NATIONAL APEX CHAMBER

FOREX & FEMA Newsletter

December 2018

PHD Research Bureau
PHD Chamber of Commerce and Industry
PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110016
Phone: 91-11-49545454; Fax: 91-11-26855450, 26863135

FOREX & FEMA NEWSLETTER

The daily average monthly turnover in India's foreign exchange market including merchant and interbank transactions in the category of purchases stands at USD 2373 million in September 2018 (as on 21st September 2018) as against USD 2465 million in August 2018. In the category of sales, the average daily turnover stands at USD 2396 million in September 2018 (as on 21st September 2018) as against USD 2485 million in August 2018.

In the month of November 2018, the average exchange rate of rupee against USD stands at 72. The average exchange rate of rupee against Japanese yen stands at 63.32. The exchange rate of rupee against Euro has remained at an average of 81.54 in the month of November 2018. While, the average exchange rate of rupee against pound sterling is at 92.52 during November 2018. India's foreign exchange reserves stands at about USD 393 billion as on December 14,2018 of which Foreign Currency Assets consists of USD 367.8 billion, Gold reserves at USD 21.18 billion, SDRs at USD 1.45 billion and reserve position in the IMF at USD 2.61 billion.

At commodity front, the average price of Gold has decreased from Rs 31468 per 10 grams in October 2018 to Rs 31010 per 10 grams in November 2018. The average price of silver has decreased from Rs. 38243 per 1 kg in October 2018 to Rs 36846 in November 2018. Similarly, the average price of copper has registered a declined from Rs. 449 per 1 kg in October 2018 to Rs. 434 per 1 kg in November 2018. In addition, Zinc has witnessed a decline in its average price from Rs. 196 per 1 kg in October 2018 to Rs 186 in November 2018. The average price of crude oil has decreased to Rs 4106 per barrel in November 2018 from around to Rs. 5217 per barrel in October 2018.

At regulatory front, RBI has decided in consultation with the Government of India to have a rule-based dynamic limit for outstanding stock of External Commercial Borrowings (ECB) at 6.5 per cent of GDP at current market prices. Based on the GDP figures as on March 31, 2018, the soft limit works out to USD 160 billion for the current financial year. The outstanding stock of ECB as on September 30, 2018 stood at USD 126.29 billion. Recently, RBI in its in Fifth Bi-Monthly Monetary Policy Statement, 2018-19 has decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.5 per cent on the basis of evaluation of current macroeconomic environment.

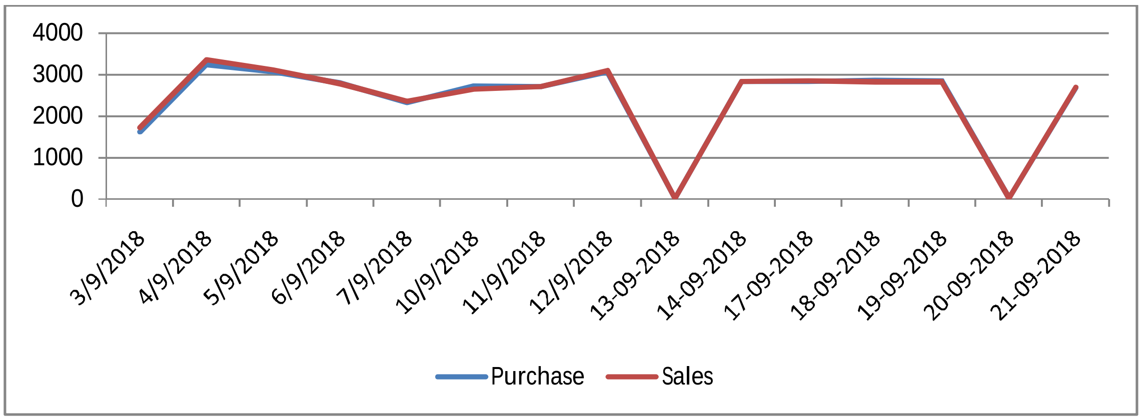
Further, the Government has moved a proposal in Parliament today for the enhancement of bank recapitalisation outlay from Rs. 65,000 crore to Rs. 1,06,000 crore in the current financial year to propel economic growth, cementing India's position as the fastest growing economy of the world. This would enable infusion of over Rs. 83,000 crore in the coming few months in Public Sector Banks (PSBs).

With a view to enhance credit discipline among the larger borrowers enjoying working capital facility from the banking system, delivery of bank credit for such borrowers has been brought under guidelines by RBI. In respect of borrowers having aggregate fund based working capital limit of ₹1500 million and above from the banking system, a minimum level of 'loan component' of 40 percent shall be effective from April 1, 2019. Accordingly, for such borrowers, the outstanding 'loan component' (Working Capital Loan) must be equal to at least 40 percent of the sanctioned fund based working capital limit, including ad hoc limits and TODs.

India's foreign exchange market turnover (daily average)

The daily average monthly turnover in India's foreign exchange market including merchant and interbank transactions in the category of purchases stands at USD 2373 million in September 2018 (as on 21st September 2018) as against USD 2465 million in August 2018. In the category of sales, the average daily turnover stands at USD 2396 million in September 2018 (as on 21st September 2018) as against USD 2485 million in August 2018.

Daily average monthly turnover in India's foreign exchange market (USD million)

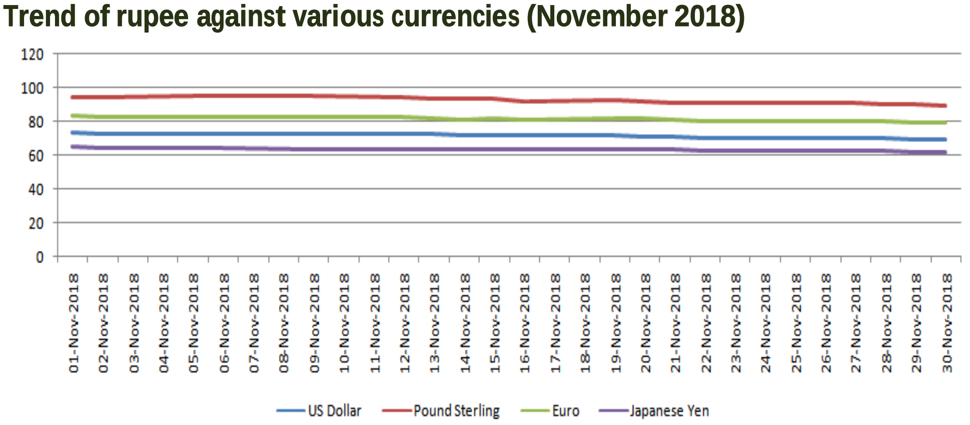


Source: PHD Research Bureau compiled from RBI

Overview of Indian rupee

In the month of November 2018, the average exchange rate of rupee against USD stands at 72. The average exchange rate of rupee against Japanese yen stands at 63.32. The exchange rate of rupee against Euro has remained at an average of 81.54 in the month of November 2018. While, the average exchange rate of rupee against pound sterling is at 92.52 during November 2018.

Trend of rupee against various currencies (November 2018)



Source: PHD Research Bureau compiled from RBI

Indian rupee overview

Average Exchange rate of rupee against USD stands at 72 in November 2018, against pound sterling at 92.52, against Euro at 81.54 and against Japanese Yen at 63.32.

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Trade & Investment Facilitation Services

TIFS

Single Window Information and Procedural Facilitation

Trade and Investment Facilitation Services (TIFS) is a vital component for international trade and investment community. It is envisioned to facilitate firms across the globe for trade and investments in India while simultaneously meeting India's rapidly growing appetite for new markets to enhance trade and investments.

Considering the thirst of the Nation to place India at the forefront of Global Economic Architecture, PHD Chamber of Commerce and Industry launched a specialized desk on Trade and Investment Facilitation Services (TIFS) on 31st March 2017. TIFS is an information and advisory hub to provide requisite and detailed information to facilitate national and international business firms to invest in India; advising them on prospective business opportunities in India in general and in States and promising sectors in particular.

Vision of TIFS

We aim to make India a US$ 100 billion (per annum) investment destination in the next five years and to enhance India's trade trajectory to the higher level. We envisage US$ 1000 billion merchandize trade (exports and imports) and US$ 500 billion services trade (exports and imports) per annum in the next five years.

Geographical Area

TIFS covers pan India from Jammu Kashmir in the North to Tamil Nadu in the South and from Gujarat in the West to Arunachal Pradesh in the East.

