INDIA POLITICAL ECONOMY PROGRAM ESSAY

75 YEARS OF INDIA'S FOREIGN EXCHANGE CONTROLS
A STORY OF SLOW-BURN LIBERALIZATION

Bhargavi Zaveri Shah, ***National University of Singapore***

THE1991PROJECT.COM
MERCATUS.ORG

MERCATUS CENTER
George Mason University

Bhargavi Zaveri Shah, "75 Years of India's Foreign Exchange Controls: A Story of Slow-Burn Liberalization," Mercatus Essay, Mercatus Center at George Mason University, Arlington, VA, December 2023.

SUMMARY

This essay chronicles the gradual liberalization of India's foreign exchange controls from 1947 to the present, detailing the shift from stringent restrictions to a more open economy. It highlights the complex interplay between economic policies and their implementation, while advocating further liberalizing India's economy to encourage foreign trade and investment, thereby integrating it into the global trading and financial system.

Keywords: India; foreign exchange; 1991 economic reforms; economic policy; global financial crises; India political economy

JEL codes: F31, N25, O53, P11, G15

© 2023 by Bhargavi Zaveri Shah and the Mercatus Center at George Mason University.

The views expressed in Mercatus Essays are the author's and do not represent official positions of the 1991 Project, the Mercatus Center, or George Mason University.

On the cover: Pillar of Ashoka (detail) at Sanchi, Madhya Pradesh, India. The pillars of the emperor Ashoka the Great (268–232 B.C.), renowned for their polished sandstone and intricate carvings, were dispersed throughout the Indian subcontinent and carried imperial edicts promoting moral and ethical conduct. The Lion Capital of Ashoka, which tops the pillar at Sarnath, Uttar Pradesh, has been adopted as India's national emblem. Twenty of the pillars of Ashoka still survive.

The ability to exchange money for goods and services across borders underpins free trade. The convertibility of the Indian rupee into foreign currency and vice versa is integral to this freedom. Today, Indians can, for the most part, seamlessly order consumer goods from vendors abroad using their local bank-issued credit cards. Indians take pride when the indigenously developed Unified Payments Interface (UPI) is enabled for cross-border digital payments. The ability to access cheap capital encourages entrepreneurial ventures and innovation and allows businesses to scale faster.

Prior to 1991 and for many years thereafter, foreign exchange transactions were severely restricted. Indians could travel abroad once every three years and draw up to USD 100 by filing an infamous "P form" with the Reserve Bank of India (RBI). Sometime in the mid-1970s, Indians were "allowed" permissionless foreign travel every other year by drawing up to USD 500 per foreign trip. *India Today* then aptly summarized the situation thus: "[A]n Indian travelling abroad was necessarily one (or more) of the following: impossibly rich, a scholarship student, a smuggler, a politician, the ubiquitous civil servant, or arteriosclerotic" (Merchant [1978] 2015). Indeed, even the rich and the powerful required the RBI's approval for drawing foreign exchange, as shown by a letter from Indira Gandhi to the RBI seeking approval to remit Rs 8,000 toward the fees of her son Rajiv in Cambridge (see figure 1). Business ventures with more than 40 percent foreign equity participation required the government's approval, and those that did not involve technology transfers to the Indian partners were seriously discouraged. Collaboration with multinational companies such as Coca Cola and IBM was conditioned by export obligations (Mukherji 2000).

The 1991 policy reform documents mentioned "Opening up to foreign investment" as one of the four priority areas (Ahluwalia 1990); however, Indian politicians and bureaucrats continued to remain suspicious of foreign trade and the free flow of capital across borders for many years. Foreign investment in several sectors, such as banking, insurance, and retail, continued to be capped,

FIGURE 1. LETTER FROM INDIRA GANDHI TO THE RESERVE BANK OF INDIA (RBI) SEEKING APPROVAL TO DRAW FOREIGN EXCHANGE.

