

19 September, 2024

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE)

Context: Recently, the MSME Ministry increased CGTMSE guarantee coverage for women-owned MSMEs.

➤ Overview:

- Women-owned micro and small enterprises will receive a 90% credit guarantee under the CGTMSE scheme.
- The scheme also reduces the annual guarantee fee for women entrepreneurs.



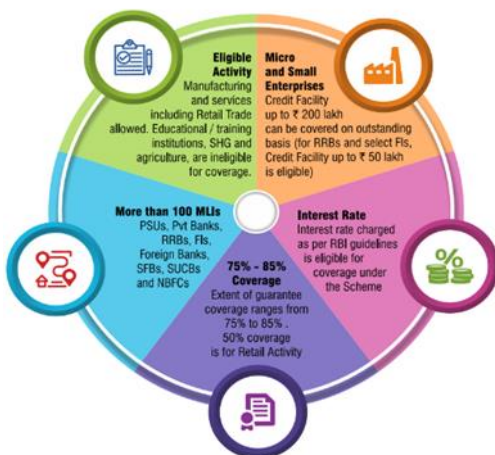
➤ About CGTMSE

- **Initiation:** Launched by the Ministry of Micro, Small & Medium Enterprises (M/o MSME) in 2000.
- **Objective:** To catalyze institutional credit flow to micro and small enterprises (MSEs) and facilitate access to credit for underserved segments.
- **Implementation:** CGTMSE was established by the M/o MSME and the Small Industries Development Bank of India (SIDBI).
- **Funding:** The corpus is contributed by the Government of India and SIDBI in a 4:1 ratio.

➤ Eligible Lending Institutions

- Scheduled commercial banks (public, private, foreign).
- Select regional rural banks classified as 'Sustainable Viable' by NABARD.
- National Small Industries Corporation Ltd. (NSIC), North Eastern Development Finance Corporation Ltd. (NEDFi), SIDBI, select small finance banks, and NBFCs.

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➤ Eligible Credit Facility

- **Collateral-Free Credit:** Up to Rs. 5 crores for MSEs from member lending institutions.

➤ Guarantee Coverage

- **Micro Enterprises:**
 - 85% for credit up to Rs. 5 lakhs.
 - 75% for credit from Rs. 5 lakhs to Rs. 500 lakhs.
- **North East Region:**
 - 80% for loans up to Rs. 50 lakhs.
 - 75% for loans above Rs. 50 lakhs.
- **SC/ST Entrepreneurs, PwDs, Aspirational Districts, ZED Certified MSEs, Agniveers:**
 - 85% guarantee cover.
- **Women-Owned Enterprises:**
 - 90% guarantee cover.
- **Other Borrowers:**
 - 75% guarantee cover.

➤ Claims Settlement

- In case of default, the trust settles claims up to 75% (or 85%/80% where applicable) of the amount in default from the lending institution.

➤ Initiatives for Women Entrepreneurs

- **Enhanced Credit Guarantee:** Women-owned micro and small enterprises (MSEs) now receive a 90% credit guarantee under the CGTMSE scheme.
- **CGTMSE Approval:** Approved by the CGTMSE Board; includes a reduction in the annual guarantee fee to enhance accessibility for women entrepreneurs.
- **Previous Extensions:** The scheme was extended to women-owned MSEs in December 2022, initially providing an 85% credit guarantee for loans up to Rs 2 crore, later increased to Rs 5 crore.
- **Yashasvini Campaign:** Launched in June 2024 to raise awareness of government schemes, promoting formalization, registration, and capacity-building for women entrepreneurs.
- **Udyam Registrations:** Increased from 1.06 crore in 2023 to 5.07 crore in 2024, benefiting approximately 21 crore people through employment opportunities.

➤ Government Achievements so far:

- Under the Prime Minister's Employment Generation Programme, 26,426 new micro enterprises were established with loan disbursements of Rs 3,148 crore in the last 100 days, generating employment for approximately 2.11 lakh people.
- Approximately 27 lakh women-led MSMEs are expected to benefit from this initiative.
- **Government Goals:** Aim to enable Rs 5 lakh crore in credit guarantees for MSEs within the next two years.

