

MIRA INFORM REPORT

Report No. :	531149
Report Date :	25.09.2018

IDENTIFICATION DETAILS

Name :	RESERVE BANK OF INDIA
Registered Office :	Central Office Building, Shahid Bhagat Singh Road, Mumbai-400001, Maharashtra
Tel. No.:	91-22-22620521
Country :	India
Financials (as on) :	30.06.2018
Date of Incorporation :	01.04.1935
Capital :	INR 0.05 Billion
PAN No.: [Permanent Account No.]	AAIFR5286M
GSTN : [Goods & Service Tax Registration No.]	<ul style="list-style-type: none"> • 27AAIFR5286M1ZG [Mumbai] • 10AAIFR5286M1ZV [Bihar] • 33AAIFR5286M1ZN [Tamil Nadu] • 01AAIFR5286M1ZU [Jammu and Kashmir] • 21AAIFR5286M1ZS [Odisha] • 24AAIFR5286M1ZM [Gujarat] • 19AAIFR5286M1ZD [West Bengal] • 09AAIFR5286M1ZE [Uttar Pradesh] • 07AAIFR5286M1ZI [New Delhi] • 32AAIFR5286M1ZP [Kerala] • 17AAIFR5286M1ZH [Meghalaya]
Legal Form :	India's Central Bank
Line of Business :	The bank is entrusted with monetary stability, management of currency and supervision of financial system. [From Indirect Sources]
No. of Employees :	14184 [Approximately]

RATING & COMMENTS

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating : **A++**

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default

Status :	Excellent
Payment Behaviour :	Regular
Litigation :	Exist
Comments :	<p>Reserve Bank of India was established on 1st April 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934. It is central banking institution, which controls the monetary policy of the Indian rupee.</p> <p>It was originally set up as Private Bank and later got converted into Nationalized Bank in January 1949. Since, then it is wholly owned by Government of India (Gol).</p> <p>The Central Office of the Reserve Bank of India was initially established in Calcutta but was permanently moved to Mumbai in 1937. The Central Office is where the Governor sits and where policies are formulated. It is the central bank of the country which control over other banks in India.</p> <p>RBI assumes an important part in the development strategy of the Government of India, and as a leading member of the Alliance for Financial Inclusion (AFI), is notably active in promoting financial inclusion policy. It is an member of Asian Clearing Union.</p> <p>It is director through a team of 21 member of Central Board of Directors i.e.</p> <p>Governor, Deputy Governor, two finance ministry representatives (usually the Economic Affairs Secretary and the Financial Services Secretary); ten government-nominated directors to represent important elements of India's economy; and four directors to represent local boards headquartered at Mumbai, Kolkata, Chennai and the capital New Delhi.</p> <p>It main functions are monetary authority, regulator and supervisor of the financial system, manager of foreign exchange, issuer of currency and development role. It is also called the Banker's Bank.</p> <p>RBI raising funds through Government Securities i.e. Treasury Bills, Commercial Papers, Call Money, Certificate of Deposits and Commercial Bill are then invested in Domestic and Foreign Markets.</p> <p>As on 6th June 2018, Repo Rate is 6.25%, Reverse Repo Rate is 6.00%, CRR</p>

	<p>is 40% and SLR is 19.40%.</p> <p>As per financials of June 2018, RBI has achieved an interest revenue of INR 738.71 billion and has reported sound surplus of INR 400.00 billion.</p> <p>Rating takes into consideration the RBI's long established track record of business operations marked by healthy financial risk profile along with strong capital base and good liquidity position.</p> <p>Rating also takes into account the strong financial support received from Gol along with healthy investment base and well experienced management team.</p> <p>Rating continuous to derive strength from monopoly authority of issuing currency notes and coins, fund raising schemes through Commercial Papers, T-bill etc.</p> <p>Currently, Governor of RBI is Dr. Urjit Patel and he was appointed during September 2016 and demonetization was implemented under his control.</p> <p>Further, RBI has undertaken easy norms for overseas fund raising with Government measures and also implemented regulatory rules for Non-Banking Finance Company (NBFC).</p> <p>However, rating strength is partially offset by banking insolvency and frauds, control over inflation rates and overseas fund measures.</p> <p>Payment are reported to be regular as per commitments.</p> <p>In view of aforesaid, RBI can be considered good for business dealings at normal trade terms and conditions.</p>
--	--

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

EXTERNAL AGENCY RATING

NOT AVAILABLE

RBI DEFAULTERS' LIST STATUS

Subject's name is not enlisted as a defaulter in the publicly available RBI Defaulters' list.

EPF (Employee Provident Fund) DEFAULTERS' LIST STATUS

Subject's name is not enlisted as a defaulter in the publicly available EPF (Employee Provident Fund) Defaulters' list as of 31-03-2018.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

BIFR (Board for Industrial & Financial Reconstruction) LISTING STATUS

Subject's name is not listed as a Sick Unit in the publicly available BIFR (Board for Industrial & Financial Reconstruction) list as of 25.09.2018

IBBI (Insolvency and Bankruptcy Board of India) LISTING STATUS

Subject's name is not listed in the publicly available IBBI (Insolvency and Bankruptcy Board of India) list as of report date.

