



PHD Research Bureau
PHD Chamber of Commerce and Industry



Decisions taken by the Union Cabinet (17th August 2022)

- **Cabinet approves enhancement in the corpus of Emergency Credit Line Guarantee Scheme for increasing the limit of admissible guarantees**

The Union Cabinet, chaired by the Hon'ble Prime Minister, Shri Narendra Modi has approved the enhancement in the limit of Emergency Credit Line Guarantee Scheme (ECLGS) by Rs 50,000 crore from Rs. 4.5 Lakh crore to Rs. 5 Lakh crore, with the additional amount being earmarked exclusively for enterprises in hospitality and related sectors. The increase has been done on account of the severe disruptions caused by COVID-19 pandemic on hospitality and related enterprises.

Implementation schedule:

ECLGS is a continuing scheme. The additional amount of Rs. 50,000 crore would be made applicable to enterprises in hospitality and related sectors till validity of the scheme which is 31.3.2023.

Impact:

ECLGS is an already operational scheme and on account of the disruptions caused by the COVID 19 pandemic on hospitality and related sectors, Government has specifically earmarked an amount of Rs. 50,000 crore for enterprises in these sectors. The enhancement is expected to provide much needed relief to enterprises in these sectors by incentivizing lending institutions to provide additional credit of up to Rs. 50,000 crore at low cost, thereby enabling these business enterprises to meet their operational liabilities and continue their businesses.

Loans of about Rs. 3.67 Lakh crore have been sanctioned under ECLGS till 5.8.2022.

Background:

The ongoing pandemic has adversely impacted contact-intensive sectors, especially the hospitality and related sectors more severely. While other sectors were back faster on the path of recovery, demand continued to be subdued for these sectors for longer period, suggesting the need for suitable interventions for their sustenance and recovery. Further, given their high

employment intensity and their direct and indirect linkages with other sectors, their revival is also necessary for supporting overall economic recovery. Recognising this, in Union Budget 2022-23, it was announced to extend validity of ECLGS upto March, 2023 and increase in the limit of guaranteed cover of ECLGS by Rs. 50,000 crore to total cover of Rs. 5 Lakh core, with the additional amount being earmarked exclusively for the enterprises in hospitality and related sectors.

With high immunization levels, progressive roll-back of restrictions and overall economic recovery, conditions are in place for sustained growth in demand for these sectors as well. This additional guarantee cover is expected to support the recovery of these sectors as well. This additional guarantee cover is expected to support the recovery of these sectors.

- **Cabinet approves Interest subvention of 1.5% per annum on Short Term Agriculture Loan upto Rupees Three lakh**

The Union Cabinet, chaired by the Hon"ble Prime Minister, Shri Narendra Modi has approved to restore Interest Subvention on short term agriculture loans to 1.5% for all financial institutions. Thus, Interest Subvention of 1.5% will be provided to lending institutions (Public Sector Banks, Private Sector Bank, Small Finance Banks, Regional Rural Banks, Cooperative Banks and Computerized PACS directly ceded with commercial banks) for the financial year 2022-23 to 2024-25 for lending short term agri-loans upto Rs 3 lakh to the farmers.

This increase in Interest Subvention support requires additional budgetary provisions of Rs 34,856 crore for the period of 2022-23 to 2024-25 under the scheme.

Benefits:

Increase in Interest Subvention will ensure sustainability of credit flow in the agriculture sector as well as ensure financial health and viability of the lending institutions especially Regional Rural Banks & Cooperative Banks, ensuring adequate agriculture credit in rural economy.

Banks will be able to absorb increase in cost of funds and will be encouraged to grant loans to farmers for short term agriculture requirements and enable more farmers to get the benefit of agriculture credit. This will also lead to generation of employment since short term agri-loans are provided for all activities including Animal Husbandry, Dairying, Poultry, fisheries. Farmers will continue to avail short term agriculture credit at interest rate of 4% per annum while repaying the loan in time.

Background:

Ensuring hassle-free credit availability at cheaper rate to farmers has been the top priority of Government of India. Accordingly, Kisan Credit Card scheme was introduced for farmers, to empower them to purchase agriculture products and services on credit at any time. To ensure that the farmers have to pay a minimal interest rate to the bank, the Government of India introduced Interest Subvention Scheme (ISS), now renamed as Modified Interest Subvention Scheme (MISS), to provide short term credit to farmers at subsidized interest rates.

Under this scheme, short term agriculture loan upto Rs. 3.00 lakh is available to farmers engaged in Agriculture and other allied activities including Animal Husbandry, Dairying, Poultry, fisheries etc. at the rate of 7% p.a. An additional 3% subvention (Prompt Repayment Incentive - PRI) is also given to the farmers for prompt and timely repayment of loans. Therefore, if a farmer repays his loan on time, he gets credit at the rate of 4% p.a. For enabling this facility to the farmers, Government of India provides Interest Subvention (IS) to the Financial Institutions offering this scheme. This support is 100% funded by the Centre, it is also the second largest scheme of DA&FW as per budget outlay and coverage of beneficiaries.

