

DAILY NEWS DIGEST BY BESI BOARD

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ECONOMY

Govt meets FY26 fiscal deficit target at 4.4% of GDP: India met its fiscal deficit target for 2025–26, with the gap between total expenditure and revenue coming in at 4.4 percent of gross domestic product (GDP), according to provisional accounts released by the Controller General of Accounts (CGA) on June 1. The fiscal deficit outcome matched the Budget Estimate for FY26, reflecting the government’s commitment to adhere to the fiscal consolidation path. Revenue deficit - which reflects the gap between the government’s revenue expenditure and revenue receipts -- narrowed to 1.55 percent of GDP in FY26. In FY25, the revenue deficit stood at 1.7 percent of GDP.

(Moneycontrol)

IIP records 4.9% growth in April as new 2022-23 base series debuts: India’s industrial production index registered 4.9% growth in April as per new series. This marks the first data with 2022-23 as the base year replacing the current 2011-12 series. According to the data released by Ministry of Statistics and Programme Implementation, manufacturing output, which carries the highest weight in the index, rose 6.2% during the month. Electricity generation and gas supply grew 4.9%, while the newly introduced water supply, sewerage and waste management segment recorded a 6.6% increase. In contrast, mining activity contracted 5.1%. The IIP is a key indicator that tracks changes in industrial production across sectors. The latest revision is the 10th in the history of the IIP. MoSPI has finalised an item basket comprising 463 item groups, including 120 new item groups. The revised basket consists of 1,042 products mapped to these groups.

(Business Line)

PMI Manufacturing rose to 3-month high of 55 in May: Pushed by domestic demand strength, Purchasing Manager's Index (PMI) for manufacturing rose to a three-month high of 55 in May, S&P Global reported on Monday. The April reading was 54.7. "India's final manufacturing PMI points to another month of possible precautionary stockpiling as West Asia conflict remains unresolved. Output growth accelerated, while purchasing activity and stocks of finished goods rose at a faster pace," said Pranjul Bhandari, Chief India Economist at HSBC. PMI is derived from responses of 400 executives of various companies. Index above 50 means expansion, while below 50 means contraction.

(Business Line)

BANKING & FINANCE



RBI clears Mirae Asset Mutual Fund to raise stake in Equitas Small Finance Bank: Equitas Small Finance Bank on Monday said the Reserve Bank of India (RBI) has approved Mirae Asset Mutual Fund to acquire up to 9.5% of the bank's paid-up share capital or voting rights. In a stock exchange filing, the bank said the central bank has approved for Mirae Asset Mutual Fund to increase its aggregate shareholding in Equitas Small Finance Bank up to the prescribed limit. The approval is subject to compliance with the provisions of the Banking Regulation Act, 1949, the RBI's Commercial Banks-Acquisition and Holding of Shares or Voting Rights Directions, 2025, regulations framed by SEBI, the FEMA and other guidelines.

(Moneycontrol)

Around 2.63 applications received under ECLGS 5.0: Government on Monday said that over 2.63 lakh applications for loan of Rs.1.71 lakh crore have been received under latest version of Emergency Credit Line Guarantee scheme (ECLGS 5.0). Joint Secretary in the Financial Services Department, said that out of the total applications received, 79,950 have been sanctioned (number of applications). Of which, Rs.35,194 crore has already been sanctioned. Based on the sanctions, the guarantee

applications are flowing in, and Rs.15,720 crore worth of guarantees have also been issued.

(Business Line)

Brajesh Kumar Singh takes over as Canara Bank MD: Canara Bank on Monday announced the appointment of Brajesh Kumar Singh as its Managing Director and Chief Executive Officer until his superannuation on April 30, 2029, or until further orders, whichever is earlier. Before joining Canara Bank, he served as Executive Director at Indian Bank, where he played a key role in driving business growth, strengthening governance frameworks, and advancing the bank's digital and operational transformation initiatives.

(Financial Express)

RBI reviews expected credit loss rules amid concerns over impact on SME credit costs: The Reserve Bank of India is considering a proposal to tweak expected credit loss (ECL) framework amid concerns the rules could weigh on small- and mid-sized companies already facing pressure from the West Asia crisis. While the framework is aimed at improving rating discipline, it could have unintended consequences, including higher borrowing costs, particularly for smaller firms.

(Economic Times)

Now, over a third of term deposits Rs.5 crore+ accounts: RBI data: India's banking system is becoming increasingly dependent on large-ticket fixed deposits, with deposits of Rs.5 crore and above now accounting for more than one-third of such deposits, according to the new data released by RBI. The RBI's Annual Basic Statistical Returns data for FY26 showed that deposits of Rs.1 crore and above accounted for 46.3 per cent of all term deposits as of end-March 2026, continuing a steady rise over the past few years. The share of such deposits stood at 45.07 per cent at end-March 2025 and 43.66 per cent at end-March 2024.

