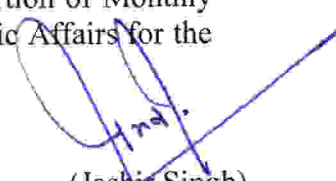


No. A-45011/4/2020-Admn.III
Government of India
Ministry of Finance
(Department of Economic Affairs)

New Delhi, 29th October, 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 September, 2020.


(Jasbir Singh)
Dy. Secretary to Govt. of India
Tel.No.: 23093592

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 Sanjeev Sanyal, Principal Economic Adviser, DEA
18. Ms.Anu P Mathai, Advisor (Admn., BC & IER)
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 Rajesh Malhotra, Addl.DG (M&C), M/o Finance, North Block, New Delhi.
21. Guard File – 2020.

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

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

1. Macro-economic Overview

The gradual unlocking process, supported by the enabling policies of the Government under the Atma Nirbhar Bharat package, has resulted in much higher level of activity in the months of July, August and September. This is evident in growth of high frequency indicators like PMI Manufacturing, IIP, index of eight core industries, E-way bills, Kharif sowing, power consumption, railway freight, cargo traffic and passenger vehicle sales. India's manufacturing purchasing managers' index (PMI), at 52.2, moved into expansionary zone in August for the first time since the lockdown, presenting much required recovery prospects for the manufacturing sector. Sustained impetus is reflected in the value of E-way bills generated which is at Rs. 13.8 lakh crores in August (97.2% of corresponding month value of the previous year). The details of important information in tabular form is given at Annexure.

2. Other important Developments

2.1 A Budget Announcement was made in the Budget Speech 2020-21 that a legislation would be introduced in Parliament for laying down a mechanism for netting of financial contracts. Accordingly, a Bill titled "The Bilateral Netting of Qualified Financial Contracts Bill, 2020" (the Bill) was approved by the Cabinet on 20th March, 2020 for introduction in the Parliament. Subsequently, the Bill has been passed by the Lok Sabha on 20th September, 2020 and by the Rajya Sabha on 23rd September, 2020. The Bill would help in reducing the credit exposure of banks and other financial institutions from gross to net exposure which would result in substantial saving on such exposure and reduce the overall systemic risks contributing to the financial stability. Further, the Bill would develop the financial market in India including a boost to the corporate debt market.

2.2 The Special Liquidity Scheme of Rs. 30,000 crores for NBFCs and HFCs was implemented w.e.f. 1st July, 2020 as a follow up of one of the announcements under Atma Nirbhar package made by the Hon'ble Finance Minister on 13th May, 2020. The Scheme was launched by the Government of India on 1st July 2020 to improve the liquidity position of NBFCs/HFCs through a Special Purpose Vehicle (SPV) to avoid any potential systemic risks to the financial sector. The Scheme has received a very positive response. As on 25th September, 2020, thirty-nine (39) proposals involving an amount of Rs. 11,120 crores was sanctioned. Out of the sanctioned amount of Rs. 11,120 crores, Rs. 6,647 crores was disbursed. The remaining sanctions of Rs. 3,852 crores could not be utilised as the borrowers did not have immediate requirement. This scheme closed on 30th September, 2020.

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2.3 DEA has enforced Section 13 and Section 33 of the International Financial Services Centre's Authority Act, 2019 (50 of 2019), with effect from 1st October, 2020 vide Gazette Notification dated 29th September, 2020. These sections provide that all powers exercisable by current regulators (viz. RBI, SEBI, IRDAI and PFRDA) under the respective Acts shall be exercised solely by the IFSC Authority.

2.4 With the approval of Hon'ble Finance Minister Two Lines of Credit (LoC) have been extended during the month of September, details of which are as under.

Sl. No.	Name of Country	Million/(USD)	Project	Date of Approval
1.	Maldives	400.00	For undertaking the Greater Male Connectivity Project.	17.09.2020
2.	Uzbekistan	448.00	For Social Infrastructure and other development projects.	22.09.2020

2.5 (a) A loan of USD 82 million was signed with the World Bank on Sep 7, 2020 for the implementation of Govt. of Himachal Pradesh's Himachal Pradesh State Roads Transformation Project.

