

Info Capsule

USE OF CSR FUND ON HEALTH AND EDUCATION¹

The CSR expenditure of companies is compiled development sector-wise as listed in Schedule VII of the Companies Act, 2013. The development sector-wise CSR spend of the companies on education and health for the years 2014-15 and 2015-16 is given in Table below. The Companies Act, 2013 already provides an institutional framework for the use of CSR funds by companies.

DEVELOPMENT SECTOR WISE CSR EXPENDITURE FOR FY 2014-15 AND FY 2015-16

CSR Expenditure (in `Crores)		
Sectors	2014-15	2015-16
Health/ Eradicating Hunger/ Poverty and malnutrition/ Safe drinking water / Sanitation	2246	3117
Education/ Differently Abled/ Livelihood	2728	3073
Rural development	1017	1051
Environment/ Animal Welfare/ Conservation of resources	1213	923
Swachh Bharat Kosh	121	355
Any other Fund	36	262
Gender equality / Women empowerment / Old age homes / Reducing inequalities	326	213
Prime Minister's National Relief Fund	192	136
Encouraging Sports	160	95
Heritage Art and Culture	157	90
Slum area development	123	9
Clean Ganga Fund	19	3
Other Sectors (Technology Incubator and benefits to armed forces, admin overheads and others*)	465	497
Total Amount	8803	9822
Number of Companies for which data compiled	7334	5097

* not specified

¹ Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

This was stated by Shri Arjun Ram Meghwal, Minister of State for Corporate Affairs in written reply to a question in Rajya Sabha on April 11, 2017.

GOODS & SERVICES TAX²

GST-Network – the firm which is building the IT backbone of the Goods and Services Tax regime — assured stakeholders that all their data will be stored in an encrypted form and only the taxpayer and the assessing officer will have access to the information. Allaying concerns of data theft, GSTN CEO Prakash Kumar said data will be stored with two-layers of security.

He said the database administrator has been designed in a way that no outsider can see the data. “Only two people can have access — taxpayer himself or his tax officer who is responsible for that

VIRTUAL CURRENCIES³

Reserve Bank of India, vide, its Press Release dated February 01, 2017 has advised that it has not given any license / authorization to any entity / company to operate schemes or to deal with Bitcoin or any virtual currency. As such, any user, holder, investor, trader, etc. dealing with Virtual Currencies will be doing so at their own risk.

Reserve Bank of India had issued cautionary advice to the users, holders and traders of Virtual Currencies (VCs) including Bitcoins about the potential financial, operational, legal, customer protection and security related risks that they are exposing themselves to, vide, its press release dated December 24, 2013.

The creation, trading or usage of VCs including Bitcoins, as a medium of payment is not authorized by any central bank or monetary authority. No regulatory approval, registration or authorisation have been obtained by the entities concerned for carrying on such activities.

The absence of counter parties in the usage of VCs including Bitcoins, for illicit and illegal activities in anonymous / pseudonymous systems could subject the users to unintentional breaches of anti-money laundering and combating the financing of terrorism (AML/CFT) laws.

This was stated by Shri Arjun Ram Meghwal, Minister of State in the Ministry of Finance in written reply to a question in Rajya Sabha on April 11, 2017.

² Available at: <http://www.financialexpress.com/economy/all-tax-data-will-be-completely-secure-gst-network-assures-india-inc/624371/>

³ Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>

CBDT ISSUES PAN AND TAN WITHIN 1 DAY TO IMPROVE EASE OF DOING BUSINESS⁴

In order to improve the Ease of Doing Business for newly incorporated corporates, CBDT has tied up with Ministry of Corporate Affairs (MCA) to issue Permanent Account Number (PAN) and Tax Deduction Account Number (TAN) in 1 day.

Applicant companies submit a common application form SPICe (INC 32) on MCA portal and once the data of incorporation is sent to CBDT by MCA, the PAN and TAN are issued immediately without any further intervention of the applicant. The Certificate of Incorporation (COI) of newly incorporated companies includes the PAN in addition to the Corporate Identity Number (CIN). TAN is also allotted simultaneously and communicated to the Company.

Till 31st March 2017, 19,704 newly incorporated Companies were allotted PAN in this manner. During March, 2017, of the 10,894 newly incorporated companies, PAN was allotted within 4 hrs in 95.63% cases and within 1 day in all cases. Similarly, TAN was allotted to all such companies within 4 hrs in 94.7 % cases and within 1 day in 99.73% cases.

CBDT's initiative in starting of a business is expected to significantly improve the ranking of India in the Ease of Doing Business Study conducted by World Bank by reducing the number of processes of registration before various authorities under law, reducing the time taken for allotment of the registration number (CIN, PAN, TAN) and making the entire registration process for new companies much simpler.

CBDT has also introduced the Electronic PAN Card (E-PAN) which is sent by email, in addition to issue of the physical PAN Card, to all applicants including individuals where PAN is allotted. Applicant would be benefited by having a digitally signed E-PAN card which they can submit as proof of identity to other agency electronically directly or by storing in the Digital Locker (<https://digilocker.gov.in>).

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⁴ Available at: <http://pib.nic.in/newsite/erelease.aspx?relid=0>