As from Prime Minister's House,
New Delhi.

June 2, 1961

The Reserve Bank of India,
Bombay.

Dear Sir,

In continuation of my letter dated May 30, 1961, I wish to inform you that Trinity College, Cambridge, have agreed to admit my son, Rajiv Gandhi, to the Mechanical Sciences Tripos course in October 1962 provided he passes the Mechanical Sciences Qualifying Examination which is compulsory for this purpose. I have secured admission for him with the well known institute of Davies Laing in London as similar facilities are not available in India. This institute will coach him for the Mechanical Sciences Qualifying Examination which he hopes to take in June next year. Necessary certificates to this effect from the Indian High Commission in London and the Institute are attached. It is requested that orders regarding the grant of foreign exchange facilities for Rs. 8,000/- (£600) for one year from 1st August, 1961 to 31st July, 1962 may kindly be issued at an early date.

Yours faithfully,

(Mrs) Indira Gandhi

Copy to the Reserve Bank of India, New Delhi.

Source: RBI archives.

and any increase in the cap frequently led to political backlash. The Asian financial crisis of the 1990s and the global financial crisis of 2008 exacerbated the fears of foreign portfolio capital flowing into the country as "hot money." Unlike with other controls, such as those on licensing and trade policy, India's journey of liberalizing exchange controls was, therefore, much slower and riddled with frequent backsliding.

Despite those hurdles, by 2010 or so, India had considerably liberalized its exchange control regime. However, the progress made over the years is now in peril. The Indian bureaucracy, armed with extensive rulemaking powers, has restricted important freedoms to trade and invest across borders. Exchange controls are being increasingly brought back in different forms, and existing ones are being weaponized for reasons such as increasing tax collections, identifying money launderers, and bringing "fugitive offenders" to book, thus reversing years of hard-won progress toward an open economy.

By tracing India's slow-burn journey of exchange control liberalization since the 1990s, I narrate the story of India's love–hate relationship with cross-border trade and investment. I conclude by making a case for not reverting to the days of clunky foreign exchange controls through a thousand cuts in the form of caps, approvals, taxes, and friction-laden compliance requirements.

A GRIM BUT HOPEFUL PHASE: 1947–1973

Exchange controls became a persistent feature in most parts of the world after World War II. First imposed in India by the British government as a war-control measure during the 1940s, they continued well into independent India. Immediately after independence, however, legislators were sanguine about the convertibility of the Indian rupee into different currencies for current account transactions. *Current account transactions* refer to those that do not involve the creation of an asset or liability in a foreign country. Export–import payments, remittances toward fees and tourism, medical expenses, interest payments, dividends, and so forth are examples of current account transactions. In fact, as early as 1947, the government of India's avowed policy was to eventually transition the Indian rupee to full convertibility for current account payments. *Capital account transactions,* in contrast, involve the creation of a foreign asset or liability, such as payments for acquiring shares, immovable property, or borrowing a loan. The government showed a general openness toward the capital account too, as long as it brought inflows into the country. In a statement on the floor of the Indian Parliament, Prime Minister Jawaharlal Nehru said:

> Indian capital is to be supplemented by foreign capital not only because our national savings will not be enough for rapid development of the country on the scale we wish, but also in many cases scientific, technical and industrial knowledge and capital equipment can best be obtained along with foreign capital. (Trumbull 1949)

Statements made by other parliamentarians on the floor of the legislature during India's early years similarly reflect a generally pragmatic approach toward foreign capital.[1]

1. See, for instance, this intervention made during the debate on the Banking Companies Bill, 1949, on February 8, 1949: "I have never concealed my view that the foreign capital as such may not be objectionable. But the foreign capitalist, and the influence he brings with him, are very objectionable" (Government of India 1949, 296). Also see Ranjan (2022).

