

20 May 2020: PIB Summary & Analysis

1. Ayushman Bharat

Context:

Prime Minister interacts with the One Croreth Beneficiary of the Ayushman Bharat scheme.

About Ayushman Bharat:

- Launched in 2018, Ayushman Bharat is an umbrella health scheme to address health issues at all levels – primary, secondary and tertiary.
- For more on [Ayushman Bharat](#), click on the linked article.

2. Partial Credit Guarantee Scheme (PCGS)

Context:

Cabinet approves modifications in the existing "Partial Credit Guarantee Scheme (PCGS)".

Details:

- The Union Cabinet has approved the sovereign portfolio guarantee of up to 20% of first loss for purchase of Bonds or Commercial Papers (CPs) with a rating of AA and below (including unrated paper with original/initial maturity of up to one year) issued by NBFCs/MFCs/Micro Finance Institutions (MFIs) by Public Sector Banks (PSBs) through an extension of the Partial Credit Guarantee Scheme (PCGS).
- The Cabinet also approved modifications in the existing PCGS on purchase of pooled assets, increasing its coverage by:
 - Making NBFCs/HFCs reported under SMA-1 category on technical reasons alone during the last one year period prior to 1.8.2018 eligible. Earlier NBFCs/HFCs reported as SMA-1 or SMA-2 during this period were ineligible under the Scheme.
 - Relaxing the net profit criteria to the extent that the concerned NBFC/HFC should now have made a profit in at least one of the financial years of FY2017-18, FY 2018-19 and 2019-20. Earlier, the NBFC/HFC should have made a net profit in at least one of the financial years of FY 2017-18 and 2018-19.
 - Relaxing the criteria regarding date of origination of assets to include new assets originating up to at least six months prior to the date of the initial pool rating. Earlier, only assets originated up to 31.3.2019 were eligible under the Scheme.
 - Extending the Scheme from 30.6.2020 to 31.3.2021 for purchase of pooled assets.
- The existing PCGS was issued on 11.12.2019 offering sovereign guarantee of up to 10% of first loss to PSBs for purchasing pooled assets worth rated BBB+ or above worth up to Rs. 1,00,000 crore, from financially sound NBFCs/MFCs.
 - The outbreak of COVID-19 along with the lockdown of business activity has now necessitated the adoption of additional measures to support NBFCs and HFCs - **On the liabilities side** by providing a sovereign guarantee to cover purchase of Bonds/CPs issued by NBFCs/HFCs as well as MFIs which also play a critical role in extending credit to small borrowers; and **on the assets side** by modifying the existing PCGS to widen its coverage.

- The window for this one-time partial credit guarantee offered by the government will remain open till 31st March, 2021 for the purchase of pooled assets and for the period as specified under the Scheme for purchase of Bonds/CPs, or till such date by which Rs.10,000 crore worth of guarantees, including both guarantees toward purchase of pooled assets and Bonds/CPs, are provided by the Government, whichever is earlier.

Reasons for this modification

- The COVID-19 crisis and the consequent lockdown restrictions are likely to have a negative impact on both collections and fresh loan disbursements, besides a deleterious effect on the overall economy.
- This is anticipated to result not only in asset quality issues for the NBFC/HFC/MFI sector, but also low loan growth as well as higher borrowing costs for the sector, with a cascading effect on Micro, Small and Medium Enterprises (MSMEs) which borrow from them.
- While the RBI moratorium provides some relief on the assets side, it is on the liabilities side that the sector is likely to face increasing challenges.
- The extension of the existing Scheme will address the liability side concerns.
- In addition, modifications in the existing PCGS will enable wider coverage of the Scheme on the asset side also.
- Since NBFCs, HFCs and MFIs play a crucial role in sustaining consumption demand as well as capital formation in small and medium segment, it is essential that they continue to get funding without disruption, and the extended PCGS is expected to systematically enable the same.

3. Special Liquidity Scheme for NBFCs/HFCs

Context:

Cabinet approves Special Liquidity Scheme for NBFCs/HFCs to address their Liquidity Stress.

