

**GEOGRAPHY- PHYSICAL AND ECONOMIC****Long Range Forecast (LRF)**

India Meteorological Department (IMD) issued the second stage Long Range Forecast (LRF) for South-West Monsoon Season rainfall.

**About:**

- Each year, the India Meteorological Department (IMD) issues LRF in two stages. The first stage forecast is issued in April, while the second one in June.
- According to the Second Stage Long Range Forecast for Southwest Monsoon Season Rainfall from July to September, the country will receive a normal monsoon rainfall this year.
- The monsoon rainfall between June to September over the country would be 102 per cent of its long period average which means 88 centimetres.

**Nisarga**

On the western coast of India, Cyclone Nisarga is headed towards the coastline of north Maharashtra and south Gujarat.

**About:**

- In strength and intensity, Cyclone Nisarga would be much weaker than Cyclone Amphan that struck on May 20 and passed through West Bengal on its way to Bangladesh.
- Cyclones formed in the Bay of Bengal side of the north Indian Ocean are more frequent and stronger than those on the Arabian Sea side.
- The relatively cold waters of the Arabian Sea discourage the kind of very strong cyclones that are formed on the Bay of Bengal side; Odisha and Andhra Pradesh face the brunt of these cyclones every year.

**GOVERNANCE- WELFARE SCHEMES, E-GOVERNANCE, SERVICES ETC.****Champions**

Prime Minister Modi launched the technology platform CHAMPIONS to empower MSMEs.

**About:**

- CHAMPIONS stands for Creation and Harmonious Application of Modern Processes for Increasing the Output and National Strength.
- The portal is basically for making the smaller units big by solving their grievances, encouraging, supporting, helping and handholding. It is a real one-stop-shop solution of MSME Ministry.
- This ICT based system is set up to help the MSMEs in present difficult situation and also to handhold them to become national and international champions.
- As part of the system a network of control rooms is created in a Hub & Spoke Model. The Hub is situated in New Delhi in the Secretary MSME's office. The spokes are in the States in various offices and institutions of MSME Ministry.

**SOCIO-ECONOMIC DEVELOPMENT****Agriculture**

Union Cabinet gave nod to historical decisions aimed at helping the farmers.

**Minimum Support Prices (MSP):**

- For the Kharif season 2020-21, the government has kept its promise of fixing the Minimum Support Prices (MSP) at a level of at least 1.5 times of the cost of production.
- The MSP of 14 crops for the Kharif season 2020-21 has been announced, based on the recommendation of CACP. The return over cost for these 14 crops ranges from 50% to 83%.

**Extension of repayment date for short term loans for agriculture**

- The Cabinet has approved extension of repayment date for short term loans for agriculture and allied activities till the end of August this year. The decision will help all farmers whose loan repayment due dates were between 1st March and 31st of August.
- The agricultural short-term loan due between 1st March 2020 and 31st August 2020 will continue to get benefit of 2% Interest Subvention (IS) to Banks and 3% Prompt Repayment Incentive (PRI) to farmers.
- Interest Subvention Scheme (ISS) was started to provide concessional short-term crop loans including loans availed through Kisan Credit Cards to the farmers.

**Micro, Small And Medium Enterprises (Msmes)**

Union Cabinet gave nod to historical decisions aimed at helping the Micro, Small and Medium Enterprises (MSMEs).

**Upward revision of MSME Definition:**

- The Cabinet has further revised the definition of MSMEs, a decision which will lead to inclusion of many industrial units under its ambit.
- Cabinet has decided to further increase the limit for medium manufacturing and service units. Now it will be Rs. 50 crore of investment and Rs. 250 crore of turnover.

- All export turnovers of such enterprises will also remain exempted from the total turnover.

**Other decisions**

- Cabinet has also approved distressed MSME fund of 20 thousand crore for extending helping hand to the enterprises in distress. This decision will benefit over two lakh units in the country.
- He highlighted the decision of creation of Fund of Funds with initial outlay of 50 thousand crore rupees. The amount will be infused in the MSME sector through equity route.
- Proposal for equity infusion of Rs. 50,000 crores for MSMEs through fund of funds has also been approved. This will establish a framework to help MSMEs in managing the debt-equity ratio and in their capacity augmentation. This will also provide an opportunity to get listed in stock exchanges.

**Mudra Shishu Loan**

Centre has announced 'Mudra Shishu loan' for small businesses and cottage industries so that shopkeepers do not suffer due to the COVID-19 pandemic.

**About:**

- A 1500 crore interest subvention for small business and cottage industries has been announced under Mudra Shishu loan.
- The government will offer 2% interest rate subvention for a period of 12 months to prompt loan payees under the Mudra scheme.
- The decision is expected to bring much-needed relief to small borrowers under the Mudra Shishu loans up to ₹50,000.

