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EDITORIAL

In this issue, **Mr. Vijay Chandok –** Managing Director and CEO - National Securities Depository Limited (NSDL) has presented his thoughts on '**The Invisible Infrastructure: How Securities Depositories Anchored India's Wealth Revolution**'. We thank Mr. Chandok for his contribution to the APAS Monthly.

This month, the APAS column covers **'Dissecting SEBI's Key Decisions in 2026'.**

The economic indicators exhibited a mixed performance. Manufacturing PMI rose to 55.0 in May 2026, a three-month high, from 54.7 in April, and was revised higher from the flash estimate of 54.3. Services PMI was revised higher to 59.8 in May 2026 from the preliminary estimate of 58.9 and a final reading of 58.8 in April. The infrastructure output in rose by 0.5% from the previous year in May of 2026, slowing from the upwardly revised 1.8% in the earlier month, but still marking the seventh straight monthly increase. India's Industrial production India expanded by 5.1% from the previous year in May of 2026, picking up from the 4.9% increase in the previous month and ahead of market expectations of 4.7%. India's consumer price inflation rose to 3.9% in May of 2026 from 3.5% in the previous month, the highest since January of the previous year. India Wholesale Price Index (WPI) is 9.68 % on year-on-year (YoY) basis, compared to 8.26 % in April 2026.

The Reserve Bank of India has launched the first phase of QR code-based cross-border merchant payments between India and Cambodia as part of its efforts to strengthen international payment connectivity under the G20 roadmap. RBI has released a draft Guidance on Regulatory Principles for Model Risk Management for public consultation. RBI has issued final Amendment Directions on 'Net Open Position (NOP) – Revised Instructions' after considering stakeholder feedback on the draft released in January 2026. RBI has issued final Amendment Directions on the Review of the Framework for Limiting Customer Liability in Digital Transactions after incorporating stakeholder feedback on the draft released in March 2026.

The Insurance Regulatory and Development Authority of India (IRDAI) released the life insurance data for May 2026.

SEBI now permits AIFs to retain liquidation proceeds beyond their permissible life in limited circumstances: pending litigation, anticipated tax liabilities (with ≥75% investor approval by value), or residual winding-up expenses. SEBI has advised investors against transacting in securities of unlisted public companies through unauthorized online platforms, noting that such websites are not recognized or regulated by the regulator. SEBI's Board approved a broad package of reforms aimed at improving market efficiency, easing compliance and strengthening investor protection across capital markets. SEBI has launched the Securities Market TechSprint as part of Global Fintech Fest 2026 (GFF '26) to encourage startups, students and technology professionals to develop innovative solutions for key challenges in India's securities market. SEBI has released a consultation paper proposing a Common Advertisement Code (CAC) to replace multiple entity-specific advertising frameworks with a single, harmonised code for regulated entities such as brokers, mutual funds, investment advisers and portfolio managers.

We hope that this APAS Monthly is insightful. We welcome your input and thoughts and encourage you to share them with us.

Ashvin parekh

On the Cover

GUEST COLUMN

The Invisible Infrastructure:
How Securities Depositories
Anchored India's Wealth Revolution

Mr. Vijay Chandok
Managing Director and CEO
National Securities Depository Limited (NSDL)

APAS COLUMN

Dissecting SEBI's Key Decisions in 2026

ECONOMY

Index of Industrial Production: May

Inflation update – May

PMI Update - May

Core Sector – May

Countries	GDP		CPI		Current Account Balance	Budget Balance	Interest Rates
	Latest	2023*	Latest	2023*	% of GDP, 2023*	% of GDP, 2023*	(10YGov), Latest
Brazil	3.4 Q2	3.1	4.6 Aug	4.7	-1.8	-7.6	12.1
Russia	4.9 Q2	-0.5	5.1 Aug	6.5	1.8	-8.8	11.8
India	7.8 Q2	6.5	6.8 Aug	5.5	-1.3	-5.9	7.2
China	6.3 Q2	5.2	0.1 Aug	0.8	1.8	-3.2	2.5
S Africa	1.6 Q2	0.5	4.8 Aug	5.7	-1.8	-0.7	10.8
USA	2.5 Q2	1.8	3.7 Aug	3.9	-2.9	-5.9	4.6
Canada	1.1 Q2	1.1	4.0 Aug	5.8	-0.4	-1.2	4.1
Mexico	3.6 Q2	2.4	4.6 Aug	5.3	-1.8	-0.4	10.1
Euro Area	0.5 Q2	0.8	5.2 Aug	5.5	2.3	-3.3	2.9
Germany	-0.1 Q2	-0.1	6.4 Aug	6.0	5.8	-2.2	2.8
Britain	0.4 Q2	0.4	6.7 Aug	6.8	-3.8	-4.2	4.3
Australia	2.1 Q2	1.6	6.0 Q2	5.6	1.7	0.3	4.4
Indonesia	5.2 Q2	3.0	3.3 Aug	3.8	0.7	-2.6	6.9
[illegible]	2.9 Q2	4.0	2.0 Aug	2.5	1.7	-5.0	[illegible]

ECONOMIC DATA SNAPSHOT

Global GDP, CPI, Current account balance, budget balance, Interest rates

BANKING

Launch of Payment Systems' Connectivity Between India and Cambodia for QR-Code Based Cross-Border Merchant Payments

RBI issues draft 'Guidance on Regulatory Principles for Model Risk Management'

RBI issues Amendment Directions on 'Net Open Position – Revised Instructions

RBI Issues Amendment Directions on 'Review of Framework of Limiting Customer Liability in Digital Transactions

INSURANCE

Life Insurance – May 2026

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Guidelines for winding up of AIFs with respect to retention of proceeds and 'Inoperative Fund' status

Transaction in Securities of Unlisted Public Limited Companies on various Platforms

Key decisions taken in the SEBI Board Meeting dated 19th June, 2026 Launch of Securities Market

Launch of Securities Market TechSprint at Global Fintech Fest 2026 (GFF '26)

SEBI Proposes Common Advertisement Code for Specified Regulated Entities

CAPITAL MARKETS SNAPSHOT

CNX Nifty, BSE Sensex, India VIX, $/₹, GIND 10Y

GUEST COLUMN

Mr. Vijay Chandok
Managing Director and CEO
National Securities Depository Limited (NSDL)

The Invisible Infrastructure: How Securities Depositories Anchored India's Wealth Revolution

The narrative of India's economic growth is frequently told through the lens of headline-grabbing numbers: a resilient GDP expanding at a steady clip, robust manufacturing and services PMIs, and massive budgetary capital expenditures. Yet, behind the visible trajectory of new infrastructure lies an equally transformative, quieter revolution: the democratisation of wealth creation across the country.