(b) The tranche 1 loan of USD 500 million under the MFF loan for Delhi-Meerut Rapid Rail Transit System being implemented by NCRTC was signed with ADB on Sep 8, 2020.

(c) The tranche 3 of the MFF loan, Assam Power Sector Investment Programme, for a loan commitment of USD 231 million was negotiated with ADB on Sep 10, 2020.

(d) A USD 132.8 million loan for the loan project of the Government of Meghalaya titled, Meghalaya Power Distribution Sector Improvement Project, was negotiated with ADB on Sep 24, 2020.

2.6 A Commemorative Coin of ₹75 denomination was issued on 17th September, 2020 to mark the 75th Anniversary of Food & Agriculture Organisation (FAO).

2.7 Following important meetings were held during the month of September, 2020: -

i. Secretary (EA) represented Hon'ble Finance Minister, Smt.Nirmala Sitharaman in the G20 Joint Finance and Health Ministers meeting under the G20 Saudi Presidency which was held virtually on September 17, 2020.

ii. Secretary (EA) attended the joint meeting of Finance and Health Deputies under the G20 Saudi Arabia Presidency held virtually on September 15-16, 2020 as India's G20 Finance Deputy. The G20 Deputies negotiated the paragraphs of the Joint Statement of G20 Health and Finance Ministers.

Contd./-

- iii. As India's BRICS Finance Deputy, Secretary (EA) attended the 3rd BRICS Finance Deputies' Meeting under the Russian Presidency held virtually on September 3, 2020.
- iv. Secretary (EA) chaired an Inter-Ministerial meeting on 22.09.2020 relating to the continuation and revamping of Viability Gap Funding (VGF) Scheme for Social Sectors.
- v. Shri Sanjeev Sanyal of DEA, Principal Economic Advisor (in his capacity as the Indian co-chair of FWG) led an Indian delegation to attend the G20 Framework Working Group under the G20 Saudi Arabia Presidency virtually on September 24, 2020.
- vi. Shri Sameer Kumar Khare, Additional Secretary chaired the 110th meeting of the DEA Screening Committee for externally aided projects on Sep 15, 2020.
- vii. Shri Sameer Kumar Khare, Additional Secretary chaired a meeting to review the status of submission of GFR-25 in respect of MDB loans backed by sovereign guarantees on September 25, 2020.
- viii. Shri Sameer Kumar Khare, Additional Secretary attended the stakeholder meeting as part of Outreach efforts of ADB for LIBOR transition which was organized on Sep 8, 2020 with all executing agencies and state finance departments.
- ix. Shri Sameer Kumar Khare, Additional Secretary represented India in the 15th Informal Meeting of SAARC Finance Ministers held virtually on September 16, 2020 and in the ADF-13 Replenishment Meeting on September 16, 2020.
- x. The Annual Meeting of the ADB was held from September 16-18, 2020.
- xi. Senior Advisor to ED (ADB) represented India as India's Temporary Alternate Governor in the Second Business Session held on Sep 18, 2020.
- xii. Director (IMF) represented India in the IMFC Deputies Virtual Meeting held on Sep 21, 2020.
- xiii. A Virtual Tri-partite Portfolio Review Meeting (TPRM) of World Bank was held on Sept 22-24, 2020 wherein all the ongoing projects were reviewed with concerned Ministries/ State Governments.
- xiv. A Virtual Tri-partite Portfolio Review Meeting (TPRM) of ADB was held on Sept 28, 2020 wherein all the pipeline projects for FY2020 and FY2021 were reviewed with concerned Ministries/ State Governments and the TPRM for all on-going projects is being held on Sep 30, 2020 and Oct 1, 2020.
- xv. Board meeting of National Investment and Infrastructure Limited (NIIFL) was held on 30th September, 2020.
- xvi. A meeting of the Empowered Group on Economic and Welfare Measures (EGEW) was held on 7.9.2020 and 25.9.2020.
- xvii. A round of BIT negotiations between India and Mexico was held on 15th September, 2020 through DVC.
- xviii. A meeting of Chief Negotiators on India-Korea Trade and Investment issues was held on 17 September 2020 through DVC and was attended by DEA.
- xix. The 19th meeting of Early Warning Group (EWG), one of the FSDC Sub Committee technical working group, was held through circulation of notes on September 23, 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: 11