(Business Standard)

INDUSTRY OUTLOOK



GST collections rise 3.2% to Rs 1.94 lakh crore in May 2026: India's gross GST revenue rose 3.2% year-on-year to Rs 1.94 lakh crore in May, according to government data reported by PTI. The increase was driven by improved supplies of goods and services and continued growth in tax collections from imports. Gross GST collection stood at Rs 1.88 lakh crore in May 2025. During the reported month, gross Central GST (CGST) collection from domestic transactions stood at Rs 37,397 crore, State GST (SGST) at Rs 45,143 crore, and Integrated GST (IGST) at Rs 51,990 crore.

(Business Line)

India's seafood exports hit record \$8.46 bn in FY26 amid global headwinds: Overcoming global market uncertainties, India's seafood exports touched an all-time high in both volume and value as the country shipped nearly two million tonnes of seafood during 2025-26. According to data released by the Marine Products Export Development Authority (MPEDA) on Monday, the country exported 19.72 lakh tonnes of seafood worth Rs.73,890.46 crore (\$8.46 billion) during the fiscal year, posting growth of 16.13 per cent in volume and 18.4 per cent in value over the previous year. The US and China remained the primary importers of Indian seafood.

(Business Standard)

SoftBank overtakes Toyota as Japan's most valuable company amid AI boom: SoftBank Group Corp. overtook Toyota Motor Corp. as Japan's most valuable company on Monday, marking a milestone for the global artificial intelligence boom and a dramatic reshuffling of the country's corporate hierarchy. Shares of the Masayoshi Son-led technology group climbed 14 per cent in Tokyo trading, pushing its market capitalisation past Toyota's for the first time in more than two decades. The feat was last achieved only briefly during the peak of Japan's internet bubble in 2000, based on market value including treasury shares.

(Business Standard)



REGULATION & DEVELOPMENT

International Day of Yoga 2026 Theme ‘Yoga for Healthy Ageing’: The theme of the 12th International Day of Yoga (IDY), to be observed on June 21, 2026, “Yoga for Healthy Ageing”, reflects the growing global recognition of yoga as a holistic approach to promoting physical, mental and emotional well-being. Rooted in India’s ancient wisdom and embraced across continents, yoga has emerged as a trusted pathway to healthy and active living. The theme highlights yoga’s transformative potential in fostering vitality, resilience and independence, while reinforcing its role as a cornerstone of preventive healthcare and holistic wellness.

(PiB)

DPIIT set to unveil new WPI series, launch Producer Price Index: The commerce and industry ministry is set to revise the base year of the wholesale price index (WPI) to 2022-23 and launch the Producer Price Index (PPI). The statistics ministry said it will use WPI deflators with the new 2022-23 base for value-reported items in the IIP, even though the revised WPI itself is yet to be made public.

(Business Standard)

Sanjay Lohiya assumes charge as Secretary, Department of Financial Services: Sanjay Lohiya (IAS: 1994) took over as the new Secretary of the Department of Financial Services (DFS) in the Ministry of Finance on June 1, 2026. He succeeded M. Nagaraju, who retired from the position on May 31, 2026. Prior to assuming the role of DFS Secretary, Lohiya served as Special Secretary in the same department and as Additional Secretary in the Ministry of Mines.

(Economic Times)



FINANCIAL TERMINOLOGY

TEMPORAL METHOD in currency translation

- The temporal method, also known as the historical method, converts the currency of a foreign subsidiary into the currency of the parent company. It ensures accurate profit and loss reporting when the subsidiary operates using a different functional currency from the local currency.
- The parent company's currency is often referred to as the 'functional currency,' which is the currency used for reporting and financial statements.
- Monetary assets and liabilities are translated using the exchange rate at the balance sheet date, while non-monetary items use historical rates.
- Exchange rate gains or losses affect the parent company's net earnings, which can impact earnings volatility.
- Managing foreign currency translation effectively can enhance a company's financial performance and stability.



RBI KEY RATES

Repo Rate: 5.25%
SDF: 5.00%
MSF & Bank Rate: 5.50%
CRR: 3.00%
SLR: 18.00%
Fixed Reverse Repo: 3.35%

FOREX (FBIL 1.30 PM)

INR / 1 USD : 94.8913
INR / 1 GBP : 127.7713
INR / 1 EUR : 110.5895
INR /100 JPY: 59.5000

EQUITY MARKET

Sensex: 74267.34 (-508.40)
NIFTY: 23382.60 (-165.15)
Bnk NIFTY: 53643.10 (-596.10)

Courses conducted by BFSI Board

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- ❖ Guidance Note on Cost Control Strategies in the Banking Sector

TEAM BFSIB

Banking, Financial Services & Insurance Board The Institute of Cost Accountants of India (ICMAI)

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