At the absolute centre of this structural shift are market infrastructure institutions, particularly securities depositories. Once viewed as back-office custodians, they have matured into the core structural pillars of India's financial architecture, transforming a nation of "traditional savers" into an economy of "active capital market investors".

From Friction to Fluidity: The Structural Shift

To appreciate where we stand today, we must look at how radically the market landscape has altered. The historical shift to a digitalised, dematerialised system erased operational vulnerabilities, substituting transactional risk with absolute transparency and speed.

Today, India is witnessing an unprecedented financialisation of household savings. As traditional asset classes yield ground to capital market instruments, the systemic demands on financial infrastructure have grown exponentially. In this environment, depositories serve as the primary engine of economic velocity. By enabling safe, seamless, and lightning-fast asset mobilisation, they infuse deep liquidity into the ecosystem, matching household capital with the productive corporate sectors that require it to grow.

The Scale and Architecture of Indian Depository Infrastructure

Managing this historic influx of retail wealth requires an institutional framework that combines industrial-scale capacity with meticulous data integrity. The foundational architecture of the Indian capital markets relies on a robust, highly efficient **depository infrastructure** overseen by the Securities and Exchange Board of India (SEBI).

This framework is built upon three critical components:

- **The Core Depositories:** The architecture is anchored by two national securities depositories that electronically hold all financial assets: the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As a trusted pioneer in this evolutionary journey, institutions like the National Securities Depository Limited have spent decade's meticulously engineering India's digital custody landscape.

- **The Distribution & Access Layer:** Because investors cannot interact with central entities directly, access is decentralised through active Depository Participants (DPs)—comprising stockbrokers, commercial banks, and financial institutions. This footprint spans tens of thousands of localised service centres and seamlessly integrated mobile trading platforms.

- **Aggregate Footprint:** Driven by an expanding investor base, this depository network manages a staggering volume of accounts, with the total value of securities held in dematerialised custody running into hundreds of lakh crores, acting as the bedrock of domestic capital formation.

Roles of MIIs

Market Infrastructure Institutions (MIIs) comprising stock exchanges, clearing corporations, and depositories form the foundation of the securities market. Stock exchanges facilitate trading and price discovery, clearing corporations guarantee settlement by managing counterparty risk, and depositories hold securities in electronic (demat) form and enable seamless transfer of ownership.

Depositories, such as NSDL and CDSL, have played a pivotal role in modernizing India's capital markets. By replacing physical share certificates with electronic holdings, they eliminated risks such as loss, theft, forgery, and transfer delays, while significantly improving operational efficiency. This transformation enabled India to progressively reduce settlement cycles from T+15 to T+5, T+3, T+2, T+1, and now T+0 (same day) settlement for selected securities.

Beyond improving efficiency, depositories also built **strong investor trust** through secure custody, accurate ownership records, seamless transfers, and robust regulatory oversight. In simple terms, the exchange executes the trade, the clearing corporation guarantees the trade, and the depository transfers ownership, together enabling a faster, safer, and more efficient securities market.

Driving Democratic Inclusivity

Market participation is no longer an elite, metropolitan phenomenon. Guided by robust regulatory frameworks from SEBI, structural barriers have steadily dissolved.

The modern investor base spans Tier II, Tier III, and rural habitations. Initiatives such as rationalising transaction fee structures across market infrastructure institutions and reducing the minimum denomination of debt securities from ₹1 lakh to ₹10,000 have fundamentally opened up the marketplace to a broader retail demographic.

Key Economic Indicators & Policy Shifts:

- **Uniform Transaction Fee Structure:** Starting October 2024, SEBI mandated that market infrastructure institutions charge uniform transaction fees to brokers, levelling the playing field.

- **Surging Market Volumes:** Highlighting the deep liquidity and retail enthusiasm, India's monthly F&O turnover scaled a phenomenal ₹8,740 lakh crore ($1.1 trillion) in March 2024 *(1).

- **Transition to Long-Term Wealth:** A comprehensive SEBI study revealed that 70% *(2) individual intraday traders in the equity cash segment incur losses. This statistical reality underscores why robust depository infrastructure is crucial to channelise retail savings away from high-risk short-term speculation into stable, long-term investments.

- **Macroeconomic Anchors:** These transformations are backed by a resilient broader economy, with the Index of Industrial Production (IIP) showing an annual growth rate of 5.9%* (3) and the Manufacturing PMI standing strong at 58.3* (4)

- **Diversification and the Maturation of Capital Markets**
  As the Indian economy grows more complex, our financial markets must evolve in tandem. A mature economy cannot rely on a single avenue for capital formation. Here, the expanding role of depositories becomes even more evident, moving far beyond equities into a diverse range of asset classes:

- **Corporate and Sovereign Debt Instruments:** Providing a reliable framework for retail and institutional debt market participation.

- **Mutual Funds and ETFs:** Facilitating the smooth holding and transfer of pooled investment vehicles.

- **REITs and InvITs:** Allowing everyday investors to easily fractionalise and participate in large-scale infrastructure and real estate growth.

By consolidating these varied instruments into a singular, unified digital ecosystem, depositories simplify asset management for individual investors. This multi-asset custody model lowers systemic risks, fosters a healthy culture of diversification, and streamlines compliance across the entire financial services industry.

Looking Ahead: The Next Phase of Economic Growth
In the macroeconomic sphere, trust is the ultimate currency. As digital financial ecosystems expand, they naturally attract heightened cyber security risks. The long-term stability of the Indian economy relies on the safety of its digital registries. Consequently, depositories have transitioned into advanced tech-first institutions, embedding sophisticated data analytics and real-time fraud prevention systems to actively defend the financial system.

The securities depository is no longer just a passive participant in this journey; it is a strategic driver of economic growth. By ensuring structural integrity, fostering democratization, and driving continuous operational efficiency, depositories are successfully converting the nation’s savings into active economic fuel. They ensure that as our corporate sectors reach new heights, every citizen can securely participate in India's Viksit Bharat, a historic wealth creation story.

