

No. A-45011/4/2020-Admn.III
Government of India
Ministry of Finance
(Department of Economic Affairs)

New Delhi, June, 2020

OFFICE MEMORANDUM

The undersigned is directed to circulate herewith the unclassified portion of Monthly Summary on important policy decisions in respect of Department of Economic Affairs for the Month of May, 2020.


22/6/2020

(Surinder Pal Singh)
Joint Secretary to the Government of India
Tel No. 23092100

To

1. All Members of the Union Council of Ministers, Government of India, New Delhi.
2. Vice Chairman, Niti Aayog, Yojna Bhawan, New Delhi.
3. Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
4. Secretary to the President of India, Rashtrapati Bhavan, New Delhi.
5. Secretary to the Vice-President of India, 6, Maulana Azad Road, New Delhi.
6. Principal Secretary to the Prime Minister, PMO, South Block, New Delhi
7. Chairman, Union Public Service Commission, Dholpur House, New Delhi.
8. All Members of Niti Aayog, Yojna Bhawan, New Delhi.
9. Secretaries to all the Ministries/Departments, Government of India, New Delhi.
10. PS to MOS (F), PPS to Finance Secretary, PPS to Secretary (EA), PPS to Secretary (Revenue), PPS to Secretary (Expenditure), PPS to Secretary (DIPAM).
11. Chief Economic Adviser, DEA.
12. Additional Secretary (Shri A. Giridhar) Cabinet Secretariat, Rashtrapati Bhavan, New Delhi.
13. Dr. C.S. Mohapatra, Additional Secretary (FS &CS), DEA
14. Shri K. Rajaraman, Additional Secretary (Admn. & Investment), DEA.
15. Sh. Sameer Kumar Khare, Additional Secretary (FB&ADB), DEA
16. Ms. Meera Swarup, AS&FA(Finance).
17. Shri A.M. Bajaj, Additional Secretary (FM), DEA
18. Shri Sanjeev Sanyal, Principal Economic Adviser, DEA

19. All Heads of Divisions in Department of Economic Affairs.
JS(Budget)/JS(BC&IER)/JS(Inv)/ Adviser(C&C/FSLR/FS&CS)/Adviser (IER)/
CAAA.
 20. Shri Arun Kumar, Adviser, DEA
 21. Ms. Rajasree Ray, Adviser, DEA.
 22. Shri Rajesh Malhotra, Addl.DG (M&C), M/o Finance, North Block, New Delhi.
 23. Guard File – 2020.
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Subject: Monthly Summary on important policy decisions pertaining to DEA for the month of May, 2020.

1. Macro-economic Overview

Web publication of Macroeconomic Report for the month of April 2020 is available on DEA's website and the details of important information in tabular form is given at Annexure.

2. Other important Developments

2.1 (a) Hon'ble Finance Minister has approved on 21.5.2020, a Line of Credit of USD 20.506 million for Construction and up-gradation of regional hospital in Kankan and Nzerekore, Guinea.

(b) DEA has conveyed its concurrence on May 4, 2020 for commitment of Euro 15 million grant and Euro 5 million Technical Assistance from Germany through United National International Children's Emergency Fund (UNICEF) for fighting COVID-19.

(c) A proposal for Disaster Risk Reduction and Preparedness Project in Himachal Pradesh for INR 650 crores/ Euro 81.95 million was posed to AFD, France on May 20, 2020.

(d) A proposal of Distribution System Strengthening by Supervisory Control and Data Acquisition (SCADA) enablement of 33/11kv substations and Advanced Metering Infrastructure (AMI) based smart metering investments in Madhya Pradesh for INR 1120 crores/ Euro 155.85 million was posed to KfW, Germany on May 28, 2020.

2.2 (a) A loan agreement for the project titled, "Maharashtra State Roads Improvement" was signed with ADB on May 28, 2020 for a loan assistance of US\$ 177 million.

