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**Government of India**  
**Ministry of Finance**  
**(Department of Economic Affairs)**

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New Delhi, 20<sup>th</sup> July, 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 May, 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. 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.  
Sr.Adviser(C&C/FSLR/FS&CS)/JS(BC&IER)/JS(Inv)/Adviser  
(IER)/CAAA.
20. Shri Rajesh Malhotra, Addl.DG (M&C), M/o Finance, North Block, New  
Delhi.
21. Guard File – 2021.

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

**1. Macro-Economic Overview**

The onset of the second wave of COVID-19 poses a downside risk to the momentum in India's economic recovery in the first quarter of 2021-22. With the peaking of the second wave in first half of May, 2021, the decline in new cases has been as fast as was the rise. The continuous upscaling of India's vaccination drive, meticulous observation of COVID-appropriate behaviour and pro-active application of India's successful first-wave pandemic management policies raises hopes of a muted impact of the second wave on the economy. 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. Real GDP growth for fourth quarter (Q4) of 2020-21 is estimated to grow at 1.6%, as compared to a growth of 3.0% in Q4 of 2019-20. On the supply side, agriculture and allied sector grew at 3.6% in 2020-21. Whereas, on the demand side, while government consumption grew at 2.9% in 2020-21, private consumption contracted by 9.1% (Table 2). Fixed investment measured as Gross Fixed Capital Formation (GFCF) contracted by 10.8% in 2020-21. Exports and imports of goods and services also contracted by 4.7% and 13.6% respectively in 2020-21. The sector-wise growth rates are given in the table at Annexure.

**2. Other Important Developments**

- (i) International Financial Services Centre Authority (IFSCA) issued Circulars/Guidelines related to Finance Company/Financial Units along with Guidelines for Certificate of Deposits. Besides, IFSCA also issued fee structure for various Insurance Offices and Insurance Intermediary Offices.
- (ii) The Finance Contract for second tranche of Euro 150 million for Pune Metro Rail Project was signed on 7<sup>th</sup> May, 2021 between Government of India and European Investment Bank.
- (iii) India has decided to contribute 26% of the total of deferred charges and Special Contingent Account -1 i.e., Special Drawing Rights (SDR) 13.5 million out of its share of 51.8 million SDR towards Sudan debt relief.

(iv) Gujarat Outcomes for Accelerated Learning (Goal) project was signed for a loan amount of USD 500 million on 19<sup>th</sup> May, 2021 with The International Bank for Reconstruction and Development (IBRD).

(v) A Project on Supporting Andhra's Learning Transformation (SALT) Operation Project with loan amount of USD 250 million on 13<sup>th</sup> May, 2021 was negotiated with IBRD.

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

(i) Secretary (EA) attended the 16<sup>th</sup> Informal Meeting of SAARC Finance Ministers on the side-lines of 54<sup>th</sup> Annual Meeting of Asian Development Bank (virtual). Ministers/Heads of delegation made brief statements on the theme 'Economic Recovery from COVID-19: Towards Inclusive and Resilient Growth'.

(ii) Secretary (EA) co-chaired the 4<sup>th</sup> India-Switzerland Financial Dialogue in which Senior Economic Adviser (FS&CS) participated as a lead discussant on New Technology and Financial Services.

(iii) As one of the Board members, Secretary (EA) attended the 589<sup>th</sup> Meeting of Central Board of the Reserve Bank of India.

(iv) Secretary (EA) also chaired the 102<sup>nd</sup> meeting of Public Private Partnership Appraisal Committee (PPPAC) to consider the proposal of Development of Eco-tourism resorts in Minicoy Island, Lakshadweep under PPP mode. PPPAC accorded 'In-Principle and Final Approval' to the project proposal and recommended the proposal for approval of the competent authority.

(v) 103<sup>rd</sup> Meeting of the PPPAC was also chaired by Secretary (EA) wherein "In Principle" approval was granted to the project proposal of Ministry of Railways for Development of Surat MMTS and Udhna Railway Station on PPP mode.

(vi) Four meetings of Empowered Group on Economic Welfare (EGEW) were held in May, 2021.

(vii) Additional Secretary, DEA, attended the second meeting of the Steering Committee to operationalize International Bullion Exchange. He also chaired the second meeting of the Task Force on Sustainable Finance.

(viii) Senior Economic Adviser, DEA, participated in a meeting of the Financial Stability Board (FSB) Standing Committee on Standards Implementation (SCSI), which monitors implementation of international financial standards, to discuss the content of the next Annual Report to be submitted to G20, and the consistency of COVID-19 Policy responses of Member jurisdictions with international standards. In addition, as a member from India in the peer review

group under FSB, he also participated in various meetings of the group. He also attended the consultative Workshop held with private sector and practitioners of corporate restructuring during the month.

(ix) The FSB Regional Consultative Group (RCG) for Asia held a virtual meeting to discuss vulnerabilities and financial stability issues affecting Asia and the impact of the COVID-19 pandemic on the region. The 23<sup>rd</sup> meeting of Early Warning Group (EWG) was held to discuss the financial system vulnerabilities and monitoring as well as major economic developments having bearing on risk outlook. A meeting of the Working Group on Climate Risk was held to discuss the stocktake summary and further timelines of the report.

(x) A round of discussion between India and Switzerland on Bilateral Investment Treaty (BIT) and the 4<sup>th</sup> round of negotiations between India and UAE on BIT were also held.

(xi) In an IMF Comprehensive Surveillance Review (CSR) meeting, India conveyed its comments to Executive Director Office, IMF opposing inclusion of climate change in IMF surveillance.

(xii) DEA, jointly with New Development Bank, organized a Virtual Seminar on Financing Social Infrastructure and use of Digital Technologies under India's BRICS Chair 2021.

(xiii) The 5<sup>th</sup> Tripartite Portfolio Review Meeting (TRPM) of Asian Infrastructure Investment Bank (AIIB) projects was held during the month of May, 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: 12