INFORMATION DECLINED BY

Name :	Mr. R K Mahana
Designation :	General Manager
Contact No.:	91-22-22620521
Date :	21.09.2018
Name :	Mr. A J Parikh
Designation :	General Manager
Contact No.:	91-22-22618288
Date :	21.09.2018

LOCATIONS

Registered Office :	Central Office Building, Shahid Bhagat Singh Road, Mumbai-400001, Maharashtra, India
Tel. No.:	91-22-22618288/ 22618288/ 22601000
Fax No.:	Not Available
Website :	rdmumbai@rbi.org.in https://www.rbi.org.in
Regional Offices:	Located at: <ul style="list-style-type: none"> • Ranchi • Dehradun • Shimla • Dehradun • Raipur • Panaji • Shillong • Agartala

DIRECTORS

AS ON: 31.03.2018

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Name :	Mr. Urjit R. Patel
Designation :	Governor
DEPUTY GOVERNORS	<ul style="list-style-type: none"> • N.S. Vishwanathan • Viral V. Acharya • B. P. Kanungo • Mahesh Kumar Jain
Directors Nominated Under Section 8 (1) (B) of the RBI Act, 1934:	<ul style="list-style-type: none"> • Nachiket M. Mor • Prasanna Kumar Mohanty • Dilip S. Shanghvi
Directors Nominated Under Section 8 (1) (C) of the RBI Act, 1934:	<ul style="list-style-type: none"> • Natarajan Chandrasekaran • Bharat Narotam Doshi • Sudhir Mankad • Ashok Gulati • Manish Sabharwal • Satish Kashinath Marathe • Swaminathan Gurumurthy
Directors Nominated Under Section 8 (1) (D) of the RBI Act, 1934	<ul style="list-style-type: none"> • Subhash Chandra Garg • Rajiv Kumar
Members of Local Boards	
Western Area;	<ul style="list-style-type: none"> • Dilip S. Shanghvi • Vallabh Roopchand Bhanshali
Eastern Area:	<ul style="list-style-type: none"> • Nachiket M. Mor • Sunil Mitra
Southern Area:	Prasanna Kumar Mohanty

KEY EXECUTIVES

Name :	Mr. R K Mahana
Designation :	General Manager
Name :	Mr. A J Parikh
Designation :	General Manager

MAJOR SHAREHOLDERS / SHAREHOLDING PATTERN

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

NOT AVAILABLE

BUSINESS DETAILS

Line of Business :	The bank is entrusted with monetary stability, management of currency and supervision of financial system. [From Indirect Sources]
Brand Names :	Not Divulged
Agencies Held :	Not Divulged
Exports :	Not Divulged
Imports :	Not Divulged
Terms :	
Selling :	Not Divulged
Purchasing :	Not Divulged

PRODUCTION STATUS: NOT AVAILABLE

GENERAL INFORMATION

Suppliers :	Reference:	Not Divulged
	Name of the Person (Designation):	--
	Contact Number:	--
	Since how long known:	--
	Maximum limit dealt:	--
	Experience:	--
	Remark	--
Customers :	Reference:	Not Divulged
	Name of the Person (Designation):	--
	Contact Number:	--
	Since how long known:	--
	Maximum limit dealt:	--
	Experience:	--
	Remark	--
No. of Employees :	14184 [Approximately]	

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Bankers :	Bank Name:	Not Divulged
	Branch:	--
	Person Name (with Designation):	--
	Contact Number:	--
	Name of Account Holder:	--
	Account Number:	--
	Account Since (Date/ Year of A/c Opening):	--
	Average Balance Maintained (Optional):	--
	Credit Facilities Enjoyed (CC/OD/Term Loan):	--
	Account Operation:	--
Remarks:	--	

Auditors 1 :	
Name:	Chhajed and Doshi Chartered Accountants
Auditors 2 :	
Name:	G P Kapadia and Company Chartered Accountants
Memberships :	Not Available
Collaborators :	Not Available
Associates/Subsidiaries :	Not Available

CAPITAL STRUCTURE

AS ON 03.06.2018

Capital: INR 0.05 Billion

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

FINANCIAL DATA
[all figures are in INR Billion]

ABRIDGED BALANCE SHEET

Particulars	30.06.2018	30.06.2017	30.06.2016
Liabilities			
Capital	0.05	0.05	0.05
Reserve fund	65.00	65.00	65.00
Other reserves	2.28	2.26	2.24
Deposits	6525.97	8963.48	5065.28
Other liabilities and provisions	10463.04	8946.84	10220.38
Liabilities of Issue Department			
Notes issued	19119.60	15063.31	17077.16
TOTAL	36175.94	33040.94	32430.11
Assets			
Assets of Banking Department (BD)			
Notes, Rupee Coin, Small Coin	0.09	0.12	0.14
Gold Coin and Bullion	696.74	627.02	662.23
Investments-Foreign-BD	7983.89	9319.94	6727.84
Investments-Domestic-BD	6297.45	7557.50	7022.85
Bills Purchased and Discounted	0.00	0.00	0.00
Loans and Advances	1638.55	172.56	520.41
Investment in Subsidiaries	33.70	33.70	23.20
Other Assets	405.92	266.79	396.28
Assets of Issue Department (ID)			
Gold Coin and Bullion (as backing for Note issue)	743.49	690.30	729.07
Rupee Coin	9.26	6.12	1.71
Investments-Foreign-ID	18366.85	14366.89	16335.92
Investments-Domestic-ID	0.00	0.00	10.46
Domestic Bills of Exchange and other Commercial Papers	0.00	0.00	0.00
TOTAL	36175.94	33040.94	32430.11

PROFIT & LOSS ACCOUNT

	PARTICULARS	30.06.2018	30.06.2017	30.06.2016
	SALES			
	Interest	738.71	660.51	735.43
	Other income	44.10	(42.33)	73.27
	TOTAL	782.81	618.18	808.70

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Less	EXPENSES			
	Printing of Notes	49.12	79.65	34.21
	Expenditure on Remittance of Currency	1.15	1.47	1.09
	Agency Charges	39.03	40.52	47.56
	Employee Cost	38.48	46.21	44.77
	Interest	0.01	0.01	0.01
	Postage and Telecommunication Charges	0.87	1.02	0.78
	Printing and Stationery	0.23	0.36	0.33
	Rent, Taxes, Insurance, Lighting, etc.	1.27	1.23	1.40
	Repairs and Maintenance	1.03	1.02	1.01
	Directors' and Local Board Members' Fees and Expenses	0.02	0.02	0.02
	Auditors' Fees and Expenses	0.06	0.04	0.03
	Law Charges	0.09	0.06	0.07
	Miscellaneous Expenses	8.08	6.96	6.42
	Depreciation	1.43	1.08	2.20
	Provisions	141.90	131.90	10.00
	Total	282.77	311.55	149.90
	Available Balance	500.04	306.63	658.80
	Less:			
	(a) Contribution to:			
	i) National Industrial Credit (Long Term Operations) Fund	0.01	0.01	0.01
	ii) National Housing Credit (Long Term Operations) Fund	0.01	0.01	0.01
	(b) Transferable to NABARD:			
	i) National Rural Credit (Long Term Operations) Fund1	0.01	0.01	0.01
	ii) National Rural Credit (Stabilisation) Fund1	0.01	0.01	0.01
	(c) Others			
	Amount transferred to Central Government during the year	100.00	0.00	--
	Surplus payable to the Central Government	400.00	306.59	658.76

