

DAILY NEWS DIGEST BY BESI BOARD

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ECONOMY

RBI board may approve Rs.2.8-3.3 trillion surplus transfer on Friday: The central board of the Reserve Bank of India (RBI) is scheduled to meet on Friday to decide on the surplus transfer to the government for FY26, with economists expecting the payout to exceed last year's record dividend of Rs.2.7 trillion. Economists expect the dividend transfer to be in the range of Rs.2.8 trillion to Rs.3.3 trillion, supported by higher interest income and the possibility of lower provisioning towards contingency reserves.

(Business Standard)

India's outbound FDI commitments decline 10.8% to \$5.6 billion in April: India's outward foreign direct investment (FDI) dropped 10.8 per cent to \$5.6 billion in April 2026 from \$6.33 billion in the same month last year. Sequentially, it rose from \$5.08 billion in March 2026, according to data from the Reserve Bank of India (RBI). Outbound FDI, expressed as a financial commitment, has three components: Equity, loans, and guarantees. Outbound equity FDI commitment surged to \$3.37 billion in April from \$1.97 billion a year ago. It was also higher than \$1.61 billion in March 2026. At the same time, debt (loans) dropped to \$517.75 million in April 2026 from \$1.12 billion in the same month of 2025.

(Business Standard)

PM Modi's foreign tour to result in \$40 billion fresh investments: MEA: Prime Minister Narendra Modi met over 50 chief executive officers (CEOs) of large global companies during his five-nation foreign tour from May 15 to 20, and fresh commitments by their respective companies to invest in India, including their business expansion plans in India, total nearly \$40 billion, the Ministry of External Affairs (MEA)

said on Thursday. Of the over 50 CEOs whom the PM met during his visits to the United Arab Emirates, the Netherlands, Sweden, Norway and Italy, a large number already have significant investments in India and their cumulative investment and business exposure to India stand at around \$180 billion, MEA spokesperson Randhir Jaiswal said.

(Business Standard)

Euro zone growth set to slow in 2026 as Middle East conflict fuels inflation: The euro zone economy will slow in 2026 after war in the Middle East triggered the second energy shock in less than five years with the severity of the hit determined by how long the conflict drags on, the European Commission said on Thursday. The surge in oil prices to above \$100 a barrel will push up inflation and depress sentiment among firms and households, it added. The European Commission now forecasts euro zone gross domestic product growth will slow to 0.9% in 2026 from 1.3% in 2025, with a rise of 1.2% in 2027. In its last set of forecasts in November, the expectations were respectively 1.2% and 1.4%.

(Reuters)

BANKING & FINANCE



Private banks' return on equity moderates in FY26 amid NIM pressure, treasury losses: The return on equity of several private sector banks moderated in 2025-26 as pressure on net interest margins and a fall in treasury income weighed on profitability, according to an analysis of investor presentations by banks. Among major private lenders, HDFC Bank's RoE declined marginally to 14.3 per cent in FY26 from 14.6 per cent in FY25 and 16.1 per cent in FY24, according to the PTI's analysis of investor presentations of banks. In the case of the third-largest private sector lender Axis Bank, the RoE declined to 13.15 per cent in FY26 from 16.52 per cent in FY25.

(Business Line)

LIC Q4 profit rises 23%, premium income jumps; dividend announced: Life Insurance Corporation of India (LIC) reported a 23% YoY profit growth in the March quarter, helped by strong group business growth and continued momentum from last year's tax cuts. The state-owned company posted a net profit of Rs 23,467 crore for the three months ended March 31, up from Rs 19,038 crore in Q4 FY25. LIC's net premium income grew 11.5% YoY to Rs 1,65,067 crore. Its one-time premiums rose 21.5% YoY while first year premiums from new policies rose around 17%. LIC's annualized premium equivalent sales — a key measure of new business — rose nearly 22% YoY.

(Financial Express)

Currency in circulation rises 11%, nears record Rs.43 trillion by mid-May: Currency in circulation (CiC) continued to rise at a sharp pace, increasing 11.5 per cent year-on-year to a record high of Rs 42.86 trillion as on May 15, according to the latest data released by the RBI. In absolute terms, CiC expanded by Rs 1.15 trillion during the first one and a half months of FY27, indicating sustained demand for cash despite continued growth in digital payments. CiC was Rs 41.47 trillion as on March 31, 2026, compared to Rs 32.24 trillion a year ago.

(Business Standard)

Fino Payments Bank CEO Rishi Gupta to step down: Fino Payments Bank MD & CEO Rishi Gupta has sought voluntary early retirement, months after he was arrested under the GST law. Gupta said he wants to explore new avenues outside the lender, without disclosing further details. The lender, however, said the board was of the view that Gupta was "fit and proper" to continue as MD and CEO after reviewing documents, including legal opinions and reports it received.

(Moneycontrol)

HDFC Bank, IndusInd, Yes Bank warm up to hybrid mode after PM's WFH call: Major lenders such as HDFC Bank, IndusInd Bank and Yes Bank have adopted hybrid working arrangements following Prime Minister Narendra Modi's call for austerity measures, while others such as Axis Bank, Citibank, and foreign banks have continued with hybrid models introduced during the Covid-19 pandemic. Some banks are yet to take a call but are expected to review policies and may consider hybrid working.