Even so, World War II had just ended, and war-ravaged countries in Europe were rebuilding their economies. There were concerns of vast capital flight from India on suspicions of the new Indian government devaluing the Indian rupee to make Indian businesses globally competitive. There was tremendous political uncertainty about whether newly independent India would hold itself together and the partition's impact on India's economy, in addition to overall uncertainty associated with the transition. Amid those insecurities, the finance minister tabled the Foreign Exchange Regulation Bill on the floor of the Legislative Assembly, seeking to impose controls on foreign exchange transactions for a temporary period of three to five years. This bill was positioned as a law that would allow India to stabilize its foreign exchange reserves before restoring the Indian rupee's fully convertible status. In 1947, Liaquat Ali Khan, then finance minister of undivided India, made the following representation to the Legislative Assembly:

> [I]n fact, our intention is to permit nearly all transactions of a current nature subject to certain restrictions as to amount, to ensure that capital is not being transferred in the guise of a current payment and in addition to allow moderate transfers of capital where such amounts are required for trade purposes such as for the establishment of overseas branches of Indian trading firms and for banking and insurance operations (British India 1947, 365).

The minister further clarified that the intent of the Foreign Exchange Regulation Act (FERA) 1947 was not to restrict imports but to guard against over-invoicing of imports and under-invoicing of exports. In the words of the minister, the intent of the law was "to enable the Reserve Bank to see that payments of foreign exchange against imports are in fact utilised for that purpose and to ensure that there is no wastage of foreign exchange by unauthorised payments" (British India 1947, 365). Toward that end, FERA 1947 ended up vesting discretionary powers in the Government and the RBI that would, the legislators emphasized, be used "wisely" (British India 1947, 372). All foreign exchange transactions were prohibited unless they were done with the RBI's permission and at an RBI-specified exchange rate. The government could compel exporters of goods to sell the foreign currency they earned to the RBI at government-fixed prices. And, as mentioned previously, the RBI's permission was required for purchasing foreign exchange for foreign travel.

At the time of enactment, the legislature's clear intention was that FERA 1947 would automatically cease to operate after five years unless it was extended

by the government by up to three more years. There was a general recognition that foreign exchange controls on the current account were harmful to the economy in peaceful times and should be used only during emergencies, such as wars. FERA 1947, however, continued to operate for almost three decades after its enactment and got harsher over time.

A GRIMMER PHASE: 1960S–1991

From the mid-1960s, as Indian policy making became increasingly inward looking, the law became increasingly draconian. In 1965, FERA 1947 was amended to criminalize all its violations. The enforcement was done through enforcement directors appointed by the central government, who were given the power to make arrests without warrants. This enforcement wing later became the Enforcement Directorate as we know it today. Anyone found in possession of foreign currency exceeding Rs 250 in value had the burden of proving that it was obtained lawfully, reversing a cardinal rule of evidence.

By the 1970s, the optimism of the 1940s toward foreign trade and capital had been almost entirely replaced with hardened skepticism and suspicion toward foreign business and trade. One could attribute that change to pro-import substitution policies that were then favored by much of the developing world, a general preference for protecting domestic industry, and a conviction that high foreign exchange reserves represented a country's financial strength.[2] The popular narrative was charged with suspicion toward foreign businesses, which were routinely accused of repatriating excessive profits derived from their Indian operations, and toward Indian importers and exporters, who were accused of leaking foreign exchange and building their own private foreign exchange reserves abroad.[3] FERA 1947 was considered not good enough to address widespread concerns of foreign business interests acting in India like "an octopus" or the "loot of foreign exchange" from India (Government of India 1973, 270, 286).

2. To be clear, high foreign exchange reserves directly allow more room for a central bank to intervene in the global foreign exchange market to manage the value of a domestic currency. They allow a country to absorb external macroeconomic shocks that could disrupt domestic financial stability. The accumulation of foreign exchange reserves, by itself, does not denote the economic strength of a country, as is evident from the low levels of foreign exchange reserves of most developed countries. See Carrière-Swallow et al. (2016) for a lucid explanation of why central banks accumulate foreign exchange reserves.

