**ETW 10th to 20th Jan 2019**

* **RBI defers implementation of capital buffer norms (TH 11 Jan 19)**
  + Capital Conservation Buffer (CCB) is the capital buffer that the banks need to keep aside during normal times to be used during the time of stress to offset losses
  + RBI has deferred implementation of last tranche (0.625%) of Capital Conservation Buffer (CCB) by a year i.e. new deadline for CCB of 2.5% will be 31st March 2020
  + This will leave ₹ 37000 Cr in the hands of the banks which otherwise should has been kept aside
  + This in turn is expected to increase the bank lending by ₹ 3.5 lakh Cr
* **CPSE plans are stuck (FE 15/1/19)**
  + The central government has announced a scheme for closure of CPSES in September 2016, which would fast-track the closure of perennially sick CPSEs
  + Under this, the winding up of only 2 sick CPSEs has been completed out of 19 which have been identified for closure (another 10 CPSEs have been recommended for closure by NITI Aayog on which the govt is yet to take a call)
  + The two which have been closed are smaller ones but the bigger ones which have been dragging the finances of the government are yet to be wound up
  + The delay in closure has been because of
    - Stays imposed by courts because of petitions filed by the workers’ union and banks
    - Delays in disposal of lands
    - Non-payment of statutory dues like salaries and taxes
  + As on 31st march 2017, 188 government companies and corporations have accumulated losses of ₹ 1,23,194 Cr
* **Saubhagya Scheme - coverage issues (BL 15/1/19)**
  + The government has clarified that it hasn’t missed the target of electrifying the households under the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya). Rather the houses reported to be unconnected are the ones which have been stealing the electricity
  + **Intro**
    - The scheme was launched in September 2017
    - The total outlay has been ₹ 16320 Cr (with a gross budgetary support of ₹ 12320 Cr)
    - The target has been to electrify all the willing households by March 2019 (has been extended to 31st December 2019)
    - As per the latest numbers
      * 2.39 Cr households have been electrified since the launch of the scheme
  + The govt has claimed that 100% of the households have been electrified in 25 states
* **India drags EU to WTO (IE 12/1/19)**
  + India has sought consultations with the EU under the Agreement on Safeguards
  + This is in relation to safeguard duties that were imposed by 28-member bloc of EU on steel imports coming from India
  + EU in July proposed imposition of safeguarding duties to protect their industry against surge of imports
* **Fertiliser subsidy to overshoot the budgeted expenditure (BL 15/1/19)**
  + The budgeted expenditure is expected to be ₹ 1 lakh Cr and the allocation was ₹ 70080. The expenditure is expected to overshoot by ₹ 30000 Cr for this fiscal
  + The finance ministry has already denied extra money for the subsidy
  + The rise in the fertiliser prices is because of increased international prices and rupee depreciation
  + The central government is thinking of tapping the PSBs for loans
  + In the past also the government has rolled over the subsidy payments to the companies or has entered into agreements with the banks to finance the subsidy
* **GST Council - Changes (TH 11 Jan 19)**
  + Threshold limit
    - The tax exemption limit in case of goods supplier has been doubled to ₹ 40 lakh (in annual revenues and for north-east it has been doubled from ₹ 10 lakh to ₹ 20 lakh)
    - The states which are worried about the erosion of their tax base could notify to the Secretariat within a week and stay at the present level of ₹ 20 lakh (the increase will come into effect from 1st April 2019)
    - With the increase in the limit around 20 lakh taxpayers are expected to be benefitted and as per the govt, the revenue loss would be notional (as even with the current threshold limit of ₹ 20 lakh there are 10.93 lakh taxpayers who are paying GST despite their turnover being lesser than ₹ 20 lakh)
    - The threshold limit for the service providers has been left unchanged at ₹ 20 lakh (₹ 10 lakh in case of special category states it is ₹ 10 lakh)
  + Composition Scheme (is applicable only for dealers involved in intra-state supplies; manufacturers, traders and hotels which did not serve alcohol are eligible; those availing composition scheme will not be allowed to get input tax credit
    - The turnover limit for availing the composition scheme has been increased to ₹ 1.5 Cr (from earlier ₹ 1 Cr)
    - The service providers with a turnover of up to ₹ 50 lakh can avail the composition scheme at a rate of 6%
    - Those under the composition scheme will have to file the tax quarterly, though the returns can be filed annually
    - Benefits
      * Raising the limit will provide relief for many of the taxpayers
  + The council has allowed Kerala to levy a calamity cess of 1% on intrastate sales for a maximum period of two years