LEGAL CASES

NOTE: LITIGATIONS DETAILS FILE ATTACHED

LOCAL AGENCY FURTHER INFORMATION

Sr. No.	Check list by info agents	Available in Report (Yes/No)
1	Year of establishment	Yes
2	Constitution of the entity -Incorporation details	Yes
3	Locality of the entity	Yes
4	Premises details	No
5	Buyer visit details	--
6	Contact numbers	Yes
7	Name of the person contacted	Yes
8	Designation of contact person	Yes
9	Promoter's background	Yes
10	Date of Birth of Proprietor / Partners / Directors	No
11	Pan Card No. of Proprietor / Partners	No
12	Voter Id Card No. of Proprietor / Partners	No
13	Type of business	Yes
14	Line of Business	Yes
15	Export/import details (if applicable)	No
16	No. of employees	Yes
17	Details of sister concerns	No
18	Major suppliers	No
19	Major customers	No
20	Banking Details	No
21	Banking facility details	No
22	Conduct of the banking account	--
23	Financials, if provided	Yes
24	Capital in the business	Yes
25	Last accounts filed at ROC, if applicable	Yes
26	Turnover of firm for last three years	Yes
27	Reasons for variation <> 20%	--
28	Estimation for coming financial year	No
29	Profitability for last three years	Yes
30	Major shareholders, if available	No
31	External Agency Rating, if available	No
32	Litigations that the firm/promoter involved in	Yes
33	Market information	--
34	Payments terms	No

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

35	Negative Reporting by Auditors in the Annual Report	No
----	---	----

ECONOMIC REVIEW

The Real Economy

In an environment in which global growth gained traction and broadened across geographies with international trade outpacing it, the Indian economy rounded a turning point during Q2 of 2017-18 as it emerged out of a five-quarter slowdown. Aggregate demand picked up, with the four quarter phase of consumption-led activity giving way to a much-awaited upturn in investment. Fiscal support in the form of government final consumption expenditure (GFCE) on the demand side, and public administration, defence and other services (PADO), on the supply side, continued to cushion aggregate economic activity, but waned somewhat in 2017-18 in relation to the immediately preceding year.

In the second half of the year, these impulses strengthened as manufacturing started recovering from sluggishness, accompanied by strong corporate sales growth, an uptick in capacity utilisation and drawdown of inventories of finished goods, an incipient starting up of the capital expenditure (capex) cycle and slow return of pricing power. In the services sector, construction exhibited remarkable improvement, accelerating to its fastest pace in recent years.

The still unravelling picture of the performance of agriculture and allied activities brightens up the outlook considerably. While growth rates for 2017-18 will inevitably be obscured by a high base, advance estimates point to another record foodgrains output in 2017-18 and buffer stocks well above norms.

These developments carry risks as well. First, firming of salient commodity prices are translating into worsening terms of trade for net importers like India and higher input costs. Consequently, the economy has to contend with the drag on aggregate demand from net exports and cost-push risks to inflation at the same time. In this context, it is worthwhile to note that India is not able to reap the healing effects of strengthening global trade by expanding exports commensurately, mainly due to constraints on domestic supply conditions and productivity.

Second, muted as they are at this stage, risks to macroeconomic stability have edged up. The current account deficit is widening as imports increasingly replace domestic production in several items, besides the elevation in international crude prices. In this context, aggregate demand pressures emanating from a deviation from the budgeted fiscal deficit of the general government may spill over into higher external imbalances, contributing to a 'twin deficit' challenge. Equally worrisome is the emergence of hysteretic pressure patterns in recent inflation outcomes under the camouflage of a delayed winter season softening of vegetable prices that has started to reverse from May 2018. Third, financing conditions are tightening just as the nascent shoots of growth are taking root. Liquidity is gradually rebalancing while gilt and corporate bond yields are hardening and banks have begun raising their interest rates.

Watchfulness is warranted in the context of the tentative pickup in credit growth that is gradually finding purchase. Fourth, global spillovers from markets repricing monetary policy normalization by systemic central banks as well as geo-political and idiosyncratic risks remain contingent threats to macroeconomic and financial stability as well as to growth prospects.

Aggregate demand, which is featured in the immediately following sub-section, decelerated due to a slowdown in consumption, both private and government, and a decline in net export as the surge in imports outpaced exports. Support came from growth in gross capital formation which pushed up the investment rate to 34.1 per cent of

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

gross domestic product (GDP) in 2017-18, up from 33.2 per cent in 2016-17. The sub-section on aggregate supply, which follows, profiles its slower pace and the underlying movements of its constituents – robust performance of agriculture and allied activities on top of a high base, reinvigoration of industrial activity, and the resilience of services. Aggregate Demand

Decomposing the evolution of aggregate demand – measured by year-on-year (y-o-y) growth of GDP – reveals that its slide into a thirteen-quarter low of 5.6 per cent in Q1:2017-18 was set off by a slowdown in fixed investment and decline in net exports. The turnaround in Q2, as GDP growth picked up to 6.3 per cent, was powered by a robust acceleration in momentum which was carried forward into the second half of the year. Enabled by favourable base effects, GDP growth has shown a consistent increase of 0.7 percentage points in each quarter. Threequarter moving averages of seasonally adjusted annualised growth rates attest to the interplay of momentum and base effects in aggregate demand conditions (Chart II.1.1). For the year as a whole though, Central Statistics Office's (CSO) provisional estimates (PE) indicate that there is room for a sizeable catch-up in aggregate demand – GDP growth at 6.7 per cent trailed 0.4 percentage points below the preceding year's rate.