Recently, under the Aatmanirbhar Bharat campaign, over 3.13 Crore farmers have been issued new Kisan Credit Card (KCC) against the target of 2.5 Crore. Special initiatives such as the KCC Saturation Drive for farmers enrolled under PM-KISAN scheme have also simplified the process and documentation involved for getting the KCC sanctioned.

Keeping in view the changing economic scenario, especially increase in the interest rate and lending rates for the financial institutions especially Cooperative Banks and Regional Rural Banks, The Government has reviewed the rate of Interest subvention provided to these Financial Institutions. It is expected that this will ensure adequate credit flow in agriculture sector to the farmer as well as ensure financial health of lending institutions.

To address this challenge, Government of India has proactively decided to restore Interest Subvention on short term agriculture loans to 1.5% for all financial institutions.

- **Cabinet approves signing of Contract between India and France to support ITF activities on the Indian Transport Sector**

The Union Cabinet, chaired by the Hon'ble Prime Minister, Shri Narendra Modi was apprised of the signing of Contract between the Organisation for Economic Cooperation and Development, France on behalf of the International Transport Forum and the Technology Information, Forecasting and Assessment Council (TIFAC), India to support the International Transport Forum (ITF) activities on the Indian Transport Sector.

The Contract was signed on 6th July, 2022.

The activities to be carried out under this Contract will lead to:

1. New scientific results;
 2. New policy insights;
 3. Capacity building through increase scientific interaction
 4. Identification of technology options for decarbonization of transport sector in India.
- **Cabinet approves widening access of the Traditional Knowledge Digital Library (TKDL) database to users, besides patent offices**

The Cabinet chaired by the Hon'ble Prime Minister, Shri Narendra Modi has approved the "Widening access of the Traditional Knowledge Digital Library (TKDL) database to users, besides patent offices". The opening up of the TKDL database to users is an ambitious and forward-looking action by the Government of India. This will be a new dawn for Indian traditional knowledge, as the TKDL will drive research & development, and innovation based on India's valued heritage across diverse fields. The opening up of the TKDL is also envisaged to inculcate thought and knowledge leadership through Bharatiya Gnana Parampara, under the New Education Policy 2020.

Indian traditional knowledge (TK) offers immense potential to serve national and global needs, therewith providing societal benefits as well as economic growth. For example, the traditional systems of medicine and wellness from our country, namely Ayurveda, Siddha, Unani, Sowa Rigpa, and Yoga are serving the needs of people from India and abroad even today. The recent COVID- 19 pandemic has also been witnessing extensive use of Indian traditional medicines whose benefits range from immune-boosting to symptoms-relief to anti-viral activity. Earlier this year in April, the World Health Organization (WHO) established its first off-shore Global Centre for Traditional Medicines (GCTM) in India. These demonstrate the continued relevance of traditional knowledge in address the current and emerging needs of the world.

The approval of the Cabinet to widen the access of the database beyond patent offices lays emphasis on integrating and co-opting traditional knowledge with current practices towards enhancing innovation and trade. The TKDL will act as an important sources of TK information for advancing knowledge and technology frontiers. The current contents of TKDL shall facilitate wider adoption of Indian traditional medicines, while also propelling new manufacturers and innovators to gainfully build enterprises based on our valuable knowledge heritage.

The TKDL can cater to a vast user base that would include businesses/companies {herbal healthcare (AYUSH, pharmaceuticals, phytopharmaceuticals, and nutraceuticals), personal care, and other FMCG}, research institutions: public and private; educational institutions: educators & students; and others: ISM practitioners, knowledge holders, patentees and their legal representatives, and government, among several others. The access to the TKDL database would be through a paid subscription model with a phase-wise opening to national and international users.

In future, more information on Indian traditional knowledge from other domains will be added to the TKDL database from the perspectives of the "3P – Preservation, Protection and Promotion". While catering to its primary mandate of preventing grant of wrong patents on Indian traditional knowledge, the TKDL database will also push creative minds to innovate for better, safer and more effective solutions for a healthier and technology endowed population. India's rich heritage shall lay a strong foundation for newer socio-economic developments.

About TKDL: The Traditional Knowledge Digital Library (TKDL) is a prior art database of Indian traditional knowledge established in 2001, jointly by the Council of Scientific and Industrial

Research (CSIR) and Department of Indian Systems of Medicine and Homeopathy (ISM&H, now Ministry of AYUSH). The TKDL is a first of its kind globally and has been serving as an exemplary model to other nations. The TKDL currently contains information from existing literature related to ISM such as Ayurveda, Unani, Siddha, Sowa Rigpa and Yoga. The information is documented in a digitized format in five international languages which are English, German, French, Japanese and Spanish. TKDL provides information in languages and format understandable by patent examiners at Patent Offices worldwide, so as to prevent the erroneous grant of patents. Until now, access to the complete TKDL database is restricted to 14 Patent Offices worldwide for the purposes of search and examination. This defensive protection through TKDL has been effective in safeguarding Indian traditional knowledge from misappropriation, and is considered a global benchmark.

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Warm Regards,

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