

Top Story 1

RBI, NPCI to start work on expanding UPI to 20 countries by FY29

The Reserve Bank of India, along with NPCI International Payments (NIPL), will in FY25 begin work towards taking UPI to 20 countries with a completion timeline of FY29, the central bank said in its annual report for FY24. “The steady stream of innovations has enhanced UPI’s usefulness and ease of use, which has resulted in UPI becoming the single largest retail payment system in terms of volume of transactions,” the report said. UPI offers features such as UPI123Pay, UPI Lite on-device wallet, linking RuPay credit cards to UPI, and processing mandates with single-block-and-multiple-debits. In FY24, additional features such as conversational payments, offline transactions using near field communication (NFC) technology, and pre-sanctioned credit lines from banks were added to the payment channel.

<https://www.thehindubusinessline.com/money-and-banking/rbi-npci-to-start-work-on-expanding-upi-to-20-countries-by-fy29/article68232767.ece>

Top Story 2

Good news for Indian economy

The outlook for the Indian economy remains bright, backed by a sustained strengthening of various macroeconomic fundamentals, robust financial and corporate sectors, said Reserve Bank of India in its annual report published on Thursday. In the 284-page report, RBI said the government's continued thrust on capital expenditure while pursuing fiscal consolidation, and consumer and business optimism augur well for investment and consumption demand. The Indian economy is exhibiting strength and stability with robust macroeconomic fundamentals and financial stability. The country has emerged as the fastest growing major economy in the world and a leading contributor to global growth. For 2024-25, the government is set to spend on capital expenditure at Rs 11 trillion, or about 3.4 per cent of GDP. This is almost 4.5x from a decade before. The prospects for agriculture and rural activity appear favourable due to the ebbing El Nino and the expected above normal southwest monsoon.

<https://newstodaynet.com/2024/05/31/good-news-for-indian-economy/>

Economy: -

India's economy: From stable to positive

The Recent ratings agency S&P Global changed its outlook on India from stable to positive. The revised outlook reflects its assessment that “policy stability, deepening economic reforms and high infrastructure investment” will help sustain the Indian economy’s long-term growth prospects. The change in outlook comes only a few days before the results of the ongoing national elections are declared. While there are differences in the manifestos and public rhetoric of the two broad political formations contesting this election, which may well translate into differences in policies, the ratings agency says that “regardless of the election outcome”, “broad continuity in economic reforms and fiscal policies” can be expected. The change in outlook now raises the possibility of a ratings upgrade over the next two years. The current rating of BBB — is the lowest investment grade rating.

<https://indianexpress.com/article/opinion/editorials/indias-economy-from-stable-to-positive-9362620/>

Finance: -

Indian economy is on a firm footing: RBI annual report

The Reserve Bank of India's annual report underscores the Indian economy's firm footing, driven by enhanced external sector sustainability and robust corporate balance sheets. The RBI projects a 7% GDP growth for 2024-25, supported by strong macroeconomic fundamentals, production-linked incentive (PLI) schemes, and an anticipated above-normal monsoon. These factors are expected to boost employment and economic stability. Despite global uncertainties and challenges, the improved external sector sustainability and robust corporate balance sheets signify a resilient economy. The RBI highlights that the PLI schemes will play a critical role in sustaining growth by promoting manufacturing and generating employment. Additionally, favorable weather conditions will further bolster agricultural output, contributing to the overall economic expansion. The report reflects optimism in India's economic trajectory, emphasizing that strong macroeconomic fundamentals and strategic policy initiatives will drive sustained growth.

R <https://economictimes.indiatimes.com/news/economy/indicators/indian-economy-is-on-a-firm-footing-rbi-annual-report/articleshow/110563983.cms?from=mdr>

Banking: -

RBI to boost use of rupee overseas

The Reserve Bank of India (RBI) will allow rupee accounts to be opened outside the country this year in what appears to be a move to promote the use of the Indian currency overseas. The central bank will allow lending in rupee by Indian banks to persons resident outside India. The RBI will also enable foreign direct investment and portfolio investment through special accounts, such as special non-resident rupee and special rupee vostro accounts, it said in its annual report released Thursday. Besides, it will promote the use of the rupee and other domestic currencies in the Asian Clearing Union (ACU) mechanism," the RBI said. "As part of the RBI's quest for enhancing the role of the rupee globally, and given the department's (the department of external investments and operations) unique position in assessing the international economic and monetary environment, it would work towards further internationalisation of the INR," the RBI's annual report said.

<https://www.financialexpress.com/business/banking-finance-rbi-to-boost-use-of-rupee-overseas-3507650/>

Investment: -

UAE Gets India's Online Payment Service! Now, You Can Use UPI Payments At NEOPAY Terminals For Easy Transactions

In India, online payments are mostly done by UPI or Unified Payments Interface. Several digital payments apps, are based on this technology. But here's the great news; while India's Online payment platform is an Indian digital payments service, it is now available in UAE too! Travellers using the India's Online payment platform App may now pay with UPI at Mashreq's NEOPAY terminals. You can find it at a range of eateries, entertainment venues, and retail stores. The collaboration between Mashreq and NPCI International Payments Limited (NIPL) makes this possible. Indian travellers may now easily utilise UPI for transactions thanks to Mashreq's cooperation. It has made it possible for NEOPAY terminals to accept UPI applications as a form of payment. You need a simple QR code scan for quick and easy payment processing. The Unified Payments Interface (UPI) facilitates these types of transactions. In fact, it will be in Indian Rupees (INR), indicating the exchange rate.

<https://curlytales.com/uae-gets-phonepe-now-you-can-use-upi-payments-at-neopay-terminals-for-easy-transactions/>

| Currency | Rate (Rs) | Change | Index | Change | |
|----------|-----------|--------|------------|-----------|--------|
| USDINR | 83.309 | -0.002 | NIFTY 50 | 22,529.20 | 40.55 |
| EURINR | 90.126 | -0.108 | BSE Sensex | 74,066.43 | 180.83 |
| GBPINR | 105.942 | -0.149 | | | |
| JPYINR | 53.08 | -0.016 | | | |