NATIONAL APEX CHAMBER

FOREX & FEMA Newsletter

February 2019

PHD Research Bureau

PHD Chamber of Commerce and Industry

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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 2612 million in October 2018 which reached to USD 2201 million in November 2018 (data as on 16th November 2018). In the category of sales, the average daily turnover stands at USD 2654 million in October 2018 which reached to USD 2332 million in November 2018 (data as on 16th November 2018)

In the month of February 2019, the average exchange rate of rupee against USD stands at 71. The average exchange rate of rupee against Japanese yen stands at 65. The exchange rate of rupee against Euro has remained at an average of 81 in the month of February 2019. While, the average exchange rate of rupee against pound sterling is at 92 during February 2019.

India's foreign exchange reserves stands at about USD 398 billion as on February 15,2019 of which Foreign Currency Assets consists of USD 371 billion, Gold reserves at USD 23 billion, SDRs at USD 1.5 billion and reserve position in the IMF at USD 3 billion.

At commodity front, the average price of Gold has increased from Rs 32232 per 10 grams in January 2019 to Rs 33212 per 10 grams in February 2019. The average price of silver has increased from Rs. 39101 per 1 kg in January 2019 to Rs 40035 in February 2019. Similarly, the average price of copper has increased from Rs. 429 per 1 kg in January 2019 to Rs. 446 per 1 kg in February 2019. The average price of Zinc has increased from Rs. 181 per 1 kg in January 2019 to Rs 192 in February 2019. The average price of crude oil has also increased from Rs. 3888 per barrel in January 2019 to Rs 3906 per barrel in February 2019.

At regulatory front, Reserve Bank of India has set up Task Force on Offshore Rupee Markets to examine the issues relating to the offshore Rupee markets in depth and recommend appropriate policy measures that also factor in the requirement of ensuring the stability of the external value of the Rupee. Further, RBI has proposed to relax the end-use restrictions under the approval route of the ECB framework for resolution applicants under the Corporate Insolvency Resolution Process (CIRP) and allow them to utilise the ECB proceeds for repayment of Rupee term loans of the target company.

It has now been decided by RBI to harmonise major categories of NBFCs engaged in credit intermediation, viz., Asset Finance Companies (AFC), Loan Companies, and Investment Companies, into a single category. The proposed merger of existing categories would reduce to a large extent the complexities arising from multiple categories and also provide the NBFCs greater flexibility in their operations.

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) of RBI has reduced the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points from 6.5% to 6.25% with immediate effect in its Sixth Bi-monthly Monetary Policy Statement, 2018-19.

India's foreign exchange market turnover (daily average)

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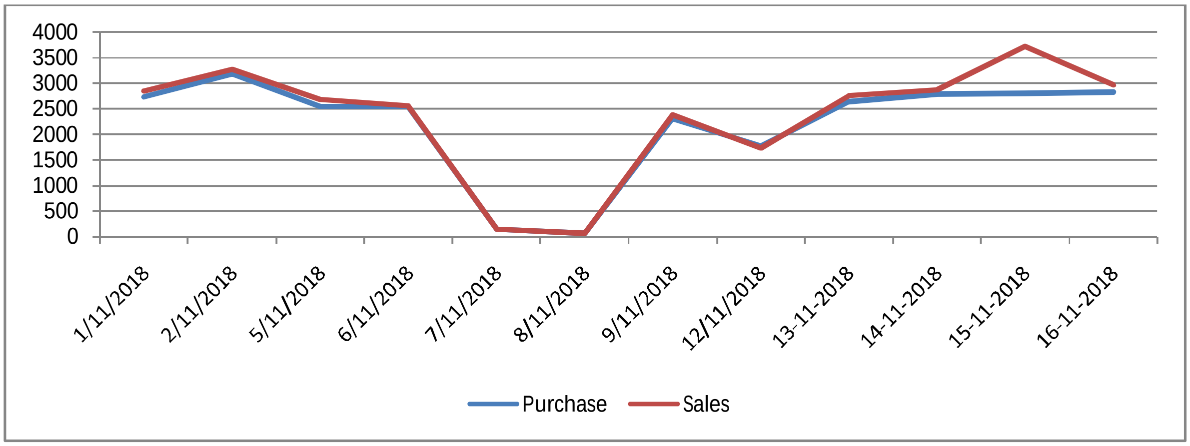
Daily average monthly turnover in India's foreign exchange market (USD million)

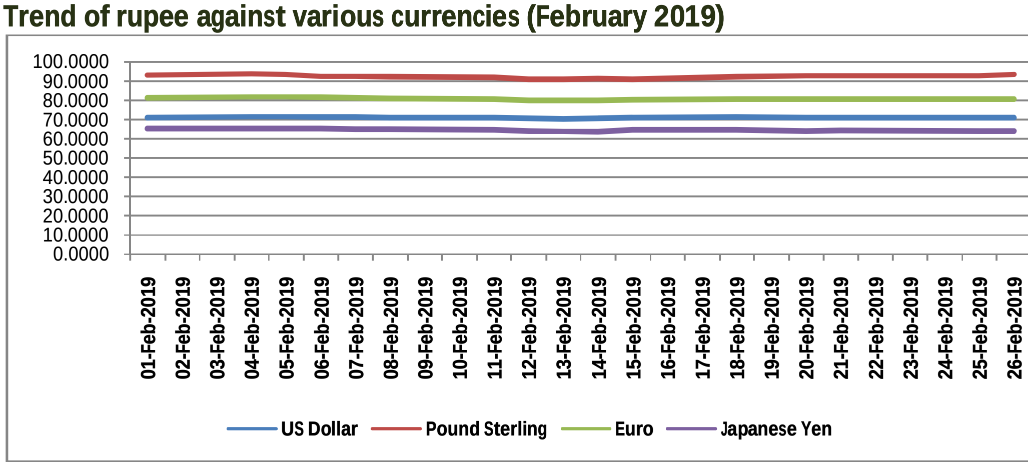


Source: PHD Research Bureau compiled from RBI

Overview of Indian rupee

In the month of February 2019, the average exchange rate of rupee against USD stands at 71. The average exchange rate of rupee against Japanese yen stands at 65. The exchange rate of rupee against Euro has remained at an average of 81 in the month of February 2019. While, the average exchange rate of rupee against pound sterling is at 92 during February 2019.

Trend of rupee against various currencies (February 2019)



Source: PHD Research Bureau compiled from RBI

Indian rupee overview

Average Exchange rate of rupee against USD stands at 71 in February 2019, against pound sterling at 92, against Euro at 81 and against Japanese Yen at 65.