Source:
1. *(1) ICICI Direct Research: India's Global Turnover of F&O Trading
2. *(2) SEBI Press Release No. 13/2024: Study on Intraday Traders in Equity Cash Segment
3. *(3) PIB Delhi: India's IIP Records a Growth of 5.9%
4. *(4) Swarajya / S&P Global Release: India's Manufacturing PMI Surges to 58.3

APAS COLUMN

Dissecting SEBI's Key Decisions in 2026

The Securities and Exchange Board of India (SEBI) has used 2026 to push through one of its busiest reform cycles in years spanning fund regulation, market infrastructure, investor protection, and even its own internal governance. Under Chairman Tuhin Kanta Pandey, the regulator has tried to balance two competing instincts: easing compliance for market participants while tightening oversight where retail investors and market integrity are at stake. Here is a breakdown of the year's most consequential moves.

The March 2026 Board Meeting: Ease of Doing Business, With a Governance Twist

At its 213th Board meeting held in Mumbai on March 23, 2026, SEBI approved a cluster of reforms touching Alternative Investment Funds (AIFs), Foreign Portfolio Investors (FPIs), Social Impact Funds (SIFs), and its own internal conduct rules.

AIF wind-up relief: Under the old rules, Alternative Investment Funds had to distribute all liquidation proceeds to investors and reach a zero bank balance before they could surrender their registration, which left many funds stuck holding small amounts for pending tax demands or litigation notices while still bound by full compliance obligations. SEBI fixed this by permitting AIFs to retain proceeds beyond the fund's permitted life under specified conditions, and by introducing an "inoperative fund" status that comes with a lighter compliance load for funds that are winding down but not fully closed.

FPI net settlement: Foreign Portfolio Investors will now be permitted net settlement of funds in the cash market, a change intended to cut funding costs and improve operational efficiency, with implementation targeted by December 31, 2026.

Retail access to Social Stock Exchange: The Board reduced the minimum investment threshold in Social Impact Funds to just ₹1,000, a dramatic drop meant to widen retail participation in India's still-nascent Social Stock Exchange ecosystem.

REIT and InvIT flexibility: The meeting also approved changes giving Real Estate Investment Trusts and Infrastructure Investment Trusts more room on investments, borrowings, and asset management, addressing bottlenecks that had built up over several years of practical experience with these structures.

Relaxed "fit and proper person" test: Perhaps the most closely watched change was to the "fit and proper person" criteria for market intermediaries. A pending FIR or criminal complaint filed by SEBI will no longer, by itself, be automatic grounds for disqualification; the trigger for disqualification tied to moral turpitude has been widened to cover any economic offence or securities-law offence; the initiation of winding-up proceedings has been removed as a standalone disqualification trigger; intermediaries must now inform

SEBI within 15 working days of events affecting key managerial personnel; a hearing must be granted before someone is declared not fit and proper; the default five-year bar on fresh registration has been scrapped; and the non-consideration period following a Show Cause Notice has been cut from one year to six months.

Turning the mirror on itself: In a notable governance move, the Board accepted recommendations from a High-Level Committee reviewing conflict-of-interest norms for its own members and staff. Trading and investment restrictions in equity and equity-related instruments, previously applicable only to employees, were extended to the Chairman and Whole-Time Members, with these restrictions also extendable to spouses and dependent family members going forward, though existing holdings are being grandfathered. A portfolio concentration limit now caps exposure to any single SEBI-regulated intermediary at 25% of an official's financial portfolio, with mandatory recusal upon breach, and a new Office of Ethics and Compliance will sit under the Chief Vigilance Officer, backed by a digital conflict-management system and whistleblower channels. Two more far-reaching proposals, separate regulations for Board Members and an external Oversight Committee on Ethics and Compliance were referred to the Central Government for a final call.

The June 2026 Board Meeting: Buybacks, Bonds, and Faster Transmission

Three months later, at its 214th Board meeting on June 19, 2026, SEBI approved a second wave of reforms. These covered buy-backs, alternative investment funds, transmission of securities, municipal debt securities, and mutual funds, all framed around easing compliance, protecting investors, and deepening India's capital markets.

Among the standout changes: the re-introduction of open-market share buy-backs conducted through stock exchanges, a new "GARUDA" mechanism intended to streamline AIF operations, and alignment of India's securitisation rules with the Reserve Bank of India's framework. On the municipal bond side, amendments now let municipalities raise funds to refinance existing project debt, strengthen disclosure and operational norms for pooled financing vehicles, and introduce measures to encourage retail participation, while also permitting electronic public-issue advertisements and relaxing timelines for financial-result submissions.

Perhaps the most tangible change for ordinary investors is the overhaul of the transmission process for a deceased investor's securities. A new Quick Transmission Processing route now covers small-value claims up to ₹10,000 for physical holdings and ₹30,000 for demat holdings alongside simplified documentation and higher thresholds for easier processing overall. SEBI also flagged that it will conduct a data-driven review of the SME capital-raising framework during FY 2026–27.

Enforcement and Market Structure: The Jane Street Fallout

Much of SEBI's 2026 agenda has been shaped by the fallout from its action against US trading firm Jane Street over alleged manipulation of index options on expiry days, one of the largest enforcement actions in the regulator's history. Chairman Pandey has since pushed a broader surveillance upgrade including delta-based open-interest monitoring and tighter position limits arguing that structural reform, not case-by-case punishment, is the real fix. This continues a multi-year overhaul of the futures and options segment, including larger contract lot sizes, tighter market-wide position limits linked to free-float and cash-market liquidity, and stricter intraday margin monitoring, all aimed at reducing speculative retail losses that SEBI's own data pegged at roughly nine in ten active F&O traders.

Alongside this, SEBI has moved on IPO readiness for market infrastructure institutions, granting NSE the no-objection certificate needed to finally pursue its long-delayed listing, and clearing reforms that let very large companies dilute equity gradually rather than through one oversized IPO, a change explicitly designed with mega listings like NSE and Reliance Jio Infocomm in mind.

On the investor-protection front, SEBI has also stepped up enforcement against unregistered financial advisors and "finfluencers," barring some from the markets and impounding proceeds linked to unregistered advisory schemes dressed up as educational content.

