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India’s overall exports (Merchandise and Services combined) in April-June 2020 are estimated to be USD 101.02 billion, exhibiting a negative growth of (-)25.92 per cent over the same period last year. Overall imports in April-June 2020 are estimated to be USD 89.31 billion, exhibiting a negative growth of (-)45.10 per cent over the same period last year.

*Note: i) The latest data for services sector released by RBI is for May 2020. The data for June 2020 is an estimation, which will be revised based on RBI’s subsequent release ii) the figures in bracket are growth rates vis-à-vis corresponding period of last year.

**EXPORTS (including re-exports)**

- Exports in June 2020 were USD 21.91 billion, as compared to USD 25.01 billion in June 2019, exhibiting a negative growth of (-)12.41 per cent. In Rupee terms, exports were Rs. 1,65,898.85 crore in June 2020, as compared to Rs. 1,73,682.55 crore in June 2019, registering a negative growth of (-)4.48 per cent.
- Major commodity groups which have recorded positive growth during June 2020 vis-à-vis June 2019 are Iron Ore (63.11%), Oil seeds (50.48%), Rice (32.72%), Oil meals (27.36%), Spices (22.92%), Other cereals (19.35%), Organic & inorganic chemicals (19.06%), Cereal preparations & miscellaneous processed items (13.8%), Fruits & vegetables (11.01%), Drugs & pharmaceuticals (9.89%), Tobacco (3.56%) and Coffee (2.58%).
- Major commodity groups which have recorded negative growth during June 2020 vis-à-vis June 2019 are Gems & jewellery (-50.06%), Leather & leather products (-40.47%), RMG of all textiles (-34.84%), Man-made yarn/fabs./made-ups etc. (-31.98%), Petroleum products (-31.65%), Cashew (-27.02%), Meat, dairy & poultry products (-25.88%), Handicrafts excl. hand-
made carpet (-23.95%), Electronic goods (-22.52%), Jute mfg. including floor covering (-14.06%), Ceramic products & glassware (-10.91%), Carpet (-10.46%), Marine products (-9.74%), Tea (-8.01%), Engineering goods (-7.5%), Plastic & Linoleum (-4.4%), Cotton yarn/fabs./made-ups, handloom products etc. (-3.83%) and Mica, Coal & other ores, minerals including processed minerals (-1.13%).

- Cumulative value of exports for the period April-June 2020-21 was USD51.32 billion (Rs.3,89,016.27 crore) as against USD81.08 billion (Rs.5,63,984.51 crore) during the period April-June 2019-20, registering a negative growth of (-)36.71 per cent in Dollar terms (negative growth of (-)31.02 per cent in Rupee terms).
- Non-petroleum and Non-Gems and Jewellery exports in June 2020 were USD18.48 billion, as compared to USD19.15 billion in June 2019, exhibiting a negative growth of (-) 3.51 per cent. Non-petroleum and Non-Gems and Jewellery exports in April-June 2020-21 were USD43.91 billion, as compared to USD60.10 billion for the corresponding period in 2019-20, a decrease of (-) 26.94 per cent.

**IMPORTS**

- Imports in June 2020 were USD21.11 billion (Rs.1,59,892.42 crore), which was 47.59 per cent lower in Dollar terms and 42.85 per cent lower in Rupee terms over imports of USD40.29 billion (Rs.2,79,771.07 crore) in June 2019. Cumulative value of imports for the period April-June 2020-21 was USD60.44 billion (Rs.4,58,395.18 crore), as against USD127.04 billion (Rs.8,83,652.93 crore) during the period April-June 2019-20, registering a negative growth of (-) 52.43 per cent in Dollar terms (negative growth of (-) 48.12 per cent in Rupee terms).
- Major commodity groups of import showing negative growth in June 2020 over the corresponding month of last year are:
CRUDE OIL AND NON-OIL IMPORTS:

- Oil imports in June 2020 were USD4.93 billion (Rs. 37,341.70 crore), which was 55.29 percent lower in Dollar terms (51.24 percent lower in Rupee terms), compared to USD11.03 billion (Rs. 76,586.73 crore) in June 2019. Oil imports in April-June 2020-21 were USD13.08 billion (Rs. 99,259.42 crore) which was 62.47 percent lower in Dollar terms (59.05 percent lower in Rupee terms) compared to USD34.85 billion (Rs. 2,42,398.55 crore), over the same period last year.

- In this connection it is mentioned that the global Brent price ($/bbl) has decreased by 36.92% in June 2020 vis-à-vis June 2019 as per data available from World Bank.

