

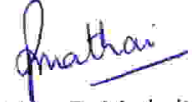
**No. A-45011/4/2020-Admn.III**  
**Government of India**  
**Ministry of Finance**  
**Department of Economic Affairs**

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New Delhi, 28<sup>th</sup> January, 2021

**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 December, 2020.



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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. Ms.Meera Swarup, AS&FA(Finance).
16. Shri A.M. Bajaj, Additional Secretary (FM), DEA
17. Shri Rajat Kumar Mishra, Additional Secretary (Budget), DEA
18. Shri Sanjeev Sanyal, Principal Economic Adviser, DEA
19. All Heads of Divisions in Department of Economic Affairs.  
Senior Adviser(C&C/FSLR/FS&CS)/JS(BC&IER)/JS(Inv)/JS(FT)/Adviser(IPF)/Adviser(Inv)/  
CAAA.
20. Shri Rajesh Malhotra, Addl.DG (M&C), M/o Finance, North Block, New Delhi.
21. Guard File – 2020.

**Subject: Monthly Summary on important policy decisions pertaining to Department of Economic Affairs (DEA) for the month of December, 2020.**

**1. Macro-economic Overview**

Indian Economy is on the path of recovery. This V-shaped recovery, evident at the half-way stage of 2020-21, reflects the resilience and robustness of the Indian economy. The fundamentals of the economy remain strong as gradual scaling back of lockdowns, along with the Atmanirbhar Bharat Mission has placed the economy firmly on the path of recovery. This is in alignment with economic recovery across the globe reflecting a world-wide pick-up in business and consumer confidence. There is moderation of a few high frequency indicators late in the month of November.

Manufacturing PMI moderated to 56.3 in November against the decade high level of 58.9 in October. With PMI Services index also ending the seven-month sequence of contraction to rise to 54.1 in October and falling to 53.7 in November, growth of output in the second half of 2020-21 is poised to replicate the performance of Q2. Power consumption and E-Way bills are seen to sustain the growth momentum in November along with continuous increase in average daily electronic toll collection, double digit growth in rail freight traffic and gradual recovery in passenger earnings. Port cargo traffic has almost converged to the previous year level in October with domestic aviation steadily adding passengers, month after month. With consumption of petroleum products also emerging out of its seven-month contraction in October, a domestic impetus to growth is more visible. The details of important information in tabular form is given at **Annexure**.

**2. Other important Developments**

2.1 (a) The net Foreign Portfolio Investment (FPI) was Rs. 71,046 crore during Dec 2020 largely driven by investments in the equity markets (Rs. 62,016 crore). This is the highest ever FPI inflow in a month and has surpassed the investments made during Nov 2020 which held this record so far.

(b) SEBI Board in its meeting on 16<sup>th</sup> December, 2020 approved certain amendments to SEBI (Mutual Funds) Regulations, 1996 with an objective to remove redundant provisions, to align with the existing applicable Acts and other SEBI Regulations, address certain operational difficulties, and to incorporate regulatory reforms etc.

2.2 (a) A loan agreement was signed between DEA and KFW on 16<sup>th</sup> December, 2020 for Euro 210 million reduced interest loan for the project "Covid-19 Social Protection Crisis Response Programme (Phase-II)"

(b) Loan agreement and grant agreement were signed between DEA and KFW on 22<sup>nd</sup> December, 2020 for Euro 100 million reduced interest loan and Euro 2 million grant respectively for the project "Climate Loan Kerala".

(c) A loan agreement was signed between DEA and KFW on 22<sup>nd</sup> December, 2020 for Euro 75 million reduced interest loan for the project "Renewable Energy Power Plant".

(d) A Finance Contract was signed between DEA and European Investment Bank (EIB) on 29<sup>th</sup> December, 2020 for second tranche of Euro 150 million for Kanpur Metro Rail Project.

2.3 (a) A loan of USD 500 million has been signed with the World Bank on 22<sup>nd</sup> December, 2020 for the proposed implementation of Green National Highway Corridor Project.

