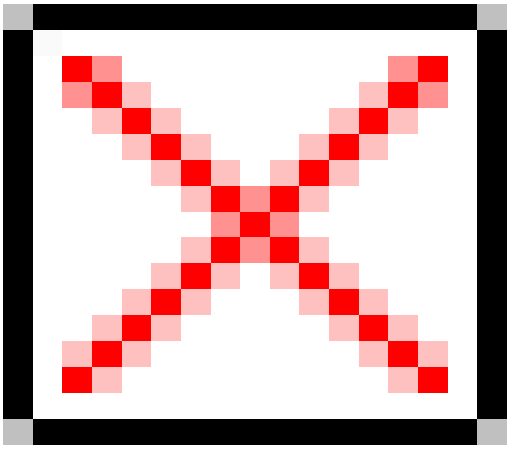
Deposits in Jan Dhan Accounts Not Alarming - Income Tax Department



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08 12 2016

Thursday

THE Income Tax Department yesterday tweeted:

1. There has been considerable decrease in inflow of funds in Jan Dhan Accounts after Government alerted people against allowing misuse of Accounts

2. In the 1st week after demonetisation was announced, (8th-15th Nov,2016), total deposits received in Jan Dhan Accounts was Rs. 20,206 crores.

3. On the 1st & 2nd December, 2016, the inflow into Jan Dhan Accounts has been reduced to Rs. 410 crores and Rs. 389 crores respectively.

4. Average per Account deposit in Jan Dhan Accounts is Rs.13,113 from 8th Nov to 2nd Dec which is not alarming, given the need to bring all cash to banks.

5. To investigate deposits in Jan Dhan Accounts belonging to others,Department has identified local clusters/banks where inflow of deposits was abnormal.

Income Tax Staff to be diverted to Investigation Directorate

THE CBDT Chairman in a letter to all the Principal Chief Commissioners has asked them to spare some officers to the DG, Investigation. The Chairman says,

1. As you are aware after notification of the Government on 08.11.2016 declaring the old high denomination currency notes of Rs. 1000/500 invalid from 9.11.2016, investigation Directorates have intensified enforcement actions in detecting serious irregularities.

2. They are, however, seriously handicapped because of non-availability of manpower.

3. The current drive is likely to continue in the coming weeks.

4. I understand that many assessing officers in the field-formation are left with very little time-barring workload. Reorganisation of work can spare many of such officers.

5. In view of the above, I request you to identify such officers as also Inspectors and make them available to the DsGIT (Inv.) of your region, immediately.

CBDT Chairman's D.O. Letter No.414/61/2016-IT(Inv.I) (Pt.)., Dated December 07, 2016

Rs.3.81 Trillion worth bank notes supplied by RBI and there is more - RBI

THE Reserve Bank of India Deputy Governor R. Gandhi in a Statement yesterday stated:

1. There have been several questions about the decision to withdraw the legal tender status of the Rs. 1000 and the old series of Rs. 500 notes.

2. The motivations for the decision are to deal with the problem of high quality counterfeit notes in these denominations and unearth black money that may be held in cash. The decision has not been taken in haste but after detailed deliberations. There had to be a high level of secrecy surrounding this decision and the fact is that such a large country was indeed taken by surprise when the decision was announced. The Reserve Bank and the Central Government were conscious of certain immediate difficulties that the public at large could face and all efforts were made to minimise them and mitigate them. The problems of the common persons were at the top of the policy makers' radar and all dispensations were calibrated to address them without at the same time jeopardising the achievement of the larger policy objectives.

3. The Reserve Bank and the Central Government run note presses are working to their full capacity and all efforts are being made to reach the notes to every part of the country. In fact, during this period (from 10th November 2016 to 5th December 2016), the Reserve Bank has supplied to the public banknotes of various denominations worth Rs. 3.81 trillion.