**Related Info :**

- Micro Units Development and Refinance Agency (Mudra) was started to refinance loans of up to ₹10 lakh given by banks and other lending institutions to small borrowers.
- Under the scheme, collateral-free loan of up to ₹10 lakh falls under three categories—Shishu, Kishore and Tarun. Loans from ₹50,001 to ₹5 lakh are disbursed under Kishore. The third category is for loans of ₹5-10 lakh.

**PM SVANidhi**

The Ministry of Housing and Urban Affairs has launched a Special Micro-Credit Facility Scheme - PM SVANidhi - PM Street Vendor's Atma Nirbhar Nidhi, for providing affordable loans to street vendors.

**About:**

- The vendors can avail a working capital loan of up to Rs. 10,000, which is repayable in monthly instalments in the tenure of one year.
- On timely/ early repayment of the loan, an interest subsidy @ 7% per annum will be credited to the bank accounts of beneficiaries through Direct Benefit Transfer on six monthly basis. There will be no penalty on early repayment of loan.
- The scheme provides for escalation of the credit limit on timely/ early repayment of loan to help the vendor achieve his ambition of going up on the economic ladder.
- Over 50 lakh people, including vendors, hawkers, thelewalas, rehriwala, theliphadwala etc. in different areas/ contexts are likely to benefit from this scheme.

**Related Info :**

- This is for the first time in India's history that street vendors from peri- urban/ rural areas have become beneficiaries of an urban livelihood programme.
- It is for the first time that MFIs/ NBFCs/ SHG Banks have been allowed in a scheme for the urban poor due to their ground level presence.

**SCIENCE AND TECHNOLOGY- EVERYDAY SCIENCE, SPACE, NUCLEAR, DEFENCE ETC**

**Ultra Swachh**

Defence Research and Development Organisation (DRDO) has developed a disinfection unit named Ultra Swachh to disinfect a wide range of materials, including Personal Protective Equipment (PPEs), electronics items, fabrics, etc.

**About:**

- Institute of Nuclear Medicine & Allied Sciences (INMAS), the Delhi based laboratory of DRDO has developed this product with industry partner M/s Gel Craft Healthcare Private Ltd, Ghaziabad.
- The system uses an advanced oxidative process comprising of multiple barrier disruption approach using Ozonated Space Technology for disinfection.
- The system is double layered with specialised Ozone sealant technology assuring trapping of ozone for the necessary disinfection cycle. It also has catalytic converter to ensure environment friendly exhaust i.e. only oxygen and water.
- The Ultra Swachh comes in two variants namely Ozonated Space and Trinetra Technology. Trinetra technology is the combination of Ozonated space and radical dispenser.

**DEFENCE AND SECURITY**

**Line Of Actual Control (LAC)**

As tensions continue between India and China along the Line of Actual Control (LAC), a look at what the line means on the ground and the disagreements over it.

About:

- The LAC is the demarcation that separates Indian-controlled territory from Chinese-controlled territory. India considers the LAC to be 3,488 km long, while the Chinese consider it to be only around 2,000 km.
- It is divided into three sectors: the eastern sector which spans Arunachal Pradesh and Sikkim, the middle sector in Uttarakhand and Himachal Pradesh, and the western sector in Ladakh.
- The alignment of the LAC in the eastern sector is along the 1914 McMahon Line, and there are minor disputes about the positions on the ground as per the principle of the high Himalayan watershed.
- The line in the middle sector is the least controversial but for the precise alignment to be followed in the Barahoti plains. The major disagreements are in the western sector.

How is the LAC different from the Line of Control with Pakistan

- The LoC emerged from the 1948 ceasefire line negotiated by the UN after the Kashmir War. It was designated as the LoC in 1972, following the Shimla Agreement between the two countries.
- It is delineated on a map signed by DGMOs of both armies and has the international sanctity of a legal agreement.
- The LAC, in contrast, is only a concept – it is not agreed upon by the two countries, neither delineated on a map or demarcated on the ground.

**DAILY ANSWER WRITING PRACTICE**

**Q. “MSMEs sector is referred to as the growth engine of the Indian economy”. In light of this statement discuss the challenges and solution pertaining to the MSMEs sector in India.**

Answer

The Micro, Small and Medium Enterprises (MSME) sector is the second largest employment generating sector (after agriculture) and accounts for 45% of output in India. This sector plays a crucial role in providing large employment opportunities at comparatively lower capital cost than large industries. They also help in industrialization of rural and backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth.

