

DAILY NEWS DIGEST BY BESI BOARD

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ECONOMY

HIGHLIGHTS OF RESOLUTION OF MPC DT 3-5 JUNE

The Monetary Policy Committee (MPC) held its 61st meeting from June 3 to 5, 2026, under the chairmanship of Governor, RBI. The key points of the resolution are;

- The MPC voted unanimously to keep the **policy repo rate unchanged at 5.25 per cent**. Consequently, the SDF rate remains at 5.00 per cent and the MSF rate and the Bank Rate remain at 5.50 per cent.

OUTLOOK

- Real **GDP growth for 2026-27 is now projected at 6.6 per cent** (against 6.9 percent projected earlier).
- **CPI inflation for 2026-27 is projected to be 5.1 per cent** with Q1 at 4.2 per cent; Q2 at 5.1 per cent; Q3 at 5.9 per cent; and Q4 at 5.4 per cent.
- System liquidity, as measured by the net position under the LAF, stood at an average daily surplus of Rs.2.63 lakh crore since the last MPC meeting in April 2026.
- As per the latest available data, credit from all sources grew by 15.4 per cent (y-o-y) in 2025-26 as compared to 12.1 per cent a year ago.

MEASURES TO ATTRACT FOREIGN CAPITAL

- For government securities under the Fully Accessible Route (FAR), the universe of '**specified securities**' has been expanded by including all new issuances of 15-, 30- and 40-year tenor G-secs. In addition, limits pertaining to short-term investment, concentration and individual securities on FPI investment under the General Route are being removed. These measures along with the **tax benefits** provided by the

government should help attract foreign capital for government borrowing.

- The limits for investment by NRIs and OCIs in equity instruments traded on the stock market without SEBI registration are being increased. Further, the same facility is being extended to all individual Persons Resident Outside India (PROIs) at par with NRIs and OCIs.
- A facility of **concessional forex swap** will be provided till 30th September 2026 to incentivize ECBs by PSUs.
- Facility for bearing the **full hedging cost** shall be provided till 30th September 2026 to AD banks for raising fresh 3–5-year FCNR (B) deposits.
- It is proposed to restore the time for realisation of export proceeds to **nine months**. (which was raised to 15 months in recent past).

India records 7.7% GDP growth in FY26; Q4 growth comes in at 7.8%: The Indian economy grew 7.7 percent in FY26, up from 7.6 percent projected in the second advance estimates, official data released by statistics ministry showed on June 5. In FY25, the real GDP growth was 7.1%. In Q4, the GDP grew 7.8 percent, down from 8 percent in Q3FY26. The decline in quarter-on-quarter growth was due to a sharp decline in manufacturing growth – which fell from 7.3 percent in Q4 from 12.8 percent in Q3. Growth in FY27 is expected to lower by 110 basis points to 6.6 percent – as projected by RBI. The gross value added (GVA) growth was 7.9 during FY26. In Q4 too the growth was the same. The full year's GDP (of FY26) was released with the new base year 2022-23.

(Moneycontrol)

FinMin won't revise FY27 GDP, inflation forecasts amid Iran war; RBI estimates 'fair': CEA: The Finance Ministry will refrain from issuing separate GDP growth and inflation projections for FY2026–27 and instead work with the RBI estimates. The RBI, in its June monetary policy review, lowered its real GDP growth forecast for FY2026–27 to 6.6 percent from 6.9 percent projected earlier, citing risks from elevated crude oil price. The comments come after official data showed India's real GDP growth accelerated to 7.7 percent in FY2025–26 from 7.1 percent in FY2024–25, providing what the CEA described as a “strong starting point” for the economy despite emerging external risks.

(Moneycontrol)

Panchayat Advancement Index Wins Gold Recognition at National e-Governance Awards 2026: The Panchayat Advancement Index (PAI), a flagship data-driven governance initiative of the Ministry of Panchayati Raj, has been selected for the Gold Award at the National Awards for e-Governance 2026 under Category VII – Digital Transformation through the Use of Data Analytics in Digital Platforms by Central Ministries, States and Union Territories. The Panchayat Advancement Index (PAI) is India's first comprehensive, data-driven framework for assessing and ranking the performance of Gram Panchayats across the nine themes of the Localisation of Sustainable Development Goals (LSDGs). PAI 2.0, the latest and significantly strengthened version of the Index, assesses more than 2.6 lakh Gram Panchayats against 150 indicators and 230 data points. Based on their composite scores, Gram Panchayats are classified into five performance categories.

(PiB)

BANKING & FINANCE



RBI fines Canara Bank for violations related to KYC, inactive accounts: The Reserve Bank said it has imposed a penalty of Rs 41.8 lakh on Canara Bank for non-compliance with certain provisions, including those related to Know Your Customer norms. The bank also classified certain accounts as inoperative, despite the last customer-induced transaction being less than one year old in such accounts. The RBI said penalties are based on deficiencies in regulatory compliance and not intended to pronounce upon the validity of any transaction or agreement entered into by the entities with their customers.

(Economic Times)

RBI has sufficient currency stocks to replenish ATMs: Governor Malhotra: RBI Governor Sanjay Malhotra on Friday said there is adequate currency available in the system and assured that any cash shortages at ATMs would be addressed promptly, amid concerns over cash availability at select locations. "If there is a shortage, we will certainly ensure that the shortage is met," Malhotra said. "Our full effort will be to

ensure that wherever there is a shortage of currency in one or two places at ATMs, we will deliver currency there promptly and at a rapid pace.”