Three role dimensions

1. **Information role:**

Serving as a key link to all information centres on all national and regional/local regulations and clearances. This includes maintaining or having direct and easy access to such information. This also means constant updating of such information.

2. **Catalyst role:**

Providing facilitative advisory services to help overcome key obstacles and strengthen key positive enablers for enhanced trade and investments. This includes providing information or “leads” on opportunities that would benefit international business community to invest in India.

3. **Networking role:**

Effective networking with relevant Indian and overseas agencies and leveraging of such networks in the direction of risk mitigation and enhancing trade and investments.

Strategic Collaborators of TIFS

TIFS work in close coordination with Trade Consulars’ of different countries as well as international trade and business community and international chambers of commerce. Further, for facilitating and providing information on procedural requirements, TIFS also work in close coordination with the government both at the central and the state level as well as industry associations in India.

- Trade Consular's of different countries
- Government including Central and State
- Industry Associations
- International Trade and Business Community
- International Chambers of Commerce
- International Consulting Firms

How TIFS work in assisting investors?

It is envisaged to be the first-point-one-stop reference for potential investors from around the world. Our team of domain and functional experts provides sector-and state-specific inputs, and hand- holding support to investors. We assist with location identification, expediting regulatory approvals, facilitating meetings with relevant government and corporate officials among others. For instance, if an investor A from Germany wants to invest USD 100 million in a textile business in India.

- A team of trained staff will be associated with the task for maintaining a physical helpdesk and provide the investor with all the help required regarding the relevant approvals to set up a business and information related to investment areas across India.
- Facility to set up meetings of the investors with Government officials for specific investor queries, both at the state government and central government level.
- Regular updates on various economic developments in India in general and sector specific in particular.
- Updates on state level developments related to policy amendments, sectoral developments, taxation mechanism, infrastructural, etc.
- Updates on Foreign Direct Investment norms, Foreign Trade Policy, etc.

TIFS undertakes the following activities

i. Through regular research and networking with Government bodies, Entrepreneurs, Industry associations, Embassies/Consulates, Investment delegations, etc., the TIFS gather information on possible trade and investment opportunities in various sectors of the Indian economy.

ii. TIFS advises prospective traders and investors, national and international, in their process of filing applications and helping them meet other procedural and regulatory requirements. For this purpose, information on specific trade and investment guidelines at the state and central level is provided by TIFS.

iii. TIFS provides information at a broad level to international investors about possible potential joint venture partners in India. If TIFS is aware of any Indian parties interested in formation of Joint Ventures (JVs) with some global partners, such information is made available to interested investors.

iv. In case of requests made by individual investors to undertake specific research assignments, financial analysis or due diligence of any specific joint venture partner or Mergers & Acquisitions (M&A) targets, TIFS provides adequate resources to carry out such requests on an agreed cost.

v. In a nutshell, TIFS increases understanding amongst national and international investors on the promising investment areas and requirements and regulations for making investments. Facilitates in dealing with the Government in application procedures amongst the national and international Investors. Reduce lead time in investment processes and procedural transactions.

Registration

Registration is open to both Indian and foreign entities.

Registration fee is for your registration with TIFS program to receive updates on trade and investment scenario regularly for 1 year from the date of registration. However, for your specific queries consultancy charges would vary from case to case basis for facilitation services on detailed projects and exhaustive research studies.

For details, contact:

Dr. S P Sharma, Chief Economist

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016

Ph : + 91-11-26863801-04, 49545454; Fax: +91- 26855450, 49545451 spsharma@phdcci.in ebsite: www.phdcci.in

India’s external sector exhibited resilience despite widening of the CAD

India’s external debt at end March 2018 expanded by US$ 58.4 billion to USD 529.7 billion as of end March 2018 from USD 471.3 billion as of end-March 2017. The increase was primarily due to an increase in portfolio investment in debt securities embedded in commercial borrowings, NRI deposits and short-term debt. Of the total external debt, 49.5 per cent was denominated in the US dollar, followed by the Indian rupee (35.8 per cent), the SDR (5.5 per cent), the Japanese Yen (4.8 per cent), the Euro (3.4 per cent) and others (1.0 per cent). Especially, accretion to the external debt stock was modest and the average interest payments relative to external debt remained flat. The external debt-to-GDP ratio was the second lowest among the major emerging and developing economies (EMEs), if compared with the 2016 level of external debt positions.

The movement in India’s external vulnerability indicators between end-March 2017 and end-March 2018 was somewhat mixed. The ratio of external debt to GDP increased marginally with the maturity profile of external debt tilted towards a shorter duration on both original and residual maturity bases. India’s foreign exchange reserves at end-March 2018 were more than adequate to meet short term debt liabilities; nonetheless, these liabilities accounted for a larger share of foreign exchange reserves at end-March 2018 relative to March 2017. The foreign exchange reserves cover of imports declined between March 2017 and March 2018.Net investment inflows of foreign direct investment (FDI) and foreign portfolio investment (FPI) together amounting to US$ 52.4 billion and accounting for 57 per cent of net capital inflows, played a large role in external financing

While strong capital inflows added to the stock of foreign liabilities, most of the increase was offset by the rise in stock of foreign assets largely reflecting the steep rise in foreign exchange reserves. As a result, India’s net foreign liabilities (i.e., net IIP) rose modestly and in terms of ratio to GDP, there has been a marginal decline at end-March 2018 over end March 2017. The modest increase in net external liabilities is essentially a reflection of a modest and sustainable Current Account Deficit (CAD).

External Sector indicators

Indicator	End-Mar. 2014	End-Mar. 2015	End-Mar. 2016	End-Mar. 2017	End-Mar. 2018
External Debt (US$ billion)	446.2	474.7	484.8	471.3	529.7
Net International Investment Position (NIIP) (US$ bn)	-340.8	-364.3	-358.9	-388.5	-420.3
External Debt to GDP ratio	23.9	23.9	23.4	20.0	20.5
CAD/GDP ratio	1.7	1.3	1.1	0.6	1.9
NIIP/GDP ratio	-18.2	-18.3	-17.4	-16.5	-16.3

Ratio of Short-term Debt to Total Debt (original maturity)	20.5	18.0	17.2	18.7	19.3
Ratio of Short-term Debt to Total Debt (residual maturity)	39.7	38.5	42.7	41.6	42.0
Ratio of Concessional Debt to Total Debt	10.4	8.8	9.0	9.4	9.1
Ratio of Reserves to Total Debt	68.2	72.0	74.3	78.5	80.2
Ratio of Short-term Debt to Reserves	30.1	25.0	23.2	23.8	24.1
Ratio of Short-term Debt (residual maturity) to Reserves	58.2	53.5	57.5	53.0	52.3

Source: RBI

To sum up, India's external sector exhibited resilience despite the widening of the CAD on account of a surge in prices of major import commodities. Net inflow of foreign capital, however, exceeded the funding requirements of CAD which led to a significant build-up of reserves. Even though software exports could successfully withstand the challenging global business environment in the IT sector in 2017-18, further tightening of visa procedures in the US, the rise of automation and artificial intelligence, and competition from other markets including China can potentially impact export earnings.

Monthly trend of rupee exchange rate (high and low) against currencies

In the month of November 2018, the exchange rate of rupee against USD recorded highest at 73.82, while it registered lowest at 69.65. The exchange rate of rupee against pound registered highest at 95.30 and lowest at 89.08. In case of Euro currency, exchange rate of rupee recorded highest at 83.72 and lowest at 79.35. The exchange rate of rupee against Japanese yen recorded highest at 65.40 and lowest at 61.43.

Exchange rate of rupee against USD stood highest at 73.82 and lowest at 69.65 in November 2018.