3. For instance, in 1971, the government of India appointed a study group to identify the modus operandi followed for leakage of foreign exchange through invoice manipulation. See, for example, Pant (1972).

The idea that the policy solution to shoring up foreign exchange reserves is to attract more, not less, foreign capital and allow for seamless cross-border trade was not yet accepted. Although exporters were revered for attracting foreign exchange to India, the concept that Indian manufacturers equally needed the ability to freely import material from the cheapest possible source to manufacture at scale and integrate their operations into global supply chains was not yet understood. The result of this inward-looking attitude was substandard production, fragmented production units, higher costs, and an extremely limited choice of goods and services for the average Indian consumer.

In 1973, the Indian government's policy of import substitution and its response to pervasive suspicions of foreign trade and capital was to tighten the controls on cross-border trade and investment. FERA 1947, which was supposed to be a temporary measure enacted with a fair degree of optimism toward globalization, was eventually replaced with FERA 1973. The government decided to admit foreign direct investment (FDI) on a "highly selective" basis and prohibited FDI in banking, commerce, trading, and the construction of real estate. FDI in manufacturing in nonpriority sectors was capped at 40 percent, and companies that had gotten FDI of more than 40 percent under the FERA 1947 regime were asked to dilute their foreign shareholders.[4] Thus, while the original goal of FERA 1947 was to guard against the leakage of foreign exchange immediately after independence, the goal of FERA 1973 was to actively restrict imports, exports, and foreign capital as a matter of policy. The most damaging feature of FERA 1973 was the extent of discretion vested in the central government and the RBI to regulate all sorts of cross-border commerce. The law vested limitless discretion in the government and the RBI, such as the ability to prohibit the import of goods and regulate the purposes for which the imported goods might be used, the price at which goods might be exported, and the terms on which Indians could participate in a business activity abroad. The discretionary nature of the law meant that the rules could change any time, case-by-case rulemaking being the norm, thereby rendering cross-border activity vulnerable to the vagaries of bureaucracy and the strength of political connections.

FERA 1973's fatal blow was the enforcement process for its violations. In response to charges of corruption and favoritism toward businesses close to the ruling establishment, the law strengthened the powers of the Enforcement Directorate originally set up under FERA 1947. In addition to enhancing

4. FDI in new manufacturing companies in nonpriority sectors was not allowed to be more than 40 percent, and existing Indian companies with FDI of more than 40 percent were to be asked to reduce FDI to less than 40 percent over a period of time. See Government of India (1973, 265).

the maximum imprisonment from two years to seven years, FERA 1973 reversed the cardinal principle of "innocent until proved guilty" by creating a statutory presumption of guilt—that is, a person accused of violating FERA 1973 was presumed to be guilty, and the onus was on that individual to prove his innocence. Unbounded discretion, stringent enforcement, and the dilution of established evidentiary norms made exchange control laws a deadly combination for anybody having the slightest ambition to do cross-border business or seek foreign capital.

In 1991, when the decision to liberalize the Indian economy was announced, FERA 1973 was not abolished. In 1994, India moved to full current account convertibility as a policy measure. Technically, that change should have led to dismantling of all legal barriers under FERA 1973 for imports and exports; however, it did not happen. Instead, the administration resorted to a series of ad hoc measures to incentivize exports, such as allowing some import entitlements to exporters and permitting them to retain some of their exchange earnings abroad. Some piecemeal attempts were also made to attract capital in a "controlled" manner, such as allowing foreign investment up to 51 percent in 34 specified high-priority, capital-intensive, high-technology industries and allowing Indian businesses to enter into technology collaboration agreements with foreign businesses without approval in those 34 industries on commercial terms deemed appropriate by the parties. In short, for close to a decade after the 1991 reforms, a slightly more liberalized licensing system replaced the administration of exchange controls under FERA 1973 (Reserve Bank of India 2013, 477–82). If anything, this system aggravated the problem of discretion that had already plagued FERA 1973.