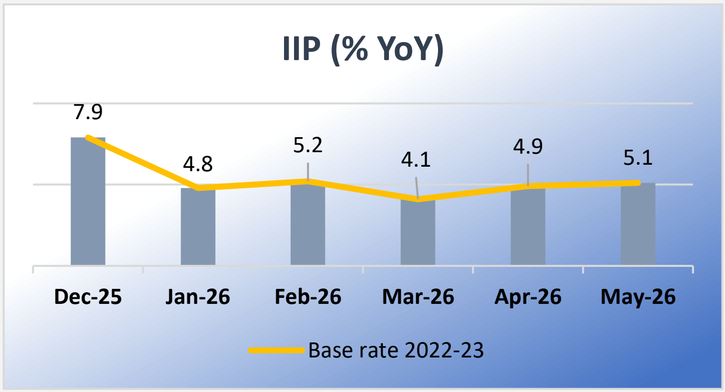
The Big Picture

Taken together, SEBI's 2026 decisions reveal a regulator trying to do two things simultaneously: strip away compliance friction that has piled up for funds, foreign investors, and issuers over the years, while tightening the rules where retail money and market trust are most exposed: derivatives trading, unregistered advice, and its own internal conduct. Whether this balance holds will likely depend on how smoothly the December 2026 implementation deadlines for FPI settlement and other reforms play out, and how the government responds to SEBI's own referred governance proposals.

ECONOMY

IIP (Index of Industrial Production) – May

Industrial output in India expanded by 5.1% from the previous year in May of 2026, picking up from the 4.9% increase in the previous month and ahead of market expectations of 4.7%.

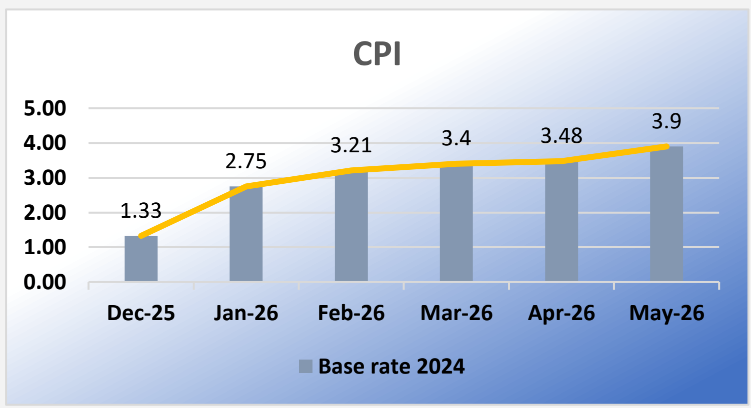


The growth rates of the Four sectors, Mining & Quarrying, Manufacturing, Electricity & Gas Supply and Water Supply, Sewerage & Waste Management for the month of May 2026 are (-)1.6 percent, 5.5 percent, 9.9 percent and 5.5 percent respectively.

Source: APAS BRT, mospi.gov.in

The corresponding growth rates of IIP as per Use-Based Classification in May 2026 over May 2025 are 2.6 percent in Primary Goods, 12.9 percent in Capital Goods, 5.8 percent in Intermediate Goods, 5.9 percent in Infrastructure/ Construction Goods, 7.2 percent in Consumer durables and 3.6 percent in Consumer non-durables. Based on Use-Based Classification, top three positive contributors to the growth of IIP for the month of May 2026 are Intermediate Goods, Capital Goods and Primary goods.

CPI (Consumer Price Index) – May



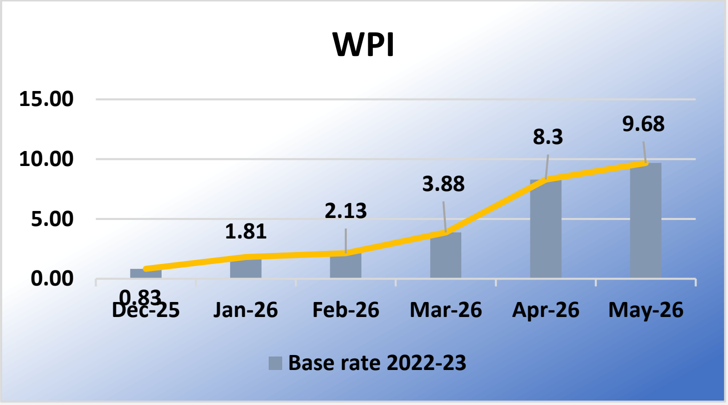
Source: APAS BRT, eaindustry.nic.in

The inflation rate in India rose to 3.9% in May of 2026 from 3.5% in the previous month, the highest since January of the previous year. Still, it was less than market expectations of 4%, remaining below the Reserve Bank of India's medium-point threshold of 4%. Food inflation, which is a major part of the Indian consumer basket, rose to 4.8% from 4.2% in April, also the highest in 16 months, as the war in the Middle East lifted energy and fertilizer prices that are essential in Indian food production. Meanwhile, price growth was high for personal care, social protection, and miscellaneous goods and services (18.5%) and restaurants and accommodation (5.75%). On the other hand, inflation was muted for transportation (1.75%) and housing and utilities (1.73%). From the previous month, consumer prices rose by 0.8%.

WPI (Wholesale Price Index) – May

All India Wholesale Price Index (WPI) inflation for May 2026 is 9.68 % on year-on-year (YoY) basis, compared to 8.26 % in April 2026.

Across Major Groups, YoY inflation for Primary Articles, Fuel and Power, and Manufactured Products is 4.99 %, 30.33 %, and 7.48 %, respectively in May 2026, whereas it was 3.78 %, 24.89 %, and 6.68 %, respectively, in April 2026.



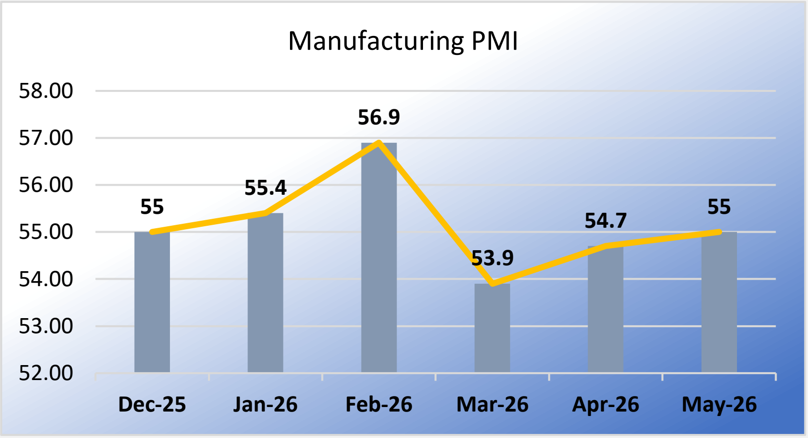
Source: APAS BRT, eaindustry.nic.in

Across Groups, ‘Mineral Oils (containing Petroleum Products)’, ‘Crude Petroleum and Natural Gas’, ‘Manufacture of Chemicals and Chemical Products’, and ‘Manufacture of Basic Metals’, have been major drivers of WPI inflation in April and May 2026.

