IN BRIEF

Rupee rises 76 paise to close at 95.60 against U.S. dollar

The rupee rose for the second consecutive session on Friday to close sharply higher at 95.60 against the U.S. dollar on softening of crude oil prices and supposed intervention by the RBI. Forex traders said markets found some comfort after comments from U.S. Secretary of State Marco Rubio hinted that diplomatic talks linked to the Iran situation were moving in a constructive direction. Moreover, positive domestic equities and a decline in U.S. treasury yields also supported the rupee. At the interbank forex market, the rupee opened at 96.30 against the U.S. dollar and stayed firm during the intraday. At the end of the trading session, the rupee was quoted at 95.60, higher by 76 paise from its previous close. On Thursday, the rupee rebounded 50 paise from its all-time closing low to settle at 96.36 against the U.S. dollar. PTI

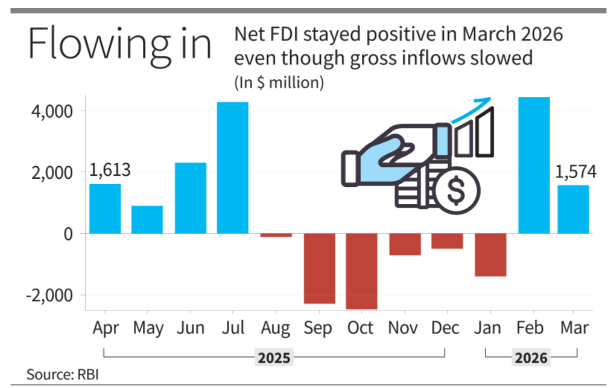
RBI injects transient liquidity of ₹81,590 cr. via VRR auction

The Reserve Bank of India (RBI) on Friday injected ₹81,590 crore transient liquidity into the banking system through a three-day variable rate repo (VRR) auction. Transient liquidity is temporary cash flow fluctuations in a financial or banking system, while a VRR auction is a monetary tool used by the RBI to inject short-term liquidity into the banking system. In a release, the RBI said the funds were infused at a 5.26% cut-off rate. The demand for funds still remained lower than the notified amount of ₹1 lakh crore despite the sharp drop in liquidity surplus in the banking system. However, in comparison with the previous auction conducted on May 21, the demand was higher from banks in Friday's auction. Experts anticipate that the RBI would announce another VRR auction to manage evolving liquidity conditions. PTI

March 2026 saw net foreign investments decline to -$11.7 bn

RBI data show net FDI positive for second consecutive month in March; portfolio investors withdrew more in March, April, May, than they put in

T.C.A. Sharad Raghavan
NEW DELHI



Source: RBI

Amidst pressure on the rupee and India's foreign exchange reserves, the latest data from the Reserve Bank of India (RBI) shows that the total amount of money that left the country in March 2026 exceeded inflows by $11.7 billion. This was the first month after the start of the West Asia crisis.

The overall outflow was driven by the exodus of foreign portfolio investors, which overshadowed the fact that net foreign direct investment (FDI) was positive for the second consecutive month.

That is, while net FDI was $1.6 billion in March 2026, net foreign portfolio inflows stood at -$13.3 billion. Typically, direct investment involves money flowing into growth-generating assets, while portfolio investment refers to money flowing into short- to medium-term stock holdings.

According to the RBI, the outflow of portfolio investments continued in April and May.

The outflow of dollars from the country has simultaneously eaten into the RBI's foreign exchange reserves and has led to the depreciation of the rupee.

Over the full financial year 2025-26, net FDI stood at $7.6 billion, nearly 700% higher than in 2024-25. This occurred despite six out of the twelve months experiencing more direct investment flowing out than in.

"During 2025-26, both gross and net FDI inflows were higher than the previous year," the RBI said in its monthly bulletin for April 2026.

"In March, net FDI remained positive for the second consecutive month, despite a deceleration in gross FDI, on account of relatively low repatriation and outward FDI."

Gross FDI in March 2026, or the total amount of direct investment entering the country that month, stood at $6.2 billion, nearly 31% lower than in February. However, this figure was 6% higher than in March of last year.

On the other hand, total outflows inched up to $4.7 billion in March 2026 from $4.5 billion in the previous month. This figure was 27% lower than in March 2025. Within the outflows, both repatriation by foreign companies operating in India and outward direct investment by Indian firms decreased compared with the previous year.

That is, the quantum of money repatriated and disinvested in March 2026 stood at $2.3 billion, down 40% over March last year, while outward FDI by Indian companies stood at $4.7 billion, down by 27%.

The data, however, showed that while net FDI was positive in March 2026, net foreign portfolio investments were significantly negative. That is, foreign portfolio investors (FPIs) took out $13.3 billion more from the Indian markets than they invested.

Demand driving growth, but economic outlook somewhat clouded: RBI report

'Pace of export orders displayed weakness, hit by the war and on subdued inbound tourism'

The Hindu Bureau
NEW DELHI

While India's domestic demand remains a key driver of growth, the near-term outlook for the economy is "somewhat clouded" due to supply side pressures brought on by the West Asia crisis, the Reserve Bank of India (RBI) said in a new report.

"Domestic demand continues to be the key driver of growth," the central bank said in its latest State of the Economy report as a part of its monthly bulletin for April 2026.

"Although headline inflation remains firmly within the tolerance band, the pass through to domestic prices needs to be monitored," it added.

"The financial conditions, crude oil prices and capital flows continue to pose challenges to the external sector outlook."

The central bank noted that while e-way bills continued to hit double-digit growth, and petrol and diesel consumption continued to grow, overall petroleum consumption fell in April due to a sharp fall in the consumption of naphtha, LPG and other petroleum products.