A FAINT GLIMMER: 1999–MID-2000S

In 1998, the government introduced the Foreign Exchange Management Bill on the floor of Parliament. Eventually passed as the Foreign Exchange Management Act, 1999 (FEMA 1999), the law continues to govern all exchange control transactions in India today except foreign donations, which still require the central government's approval under a separate law.[5]

FEMA 1999 reflected an attitudinal shift toward foreign trade and capital. For the first time, the law decoupled the issue of money laundering from

5. Foreign donations are governed by a separate law called the Foreign Contribution Regulation Act, 2010.

FIGURE 2. A FOREIGN CURRENCY CASH-DISPENSING MACHINE AT A LONDON UNDERGROUND TUBE STATION (2018).

exchange controls. It decriminalized the violation of exchange control laws. It half-heartedly codified the rupee's fully current account convertible status in the law—half-hearted because it allowed all current account transactions to be undertaken *unless* restricted by the central government's rules. Under this new regime, current account transactions were not entirely free in that current account payments in foreign exchange generally continued to be subject to, first, the central government's rules and, second, several compliance requirements with banks, such as declaring the purpose for which the transaction was made. For some perspective of how full current account convertibility works, see figure 2, which shows a currency dispensing machine I found at an underground tube station in London in 2018. The machine allows consumers to exchange cash in the local currency for selected foreign currencies in as simple a fashion as a regular ATM: no forms, declarations, or undertakings with banks. To me, this machine epitomized true full current account convertibility.

Under FEMA 1999, capital account transactions were still prohibited unless expressly allowed by the RBI. Thus, from 2000 onward, the government announced its FDI policy declaring the sector-wise rules on FDI, and the RBI administered them. One by one, several sectors were opened to foreign capital. Some, such as manufacturing, were liberalized unconditionally; others, such as real estate construction, insurance, and retail, were liberalized conditionally; and still others, such as agriculture, were closed to foreign capital. Even as this transformation was occurring, the regime continued to retain some vestiges of central planning in the form of requiring "approvals" for FDI in some sectors or above certain limits in others.[6] The approval requirements were not clearly spelled out, and the central government could, through the Foreign Investment Promotion Board (FIPB), summarily reject applications for approval without providing reasons (e.g., Zaveri and Pandey 2016b).[7]

Meanwhile, the RBI continued to administer a stricter regime for Indian firms that proposed to raise debt capital from foreign lenders, with caps on interest rates, regulation of the purpose for which such debt capital could be deployed, the currencies it could be denominated in, the kind of security collateral that could be offered to foreign lenders, who could borrow, who could lend, who could act as surety for guarantees, and so on. Although some of those restrictions had some economic rationale, many did not (e.g., Ministry of Finance 2015). Over time, many of the restrictions were done away with, and the regulatory framework for accessing foreign currency debt was considerably simplified (e.g., Pandey and Zaveri 2015). By 2007 or so, Indian stock exchanges were allowed to launch foreign exchange derivative products, allowing foreigners and Indians to hedge their risk in the Indian rupee (e.g., Shah 2010).

Even under this liberal regime, the rules changed frequently and often led to litigation, especially on technical questions, such as the impact of downstream investments by Indian businesses owned and controlled by foreign investors and the terms of repatriation when foreign investors wished to exit their investments (e.g., Zaveri and Pandey 2016a; Pandey and Zaveri 2016). Notwithstanding the unpredictability on the edges of the law, the essence of FEMA 1999 nevertheless remained intact—namely, that the direction of reforms was toward more

---

6. To be sure, countries with no exchange controls also continue to require government approval for FDI in sensitive sectors on grounds such as defense. In India, the sectors in which foreign capital could be infused only with government approval were, however, more numerous and not driven by any specific considerations.

