



PRESS RELEASE

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Rupee is at 71 per dollar – at an All Time Low

Failed ‘Modinomics’ has hit the Economy with a Body Blow!

PM Shri Narendra Modi’s policies are sinking India’s Economy. No matter how many alibis and untruths the BJP weaves- Truth is that Modi Govt has systematically weakened our Economy and deliberate accidents like Disaster of Demonetisation, Implementation of a Flawed GST, Weakening the Banking Sector and Tax Terrorism are squarely responsible for this.

Rupee is in ICU. Modi Govt is at its last lap. All the loudmouth tall promises of Shri Narendra Modi during the 2014 Lok Sabha elections have disappeared from the BJP’s narrative.

What the Congress party could not achieve in 60 years, Shri Modi and his deliberately flawed economic policies have achieved in just 60 months! **Rupee has lost almost 10% of its value in 2018 itself. Rupee has become Asia’s weakest currency under Modi Govt.** While many currencies of Asian nations have in fact appreciated during the same period, however, the Rupee has lost its shine.

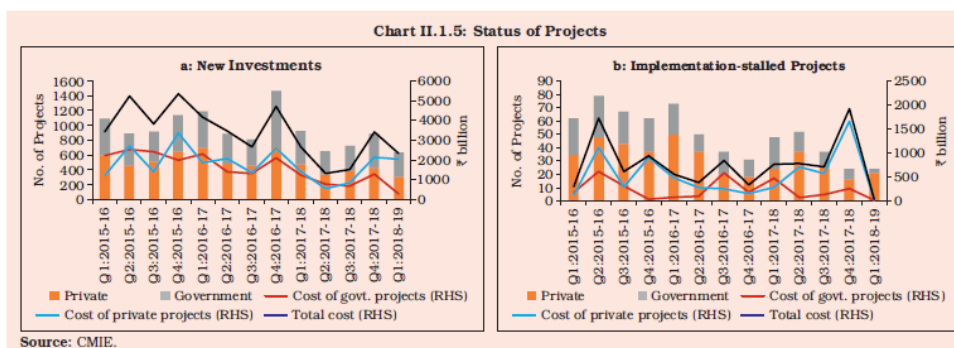
Poor Domestic Policies are the only reason for a Plunging Value of Rupee:-

1. It is now proved beyond doubt through the RBI Annual Report 2017, that ‘Modi Made Disaster of Demonetisation’ derailed the Indian Economy. This resulted in widening the Current Account Deficit (CAD), thereby negatively impacting Rupee value vis a vis dollar. **The Current Account Deficit could go up to 2.8 percent of the GDP for FY19, compared to 1.9 percent in FY18 due to the widening trade deficit.**

Since the day, Modi Govt implemented a flawed an ill-conceived GST; the Current Account Deficit has continuously fallen and never recovered.

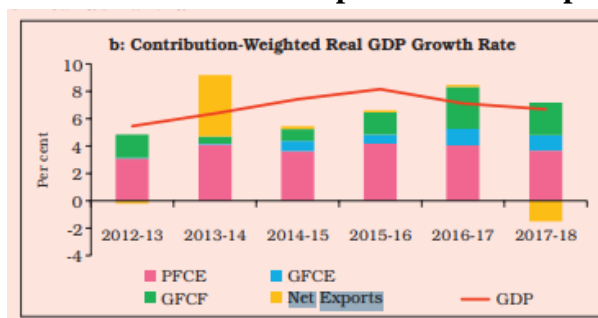


2. New Investment remained lukewarm uniformly across the government and private sectors. (RBI Annual Report, 2017 | Page 36, Chart II.1.5). **New jobs can be only created by new investments not by Jumlas or Diversionary Tactics!**



Foreign Investors are consistently losing confidence in Government policies and incoming FDI, since April, 2018 is on a downward spiral; this would lead to a further weakening of Rupee Vs Dollar! The current forex reserves (24th August RBI data) stand at USD 400 billion, which is 26 billion lesser than USD 426 billion on the April 13th.

3. **RBI Annual Report testifies that Net Exports have dipped since the Modi Govt has assumed office. This was further exacerbated by the Demonetisation Disaster as the MSME Sector was severely hurt. Thereby the current forex reserves also fell which depreciated the Rupee vis -a-vis the Dollar.**



4. **Due to the implementation of a flawed GST which was apathetic towards exporters, the Rupee lost its value against dollar, as exporters' working capital got blocked, due to the ill-conceived and ill-implemented GST.**
5. **With imports expected to become more costly due to the exchange rate, in the near future one can expect a higher oil import bill which will translate into higher prices of petrol and diesel. This would have a negative bearing on the prices of all the essential products, including food products, prices of fruits and vegetables and other items. A Higher Inflation means, Higher Interest Rates which shall hurt not only the businesses but also the Middle Class the most.**
6. **As the price of imported raw material or even semi-finished products rise, manufacturing costs of these products are also expected to rise. This would have an inflationary impact on domestic prices of capital goods and domestically used appliances like – home appliances, cars, two wheelers, electronic goods, mobile phones, mechanized farm equipment etc.**

Finance Minister, Shri Arun Jaitley is busy writing long winding blogs to score political points and has completely ignored the seriousness of a Falling Rupee.

Congress party would want to alarm the Modi Govt, once again to make a belated course correction so that Indian Economy could be saved.