Similarly, higher temperatures led to a sharp increase in electricity demand. "Demand remained broad-based and supported by rural markets," the RBI noted. "Automobile sales in rural areas continued to grow at double digit in April, although showing some sequential moderation."

It added that due to the increase in prices of aviation turbine fuel, the air passenger traffic declined further in April.

Labour market conditions witnessed some moderation in the January-March 2026 quarter, with the labour force participation rate and worker population ratio declining alongside a rise in the unemployment rate.

On the supply side, the RBI said that sowing in the summer season has been "progressing well", surpassing the full season normal acreage and is higher than the previous year. It added that the acreage under all major crops is higher, except for rice.

On the services front, RBI said that the sector remained resilient in April.

However, it added that while the Services PMI accelerated, supported by a boost in transportation activity enabled by domestic suppliers and new business orders, the pace of export orders "displayed weakness", hit by the war in West Asia and subdued inbound tourism.

RBI board approves transfer of ₹2,86,588 cr. surplus to govt.

The Hindu Bureau
MUMBAI

The Central Board of Directors of the Reserve Bank of India (RBI) on Friday approved the transfer of surplus of ₹2,86,588.46 crore to the Central Government as dividend for the accounting year 2025-26.

This is an all-time high surplus transfer to the government, 6.7% higher than the ₹2.69 lakh crore transferred in the previous year. This was after taking into consideration the current macroeconomic factors, the financial performance of the bank and maintenance of appropriate risk buffers, the central bank said.

The board, at its 623rd meeting held in Mumbai under the chairmanship of Reserve Bank of India Governor Sanjay Malhotra, decided to transfer ₹1,09,379.64 crore towards the contingent risk buffer (CRB) for FY26 as against ₹44,861.70 crore in the previous year, and maintain the CRB at 6.5% of the size of the RBI balance sheet.

The central bank's board reviewed the global and domestic economic scenario, including risks to the outlook.

The board deliberated on the annual accounts of the Reserve Bank for FY26.

The gross income of the central bank increased by 26.42% over the previous year, while the expenditure before risk provisions increased by 27.6%.

LTM offers €160 mn for Randstad units

The Hindu Bureau
BENGALURU


Venu Lambu

LTM (formerly LTIMindtree) has on Friday offered to acquire Randstad's technology and consulting services business in France, Germany, Belgium, Luxembourg and Australia, cumulatively representing over $500 million in annual revenue.

The acquisition, for cash consideration of €160 million, is likely to be completed by Q3FY27 and expected to expand LTM's presence in key markets across aerospace and defence, automotive, utilities and BFS.

The deal would enable local domain expertise and complementary regional capabilities in domain-driven digital engineering, cybersecurity and IoT.

The pact would also involve a five-year IT services partnership to drive AI-enabled transformation of Randstad's India Global Capability Centre and a strategic talent MSP to support LTM's expanding global workforce.

"The proposed agreement is aligned with our five-year strategy to build a more resilient, diversified, balanced portfolio," said Venu Lambu, CEO & MD.

'Firms giving priority to AI-ready skills'

Insights are based on data taken from 1,215 employers and 2,593 employees across industries in India

The Hindu Bureau
BENGALURU

As AI becomes central to workforce strategy, Indian employers are prioritising practical, AI-ready skills across general industry and the technology sector, said Nasscom in a report it prepared in collaboration with Indeed, a global job search and hiring platform based in Texas.

Accordingly, Cloud and infrastructure integration, Gen AI and LLMs, including prompt engineering, MLOps and deployment data analytics and visualisation emerged as top skills in demand in the technology sector.

As per the analysis, employers are now actively hiring across three AI categories: AI engineering and development, operations and enablement and infrastructure and data systems, while Python, machine learning, Azure, TensorFlow, and AI are the most in-demand skills for AI-related roles. Whereas for software engineering roles, employers are prioritising skills that include Agile, APIs, Git and communication skills.

The report suggests employers are seeing a rise in hiring for AI-related roles, with BFSI and telecommunications emerging as leaders in this area. There is a 103% rise in internship postings in India.

Aggressive intermediary-led competition hurting general insurers' profitability: report

The Hindu Bureau
MUMBAI


'Most growth is coming via commissions.'

Aggressive intermediary-led competition is hurting profitability across the general insurance sector, said consulting firm Praxis Global Alliance in a report reiterating insurance regulator IRDAI's growing concerns over rising commissions and weakening underwriting discipline by general insurance companies.

The report comes days after IRDAI Chairman Ajay Seth flagged the sector's "structurally high-cost" nature and warned against excessive dependence on intermediary-driven distribution models.

Intermediary-led

According to the report, almost 80% of insurance business in India remains intermediary-led through agents, brokers, bancassurance partnerships and OEM channels, resulting in intense competition for distributor mindshare.

"Honestly, a lot of growth today is just being bought through commissions," the report quoted a senior insurance executive as saying. The report noted commission growth outpaced premium growth across private, PSU and standalone health insurers after the revised Expense of Management (EOM) framework came into effect in 2023.

Repco Home Finance Q4 net rises 3.2% to ₹129 crore

The Hindu Bureau
CHENNAI

Repco Home Finance Ltd., a Chennai-headquartered retail housing finance company, reported a 3.2% year-on-year rise in net profit for the fourth quarter ended March 31, 2026 to ₹129 crore.

Total income rose 7% to ₹454 crore while net interest income increased 16% to ₹207 crore. Loan sanctions grew 25% to ₹1,320 crore and disbursements 22% to ₹1,186 crore.

Gross non-performing assets improved to 2.55% from 3.26% while net NPAs were 1.17% against 1.32%.