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.

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

In the month of February 2019, the exchange rate of rupee against USD recorded highest at 71.74, while it registered lowest at 70.55. The exchange rate of rupee against pound registered highest at 93.7 and lowest at 91.13. In case of Euro currency, exchange rate of rupee recorded highest at 82.01 and lowest at 79.95. The exchange rate of rupee against Japanese yen recorded highest at 65.31 and lowest at 63.57.

Exchange rate of rupee against USD stood highest at 71.74 and lowest at 70.55 in February 2019.

Indian rupee overview (February 2019)

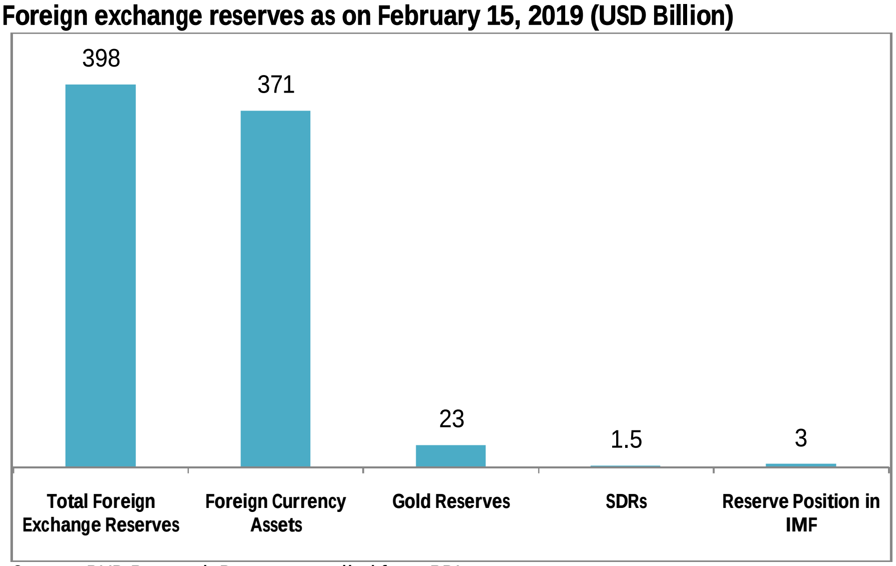
INR against foreign currency	Open	High	Low	Close
USD	71.11	71.74	70.55	71.09
Pound Sterling	93.16	93.70	91.13	93.35
Euro	81.34	82.01	79.95	80.70
Japanese Yen	65.31	65.31	63.78	64.16

Source: PHD Research Bureau compiled from RBI

Foreign exchange reserves

India's foreign exchange reserves stands at about USD 398 billion as on February 15,2019 of which Foreign Currency Assets consists of USD 371 billion, Gold reserves at USD 23 billion, SDRs at USD 1.5 billion and reserve position in the IMF at USD 3 billion.

Foreign exchange reserves as on February 15, 2019 (USD Billion)

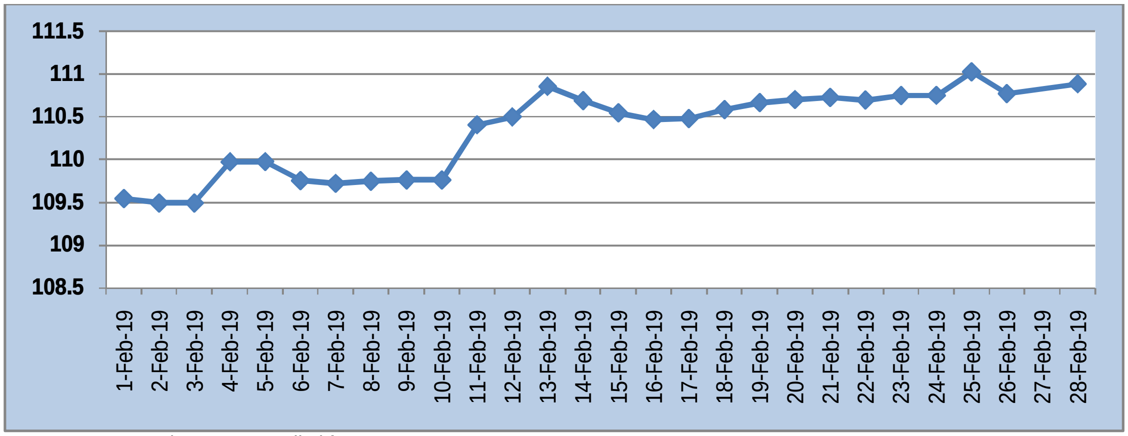


Source: PHD Research Bureau compiled from RBI

India's foreign exchange reserves are at about USD 398 billion as on February 15, 2019

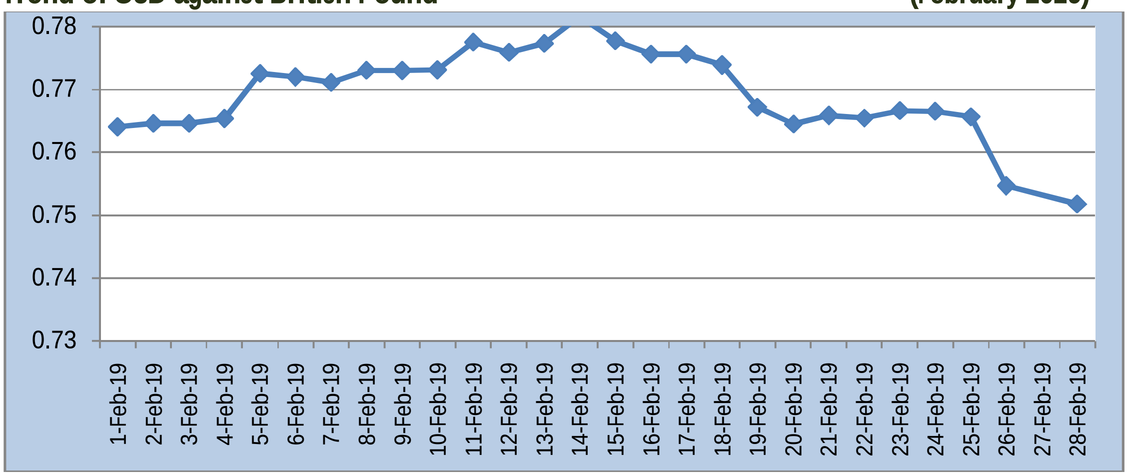
Trend of USD against Japanese Yen, British Pound and Euro in February 2019

Trend of USD against Japanese Yen (February 2019)