Indian rupee overview **(November 2018)**

INR against foreign currency	Open	High	Low	Close
USD	73.82	73.82	69.65	69.65
Pound Sterling	94.81	95.30	89.08	89.08
Euro	83.72	83.72	79.35	79.35
Japanese Yen	65.40	65.40	61.43	61.43

Source: PHD Research Bureau compiled from RBI

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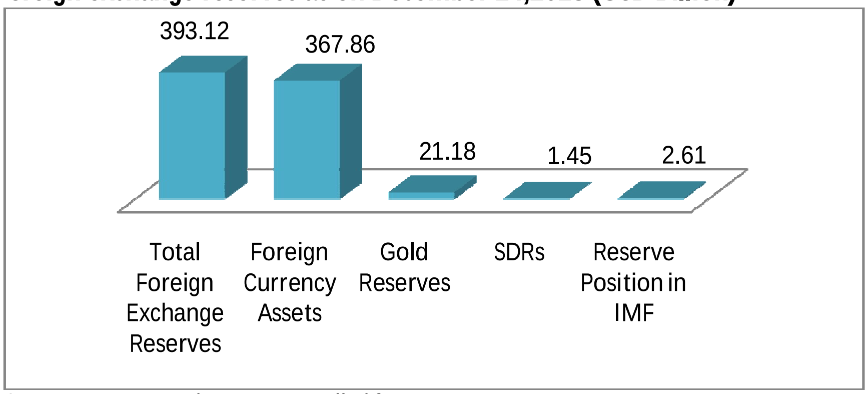
Foreign exchange reserves

India's foreign exchange reserves stands at about USD 393 billion as on December 14,2018 of which Foreign Currency Assets consists of USD 367.8 billion, Gold reserves at USD 21.18 billion, SDRs at USD 1.45 billion and reserve position in the IMF at USD 2.61 billion.

Foreign exchange reserves as on December 14,2018 (USD Billion)



Source: PHD Research Bureau compiled from RBI

India's foreign exchange reserves are at about USD 393 billion as on December 14,2018

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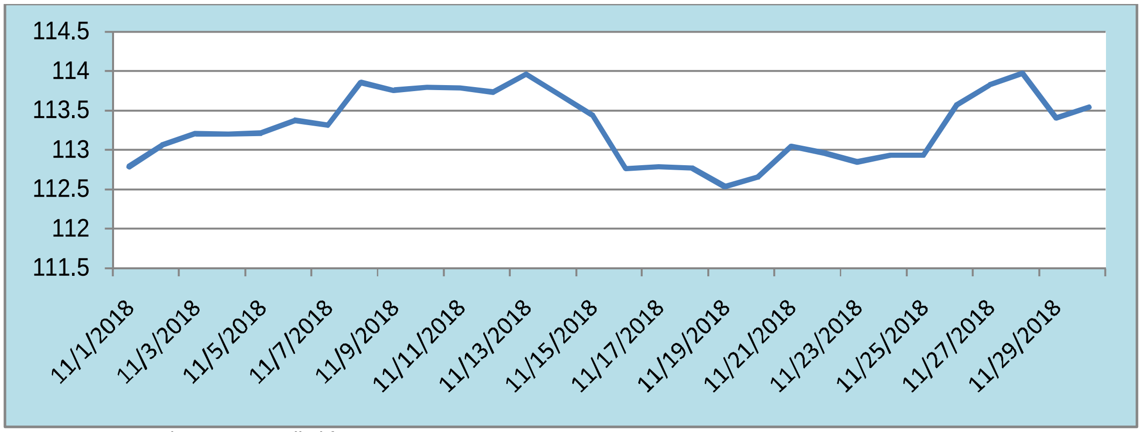
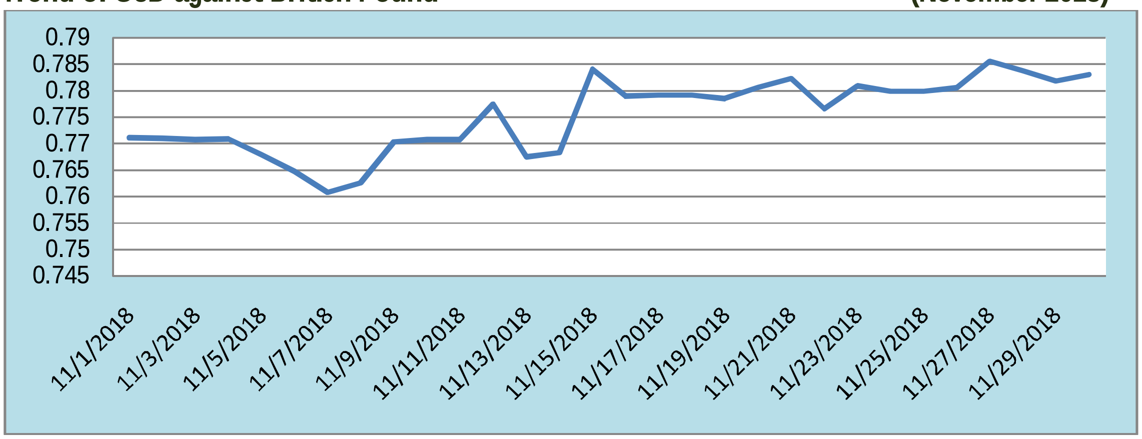
Trend of USD against Japanese Yen, British Pound and Euro in November 2018

Trend of USD against Japanese Yen (November 2018)



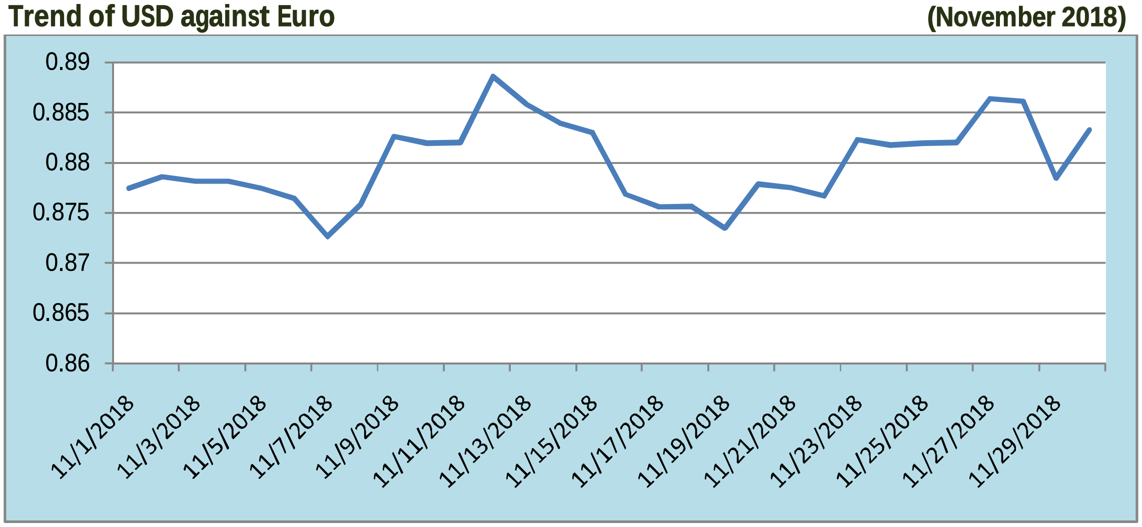
Source: PHD Research Bureau compiled from x-rates.

Trend of USD against British Pound (November 2018)



Source: PHD Research Bureau compiled from x-rates.

Trend of USD against Euro (November 2018)

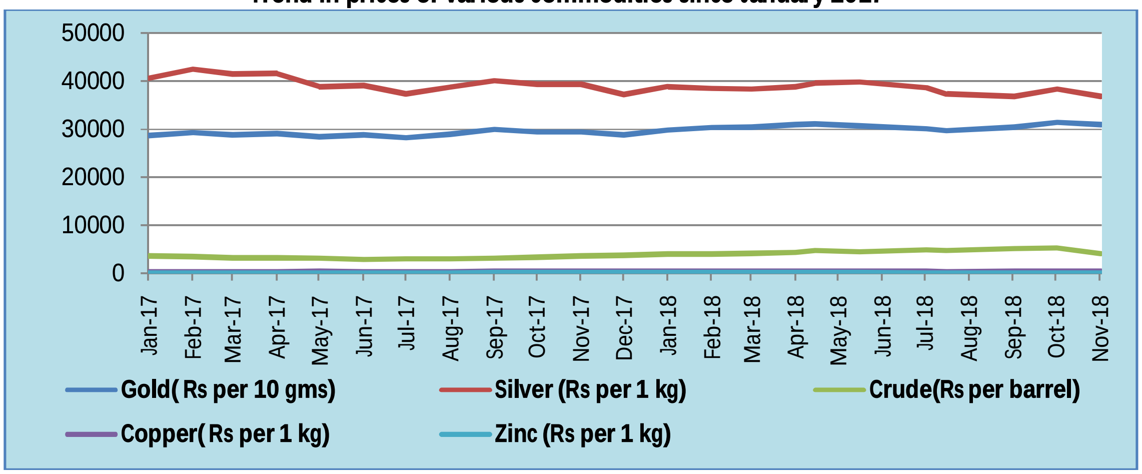


Source: PHD Research Bureau compiled from x-rates.