(b) A loan agreement for the project titled 'West Bengal Major irrigation and Flood Management Project' was signed on May 15, 2020 for loan assistance of US\$145 million from WB.

(c) A loan agreement for 'Accelerating India's COVID19 Social Protection Response Program' was signed on May 15, 2020 for loan assistance of USD 750 million from WB.

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2.3 Following important decisions were taken during the month of May, 2020:

S. No.	Name of the Agency	Circular Date	Important Decision Taken
1	SEBI	20.5.2020	SEBI has mandated that Listed Entities should make timely & accurate disclosures regarding impact of the Pandemic on Capital and Financial resources, liquidity assets etc. to all Investors.
2.	-do-	21.5.2020	SEBI has issued direction after default is cured and the payments regularized, a CRA shall upgrade the rating to Non-Investment grade of the Company after a period of 90 days. CRAs may deviate from the said period of 90 days on a case to case basis.
3	-do-	14.5.2020	In view of COVID 19, Relaxation is given for penal action by Stock Exchanges from 1 st March,2020 till date for non-compliance of Minimum Public Shareholding requirement to the Listed Entities whose deadlines between March 1, 2020 to August 31,2020.

2.4(a) The NIP Task Force submitted its Final Report on NIP for FY 2019-25 to FM on 29.04.2020 with projected total infrastructure investment of Rs 111 lakh crore during the period FY 2020 to 2025.

b) Draft Note for CCEA for the continuation and revamping of VGF Scheme for Social Sectors was prepared and the same has been approved by the Finance Minister. The Note was sent to the PMO and Cabinet Secretariat for the comments. No comments have been received from PMO. After incorporating the comments of the Cabinet Secretariat, the Final Cabinet Note has been prepared.

c) As recommended by NIP Task Force, an Inter-Ministerial Steering Committee (IMSC) in DEA for raising financial resources for the NIP has been constituted and Secretary Economic Affairs has chaired its 1st meeting on 19th May 2020.

2.5 A Note for Cabinet dated May 11, 2020 on “Introduction of a Special Liquidity Scheme for NBFCs/HFCs to address their Liquidity Stress” was approved in the Cabinet meeting held on May 20, 2020.

2.6 Status of Approval of Cabinet Note for signing and rectification of agreement between Government of India and NDB for establishing Indian Regional Office of NDB: Final Note sent to PMO on 24th April, 2020 for comments.

2.7 (a) Secretarial assistance to the Empowered Group on Economic and Welfare Measures has been provided during the month.

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(b) Secretarial assistance for the various measures announced by Hon'ble Finance Minister under the 5 tranches of Aatmanirbhar Bharat.

2.8 Following important meetings were held during the month of May, 2020:-

i. Hon'ble Finance Minister Smt. Nirmala Sitharaman chaired the 22nd Meeting of the Financial Stability and Development Council (FSDC) which was held on 28.05.2020. The Meeting reviewed the current global and domestic macro-economic situation, financial stability and vulnerabilities issues, major issues likely to be faced by banks and other financial institutions as also regulatory and policy responses, Liquidity / Solvency of NBFCs/HFCs/MFIs and other related issues.

ii. Secretary (EA) chaired the first Meeting of the Inter-Ministerial Steering Committee (IMSC) which was held on 19.05.2020. The Inter-Ministerial Steering Committee (IMSC) in DEA has been constituted on the recommendations of NIP Task Force for raising financial resources for the NIP has been constituted.

iii. The Indo-German Annual Consultation Meeting 2020 was conducted through video conferencing on 14th May 2020.

iv. A virtual meeting of FSB's Standing Committee on Standards Implementation (SCSI) was held through a Conference call on 5th May 2020. Re-prioritisation of SCSI deliverables for 2020, Monitoring consistency of COVID-19 responses with international standards and Sixth annual report on implementation and effects of reforms were the major issues discussed. Additional Secretary (FS&CS) attended the call on behalf of Secretary (EA).

