


**No. A-45011/4/2020-Admn.III**  
**Government of India**  
**Ministry of Finance**  
**(Department of Economic Affairs)**  
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New Delhi, <sup>3rd</sup> 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 April, 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(IPF)/JS(FM)/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 April, 2020.**

**1. Macro-economic Overview**

As per Second Advance Estimates of National Income released by NSO on 28<sup>th</sup> February, 2020, real GDP growth for India in 2019-20 is estimated at 5.0%. Given this real growth for the full year, the implied real growth of GDP in Q4 of 2019-20 works out to 4.7%. However, with the onset of COVID-19 pandemic, its intensity, spread and duration will now majorly determine whether India is able to realize its estimated and projected GDP growth. As per IMF's World Economic Outlook, India is projected to grow at 4.2% in 2019-20 with a 2% growth in Q4 2019-20. Details of Economic Developments is given at Annexure.

**2. Other important Developments**

2.1 (a) The GoI signed a Loan Agreement for USD 1 billion with the World Bank on 3.4.2020 for COVID-19 Emergency Response and Health Systems Project.

(b) GoI also signed a Loan Agreement with ADB on 28.04.2020 for USD 1.5 billion to support COVID-19 health systems response and social support measures under PMGKY.

2.2 With the approval of Hon'ble Finance Minister One Line of Credit (LoC) has been extended to Kingdom of Eswatini on 03.04.2020 for Construction of a New Parliament Building in Eswatini for an amount of US\$ 108.28 million.

2.3 Following notifications were issued during April 2020:

S.No.	Notification Date	Item
1.	22.4.2020	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 has been amended by which it has been made mandatory that foreign investments from countries that share a land border with India, prior approval from the Government will be obtained
2.	27.4.2020	Setting- up of Head Office of the International Financial Services Centres Authority at Gandhinagar, Gujarat under IFSCA Act, 2019.
3.	27.4.2020	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 has been amended relating to carried out the FDI Insurance Sector,
4.	27.4.2020	International Financial Services Centres Authority Act, 2019 (50 of 2019) enforcing the section 1 to 11, 14,15, 16,27,29,30 & 34 sections.
5.	29.4.2020	International Financial Services Centres Authority (Salary, Allowances and other Terms and Conditions of Service of Chairperson and Members) Rules, 2020.

**2.4 Following important meetings were held during the month of April, 2020:-**

- i. Hon'ble Finance Minister represented India in the 2nd G20 Finance Ministers and Central Bank Governors Meeting, which was held virtually. Important outcomes of this meeting were adoption of (a) G20 Action Plan in response to COVID-19 and (b) International support for the most vulnerable countries which includes a Debt Service Suspension Initiative for the poorest countries. Secretary (Economic Affairs) participated in the preparatory G20 Finance Deputies meeting held in advance of the meeting of G20 Finance Ministers and Central Bank Governors.
- ii. The Finance Minister attended the International Monetary and Financial Committee (IMFC) and Development Committee meetings pertaining to the IMF-WB Spring Meetings through Video Conference on April 16-17, 2020.
- iii. The Hon'ble Finance Minister attended the 5th Annual meeting of Board of Governors of New Development Bank held through Video-conference on 20.4.2020.
- iv. Dr. C.S. Mohapatra, Additional Secretary who is a member of the FSB's Implementation Monitoring Task Force attended its *third tele-conference on 2<sup>nd</sup> April 2020 to discuss the plan for implementation monitoring in 2020 in the light of COVID-19 and the re-prioritisation of FSB work.*
- v. Dr. Shashank Saxena, Adviser led the Financial Regulation team representing India in a teleconference hosted by G20 Saudi Presidency on 13 April 2020 for discussing the recent developments regarding G20 Financial Regulation agenda in light of COVID-19.

**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 : 04

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ECONOMIC DEVELOPMENTS			
Growth of GVA at Basic Prices by Economic Activity and GDP at Market Prices (per cent)			
Sectors	Growth rate at constant (2011-12) prices (per cent)	Share in GVA at current prices (per cent)	
	2019-20 2nd AE	2019-20 2nd AE	
Agriculture, forestry & fishing	3.7	17.6	
Industry	1.8	27.4	
Services	7	55	
GVA at basic prices	4.9	100	
GDP at market prices	5	--	
Source: National Statistical Office (NSO). Notes: 2nd RE: Second Revised Estimates, 1st RE: First Revised Estimates, 2nd AE: Second Advance Estimates			
Quarter-wise Growth of GVA and GDP at Constant (2011-12) Prices (per cent)			
Sectors	2019-20		
	Q1	Q2	Q3
Agriculture, forestry & fishing	2.8	3.1	3.5
Industry	3.8	0.8	0.1
Services	6.9	7.3	7.4
GVA at basic prices	5.4	4.8	4.5
GDP at market prices	5.6	5.1	4.7
Source: National Statistical Office (NSO).			
INFLATION- CPI-C, WPI (in percent)			
	Mar-19	Feb-20	Mar-20
CPI-C	2.86	6.58	5.84
WPI	3.1	2.26	1

MONETARY DEVELOPMENT	
Item	1 <sup>st</sup> May 2020
Policy Repo Rate	4.4
10-Year G-Sec Par Yield (FBIL)	6.55
Bank Credit Year-on-Year growth #	6.7

EXTERNAL SECTOR (Balance of Payments: (US\$ billion))		
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.		
Foreign Exchange Reserves (in US \$ billion)		
	Mar-19	1 <sup>st</sup> May 2020
	412.9	481.1

Exchange Rate				
Rupee per unit of foreign currency				
Financial year	US Dollar	Pound	Euro	Japanese yen
Apr-20	76.2365	94.6333	82.7489	70.7882
Source: Reserve Bank of India.				

External Debt- Outstanding and Variation (US\$ Billion)			
	Outstanding as at end of	Absolute variation	Percentage variation
	Dec-2019 P	Dec-2019 over Dec2018	Dec-2019 over Dec-2018
Total Debt	563.9	42.7	8.2

Industrial Production Highlights	
	March-20 (in percent)
Industrial Production Growth Rate (IIP)	-16.7
Growth of Eight Core Industries	- 6.5
Cumulative Growth (April-March)	-0.7