7. The FIPB was abolished in 2016, although the government approval requirements were retained. See, for instance, Datta, Pandey and Prashant (2017).

liberalization of foreign trade and investment, making the legal regime more predictable by fostering a rules-based order for cross-border commerce and business in India.

A HOPE AND A PRAYER: MID-2000S ONWARD

Since 2015, several developments have occurred that signal an attitudinal shift away from foreign capital. For instance, in 2015, FEMA 1999 was amended to reintroduce criminal prosecution for the violation of exchange control laws. The state can now institute criminal proceedings against a person accused of holding foreign exchange exceeding a threshold of Rs 10 million or another threshold prescribed by the central government. If convicted, the person could be sentenced to imprisonment for up to five years. The provision, motivated to curb the "black money menace" has ended up recriminalizing foreign exchange violations, which were consciously decriminalized during the 1991 reforms (e.g., P. Datta 2015). Conflating foreign exchange controls with controls on money laundering has resulted in an increasing clamor for criminalizing all forms of violation of FEMA 1999 (e.g., Thakur 2019).

In the last few years, the government has suspended the approval of foreign contribution receipts for several nonprofit organizations working in India, including Amnesty International, Greenpeace, the Centre for Equity Studies, and several other organizations managed by individuals from minority communities, thereby reinforcing the government's adversarial attitude toward and mistrust in foreign capital. The suspension signals that the government will allow foreign capital only in activities that it deems desirable. Foreign portfolio investors are routinely vulnerable to rule changes on taxation, endless compliance requirements for identifying the ultimate beneficial owners[8] of Indian assets, and eligibility requirements regarding who can or cannot beneficially own such assets (e.g., Coutinho 2018; Guha and Upadhyay 2020; Sikarwar 2015). Current account transactions are equally vulnerable, with several puzzling developments, such as the recent imposition of a 20 percent tax to be collected at the source on credit card expenditures abroad, a ban on keeping money in overseas accounts for more than six months, and a license requirement for importing laptops. Even though some of those proposals were eventually diluted, the fact that they were enacted signals an unmistakable retrograde shift in the approach toward current account

8. *Beneficial owner* is a term used in anti-money-laundering regimes to identify the true owner of a financial asset, especially where the asset is held through a web of corporations.

convertibility. These developments are hardly fitting for a country that claims to be fully current account convertible, aspires to internationalize its currency, and touts UPI connectivity to international payment systems (Shah and Datta 2023; Shah and Zaveri-Shah 2021). A slippery slope has been introduced, and the danger of rendering the freedom to engage in cross-border trade illusory looms large.

CONCLUSION

Since the late 1990s, India has made significant progress in opening the Indian economy to foreign trade and investment and integrating it with the global trading and financial system. Cross-border trade made Indian manufacturers more competitive and the average Indian consumer better off. Foreign capital contributed to the development of the domestic capital market, facilitated global partnerships and knowledge sharing, and brought home technological innovation and best practices in running domestic businesses. Loosening exchange controls, howsoever imperfectly, and allowing the Indian economy to be integrated with the global economy has been vital to India's progress. It is critical that we not forget the virtues and gains of seamless cross-border trade and investment, even as the clamor for increasing taxes, identifying money launderers and round-trippers, and criminally prosecuting offenders of exchange control laws gets louder by the day.

REFERENCES

Ahluwalia, Montek S. 1990. "Towards a Restructuring of Industrial, Trade, and Fiscal Policies." Paper for Internal Discussion in Government, Mercatus Center at George Mason University, Arlington, VA.

British India. 1947. *Legislative Assembly Debates*. Vol. 1. https://eparlib.nic.in/handle/123456789/784634?view_type=browse.

Carrière-Swallow, Yan, Luis Jacóme, Nicolás Magud, and Alejandro Werner. 2016. "Central Banking in Latin America: The Way Forward." IMF Working Paper 2016/197, International Monetary Fund, Washington, DC, September 30.