- Non-oil imports in June 2020 were estimated at USD16.18 billion (Rs. 1,22,550.72 crore) which was 44.69 percent lower in Dollar terms (39.68 percent lower in Rupee terms), compared to USD29.26 billion (Rs. 2,03,184.34 crore) in June 2019. Non-oil imports in April-June 2020-21 were USD47.36 billion (Rs. 3,59,135.76 crore) which was 48.63 percent lower in Dollar terms (43.99 percent lower in Rupee terms), compared to USD92.19 billion (Rs. 6,41,254.38 crore) in April-June 2019-20.

- Non-Oil and Non-Gold imports were USD15.57 billion in June 2020, recording a negative growth of (-)41.37 percent, as compared to Non-Oil and Non-Gold imports of USD 26.57 billion in June 2019. Non-Oil and Non-Gold imports were USD46.67 billion in April-June 2020-21, recording a negative growth of (-)42.20 percent, as compared to Non-Oil and Non-Gold imports USD 80.75 billion in April-June 2019-20.
The India-U.S. CEO Forum was held, through a telephonic conference. This is the fifth time the Forum has been convened since its reconstitution in December 2014 by the Governments of India and the USA. The Forum is an effective platform to highlight key issues that affect business entities and to identify areas for closer collaboration for mutual benefit of both economies.

The meeting was chaired jointly by Shri Piyush Goyal, Minister of Commerce & Industry and Railways and on the US side by Mr. Wilbur Ross, US Secretary of Commerce. Senior government functionaries, including Dr. Guruprasad Mohapatra, Secretary, Department for Promotion of Industry and Internal Trade, Mr. Taranjit Sandhu, the Indian Ambassador to the US, and Mr. Kenneth Juster, the US Ambassador to India participated in the meeting.

The CEO Forum, comprising of CEOs from leading Indian and US based companies, is co-chaired by Mr. N. Chandrasekaran, Chairman of Tata Sons and Mr. James Taiclet, President and Chief Executive Officer, Lockheed Martin. CEOs from both sides commended the two governments for implementing reforms and enacting policy directives in line with the recommendations that were made during the previous CEO forum meeting held at New Delhi in February 2019. A new set of reforms and policy recommendations, deliberated jointly by CEO forum members, were presented at the meeting, to further boost bilateral investment opportunities across key sectors of the economy, including Healthcare and Pharmaceuticals, Aerospace & Defence, Infrastructure & Manufacturing, Entrepreneurship & Promoting Small Businesses, Energy, Water & Environment, ICT and Digital Infrastructure, Financial Services, Trade & Investments, among others.

Secretary Ross thanked Minister Goyal, the co-Chairs and CEO forum members for their participation and initiative in strengthening the bilateral relationship, particularly during the challenging times of the Covid19 pandemic, which is also an opportunity to bring the two nations closer through collaboration in the area of pharmaceuticals, medical equipment and associated supply chains.

Minister Goyal reiterated the extraordinary momentum developed in the India-US bilateral ties, driven by strong shared interests in promoting global stability, security and economic prosperity. He emphasized the importance of small businesses in the economies of both the countries and the need to increase employment and skilling in the sector. He urged the Forum to be the leaders in charting out a new path in a post-Covid world.

The US Co-Chair, Mr. Taiclet hoped that the extraordinary cooperation between the two countries during the Covid19 pandemic would continue in areas of building infrastructure, increasing bilateral investments, and generating jobs. He highlighted the areas of unrestricted foreign ownership in certain sectors, policy stability and predictability, timely dispute resolution, protection of intellectual property and continuing investment in infrastructure as some of the key focus areas.
The India Co-Chair, Mr. Chandrasekaran stressed the global efforts underway to rebalance global supply chains, due to both geo-political and trade related issues and welcomed the opportunity to partner with the US private sector and government to help support and facilitate a strong pivot to India. He further highlighted the need for a Free Trade Agreement as a natural progression and outcome of the deepening commercial engagement between the two countries. He also urged the US government to recognize the contribution of India’s human capital to the US economy, and the need for unhindered cross-border mobility of such talent.

Ambassador Juster, brought the attention of the Forum to the vast untapped potential of the India-US commercial relationship, and the potential risk of inward-looking policies in a post-Covid world. He urged each working group in the Forum to offer a few policy level suggestions readily agreeable and actionable to both sides.

Ambassador Sandhu appreciated the crucial role played by the CEO Forum in shaping the India-US partnership by bringing in the private sector’s perspectives, with inputs that helped policy makers shape reforms.

The opening remarks were followed by the presentation of recommendations and suggestions by the co-chairs of each of the various working groups focusing on Healthcare & Pharmaceuticals, Aerospace & Defence, Infrastructure & Manufacturing, Entrepreneurship & Promoting Small Businesses, Energy, Water & Environment, ICT & Digital Infrastructure and Financial Services, Trade & Investment.