WPI Food Index (weight=24.99 %): The Food Index consists of ‘Food Articles’ from Primary Articles major group, and ‘Manufacture of Food Products’ from Manufactured Products major group. It observed a YoY inflation of 4.49 % in May 2026, compared to 3.11 % in April 2026.

Manufacturing PMI – May

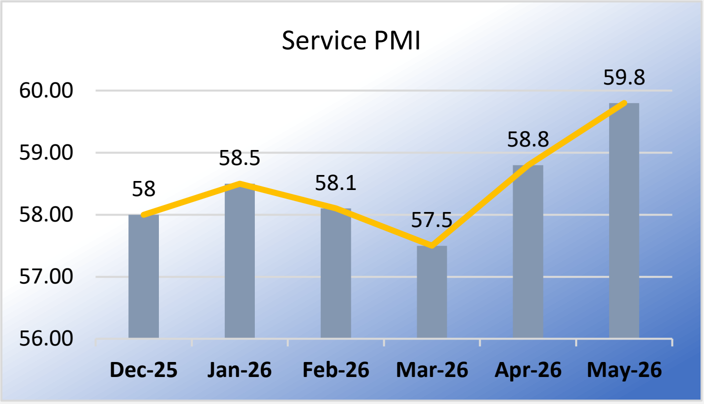
India’s HSBC Manufacturing PMI rose to 55.0 in May 2026, a three-month high, from 54.7 in April, and was revised higher from the flash estimate of 54.3. Growth was driven by faster gains in new orders, output and purchasing, led by domestic demand as exports softened. Sales were supported by intermediate and capital goods amid infrastructure spending and new business wins. Manufacturers increased input buying on stockpiling needs, while pre-production inventories rose as supply conditions improved and delivery times shortened. Finished goods stocks also rose to an 11-year high as supply outpaced demand. Employment rose more slowly, while backlogs edged higher. On prices, input costs climbed sharply on higher energy, fuel, materials and transport costs linked to geopolitical tensions. Output price inflation remained more moderate as firms limited pass-through. Business confidence stayed positive, supported by strong order pipelines and easing cost expectations.



Source: tradingeconomics.com

Services PMI – May

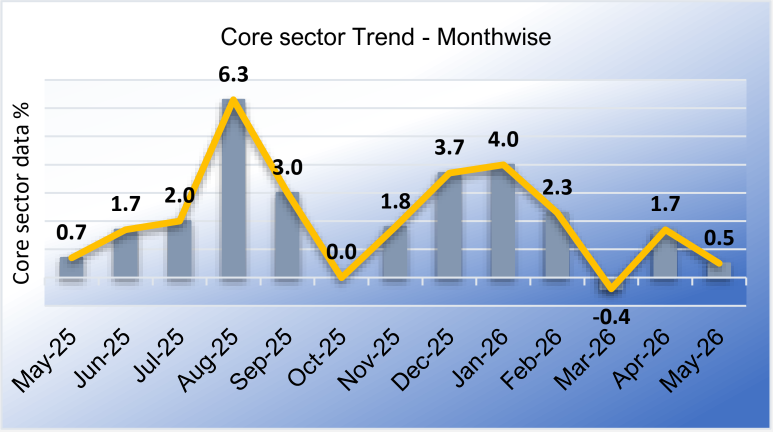
The HSBC India Services PMI was revised higher to 59.8 in May 2026 from the preliminary estimate of 58.9 and a final reading of 58.8 in April. Still, the latest reading marked the strongest growth since last November, as output continued to expand while new orders rose at the fastest pace in three months. Output growth was supported by healthy demand conditions, new client wins, and ongoing improvements in new business intakes. New export business also rose, albeit at a slower pace than total sales and the average recorded during the 2025 calendar year. Meanwhile, employment increased, with job creation remaining solid and the second-fastest in just under a year. On prices, both input and output inflation recorded their strongest increases in four months, driven by higher food, fuel, gas, labour, and material costs. Lastly, sentiment weakened to a three-month low and remained below the historical trend, though firms stayed optimistic due to expectations of favourable demand conditions.



Source: tradingeconomics.com

Core Sector Data – May

The combined Index of Eight Core Industries (ICI) increased by 0.5 % (provisional) in May 2026 compared to the Index in May 2025. The production of Steel, Cement, and Electricity recorded positive growth in May 2026. The ICI measures the combined and individual performance of production of eight core industries viz. Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity. The Eight Core Industries comprise 40.27 percent of the weight of items included in the Index of Industrial Production (IIP).



Source: APAS BRT, eaindustry.nic.in

The final growth rate of Index of Eight Core Industries for April 2026 was observed at 1.8 per cent. The cumulative growth rate of ICI during April to May 2026-27 is 1.1 per cent (provisional) compared to the corresponding period of last year.

The summary of the Index of Eight Core Industries is given below:

Coal - Coal production (weight: 10.33 per cent) decreased by 9.3 per cent in May 2026 over May 2025. Its cumulative index declined by 9.1 per cent during April to May 2026-27 over corresponding period of the previous year.

Crude Oil - Crude Oil production (weight: 8.98 per cent) declined by 4.6 per cent in May 2026 over May 2025. Its cumulative index declined by 4.2 per cent during April to May 2026-27 over corresponding period of the previous year.

Natural Gas - Natural Gas production (weight: 6.88 per cent) declined by 4.9 per cent in May 2026 over May 2025. Its cumulative index declined by 4.5 per cent during April to May 2026-27 over corresponding period of the previous year.

Petroleum Refinery Products - Petroleum Refinery production (weight: 28.04 per cent) declined by 8.7 per cent in May 2026 over May 2025. Its cumulative index declined by 4.7 per cent during April to May 2026-27 over corresponding period of the previous year.

Fertilizers - Fertilizer production (weight: 2.63 per cent) declined by 0.9 per cent in May 2026 over May 2025. Its cumulative index declined by 4.5 per cent during April to May 2026-27 over corresponding period of the previous year.

Steel - Steel production (weight: 17.92 per cent) increased by 5 per cent in May 2026 over May 2025. Its cumulative index increased by 5.2 per cent during April to May 2026-27 over corresponding period of the previous year.