Underlying the inflexion in aggregate demand conditions in 2017-18 were compositional shifts among constituents. Private final consumption expenditure (PFCE), which accounted for close to 57 per cent of real GDP growth in 2016-17, ceded share and its weighted contribution fell to around 55 per cent in 2017-18 (Chart II.1.2). While support from government final consumption was maintained at the preceding year's level, net exports depleted domestic demand after remaining in broad balance a year ago. Gross fixed capital formation (GFCF) shed 7.6 percentage points in 2017-18 from its weighted contribution of 43.2 per cent to GDP growth in 2016-17. Nonetheless, the steady increase in its share in GDP growth from the low of 8.4 per cent in 2013-14 is noteworthy in view of its historical catalysing role in stepping up the pace of growth and its longer-lasting multiplier effects relative to other constituents, on the overall activity in the economy, employment and welfare.

Investment and Saving

This firming up of GFCF during 2017-18 acquires significance in the context of the recent experience which saw the rate of fixed investment, measured by the GFCF/GDP ratio, worsening steadily from 34.3 per cent in 2011-12 to 30.3 per cent in 2015-16. In 2016-17, however, GFCF shrugged off its secular decline and green shoots of revival became visible, led by private non-financial corporations and general government. Fixed investment of the private non-financial sector increased primarily in the form of machinery and equipment closely followed by intellectual property products.

After a transient slowdown in Q1:2017-18 due to the lingering impact of demonetisation and uncertainties ahead of the implementation of the goods and services tax (GST), fixed investment rebounded in Q2 and sustained momentum over the rest of the year. The coincident turnaround in the growth of GDP and GFCF bears out the empirically validated switching role of the latter in turning points in the path of the Indian economy.

PROSPECTS: 2018-19

The global economy expanded at a strong pace in the first half of 2018. In advanced economies (AEs), activity was accompanied by tightening labour markets, firm commodity prices and resilient trade dynamics. Emerging market economies (EMEs) front-ran the AEs in Q1 but fell back somewhat in Q2 as capital flows exited on risk aversion generated by a cocktail of trade wars, rising interest rates in the US, geo-political tensions and the unrelenting hardening of crude oil prices. As per the International Monetary Fund's (IMF's) estimate, global growth is expected to pick up by 0.2 percentage points to 3.9 per cent in 2018 and is projected to sustain at the same level in 2019.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

The domestic and international repercussions of expansionary fiscal policy in the US and terms of trade gains for commodity exporters are expected to be impulses of propulsion. Headwinds could nonetheless rise from further tightening of financial conditions, escalation of trade tensions and intensification of geopolitical risks. Increasingly, financial markets are emerging as the main conduit for transmission of global spillovers to financial, and eventually, macroeconomic conditions in EMEs, including India.

In this unsettled international environment, incoming data configure favourable conditions for an acceleration of activity in the Indian economy. The initial lull in the progress of the southwest monsoon got reversed, including in the spatial dispersion, and in response, cropping gaps are closing. Overall, agricultural production is likely to remain strong for the third consecutive year. Meanwhile, growth impulses in industry are strengthening, propelled by a sustained pick-up in manufacturing and mining activity, especially coal. Corporates are reporting robust sales growth and improvement in profitability as pricing power returns. Services sector activity is also set to gather pace, as high frequency indicators suggest. Revenue-earning freight traffic of railways has picked up, driven by stepped-up movement in coal, fertiliser and cement. The uptrend in construction is expected to continue going forward, given the government's push for infrastructure – affordable housing, roads, and ports – and the robust expansion in the production of cement. Underlying this reinvigoration is the steady expansion in aggregate demand, fuelled by consumption (both urban and rural), investment and exports. Over the rest of 2018-19, the acceleration of growth that commenced in 2017-18:H2 is expected to be consolidated and built upon. Keeping in view the evolving economic conditions, real GDP growth for 2018-19 is expected to increase to 7.4 per cent from 6.7 per cent in the previous year, with risks evenly balanced.

Going forward, the up-tick in credit growth is likely to be supported by the progress being made under the aegis of the Insolvency and Bankruptcy Code, 2016 (IBC) in addressing stress on balance sheets of both corporates and banks, recapitalisation of PSBs, and a positive outlook on the economy. The prevailing negative credit-to-GDP gap indicates that there is sufficient scope for credit absorption and expansion in bank lending on a sustained basis.

Headline inflation which averaged 4.8 per cent during Q1:2018-19, is likely to face upside risks over the rest of the year from a number of sources, warranting continuous vigil and a readiness to head off those pressures from getting generalised. Rising global commodity prices, especially of crude oil, and recent global financial market developments are firming up input cost pressures. The staggered impact of HRA revisions by various state governments could also pose an upside risk through secondround effects. Much will depend on how food prices play out and how effective are the supply management strategies.

A further rise in households' inflation expectations in the June 2018 round of the Reserve Bank's survey warrants caution, especially to prevent wage-cost spirals from developing. On the whole, headline inflation is projected at 4.6 per cent in Q2:2018-19; 4.8 per cent in H2 and 5.0 per cent in Q1:2019-20, including the HRA impact for central government employees, with risks evenly balanced.

Excluding the impact of HRA revisions, headline inflation is projected at 4.4 per cent in Q2:2018-19; 4.7-4.8 per cent in H2 and 5.0 per cent in Q1:2019-20. The MPC raised the policy repo rate by 25 bps in June 2018 and again in August, keeping in view the hardening of inflation and inflation expectations, while continuing with the neutral stance. The conduct of monetary policy will continue to be guided by the objective of achieving the medium-term target for CPI inflation of 4 per cent within a tolerance band of +/- 2 per cent, while supporting growth.

