



Current Affairs of the Day

Covishield protects against double mutant: study

Preliminary studies show that people who have been vaccinated with Covishield have protection against the double mutant variant (B.1.617) first found in India.

Highlights:

1. Researchers at the Hyderabad-based Centre for Cellular and Molecular Biology (CCMB) found that protection against the double mutant variant was also seen both when convalescent plasma from people who have been infected and have already recovered was tested in the lab.
2. Both Covishield vaccinated sera and convalescent sera were found to offer protection against the double mutant variant (B.1.167).
3. The study, though preliminary, does show that vaccination with Covishield offers protection against the double mutant variant. So people should go ahead and get vaccinated quickly.
4. The preliminary study also suggests that convalescent plasma may offer protection against reinfection with the double mutant variant. Studies using plasma from more recovered and vaccinated people of different age groups are needed for confirmation.
5. The institute is carrying out similar studies using plasma from people vaccinated with Covaxin. The B.1.617 variant has two mutations — E484Q and L425R — of concern.
6. The two mutations have individually been found to make the virus more infectious and evade antibodies. But their combined effect when found together has not been determined.



Emergency use nod for Virafin

The Drug Controller General of India (DCGI) on Friday granted emergency use approval for pharma major Zydus Cadila's antiviral drug 'Virafin' to treat moderate COVID-19 in adults, the company press release said.

Highlights:

1. A single dose subcutaneous regimen of the antiviral Virafin will make the treatment more convenient for the patients. When administered early on during COVID, Virafin will help patients recover faster and avoid much of the complications. Virafin will be available on the prescription of a medical specialist for use in hospital/institutional setup," the release added.
2. The drug's safety profile is already well known as it is used in treating people with chronic hepatitis B and C. The drug has been repurposed for treating moderate COVID-19 disease.
3. The therapy "significantly reduces the viral load when given early on and can help in better disease management".
4. In a multi-centre trial in 20-25 centres across India, the company found the drug reduced the need for supplemental oxygen. This clearly "indicates that the antiviral was able to control respiratory distress and failure which has been one of the major challenges in treating COVID-19", the company said.
5. In the phase-3 trials, the drug was able to achieve "better clinical improvement in the patients suffering from COVID-19". A "higher proportion (91.15%) of patients administered the drug were RT-PCR negative by day seven as it ensures faster viral clearance".

RBI extends States' Ways and Means credit to Sept.

The Reserve Bank of India (RBI) decided to continue with the existing interim Ways and Means Advances (WMA) scheme limit of ₹51,560 crores for all States/UTs shall for six months i.e., up to September 30, given the prevalence of COVID-19.



Highlights:

1. Based on the recommendations of the Advisory Committee on WMA to State Governments, 2021 (chaired by Sudhir Shrivastava) the RBI had revised the WMA Scheme of States and Union Territories (UTs), it said.
2. The WMA limit arrived at by the Committee based on a total expenditure of States/ UTs, works out to ₹47,010 crores. The RBI said it would review the WMA limit thereafter, depending on the course of the pandemic and its impact on the economy.
3. The Special Drawing Facility availed by State Governments/ UTs shall continue to be linked to the quantum of their investments in marketable securities issued by the Government of India, including the Auction Treasury Bills, it said.

About: WMAs

What exactly is Ways and Means Advances (WMA)?

Simply put, it is a facility for both the Centre and states to borrow from the RBI. These borrowings are meant purely to help them to tide over temporary mismatches in cash flows of their receipts and expenditures. In that sense, they aren't a source of finance per se. Section 17(5) of the RBI Act, 1934 authorises the central bank to lend to the Centre and state governments subject to their being repayable "not later than three months from the date of the making of the advance".

How much does the RBI charge on these advances?

The interest rate on WMA is the RBI's repo rate, which is basically the rate at which it lends short-term money to banks. That rate is currently 4.4%. The governments are, however, allowed to draw amounts in excess of their WMA limits. The interest on such overdraft is 2 percentage points above the repo rate, which now works out to 6.4%. Further, no state can run an overdraft with the RBI for more than a certain period.

What are the existing WMA limits and overdraft conditions?

For the Centre, the WMA limit during the first half of 2020-21 (April-September) has been fixed at Rs 120,000 crore. This is 60% higher than the Rs 75,000 crore limit for the same period of 2019-20. The limit for the second half of the last fiscal



(October-March) was Rs 35,000 crore. For the states, the aggregate WMA limit was Rs 32,225 crore till March 31, 2020. On April 1, the RBI announced a 30% hike in this limit, which has now been enhanced to 60%, taking it to Rs 51,560 crore. The higher limit will be valid till September 30. The central bank, on April 7, also extended the period for which a state can be in overdraft from 14 to 21 consecutive working days, and from 36 to 50 working days during a quarter.

SBI trims GDP outlook on COVID wave

State Bank of India has trimmed its projection for the economy's performance in 2021-22 to 10.4% real GDP growth and 14.3% nominal GDP growth, from 11% and 15%, respectively, citing the second wave of COVID-19 and the spate of ongoing partial and weekend lockdowns in almost all States.

Highlights:

1. Economists at the country's largest bank expect the second wave to peak in the third week of May and pointed out that in the first wave Uttar Pradesh and Maharashtra had peaked before the country as a whole did.
2. Now new cases in Maharashtra seem to be stabilising but the share of cases in total of various other States such as Chhattisgarh, Madhya Pradesh, Gujarat has increased and these are showing an increase in daily new cases.

'Most industrialised'

1. Calling for a sharp ramp-up in vaccinations in order to thwart any further waves, SBI's economics research team said in a report on Friday that Maharashtra had suffered an estimated ₹82,000 crore loss already which would 'definitely increase if restrictions are further tightened'.
2. "Being the economically biggest and most industrialised State in India, this lockdown will have a huge impact on growth," the researchers said, adding that reverse migration of labour was continuing unabated.