Cement - Cement production (weight: 5.37 per cent) increased by 8.4 per cent in May 2026 over May 2025. Its cumulative index increased by 8.3 per cent during April to May 2026-27 over corresponding period of the previous year.

Electricity - Electricity generation (weight: 19.85 per cent) increased by 8.7 per cent in May 2026 over May 2025. Its cumulative index increased by 7.1 per cent during April to May 2026-27 over corresponding period of the previous year.

ECONOMIC DATA SNAPSHOT

Countries	GDP %		CPI %		Current Account Balance	Budget Balance	Interest Rates
	Latest	2026*	Latest	2026*	% of GDP, 2026*	% of GDP, 2026*	10-yr Gov bonds latest,%
United States	2.6 Q1	2.2	4.2 May	3.8	-3.4	-6.5	4.4
China	5.0 Q1	4.9	1.2 May	1.6	3.2	-5.8	1.4
Japan	0.4 Q1	0.7	1.5 May	1.8	3.6	-1.8	2.7
Britain	1.1 Q1	1.0	2.8 May	3.3	-3.4	-5.1	4.8
Canada	-0.1 Q1	0.8	3.2 May	2.6	-0.4	-2.1	3.4
Euro area	0.3 Q1	0.8	3.2 May	2.8	2.3	-3.4	2.9
France	0.9 Q1	0.8	2.8 May	2.3	-0.6	-5.3	3.6
Germany	0.3 Q1	0.6	2.7 May	2.7	4.2	-3.7	2.9
Italy	0.8 Q1	0.8	3.2 May	2.7	0.8	-3.0	3.6
Spain	2.7 Q1	2.2	3.6 May	3.2	2.3	-2.4	3.4
Russia	-0.2 Q1	0.7	5.3 May	5.5	2.2	-3.4	15.9
Australia	2.5 Q1	1.6	4.0 May	4.3	-1.9	-1.8	4.8
India	7.8 Q1	6.5	3.9 May	4.8	-1.5	-4.5	6.8
Indonesia	5.6 Q1	5.0	3.1 May	3.5	-1.7	-3.5	7.2
Malaysia	5.4 Q1	4.5	2.0 May	2.5	3.4	-4.1	3.6
Philippines	2.8 Q1	2.9	6.8 May	5.3	-4.1	-6.3	7.0
Singapore	6.0 Q1	2.9	1.8 May	2.8	15.3	0.8	2.1
South Korea	3.8 Q1	2.9	3.1 May	2.9	8.2	-2.5	4.2
Taiwan	14.5 Q1	10.5	2.2 May	1.6	27.4	1.8	1.7
Thailand	2.8 Q1	1.8	2.8 May	2.8	0.5	-5.5	2.1
Brazil	1.8 Q1	2.0	4.7 May	4.7	-2.6	-7.3	14.6
Mexico	0.2 Q1	0.9	3.9 May	4.0	-0.4	-3.8	9.0
South Africa	1.9 Q1	1.6	4.4 May	4.3	-1.0	-4.4	8.4

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BANKING

Launch of Payment Systems' Connectivity Between India and Cambodia for QR-Code Based Cross-Border Merchant Payments

The RBI has launched the first phase of QR code-based cross-border merchant payments between India and Cambodia as part of its efforts to strengthen international payment connectivity under the G20 roadmap. Through the partnership between NPCI International Payments Limited (NIPL) and Acleda Bank, Indian travelers can now use UPI apps to make real-time payments at over 4.5 million KHQR-enabled merchants in Cambodia. The initiative promotes secure, transparent, and cashless transactions while reducing reliance on cards. In the second phase, Cambodian travelers will be able to use their payment apps to make UPI QR payments at merchants in India.

RBI issues draft 'Guidance on Regulatory Principles for Model Risk Management

The RBI has released a draft Guidance on Regulatory Principles for Model Risk Management for public consultation. The proposed framework aims to strengthen the governance, validation, monitoring, and management of risks arising from the use of models by regulated entities. The guidance will apply to banks, cooperative banks, financial institutions, NBFCs, asset reconstruction companies, and credit information companies. RBI has invited comments from regulated entities, stakeholders, and the public until July 24, 2026.

RBI issues Amendment Directions on 'Net Open Position – Revised Instructions

The RBI has issued final Amendment Directions on 'Net Open Position (NOP) – Revised Instructions' after considering stakeholder feedback on the draft released in January 2026. The revised framework updates the calculation of banks' foreign exchange exposure by simplifying NOP computation, aligning the shorthand method with Basel standards, maintaining capital charges on actual NOP, and allowing exemptions for certain structural forex positions. The amendments aim to ensure greater consistency across regulated entities and closer alignment with Basel Committee on Banking Supervision (BCBS) standards. The new directions will come into effect from April 1, 2027.

RBI Issues Amendment Directions on 'Review of Framework of Limiting Customer Liability in Digital Transactions

The RBI has issued final Amendment Directions on the Review of the Framework for Limiting Customer Liability in Digital Transactions after incorporating stakeholder feedback on the draft released in March 2026. The revised framework expands customer protection to cover a wider range of fraudulent electronic banking transactions, shortens the timeline for banks to resolve fraud-related complaints, and introduces a compensation mechanism for small-value fraudulent transactions. The amendments aim to strengthen consumer protection and improve the efficiency of fraud resolution. The new directions will come into effect from January 1, 2027.