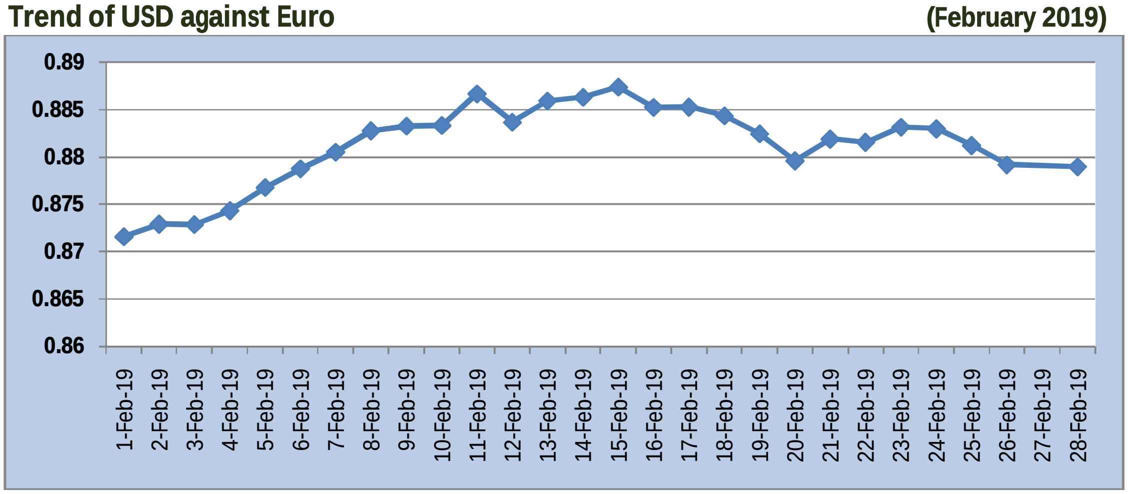
Source: PHD Research Bureau compiled from x-rates.

Trend of USD against British Pound (February 2019)



Source: PHD Research Bureau compiled from x-rates.

Trend of USD against Euro (February 2019)

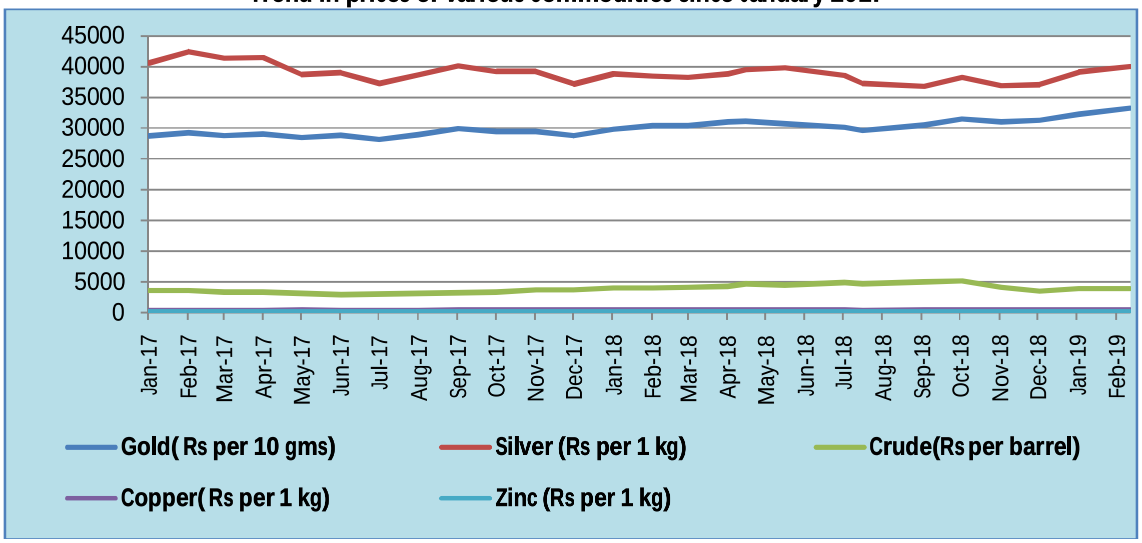


Source: PHD Research Bureau compiled from x-rates.

Commodity Markets

At commodity front, the average price of Gold has increased from Rs 32232 per 10 grams in January 2019 to Rs 33212 per 10 grams in February 2019. The average price of silver has increased from Rs. 39101 per 1 kg in January 2019 to Rs 40035 in February 2019. Similarly, the average price of copper has increased from Rs. 429 per 1 kg in January 2019 to Rs. 446 per 1 kg in February 2019. The average price of Zinc has increased from Rs. 181 per 1 kg in January 2019 to Rs 192 in February 2019. The average price of crude oil has also increased from Rs. 3888 per barrel in January 2019 to Rs 3906 per barrel in February 2019.

Trend in prices of various commodities since January 2017



Source: PHD Research Bureau, compiled from MCX.

Financial Markets

Select international indices such as DAX, NIKKEI, SHSZ and DJIA have exhibited positive growth trend except SENSEX in February 2019 over January 2019. DAX, DJIA, NIKKEI and SHSZ registered growth rate 3.1%, 3.7%, 2.9% and 12.9% respectively and SENSEX registered negative growth by 1.1% in February 2019 over January 2019.

Global Indices			
Index	Index (as on 31-Jan 2019)	Index (as on 28-Feb 2019)	Monthly Change (in %)
DAX[1]	11173	11,516	3.1%
DJIA[2]	24999	25,916	3.7%
NIKKEI[3]	20773	21,385	2.9%
SENSEX[4]	36257	35,867	-1.1%
SHSZ[5]	3247	3,669	12.9%

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 constitutes the Task Force on Offshore Rupee Markets

Reserve Bank has been guided by the objective of developing deep and liquid on-shore financial markets that act as a price setter of the Rupee globally. The focus of policy efforts has been to align incentives for non-residents to gradually move to the domestic market while at the same time improving market liquidity to promote hedging activity on-shore. With this objective, RBI had announced, in the Statement on Developmental and Regulatory Policies dated February 7, 2019, the setting up of a Task Force on Offshore Rupee Markets. The Task Force shall examine the issues relating to the offshore Rupee markets in depth and recommend appropriate policy measures that also factor in the requirement of ensuring the stability of the external value of the Rupee. Accordingly, RBI has constituted the Task Force on Offshore Rupee Markets.

The terms of reference of the task force are:

- Assess the causes behind the development of the offshore Rupee market;
- Study the effects of the offshore markets on the Rupee exchange rate and market liquidity in the domestic market;
- Recommend measures to address concerns, if any, arising out of offshore Rupee trading;
- Propose measures to generate incentives for non-residents to access the domestic market;
- Examine the role, if any, International Financial Services Centres (IFSCs) can play in addressing these concerns;
- Any other relevant issue(s) the Task Force considers relevant to the context.