(Business Standard)

INDUSTRY OUTLOOK



Commerce Dept maps import substitution, export push amid West Asia concerns: Amid the escalating crisis in West Asia, a weakening rupee and concerns over a widening current account deficit (CAD), the Commerce Department is carrying out a trade analysis to identify ways to curb imports, boost domestic manufacturing in sectors with large trade deficits and step up exports where India enjoys a trade surplus. The department has reached out to export promotion councils and industry bodies with product-wise lists under four categories: High trade deficit, high import-negligible export, high trade surplus and high export-negligible import.

(Business Line)

Adani Ports to acquire Jaypee Fertilizers for Rs.1,500 crore through insolvency: Adani Ports and Special Economic Zone on Thursday said it will acquire a 100 per cent stake in Jaypee Fertilizers & Industries from Jaiprakash Associates for Rs.1,500 crore, as part of the NCLT-approved resolution plan for JAL. Adani Ports and Special Economic Zone Ltd (APSEZ), in a regulatory filing, said the acquisition will further consolidate the company's inland logistics presence and service capabilities in North India. The acquisition aligns with the company's ambition to expand its MMLP (Multi-Modal Logistics Park) network from 12 to 16 and warehousing capacity by 4X by 2031, it added.

(Business Line)

India raises concerns over UK's steel measures in WTO: India has flagged concerns in a key meeting of the World Trade Organisation in Geneva over the UK's recent steel safeguard measures, an official said. From July 1, 2026, the UK will limit tariff-free steel imports, reducing the overall quota available under the existing safeguard measures by 60 per cent. Any imports above these levels will then face a 50 per cent tariff. The measure will apply to imports of steel products that can also be made in the UK. India, Brazil, Turkiye, Switzerland and Australia have expressed their

concerns about the UK's proposed action, a Geneva-based official said. Japan and Korea, which initiated discussions, have also flagged concerns over the issue.

(Business Standard)



REGULATION & DEVELOPMENT

SEBI proposes new rules for setting opening prices of re-listed stocks to make price discovery more fair: SEBI has proposed key changes in the way opening prices are decided for re-listed stocks, in a move aimed at improving price discovery and reducing extreme volatility after listing. In a consultation paper issued on Thursday, SEBI said the current pre-open call auction mechanism is leading to situations where genuine investor orders are getting rejected, resulting in artificially low opening prices in some stocks. The regulator added that this often causes heavy buying pressure after listing, with shares repeatedly hitting upper circuits in the normal trading session. SEBI has proposed a new system for deciding the base price of re-listed stocks. If the suspension revocation happens within six months, exchanges will first use the latest traded closing price on the same exchange. If that is unavailable, they may use the latest traded price from another exchange.

(Moneycontrol)

SEBI, NISM and IICA sign MoU to Advance Corporate Governance, ESG and Capital Markets: The National Institute of Securities Markets (NISM), established by the Securities and Exchange Board of India (SEBI), and Indian Institute of Corporate Affairs (IICA), under Ministry of Corporate Affairs, have signed an MoU to advance Corporate Governance, ESG and Capital Markets in the country. The two institutions will jointly design and deliver capacity building programmes, certification courses, executive education modules, and training programmes including for SEBI officers and officials of other regulatory and financial sector institutions.

(PiB)



FINANCIAL TERMINOLOGY

FOREIGN TRADE ZONE

- A Foreign Trade Zone (FTZ), also known as a free trade zone, is a designated area within a country where goods can be imported, stored, processed, or manufactured, and then re-exported, without being subject to customs duties or other regulations until they enter the country's domestic market.
- FTZs are geographically defined areas within a country that are treated as if they are outside the country's customs territory for the purpose of trade.
- The primary goal of FTZs is to encourage international trade and investment by providing businesses with a duty-free environment for certain activities.



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 : 96.3172
INR / 1 GBP : 129.3900
INR / 1 EUR : 111.9386
INR /100 JPY: 60.5600

EQUITY MARKET

Sensex: 75183.36 (-135.03)
NIFTY: 23654.70 (-4.30)
Bnk NIFTY: 53439.40 (-122.80)

Courses conducted by BFSI Board

- ❖ Certificate Course on Concurrent Audit of Banks
- ❖ Certificate Course on Credit Management of Banks
- ❖ Certificate Course on Investment Management
- ❖ Certificate Course on General Insurance
- ❖ Advance Certificate Course on FinTech
- ❖ Certificate Course on Project Financing
- ❖ Certificate Course on Cost Control Strategies in the Banking Sector
- ❖ Certificate Course on Treasury, Foreign Exchange and International Banking

For details please visit BFSIB portal of the ICMAI website.

Publications by BFSI Board

- ❖ Handbook on Aide Memoire on Infrastructure Financing (3rd enlarged revised edition).
- ❖ 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 2nd Edition)
- ❖ Handbook on Central Bank Digital Currency (CBDC)
- ❖ Monograph on Climate Risk and Green Finance-Banking Sector-International Practices and Indian Perspective (2nd Series)
- ❖ 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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