Face to Face Centres

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CO₂-to-methanol

Context: Recently, the Secretary of DST laid the foundation stone for India's first CO₂-to-methanol pilot plant in Pune, Maharashtra.

➤ Overview:

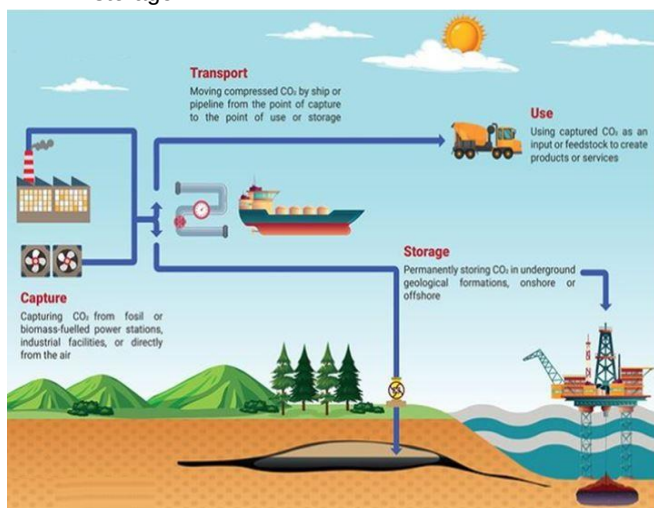
- The plant, with a capacity of 1.4 tons per day, pioneers carbon reduction and conversion technology.
- This project aligns with India's Panchamrit commitment from COP 26, aiming to reduce carbon emissions and achieve sustainability.
- NITI Aayog and the Ministry of Petroleum are developing a policy for 15% methanol-blended diesel, reducing crude oil imports.

➤ About CO₂-to-Methanol Conversion

- **Current Status:** Carbon utilization technologies like CO₂-to-methanol are less developed than carbon capture methods.
- **Process:** CO₂ is captured from industrial sources or directly from the air, then hydrogenated with hydrogen to produce methanol.
- **Benefits:** This conversion can significantly reduce greenhouse gas emissions and provide a sustainable fuel source.
- **Pune Plant:** The CO₂-to-methanol plant in Pune will advance indigenous carbon capture and utilization (CCU) technologies, supporting India's Panchamrit goals.

➤ About Carbon Capture, Utilization, and Storage (CCUS)

- A group of technologies designed to capture CO₂ from large stationary sources, such as fossil fuel-based power plants (International Energy Agency).
- **Transport and Storage:** Captured CO₂ can be transported via pipelines, shipping, rail, or trucks to utilization sites or geological formations for permanent storage.



➤ Significance of CCUS

- **Decarbonization:** Helps in reducing emissions from hard-to-abate sectors like cement and steel.
- **Low Carbon Hydrogen:** Facilitates coal gasification with CCUS.
- **Net Zero Targets:** Advances in direct air capture technology are critical for achieving net zero goals.

➤ Issues with CCUS Adoption in India

- **Cost Variation:** Carbon capture costs vary widely depending on the source and concentration of CO₂.
- **Limited Storage Capacity:** Challenges exist regarding geological data for saline aquifers and basaltic storage.
- **Infrastructure Gaps:** There is a lack of downstream CO₂ infrastructure for effective transportation and storage.

Battery Waste Management Rules, 2022

Context: Recently, MoEFCC implemented strict environmental compensation guidelines for violations of Battery Waste Management Rules, 2022.

➤ Overview:

- Penalties will be enforced for non-compliance with battery waste regulations and unmet metal-wise extended producer responsibility (EPR) targets.
- The government has set differentiated EPR credit costs: Rs 18/kg for lead batteries and Rs 2,400/kg for lithium.
- This approach holds **producers accountable for battery waste** management based on recycling complexity and environmental impact. EPR targets mandate producers manage their **products' entire lifecycle**, including disposal and recycling.