Significance of MSMEs for Indian Economy

- **Contribution to GDP:** With around 36.1 million units throughout the geographical expanse of the country, MSMEs contribute around 6.11% of the manufacturing GDP and 24.63% of the GDP from service activities.
- **Exports:** It contributes around 45% of the overall exports from India.
- **Inclusive growth:** MSMEs promote inclusive growth by providing employment opportunities in rural areas especially to people belonging to weaker sections of the society.
- **Financial inclusion:** Small industries and retail businesses in tier-II and tier-III cities create opportunities for people to use banking services and products.
- **Promote innovation:** It provides opportunity for budding entrepreneurs to build creative products boosting business competition and fuels growth.

Issues and Challenges faced by MSMEs and steps taken to improve their condition:

Issues and Challenges	Steps Taken
Access to credit 90% of the MSMEs are dependent on informal sources for funding Lack of sufficient collateral and high working capital needs	Launch of the 59 minute loan portal to enable easy access to credit for MSMEs. 2 percent interest subvention for all GST registered MSMEs, on fresh or incremental loans. Trade Receivables e-Discounting System (TReDS) to enable access to credit from banks, based on their upcoming trade receivables from corporate and other buyers.
Access to Markets Low outreach and non availability of new markets. Lack of skilled manpower and ineffective marketing strategy. Difficult for MSMEs to sell products to government agencies.	The Union government announced the launch of an e-commerce platform on the lines of private e-commerce companies to sell products from MSMEs. Public sector companies now compulsorily procure 25%, instead of 20% of their total purchases, from MSMEs. Government e-Marketplace (GeM) portal: It provides transparency in procurement and facilitates MSMEs to directly reach out to the buyers.
Technology Access	20 hubs and 100 spokes in the form of tool rooms will be established across

Limited human resources and weak financial standing. MSMEs, particularly in the unorganised sector, show lower adaptability of new technology and innovation.	the country. This will facilitate product design and easy access to latest technology to MSMEs. Financial assistance is provided for implementation of lean manufacturing techniques to enhance the manufacturing competitiveness of MSMEs.
Quality and Export Issues Low quality products impact export competitiveness. Inadequate access to quality raw materials. Use of traditional machines causes low productivity.	Financial support to MSMEs in ZED(Zero Defect Zero Effect) certification to improve quality of products. Government provides subsidies towards the expenditure incurred by enterprises to obtain the product certification licenses from national and international bodies.
E- Governance Issues such as online access to credit Online resolution of disputes Access to robust IT infrastructure	Udyami Mitra Portal : launched by SIDBI to improve accessibility of credit and handholding services to MSMEs. MSME Sambandh : To monitor the implementation of the public procurement from MSMEs by Central Public Sector Enterprises. MSME Samadhaan- MSME Delayed Payment Portal— will empower Micro and Small entrepreneurs across the country to directly register their cases relating to delayed payments by Central Ministries/Departments/CPSEs/State Governments. Digital MSME Scheme : It involves usage of Cloud Computing where MSMEs use the internet to access common as well as tailor-made IT infrastructure
Ease of Doing Business Cumbersome government procedures and rules for establishing new units. Red Tapism Poor litigation system in the country.	The return under 8 labour laws and 10 Union regulations now to be filed only once a year. Computerised random allotment for inspector visits to the establishment. Environmental Clearance under air pollution and water pollution laws, have been merged into one. Also, the return to be accepted through self-certification. For minor violations under the Companies Act, enabling the entrepreneur to litigate through simplification of government procedures and instilling confidence among entrepreneurs.
Lack of buoyancy to adjust to reforms such as ‘demonetisation’ and GST.	Creation of a corpus of ₹5,000 crore distressed asset fund for MSMEs as suggested by a RBI Committee Doubling the cap on collateral-free loans to Rs 20 lakh from the current Rs 10 lakh extended to borrowers falling under the Mudra scheme, self-help groups, and MSMEs.

#### Way Forward

- The government can play a crucial role in creating domestic manufacturing capabilities by leveraging proposed public procurement and projects.
  - For example, Mega public projects such as Sagarmala, Bharatmala, industrial corridors, and the Pradhan Mantri Awas Yojana (PMAY) can stimulate domestic manufacturing activities.
- Efforts should be made to develop self-sufficient clusters of manufacturing competence, with Cluster Administrative Authorities, empowered to provide single window clearances to entrepreneurs and investors.
- Leveraging Industrial Revolution 4.0: Disruptive technology, while leading to job losses in traditional areas, also presents new job opportunities.
  - A greater connect between government-industry-academia is required to identify the changing requirements in manufacturing and prepare an employable workforce.
  - Also, the Industrial Revolution 4.0 will boost the Industrial supply chains in India.
- The recent stimulus package of Rs 3-lakh crore collateral-free assistance to the MSMEs under Atmanirbhar Bharat Abhiyan, is the step in the right direction. However, providing a stimulus package may not be effective, until adequate reforms are carried out to solve its pressing problems and to utilize its potential