Details:

- Under this scheme an SPV would be set up to manage a Stressed Asset Fund (SAF) whose special securities would be guaranteed by the GOI and purchased by the RBI only.
- The proceeds of sale of such securities would be used by the SPV to acquire short-term debt of NBFCs/HFCs.
- The Scheme will be administered by the Department of Financial Services, which will issue the detailed guidelines.
- **Implementation schedule:**
 - A large public sector bank would set up an SPV to manage a stressed asset fund which would issue interest bearing special securities guaranteed by the Government of India, to be purchased by RBI only.
 - The SPV would issue securities as per requirement subject to the total amount of securities outstanding not exceeding Rs. 30,000 crore to be extended by the amount required as per the need.
 - The securities issued by the SPV would be purchased by RBI and proceeds thereof would be used by the SPV to acquire the debt of at least investment grade of short duration (residual maturity of up to 3 months) of eligible NBFCs/HFCs.
- **Impact:**
 - The proposed scheme would be a one-stop arrangement between the SPV and the NBFCs without having to liquidate their current asset portfolio.

- The scheme would also act as an enabler for the NBFC to get investment grade or better rating for bonds issued.
- The scheme is likely to be easier to operate and also augment the flow of funds from the non-bank sector.
- The Scheme would benefit the real economy by augmenting the lending resources of NBFCs/HFCs/MFIs.

4. Scheme for formalisation of Micro Food Processing Enterprises (FME)

Context:

Cabinet approves "Scheme for formalisation of Micro Food Processing Enterprises (FME)".

Details:

- This is a new Centrally Sponsored Scheme for the unorganised sector with an initial outlay of Rs.10000 crore.
- The expenditure will be shared by the centre and states in the ratio 60:40.
- 2,00,000 micro-enterprises are to be assisted with credit-linked subsidy.
- Scheme will be implemented over a 5-year period from 2020-21 to 2024-25.
- There will be an extensive focus on perishables.
- Micro enterprises will get credit-linked subsidy @ 35% of the eligible project cost with ceiling of Rs.10 lakh.
- Beneficiary contribution will be minimum 10% and balance from the loan.
- On-site skill training & handholding for DPR and technical upgradation.
- The project is likely to generate nine lakh skilled and semi-skilled jobs.
- Support to FPOs/SHGs/cooperatives:
 - Seed capital to SHGs for loan to members for working capital and small tools.
 - Grant for backward/forward linkages, common infrastructure, packaging, marketing & branding.
 - Skill training & Handholding support.
 - Credit linked capital subsidy.

Background:

- There are about 25 lakh unregistered food processing enterprises which constitute 98% of the sector and are unorganized and informal. Nearly 66 % of these units are located in rural areas and about 80% of them are family-based enterprises.
- This sector faces a number of challenges including the inability to access credit, high cost of institutional credit, lack of access to modern technology, inability to integrate with the food supply chain and compliance with the health & safety standards.
- Strengthening this segment will lead to reduction in wastage, creation of off-farm job opportunities and aid in achieving the government objective of doubling farmers' income.

Objective of the scheme:

- Increase in access to finance by micro food processing units.
- Increase in revenues of target enterprises.
- Enhanced compliance with food quality and safety standards.
- Strengthening capacities of support systems.

- Transition from the unorganized sector to the formal sector.
- Special focus on women entrepreneurs and Aspirational districts.
- Encourage Waste to Wealth activities.
- Focus on minor forest produce in Tribal Districts.

Implantation mechanism:

- The Scheme would be monitored at Centre by an Inter-Ministerial Empowered Committee (IMEC) under the Chairmanship of Minister, FPI.
- A State/UT Level Committee (SLC) chaired by the Chief Secretary will monitor and sanction/recommend proposals for expansion of micro units and setting up of new units by the SHGs/FPOs/Cooperatives.
- The State/UT Government will notify a Nodal Department and Agency for implementation of the Scheme.

5. Pradhan Mantri Vaya Vandana Yojana (PMVVY)

Context:

Cabinet approves extension of 'Pradhan Mantri Vaya Vandana Yojana'.

Details:

The PMVVY has been extended for a further three years until 31st March, 2023.

For more on the [Pradhan Mantri Vaya Vandana Yojana](#), click on the linked article.

6. Pradhan Mantri Matsya Sampada Yojana

Context:

Cabinet approves 'Pradhan Mantri Matsya Sampada Yojana – A scheme to bring about [Blue Revolution](#) through sustainable and responsible development of fisheries sector in India.