Commodity Markets

At commodity front, the average price of Gold has decreased from Rs 31468 per 10 grams in October 2018 to Rs 31010 per 10 grams in November 2018. The average price of silver has decreased from Rs. 38243 per 1 kg in October 2018 to Rs 36846 in November 2018. Similarly, the average price of copper has registered a declined from Rs. 449 per 1 kg in October 2018 to Rs. 434 per 1 kg in November 2018. In addition, Zinc has witnessed a decline in its average price from Rs. 196 per 1 kg in October 2018 to Rs 186 in November 2018. The average price of crude oil has decreased to Rs 4106 per barrel in November 2018 from around to Rs. 5217 per barrel in October 2018.

Trend in prices of various commodities since January 2017



Source: PHD Research Bureau, compiled from MCX.

Financial Markets

Select international indices such as NIKKEI, SHSZ, DJIA and DAX have exhibited negative growth trend in Dec 2018 over Nov 2018, while SENSEX exhibited a positive growth. DJIA, NIKKEI, DAX, SHSZ and SENSEX registered growth rate of (-) 9.2%, (-) 8.5%, (-) 8.4% , (-)4.7% and 0.8%, respectively in December 2018 (as on 27th) over the corresponding period of last month.

Global Indices			
Index	Index (as on 27th Nov 2018)	Index (as on 27th Dec 2018)	Monthly Change (in %)
DAX[1]	11309.11	10362.21	-8.4
DJIA[2]	24748.73	22461.40	-9.2
NIKKEI[3]	21952.40	20077.62	-8.5
SENSEX[4]	35513.14	35807.28	0.8
SHSZ[5]	3137.24	2990.51	-4.7

Source: PHD Research Bureau, compiled from various sources. Note: [1] Deutscher Aktien Index (Germany) data, [2] Dow Jones Industrial Average (US) Data, [3] NIKKEI (Japan), [4] BSE SENSEX (India), [5] Shanghai Shenzhen CSI 300 Index (China).

Recent regulatory developments

RBI caps ECB limit at 6.5% of GDP at USD 160 billion for the current financial year

RBI has decided in consultation with the Government of India to have a rule-based dynamic limit for outstanding stock of External Commercial Borrowings (ECB) at 6.5 per cent of GDP at current market prices. Based on the GDP figures as on March 31, 2018, the soft limit works out to USD 160 billion for the current financial year. The outstanding stock of ECB as on September 30, 2018 stood at USD 126.29 billion

Government enhances bank recapitalisation outlay

The Government has moved a proposal in Parliament today for the enhancement of bank recapitalisation outlay from Rs. 65,000 crore to Rs. 1,06,000 crore in the current financial year to propel economic growth, cementing India's position as the fastest growing economy of the world. This would enable infusion of over Rs. 83,000 crore in the coming few months in Public Sector Banks (PSBs). The enhanced provision is aimed at:

(1) Meeting regulatory capital norms
(2) Providing capital to better-performing PCA Banks to achieve 9% Capital to Risk-weighted Asset Ratio (CRAR); 1.875% Capital Conservation Buffer and the 6% Net NPA threshold, facilitating them to come out of PCA
(3) Facilitating non-PCA banks that are in breach of some PCA thresholds to not be in breach
(4) Strengthen amalgamating banks by providing regulatory and growth capital

Following comprehensive clean-up of the banking system under Government's 4R's approach of Recognition, Resolution, Recapitalisation and Reforms, the envisaged recapitalisation would equip banks financially at levels higher than the global norms. In this connection, it is pertinent that India's capital norms for banks are 1% higher than the norms recommended under the global Basel-III framework. Further, unlike the early intervention regime of other major economies, India's PCA framework for weaker banks has more onerous thresholds, *viz.*, higher capital thresholds and a Net NPA threshold that further embeds capital requirement on account of provisioning of NPAs. Today's proposal in an expression of Government's commitment that each PSB is an article of faith, and aims at securing compliance even for the higher regulatory norms.

The results of Government's comprehensive 4R's approach to strengthen PSBs and foster a culture of clean and responsible banking are now visible as under:

Recognition of restructured standard assets as NPAs was initiated with Asset Quality Review in 2015 and with discontinuation of restructuring schemes this year, the recognition exercise is nearly over with such assets declining from the peak of 7.0% in March 2015 to 0.59% as of September 2018.

Resolution process has been strengthened by changing the creditor-debtor relationship through the Insolvency and Bankruptcy Code and debarment of wilful defaulters and connected persons, which has resulted in record recovery this year.

Recapitalisation, under which, with today's decision, total mobilisation of capital in PSBs since commencement of clean-up in 2015-16 is slated to be over Rs. 3,00,000 crore.

Reforms have accompanied recapitalisation in the form of a comprehensive PSB Reforms Agenda that addresses the root causes of poor asset quality and commits banks to clean lending and rolling out of next-generation banking services by leveraging benefits of technology and formalisation of the economy.

Through 4R's, the banking system has registered sharp reduction in stress and loan defaults, record recovery and steady increase in provision coverage, and is poised to further harness the benefit from large-scale resolution anticipated over the current and next financial years.

Major impact of the 4R's approach is as under:

Gross NPAs of PSBs have started declining after peaking in March 2018, registering a decline of Rs. 23,860 crore in the first half of the current financial year.

Non-NPA accounts overdue by 31 to 90 days (Special Mention Accounts 1 & 2) of PSBs have declined by 61% over five successive quarters from Rs. 2.25 lakh crore as of June 2017 to Rs. 0.87 lakh crore as of September 2018, substantially paring down credit at risk.

The **Provision Coverage Ratio (PCR) of PSBs has risen steeply** from 46.04% as of March 2015 to 66.85% as of September 2018, giving banks cushion to absorb losses.

Record recovery of Rs. 60,726 crore has been effected by PSBs in the first half of the current financial year, which is more than double the amount recovered over the corresponding period last year.

PSBs have de-risked their portfolio as reflected in the Credit Risk-weighted Assets (RWAs) to Gross Advances ratio which has been decreased from 80.26% in Sep-17 to 71.20% in Sep-18.

India's global rank on "getting credit" under World Bank's Ease of Doing Business Index has improved from 44 in 2016 to 22 in 2018, manifesting Enhanced Access & Service Excellence (EASE) in banking.

RBI releases guidelines on loan system for delivery of bank credit

With a view to enhance credit discipline among the larger borrowers enjoying working capital facility from the banking system, delivery of bank credit for such borrowers shall be as under**:**

1. Minimum level of 'loan component' and Effective date

In respect of borrowers having aggregate fund based working capital limit of ₹1500 million and above from the banking system, a minimum level of 'loan component' of 40 percent shall be effective from April 1, 2019. Accordingly, for such borrowers, the outstanding 'loan component' (Working Capital Loan) must be equal to at least 40 percent of the sanctioned fund based working capital limit, including ad hoc limits and TODs. Hence, for such borrowers, drawings up to 40 percent of the total fund based working capital limits shall only be allowed from the 'loan component'. Drawings in excess of the minimum 'loan component' threshold may be allowed in the form of cash credit facility. Working examples for bifurcation of working capital limit are provided in table below. The bifurcation of the working capital limit into loan and cash credit components shall be effected after excluding the export credit limits (pre-shipment and post-shipment) and bills limit for inland sales from the working capital limit. Investment by the bank in the commercial papers issued by the borrower shall form part of the loan component, provided the investment is sanctioned as part of the working capital limit.

Working Example for Bifurcation of Working Capital Limits
(After adjustment as at above paragraph)

			(₹ in mn)
S. No.	**Sanctioned Aggregate Fund based Working Capital Limit (WCL)**	**Current Outstanding**	**40% of column 2 is to be drawn as WCL**
(1)	**(2)**	**(3)**	**(4)**
Scenario 1	₹2100	₹780	WCL - ₹780 Cash credit (CC) - Nil
Scenario 2	₹2100	₹1700	WCL - ₹840 CC - ₹860
Scenario 3	₹2100	₹1600	WCL - ₹840 CC - ₹760
Scenario 4	₹2100	₹2000	WCL - ₹840 CC - ₹1160
Scenario 5	₹2100	₹2050	WCL - ₹840 CC - ₹1210

Source: RBI

2. Sharing of Working Capital Finance

The ground rules for sharing of cash credit and loan components may be laid down by the consortium, wherever formed, subject to guidelines on bifurcation as stated in point 1 above. All lenders in the consortium shall be individually and jointly responsible to make sure that at the aggregate level, the 'loan component' meets the above mentioned requirements. Under Multiple Banking Arrangements (MBAs), each bank shall ensure adherence to these guidelines at individual bank level.