The Task Force will have the following composition: Smt. Usha Thorat, former Deputy Governor, Reserve Bank of India – Chairperson, Nominee from the Department of Economic Affairs, MoF, Government of India – Member, Nominee from the Securities & Exchange Board of India – Member, Shri Ajit Ranade, Chief Economist of the Aditya Birla Group – Member, Shri Sajjid Chinoy, Chief Economist, India, JPMorgan – Member, Shri Surendra Rosha, CEO, India, HSBC – Member, Adviser-in-charge, Department of Economic Policy and Research, RBI – Member, Chief General Manager, Financial Markets Regulation Dept., RBI – Member Secretary. The Task Force shall submit its report by the end of June 2019.

RBI reduces repo rate by 25 basis points in Sixth 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) of RBI has reduced the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points from 6.5% to 6.25% with immediate effect. Consequently, the reverse repo rate under the LAF stands adjusted to 6.0%, and the marginal standing facility (MSF) rate and the Bank Rate to 6.5%. The MPC also decided to change the monetary policy stance from calibrated tightening to neutral. These decisions are 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

Relaxation of External Commercial Borrowing (ECB) framework for Resolution Applicants: RBI has proposed to relax the end-use restrictions under the approval route of the ECB framework for resolution applicants under the Corporate Insolvency Resolution Process (CIRP) and allow them to utilise the ECB proceeds for repayment of Rupee term loans of the target company.

Review of Instructions on Bulk Deposit: With a view to enhancing the operational freedom of banks in raising deposits, it is proposed to revise the definition of bulk deposits as single rupee deposits of Rs. 2 crore and above; and, that henceforth banks shall maintain their bulk deposit interest rate cards in the core banking system for supervisory review.

Risk Weights for rated exposures to Non-Banking Financial Companies (NBFCs): With a view to facilitating flow of credit to well-rated NBFCs, it has now been decided that rated exposures of banks to all NBFCs, excluding Core Investment Companies (CICs), would be risk-weighted as per the ratings assigned by the accredited rating agencies, in a manner similar to that for corporates. Exposures to CICs will continue to be risk-weighted at 100%.

Harmonisation of NBFC Categories: It has now been decided by RBI to harmonise major categories of NBFCs engaged in credit intermediation, viz., Asset Finance Companies (AFC), Loan Companies, and Investment Companies, into a single category. The proposed merger of existing categories would reduce to a large extent the complexities arising from multiple categories and also provide the NBFCs greater flexibility in their operations.

Task Force on Offshore Rupee Markets: In order to take forward the process of gradual opening up of the foreign exchange market and also to benefit from a wider range of participants and views, it is proposed to set up a Task Force on Offshore Rupee Markets. The Task Force will examine the issues relating to the offshore Rupee markets in depth and recommend appropriate policy measures that also factor in the requirement of ensuring the stability of the external value of the Rupee. Further details about the composition and terms of reference of the Task Force shall be issued separately by the end of February 2019.

Rationalisation of Interest Rate Derivative Directions: It is proposed to rationalise interest rate derivative regulations to achieve consistency and ease of access with the eventual objective of fostering a thriving environment for management of interest rate risk in the Indian economy.

Investment by Foreign Portfolio Investors (FPI) in Corporate Debt: As a part of the review of the FPI investment in Corporate Debt undertaken in April 2018, it was stipulated that no FPI shall have an exposure of more than 20% of its corporate bond portfolio to a single corporate (including exposure to entities related to the corporate). FPIs were given exemption from this requirement on their new investments till end-March 2019 to adjust their portfolios. While the provision was aimed at incentivizing FPIs to maintain a portfolio of assets, further market feedback indicates that FPIs have been constrained by this stipulation. In order to encourage a wider spectrum of investors to access the Indian corporate debt market, it is now proposed to withdraw this provision. A circular to this effect will be issued by mid-February, 2019.

Collateral-free Agriculture Loan –– Enhancement of Limit: Keeping in view the overall inflation and rise in agriculture input costs since then, it has been decided to raise the limit for collateral– free agriculture loans from Rs. 1 lakh to Rs. 1.6 lakh. This will enhance coverage of small and marginal farmers in the formal credit system. The circular to this effect will be issued shortly.

RBI releases Draft Directions on Financial Benchmark Administrators

Reserve Bank of India had, in its Statement on Developmental and Regulatory Policies, the Fourth Bi-monthly Monetary Policy Statement dated October 05, 2018, announced that it will introduce a regulatory framework for financial benchmarks, to improve the governance of the benchmark processes in markets regulated by the Reserve Bank. It was also announced in the Statement on_Developmental and Regulatory Policies, in the Sixth Bi-monthly Monetary Policy Statement dated February 7, 2019 that the draft guidelines would be issued for public consultation. Accordingly, draft directions on Financial Benchmark Administrators are being issued for consultation.

These draft directions are based on the Report of the Committee on Financial Benchmarks set up by the Reserve Bank and are guided by the International best practices such as the Principles for Financial Benchmarks of International Organization of Securities Commissions (IOSCO) as well as the laws/ regulations put in place in other jurisdictions.

Financial Benchmark Administrators (Reserve Bank) Directions, 2019 – Draft

The Reserve Bank of India (hereinafter called 'the Reserve Bank') having considered it necessary in public interest and to regulate the financial system of the country to its advantage, in exercise of the powers conferred by section 45W of the Reserve Bank of India Act, 1934, (hereinafter called 'the Act') read with section 45U of the Act and of all the powers enabling it in this behalf, hereby issues the following Directions to Financial Benchmark Administrators. These directions are based on the practices recommended by the International Organization of Securities Commissions (IOSCO) in their report on Principles for Financial Benchmarks dated July 2013 and the Report of the Committee on financial benchmarks set up by the Reserve Bank on June 28, 2013.

Short Title and Commencement: These directions shall be called 'Financial Benchmarks Administrators (Reserve Bank) Directions, 2019' and shall come into force with effect from XXXX XX, 2019.

1. **Scope:** These directions shall apply to Financial Benchmark Administrators administering significant Benchmarks in the markets for Financial Instruments regulated by the Reserve

Bank under Section 45 W of the Act. The directions shall not apply to any benchmarks issued by the Reserve Bank in furtherance of public policy objectives. These directions shall also not apply to internal benchmarks used by the clearing corporations recognised by the Reserve Bank of India or Securities Exchange Board of India for the purpose of internal risk management.