The Union Budget for 2018-19 is confronted with an Occam's razor. The surge in the number of tax assesseees, especially new ones, augurs well for raising the tax-GDP ratio to at least the levels of peers. While the GST may

gradually expand revenues as it stabilises and gains traction, terms of trade losses associated with the hardening of international crude prices could restrict fiscal space. Meanwhile, sizable outlays on agriculture and infrastructure could impose a financing constraint. In this milieu, aggressively pursuing disinvestment targets contingent upon market conditions and investor appetite holds scope for fiscal metrics in line with the Fiscal Responsibility and Budget Management (FRBM) targets.

With regard to the fiscal position of states, budget estimates for 2018-19 have envisaged a revenue surplus and a lower fiscal deficit. During the year, however, fiscal risks may emanate from many states going for elections, the additional burden of farm loan waivers announced outside budgeted outlays, and the implementation of pay/pension/allowances revisions. Revenue mobilisation remains the key to attaining the budgeted targets. The cushion provided by compensation cess by the centre for any interim shortfall in GST revenue could help smooth state finances on the revenue front. Against this backdrop, the combined gross fiscal deficit of the centre and states is budgeted to be brought down to 5.9 per cent of GDP in 2018-19 from 6.6 per cent in the revised estimates for 2017-18.

Global headwinds are likely to confront India's external sector in 2018-19. Even though exports have gathered momentum in Q1 of 2018-19, the worsening global trade environment as a result of protectionist policies may impinge upon external demand. Elevated crude oil prices and the strengthening of domestic demand may push up the import bill. With India being a net energy importer, the changing demand-supply dynamics in the international crude oil market may impact heavily on India's trade deficit. With domestic information technology (IT) companies gradually adapting to the global business environment, software exports are expected to remain strong. The increase in limits for foreign portfolio investment in both government and corporate bonds augurs well for the prospects for external financial flows adjusted for downside risks. The current account deficit is expected to be largely financed by FDI flows.

Several initiatives set in motion to secure the soundness of the banking system are expected to reach critical mass during 2018-19. First, keeping in view the IBC process and the need to put in place a harmonised and simplified generic framework for resolution of stressed assets, the Reserve Bank has introduced a new framework for resolution of stressed assets, which is more outcome-oriented and provides considerable flexibility for banks to determine the minutiae of the restructuring process. The recent amendments to the IBC are expected to improve the efficiencies in decision making under it. The voting threshold for the committee of creditors has been brought down to 66 per cent from 75 per cent for all major decisions, including approval of resolution plans and recommendation for extension of the period of the corporate insolvency resolution process (CIRP). Furthermore, a special dispensation has been provided to micro, small and medium enterprises (MSMEs), recognising their importance in employment generation and exports.

Second, institutional reforms in India's financial system and credit information availability are poised for a transformation. Drawing on the recommendations of the task force (Chairman : Shri Yeshwant M. Deosthalee), the Reserve Bank has decided to set up a public credit registry (PCR) with an Implementation Task Force (ITF) assigned to design the logistics.

Third, the Reserve Bank has put in place a graded enforcement action framework for any lapses observed in conducting a bank's statutory audit to address large divergences in asset classification and provisioning in the credit portfolio of banks as well as rein in the rising incidence of frauds in the Indian banking system. As pointed out in the Detailed Assessment Report of the Financial Sector Assessment Program (FSAP) of the IMF-World Bank, legal reforms facilitating ownership-neutral regulation and supervision of the banking system would empower the Reserve Bank further in supervisory enforcement.

The impact of international financial reporting standards on quantitative and qualitative reporting by banks would be reviewed, aligned and integrated with the supervisory framework, in view of its impending implementation. An Audit Management Application portal to handle various supervisory functions of the cyber security and information technology examination cell in the Reserve Bank and to fully automate monitoring of returns has been envisaged in order to facilitate consistency and efficiency of the offsite monitoring mechanism.

Efficiency and security of the payment and settlement architecture is paramount for the Reserve Bank in the context of its mandate of oversight over the system. With the increased focus on adoption of digital payments, the availability and accessibility of quality infrastructure at a pan-India level continues to be the critical factor for sustained usage. In this regard, the Reserve Bank will intensify its focus on robustness, safety and security of the payments infrastructure in 2018-19. An important objective will be to manage safe and secure innovations in payment systems that provide wider payment options to users. Robust customer grievance redressal mechanisms will continue to be developed further to increase trust and confidence in payment systems.

The Reserve Bank has been playing a catalytic role in permeation of FinTech into the economy, propelled by its Payment and Settlement System Vision – 2018. The report of the Reserve Bank's Working Group on FinTech and Digital Banking covers granular aspects and envisages a reorientation of the regulatory framework so that it can respond to the dynamics of a rapidly evolving scenario. These issues will engage policy attention in 2018-19.

This year will also see the gaining of traction of initiatives for consumer protection in the area of financial transactions, especially by leveraging on technology. Among them, the ombudsman scheme for redressal of complaints related to NBFCs aims to provide a cost-free and expeditious complaint redressal mechanism.

The ombudsman scheme for NBFCs will be reviewed during the year, and its scope will be widened to encompass other eligible NBFCs. Furthermore, efforts will be made to raise customer awareness on safe banking habits and access to grievance redressal. Considering the increasing number of complaints relating to transactions conducted digitally, the Reserve Bank will also formulate an ombudsman scheme for digital transactions.

Looking ahead, the Indian economy is set to step up its growth trajectory. Two aspects warrant priority if this aspiration is to be realizable and sustainable. First, infrastructure holds the key to unleashing the impulses of faster growth. In particular, the reasonable success achieved in the transportation space is worthy of emulation in other areas. During 2018-19, this aspect of the infrastructure mission is set to accelerate. In the road sector, the key targets are awarding works for around 20,000 km length of national highways; construction of 45 km per day vis-à-vis 27 km per day last year; and developing ring roads around 28 major cities under the Bharatmala project. In railways, upgradation of Bengaluru and Mumbai suburban systems, Mumbai-Ahmedabad highspeed rail construction, installing modern facilities in railway stations as part of station redevelopment, and opening India's First National Rail and Transportation University in Vadodara will be the priorities. In the port sector, more than 576 projects with an estimated cost of INR 8700 billion have been identified for implementation under the Sagarmala project.