3. Amount and tenor of the loan

The amount and tenor of the loan component may be fixed by banks in consultation with the borrowers, subject to the tenor being not less than seven days. Banks may decide to split the loan component into WCLs with different maturity periods as per the needs of the borrowers.

4. Repayment/Renewal/Rollover of Loan Component

Banks/consortia/syndicates will have the discretion to stipulate repayment of the WCLs in installments or by way of a "bullet" repayment, subject to IRAC norms. Banks may consider rollover of the WCLs at the request of the borrower, subject to compliance with the extant IRAC norms.

5. Risk weights for undrawn portion of cash credit limits

Effective from April 1, 2019, the undrawn portion of cash credit/ overdraft limits sanctioned to the aforesaid large borrowers, irrespective of whether unconditionally cancellable or not, shall attract a credit conversion factor of 20 percent. The guidelines will be effective from April 1, 2019 covering both existing as well as new relationships. The 40 percent loan component will be revised to 60 percent, with effect from July 1, 2019.

RBI maintains status quo in Fifth Bi-Monthly Monetary Policy Statement, 2018-19

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) has decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.5 per cent. Consequently, the reverse repo rate under the LAF remains at 6.25 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 6.75 per cent. The decision of the MPC is consistent with the stance of calibrated tightening of monetary policy in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

Foreign Exchange Management (Borrowing and Lending) Regulations, 2018

In exercise of the powers conferred by clauses (a), (d) and (e) of Sub-Section (3) of Section 6, sub- section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in supersession of Notification No. FEMA. 3/2000-RB dated May 3, 2000, as amended from time to time, Notification No. FEMA. 4/2000-RB dated May 3, 2000, as amended from time to time and Regulation 21 of Notification No. FEMA. 120/RB-2004 dated July 7, 2004 as amended from time to time, the Reserve Bank makes the following regulations for borrowing and lending between a person resident in India and a person resident outside India, namely:

Short Title and Commencement: -

i) These Regulations may be called the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018.

ii) They shall come into force from the date of their publication in the Official Gazette.

Prohibition to Borrow or Lend: -

- Save as otherwise provided in the Act, Rules or Regulations made thereunder, no person resident in India shall borrow or lend in foreign exchange from or to a person resident in or outside India and no person resident in India shall borrow in rupees from, or lend in rupees to, a person resident outside India:
- Provided that the Reserve Bank may, for sufficient reasons, permit a person resident in India to borrow or lend in foreign exchange from or to a person resident in or outside India and/or permit a person resident in India to borrow in rupees from, or lend in rupees to, a person resident outside India.

Borrowing from outside India in Foreign Exchange by a Person Resident in India: -

A. Borrowing by an Authorised Dealer or its branch outside India

i) An AD may borrow from its Head Office or branch or correspondent outside India or any other entity up to limit specified and subject to terms and conditions as specified by the Reserve Bank from time to time, in consultation with Government of India.

ii) A branch outside India of an AD being a bank incorporated or constituted in India, may borrow in foreign exchange in the normal course of its banking business from outside India, subject to the directions or guidelines issued by the Reserve Bank from time to time, and the Regulatory Authority of the country where the branch is located.

iii) An AD may borrow in foreign exchange from a bank or a financial institution outside India, for the purpose of granting pre-shipment or post-shipment credit in foreign exchange to its exporter constituent, subject to compliance with the guidelines issued by the Reserve Bank in this regard. For detailed regulation, please access https://rbidocs.rbi.org.in/rdocs/notification/PDFs/BORO17122018141D6FF9D78A4F3BBB96BC74A6C11945.PDF

RBI releases half yearly report on Management of Foreign Exchange Reserves for April-September 2018

The Reserve Bank of India publishes half-yearly reports on management of foreign exchange reserves for bringing about more transparency and enhancing the level of disclosure. These reports are prepared half yearly with reference to the position as at end-March and end-September each year. The present report (31st in the series) is with reference to the position as at end-September 2018. During the period under review, reserves followed a declining trend from USD 420.52 billion as at end-April 2018, USD 412.37 billion as at end May 2018, USD 405.74 billion as at end-June 2018, USD 403.67 billion as at end July 2018 and USD 400.10 billion as at end-August 2018. It increased slightly to USD 400.43 billion as at end of September 2018.

Although both US dollar and Euro are intervention currencies and the Foreign Currency Assets (FCA) are maintained in major currencies, the foreign exchange reserves are denominated and expressed in US dollar terms. Movements in the FCA occur mainly on account of purchase and sale of foreign exchange by the RBI, income arising out of the deployment of the foreign exchange reserves, external aid receipts of the Central Government and changes on account of revaluation of the assets.

Movement in Foreign Exchange Reserves

(USD Million)

Month End	FCA	Gold	SDR	RTP	Forex Reserves
March -18	399442	21484	1540	2079	424545
			(1059)		
April -18	395277	21662	1523	2056	420517
			(1059)		
May -18	387661	21190	1497	2025	412373
			(1057)		
June -18	380768	21002	1486	2484	405740
			(1057)		
July -18	379175	20534	1485	2482	403675
			(1057)		
August -18	375987	20162	1477	2476	400102
			(1054)		
September -18	376243	20343	1471	2468	400525
			(1054)		

Source: RBI, Notes: (i) FCA (Foreign Currency Assets): FCA are maintained as a multi-currency portfolio comprising major currencies, such as, US dollar, Euro, Pound sterling, Japanese yen, etc. and are valued in terms of US dollars. FCA excludes (a) investment in bonds issued by IIFC (UK) (b) SDR holdings of Reserve Bank, which is included under SDR and (c) amount lent under SAARC Swap Arrangement. SDR (Special Drawing Rights): (Values in SDR have been indicated in parentheses.) RTP refers to the Reserve Tranche Position in the IMF. Difference, if any, is due to rounding off.

Forward Outstanding— The net forward liability (payable) of the Reserve Bank in domestic foreign exchange market stood at USD 0.96 billion as at the end of September 2018.

Adequacy of Reserves-- At the end of June 2018, the foreign exchange reserves cover of imports declined to 10.1 months from 10.9 months at end-March 2018. The ratio of short-term debt (original maturity) to reserves, which was 24.1 per cent at end-March 2018, increased to 24.3 per cent at end-June 2018. The ratio of volatile capital flows (includes cumulative portfolio inflows and outstanding short-term debt) to reserves increased from 85.3 per cent at end-March 2018 to 86.2 per cent at end-June 2018.

Management of Gold Reserves— The Reserve Bank holds 586.44 tonnes of gold, of which 294.14 tonnes are held overseas in safe custody with the Bank of England and the Bank for International Settlements, while the remaining gold is held domestically. In value terms (USD), the share of gold in the total foreign exchange reserves increased marginally from about 5.0 per cent as at end-March, 2018 to about 5.08 per cent as at end September, 2018.

Government notifies issue price of Sovereign Gold Bond 2018-19 Series-IV

The Sovereign Gold Bond Scheme 2018-19 - Series IV will be opened for subscription for the period from December 24, 2018 to December 28, 2018. The nominal value of the bond based on the simple average closing price [published by the India Bullion and Jewellers Association Ltd (IBJA)] for gold of 999 purity of the last three business days of the week preceding the subscription period, i.e. December 19-December 21, 2018 works out to Rs.3,119/- (Rupees Three Thousand One Hundred Nineteen only) per gram.

Government of India, in consultation with the Reserve Bank of India, has decided to offer a discount of Rs.50 per gram less than the nominal value to those investors applying online and the payment against the application is made through digital mode. For such investors, the issue price of Gold Bond will be Rs.3,069/- (Rupees Three Thousand Sixty Nine only) per gram of gold.

SEBI releases guidelines on fund raising by issuance of Debt Securities by Large Entities

This is in reference to the circular SEBI/HO/DDHS/CIR/P/2018/144 on Fund raising by issuance of Debt Securities by Large Entities. With a view to operationalising the Union Budget announcement for 2018-19, which, inter-alia, stated "SEBI will also consider mandating, beginning with large entities, to meet about one-fourth of their financing needs from the debt market", SEBI came out with a discussion paper on July 20, 2018. Based on feedback received on the discussion paper and wider consultation with market participants including entities, the detailed guidelines are released by SEBI for operationalising the above budget announcement.

