



## Corporate Treasury: The Risks Manager

The treasury is like a lake which serves the needs of the entire company. The role comes with a plethora of associated risks that the corporate treasurer must manage efficiently for the health of the company. In this article the author presents a snapshot of the various risks and how they should be managed.

**TREASURY IS A** place where entire cash of the company sits, this can be compared with a fresh lake of water serving the needs of the villagers for all water needs. Any contamination, shortage, irresponsible use may bring the lives of the villagers in jeopardy. The same is true with any company if cash is not managed well.

Treasury is required to maintain sufficient liquidity including cash management for daily and emerging future needs; invest the cash in such a way that it fetches good return; the instrument in which cash is invested should have high creditworthiness else there could be a risk of not realizing full value of money; if the company is doing overseas business, to manage the fluctuation in the exchange rate else there could be loss due to fall in local currency; up and down movements in the interest rate may impact meeting long-term liabilities, if any.

The timing of "cash in" and "cash out" is very important that may otherwise have an adverse impact on the overall return of the company. In this write-up, the details of these risks are discussed and how they can be managed.

### Cash-Outgoes

The fundamental management of cash has a great linkage with the cash-outgoes because the company is to manage all the payouts and earn a decent return. These payouts depend on the type of liabilities arising in the future. Liabilities here are defined as all the payments that are due to be paid. [READ MORE..](#)

## India And Japan Sign Record \$75-Billion Currency Swap Deal

The bilateral currency swap arrangement is aimed at bringing in greater stability in the foreign exchange and capital markets, amid concerns over a sliding rupee.

**INDIA AND JAPAN** have signed an agreement to raise the scope of a bilateral currency swap arrangement to a record \$75 billion, reports FE. The purpose of this move is to bring in greater stability in the foreign exchange and capital markets, as rupee has been sliding alarmingly in recent months.

"This swap arrangement would be 50% higher than our last swap agreement (signed in 2013). This bilateral swap reflects depth of our deeper economic relationship," finance minister Arun Jaitley tweeted.



The pact is the latest effort by the government to prop up the rupee. It was signed during Prime Minister Narendra Modi's ongoing two-day visit to Japan.

FE quoted, economic affairs secretary Subhash Chandra Garg's tweet: "Accepting Japanese request, India agreed to do away with requirement of mandatory hedging for infrastructure ECBs of 5 years or more minimum average maturity." [READ MORE..](#)

## GST Council met 30 times, took 918 decisions since its constitution: Govt

The GST Council was set up in the September month of 2016 under Article 279A of the Constitution.

**THE GOODS** and Services Tax (GST) Council till date has taken 918 decisions related to GST laws, rules, rates, compensation and taxation threshold since its establishment.

The GST Council was set up on 15 September 2016 under Article 279A of the Constitution.

In an official note on Sunday, Ministry of Finance said more than 96 per cent of the decisions have already been implemented through 294 notifications issued by the central government and the remaining are under various stages of implementation.

“Almost equal number of corresponding SGST notifications have been issued by each state,” it said.

The Union finance minister is chairperson of the Council, with



state revenue ministers or any other minister nominated by each state as members. Union Revenue Secretary is the ex-officio Secretary to the GST Council.

“The GST Council members under the chairpersonship of the Union Finance Minister have spent long hours discussing the broad contours as well as the nitty gritty of the new GST regime in a harmonious and collaborative spirit,” said the note.

As per it, 30 GST Council meetings have taken place so far and the Detailed Agenda Notes ran into 4,730 pages.

“Detailed Agenda Notes were prepared before every GST Council meeting and discussed in the preparatory officer’s meeting to enable the Council members to fully appreciate the issues under consideration.” [READ MORE..](#)



## US-China trade war: US limits technology exports to Chinese firm citing security concerns

Beijing has invested heavily in Jinhua and other chip makers to transform China into a global leader in robotics, artificial intelligence and other technology industries.

**AMID A MOUNTING** tariff battle the US imposed restrictions on technology exports to a state-supported Chinese semiconductor maker on grounds of national security. An Associated Press report in Financial Express said, the controls imposed on Fujian Jinhua Integrated Circuit Co. indicate the American concern that Chinese competition could drive American technology suppliers out of business, and consequently, the military would be left without secure sources of components.

Beijing has invested heavily into Jinhua and other chip makers in its efforts to transform China into a global leader in robotics, artificial intelligence and other technology industries.

This has rattled the United States, Europe and other trading partners who say Beijing’s tactics violate its market-opening obligations. Moreover, US officials are worried that this might erode U.S. industrial leadership.

In a bid to pressure Beijing to roll back those plans, President Donald Trump has imposed tariffs of up to 25 per cent on \$250 billion of Chinese goods.

Jinhua is completing “substantial production capacity” for integrated circuits, possibly using U.S. technology, which “threatens the long-term economic viability of U.S. suppliers of these essential components of US military systems,” the report quoted a Commerce Department statement. [READ MORE..](#)