

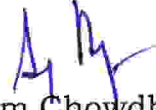
**No. A-45011/4/2021-Admn.III**  
**Government of India**  
**Ministry of Finance**  
**(Department of Economic Affairs)**

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New Delhi, 2<sup>nd</sup> August, 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 June, 2021.



(Arup Shyam Chowdhury)

Deputy Secretary to the Government of India

Tel No. 23095091

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. Shri K. Rajaraman, Additional Secretary (Admn. & Investment), DEA.
14. Ms.Meera Swarup, AS&FA(Finance).
15. Shri A.M. Bajaj, Additional Secretary (FM), DEA
16. Shri Rajat Kumar Mishra, Additional Secretary (Budget), DEA.
17. Shri Sanjeev Sanyal, Principal Economic Adviser, DEA
18. All Heads of Divisions in Department of Economic Affairs.

Sr.Adviser(C&C/FSLR/FS&CS)/JS(BC&IER)/JS(Inv)/Adviser  
(IER)/CAAA.

19. Shri Rajesh Malhotra, Addl.DG (M&C), M/o Finance, North Block, New Delhi.
20. Guard File – 2021.

**Subject: Monthly Summary on important policy decisions pertaining to Department of Economic Affairs (DEA) for the month of June, 2021.**

**1. Macro-Economic Overview**

As per the Provisional Estimates of GDP released by National Statistical Office (NSO), real GDP growth is estimated to contract by 7.3% in 2020-21 as against a growth of 4.0% in 2019-20. The momentum of economic recovery witnessed since second half (H2) of 2020-21 has, however, been moderated by the second wave of COVID-19. Unlike the first wave, the effect of the second wave has been asynchronous in its onset across states and wider in its spread, particularly in the rural hinterland. This necessitated a differentiated, state-level policy response in close coordination with the Central Government for rapid rebooting of health infrastructure and effective implementation of 'Test, Track, Treat, Vaccinate and COVID-appropriate behavior'. The prospects of a good monsoon forecasts bode well for continued momentum in agricultural growth. With state-level lockdown restrictions being more adaptive to learnings from the first wave, manufacturing and construction activities are expected to experience a softer economic shock in the current quarter. A ramp up in the pace and spread of vaccination on a war footing is critical to help India restrain the impact of the pandemic. The sector-wise growth rates are given in the table at Annexure.

**2. Other Important Developments**

- i. Reserve Bank of India, in consultation with Department of Economic Affairs (DEA), has introduced important measures in for streamlining the G-Sec settlement process and providing operational flexibility to Foreign Portfolio Investment (FPIs) in meeting margin requirements and reporting of trades.
- ii. Authorized Dealers Category-I (AD-I) Banks have been allowed to place margins on behalf of Foreign Portfolio Investments (FPIs) within their credit risk management framework and the window for reporting of Over-the-Counter transactions on Negotiated Dealing System -Order Matching (NDS-OM) has been extended by three hours.

- iii. Report of the Committee on positioning IFSC as a hub for offshore trading in INR was released by IFSCA.
- iv. Legal agreements for the Mizoram Health Systems Strengthening Project with loan amount USD 32 million were signed with the World Bank (IBRD) on 17<sup>th</sup> June 2021. The project aims to improve management capacity and quality of health services in Mizoram.
- v. The Project Readiness Financing Loan for Sikkim Major District Roads Upgradation Project an amount of USD 2.5 million was signed with the Asian Development Bank on 3<sup>rd</sup> June 2021 at New Delhi.
- vi. The loan for Tamil Nadu Industrial Connectivity Project an amount of USD 484 million was signed with the Asian Development Bank on 16<sup>th</sup> June, 2021 at New Delhi.
- vii. With the approval of Hon'ble Finance Minister One Line of Credit (LoC) of USD 50 million was extended to Govt. of Palestine during the month of June, 2021.
- viii. India has conveyed its historic stand on the IMF Quota formula (as part of informal discussions under the 16<sup>th</sup> GRQ in the IMF board meeting on 25<sup>th</sup> June 2021) i.e. out of 4 factors which determine the formula for the quota shares. 'GDP' should predominate with maximum weight, 'variability' should be dropped, 'voluntary contributions' should not be included, share of 'openness' and 'variability' should be reduced and status quo in the 'compression factor'.