Coutinho, Ashley. 2018. "Beneficial Ownership: Why Sebi's New KYC Norm Upsets NRIs, Global Investors." *Business Standard*, August 19.

Datta, Pratik. 2015. "Drafting Hall of Shame #1: Criminal Sanctions for a New Concept of Exchange Control Violations." *Leap Blog*, December 11.

Datta, Pratik, Radhika Pandey, and Sumant Prashant. 2017. "Replacing FIPB with Standard Operating Procedure Not Enough." *Leap Blog*, July 13.

Government of India. 1949. *The Constituent Assembly of India (Legislative) Debates*. Vol. 1. https://eparlib.nic.in/handle/123456789/760466?view_type=browse.

Government of India. 1973. *Lok Sabha Debates (Eighth Session)*. Vol. 31. https://eparlib.nic.in/handle/123456789/2271?view_type=browse

Guha, Ishita, and Jayshree P. Upadhyay. 2020 "Vodafone Wins International Arbitration Against India in Retrospective Tax Case." *Mint*, September 25.

Merchant, Minhaz. [1978] 2015. "P Form: The Biggest Hurdle to Travel Abroad." *India Today*, March 3.

Ministry of Finance. 2015. Report of the Committee to Review the Framework of Access to Domestic and Overseas Capital Markets. New Delhi: Government of India.

Mukherji, Rahul. 2000. "India's Aborted Liberalization—1966." *Pacific Affairs* 73 (3): 375–92. https://doi.org/10.2307/2672025.

Pandey, Radhika, and Bhargavi Zaveri. 2015. ECB Draft Framework: Miss the Rupee for the Buck. *Economic Times*, October 14.

Pandey, Radhika, and Bhargavi Zaveri. 2016. Tata-Docomo: What Went Wrong, and What We Need to Do Different." *Leap Blog*, July 8.

Pant, Nandita. 1972. "Leaking Foreign Exchange Tap." *Economic and Political Weekly* 7 (30): 1407, 1409–14.

Ranjan, Prabhash. 2022. "Original Vision: Nehru's India Didn't Turn Its Back on Foreign Investment Despite Experiencing Colonial Rule." *Telegraph Online*, July 13.

Reserve Bank of India. 2013. *The Reserve Bank of India: Volume 4 (1981–1997)*. Haryana, India: Academic Foundation.

Shah, Ajay. 2010. 'Currency Futures: An Example of How India Changes." *Leap Blog*, April 22.

Shah, Ajay, and Pratik Datta. 2023. "Cross-Border Activities in India Need More Freedom, Not Less." *BQ Prime*, May 8.

Shah, Ajay, and Bhargavi Zaveri-Shah. 2021. "Instant Cross-Border Payments vs. Current Account Convertibility." *Leap Blog*, September 21.

Sikarwar, Deepshikha. 2015. "Foreign Portfolio Investors May Get MAT Relief." *Economic Times*, August 24.

Thakur, Pradeep. 2019. "Intel Agencies Favour Making FEMA a Criminal Act Like PMLA." *Times of India*, November 12.

Trumbull, Robert. 1949. "Foreign Capital Invited by India; Nehru Says It Would Operate Under Same Rules as Govern Investments of Natives." *New York Times,* April 7, 1949.

Zaveri, Bhargavi, and Radhika Pandey. 2016a. "Two Litigations and a Takeaway," *Business Standard*, December 26, 2016.

Zaveri, Bhargavi, and Radhika Pandey. 2016b. "Why India Needs a New FDI Regime," *Business Standard,* June 27, 2016.

ABOUT THE AUTHOR

Bhargavi Zaveri is a doctoral researcher at the National University of Singapore Faculty of Law. Her core research interests are the working of central banks and courts in developing countries. She has previously worked with research institutions in the areas of financial regulation, bankruptcy law, regulatory governance, and the land market, all in the Indian context.