Second, even as infrastructure development provides the thrust, sustaining the momentum of growth will hinge around its inclusiveness and, in particular, its employment intensity. The Government is designing a comprehensive strategy to bring employment to the core of the development strategy: (i) promoting industrial activity through the Make in India drive; (ii) enhancing employability through Skill India including Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) and Skill Strengthening for Industrial Value Enhancement (STRIVE); and (iii) encouraging innovation and entrepreneurship through Start up India. With regard to reforms in labour laws, codification is in progress and the Code on Wages Bill has been introduced in the Lok Sabha.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

Over the medium-term, the pace and quality of growth will be anchored by progress on the unfinished agenda of structural reforms in, inter alia, resolution of banking and corporate financial stress; taxation; agriculture; liberalisation of the economy's external interface, especially with FDI; and galvanising the business environment. The hard-earned gains of macroeconomic stability that have defined the recent period as its greatest achievement need to be preserved as an imperative within this endeavour.

FINANCIAL MARKETS

Barring the sell-offs in equities and bonds in February and March 2018 that ricocheted across the world, including in India, global financial markets remained generally upbeat in 2017-18 on improving growth prospects and a gradual pace of normalisation by the US Fed. Valuations rose through the greater part of the year amidst subdued volatility, except for brief flares. Fears in February 2018 about a faster pace of policy normalisation by the US Fed on the arrival of strong jobs/wages data and again in March 2018 in response to US trade policies, clouded the outlook as volatility returned amidst considerable flux in asset prices and capital flows with implications for emerging markets. Currencies were boosted by the generally weak US dollar over the greater part of the year, interrupted by idiosyncratic but short-lived reversals on safe haven effects.

In India, global spillovers impacted equity and currency markets the most, puncturing the robust rallies that drove up the former segment right up to February, and reversing the appreciating bias with which the Indian rupee was trading against major currencies over most part of the year.

By contrast, other market segments were mostly influenced by domestic factors. In the money market, as discussed in sub-section 1, money market rates remained anchored to the policy rate due to active liquidity management by the Reserve Bank. Sub-section 2 depicts developments in the domestic bond market where yields hardened on inflation prospects, fears of excessive issuances of papers relative to absorption capacity, fiscal slippages, rising crude oil prices and sharp increase in the US bond yields. Developments in the corporate debt market, where yields hardened significantly in H2 after softening initially in H1, have been discussed in sub-section 3. Subsection 4 portrays developments in the domestic stock market, which remained buoyant on the back of positive domestic factors and cues from global markets. The two-way movements in the Indian rupee-US dollar (INR-US\$) exchange rate, generally appreciating in H1 on significant foreign portfolio investment (FPI) inflows but depreciating in H2 on general strengthening of the US dollar and FPI outflows, have been discussed in subsection 5.

FINANCIAL LITERACY

Financial literacy is crucial for imparting efficacy to financial inclusion initiatives of the Reserve Bank. In this direction, a number of new initiatives were undertaken during 2017-18.

Innovative Approaches on Financial Literacy

In order to explore innovative and participatory approaches to financial literacy, a block level CFL project was initiated in 2017 by the Reserve Bank across 80 blocks in 9 states. The project is currently being implemented by 6 NGOs in collaboration with 10 sponsor banks. Some of the best practices and innovative methods adopted by the NGOs in the execution of the project are highlighted in Box IV.2. In order to improve the effectiveness of financial literacy camps, FLCs and rural branches of banks were advised to use hand-held projectors to show audio-visuals and posters on financial awareness messages. Reimbursement for hand held projectors and speakers is provided from the Financial Inclusion Fund (FIF) to the extent of 50 per cent of the cost incurred, subject to a maximum of ₹5,000 per rural branch/FLC.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

The National Centre for Financial

Education (NCFE) supported by the financial sector regulators has prepared audio visuals on the financial awareness messages provided by the Reserve Bank such as (a) address proof declaration under KYC norms, (b) use of BCs, (c) electronic payment systems (NEFT/RTGS), (d) not falling prey to fictitious emails/calls and ponzi schemes, (e) process of using the unified payment interface through BHIM, and (f) various ways of going digital and cashless. FLCs and rural branches of banks were advised to use the audio-visuals while conducting financial literacy camps.

RBI-OECD Global Symposium on Financial Education

The Reserve Bank, in collaboration with the Organisation for Economic Co-operation and Development (OECD), organised the RBIOECD high level global symposium on financial education during November 8-9, 2017 in New Delhi. The symposium stimulated ideas, discussions and solutions around implementing effective financial literacy policies in a changing financial landscape and focused on financial literacy in the digital age. Two hundred and forty high-level delegates from 40 countries participated in the two-day event, including officials and experts from the OECD International Network on Financial Education (OECD/INFE), ministries of finance and education, central banks, regulatory and supervisory authorities, international organisations, academia, private sector and NGOs. The key takeaways from the conference were as follows: (a) countries have initiated evaluation of programmes in their national strategies and their outcomes; (b) digital financial services make it easy for consumers to access credit but consumers might not comprehend the impact that repayment obligations would have on their finances; (c) the increase in digital delivery of financial services is also creating new pockets of financial and social exclusion such as many elderly and digitally illiterate persons; (d) digital tools represent an opportunity to develop more engaging financial education, in particular for young audiences; (e) evidence on the level of financial literacy of the population is a key building block for developing effective and tailored policies and practices; and (f) countries recognise the need to encourage the use of professional advice and of work place initiatives to support new and existing investors.