At the end of the read outs by the working group Co-Chairs, DPIIT Secretary Mohapatra remarked on the extraordinary India-US bilateral relationship that has grown from strength to strength on trade, investment, and connectivity.

Government representatives and CEOs from both sides expressed their commitment towards efforts that benefit commerce and industry in both the countries. Minister Goyal and Secretary Ross expressed their resolve to work together to consider the recommendations and enhance bilateral engagement in the post-Covid world order.
MINISTRY OF FINANCE

Finance Minister holds review meeting on CAPEX of 23 CPSEs to boost expenditure in the economy

Union Minister for Finance & Corporate Affairs, Smt. Nirmala Sitharaman, held meeting, through Video Conference, with Secretaries of Ministries of Petroleum & Natural Gas, Power, Coal, Mines and D/o Atomic Energy and the CMDs of 23 CPSEs belonging to these Ministries. This meeting was held as part of the series of meetings that the Finance Minister is having with various stakeholders to accelerate the economic growth.

In FY 2019-20, against the CAPEX target of Rs.1,64,822 crore for the 23 CPSEs, the achievement was Rs.1,66,029 crore i.e. 101%. Q1 (FY 2019-20) achievement was Rs.26,320 crore (16%) and achievement of Q1 (FY 2020-21) is Rs.20,202 crore (12%). CAPEX target for 2020-21 is Rs.1,65,510 crore.

While reviewing the performance of CPSEs, the Finance Minister said that CPSEs have a very important role in giving a push to the growth of the Indian economy. She encouraged the CPSEs to perform better to achieve targets and to ensure that the capital outlay provided to them for the year 2020-21 is spent properly and within time. The Finance Minister said that better performance of CPSEs can help the economy in a big way to recover from the impact of Covid 19.

The Finance Minister asked the Secretaries to closely monitor the performance of CPSEs in order to ensure capital expenditure to the tune of 50% of capital outlay by Q2 2020-21 and make plan for it. She stated that unresolved issues should be flagged immediately to the DEA/DPE for immediate solution.

The Ministries/ CPSEs discussed constraints being faced by them due to COVID 19 like problems of availability of manpower, delay in imports, delay in payments by DISCOMs on the dues of CPSEs like NPCIL and NLC. Smt Sitharaman stated that extraordinary situation requires extraordinary efforts and with collective efforts, we will not only perform better but also help the Indian economy to achieve better results.
MINISTRY OF FINANCE

Enhancement of CRCL and Contactless Customs

Shri M. Ajit Kumar, Chairman, Central Board of Indirect Taxes & Customs (CBIC) yesterday unveiled several new and modern testing equipment inducted into the Central Revenues Control Laboratory (CRCL) which would significantly enhance the in-house testing capability of the Customs leading to faster import and export clearances. He also launched new IT functionalities for supporting “Contactless Customs” under the CBIC’s flagship programme, “Turant Customs”.

Shri Kumar released a brochure on the occasion to highlight the equipment and testing facilities of the CRCL after extensive upgradation with state-of-art equipment, costing about Rs. 80 crores. 8 CRCL Laboratories at New Delhi, Kandla, Vadodara, Mumbai, Nhava Sheva, Kochi, Chennai & Visakhapatnam have obtained NABL accreditation for chemical testing in accordance with ISO/IEC 17025:2017, for defined scope. Also, the CRCL laboratories at New Delhi and Chennai are NABL accredited for forensic testing (testing of NDPS substances).

The unveiled IT functionalities to promote Contactless Customs empower the exporters to self manage changes in their their Bank Account and AD Code through ICEGATE as well as register on ICEGATE without having to approach a Customs officer. A major innovation that was announced today is the automated debit of Bonds in the ICES which will dispense with the need for importer to visit Custom Houses to get the debit made manually. It has also been decided that the balance in the Bond would henceforth be indicated in the import document, which would help importers plan their imports. Chairman has highlighted the relevance of these functionalities, which can minimise physical interface with Customs.

Importantly, considering the benefits ushered in by providing single point interface set up in Bengaluru and Chennai Zones for 1st Phase of Faceless Assessment, CBIC would set up Turant Suvidha Kendra (TSKs) to all the Customs formations w.e.f 15.07.2020. TSKs will heneceforth be the sole physical interface point with Customs formations whenever physical submission of documents is required by Customs such as for defacement of Country of Origin Certificates. This is expected to further ease the Customs clearance process.
MINISTRY OF FINANCE

CBDT provides Utility to ascertain TDS Applicability Rates on Cash Withdrawals

The Income Tax Department has facilitated a new functionality for Banks and Post offices through which they can ascertain the TDS applicability rates on cash withdrawal of above Rs.20 lakh in case of a non-filer of the income-tax return and that of above Rs. 1 Crore in case of a filer of the income-tax return. So far, more than 53,000 verification requests have been executed successfully on this facility.