Applicability of Framework : For the entities following April-March as their financial year, the framework shall come into effect from April 01, 2019 and for the entities which follow calendar year as their financial year, the framework shall become applicable from January 01, 2020. The term 'Financial Year' (FY) here would imply April- March or January-December, as may be followed by an entity. Thus, FY 2020 shall mean April 01, 2019 - March 31, 2020 or January 01, 2020 - December 31, 2020, as the case may be.

The framework shall be applicable for all listed entities (except for Scheduled Commercial Banks), which as on last day of the FY (i.e. March 31 or December 31):

- have their specified securities or debt securities or non-convertible redeemable preference share, listed on a recognised stock exchange(s) in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- have an outstanding long term borrowing of Rs 100 crores or above, where outstanding long-term borrowings shall mean any outstanding borrowing with original maturity of more than 1 year and shall exclude external commercial borrowings and inter-corporate borrowings between a parent and subsidiary(ies); and
- have a credit rating of "AA and above", where credit rating shall be of the unsupported bank borrowing or plain vanilla bonds of an entity, which have no

structuring/ support built in; and in case, where an issuer has multiple ratings from multiple rating agencies, highest of such rating shall be considered for the purpose of applicability of this framework.

Framework

A listed entity, fulfilling the criteria shall be considered as a “Large Corporate” (LC) and such a LC shall raise not less than 25% of its incremental borrowings, during the financial year subsequent to the financial year in which it is identified as a LC, by way of issuance of debt securities, as defined under SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (hereinafter "ILDS Regulations"). For the purposes of this circular, the expression "incremental borrowings" shall mean any borrowing done during a particular financial year, of original maturity of more than 1 year, irrespective of whether such borrowing is for refinancing/repayment of existing debt or otherwise and shall exclude external commercial borrowings and inter-corporate borrowings between a parent and subsidiary(ies).

Disclosure requirements for large entities

A listed entity, identified as a LC under the instant framework, shall make the following disclosures to the stock exchanges, where its security(ies) are listed: (i) Within 30 days from the beginning of the FY, disclose the fact that they are identified as a LC, in the format as provided at Annexure A (details enclosed). (ii)Within 45 days of the end of the FY, the details of the incremental borrowings done during the FY, in the formats as provided at Annexure B1 and B2 (details enclosed) .

Responsibilities of Stock Exchanges

The Stock Exchange(s) shall collate the information about the LC, disclosed on their platform, and shall submit the same to the Board within 14 days of the last date of submission of annual financial results. In the event of a short fall in the requisite borrowing, the Stock Exchanges shall collect the fine. The fine so collected shall be remitted by the stock exchanges to SEBI IPEF fund within 10 days from the end of the month in which the fine was collected.

SEBI releases operating guidelines for Alternative Investment Funds in International Financial Service Centres

Securities and Exchange Board of India (SEBI) has issued SEBI (International Financial Services Centre) Guidelines, 2015 (hereinafter referred to as ‘IFSC Guidelines’) on March 27, 2015 for facilitating and regulating financial services relating to securities market in an IFSC set up under section 18(1) of Special Economic Zones Act, 2005. The IFSC Guidelines provide for broad framework for setting up of Alternatives Investment Funds (hereinafter referred to as ‘AIF’) in IFSC. Based on the deliberations in Alternative Investment Policy Advisory Committee (AIPAC) and in consultation with other stakeholders, it has been decided by SEBI in place ‘Operating Guidelines for Alternatives Investment Funds in IFSC’.

Operating Guidelines for Alternative Investment Funds in International Financial Services Centres (IFSC)

REGISTRATION OF ALTERNATIVE INVESTMENT FUNDS FOR OPERATING IN IFSC

1. For registration as Alternative Investment Funds (AIFs) for operating in IFSC, any fund established or incorporated in IFSC in the form of a trust or a company or a limited liability partnership or a body corporate, can seek registration under the provisions of SEBI (Alternative Investment Funds) Regulations, 2012 ('AIF Regulations') under the categories mentioned therein.

2. An application for grant of certificate shall be made in accordance with the provisions of Chapter II of AIF Regulations, accompanied by a non-refundable application fee as stated in para 15 of the Annexure (details enclosed)

3. The Board may grant certificate under any specific category of AIF, if it is satisfied that the applicant fulfills the requirements as specified in AIF Regulations.

COMPLIANCE REQUIREMENTS, CONDITIONS AND RESTRICTIONS

4. Any person as specified in sub-clause (1) of clause 22 of SEBI IFSC Guidelines may invest in AIFs operating in IFSC.

5. An AIF operating in IFSC is permitted to make investment in terms of sub-clause (3) of clause 22 of SEBI IFSC Guidelines and circulars issued in this regard by SEBI from time to time. Earlier, such AIFs were permitted to invest in India through the Foreign Portfolio Investment route in terms of SEBI circular dated May 23, 2017 governing permissible investments by AIFs operating in IFSC. Now, such AIFs may invest in India through the Foreign Venture Capital Investor or Foreign Direct Investment (FDI) route also, in accordance with applicable FDI policy/ guidelines issued by Government of India and RBI in this regard.

6. Each scheme of the AIF shall have corpus of at least USD three million;

7. The AIF shall accept from an investor, an investment of value not less than USD one hundred and fifty thousand:

Sponsors and Managers of AIF

a) A Sponsor / Manager of an existing AIF in India may act as a Sponsor / Manager of an AIF set up in the IFSC by :
    i) setting up a branch in the IFSC; or
    ii) incorporating a company or limited liability partnership in the IFSC
b) However, Sponsor / Manager to be set up in IFSC shall need to incorporate a company or limited liability partnership in the IFSC.

Custodian

a) The Sponsor or Manager of an AIF (Category I and II) shall appoint a custodian registered with the Board for safekeeping of securities if the corpus of the AIF is more than USD seventy million.
b) It will be mandatory for Category III AIF to appoint a custodian.

Angel Funds

a. An angel fund shall have a corpus of at least USD seven hundred and fifty thousand.

Investment in angel funds

For the purpose of investment in an Angel Fund set-up in IFSC, an "angel investor" shall satisfy the following financial criteria :

i) An individual investor shall have net tangible assets of at least USD three hundred thousand excluding value of his principal residence,

A body corporate shall have a net worth of at least USD one million five hundred thousand.

RBI eases hedging rules for external commercial borrowing

This is with reference to the paragraphs 2.4.2 and 2.5 of Master Direction No.5 dated January 1, 2016 on "External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers", as amended from time to time and A. P. (DIR Series) Circular No. 11 dated November 06, 2018, in terms of which certain eligible borrowers raising foreign currency denominated ECBs under Track I, having an average maturity between 3 and 5 years, are mandatorily required to hedge their ECB exposure fully, the attention of Authorized Dealer Category-I (AD Category-I) banks is invited.

On a further review of the extant provisions, it **has been decided by RBI, in consultation with the Government of India, to reduce the mandatory hedge coverage from 100 per cent to 70 per cent for ECBs raised under Track I of the ECB framework by eligible borrowers given at paragraph 2.4.2 (vi) of the aforesaid Master Direction for a maturity period between 3 and 5 years.**

Further, it is also clarified that ECBs falling within the aforesaid scope but raised prior to the date of this circular will be required to mandatorily roll-over their existing hedge(s) only to the extent of 70 per cent of outstanding ECB exposure. All other provisions of the ECB policy remain unchanged.

Legal Entity Identifier Code for participation in non-derivative markets

This is in reference to the operational instructions contained in RBI circular on Legal Entity Identifier Code for participation in non-derivative markets issued vide FMRD.FMID.No.10/11.01.007/2018-19 dated November 29 , 2018.

The Legal Entity Identifier (LEI) code has been conceived of as a key measure to improve the quality and accuracy of financial data systems for better risk management post the Global Financial Crisis. The LEI is a 20-character unique identity code assigned to entities who are parties to a financial transaction. Globally, use of LEI has expanded beyond derivative reporting and it is being used in areas relating to banking, securities market, credit rating, market supervision, etc.(https://www.gleif.org/en/about-lei/regulatory-use-of-the-lei).