➤ Battery Waste Management Rules, 2022

- **Historical background:**
 - Non-fulfilment of obligations by producers and recyclers will attract penal actions under the provisions of section 15 of the Environment (Protection)-EP Act, 1986.
 - The penal actions under the EP Act, 1986 currently include imposing fine up to Rs 1 lakh or/and jail term up to 7 years with provisions of additional fines and extended imprisonment for repeated instances of non-compliance.

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- **Coverage:** Applies to all battery types, including Electric Vehicle, portable, automotive, and industrial batteries.
- **Extended Producer Responsibility (EPR):** Producers must collect and recycle waste batteries and cannot dispose of them in landfills or incinerate them.
- **Collection and Recycling:** Producers can either handle EPR obligations themselves or authorize other entities for collection, recycling, or refurbishment.
- **Online Portal:** A centralized online portal will facilitate the exchange of EPR certificates between producers and recyclers.
- **Online Registration:** Producers must register online, report, and comply with auditing and monitoring processes.
- **Polluter Pays Principle:** Environmental compensation is imposed for failing to meet EPR targets and obligations.
- **Recovery Targets:** Aims for material recovery of 70% by 2024-25, 80% by 2026, and 90% post-2026-27.
- **Environmental Compensation Fund:** Funds collected from penalties will be used for the collection, refurbishment, and recycling of uncollected and non-recycled batteries.

➤ **What is Environmental Compensation (EC)?**

- The 2022 Rules empower CPCB to impose and collect EC from producers and entities involved in the refurbishment and recycling of waste batteries for non-compliance.
- **Applicability:** EC can also be levied on entities operating without registration or providing false information, adhering to the polluter pays principle.
- **EPR Responsibilities:** Producers are responsible for the environmentally sound management of waste batteries. Non-fulfillment of Extended Producer Responsibility (EPR) targets will incur EC but does not absolve EPR obligations. Unfulfilled EPR obligations will be carried forward to the next year.

Particulars	Battery Waste Management Rules, 2022	Battery Waste Management (Amendment) Rules, 2024
EPR Certificate Provision	EPR certificates generated by CPCB through a centralized online portal based on recycled/refurbished quantities; assigned to recyclers.	Same process; CPCB continues to manage EPR certificates.
Trading EPR Certificates	Recyclers can sell assigned EPR certificates to producers for waste batteries.	Same trading provisions continue.
Price Setting for EPR Certificates	CPCB fixes highest (100% of environmental compensation) and lowest (30% of environmental compensation) prices for EPR certificates.	Prices remain the same, set by CPCB.
Action on Violations	Implementation committee by CPCB to recommend guidelines for imposing and collecting environmental compensation from non-compliant producers.	CPCB now prepares and recommends guidelines directly, with potential consultation from the Implementation Committee.

NEWS IN BETWEEN THE LINES

PM-AASHA Scheme



Recently, the Union Cabinet approved the continuation of schemes of the Pradhan Mantri Annadata Aay SanrakshAn Abhiyan (PM-AASHA).

About PM-AASHA:

- Pradhan Mantri Annadata Aay SanrakshAn Abhiyan (PM-AASHA) is a **scheme** that **aims to support farmers** and **control price volatility** for consumers.
- It is a comprehensive scheme of the Government of India **announced in September 2018**.
- Under this scheme the government will **procure 25%** of the national production of notified pulses, oilseeds and copra at the Minimum Support Price (MSP).
- The **Price Stabilization Fund (PSF)** will maintain buffer stocks of pulses and onions to control hoarding and speculation.
- For oilseeds, states and union territory governments will be offered the **Price Deficiency Payment Scheme (PDPS)** in addition to the **Price Support Scheme (PSS)**.
- The total financial outlay for PM-AASHA is Rs. **35,000 crore for the 15th Finance Commission Cycle up to 2025-26**.

Face to Face Centres



19 September, 2024

World Food India



The third edition of World Food India will take place from September 19–22, 2024 at Pragati Maidan in New Delhi.

