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Ayurveda Day celebrated throughout the Country on 5th November
Ayurveda day

Ministry of AYUSH observes Ayurveda Day every year on Dhanawantari Jayanti (Dhanteras)

This year Ayurveda Day was observed on 5th November 2018. On this occasion, Ministry also organised a “National Seminar on Entrepreneurship and Business Development in Ayurveda” in association with NITI Aayog.

The seminar is expected to develop awareness among stakeholders about the business opportunities, encouraging young entrepreneurs to use of modern technologies and modern innovations in business development in the sector and to highlight opportunities at a global level.

Source: The Hindu.

AYUSH-Health Management Information System (A-HMIS)

It is a dedicated software application for Electronic Health Record (EHR) for the AYUSH systems of Healthcare.

A-HIMS was launched across 15 AYUSH units in different parts of the country in the first phase on 5th November 2018.

It is expected to revolutionise the way Ayurveda, Yoga, Unani, Siddha and Homoeopathy are practised in the country, by inducting modern IT-solutions into these systems.

Source: The Hindu.

First India-Nepal passenger train on broad gauge to make first run in
December

Increasing connectivity with Nepal: The first passenger train to run on broad gauge between India and Nepal is likely to run from December this year.

The train will run from Jayanagar in Bihar to Kurtha in Dhanusa district in Janakpur Zone of south-eastern Nepal, which is a 34 km stretch. The Jayanagar-Kurtha rail line was originally built during the British Raj to transport logs from forests at Mahottari to India. No visa will be required for Indian and Nepalese nationals crossing the border through this stretch.

Source: The Hindu.

Centre eyes seaplanes in UDAN 3

Opening the third round of the regional connectivity scheme (RCS), the Ministry of Civil Aviation has invited proposals for air routes that include tourist destinations. Seaplanes may soon be operating commercial passenger flights in India with the Centre inviting bids for connecting selected destinations under the RCS.

Few destinations that the government proposes to connect through seaplanes are the recently unveiled Statue of Unity at Sardar Sarovar Dam, Sabarmati Riverfront in Ahmedabad, Tehri Dam in Uttarakhand and Nagarjuna Sagar in Telangana.

Offerings in phase 3: In the latest phase, the Centre is reoffering 34 airports that weren't successfully connected. Some destinations have been put on the block again as helicopter operations failed to take off. The Centre has also offered 23 tourist destinations including Bodh Gaya, Agra, Kanha, Varanasi, Hampi, Mysore and Kullu. The previous two rounds saw a total of 428 routes awarded to 17 airlines and helicopter operators.



INDIA BOARDS UDAN

World's cheapest domestic air travel scheme, UDAN, was launched by Prime Minister Narendra Modi in Shimla on April 27, 2017

- Introduced by Civil Aviation Ministry under National Civil Aviation Policy unveiled in 2016
- UDAN is acronym for 'Ude Desh ka Aam Nagarik' - meaning 'for every common man to fly'
- Three initial flights were launched in the routes Shimla-Delhi, Kadapa-Hyderabad and Nanded-Hyderabad
- Government aspires to connect unserved and underserved regions of the country through revival of existing airstrips and airports
- Airfare for a 1-hour journey of approximately 500 km on a fixed wing aircraft or for 30-minute journey on a helicopter would be capped at ₹ 2,500
- The seating capacity of aircraft under UDAN scheme will range from 19 to 78, and 50% of the seats in every flight will have a fare cap of ₹ 2,500 per seat per hour

Source: The Hindu.

New rules for foreigners in detention centres

The government has informed the Supreme Court that new guidelines are being framed for keeping foreign nationals in detention centres across the country.

The issue of framing of detention manual for keeping foreign nationals had cropped up when the apex court was hearing a matter related to the condition of detention centres in Assam.

The apex court had recently expressed displeasure that foreign nationals kept in detention centres in Assam were "separated" from their families and had asked the state to look into the issue with urgency so that the families are "not broken up".

The court observed it was "inappropriate" to keep the families separated without any valid reason.