About the Pradhan Mantri Matsya Sampada Yojana:

- The objective of the scheme is to supplement or increase agriculture, modernize processing and decrease agricultural-waste and to utilize the potential in the fishery sector.
- The scheme will be implemented under two components namely, Central Sector Scheme (CS) and Centrally Sponsored Scheme (CSS) at a total estimated investment of Rs. 20,050 crore.
- The Centrally Sponsored Scheme (CSS) Component is further segregated into Non-beneficiary oriented and Beneficiary orientated subcomponents/activities under the following three broad heads:
 - Enhancement of Production and Productivity
 - Infrastructure and Post-Harvest Management
 - Fisheries Management and Regulatory Framework

Benefits of the scheme:

- Address the critical gaps in the fisheries sector and realize its potential.
- Augmenting fish production and productivity at a sustained average annual growth rate of about 9% to achieve a target of 22 million metric tons by 2024-25 through sustainable and responsible fishing practices.
- Improving availability of certified quality fish seed and feed, traceability in fish and including effective aquatic health management.
- Creation of critical infrastructure including modernisation and strengthening of value chain.
- Creation of direct gainful employment opportunities to about 15 lakh fishers, fish farmers, fish workers, fish vendors and other rural/urban populations in fishing and allied activities and about thrice this number as indirect employment opportunities including enhancement of their incomes.
- Boost to investments in the fisheries sector and increase of competitiveness of fish and fisheries products.
- Doubling of fishers, fish farmers and fish workers incomes by 2024.
- Social, physical and economic security for fishers and fish workers.

7. Solarisation of towns

Context:

Government of India launches scheme for 100% solarisation of Konark Sun Temple & Konark town.

Details:

- The Scheme envisages setting up of 10 MW grid connected solar project and various solar off-grid applications like solar trees, solar drinking water kiosks, off-grid solar power plants with battery storage, etc. with a 100% Central Financial Assistance (CFA) support of around Rs. 25 Crores from the Government of India through the Ministry of New & Renewable Energy (MNRE).
- Implementation of this Project will be done by Odisha Renewable Energy Development Agency (OREDA).
- The Scheme will meet all the energy requirements of Konark town with solar energy.

Read more on the Konark Sun Temple at [NCERT Notes: Temple Architecture & Sculpture](#)

8. Agappe Chitra Magna

Context:

SCTIMST to organize commercial launch of Agappe Chitra Magna for detection of COVID-19.

Details:

- Agappe Chitra Magna is a magnetic nanoparticle-based RNA extraction kit for use during testing for the detection of COVID-19.
- It is developed by Sree Chitra Tirunal Institute for Medical Sciences and Technology (SCTIMST) along with Agappe Diagnostics Ltd, an in vitro diagnostics manufacturing company based in Cochin.

- Located in Thiruvananthapuram, the SCTIMST is an Institute of National Importance of the Department of Science and Technology (DST).
- The Chitra Magna, an innovative RNA extraction kit developed by SCTIMST was transferred to Agappe Diagnostics in April 2020, and will now be available in the market as Agappe Chitra Magna RNA Isolation Kit.
- This product has been independently validated at the National Institute of Virology for COVID-19 RNA isolation.
- The Central Drugs Standard Control Organisation (CDSCO) has given approval for the commercialization of this kit.
- The kit can be used for RNA extraction for RT-LAMP, RT-qPCR, RT-PCR and other isothermal and PCR based protocols for the detection of SARS-COV-2.
- It uses an innovative technology for isolating RNA using magnetic nanoparticles to capture the RNA from the patient sample.
- The magnetic nanoparticle beads bind to the viral RNA and, when exposed to a magnetic field, give a highly purified and concentrated RNA.
- As the sensitivity of the detection method is dependent on getting an adequate quantity of viral RNA, this innovation enhances the chances of identifying positive cases.
- It is estimated that India would require about 8 lakh RNA extraction kits per month during the next six months.
- Agappe Chitra Magna RNA Isolation Kit priced at around Rs. 150 per kit is expected to reduce the cost of testing and the country's dependence on imported kits which cost around Rs 300.
- Agappe Diagnostics has a manufacturing capacity of 3 lakh kits per month.