INSURANCE

Life Insurance – May 2026

Sl No.	Insurer	First year premiuim			No. of Policies / Schemes			Sum Assured		
	New Business Statement of Life Insurers for the Period ended 31st May 2026							(Premium & Sum Assured in Rs.Crore)		
		Up to May,2026	Growth in %	Market Share	Up to May,2026	Growth in %	Market Share	Up to May,2026	Growth in %	Market Share
1	Acko Life Insurance Limited	37.74	211.97	0.06	553.00	92.01	0.02	6758.32	554.49	0.25
2	Aditya Birla Sun Life Insurance Company Limited	1154.85	33.18	1.85	45140.00	14.82	1.52	64359.98	27.78	2.40
3	Ageas Federal Life Insurance Company Limited	161.33	31.72	0.26	6385.00	0.31	0.22	4047.25	9.18	0.15
4	Aviva Life Insurance Company India Limited	55.66	21.66	0.09	3408.00	72.21	0.12	24712.79	-19.12	0.92
5	Bajaj Allianz Life Insurance Company Limited	2172.93	48.36	3.47	92653.00	16.88	3.13	127951.10	42.72	4.78
6	Bandhan Life Insurance Limited	53.34	46.39	0.09	4787.00	-6.80	0.16	2122.89	36.20	0.08
7	Bharti Axa Life Insurance Company Limited	116.94	24.19	0.19	6453.00	2.02	0.22	63678.20	149.17	2.38
8	Canara HSBC Life Insurance Company Limited	373.78	33.15	0.60	30955.00	15.56	1.05	55004.54	329.38	2.05
9	CreditAccess Life Insurance Limited	54.24	71.65	0.09	7.00	-89.23	0.00	2910.84	18.24	0.11
10	Edelweiss Life Iinsurance Company Limited	39.22	0.43	0.06	3584.00	-6.64	0.12	426.51	-20.73	0.02
11	Generali Central Life Insurance Company Limited	104.04	-5.93	0.17	10463.00	158.67	0.35	10617.05	106.42	0.40
12	Go Digit Life Insurance Limited	274.35	33.54	0.44	3166.00	19.20	0.11	224897.67	23.75	8.40
13	HDFC Life Insurance Company Limited	5108.52	2.87	8.16	163740.00	12.98	5.53	260548.58	-3.25	9.73
14	ICICI Prudential Life Insurance Company Limited	2899.04	18.85	4.63	101377.00	17.57	3.42	344332.59	27.19	12.86
15	IndiaFirst Life Insurance Company Limited	262.97	3.35	0.42	25355.00	33.50	0.86	19200.54	7.46	0.72
16	Kotak Mahindra Life Insurance Company Limited	1165.89	41.48	1.86	23968.00	-11.54	0.81	47842.06	-3.74	1.79
17	Axis Max Life Insurance Limited	1650.91	14.81	2.64	101628.00	11.53	3.43	108844.26	-1.52	4.06
18	PNB MetLife India Insurance Company Limited	656.15	33.78	1.05	31300.00	24.58	1.06	35136.78	-230.16	1.31
19	Pramerica Life Insurance Limited	287.72	31.21	0.46	8433.00	28.20	0.28	21041.60	-10.00	0.79
20	IndusInd Nippon Life Insurance Company Limited	211.78	41.03	0.34	16731.00	-17.27	0.56	2780.85	0.75	0.10
21	SBI Life Insurance Company Limited	5709.34	22.93	9.12	249624.00	4.42	8.43	722214.91	318.07	26.97
22	Shriram Life Insurance Company Limited	309.48	29.43	0.49	68078.00	47.00	2.30	39850.02	56.68	1.49
23	Star Union Dai-ichi Life Insurance Company Limited	385.15	36.98	0.62	24591.00	56.10	0.83	46281.35	245.70	1.73
24	Tata AIA Life Insurance Company Limited	1511.58	30.82	2.42	142465.00	11.77	4.81	151287.59	9.53	5.65
	Private Total	24756.96	21.29	39.56	1164844	13.65	39.33	2386848	62.14	89.13
25	Life Insurance Corporation of India	37824.26	18.14	60.44	1796708	0.14	60.67	290964.25	54.51	10.87
	Grand Total	62581.22	19.37	100.00	2961552	5.05	100.00	2677813	61.28	100.00

CAPITAL MARKET

Guidelines for winding up of AIFs with respect to retention of proceeds and 'Inoperative Fund' status

SEBI has issued new guidelines to make the winding-up process for Alternative Investment Funds (AIFs) more practical by allowing funds to retain liquidation proceeds beyond their permissible life in limited cases, such as pending litigation, anticipated tax liabilities (with approval from at least 75% of investors by value), or residual winding-up expenses. It has also introduced an "Inoperative Fund" status, enabling fully wound-up funds with only residual obligations to continue existing with reduced compliance requirements until all liabilities are settled and the remaining proceeds are distributed to investors, thereby ensuring a smoother and more efficient fund closure process.

Transaction in Securities of Unlisted Public Limited Companies on various Platforms

SEBI has cautioned investors against buying or selling securities of unlisted public limited companies through unauthorised online platforms and websites, reiterating that such platforms are neither recognised nor regulated by the market regulator. Transactions executed on these platforms fall outside SEBI's regulatory framework, leaving investors without regulatory recourse in the event of disputes, fraud or losses. The regulator has also advised investors not to share sensitive personal or financial information on such platforms and to exercise due diligence before dealing in unlisted securities.

Key decisions taken in the SEBI Board Meeting dated 19th June, 2026

SEBI's Board approved a broad package of reforms aimed at improving market efficiency, easing compliance and strengthening investor protection across capital markets. Key decisions include reintroducing the stock exchange route for share buybacks, permitting intraday borrowing by mutual funds for liquidity management, streamlining regulations for Alternative Investment Funds (AIFs), and facilitating municipal bond issuances and securitised debt instruments. The Board also approved governance enhancements within SEBI and other measures to deepen capital markets while balancing ease of doing business with stronger regulatory oversight.

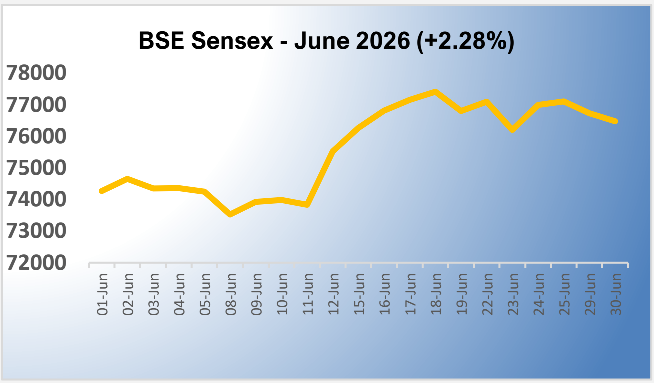
Launch of Securities Market TechSprint at Global Fintech Fest 2026 (GFF '26)

SEBI has launched the Securities Market TechSprint as part of Global Fintech Fest 2026 (GFF '26) to encourage startups, students and technology professionals to develop innovative solutions for key challenges in India's securities market. The initiative focuses on areas such as AI-driven fraud detection, agentic regulatory compliance, a unified multi-asset investor super app, and simplified IPO documentation for SMEs. Shortlisted participants will showcase their solutions at GFF 2026, compete for cash prizes, and may receive mentorship through SEBI's Innovation Sandbox programme, reinforcing SEBI's focus on technology-led market development and investor protection.

