

DAILY NEWS DIGEST BY BESI BOARD

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ECONOMY

RBI proposes to enhance money market participation, liquidity: The Reserve Bank of India (RBI) on Thursday proposed a series of measures aimed at improving liquidity and participation in the term money market, while also seeking to streamline rules governing secondary market transactions in government securities. In a draft Master Direction on call, notice and term money markets, the central bank proposed giving market participants greater flexibility in setting prudential limits for lending transactions. "Prudential limits in respect of outstanding lending transactions in the call, notice and term money markets should be decided by the participants with the approval of their Board," the RBI said in the draft Master Direction.

(Moneycontrol)

Centre's disinvestment receipts in Q1 FY27 exceed FY26 proceeds: With the conclusion of the government's 2 per cent stake sale in Indian Railway Finance Corporation (IRFC) on Thursday through an offer for sale (OFS), the Centre's disinvestment receipts in just the first quarter of financial year 2026-27 (Q1FY27) have exceeded the total proceeds from disinvestment in FY26. The government's disinvestment receipts have surpassed Rs.18,000 crore in FY27 so far, compared to total proceeds of Rs.16,886 crore in FY26. "The OFS for Indian Railways Finance Corporation closed with an enthusiastic response from the retail investors," Disinvestment Secretary Arunish Chawla said in a post on X. "Combined with the institutional investors, 22.88 crore shares were sold to the minority shareholders over the two trading days for an estimated amount of Rs.2,084 crores," Chawla added.

(Business Standard)

Govt plans to borrow Rs.3.36 trillion through Treasury Bills in Q2FY27: The central government plans to borrow up to Rs.3.36 trillion through the issuance of Treasury Bills in the second quarter of the current financial year, the Reserve Bank of India (RBI) said in a release on Thursday. The indicative borrowing for the quarter was along expected lines, market participants said. The government will raise Rs.1.26 trillion through 91-day Treasury Bills, Rs.1.12 trillion through 182-day Treasury Bills and Rs.98,000 crore through 364-day Treasury Bills during the quarter.

(Business Standard)

BANKING & FINANCE



RBI's G-sec holding rises to 13-year high: The Reserve Bank of India's holdings of Indian government securities rose to a multi-year high after aggressive bond purchases. According to the central bank data released this week, its bond holdings increased to 17.6% of outstanding issuance at the end of March from 14.5% as of December-end. "The RBI had to undertake large-scale G-Sec purchases through OMO operations to inject durable liquidity into the banking system, which resulted in RBI holdings reaching multi-year highs,".

(Financial Express)

HDFC Life investing in GenAI to improve customer experience, drive efficiency:
Chairman: HDFC Life Insurance, the country's second-largest private life insurer by premium income, is stepping up investments in artificial intelligence (AI), advanced analytics and digital capabilities across functions to enhance customer experience, strengthen risk management and improve overall operational efficiency, according to Chairman Keki M Mistry. "We are investing in advanced analytics, digital infrastructure, automation and GenAI led capabilities across the value chain to enhance customer experience, effective risk management, improve agility & accuracy, and drive operational efficiency," Mistry said in his letter to shareholders ahead of the company's annual general meeting scheduled for July 16.

(Financial Express)

RBI opens term money market to AIFIs, housing finance companies: The Reserve Bank of India has opened the term money market to All India Financial Institutions and housing finance companies, allowing them to borrow and lend. Prudential borrowing limits for primary dealers have also been significantly increased. These moves aim to deepen market participation and improve liquidity, ultimately strengthening monetary policy transmission by linking short-term and long-term interest rates.

(Economic Times)

Reserve Bank of India issues final rules on credit derivatives: The Reserve Bank of India on Thursday issued final rules for a proposed expansion of the country's credit derivative market, after the federal finance minister proposed deepening it in this year's budget. The rules will allow resident Indian non-retail users to deploy instruments such as credit default swaps and total return swaps without any restrictions on purpose, while limiting the use of these instruments by non-resident users for hedging purposes.

(Economic Times)

Large commercial banks may opt to lend up to 9x against FCNR(B) deposits: Following the Reserve Bank of India's (RBI's) clarification that commercial banks, including their overseas branches, can extend loans to non-residents against FCNR (B) deposits mobilised under the special swap facility, large lenders are working on structured offerings that could provide up to 9x leverage against such deposits. The structures are expected to enable NRIs to earn effective returns of 12-18 per cent, bankers said.