About the World Food India:

- World Food India (WFI) is a **global event** that brings together stakeholders from the food and allied sectors to showcase India's food processing industry and promote investment and trade in it.
- It is **organized by the Ministry of Food Processing Industries, Government of India**.
- Its **aim is to showcase India as the food basket of the world** and to **promote investment** and trade in the food processing sector.
- It **provides opportunities for collaboration and investment for food processors, technology and equipment manufacturers**, logistics players, cold chain operators, and food retailers.
- Over **90 countries, 26 States and Union Territories and 18 Central Ministries** will participate in the event.
- Japan will be a partner country** and **Vietnam and Iran will participate as focus countries**.

Personality in News

Periyar

E.V. Ramasamy



Recently, Periyar Erode Venkatappa Ramasamy was remembered on his 146th birth anniversary.

Periyar E.V. Ramasamy (17 September 1879 – 24 December 1973):

Periyar Erode Venkatappa Ramasamy, an eminent Social reformer and rationalist was born in Kannada Balija merchant family in Erode, then a part of the Coimbatore district of the Madras Presidency.

Contributions:

- Periyar **founded the Self-Respect Movement in 1925** to promote pride among lower castes and challenge caste and gender inequalities.
- He **established the Dravidar Kazhagam** to further the Dravidian cause and **oppose Brahminical dominance**.
- He is **regarded as the 'Father of the Dravidian Movement'** for his efforts in promoting Dravidian identity and rights.
- He **joined the Indian National Congress in 1919** but resigned in 1925, dissatisfied with the party's Brahmin-centric policies.
- In **1939**, he became the **head of the Justice Party**, which he renamed to Dravidar Kazhagam in 1944.
- Periyar **participated in the Vaikom Satyagraha of 1924**, a non-violent struggle aimed at allowing Dalits entry into temples in Travancore.

Place in News

Myanmar

Recently, the Union government has approved ₹31,000 crore to fence the Myanmar border.

Myanmar (Capital: Naypyidaw)

Location: Myanmar, also known as Burma (the official name until 1989), is a country located in **Southeast Asia**.

Boundaries: Myanmar shares its borders with **Laos (East)**, **Bangladesh** and **India (Northwest)**, **China (Northeast)**, **Thailand (Southeast)**, the **Andaman Sea (South)** and the **Bay of Bengal (Southwest)**.

Physical Features:

- The highest point in Myanmar is **Hkakabo Razi**, located in the northern part of the country, in the Himalayan mountain range.
- Major rivers in Myanmar include the **Irrawaddy (Ayeyarwady)**, **Salween (Thanlwin)** and **Chao Phraya**.
- Myanmar is rich in minerals, including **jade, rubies, sapphires, gold, silver, tin, tungsten, copper** and **natural gas**.
- Myanmar has a **tropical monsoon climate**.

Membership: Myanmar is a member of several international organizations, including the **United Nations (UN)**, **Association of Southeast Asian Nations (ASEAN)**, **South Asian Association for Regional Cooperation (SAARC)** (observer status), **World Bank (WB)**, **International Monetary Fund (IMF)** and **World Health Organization (WHO)**



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Current affairs summary for prelims

19 September, 2024

POINTS TO PONDER

- Which ministry recently launched the Artificial Intelligence and Machine Learning for Trade Mark search and IP Sarthi Chat Bot in New Delhi? – **Ministry of Commerce and Industry**
- On which date was the 127th Anniversary of the Battle of Saragarhi recently celebrated? – **12th September**
- Which harvest festival was recently celebrated by tribal populations in many states of India? – **Karma or Karam Parv**
- Which Unmanned Aerial Vehicle (UAV) of the Indian Navy, on lease from General Atomics of the U.S., recently carried out a controlled ditching at sea off Chennai due to a technical failure? – **MQ-9A**
- For the first time, a Chinese aircraft carrier sailed between which two Japanese islands near Taiwan? – **Miyako and Okinawa**

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