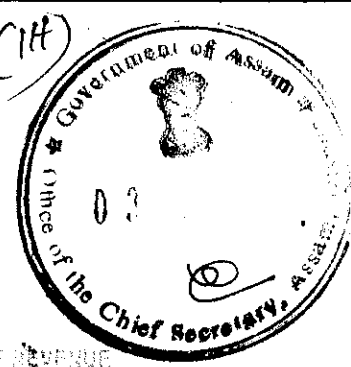


Addl CS Secy

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6/12/16



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5/12/16

GOVERNMENT OF ASSAM
OFFICE OF THE CHIEF SECRETARY
DISBURSEMENT SECTION
GUWAHATI

F. No. PDIT(INV)/GHY/Admn/2016-17/125

दिनांक/Date: 01/12/2016

सेवा में/To

The Chief Secretary
(as per list enclosed)

Office of the Addl. Secy
F&B, Guwahati Cantt. Dispur

Dr. No. *1381*
6/12/16

विषय/Sub: Acceptance of demonetized Old High Denomination currency notes by religious trusts and institutions in donation boxes – steps for prevention of misuse – matter reg.

महोदया/महोदय//Madam/Sir,

1. The Directorate of Income Tax (Investigation), NER, Guwahati has received inputs from various sources that post demonetization of the Old High Denomination (OHD) currency notes by the Central Government, charitable institutions, particularly religious institutions, are accepting donations in Rs.500 and Rs.1000 currency notes, which are also being deposited in the banks as receipts from donations.

2. The old currency notes of denomination of Rs.500 & Rs.1000 have ceased to be legal tender starting 9th November, 2016 in pursuance to the Govt. Notification issued on 8th November, 2016. As such, no transactions can be made in such banned currency notes, except those specifically exempted by the RBI. A donation, which is obviously a transaction between donor and receiver (a Deity in case of temples, which is an Artificial Juridical Person), in old currency notes is also prohibited post 8th November, 2016. The religious institutions are not barred from accepting anonymous donations which are also treated as exempt income in the hands of religious trusts under the Income Tax Act. However, since there is no identifiable donor or other particulars for such donations received in donation boxes, there is a distinct possibility that in the garb of such receipts in donation boxes, certain persons may launder their black money, causing great harm to the public interest in the ongoing fight against black money. Even otherwise, any transaction in old currency is illegal, except as expressly permitted by RBI.

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3. It has, therefore, become imperative to curb the misuse of the donation channel for conversion of the banned currency notes; this may, however, not be entirely possible unless the receipt of old notes in donation boxes is specifically barred. These institutions may take the plea that while they are not accepting the banned currency notes as donations, they do not have any control over the donation boxes kept in the temples wherein the devotees may drop such money, which need to be accounted for and sent to banks. What is the status of such currency notes and what should be done with them is a matter that may need clarification from the Central Government. A reference has already been made to that effect to the Ministry of Finance, Government of India.

4. In view of the above, you are requested to kindly consider issuing necessary circular specifically requiring the religious trusts and institutions in your state:

- (i) Not to accept old Rs.500 & Rs.1000 notes as donations from the general public.
- (ii) Not to accept old Rs.500 & Rs.1000 notes even in the donation boxes. For this purpose, they may be asked to display notices at prominent places in the temple and near the donation box itself, to the effect that devotees should not drop old notes in the donation box.
- (iii) Not to deposit such currency notes in bank account, even if they are found in donation box. They must be separately recorded and kept by the trust till such time as a clear instruction is received from the Central Government in this matter.
- (iv) Open the donation boxes in the presence of two independent witnesses (in order to prevent any manipulation in the process of counting money received in donation box) and keep a proper record of the contents found in the donation box. Besides, the entire process of opening and counting may be video recorded and preserved for any future examination.

5. You are also requested to kindly direct the authorities concerned under you to furnish the following details on most urgent basis.

- I. List of privately controlled religious trusts in your state.
- II. Details of donations received by such privately controlled religious trusts in your state.

6. These efforts shall go a long way in plugging the gaps of possible misuse by vested interests and will be steps in support of the Government's initiative in fighting corruption.