Financial Literacy Week 2018

In order to create awareness at a large scale on key topics every year, the Reserve Bank had decided to observe one week in a year as 'Financial Literacy Week' starting from 2017. This year, financial literacy week was observed during June 4-8, 2018 with the theme of "Consumer Protection". The week focussed on four consumer protection messages, viz., 'Know your Liability for Unauthorised Electronic Banking Transactions', 'Banking Ombudsman', 'Good Practices for a Safe Digital Banking Experience' and 'Risk versus Return'. The activities during the week involved display of financial literacy material in bank branches, ATM, bank websites and conduct of camps by the FLCs.

IV.33 As at end-March 2018, 1,395 FLCs were operational in the country. During the year ended March 2018, 1,29,280 financial literacy related activities were conducted by the FLCs as against 96,315 activities during the preceding year.

Agenda for 2018-19

Going forward, in order to ascertain efficacies, the Reserve Bank would undertake the following steps on credit delivery and financial inclusion: (a) preparation of a framework for credit delivery to tenant farmers; (b) integration of FIP data with ADEPT to enable automated and timely extraction from CBS of banks; (c) impact assessment of pilot CFL project by an independent agency and (d) strengthening of BC Model by capacity building of BCs through the "Train the Trainers" programme.

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

PRESS RELEASES:

Sep 21, 2018

RBI TO FORM REGULATORY SANDBOX FOR FINTECH, SET UP DATA SCIENCE LAB

MUMBAI: The Reserve Bank of India (RBI) is working on a regulatory sandbox for financial technology and setting up data science labs to keep pace with innovation in the digital lending space.

It has set up an inter-regulatory working group to study regulatory issues relating to fintech NSE 0.00 % and digital banking in India.

"A data science lab will be opened in the RBI with a mixed team of engineers, economists and statisticians and they will be going through internal data of each vertical," Gautam Chatterjee, principal adviser to the Department of Statistics and Information Management at the RBI, said at an ET Edge event

Today, all departments in the RBI are relying on data analytics, he said. A regulatory sandbox, to separate running computer programs to mitigate system failures and software vulnerabilities from spreading, will help in product innovation as more products are coming in frequently.

"More products are coming in the market. To guard against the creative vulnerabilities, the idea is to bring in a regulatory sandbox where anybody can bring in a new product and it can be first tested before going to public," said Chatterjee.

RBI EASES NORMS FOR OVERSEAS FUND RAISING IN LINE WITH GOVT MEASURES TO PROP UP RUPEE

Sep 19, 2018

The Reserve Bank Wednesday eased norms for companies in manufacturing sector to raise overseas funds and allowed Indian banks to market Masala Bonds in line with the government's measures to prop up the rupee.

Following a review of the economy by Prime Minister Narendra Modi last week, the government announced an array of measures to check the decline of rupee and curb the widening current account deficit (CAD).

Liberalisation of the External Commercial Borrowing (ECB) norms was among other measures announced by the government.

"It has been decided, in consultation with the government, to liberalise some aspects of the ECB policy including policy on rupee denominated bonds (Masala Bonds) ...," the RBI said in a notification.

As per the revised policy, eligible ECB borrowers who are into manufacturing sector, will be allowed to raise ECB up to \$ 50 million or its equivalent with minimum average maturity period of 1 year. The earlier average minimum maturity period was three years.

The central bank has also made changes in norms wherein Indian banks can market Masala Bonds overseas.

Presently, Indian banks can act only as arranger/ underwriter for such bonds and in case of underwriting an issue, their holding cannot be more than 5 per cent of the issue size after 6 months of issue.

Now, the banks can “participate as arrangers/ underwriters/ market makers/ traders in RDBs issued overseas subject to applicable prudential norms,” the notification said.

The rupee has been losing value against the US dollar, and had almost touched 73 on Tuesday.

However, the domestic unit Wednesday bounced back by 61 paise to end at 72.37 against the dollar.

THE NEW REGIME AT RBI UNDER URJIT PATEL

RBI governor Urjit Patel knows his onions and will not surrender the Reserve Bank of India's independence

Sep 03 2018

Urjit Patel completes his second year as Reserve Bank of India (RBI) governor on Tuesday. Not too many finance ministry bureaucrats seem to be fond of him. Ditto bankers. The reasons are different though. Patel's predecessor Raghuram Rajan took over in the thick of the taper tantrum and D. Subbarao, who Rajan succeeded, had seen the collapse of Lehman Brothers Holdings Inc. a few days after he took over. For Patel, demonetisation was baptism by fire.

He got a lot of flak for it but on previous two occasions too (1946 and 1978), the past RBI governors—C.D. Desmukh and I.G. Patel—could not prevent demonetisation. It was a government move like the 1969 bank nationalization, of which then RBI governor L.K. Jha was kept in the dark till the last moment.

To his credit, Patel has not wavered from his mission of inflation-fighting and cleaning up the mess of bad loans. And, he calls a spade a spade even though it's not music to the ear for the government—that is, of course, when he decides to speak.

Unlike in the past, the RBI monetary policy is no longer a governor's policy. The six-member monetary policy committee (MPC) now takes the call. The framework has been put in place following the suggestions of an expert panel, headed by Patel himself. Since June, the policy rate has been raised twice and, at every policy statement, Patel reiterates his intolerance for inflation moving beyond the medium-term target of 4% within a band of +/- 2%.

In his first year, he spurned the invitation of the finance ministry for a meeting with the MPC members and made public his displeasure with the farm loan waivers announced by states. In the second, the skirmishes continued while the issues have changed. They, in fact, intensified after Patel said regulatory power should be ownership-neutral. His argument is all commercial banks are regulated by RBI under the Banking Regulation Act but the public sector banks (PSBs) are regulated by the government too, their majority owner. This restrains RBI from exercising certain powers which it has over the private banks.

Many interpreted this as Patel's attempt to cover up the perceived failure of the banking regulator to prevent frauds. Has he said anything new? It was just a reiteration of what a government-appointed panel, headed by

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.

former RBI governor M. Narasimham, had pointed out 27 years ago—the dual control over the banking system of the finance ministry and RBI should end. While most of the recommendations of the Narasimham panel have been implemented, the government has been ignoring this.