4. As regards lower denomination notes of Rs.100, Rs. 50, Rs. 20 and Rs. 10, the Reserve Bank, over its counters and through bank branches all over the country, has supplied 19.1 billion pieces of denominations in this period. (Rs.100 - 8.5 billion, Rs. 50 - 1.8 billion, Rs. 20 - 3.1 billion and Rs. 10 - 5.7 billion). This is more than what the Reserve Bank had supplied to the public in the whole of last three years.

5. We reiterate that there is adequate supply of notes and hoarding of notes helps nobody's cause. We also strongly advocate the public to switch to digital payment modes given that there are several options, there are adequate safeguards and there is an increasing acceptability of this mode of payment by a large number of recipients.

I was wondering what 3.81 trillion rupees would mean in a language we, Indians normally understand. I am told:

1 Million = 10 lakhs
1 Billion = 1000 millions = 1,000 x 10 lakhs = 10,000 lakhs = 100 crores
1 Trillion = 1000 billions = 1000 x 100 crores = 1 lakh crore

So, the 3.81 trillion that the RBI, so graciously distributed in the last month amounted to Rs. 3.81 lakh crores. Mind boggling money!

Merger of Plan and Non Plan expenditures

A Member of Parliament asked,

Will the Minister of FINANCE be pleased to state :-

(a) Whether Government propose to merge Plan and Non-Plan expenditure;

(b) if so, the reasons behind the merger of these two classifications in Budget and Accounts; and

(c) what were the recommendation of Rangarajan Committee on this issue?

The Finance Minister replied:

(a) : Yes, Sir.

(b) : The existing distinction between plan and non-plan expenditure in the Budgetary system resulted in excessive focus on â€˜plan expenditure' with equivalent neglect of items such as expenditure on â€˜maintenance', â€˜running expenditure such as salaries and other essential expenditure associated with implementation of scheme' etc. which are classified as non-plan. However, it is the total expenditure, irrespective of plan or non-plan, that generates value for the public. Due to insufficient provision for maintenance, the assets created out of Plan expenditure suffered. School and Hospitals are developed under Plan expenditure and in the absence of sufficient teachers and doctors, whose salary is non-plan expenditure after a certain period, they fail to deliver on expectations. Larger plan outlays for economic and social services have adversely affected allocations for the maintenance of assets, as well as allocations towards basic functions of the government in the general services category. With the merger of Plan and Non-Plan classification, the focus of resource allocations has shifted from the duality of plan and non-plan to a more holistic focus on objectives of development, welfare programmes and fiscal discipline.

(c) : The Rangarajan Committee recommended that Plan and Non-Plan distinction in the budget should be removed in order to facilitate linking expenditure to outcomes and better public expenditure management.

Government, biggest Litigant

A Rajya Sabha Member asked,

(a) whether it is a fact that official agencies like Income Tax, Excise and Customs departments are the biggest litigants before the Courts;

(b) whether Government will direct its agencies to desist from appealing against the verdicts of Tribunals and High Courts as a matter of routine; and

(c) if so, whether the appeals from such verdicts be limited to rarest of rare cases?

The Minister of State in Finance Mr. Santosh Kumar Gangwar answered:

(a): Sir, no such information is available in the Ministry.

(b) & (c): Department of Revenue has already directed its field units to file appeals on merits and not in a routine manner merely on the basis of high revenue effect. Circular No. 21/2015 dated 10.12.2015 issued in this regard has also prescribed very high monetary thresholds for filing appeals before ITAT, High Courts and Supreme Court. Moreover, the revised thresholds have been applied retrospectively resulting in withdrawal of appeals already filed. Till November, 2016, more than 15,800 appeals have been withdrawn by the Income Tax Department from Tribunals and High Courts. Moreover, more than 400 appeals have been withdrawn from High Courts on issues which have been settled in favour of the taxpayers. Further filing of appeal has also been restricted only to cases which have the required merits and which have tax effect exceeding the revised monetary thresholds.

In terms of National Litigation Policy, necessary directions have been issued to the field formations to desist from filing appeals in routine manner.

PMLA Appeal - Amount of Fee Payable

RULE 3(2) of the Prevention of Money-laundering (Appeal) Rules, 2005 reads as:

At the time of filing, every appeal shall be accompanied with an amount of fee as given in the Table below, in the form of demand draft payable in favour of the Registrar, Appellate Tribunal, New Delhi.