2. Definitions

I. 'Administration' includes all stages and processes involved in the production and dissemination of a benchmark.
II. 'Benchmarks' mean prices, rates, indices, values or a combination thereof related to financial instruments that are calculated periodically and used as a reference for pricing or valuation of financial instruments or any other financial contract.
III. 'Calculating Agent' means a legal entity with delegated responsibility for determining a benchmark in accordance with the methodology set out by the administrator.
IV. 'Financial Benchmark Administrator' (FBA) means an organisation or a legal person which controls the creation and operation of significant benchmark administration process, whether or not it owns the intellectual property relating to the benchmark.
V. 'Financial instruments' mean instruments referred to or specified under section 45W of the RBI Act.
VI. 'Methodology' in reference to benchmarks includes the process commencing from identification of source of inputs for calculation of benchmarks to the final act/step of calculation resulting in the arrival of the benchmarks.
VII. 'Significant benchmarks' means benchmarks notified by the Reserve Bank as significant benchmark under these Directions.
VIII. 'Submitter' shall mean any natural or legal person contributing input data for determination of a benchmark.

3. (i) No FBA shall administer a significant benchmark without obtaining prior authorisation of the Reserve Bank under these directions.

(ii) FBAs administering significant benchmarks on or before the commencement of these directions shall make an application for authorisation within a period of three months from the date of issue of these directions. Notwithstanding anything contained in Para 3 (i) herein above, an existing benchmark administrator administering significant benchmarks may continue to administer such benchmarks till the disposal of its application by the Reserve Bank granting or rejecting the letter of authorization.

(iii) The identification of a benchmark as significant benchmark shall be based on use, efficiency and relevance of the benchmark in domestic financial markets. A Benchmark Committee, having representation from the Reserve Bank, market bodies such as FIMMDA, FEDAI, PDAI, or any other entity which the Reserve Bank may deem fit, shall be constituted to identify significant benchmarks in the markets for financial instruments. The Reserve Bank shall notify, based on the recommendations of the Committee, a list of significant benchmarks.

(iv) Minimum eligibility criteria for FBAs:

a. FBA shall maintain a minimum net-worth of ₹ 1 crore at all times.
b. FBA shall be a company incorporated in India.

c. Shareholding by non-residents, if any, in the entity seeking authorisation as a FBA shall conform to all applicable laws and regulations, including the Foreign Exchange Management Act, 1999.
d. FBA shall have robust governance arrangements with a well-defined, transparent organisational structure to manage the activities of FBA. Directors shall be of good repute and experience.
e. The representation in the Board of the company shall be broad-based with no legal person having greater than ten percent of voting rights in the Board.
f. The existing FBAs shall achieve the minimum eligibility requirements within one year from the date of authorisation by the Reserve Bank.

4. FBAs shall adhere to the following directions in respect of their administration of significant benchmarks.

(i) Overall Responsibility of FBAs -

An FBA, in respect of the benchmarks administered by it, shall be responsible for

a. formulation of benchmark calculation methodology;
b. determination of benchmark values;
c. dissemination of benchmark values;
d. ensuring transparency in benchmark administration;
e. periodic review of benchmark; and
f. putting in place necessary organizational and process controls for effectively carrying out the above responsibilities.

(ii) Significant Benchmarks: Formulation, Determination and Review –

i. FBAs shall endeavor to ensure, as far as possible, that a significant benchmark is designed to be an accurate and reliable representation of the referenced financial instrument(s).
ii. FBAs shall, as far as reasonably practicable, ensure that the data used to construct a significant benchmark is based on an active market involving arm's length transactions; where such transactions are not available, it would have recorded justification for data, information or expert judgment used to construct the benchmark.
iii. FBAs shall establish and publish clear guidelines regarding the hierarchy of data inputs and exercise of expert judgment used for the determination of significant benchmarks.
iv. FBAs shall document the methodology of the significant benchmarks they are administering with illustrations and publish the same on their official website. The document shall inter alia give the details on:
    a. the input for calculation of the benchmark;
    b. sources of inputs;
    c. basis and manner of selection of the sources of inputs;
    d. method of calculation including the mathematical formulae used;
    e. instances where the methodology would not be adhered to or not possible to be adhered to and alternate ways adopted to calculate the benchmark in such exceptional cases; and

f. rationale underlying the methodology and treatment of exceptions.

v. Amendments to methodology that FBAs decide to make shall be announced in their official website at least 15 days prior to their coming into effect. The announcement shall clearly delineate all aspects of methodology that would be amended. The announcement shall also explain the amended methodology with illustrations.

vi. FBAs shall lay down a formal process for interacting with market participants at any stage in the benchmark administration process.

(iii) Organizational and Process Controls: Oversight Committee -

i. FBAs shall develop appropriate oversight function for regular review of various aspects of the significant benchmark determination process. The oversight function shall be carried out by a committee, specifically set up for carrying out the function.

ii. The procedures involved in oversight function including criteria for selection of members; processes for selection, nomination, removal and replacement of members; and declaration of conflicts of interest shall be documented and made available to the stakeholders. The Board of an FBA shall have a policy to ensure that the Oversight Committee is not biased or conflicted through fair representation of major stakeholders.

iii. No person in the Oversight Committee shall remain for more than 5 years either in one or more terms.

iv. The responsibilities of the oversight function shall include, among others, the following:

a. Periodic review of the definition and setting methodology of the significant benchmark.
b. Enabling seamless transition to a new benchmark whenever an existing significant benchmark is replaced, rescinded or amended.
c. Establishing appropriate system to gather information about the issues and risks involved with the significant benchmark.
d. Reviewing and overseeing of any changes to the significant benchmark setting methodology and assessing whether the changed methodology continues to appropriately reflect the underlying interest.
e. Overseeing the management and operation of the significant benchmark including the activities undertaken by a third party involved in Benchmark determination.
f. Ensuring that the exercise of expert judgment, if any, by the FBA is as per the laid down policies.
g. Following up for implementation of the remedial actions recommended in the audit reports.

v. In case of significant benchmarks determined through submissions by contributing entities (Submitters), the oversight function shall

a. Oversee the compliance by the Submitters to the Code of Conduct, (ref. para 4 (iv) j), issued by the FBAs and institute an effective system to address breach of the Code by Submitters. The findings of the oversight shall be reported to the Reserve Bank.

b. Undertake regular review to detect potential anomalous or suspicious submissions and initiate necessary follow up action thereafter. The details of such submissions shall be reported to the Reserve Bank.