CBDT said that this functionality available as “Verification of applicability u/s 194N” on www.incometaxindiaefiling.gov.in since 1st July 2020, is also made available to the Banks through web-services so that the entire process can be automated and be linked to the Bank’s internal core banking solution.

Explaining the details of this facility, CBDT said that now the Bank/Post Office has to only enter the PAN of the person who is withdrawing cash for ascertaining the applicable rate of TDS. On entering PAN, a message will be instantly displayed on the departmental utility: “TDS is deductible at the rate of 2% if cash withdrawal exceeds Rs. 1 crore” [if the person withdrawing cash is a filer of the income-tax return] and “TDS is deductible at the rate 2% if cash withdrawal exceeds Rs. 20 lakh and at the rate of 5% if it exceeds Rs. 1 Crore” [if the person withdrawing cash is a non-filer of the income-tax return].

CBDT said that the data on cash withdrawal indicated that huge amount of cash is being withdrawn by the persons who have never filed income-tax returns. To ensure filing of return by these persons and to keep track on cash withdrawals by the non-filers, and to curb black money, the Finance Act, 2020 w.e.f. 1st July, 2020 further amended Income-tax Act to lower threshold of cash withdrawal to Rs. 20 lakh for the applicability of this TDS for the non-filers and also mandated TDS at the higher rate of 5% on cash withdrawal exceeding Rs. 1 crore by the non-filers.

It may be noted that in order to discourage cash transactions and move towards less cash economy, the Finance (No.2) Act, 2019 has inserted section 194N in the Income Tax Act w.e.f. 1st September, 2019 to provide for levy of TDS @ 2% on cash withdrawal exceeding Rs. 1 crore from a Bank/Post Office account/s subject to certain exceptions.
RESERVE BANK OF INDIA

Monthly Data on India’s International Trade in Services- May 2020

The Reserve Bank of India releases monthly data on India’s international trade in services with a lag of around 45 days.

The value of exports and imports of services during the month of May 2020 are given in the following Table:

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<th>Month</th>
<th>Receipts (Exports)</th>
<th>Payments (Imports)</th>
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<tbody>
<tr>
<td>April - 2020</td>
<td>16,450</td>
<td>9,301</td>
</tr>
<tr>
<td>May - 2020</td>
<td>16,766</td>
<td>9,938</td>
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Note: Data are provisional.

Monthly data on services are provisional and would undergo revision when the Balance of Payments (BoP) data are released on a quarterly basis.

Ajit Prasad
Director
RESERVE BANK OF INDIA

RBI released ‘Quarterly BSR-1: Outstanding Credit of Scheduled Commercial Banks for March 2020’

The Reserve Bank released its web publication entitled ‘Quarterly Basic Statistical Returns (BSR)-1: Outstanding Credit of Scheduled Commercial Banks (SCBs), March 2020’, on its Database on Indian Economy (DBIE) portal (web-link: https://dbie.rbi.org.in/DBIE/dbie.rbi?site=publications#!12). It captures various characteristics of bank credit such as population group (rural/semi-urban/urban/metropolitan), occupation/activity and organisational sector of the borrower, type of account and interest rates. Data covering 1,24,984 bank branches of SCBs (excluding Regional Rural Banks) are presented for bank groups, population groups and states¹.

Highlights:

- Bank credit growth (Y-o-Y) continued to decelerate across all population groups and stood at 6.3 per cent in March 2020; bank branches in rural areas, however, maintained double digit growth.
- The share of industrial credit in total bank credit declined to 31.5 per cent in March 2020 (33.1 per cent a year ago), as it recorded a meagre 0.9 per cent growth (Y-o-Y) in March 2020.
- Overall credit expansion has been supported by a robust growth in personal loans in the recent period: the share of individuals in total bank credit has increased to 40.1 per cent in March 2020 (37.4 per cent a year ago and 30.8 per cent five years ago) whereas that of the private corporate sector has declined. Within individuals, the share of female borrowers has been consistently on the rise.
- All bank groups recorded moderation in credit growth during 2019-20 though private sector banks continued to lead the growth.
- The overall weighted average lending rate (WALR) on outstanding credit declined by 17 basis points during the quarter ended March 2020.

(Yogesh Dayal)
Chief General Manager

¹ Data for the periods ending in January 2020 and March 2020 is not comparable.