TABLE

Sl. No.	Amount of fine imposed	Amount of fee payable
1.	Where the amount of fine imposed under sub-section (2) of section 13 of the Act is Rs. 10,000/	Rs. 1,000/-
2.	Where the amount of fine imposed under sub-section (2) of section 13 of the Act is more than Rs. 10,000/- and upto Rs. 50,000/-	Rs. 2,500/-
3.	Where the amount of fine imposed under sub-section (2) of section 13 of the Act is more than Rs. 50,000/- **and upto Rs. 1 lakh.**	Rs. 5,000/-

Now, the words **and upto Rs. 1 lakh** are omitted.

Why? Maybe because now there is no fee prescribed for appeals when fine imposed is more than Rs. 1 lakh; but the Section does not seem to permit any fine and even the maximum penalty imposable is Rs. 1 lakh. Where is the catch?

Delinquent babus - Administrative warning is no Punishment

GOVERNMENT
had long ago instructed that where a departmental proceeding has been instituted, and it is considered that a Government servant deserves to be penalized for the offence/misconduct, one of the prescribed penalties may only be awarded and no warning, recordable or otherwise, should be issued to the Government servant.

However, while considering cases for empanelment, the ACC has observed that in many cases, rather than exonerating the officer or imposing a penalty on him, administrative warning is issued even when disciplinary proceedings were drawn against him. Administrative warning is not recognized as a penalty.

So, DoPT reiterates that:

1. As clarified in the Ministry of Home Affairs O.M. No. 39/21/56-Estt.(A) dated 13th December, 1956, warning is administrated by any authority superior to a Government employee in the event of minor lapses like negligence, carelessness, lack of thoroughness, delay etc. It is an administrative device in the hands of superior authorities for cautioning the Government employees with a view to toning up efficiency and maintaining discipline. There is, therefore, no objection to the continuance of this system. However, where a copy of the warning is also kept in the Confidential Report dossier, it will be taken to constitute an adverse entry and the officer so warned will have the right to represent against the same in accordance with the existing instructions relating to communication of adverse remarks and consideration of representations against them.

2. Where a departmental proceeding has been instituted under the provisions of CCS(CC&A) Rules 1965, after the conclusion of disciplinary proceedings, the officer is either exonerated or where it is considered that some blame attaches to the officer, he should be awarded one of the recognized statutory penalties as given in Rule 11 of the CCS (CCA) Rules, 1965 i.e. at least 'Censure' should be imposed. In such a situation, a warning, recordable or otherwise, should not be issued.

3. Warning, letter of caution, reprimands or advisories administered to Government servants do not amount to a penalty and, therefore, will not constitute a bar for consideration of such Government servants for promotion.

A Chairman of CBEC was once issued a warning a few days before his retirement for some lapse on his part when he was a Commissioner more than ten years ago!

DoPT Office Memorandum in F.NO.11012/12/2016-Estt.A-III., Dated December 06, 2016

Milad - Un - Nabi Holiday on Monday

AS per list of holidays circulated by the Government, the holiday on account of **Milad-Un-Nabi or Id-E-Milad** falls on Tuesday the 13th December, 2016. It has been brought to notice of the Government that in Delhi Milad-Un-Nabi or Id-E-Milad will be celebrated on 12th December, 2016.

Accordingly, it has been decided to shift the Milad-Un-Nabi or Id-E-Milad holiday to 12th December, 2016 in place of 13th December, 2016 as notified earlier, for all Central Government administrative offices at Delhi / New Delhi.

The Government advises that
"For Offices outside Delhi / New Delhi the Employees Coordination Committees or Head of Offices (where such Committees are not functioning) can decide the date depending upon the decision of the concerned State Government."

DoPT Office Memorandum in F.NO.12/18/2016-JCA2., Dated December 07, 2016

Until Tomorrow with more **DDT**

Have a nice day.

Mail your comments to **vijaywrite@tiol.in**