The LEI system has been implemented in a phased manner for participants (other than individuals) in the over-the-counter markets for rupee interest rate derivatives, foreign currency derivatives and credit derivatives in India in terms of RBI circular FMRD.FMID No. 14/11.01.007/2016-17 dated June 1, 2017 and for large corporate borrowers of banks in terms of RBI Circular DBR.No.BP.BC.92/21.04.048/2017-18 dated November 2, 2017.

In the **Statement on Developmental and Regulatory Policies, First Bi-monthly Monetary Policy Statement for 2018-19 (Paragraph No. 8), dated April 05, 2018**, it was proposed to implement the LEI mechanism for all financial market transactions undertaken by non-individuals in interest rate, currency or credit markets regulated by RBI.

The directions on requirement of LEI Code for participation in non-derivative markets are as below.

- All participants, other than individuals, undertaking transactions in the markets regulated by RBI viz., Government securities markets, money markets (markets for any instrument with a maturity of one year or less) and non-derivative forex markets (transactions that settle on or before the spot date) shall obtain Legal Entity Identifier (LEI) codes by the due date indicated in the schedule given in Annex. Only those entities that obtain an LEI code on or before the due dates applicable to them shall be able to undertake transactions in these financial markets after the due date, either as an issuer or as an investor or as a seller / buyer. Transactions undertaken on recognized stock exchanges are outside the purview of the LEI requirement.

Schedule for Implementation of LEI in the Money market, G-sec market and Forex market

Phase	**Net Worth of Entities**	**Proposed deadline**
Phase I	above Rs.10000 million	April 30, 2019
Phase II	between Rs.2000 million and Rs 10000 million	August 31, 2019
Phase III	up to Rs.2000 million	March 31, 2020

- In case of non-derivative forex transactions, while all inter-bank transactions shall be subject to LEI requirement, client transactions shall require LEI code for transactions involving an amount equivalent to or exceeding USD one million or equivalent thereof in other currencies.

- Non-resident entities undertaking financial transactions in the relevant markets shall also require LEI code. Such entities that are not legal entities in their country of incorporation (e.g., funds operated by a non-resident parent/management company that are each registered as an FPI) shall use the LEI code of the parent/management company.

- Entities responsible for executing transactions, reporting or for depository functions in these markets shall capture the LEI code of the transacting participants in their systems.
- Entities can obtain LEI from any of the Local Operating Units (LOUs) accredited by the Global Legal Entity Identifier Foundation (GLEIF) (https://www.gleif.org/en). In India LEI code may be obtained from Legal Entity Identifier India Ltd. (LEIL) (https://www.ccilindia-lei.co.in). The rules, procedures and documentation requirements may be ascertained from LEIL (https://www.ccilindia-lei.co.in/USR_FAQ_DOCS.aspx).
- Entities undertaking financial transactions shall ensure that their LEI code is considered current under the rules of the Global LEI System. Lapsed LEI codes shall be deemed invalid for transactions in markets regulated by RBI.
- The Directions are issued under section 45W, read with section 45U, of the Reserve Bank of India Act, 1934.

RBI relaxes guidelines for NBFCs on securitisation transactions

This is in reference to the Guidelines on Securitisation Transactions vide paragraph 102 of Master Directions on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions dated September 01, 2016 and paragraph 89 of Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions dated September 01, 2016.

In order to encourage NBFCs to securitise/assign their eligible assets, it has been decided by RBI to relax the Minimum Holding Period (MHP) requirement for originating NBFCs, in respect of loans of original maturity above 5 years, to receipt of repayment of six monthly installments or two quarterly installments (as applicable), subject to the following prudential requirement:

Minimum Retention Requirement (MRR) for such securitisation/assignment transactions shall be 20% of the book value of the loans being securitised/20% of the cash flows from the assets assigned.

The above dispensation shall be applicable to securitisation/assignment transactions carried out during a period of six months from the date of issuance of this circular. Other terms and conditions of the above referred Directions remain the same.

NATIONAL APEX CHAMBER

Macro-economic indicators

October 2018 IIP grows at 8.1%

Growth in industry output, as measured in terms of IIP, for the month of October 2018 stands at 8.1% as compared to 4.5% in September 2018. The growth in the three sectors mining, manufacturing and electricity in October 2018 stands at 7.0%, 7.9% and 10.8% respectively over October 2017. Primary goods growth stands at 6.0%, capital goods growth stands at 16.8%, intermediate goods growth stands at 1.8%, infrastructure/construction goods growth stands at 8.7%, consumer durables stands at 17.6% and consumer non-durables growth stands at 7.9% during October 2018 as compared to the previous year.

November 2018 CPI inflation falls to 2.33%

The all India general CPI inflation (Combined) for November 2018 (Prov.) falls to 2.33% from 3.38% in October 2018. The inflation rates for rural and urban areas for November 2018 (Prov.) are 1.71% and 3.12%, respectively, as compared to 2.82% and 4.04% respectively, for October 2018. Rate of inflation during November 2018 (Prov.) for fuel and light (7.39%), housing (5.99%), transport and communication (6.09%), education (6.64%) and health (7.16%) etc.

November 2018 WPI inflation falls to 4.64%

The WPI inflation falls to 4.64% in November 2018 as compared to 5.28% in October, 5.22% in September 2018, 4.62% in August 2018, 5.27% in July 2018 and 5.68% in June 2018. The fall in WPI inflation in the month of November 2018 is attributed to rise in the prices of Potato (86.45%), Petrol (12.06%) and LPG (23.22%).

ECBs stand at USD 1.9 billion during November 2018

Indian firms have raised about USD 1.9 billion through external commercial borrowings (ECBs) by automatic and approval route in November 2018 as against USD 1.4 billion in October 2018. The borrowings stood at USD 3.02 billion in November 2017. India has received gross ECBs worth around USD 359 billion between FY2001 and FY2019 (till November 2018). A closer look at the ECBs pattern reveals that the lion’s share in ECBs during the month of November 2018 is held for On-lending/Sub-lending by about 37% of the total borrowings followed by general corporate purpose by around 35% and working capital purpose at about 16%.

Merchandise exports and imports grew by 0.8% and 4.31% respectively during November 2018

India’s exports during November 2018 were valued at USD 26.50 Billion as compared to USD 26.29 Billion during November 2017 exhibiting a positive growth of 0.8%. In Rupee terms, exports were valued at Rs. 1,90,429.46 crore in November 2018 as compared to Rs. 1,70,541.01 crore during November 2017, registering a positive growth of 11.66%. India's imports during November 2018 were valued at USD 43.17 Billion (Rs 3,10,215.46 crore) which was 4.31% higher in Dollar terms and 15.55% higher in Rupee terms over the level of imports valued at USD 41.39 Billion (Rs. 2,68,467.53 crore) in November 2017.

India's trade statistics at a glance

Merchandise	May-18	June-18	July-18	Aug-18	Sept-18	Oct-18	Nov-18
Exports (USD billion)	**28.86**	**27.7**	**25.77**	**27.84**	**27.95**	**26.98**	**26.50**
Growth (%)	20.18	17.57	14.32	19.21	-2.15	17.86	0.8
Imports (USD billion)	**43.48**	**44.3**	**43.79**	**45.24**	**41.93**	**44.11**	**43.17**
Growth (%)	14.85	21.31	28.81	25.41	10.45	17.62	4.31
Trade Balance (USD billion)	**-14.62**	**-16.6**	**-18.02**	**-17.39**	**-13.98**	**-17.13**	**-16.67**

Source: PHD Research Bureau, compiled from Ministry of Commerce and Industry, Govt of India

Gross Bank Credit grows at 13.1% in October 2018

Gross bank credit grows at 13.1% in October 2018 as against 11.3% in September 2018. The gross bank credit growth stands at 6.0% in October 2017. On a year-on-year (y-o-y) basis, non-food bank credit increased by 13.4% in October 2018 as against 11.3% in September 2018. Credit to agriculture and allied activities increased by 8% in October 2018 as against 5.8% in September 2018.

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India's key statistics so far...