(Economic Times)

Differential deposit rates permitted but must be transparent, says RBI Governor amid HDFC Bank row: he Reserve Bank of India has said banks are permitted to offer differential interest rates on deposits but only within clearly defined parameters and with full transparency — remarks that come in the backdrop of allegations against HDFC Bank of routing differential interest payments to a state government agency through its marketing budget. "We do allow differential interest rates. We have a very consistent and very clear policy for deposits as to when banks can have differential rates," said RBI Governor Sanjay Malhotra. "For certain categories of people like senior citizens, depending on tenor, you can have differential rates. But they have to be transparent. You have to display them to everyone clearly. And any differential rate beyond that is certainly not acceptable."

(Economic Times)

ATM industry calls for cash-recycler interoperability as costs rise: ATM management service providers and manufacturers have taken up the issue of interoperability of cash-recycling machines (CRMs) with multiple banks as logistics costs rise. While the Reserve Bank of India (RBI) and the National Payments Corporation of India (NPCI) have allowed interoperability of CRMs among banks (and white-label firms) for both deposits and withdrawals, the former is yet to be operationalised. The issue comes at a time when higher ATM channel costs have prompted the Confederation of ATM Industry (CATMi) to seek linking the ATM interchange (on cash withdrawals) to the wholesale price index.

(Business Standard)

INDUSTRY OUTLOOK



Govt signals pragmatism after India-US trade talks: India and the US on Thursday wrapped up another round of discussions on an interim trade deal, as both sides sought to bridge gaps in their respective positions. A statement issued by the government after the conclusion of the bilateral talks that began on Monday was, however, non-committal on whether India's demand for a tariff advantage in the US market in relation to its key Asian competitors was accepted by the US side. On Wednesday, even as the talks were on, Washington proposed additional duties of 12.5% on 44 countries, including India, under Section 301 of its Trade Act for their alleged failure to enforce a ban on forced labour.

(Financial Express)

MSME loan portfolio grows 12.8% Y-o-Y to Rs 46 trillion in April 2026: Loans to micro, small and medium enterprises (MSMEs) stood at approximately Rs 46 trillion at the end of April 2026, registering year-on-year (Y-o-Y) growth of 12.8 per cent. However, growth moderated significantly between December 2025 and April 2026, rising only 3.1 per cent compared with 9.7 per cent during the corresponding period a year earlier. The number of active loans also declined by 3.5 per cent, against 3 per cent growth in the same period last year. According to CRIF, the moderation in portfolio growth reflects the "potential impact of global uncertainty on domestic MSME credit supply." The slowdown was most pronounced in the manufacturing and trade segments, which together account for more than 60 per cent credit.

(Economic Times)

FIs get I-T exemption on interest, capital gains for Government securities: In a coordinated move to stabilise external accounts, the Government and the Reserve Bank of India on Friday unveiled a flurry of measures aimed at attracting long-term dollar inflows. Market experts say these steps could help bridge an estimated \$40-50 billion gap in the country's balance of payments. Through a new ordinance, the

government has exempted Foreign Portfolio Investors (FPIs), overseas investors, and the Bank for International Settlements (BIS) from capital gains tax on interest and trading gains from government bonds. Retrospective from April 1, the move replaces the previous regime where short-term capital gains were taxed at 30 per cent and long-term capital gains on sovereign securities stood at 12.5 per cent. In addition to the ordinance, the Finance Ministry said all new 15-year, 30-year and 40-year government bonds will be part of a fully accessible route. Also, caps on short-term foreign investment in bonds, concentration limits and the buying of individual bonds have been done away with.

(Business Line)



REGULATION & DEVELOPMENT

Gold ETFs shut door on large investments after discussions with Sebi amid rupee concerns: India's leading mutual fund players have moved to curb large lump-sum investments into gold exchange-traded funds following discussions with market regulator Sebi on measures that could help ease pressure on the rupee and reduce demand for imported gold, people familiar with the matter told Moneycontrol. While the restrictions are real, industry executives said their impact on actual gold demand is likely to be negligible because single investments of the size being restricted are very rare. The move is, therefore, largely a gesture of support for Prime Minister's call to reduce pressure on India's external account.

(Moneycontrol)

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performance of Gram Panchayats across the nine themes of the Localisation of Sustainable Development Goals (LSDGs). PAI 2.0, the latest and significantly strengthened version of the Index, assesses more than 2.6 lakh Gram Panchayats against 150 indicators and 230 data points. Based on their composite scores, Gram Panchayats are classified into five performance categories.

(PiB)

RBI proposes tighter disclosure norms for deposit rates, links bulk deposit pricing to liquidity rules: RBI has proposed stricter disclosure requirements for deposit interest rates and a new framework allowing banks to offer differential rates on bulk deposits based on their liquidity risk profile, according to draft directions issued on Friday. Under the proposed changes, banks will be required to publish their schedule of deposit interest rates on their websites before the commencement of each business day. Interest rates paid on deposits must strictly conform to the rates disclosed in advance, preventing banks from offering rates that have not been publicly announced.

(Economic Times)



DISGUISED ADVERTISEMENT

- A practice of posing, masking advertisements as other types of content such as user generated content or new articles or false advertisements, which are designed to blend in with the rest of an interface in order to trick customers into clicking on them.
- For example, sending push notifications through mobile application or emails that appear to be urgent account alerts or important updates but, in effect, are advertisements for new services or promotions, such as, "Important: Your account might benefit from this new feature!".



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 : 95.3996

INR / 1 GBP : 128.1064

INR / 1 EUR : 110.8314

INR /100 JPY: 59.6400

EQUITY MARKET

Sensex: 74243.34 (-116.67)

NIFTY: 23366.70 (-49.85)

Bnk NIFTY: 54496.25 (+188.40)

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