The Centre had told the apex court that it was in the process of framing guidelines for keeping foreign nationals in detention centres across the country and the process would take around three months.

Source: The Hindu.

Editorial

Going beyond the credit requirements of MSMEs

The government should work to improve the overall regulatory architecture in order to incentivize smaller firms to scale up

The announcement of support to micro, small and medium enterprises (MSME) by Prime Minister Narendra Modi last week had both economic and political rationales behind it. Politically, the government would like to be seen as supporting MSMEs, given that people engaged in the sector are considered a core constituency of the ruling Bharatiya Janata Party. Economically, any improvement in the sector's operating environment will help the Indian economy. The share of MSMEs in the country's gross value added is estimated to be about 32%. It also contributes about 40% to total exports and 45% to manufacturing output.

Apart from improving ease of doing business, the most important announcements were regarding access and cost of credit. MSMEs can now get in-principle approval for loans of up to ₹1 crore in 59 minutes. Additionally, goods and services tax (GST)-registered MSMEs will get an interest subvention on fresh or incremental loans. Interest rate rebates have also been announced for exporters. While an increase in the flow of credit will benefit the sector, banks and financial institutions would do well to not dilute their credit appraisal criteria.

Availability of credit from formal sources has been a problem for the sector. MSME credit is also one of the reasons behind the ongoing rift between the government and the Reserve Bank of India (RBI). In terms of financing, the share of non-banking financial companies (NBFCs) has gone up in recent years, given that banks saddled with high non-performing assets (NPAs) are reluctant to lend. But since NBFCs are now facing a liquidity crunch, it is likely that the flow of credit would have been affected. A Mint Street Memo, published by the RBI in August, mapped the flow of credit to the sector. While about 90% of credit from formal sources comes from banks, loans extended by NBFCs to MSMEs have increased in recent years. Credit flow was affected in the aftermath of demonetization, though it subsequently recovered from February 2017. Nevertheless, the share of credit to MSMEs has declined as a proportion of overall bank credit in recent years.

Although government intervention will help the sector, the actual impact for a large number of small firms will remain limited. The problem is that, as researchers highlighted in the above-mentioned note, more than 90% of MSMEs operate in the informal sector. These firms largely depend on informal sources of credit at higher interest rates. It is difficult for these firms to get loans from banks because they do not maintain proper documents and records.

At a broader level, since most firms are very small, besides non-availability of formal finance, they are also not in a position to adopt technology to improve productivity. Further, most firms in the informal sector are unlikely to attract skilled labour. The sixth economic census, for example, showed that enterprises on an average employed only 2.24 people. This illustrates that the problem is much bigger than the availability of credit.

India has a large number of tiny firms that work in the informal sector and do not scale up. This has not only affected growth and output, particularly in the manufacturing sector, but also employment generation. It is likely that with increasing digitization and the implementation of

the GST, more firms will join the formal sector. However, a large informal sector raises important policy questions: Why do most firms operate in this sector? Does the regulatory environment disincentivize firms to formalize and increase their scale of operations?

Coming back to credit, as mentioned above, it is important to note that while incentivizing credit flow will help improve activity in the sector, government intervention and directed lending can affect proper credit appraisal. This could not only result in higher NPAs, but also affect the flow of credit in the future. In this context, former RBI governor Raghuram Rajan, in his note to a Parliamentary committee, recently cautioned: "Both MUDRA loans as well as the Kisan Credit Card, while popular, have to be examined more closely for potential credit risk. The Credit Guarantee Scheme for MSME (CGTMSE) run by SIDBI is a growing contingent liability and needs to be examined with urgency."

Public sector banks already have significant NPAs in the MSME sector and a push by the government can increase the risk. Thus, what is needed is a simplification of processes so that more firms can access formal finance. Also, banks should improve their credit appraisal capability to work with firms that are perhaps dealing with a financial institution for the first time. Meanwhile, the government should work to improve the overall regulatory architecture that would incentivize smaller firms to scale up.

Mains Question

Q: What is private member's bill? Briefly discuss the procedure of introduction of such bill and importance of it in Indian democracy.