



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

**01 January 2025**

***HAPPY NEW YEAR 2025***



### **ECONOMY**

**India's April-November fiscal deficit at Rs 8.5 lakh crore or 52.5% of FY25 target:** India's fiscal deficit at Rs 8.5 lakh crore or 52.5 percent of the Budget target, crossed the halfway mark in the first eight months of the year, according to government data released on December 31. Between April and November 2024, the deficit remained higher than the previous year's spending figure of 50.7 percent, even as capex spending lagged last year's pace. Despite a pickup, capex spending was at Rs 5.13 lakh crore or 46.2 percent of the budgetary goal of Rs 11.1 lakh crore, compared with 58.5 percent spent during the April-November period last fiscal."Revenue expenditure rose by just 1 percent YoY in the month of November 2024 whereas capital expenditure displayed a healthy 21 percent expansion, albeit on a modest base.

***(Moneycontrol)***

**November core sector growth rebounds to 4.3%, led by cement and coal:** The eight core industries' output growth in November 2024 hit a four-month high of 4.3 per cent, lower than the 7.9 per cent growth seen in the same month last year. However, the latest reading was higher than the revised 3.7 per cent growth recorded in October 2024. In September and August 2024, the core sector industries recorded growth of 2.4 per cent and contraction of 1.5 per cent, respectively. Six of the eight core industries' outputs were positive in November 2024. For the period April-November 2024, the aggregate core industries output grew 4.2 per cent, substantially lower than 8.7 percent in same period last fiscal, official data released by Commerce and Industry Ministry showed. The eight core industries —coal, natural gas, crude oil, refinery products, fertilizers, cement, steel and electricity — comprise 40.27 per cent of the weight of items included in the Index of Industrial Production (IIP).

***(Business Line)***



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**BRICS may not give up the idea of a common currency:** BRICS – the fast-expanding group of nine emerging countries led by Brazil, Russia, India, China and South Africa – is unlikely to give a commitment to US President-elect Donald Trump on giving up the idea of a common currency as many members are keen on the idea of currency cooperation and eventual de-dollarisation, sources have said. At the last BRICS Summit in Kazan in October 2024, many participants, including founding members, new members and even invited countries, were enthusiastically talking about an alternative to the US dollar. Over-dependence on the dollar has caused problems, including indebtedness for many countries, particularly lower income countries in the global south. Despite tariff threats by Trump, it is unlikely that BRICS members will offer any commitment on giving up plans for de-dollarisation or a common currency, although a BRICS currency is a distant possibility at present and needs a lot of work.

***(Business Line)***

## **BANKING & FINANCE**



**Revised Fixed Deposit rules from Jan 1 for NBFCs and HFCs:** Starting from January 1, 2025, The updated regulatory framework for housing finance companies (HFCs) and NBFCs by the Reserve Bank of India will be implemented. As per the guidelines set by RBI, depositors may withdraw the full amount of small deposits (up to Rs 10,000) within three months of depositing without accruing any interest. For larger deposits, partial withdrawals of up to 50% of the principal amount or Rs 5 lakh (whichever is lower) are permitted within three months without interest. In cases of critical illness, depositors are allowed to withdraw the entire principal amount prematurely without interest, irrespective of the deposit term. Furthermore, NBFCs are now required to inform depositors of maturity details at least two weeks prior to the maturity date for more timely updates.

***(Business Today)***

**Deposit & lending rates move marginally in November:** Lending and deposit rates displayed a mixed trend in November. While deposit rates firmed up marginally, lending rates eased marginally, data released by the the Reserve Bank of India showed. The weighted average lending rate (WALR) on fresh rupee loans of commercial banks stood at 9.40 percent as at end-November 2024, down from 9.54 percent in October 2024. The WALR on outstanding rupee loans of commercial banks was 9.89 per cent at end-November 2024, from 9.90 percent in October 2024. One-Year median Marginal Cost of fund-based Lending Rate (MCLR) of commercial banks remained unchanged at 9.00 per cent in



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December 2024. The share of External Benchmark based Lending Rate (EBLR) linked loans in total outstanding floating rate rupee loans of commercial banks was 59.4 per cent at end-September 2024, up from 57.9 per cent at end-June 2024, while that of MCLR linked loans was 36.9 percent from 38.2 percent at end-June 2024

***(Economic Times)***

**RBI approves re-appointment of Anup Kumar Sinha as non-executive chairman of Bandhan Bank:** The Reserve Bank of India (RBI) on Tuesday approved re-appointment of Anup Kumar Sinha as the Non-Executive Chairman of Bandhan Bank, the company said.

***(Economic Times)***

**AI's spread in the financial system not without dangers:** India's banking regulator Monday red-flagged significant emerging risks from the spread and adoption of Artificial Intelligence (AI) in the financial sector. As part of its latest edition of the Financial Stability Report (FSR), the Reserve Bank of India (RBI) also highlighted that generative AI could increase cyber risks, potentially aiding fraudsters in launching sophisticated phishing attacks using deepfakes. "The evolution and adoption of AI poses several risks to financial stability," the regulator noted. "Interconnectedness could become enhanced through overreliance on shared technology, service providers and infrastructure." The regulator also said that the widespread availability of AI services such as ChatGPT, has led to growing concern that these services are being used for cyberattacks.