(b) A loan of USD 400 million has been signed with the World Bank on 16<sup>th</sup> December, 2020 for Second Accelerating India's COVID-19 Social Protection Response (PMGKY) Programme.

(c) A loan of USD 4.21 million has been signed with Asian Development Bank on 18<sup>th</sup> December, 2020 for 'Tripura Urban and Tourism Development Project' under Project Readiness Financing (PRF).

(d) A loan of USD 50.0 million has been signed with Asian Development Bank on 2<sup>nd</sup> December, 2020 for West Bengal Public Finance Management Reforms Program Project.

(e) A loan of USD 100 million has been signed with Asian Development Bank on 31<sup>st</sup> December, 2020 for Bangalore Smart Efficient Energy Distribution Project.

(f) A loan of USD 138.2 million Ordinary Capital Resources (OCR) has been signed with Asian Development Bank on 1<sup>st</sup> December, 2020 for Meghalaya Power Distribution Sector Improvement Project.

(g) A loan of USD 300 million Ordinary Capital Resources (OCR) has been signed with Asian Development Bank on 18<sup>th</sup> December, 2020 for Uttar Pradesh Power Distribution Network Rehabilitation – (Tranche-3).

(h) A loan of USD 231 million Ordinary Capital Resources (OCR) alongwith Grant of USD 2 million Japan Fund for Poverty Reduction (JFPR) has been signed with Asian Development Bank on 30<sup>th</sup> December, 2020 for the Assam Power Sector Investment Program – (Tranche-3).

(i) Project Readiness Financing (PRF) Loan of USD 10 million has been signed with Asian Development Bank on 30<sup>th</sup> December, 2020 for Himachal Pradesh Subtropical Horticulture, Irrigation and Value Addition (HPSHIVA-PRF) Readiness Project.

(j) A loan of USD 190 million {Sovereign (Regular – OCR) – USD 100 million + Non-sovereign (OCR) – USD 90 million} has been signed with Asian Development Bank on 31<sup>st</sup> December, 2020 for Bengaluru Smart Energy Efficient Power Distribution Project.

(k) A proposal for investment upto USD 10 million under Note Purchase Agreement (NPA) for Bilateral Borrowing Arrangements (BBAs) 2020 to be done with International Monetary Fund was approved by the RBI Board on 23<sup>rd</sup> December, 2020. Hon'ble Finance Minister also approved the said NPA and letter in this regard has been sent to IMF.

(l) The Policy Paper approved on Asia Pacific Vaccine Access Facility (APVAX) has been approved by the Board of Directors, Asian Development Bank on 9<sup>th</sup> December, 2020, which provides funding support of USD 1.5 billion plus Technical Assistance for India.

2.4 (a) Viability Gap Funding (VGF) scheme was approved upto 2024-25 with an outlay of 8,100 crore on 11<sup>th</sup> November, 2020 and revised Scheme and Guidelines of VGF were notified on 7<sup>th</sup> December, 2020.

(b) 98<sup>th</sup> Public Private Partnership Appraisal Committee (PPPAC) meeting held on 17<sup>th</sup> December, 2020 to consider proposal of the Bharat Net project of Department of Telecommunications (DoT) for Development (Creation, Upgradation, Operation & Maintenance and Utilization) of Bharat Net through Public Private Partnership (PPP).

2.5 (a) The Government of India and New Development Bank signed agreement for establishing Indian Regional Office of NDB in India on 11<sup>th</sup> December, 2020.

(b) The Government of India signed USD 1000 million loan with New Development Bank on 16<sup>th</sup> December, 2020 under COVID-19 Emergency Program Loan for supporting India's economy recovery from COVID-19.