S. NO.	Indicators	Dec-2018
1	Daily average monthly turnover in foreign exchange market	
	Purchase (USD billion) *	23.73
	Sales (USD billion) *	23.96
2	Exchange rate of rupee against USD (monthly average)	72
3	Exchange rate of rupee against Pound Sterling (monthly average)	92.52
4	Exchange rate of rupee against Euro (monthly average)	81.54
5	Exchange rate of rupee against Japanese Yen (monthly average)	63.32
6	Foreign exchange reserves (USD billion)^	393
7	IIP (growth in %)-October 2018	8.1
8	CPI inflation (%) –Nov 2018	2.33
9	WPI inflation (%)- Nov 2018	4.64
10	FDI equity inflow (USD billion)***	12.75
11	FDI equity inflow (% growth)****	23%
12	External Debt (USD billion)@	514
13	ECBs (USD billion) –Nov 2018	1.9
14	Current account deficit as a % of GDP Q2 of FY2019	2.9
15	India's exports (USD billion) –Nov-18	26.50
16	Growth of exports (%)–Nov-18	0.8
17	India's imports (USD billion)- Nov-18	43.17
18	Growth of imports (%)–Nov-18	4.31
19	Trade balance (USD billion) – Nov-18	-16.67
20	Repo rate ^^	6.5%
21	Reverse repo rate^^	6.25%
22	Cash reserve ratio^^	4%
23	Statutory liquidity ratio^^	19.5%

Source: PHD Research Bureau compiled from various sources. *Data for the month of Sep 2018 (as on 21st September 2018). ^ Foreign exchange reserves on December 14,2018 @Data for the end-June 2018, ^^Key policy rates such as repo, CRR, reverse repo and SLR pertains to as on 5th December 2018. *** 2018-2019 (April to June 2018-19), ****Growth (YOY) over previous period.

Project Team

Dr. S P Sharma
Chief Economist

Ms. Surbhi Sharma
Associate Economist

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PHD Research Bureau

PHD Research Bureau; the research arm of the PHD Chamber of Commerce and Industry was constituted in 2010 with the objective to review the economic situation and policy developments at sub-national, national and international levels and comment on them in order to update the members from time to time, to present suitable memoranda to the government as and when required, to prepare State Profiles and to conduct thematic research studies on various socio-economic and business developments.

The Research Bureau has been instrumental in forecasting various lead economic indicators national and sub-national. Many of its research reports have been widely covered by media and leading newspapers. Recently, the Research Bureau has undertaken various policy projects of Government of India including Framework of University-Industry Linkages in Research assigned by DSIR, Ministry of Science & Technology, Study on SEZ for C&AG of India, Study on Impact of Project Imports under CTH 9801 for C&AG of India, among others.

Research Activities	Comments on Economic Developments	Newsletters	Consultancy
• Research Studies	• Macro Economy	• Economic Affairs Newsletter (EAC)	• Trade & Investment Facilitation Services (TIFS)
• State Profiles	• States Development	• Global Economic Monitor (GEM)	
• Impact Assessments	• Infrastructure	• Trade & Investment Facilitation Services (TIFS)	
• Thematic Research Reports	• Foreign exchange market	• State Development Monitor (SDM)	
• Releases on Economic Development	• Global Economy & International Trade	• Forex and FEMA Newsletter	
		• Industry Development Monitor (IDM)	

Studies undertaken by the PHD Research Bureau

A: Thematic research reports

1. Comparative study on power situation in Northern and Central states of India (September2011)
2. Economic Analysis of State (October 2011)
3. Growth Prospects of the Indian Economy, Vision 2021 (December 2011)
4. Budget 2012-13: Move Towards Consolidation (March 2012)
5. Emerging Trends in Exchange Rate Volatility (Apr 2012)
6. The Indian Direct Selling Industry Annual Survey 2010-11 (May 2012)
7. Global Economic Challenges: Implications for India (May 2012)
8. India Agronomics: An Agriculture Economy Update (August 2012)
9. Reforms to Push Growth on High Road (September 2012)
10. The Indian Direct Selling Industry Annual Survey 2011-12: Beating Slowdown (March 2013)
11. Budget 2013-14: Moving on reforms (March 2013)
12. India- Africa Promise Diverse Opportunities (November 2013)
13. India- Africa Promise Diverse Opportunities: Suggestions Report (November 2013)
14. Annual survey of Indian Direct Selling Industry-2012-13 (December 2013)
15. Imperatives for Double Digit Growth (December 2013)
16. Women Safety in Delhi: Issues and Challenges to Employment (March 2014)
17. Emerging Contours in the MSME sector of Uttarakhand (April 2014)
18. Roadmap for New Government (May 2014)
19. Youth Economics (May 2014)
20. Economy on the Eve of Union Budget 2014-15 (July 2014)
21. Budget 2014-15: Promise of Progress (July 2014)
22. Agronomics 2014: Impact on economic growth and inflation (August 2014)
23. 100 Days of new Government (September 2014)
24. Make in India: Bolstering Manufacturing Sector (October 2014)
25. The Indian Direct Selling Industry Annual Survey 2013-14 (November 2014)Participated in a survey to audit SEZs in India with CAG Office of India (November 2014)
26. Role of MSMEs in Make in India with reference to Ease of Doing Business in Ghaziabad (Nov 2014)
27. Exploring Prospects for Make in India and Made in India: A Study (January 2015)
28. SEZs in India: Criss-Cross Concerns (February 2015)
29. Socio-Economic Impact of Check Dams in Sikar District of Rajasthan (February 2015)
30. India - USA Economic Relations (February 2015)
31. Economy on the Eve of Union Budget 2015-16 (February 2015)
32. Budget Analysis (2015-16)
33. Druzhba-Dosti: India's Trade Opportunities with Russia (April 2015)
34. Impact of Labour Reforms on Industry in Rajasthan: A survey study (July 2015)
35. Progress of Make in India (September 2015)
36. Grown Diamonds, A Sunrise Industry in India: Prospects for Economic Growth (November 2015)
37. Annual survey of Indian Direct Selling Industry 2014-15 (December 2015)
38. India's Foreign Trade Policy Environment Past, Present and Future (December 2015)
39. Revisiting the emerging economic powers as drivers in promoting global economic growth(February 2016)
40. Bolstering MSMEs for Make in India with special focus on CSR (March 2016)
41. BREXIT impact on Indian Economy (July 2016)
42. India's Exports Outlook (August 2016)
43. Ease of Doing Business : Suggestive Measures for States (October 2016)
44. Transforming India through Make in India, Skill India and Digital India (November 2016)
45. Impact of Demonetization on Economy, Businesses and People (January 2017)
46. Economy on the eve of Budget 2017-18 (January 2017)
47. Union Budget 2017-18: A budget for all-inclusive development (January 2017)
48. Annual Survey of Indian Direct Selling Industry 2015-16 (February 2017)
49. Worklife Balance and Health Concerns of Women: A Survey (March 2017)
50. Special Economic Zones: Performance, Problems and Opportunities (April 2017)

51. Feasibility Study (socio-Economic Survey) of Ambala and Rohtak Districts in Haryana (March 2017)
52. Goods and Services (GST): So far (July 2017)
53. Reshaping India-Africa Trade: Dynamics and Export Potentiality of Indian Products in Africa (July 2017)
54. Industry Perspective on Bitcoins (July 2017)
55. Senior Housing: A sunrise sector in India (August 2017)
56. Current state of the economy (October 2017)
57. Equitable finance to fulfill funding requirements of Indian Economy (October 2017)
58. The Wall of Protectionism: : Rise and Rise of Protectionist Policies in the Global Arena, (November 2017)
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Team, PHD Research Bureau

Dr. S P Sharma
Chief Economist
Email: spsharma@phdcci.in

Ms. Megha Kaul
Economist
Developments in Economic Policy & Business Environment & Economic Affairs Committee

Ms. Surbhi Sharma
Associate Economist
Developments in Trade Policy, Banking and Financial Markets & Foreign Trade and Investment Committee

Ms. Kritika Bhasin
Research Officer
Macroeconomic developments in National and International arena
& Ease of Doing Business Committee

Ms. Bhavana Rai
Research Officer
Developments in Industry and Infrastructure

Ms. Shivani Mehrotra
Research Associate
States, Agriculture & Rural Developments & Task Force on SMEs in the Services Sector

Ms. Bhawna Kakkar
Research Associate
Trade and Investment Facilitation Services (TIFS)

Mr. Sanjay Kumar Sharma
Research Trainee
Data Mining on Economy

Mr. Sonu Kumar Sah
Research Trainee
Data Mining on Foreign Trade

Ms. Sunita Gosain, Secretarial Assistant

Associated Research Scholars

Ms. Ashima Dua,
Research Scholar
International Trade

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PHD CHAMBER OF COMMERCE AND INDUSTRY
PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel. : +91-11-2686 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

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