

## **Top Story 1**

### **UPI transactions surge to record 16.73 bn in Dec; value at Rs 23.25 trn**

Unified Payments Interface (UPI) transactions saw an 8 per cent month-on-month increase in volume to 16.73 billion in December, the highest volume for the digital system since it became operational in April 2016. The value also increased by 8 per cent to Rs 23.25 trillion, up from Rs 21.55 trillion in November. According to data from the National Payments Corporation of India (NPCI), for the year 2024, the volume increased by 46 per cent to around 172 billion transactions against 118 billion in 2023. In value terms, transactions increased by 35 per cent to around Rs 247 trillion during the entire year compared with Rs 183 trillion in 2023. The transactions increased during the year due to a rise in person-to-merchant transactions (for buying goods or services). In October, UPI recorded 16.58 billion transactions worth Rs 23.5 trillion, its previous high in terms of volume and highest so far in value. In September, the volume was 15.04 billion, and the value stood at Rs 20.64 trillion.

## **Top Story 2**

### **India poised to lead global supply chains**

India's potential to significantly bolster its economic stature and establish itself as a pivotal player in the global supply chain was highlighted. It was emphasized that "India is well-equipped to thrive independently," with the country's strategic advantages being noted amidst the shifting dynamics of global alliances. In a New Year address delivered to the group's employees, increasingly transactional nature of international relations was remarked upon, which are being shaped by national interests and displays of power. The upheavals, transformations, and uncertainties that have marked the past few years, including 2024, were also observed. It was stated that "a new world order is being witnessed, where interdependencies and the concept of a flat world may soon be regarded as relics of the past."

## **Taxation**

### **Simplification to be the focus for taxation in 2025**

Simplification of direct and indirect tax policies will be the main focus area for the government in the New Year after beginning the review of the six-decade-old income tax law and rationalisation of the GST rate in 2024. With monthly gross GST collections stabilising at around Rs 1.8 lakh crore and gross direct tax collections steadily rising at 20 per cent rate, the effort to ease compliance burden for individuals as well as corporates will gain traction. On the GST front, individuals are awaiting a tax cut in life and health insurance premiums, which will bring down the cost of insurance, while businesses are awaiting the operationalisation of the GST Tribunal for faster dispute resolution. Also, the work on rationalising GST rates and slabs has been put in motion with a group of ministers (GoM) deliberating on the changes, but a final decision is expected only by the GST Council, comprising the Centre and state finance ministers.

## **Banking**

### **Indian banking system in good health**

The Indian banking system continues to record improvement across several parameters. As per the RBI's latest Financial Stability Report, bad loans of banks have fallen to a 12-year low of 2.6 per cent in September 2024. This improvement in asset quality is being observed across all sectors. Banks have also reported a healthy increase in their profitability. Their provision coverage ratios are high and their capital position is healthy. The stress tests carried out by the RBI also suggest that even if the macroeconomic environment takes a turn for the worse, banks would remain well capitalised, with only four banks falling short of the minimum capital requirement in one adverse scenario.

## Economic

### Cabinet's first decision in New Year dedicated to farmers

The government's first decision in the New Year is dedicated to farmers, as the Union Cabinet headed by him enhanced allocation to crop insurance scheme and raised subsidy to a key fertiliser. He said on X, "(Govt's) first decision of the New Year is dedicated to crores of farmer brothers and sisters of our country. We have approved increasing the allocation for crop insurance scheme. This will provide more security to farmers' crops and will also mitigate their concerns about any damage. The Cabinet's decision on extending the one-time special package on Di-Ammonium Phosphate (DAP) will help farmers by ensuring the fertilizer at affordable prices, he added.

Currency	Rate (Rs)	Change	Index	Change	
USDINR	85.767	0.192	NIFTY 50	23,948.55	208.5
EURINR	89	0.0095	BSE Sensex	79,210.80	703
GBPINR	107.484	0.122			
JPYINR	0.5429	0.00016			