## **2.6 Following important meetings were held during the month of December, 2020:**

- i. Hon<sup>ble</sup> Finance Minister Smt. Nirmala Sitharaman chaired the 23<sup>rd</sup> meeting of the Financial Stability and Development Council (FSDC) on 15<sup>th</sup> December, 2020 to review the major macro-economic developments and Financial Stability issues (global and domestic) with special reference to vulnerability related issues.
- ii. Secretary (EA) attended the 586<sup>th</sup> Meeting of Central Board of the Reserve Bank of India (RBI) as one of the Board Members through video conference on 18<sup>th</sup> December, 2020. The Board reviewed the current economic situation in the backdrop of global and domestic challenges and various areas of operations of the Reserve Bank including the customer education initiatives and resolution of customer complaints.
- iii. Additional Secretary attended a virtual meeting of Financial Stability Board's Standing Committee on Standards Implementation (SCSI) held on 2<sup>nd</sup> December 2020. SCSI Workplan and topic for the next thematic peer review were discussed.
- iv. Additional Secretary as India's Deputy attended the International Development Agency (IDA) Deputies and Borrowers' Representatives meeting which was held virtually on 14<sup>th</sup> December, 2020.
- v. Additional Secretary chaired the 113<sup>th</sup> meeting of DEA's Screening Committee for externally aided projects on 23<sup>rd</sup> December, 2020 in which a total of 30 proposals were taken up for consideration while 10 proposals were approved.
- vi. Additional Secretary had a VC with Public Investment Fund (PIF) Saudi Arabia on 1<sup>st</sup> December 2020 to discuss about investment opportunities and issues if any faced by them in investing in India.
- vii. Additional Secretary chaired meetings with DFS on matter related to Digital Gold held on 16<sup>th</sup> and 18<sup>th</sup> December, 2020.
- viii. Additional Secretary chaired meetings on 29<sup>th</sup> and 30<sup>th</sup> December, 2020 with Pahle India Foundation and IGPC, IIM, Ahmedabad and concerned Departments on the matters of Regulatory requirements of Digital Gold in the country, Gold Monetisation Scheme and Responsible Sourcing of gold.
- ix. Senior Economic Adviser attended a virtual meeting of Financial Stability Board's TBTF (Too Big To Fail) Evaluation Working Group, as a member, on 10<sup>th</sup> December 2020 and discussed proposed changes to its report and the results of the analysis to reflect the COVID-19 pandemic.
- x. DEA attended a meeting of Board of Trade (BOT) on 2<sup>nd</sup> December, 2020, held under the Chairmanship of Hon<sup>ble</sup> Minister of Commerce and Industry.
- xi. Two key meetings regarding Bilateral Investment Promotion and Protection Agreement (BIPA) arbitrations related to Antrix Devas were held on 4<sup>th</sup> and 23<sup>rd</sup> December 2020.
- xii. Annual General meeting of National Investment and Infrastructure Limited (NIIFTL) held on 1<sup>st</sup> December, 2020.
- xiii. DEA attended 12<sup>th</sup> Session of India-Uzbekistan Inter-Governmental Commission on 3<sup>rd</sup> December, 2020.

xiv. An Inter-Ministerial Monitoring Committee (IMMC) has been constituted on 19<sup>th</sup> October 2020 and IMMC meetings were held on 4<sup>th</sup>, 11<sup>th</sup>, 18<sup>th</sup>, and 24<sup>th</sup> December 2020 respectively.

xv. DEA participated in the Inter-Governmental Sub-Committee (IGSC) meeting between India-Nepal on 3-4<sup>th</sup> December 2020 and Inter-Governmental Committee (IGC) Meeting held on 7<sup>th</sup> December 2020.

xvi. DEA along with National Investment and Infrastructure Fund (NIIF) organized a Virtual Global Investor Roundtable (VGIR) on 5<sup>th</sup> November, 2020. This included interaction of Hon'ble Prime Minister with global investors and Indian business leaders. Pursuant to the VGIR, Domestic Investment section with NIIF organised virtual One-on-One meetings of Hon'ble Prime Minister with select Global Investors during November - December 2020, including meetings with Teachers Retirement System (TRS), USA, Ontario Teachers' Pension Plan (OTPP), Canada, Pension Denmark and Qatar Investment Authority (QIA) in December, 2020. So far 12 one on one meetings have been organised.

**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: 16

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