(iv) Internal Control

i. FBAs shall ensure effective controls over data collection, storage, processing and dissemination to maintain data security, confidentiality and integrity.

ii. FBAs shall document and implement policies, procedures and control framework for the identification, disclosure, management, mitigation or avoidance of existing and potential conflicts of interest. It shall, inter alia, address the conflict of interest that may exist between the significant benchmark determination process and any other business of the Administrator or any of its affiliates. The policies and procedure shall be periodically reviewed and updated.

iii. There shall be proper segregation of reporting lines within the FBAs to clearly define responsibilities and prevent any conflicts of interest or perception of such conflicts of interest.

iv. FBAs shall put in place an effective system to control the exchange of information between the employees engaged in activities involving a risk of conflicts of interest or between employees and third parties, where that information may reasonably affect the determination of significant benchmarks.

v. FBAs shall ensure that authorised employees supervise the significant benchmark determination process and approve the benchmark rates before they are disseminated.

vi. FBAs shall put in place appropriate confidentiality protocols with respect to the data and other information received by or produced by it, subject to the disclosure obligations.

vii. FBAs shall have adequate remuneration polices to ensure that employees engaged in benchmark determination are not directly or indirectly rewarded by the levels of the significant benchmark.

viii. FBAs shall ensure that employees involved in benchmark determination shall possess relevant expertise with a system of periodic review.

ix. In case of significant benchmarks determined based on submissions, FBAs shall

a. Ensure that the Submitters as a group appropriately represent the underlying interest measured by the Benchmark.

b. Employ a system of appropriate measures so that Submitters comply with submission guidelines, as defined in the Submitter Code of Conduct and the Administrator's quality and integrity standards for submission.

c. Employ measures to effectively monitor and scrutinize submissions.

x. FBAs shall draw a code of conduct which the market participants submitting inputs for calculation of submission based significant benchmarks need to adhere to. The code of conduct shall include, inter alia, steps to be taken by the market participants to mitigate operational risks and eliminate conflict of interests.

xi. FBAs shall have an adequate business continuity plan and contingency procedures to overcome disruptions to normal business.
xii. FBAs shall carry out annual internal audit, either with internal resource or through independent external auditors, at the end of each financial year ending in the month of March, to verify compliance to their policies and procedures and directions, advices and instructions issued by the Reserve Bank. The audit reports shall be submitted to their board. It shall also be submitted to the Reserve Bank within thirty days from the completion of the audit. Action taken report on the audit findings, if any, shall be submitted to the Reserve Bank within such time as advised by the latter.

The Reserve Bank may itself or through entities/persons that it may identify for the purpose, audit the Administrator; and the cost of the audit shall be borne by the Administrator.

(v) Outsourcing of benchmark related work

a. FBAs shall put in place transparent written policies setting out the roles and obligations of any third party handling the outsourced functions and regularly monitor its compliance with the policies. The identity and role of the third party shall be disclosed to the stakeholders. They shall also put in place appropriate contingency plans to manage operational risks involved in the outsourced functions.
b. Where an FBA has outsourced significant benchmark calculation function to a Calculating Agent, it shall retain adequate access to and control over the data and calculation process and ensure compliance by the Calculation Agent with the policies stated by it as well as with the regulatory guidelines in this respect to the Calculating Agent, if any.
c. In respect of any work related to benchmark administration that FBAs outsource to any entity, they shall be responsible for all acts of omissions and commissions of the entities to which it has outsourced its work.

5. Complaint Management

a. FBAs shall have a formal complaint handling mechanism to handle complaints related to significant benchmark administration.
b. FBAs shall establish an effective whistleblower mechanism to facilitate early detection of any potential misconduct or irregularities in the significant benchmark determination process. This mechanism shall allow for external reporting of such cases where appropriate.

6. Data Preservation

FBAs shall preserve all data in their possession in connection with the significant benchmarks they administer for a period of five years from the time they received or created the data. Without prejudice to the aforesaid time period, data related to any legal case shall be preserved for a period of two years from the closure of the case.

7. Exemption from provisions of these directions

The Reserve Bank, on being satisfied that it is necessary to do so, may exempt an FBA either generally or for such period as may be specified, from any or all of the provisions of these Directions, subject to such terms or conditions or limitations or restrictions as it may think fit and proper to impose, in the interest of public or financial system of the country.

8. Revocation of authorisation

The Reserve Bank may revoke the authorisation granted to an FBA based on adverse findings/ observations or material violation of any of the provisions of these directions.

9. Termination of administration

An FBA, who is holding a letter of authorisation to commence or carry administration of a significant benchmark, may terminate its operation with prior approval of the Reserve Bank with regard to timing and date of termination of administration, and shall comply with the terms and conditions stipulated by the Reserve Bank.

10. Benchmark Publication

All FBAs shall publish in public domain, the values of significant benchmarks, either on the day of its release or with a lag not exceeding 10 days.

11. Reporting

FBAs shall submit such data and reports to the Reserve Bank within such timeline and in such format as advised from time to time.

RBI announces draft directions on facilities for hedging foreign exchange risk by Residents and Non-residents

The Reserve Bank of India has released a draft of the revised directions and regulations on facilities for hedging foreign exchange risk by Residents and Non-residents.

Background: A review of the existing facilities for hedging of foreign exchange risk by non-residents and residents was announced in the Statement on Developmental and Regulatory Policies in February 2018 and August 2018 respectively.

Post review, the draft directions propose to, inter alia:

- Merge the facilities for residents and non-residents into a single unified facility for all users,
- Allow users having valid exposure to hedge the same using any available instrument,
- Introduce the facility to hedge anticipated exposure,
- Simplify the procedures for authorised dealers to offer foreign exchange derivatives.

Once finalised, the directions shall replace the existing directions in Part A - Section I and II of the Master Direction on Risk Management and Interbank Dealings.

Salient features and operational guidelines on Interest Subvention Scheme for MSMEs

Interest Subvention Scheme for MSMEs 2018

The Micro, Small and Medium Enterprises [MSME] sector is a significant contributor towards building up of a strong and stable national economy. The Hon'ble Prime Minister of India while launching outreach initiative for MSME sector on November 2nd, 2018 highlighted that access to credit, access to market, technology upgradation, ease of doing business and a sense of security for employees are five key aspects for facilitating MSME sector. Twelve announcements have been made to address each of these five categories. As part of access to credit, Prime Minister announced 2% interest subvention for all GST registered MSMEs, on fresh or incremental loans. Ministry of MSME (MoMSME) has decided that a new scheme viz. "Interest Subvention Scheme for Incremental credit to MSMEs 2018" will be implemented over 2018-19 and 2019-20.