***(Economic Times)***

**Despite CRR cut, liquidity deficit in banking system crosses Rs 2 trillion:** The liquidity deficit in the banking system crossed Rs 2 trillion again on Monday, despite the second instalment of cash reserve ratio (CRR) reduction coming into effect from December 28. According to the latest data, the Reserve Bank of India (RBI) infused Rs 2.05 trillion in the system on Monday. Liquidity deficit crossed Rs 2 trillion on two occasions last week. "The deficit is mainly because of three reasons — one, advance tax outflow, festive spending and probably intervention by the central bank in the foreign exchange market to curb volatility. In the December monetary policy review, the RBI cut CRR requirement for banks by 50 bps to 4 per cent of net demand and time liabilities in two equal tranches of 25 basis points each with effect from the fortnight starting December 14 and December 28. This reduction in the CRR released primary liquidity of about Rs 1.16 trillion to the banking system. Intervention in the foreign exchange market is one of the key reasons for tight liquidity as the central bank is said to sell dollars to stem the depreciation of the Indian unit. The rupee has hit new lows in many trading sessions in December, closing at a new low of 85.61 a dollar

***(Business Standard)***



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## INDUSTRY OUTLOOK



**Blinkit launches large order fleet:** Blinkit, quick commerce arm of Zomato, has launched large order fleet in Delhi and Gurugram. Earlier in April, Zomato had launched a similar service to cater to gathering of up to 50 people. The announcement was made by Blinkit CEO Albinder Dhindsa on social media platform X. “Introducing Blinkit’s large order fleet! These are all-electric vehicles designed to handle all large (electronics/party orders) orders,” the post said.

*(Financial Express)*

**Govt releases norms for financial aid, payment security under rooftop solar scheme:**

The ministry of new and renewable energy has released operational guidelines for the implementation of the payment security mechanism and central financial assistance to residential consumers through renewable energy services company (RESCO) model and utility-led aggregation (ULA) model under the newly launched rooftop solar scheme – PM Surya Ghar Muft Bijli Yojana. The implementation period of the scheme shall be till March 31, 2027, said the ministry. As per the guidelines, to avail CFA, the residential rooftop solar plant would be the grid connected solar power system tagged to a particular residential power connection of the local DISCOM and will only include installations on a roof, terrace, balcony or on top of elevated structures. Under the RESCO mode, the system is procured, installed, and maintained by a Renewable Energy Service Company for a period not less than 5 years which is also the project period. The consumer does not fund the initial investment into the rooftop solar system and is not the owner of the asset. The consumer only pays for the electricity consumed from the rooftop solar system on a tariff basis to the RESCO operator. The plant ownership may be transferred to the consumer after the project period as per the terms and conditions agreed to between the consumer and the RESCO entity. Alternatively, the RESCO may enter into an arrangement with the DISCOM for sale of balance power, leftover post consumption by consumer to the grid under a power purchase agreement.

*(Financial Express)*





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## REGULATION & DEVELOPMENT

**NPCI pushes the deadline to impose market cap on UPI players by 2 years:** In a big win for Google Pay and Walmart-backed PhonePe, the National Payments Corporation of India (NPCI) has extended the deadline for implementation of a 30 per cent cap on the market share of each Unified Payments Interface (UPI) player for another two years till December 31, 2026. NPCI also lifted the UPI user onboarding limit for WhatsApp Pay, allowing it to extend UPI services to its entire user base in India. Previously, NPCI had permitted WhatsApp Pay to expand its UPI user base in a phased manner. This is the third time the NPCI had pushed deadline for imposing market cap. The NPCI had first proposed a 30 per cent market cap for third-party UPI app providers in November 2020 in a bid to allow competition in this space. Two top players — PhonePe and Google Pay — continued to account for 85 per cent of overall UPI transaction volumes in the month of November, while Paytm accounted for another 7 per cent volume share.

***(Business Line)***

**Interest rates on small savings remain unchanged for the January-March quarter:** Interest rates on small savings schemes, including the Public Provident Fund and Sukanya Samridhi Scheme, will remain unchanged for the fifth successive quarter starting January 1, according to a Finance Ministry office memorandum issued on Tuesday. The RoI on PPF is kept on changed at 7.1%, Sr Citizen Savings Scheme at 8.2%, Sukanya Samridhi at 8.2% and KVP at 7.50% (will mature in 115 months).

***(Business Line)***



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## FINANCIAL TERMINOLOGY

### MONTE CARLO SIMULATION

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- ❖ A Monte Carlo simulation is a way to model the probability of different outcomes in a process that cannot easily be predicted due to the intervention of random variables.
- ❖ It is a technique used to understand the impact of risk and uncertainty. Monte Carlo simulations can be applied to a range of problems in many fields, including investing, business, physics, and engineering. It is also referred to as a multiple probability simulation.
- ❖ When faced with significant uncertainty in making a forecast or estimate, some methods replace the uncertain variable with a single average number. The Monte Carlo simulation instead uses multiple values and then averages the results.



### **RBI KEY RATES**

Repo Rate: 6.50%  
SDF: 6.25%  
MSF & Bank Rate: 6.75%  
CRR: 4.00%  
SLR: 18.00%  
Fixed Reverse Repo: 3.35%

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

INR / 1 USD : 85.6232  
INR / 1 GBP : 107.4645  
INR / 1 EUR : 89.0852  
INR /100 JPY: 54.8200

### **EQUITY MARKET**

Sensex: 78139.01 (-109.12)  
NIFTY: 23658.15 (+13.25)  
Bnk NIFTY: 50887.00 (-65.75)

### **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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- ❖ **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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