrol is now mandatory nationwide. Car owners report real costs. Older vehicles see 2 to 5% lower mileage and damage to rubber parts, gaskets, and fuel systems not designed for higher ethanol content. Corrosion and rising maintenance bills worry motorists even as Joshi insists the impact is marginal.

Meanwhile, CIAN Agro, run by Nikhil Gadkari's son, entered the ethanol market in Feb 2024 and saw revenues rise from Rs.18 crore in June 2024 to over Rs.723 crore later that year. Net profit jumped to a whopping 2,184% while the stock price surged to around Rs.37 to Rs.638. When questioned about this, Gadkari dismissed it as a paid campaign and labeled those raising concerns as anti-national. While ordinary citizens struggle with inflation, unemployment, and meeting basic needs, politicians and their families exploit public policy for private gain, turning public money into personal fortunes.

03

India needs DFIs, not just risk guarantees for its infra dreams

The government's proposed ₹20,000-crore risk guarantee fund aims to spur infrastructure investment by cushioning lenders against policy uncertainty and non-commercial risks. Managed by the National Credit Guarantee Trustee Company, it would underwrite delays, cost overruns, and clearance-related disruptions, nudging banks to finance long-gestation projects. But India urgently needs Development Finance Institutions (DFIs) that can provide patient capital while embedding strong environmental and social safeguards into project design. DFIs are structured to manage risks over decades, and can be designed to ensure that infrastructure growth does not come at the cost of ecological destruction or community displacement. In contrast, commercial lenders focus on short-term returns and often sideline such safeguards. Ironically, the government is privatising IDBI, which once played this DFI role. Instead, it must strengthen and build new DFIs to drive the \$4.5-trillion infrastructure push responsibly.

04 RBI and volatility of the NBFC ecosystem

Recently nine NBFCs have surrendered their certificate of registration and the certificates of 31 more have been cancelled by the RBI. The RBI has also warned two of them to adhere to guideline and reporting requirements. The RBI in fact also imposed a penalty of Rs 21 lakh on PhonePe Limited for non-compliance with certain norms related to Prepaid Payment Instruments. Such news is quite common these days also showing the volatility of the NBFC ecosystem and the farce of "self-regulation". Though promoted in the name of "financial inclusion" these actions and misgivings on the part of RBI itself does not exude much confidence. And yet we do not see a fundamental reconsideration of this path when it comes to access to credit.

A weekly In-Digest from CFA

[Click here](#) to find the earlier issues of Pocket Money

Centre for Financial Accountability, New Delhi
<https://www.cenfa.org>



CFA
Centre for Financial Accountability