v. Two Conference calls of FSB's EWG (Early Warning Group) were held on 4th May 2020 and 25th May 2020. The main issues deliberated were related to the finalisation of the content for the draft consultation report on the Evaluation of the effects of too-big-to-fail reforms. The calls were attended to by Adviser (FS&CS) as a member of the Group.

vi. AS (FB&ADB) chaired the 106th Meeting of Screening Committee of DEA, which was held on May 20, 2020.

vii. The first virtual meeting of the BRICS Finance and Central Bank Deputies under the 2020 Russian Chairmanship was held on May 14, 2020, in which representatives of both the Ministry of Finance and the Reserve Bank of India participated.

viii. Two rounds of Video Conference were held between India and Uzbekistan to discuss on Bilateral Investment Treaty (BIT) on 26 & 29 May, 2020.

ix. One round of Digital Video conference was held between India and Israel to discuss on BIT on 27th May, 2020.

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3. Minimum Government, Maximum Governance

In particular, use of ICT in submission of Information is being encouraged.

4. Non-Compliance of ACC directions/orders

Nil

5. FDI proposals cleared during the month and status of FDI proposals awaiting approval in the Department

Awaiting Approval in the Department : 05

Table 1: Growth of GDP (percent)

	2017-18 2 nd RE	2018-19 1 st RE	2019-20 PE
Real	7.0	6.1	4.2
Nominal	11.1	11.0	7.2

Table 2: Growth of GVA at constant (2011-12) Prices (percent)

	2017-18 2 nd RE	2018-19 3 rd RE	2019-20 PE
• Agriculture & Allied Sectors	• 5.9	• 2.4	• 4.0
• Industry	•	•	•
• Mining & quarrying	• 4.9	• -5.8	• 3.1
• Manufacturing	• 6.6	• 5.7	• 0.03
• Electricity, gas, water supply & other utility services	• 11.2	• 8.2	• 4.1
• Construction	• 5.0	• 6.1	• 1.3
• Services	•	•	•
• Trade, hotel, transport, communication and services related to broadcasting	• 7.6	• 7.7	• 3.6
• Financial, real estate & professional services	• 4.7	• 6.8	• 4.6
• Public administration, defence and other services	• 9.9	• 9.4	• 10.0
• GVA at basic price	• 6.6	• 6.0	• 3.9

RE - Revised Estimate

Table 3: Quarter wise real growth rates of GDP and GVA

	2019-20			
	Q1	Q2	Q3	Q4
Gross Domestic Product	5.2	4.4	4.1	3.1

Gross Value Added**4.8****4.3****3.5****3.0**

	Apr-19	March-20	Apr-20
CPI-C	2.99	5.84	-
WPI	3.24	1	-

Note: CPI-C and WPI figures for the month of April, 2020 are not available owing to the disruptions in data collection caused by Covid-19 pandemic and consequent lock-down.

	Exports	Imports	Trade Balance
April, 2019	26.1	41.4	-15.3
April, 2020	10.4	17.1	-6.8

March, 2020	18.2	11.1	7.1
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Source: Provisional data as per the Press Release dated 15.05.2020 of the Department of Commerce, Ministry of Commerce and Industry.

Items	2018-19 Q3	2019-20 (P) Q3
Current Account Balance	-17.8	-1.4
Current Account Balance /GDP (%)	-2.7	-0.2

Source: Reserve Bank of India.

Mar-19	22nd May 2020
412.9	490.0

Table 9: Exchange Rate				
Rupee per unit of foreign currency				
Financial year	US Dollar	Pound	Euro	Japanese yen
May-20	75.6229	93.7179	82.1294	70.7986
Source: Reserve Bank of India.				

Table 10: External Debt- Outstanding and Variation (US\$ Billion)			
	Outstanding as at end of	Absolute variation	Percentage variation
	Dec-2019 P	Dec-2019 over Dec-2018	Dec-2019 over Dec-2018
Total Debt	563.9	42.7	8.2