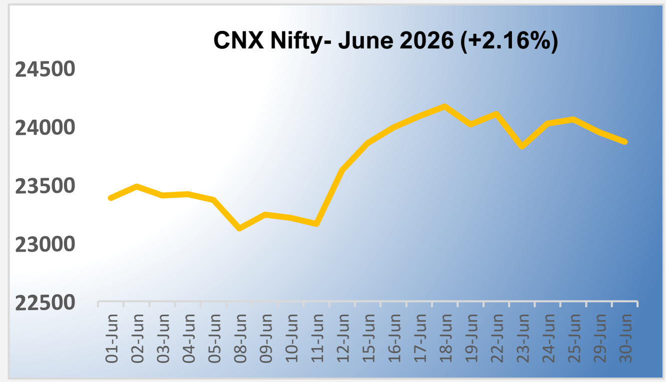
SEBI Proposes Common Advertisement Code for Specified Regulated Entities

SEBI has released a consultation paper proposing a Common Advertisement Code (CAC) to replace multiple entity-specific advertising frameworks with a single, harmonised code for regulated entities such as brokers, mutual funds, investment advisers and portfolio managers. The proposal aims to simplify compliance by replacing prior approval of advertisements with post-issuance reporting, while strengthening investor protection through standardised disclosures, restrictions on misleading practices and a ban on dark patterns. It also proposes allowing celebrity endorsements for entity or brand-level promotions (but not specific products) and seeks public comments on the framework until 14 July 2026.

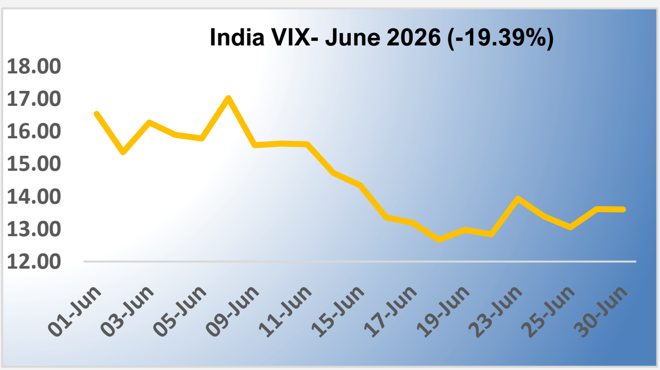
CAPITAL MARKET SNAPSHOT



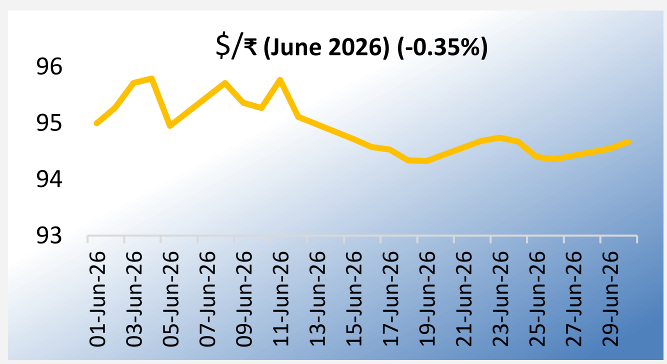
Sources: Bombay Stock Exchange



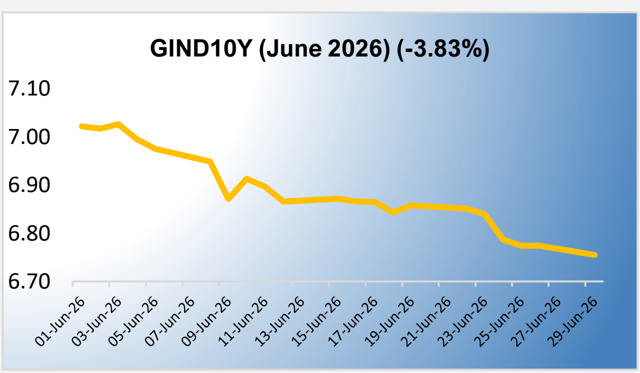
Sources: National Stock Exchange



Source: National Stock Exchange



Sources: APAS Business Research Team



Sources: APAS Business Research Team

Equity markets staged a strong recovery in June 2026, rebounding sharply after a volatile first half of the year. The BSE Sensex rose 2.28%, while the Nifty 50 advanced 2.16%. Market breadth was broad-based, with the Nifty Midcap 150 gaining 2.29% and the Nifty Smallcap 250 rallying 5.12%, as investor preference shifted back toward the broader market. The VIX plunged 19.39%, reflecting a sharp unwinding of risk premium, while USD/INR firmed 0.35% and the 10-year G-Sec yield fell 3.83%.

Sentiment was driven primarily by the Iran-Israel ceasefire announced in early June, which unwound weeks of risk aversion and sparked a broad relief rally, with midcaps and small-caps attracting the strongest buying interest. Crude prices eased as the ceasefire held, easing India's key cost and currency concerns. On policy, the RBI's June 5 MPC kept the repo rate unchanged at 5.25% but rolled out measures to draw foreign capital into debt markets expanding the Fully Accessible Route, removing FPI investment limits, and easing NRI/OCI equity caps which helped drive the sharp fall in bond yields. Resilient domestic SIP flows into midcap and smallcap funds sustained the broader market's outperformance even as FIIs stayed cautious on large caps for parts of the month.

ABOUT APAS

APAS is an advisory management firm specializing in banking, financial services, and the insurance space. APAS assists business leaders of some of the leading domestic and global organizations, acting as an extended arm to the management in coping with the ever changing internal and external dynamics. Leveraging deep business insights APAS develops business and operational strategy for its clients. APAS provides transaction advisory services (Buy, sell and merge), and also specializes in governance and board training. APAS facilitates investors and sellers with directional guidelines of pursuing transactions, by utilizing subject knowledge, vast experience, and deep market outreach. APAS has capability to identify and analyze key transaction drivers, recognize possible partnerships, and initiate discussions with them for possible growth opportunity. We help major insurance companies, payment institutions, and other financial organizations to identify their growth potential, innovative opportunity, and possible benefits of consolidation, and hence comprehend the possible merger or acquisition. Buying or selling a major asset or a business, undertaking a merger, or performing an IPO can be risky and complex especially in this globalization era. Hence, the need of a trusted advisor who can help clients preserve, create and enhance value in transactions.

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