Salient Features of the Scheme:

Purpose, Scope and Duration :The Scheme aims at encouraging both manufacturing and service enterprises to increase productivity and provides incentives to MSMEs for onboarding on GST platform which helps in formalization of economy, while reducing the cost of credit. The Scheme will be in operation for a period of two financial years FY 2019 and FY 2020.

Eligibility for Coverage

I. All MSMEs who meet the following criteria shall be eligible as beneficiaries under the Scheme:
   a. Valid Udyog Aadhar Number [UAN]
   b. Valid GSTN Number
II. Incremental term loan or fresh term loan or incremental or fresh working capital extended during the current FY viz. from 2nd November 2018 and next FY would be eligible for coverage.
III. The term loan or working capital should have been extended by Scheduled Commercial Banks.
IV. In order to ensure maximum coverage and outreach, all working capital or term loan would be eligible for coverage to the extent of Rs. 100 lakh only during the period of the Scheme.
V. Wherever both the facilities working capital and term loan are extended to a MSME by an eligible institution, interest subvention would be made available for a maximum financial assistance of Rs. 100 lakh.
VI. MSME exporters availing interest subvention for pre-shipment or post-shipment credit under Department of Commerce will not be eligible for assistance under Interest Subvention Scheme for Incremental credit to MSMEs 2018.
VII. MSMEs already availing interest subvention under any of the Schemes of the State / Central Govt. will not be eligible under the proposed Scheme.

Operational formalities

1. The interest relief will be calculated at two percentage points per annum (2% p.a.), on outstanding balance from time to time from the date of disbursal / drawal or the date of notification of this scheme, whichever is later, on the incremental or fresh amount of working capital sanctioned or incremental or new term loan disbursed by eligible institutions.
2. The interest rates charged to MSMEs shall conform to Code of Ethics and Fair Practices Code as published by respective institutions (as per extant RBI guidelines) and linked to the respective internal / external rating of the MSME as per applicable interest rate guidelines of the institution.
3. The loan accounts on the date of filing claim should not have been declared as NPA as per extant guidelines in force. No interest subvention shall be admissible for any period during which the account remains NPA.

Other covenants

1. SIDBI shall act as a Nodal Agency for the purpose of channelizing of interest subvention to the various lending institutions through their Nodal office.
2. All lending institutions shall be responsible for submission of the accurate data and monitoring of the scheme.
3. The interest subvention would be released only on the basis of claim duly certified by the Statutory Auditors of the eligible institutions. SIDBI shall not be liable for any inaccurate submission of data by lending institutions.
4. Interest subvention amount shall be released by SIDBI subject to availability of funds from GOI. Also, MoMSME, GOI will be the final authority for all interest subvention related matters and their decision would be final and binding. Receipt of funds by the eligible institutions would be treated as Utilization Certificate of the Fund.

Signing of the Bilateral Swap Arrangement between Japan and India

The Bank of Japan (BOJ), acting as the agent for the Minister of Finance of Japan, and the Reserve Bank of India (RBI) signed a Bilateral Swap Arrangement (BSA) that takes effect from February 28, 2019. The BSA enables both countries to swap their local currencies (i.e., either Japanese yen or Indian rupee) against US dollar for an amount of up to USD 75 billion. The authorities of both countries believe that, by enhancing financial cooperation, the BSA will contribute to the stability of financial markets, thereby further developing the economic and trade ties between the two countries.

Macro-economic indicators

December 2018 IIP grow at 2.4%

Growth in industry output, as measured in terms of IIP, for the month of December 2018 grows at 2.4% as compared to 0.31% in November 2018. The growth in the three sectors mining, manufacturing and electricity in December 2018 stands at (-)1.0%, 2.7% and 4.4% respectively over December 2017. Primary goods growth stands at (-)1.2%, capital goods growth stands at 5.9%, intermediate goods growth stands at (-)1.5%, infrastructure/construction goods growth stands at 10.1%, consumer durables stands at 2.9% and consumer non-durables growth stands at 5.3% during December 2018 as compared to the previous year.

January 2019 CPI inflation falls to 2.05%

The all India general CPI inflation (Combined) for January 2019 (Prov.) falls to 2.05% from 2.11% in December 2018. The inflation rates for rural and urban areas for January 2019 (Prov.) are 1.29% and 2.91%, respectively, as compared to 1.50% and 2.91% respectively, for December 2018. Rate of inflation during January 2019 (Prov.) for fuel and light (2.20%), housing (5.20%), transport and communication (3.44%), education (7.99%) and health (8.93%) etc.

January 2019 WPI inflation falls to 2.8%

The WPI inflation falls to 2.8% in January 2019 from 3.8% in December 2018, 4.5% in November 2018, 5.5% in October 2018, 5.2% in September 2018 and 4.6% in August 2018. The fall in WPI inflation in the month of January 2019 is attributed to fall in the prices of Potato (26.3%), Crude Petroleum (-1.8%) and LPG (-7.5%).

Merchandise exports and imports grew by 4% and 0.01% respectively

India's Exports in January 2019 were valued at USD 26 Billion, as compared to USD 25 Billion in January 2018, exhibiting a positive growth of 4%. On the other hand, Imports in January 2019 were valued at USD 41 Billion which was 0.01% higher in Dollar terms as compared to previous month.

India's trade statistics at a glance

Merchandise	June-18	July-18	Aug-18	Sept-18	Oct-18	Nov-18	Dec-18	Jan-19
Exports (USD billion)	28	26	28	28	27	26	28	26
Growth (%)	17	14	19	-2	18	1	0.3	4
Imports (USD billion)	44	44	45	42	44	43	41	41
Growth (%)	21	29	25	10	18	4	2	0.01
Trade Balance (USD billion)	-17	-18.	-17	-14	-17	-17	-13	-14.7

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

FDI equity inflows in India declined by 7% during April to December 2018-19

During April to December 2018-19, FDI equity inflows stands at about USD 33 billion as against USD 36 billion during the same corresponding period of last year, registering a growth rate of (-)7% year on year. Total Foreign Direct Investment (FDI) flows in India (Equity inflows + Re-invested earnings + Other capital) stands at USD 47 billion during April to December 2018-19. Mauritius stands at first rank amongst the top 10 investing countries in India with USD 132 billion FDI equity inflows followed by Singapore with USD 80 billion and Japan with USD 30 billion during April 2000 to December 2018. Countries such as U.K, Netherlands, U.S.A, Germany, Cyprus, France and UAE are amongst the other top investing countries.

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India's key statistics so far...

