

EPW 18th to 24th Feb 2019

➤ **15th FC sticks to 2011 census**

- The FC will take up the census 2011 figures in its calculation for the allocation to be done to the states. Having said do, it would also provide relief to the states that have done good work in population control
- The reasoning has been that, the terms of reference given by the president means usage of the 2011 census figures
- Once the commission visits Telangana, it would have visited a total of 19 states

➤ **Angel Tax - new rules (TH 20/2/19)**

- Angel tax is levied on unlisted startups
- As per the new notification
 - Investments of up to ₹ 25 Cr in an eligible company will be exempt from angel tax (earlier it was ₹ 10 Cr)
 - In addition investments made by listed company of a net worth of at least ₹ 100 Cr (earlier it was ₹ 25 Cr) or a turnover of at least ₹ 250 Cr would also be exempt
 - Investments from non-resident and Alternative Investment Funds Category 1 will also be exempted
- An eligible start-up would be
 - One that is registered with the government
 - Has been incorporated for less than 10 years
 - Turnover has not exceeded ₹ 100 Cr over the period
- In order to be identified as a start-up, the company has to apply to DPIIT (Department for Promotion of Industry and Internal Trade)

➤ **Time for independent debt management office (TH 23/2/19)**

- NITI Aayog Chairman has made a strong case for setting up of an independent debt management office outside the purview of RBI
- The FM in his budget speech for FY16 had proposed such an authority - PDMA (Public Debt management Agency) - which is not yet implemented

➤ **Labour Bureau files MUDRA job report (TH 23/2/19)**

- The PMMY was launched in 2015, in order to provide affordable credit to micro and small enterprises, loans up to ₹ 10 lakh. So far under this, more than 15 Cr loans worth ₹ 7.2 lakh Cr have been issued
- Labour Bureau has completed its survey on employment generated by the MUDRA loan scheme
- The report is likely to be released in March
- The Arvind Panagariya Panel had recommended analysing the extent of employment and self-employment created by MUDRA loans
- Issues
 - Every loan issued doesn't mean that new jobs have been created
 - The loan value is also small so it is unlikely that those availing loan are creating jobs

- More than 80% of the loans issued are under Shishu
- Experts have pointed out the probability of NPAs from this segment

➤ **RBI bundles NBFCs into one category (TH 23/2/19)**

- RBI has bundled the NBFCs to create a single category (from the present three tier structure)
- The Asset Finance Companies, Investment Companies and Loan companies have been merged into a single category, which will be referred to as NBFC-Investment and Credit Companies (NBFC-ICC)
- It has been done to provide operational flexibility