### **3. Important meetings held during the month of June, 2021:**

- i. Hon'ble Finance Minister chaired the following meetings:
  - a. Meeting to review and discuss the implementation of infrastructure projects, capital expenditure plan for FY 2021-2022 and roadmap ahead for M/o Railways and M/o Power (Including their Central Public Sector Enterprises {CPSEs}) on 4<sup>th</sup> June, 2021.
  - b. Meeting to review and discuss the implementation of infrastructure projects, capital expenditure plan for FY 2021-2022 and the roadmap ahead for D/o Telecom, M/o Road, Transport & Highways (MoRTH) and D/o Atomic Energy on 11<sup>th</sup> June, 2021.
  - c. Meeting to review and discuss the implementation of infrastructure projects, capital expenditure plan for FY 2021-2022 and the roadmap ahead for M/o Housing & Urban Affairs (MoHUA), M/o Steel, M/o Petroleum & Natural Gas (MoP&NG) & D/o Space on 29<sup>th</sup> June, 2021.
- ii. Hon'ble Finance Minister attended a meeting with US-India Strategic Partnership Forum (USISPF) held on 24<sup>th</sup> June, 2021.
- iii. With the approval of Hon'ble FM, India agreed to support the discussion on fresh SDR allocation for low-income countries (LICs) to support healthcare and economic recovery during the IMF Board Meeting on 25<sup>th</sup> June, 2021.

- iv. 104<sup>th</sup> Meeting of the Public Private Partnership Appraisal Committee (PPPAC) held on 14<sup>th</sup> June, 2021 under the chairmanship of Secretary (EA) revalidating Final Approval to the project proposal of Ministry of Railways for Passenger Train Operations on PPP mode.
- v. Additional Secretary, DEA chaired the 117<sup>th</sup> meeting of the DEA Screening committee for consideration of proposals seeking financing from Multilateral Development Banks/Bilateral Agencies held on 22<sup>nd</sup> June, 2021.
- vi. Additional Secretary, DEA along with Executive Director India World Bank, Senior Advisor to ED and Director (FB) participated in IDA-20 2<sup>nd</sup> replenishment meeting held from 28<sup>th</sup> – 30<sup>th</sup> June, 2021.
- vii. Senior Economic Adviser, DEA participated in the two meetings of Financial Stability Board(FSB) Plenary held on 17<sup>th</sup> June and 22<sup>nd</sup> June 2021 to discuss learnings from COVID-19, current outlook, review the reports on climate-related financial risks; and discuss progress report on implementation of benchmark reform.
- viii. Senior Economic Adviser, DEA participated in the meeting of Financial Stability Board (FSB) held on 3<sup>rd</sup> June, 2021 which is doing a peer review on the subject to support COVID-19 response efforts by examining members' practices, experiences and lessons on out of court debt workouts (OCWs), and the implications for financial stability.
- ix. DEA attended the 13<sup>th</sup> Finance and Audit Committee Meeting of Social Development Foundation (SDF) Board of Directors which was held virtually on 8<sup>th</sup> June 2021.
- x. DEA also attended the 34<sup>th</sup> Meeting of SDF Board of Directors held virtually on 9<sup>th</sup> -10<sup>th</sup> June, 2021.
- xi. Second meeting of the G20 Sustainable Finance Working Group was held on 18<sup>th</sup> June 2021. Deputy Director General from the Department of Economic Affairs represented India, along with Reserve Bank of India.
- xii. Meeting of Board members of National Investment and Infrastructure Limited (NIIFL) held on 17<sup>th</sup> June, 2021.
- xiii. A round of discussion on between India and Canada on Bilateral Investment Treaty (BIT) was held on 22<sup>nd</sup> June, 2021.
- xiv. Board of Directors meeting of Asian Infrastructure Investment Bank (AIIB) held on 23<sup>rd</sup> -24<sup>th</sup> June 2021.
- xv. Annual Meeting of African Development Bank (AfDB) was held on 23<sup>rd</sup> June 2021.
- xvi. Tripartite Portfolio Review Meeting of International Fund for Agricultural Development (IFAD) was held on 25<sup>th</sup> June 2021.
- xvii. 31<sup>st</sup> Board of Directors meeting of New Development Bank (NDB) was held on 29<sup>th</sup> June 2021.
- xviii. 113<sup>th</sup> Evaluation Committee Meeting of IFAD was held on 30<sup>th</sup> June 2021.
- xix. Four Meetings of Empowered Group on Economic Welfare (EGEW) held in June 2021.

**4. Minimum Government, Maximum Governance**

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

**5. Non-Compliance of ACC directions/orders**

Nil

**6. FDI proposals cleared during the month and status of FDI proposals awaiting approval in the Department:**

Awaiting Approval in the Department: 17

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