S. NO.	Indicators	February -19
1	Daily average monthly turnover in foreign exchange market	
	Purchase (USD billion) *	22
	Sales (USD billion) *	23
2	Exchange rate of rupee against USD (monthly average)	71
3	Exchange rate of rupee against Pound Sterling (monthly average)	92
4	Exchange rate of rupee against Euro (monthly average)	81
5	Exchange rate of rupee against Japanese Yen (monthly average)	65
6	Foreign exchange reserves (USD billion)^	398
7	IIP (growth in %)-Dec 2018	2.4
8	CPI inflation (%) –Jan 2019	2.05
9	WPI inflation (%)- Jan 2019	2.8
10	FDI equity inflow (USD billion)***	33
11	FDI equity inflow (% growth)****	-7%
12	External Debt (USD billion)@	510
13	ECBs (USD billion) –Dec 2018	4
14	Current account deficit as a % of GDP Q2 of FY2019	2.9
15	India's exports (USD billion) –Jan 2018	26
16	Growth of exports (%)–Jan 2019	4
17	India's imports (USD billion)- Jan 2019	41
18	Growth of imports (%)–Jan 2019	0.01
19	Trade balance (USD billion) –Jan 2019	(-)14.7
20	Repo rate ^^	6.25%
21	Reverse repo rate^^	6.0%
22	Cash reserve ratio^^	4%
23	Statutory liquidity ratio^^	19.25%

Source: PHD Research Bureau compiled from various sources. *Data for the month of Nov 2018 (as on 16 Nov 2018). ^ Foreign exchange reserves on Feb 15, 2019, @Data for the end-Sep 2018,^^Key policy rates such as repo, CRR, reverse repo and SLR pertains to as on 7th Feb 2019, *** 2018-2019 (April to Dec 2018-19), ****Growth (YOY) over previous period.

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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	• Forex and FEMA Newsletter	
• Impact Assessments	• Infrastructure	• Global Economic Monitor (GEM)	
• Thematic Research Reports	• Foreign exchange market	• Trade & Investment Facilitation Services (TIFS) newsletter	
• Releases on Economic Developments	• International Trade	• State Development Monitor (SDM)	
	• Global Economy	• Industry Development Monitor (IDM)	

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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)
59. India-Israel Relations: Building Bridges of Dynamic Trade(October 2017)
60. Role of Trade Infrastructure for Export Scheme (TIES) in Improving Export Competitiveness (November 2017)
61. India - China Trade Relationship: The Trade Giants of Past, Present and Future (January 2018)
62. Analysis of Trade Pattern between India and ASEAN(January 2018)
63. Union Budget 2018-19 – (February 2018)
64. Ease of Doing Work for Women: A survey of Delhi NCR (February 2018)
65. Restraining Wilful Defaults: Need of the hour for Indian Banking System (March 2018)
66. Impact of GST on Business, Industry and Exporters (April 2018)
67. India – Sri Lanka Bilateral Relations: Reinforcing trade and investment prospects (May 2018)
68. Growth Prospects of the Indian Economy: Road to US $5 Trillion Economy(May 2018)
69. India's Free Trade Agreements Dynamics and Diagnostics of Trade Prospects(May 2018)
70. Growth Prospects of the India Economy: Road to US $5 Trillion Economy(May 2018)
71. India – UK Trade Relations and Societal Links: Way Forward (June 2018)
72. Rural India: Road to US$ 5 trillion economy (September 2018)
73. Economy on the eve of Interim Budget 2019-20 (January 2019)
74. Interim Budget 2019-20 analysis (February 2019)

B: State profiles

75. Rajasthan: The State Profile (April 2011)
76. Uttarakhand: The State Profile (June 2011)
77. Punjab: The State Profile (November 2011)
78. J&K: The State Profile (December 2011)
79. Uttar Pradesh: The State Profile (December 2011)
80. Bihar: The State Profile (June 2012)
81. Himachal Pradesh: The State Profile (June 2012)
82. Madhya Pradesh: The State Profile (August 2012)
83. Resurgent Bihar (April 2013)
84. Life ahead for Uttarakhand (August 2013)
85. Punjab: The State Profile (February 2014)
86. Haryana: Bolstering Industrialization (May 2015)
87. Progressive Uttar Pradesh: Building Uttar Pradesh of Tomorrow (August 2015),
88. Suggestions for Progressive Uttar Pradesh (August 2015)
89. State profile of Telangana- The dynamic state of India (April 2016)
90. Smart Infrastructure Summit 2016- Transforming Uttar Pradesh (August 2016)
91. Smart Infrastructure Summit 2016-Transforming Uttar Pradesh : Suggestions for the State Government (August 2016)
92. Rising Jharkhand: An Emerging Investment Hub (February 2017)
93. Punjab: Roadmap for the New Government Suggestions for the Industrial and Socio-Economic Development – Focus MSMEs ease of doing business (May 2017)
94. Prospering Himachal Pradesh: A Mountain of Opportunities (August 2017)
95. Kashmir: The way forward (February 2018)
96. Analysis of State Budgets for 2018-19: Select Sates (March 2018)
97. Rising Uttar Pradesh : One District One Product Summit (August 2018)
98. Rajasthan Steady Strides into the Future: Emerging Growth Dynamics and the Way Forward (August 2018)
99. Jharkhand: Economic Profile (January 2019)
100. Rising Jharkhand: Skill Development to spur socio-economic growth (January 2019)
101. Progressive Haryana: The Agricultural Hub of India (February 2019)
102. Progressive Haryana: Economic Profile (February 2019)

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About Us

PHD Chamber of Commerce & Industry, a leading Industry Chamber of India, ever since its inception in 1905, has been an active participant in the India Growth Story through its Advocacy Role for the Policy Makers and Regulators of the country. Regular interactions, Seminars, Conference and Conclaves allow healthy and constructive discussions between the Government, Industry and International Agencies bringing out the Vitals for Growth. As a true representative of the industry with a large membership base of 1,30,000 direct and indirect members, PHD Chamber has forged ahead leveraging its legacy with the Industry knowledge across sectors (58 Industry verticals being covered through Expert Committees), a deep understanding of the economy at large and the populance at the micro level.

At the National Level, the PHD Chamber is well represented in 16 states with its own offices and MOUs with eleven Partner Chambers in different states.

At the Global level, we have been working with the Concerned Ministries, Embassies and High Commissions to bring in the International Best Practices and Business Opportunity.

PHD Chamber has special focus on seven thrust areas:

- **Infrastructure**
- **Housing**
- **Health**
- **Education & Skill Development**
- **Agriculture & Agri-Business**
- **Industrial Development**
- **Digital India**