While briefing a parliamentary panel whose members include former prime minister Manmohan Singh, Patel once again sought more powers to oversee the PSBs. He also said no central bank nominee should be on the boards of PSBs to avoid “any conflict of interest”.

The list of issues on which RBI and the government have differing views is long. Despite the government’s nudge, the central bank has not diluted its stand on taking the power sector defaulters to the National Company Law Tribunal. The government seems to want RBI to take a relook at its prompt corrective action norms which do not allow weak banks to expand business. RBI cannot afford to dilute the bad loan recognition and resolution norms for defaulters in the power sector as that will compromise the sanctity of the Insolvency and Bankruptcy Code, a watershed towards improving the credit culture in India.

The new RBI, under Patel, has zero tolerance for non-compliance. The board of Axis Bank had to cut short its CEO’s tenure while Yes Bank is anxiously waiting for another term of its CEO who has been asked to continue “till further notice”. The promoters of two small finance banks have stepped down as CEOs as they couldn’t conform to ownership norms. Kotak Mahindra Bank’s plan to dilute the promoter’s stake has not got the central bank’s nod. For banks, the days of regulatory forbearance are over.

One can always argue that the new regime is too harsh on PSBs; the bad loans were created over a period and the banks should be given more time to deal with them. But that’s the headache of their majority owner, not the regulator. The government needs to decide on their fate—whether to use euthanasia for some of them or nurse them back to health by ensuring capital, independence of their boards and governance.

While the bankers are finding him too tough, the bureaucrats see him as reticent and analysts call him non-communicative, the key takeaway from his first two years is that Patel knows his onions and will not surrender the central bank’s independence.

Tamal Bandyopadhyay, consulting editor at Mint, is adviser to Bandhan Bank. His Twitter handle is @tamalbandyo.

CMT REPORT (Corruption, Money Laundering & Terrorism]

The Public Notice information has been collected from various sources including but not limited to: **The Courts, India Prisons Service, Interpol, etc.**

1] INFORMATION ON DESIGNATED PARTY

No records exist designating subject or any of its beneficial owners, controlling shareholders or senior officers as terrorist or terrorist organization or whom notice had been received that all financial transactions involving their assets have been blocked or convicted, found guilty or against whom a judgement or order had been entered in a proceedings for violating money-laundering, anti-corruption or bribery or international economic or anti-terrorism sanction laws or whose assets were seized, blocked, frozen or ordered forfeited for violation of money laundering or international anti-terrorism laws.

2] Court Declaration :

No records exist to suggest that subject is or was the subject of any formal or informal allegations, prosecutions or other official proceeding for making any prohibited payments or other improper payments to government officials for engaging in prohibited transactions or with designated parties.

3] Asset Declaration :

No records exist to suggest that the property or assets of the subject are derived from criminal conduct or a prohibited transaction.

4] Record on Financial Crime :

Charges or conviction registered against subject: **None**

5] Records on Violation of Anti-Corruption Laws :

Charges or investigation registered against subject: **None**

6] Records on Int'l Anti-Money Laundering Laws/Standards :

Charges or investigation registered against subject: **None**

7] Criminal Records

No available information exist that suggest that subject or any of its principals have been formally charged or convicted by a competent governmental authority for any financial crime or under any formal investigation by a competent government authority for any violation of anti-corruption laws or international anti-money laundering laws or standard.

8] Affiliation with Government :

No record exists to suggest that any director or indirect owners, controlling shareholders, director, officer or employee of the company is a government official or a family member or close business associate of a Government official.

9] Compensation Package :

Our market survey revealed that the amount of compensation sought by the subject is fair and reasonable and comparable to compensation paid to others for similar services.

- 10] **Press Report :**
No press reports / filings exists on the subject.

CORPORATE GOVERNANCE

MIRA INFORM as part of its Due Diligence do provide comments on Corporate Governance to identify management and governance. These factors often have been predictive and in some cases have created vulnerabilities to credit deterioration.

Our Governance Assessment focuses principally on the interactions between a company's management, its Board of Directors, Shareholders and other financial stakeholders.

CONTRAVENTION

Subject is not known to have contravened any existing local laws, regulations or policies that prohibit, restrict or otherwise affect the terms and conditions that could be included in the agreement with the subject.

FOREIGN EXCHANGE RATES

Currency	Unit	INR
US Dollar	1	INR 72.69
UK Pound	1	INR 95.00
Euro	1	INR 85.25

INFORMATION DETAILS

Information Gathered by :	GYT
Analysis Done by :	VIK
Report Prepared by :	ARC

SCORE FACTORS

DEMERIT POINTS		
--BANK CHARGES	YES/NO	NO
--LITIGATION	YES/NO	YES
--OTHER ADVERSE INFORMATION	YES/NO	NO
MERIT POINTS		
--SOLE DISTRIBUTORSHIP	YES/NO	NO
--EXPORT ACTIVITIES	YES/NO	NO
--AFFILIATION	YES/NO	NO
--LISTED	YES/NO	NO
--OTHER MERIT FACTORS	YES/NO	YES

RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)

DISCLAIMER : This Report is **PRIVATE & CONFIDENTIAL** and it is prepared at the request of and for its use by the Subscriber only. The Subscriber shall use the contents of the Report merely as an aid to its business. Mira Inform Private Limited ("MIPL") has collated information/data in the Report, which have not been verified unless otherwise specifically mentioned in the Report. The Subscriber shall independently verify the accuracy and correctness of the information/data before in any way acting upon the same. MIPL shall not be liable for any harm, injury, loss or damage caused to the Subscriber due to default by the Subscriber's debtors/beneficiaries in fulfilling their obligations of any nature whatsoever. This Report or any of its portion shall not be used as a documentary evidence or otherwise before any investigative agencies or forum of law. This Report is confidential and proprietary to MIPL. The Subscriber and/or any other person(s) may not reproduce, publish or disclose any of the contents of the Report to others without the express authorization of MIPL. This Report is prepared and issued to the Subscriber without any risk, responsibility or liability on the part of MIPL or its officials.