(Business Standard)

INDUSTRY OUTLOOK



Amazon chief Andy Jassy meets PM Modi, announces \$13-bn investment to expand AI, cloud infrastructure: Amazon plans to invest an additional \$13 billion in India, raising its total planned investment in the country to \$48 billion by 2030, Global CEO Andy Jassy announced on Thursday after meeting with Prime Minister Narendra Modi. This update comes just six months after the e-commerce giant initially pledged

\$35 billion in new investments by 2030. “As we grow Amazon in India, our business priorities continue to align with India’s priorities of democratising access to AI, digitising small businesses, creating jobs, and enabling exports. We are investing over \$48 billion in the coming five years to meet the strong demand across our business in India and to help the country achieve these priorities,” Jassy stated. He added that Amazon is committed to being a long-term partner in India’s growth story.

(Business Line)

Govt raises nearly Rs.2,100 cr from IRFC share sale: The government on Thursday said it has raised around Rs.2,100 crore from the share sale of state-owned Indian Railway Finance Corporation (IRFC). The OFS for IRFC closed with an enthusiastic response from the retail investors, Department of Investment and Public Asset Management (DIPAM) Secretary Arunish Chawla said in a post on X. "Combined with the institutional investors, 22.88 crore shares were sold to the minority shareholders over the two trading days for an estimated amount of Rs.2,084 crore. We thank all investors for their participation and for reposing their faith in us," he said.

(Business Line)

Three Indian DFIs said to plan \$1.5 billion foreign debt under RBI scheme: Three Indian development finance institutions (DFIs) are preparing to raise at least \$1.5 billion through foreign-currency bank loans under the Reserve Bank of India’s (RBI) discounted overseas borrowing scheme, Reuters reported on Thursday, citing sources. Each of the three institutions - the National Bank for Agriculture and Rural Development (Nabard), the Small Industries Development Bank of India (Sidbi), and the National Bank for Financing Infrastructure and Development (NaBFID) - is looking to borrow at least \$500 million through foreign-currency loans.

(Business Standard)



REGULATION & DEVELOPMENT

Passport fees hiked from 1 July as government revises fee structure: Applying for a passport in India will become costlier from July 1, 2026, after the government revised the passport fee structure through an amendment to the Passports Rules, 1980. Under the new rules, the fee for a fresh 36-page passport or its reissue under the normal category has been increased from Rs 1,500 to Rs 2,500. The corresponding Tatkaal fee has been raised from Rs 3,500 to Rs 5,000. The revised fee structure was notified by the Ministry of External Affairs through a notification dated June 20 and will come into effect from July 1. The fee for a fresh 60-page passport or reissue has been increased from Rs 2,000 to Rs 3,500 under the normal category, while the Tatkaal fee has been revised upward from Rs 4,000 to Rs 6,000.

(Moneycontrol)

Government restores non-domestic packed LPG supply to pre-crisis levels; bulk LPG curbs eased: The government on June 25 removed all sectoral restrictions on the supply of Non-Domestic Packed LPG to industrial and commercial LPG consumers and restored supplies to the levels prevailing prior to the West Asia crisis. Further, the supply of bulk LPG, which had been suspended at the onset of the crisis, has been relaxed by 50% of the pre-crisis consumption levels providing significant relief to commercial and industrial consumers. The restoration follows the recent improvement in the LPG supply situation following the peace deal between the US and Iran.

(Moneycontrol)

RBI proposes AI risk framework for banks: The Reserve Bank of India (RBI) on Wednesday proposed a new framework for the use of artificial intelligence as its adoption by domestic banks expand significantly. In a draft circular, the RBI urged banks to put in place proper governance, risk management, and controls, along with continuous oversight. Under the new framework, the regulator proposed broad principles to manage risks from third-party models.

(Financial Express)



FINANCIAL REPRESSION

- Financial Repression refers to a set of government policies that channel funds from savers to the government at below-market interest rates. It may include interest rate caps, high reserve requirements, directed lending, and restrictions on capital movement.
- While it helps governments reduce debt burdens and finance fiscal deficits cheaply, prolonged financial repression can distort resource allocation, discourage savings, and reduce financial sector efficiency. The term is often discussed in the context of sovereign debt management.



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 : 94.4804
INR / 1 GBP : 124.4987
INR / 1 EUR : 107.3637
INR /100 JPY: 58.3800

EQUITY MARKET

Sensex: 77100.47 (+109.25)
NIFTY: 24056.00 (+34.35)
Bnk NIFTY: 58177.05 (+26.70)

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