Yours sincerely,

(शिशिर झा/ShishirJha)

प्रधान आयकरनिदेशक (अनवे.)पूर्वोत्तर क्षेत्र, गुवाहाटी
Principal Director of Income Tax (Inv.), NER, Guwahati
Email: guwahati.dit.inv@incometax.gov.in

To:

1. The Chief Secretary
Government of Arunachal Pradesh
Civil Secretariat
Itanagar-791111
2. The Chief Secretary
Government of Assam
Secretariat, Dispur
Guwahati-781006
3. The Chief Secretary
Government of Manipur
South Block
Old Secretariat
Imphal-795001
4. The Chief Secretary
Government of Meghalaya
Main Secretariat Building
Rilang Building, Room no. 321
Shillong-793001
5. The Chief Secretary
Government of Mizoram
New Secretariat Complex
Aizawl-796001
6. The Chief Secretary
Government of Nagaland
Civil Secretariat
Kohima-797004
7. The Chief Secretary
Government of Tripura
New Civil Secretariat
Capital Complex
Agartala-799006

MINUTES OF THE 3rd SLFIC MEETING HELD ON 29TH NOV, 2016 AT 12.30 P.M. IN THE CONFERENCE ROOM OF THE CHIEF SECRETARY, ASSAM.

Members and other invitees present is shown at annexure-A

Chief Secretary, Assam while welcoming the members and others invitees present informed the participants on the need to expedite the processes for receipt and payments on digital mode after demonetisation of old currency notes and the need for facilitating digital payment and receipt system. He emphasised the need for an all out effort by government agencies and all other stakeholders to facilitate transformation to digital system of payments and receipts and to address all issues like internet connectivity, banking coverage, coverage of shadow and dark areas, availability of ATMs, PoS machines, awareness of people etc in a time bound manner to enable this transformation. He urged concerned government departments and other stakeholders to address these issues on priority for enabling the people to transform from a cashless system to digital system of receipts and payments. He also emphasised the need for presence of banks in all areas of the state either through brick and mortar branches or through BCs (Bank Mitras) and coverage of all left out households in the state under PMJDY. Chief Secretary stated that digital push needs internet connectivity which only telecom service providers should provide.

After threadbare discussion on various issues with all the participants attended the meeting, the following decisions were taken.

1. NABARD will prepare a GIS map showing the locations of bank branches in the state within 3 days with the assistance of the SLBC, Assam and submit the same to the Chief Secretary. SLBC was requested to coordinate with all banks to get their respective maps showing locations of their bank branches within 2 days and furnish the same to NABARD. **(Action: NABARD/SLBC Convenor/All Banks)**
2. Banks were requested to expedite the account opening process in all tea gardens of the state in coordination with the district administration and LDMs so that the target for opening bank accounts by 5th December, 2016 can be achieved. **(Action: All Banks/All DCs/All LDMS)**
3. BSNL and all private service providers were requested to furnish maps showing their respective shadow/dark etc areas along with a roadmap for coverage of these shadow/dark areas within a definite time frame. **(Action: BSNL/All Pvt Service providers).**
4. All banks having tea gardens within their service areas were requested to inform their management about the desire of Govt of Assam to install at least one ATM in each tea garden within a very short time so that the tea garden labourers can withdraw their wages from their bank accounts without any difficulty. It was also decided that new ATMs shall be installed only adjacent to offices of the garden management. **(Action: All Banks)**
5. RBI was requested to look in to the currency problems faced by the UCO Bank in upper Assam and the Syndicate Bank in Hojai Civil Sub-Division. **(Action: RBI/UCO & Syndicate Bank).**
6. All banks were requested to immediately issue the pending RuPay Cards with them in a camp mode in collaboration with the district administration. All Deputy Commissioners were requested to provide all required assistance and cooperation in this regard. SLBC Convener was requested to bring this for discussion in the next SLBC meeting. **(Action: SLBC Convener/All Banks/All DCs).**

7. The Sales Tax Deptt of state government was requested to ensure that the traders have installed PoS machines in their business units at the time of their registration. **(Action: Commissioner of Taxes, Assam).**
8. Bank will prepare and implement a training programme on use of PoS machines and other apps for digital receipt and payment system both for their frontline staff as well as for the customers of their service areas. **(Action: All Banks).**
9. All concerned administrative departments will arrange some training programme in the districts for their beneficiaries under individual and family oriented beneficiaries' schemes to enable them to use the digital system for cashless receipts and payments. Similarly, all DCs will organise awareness camps on the use of various apps for enabling digital system of payments and receipts. Education Department will arrange for training of School and College students on use of digital payment and receipt system and various apps on this. Finance Department will issue suitable instruction to all departments and all DCs in this regard. **(Action: All concerned Deptts/Education Deptt/All DCs/Finance Deptt).**
10. It was decided to discuss the internet and other connectivity issues again on 1st Dec, 2016 at 3.00 p.m. in the conference room of the Chief Secretary, Assam. SBI, BSNL and all private telecom service providers were requested to attend the discussion with present status on coverage of areas by internet, shadow and dark areas in respect of each service provider and other related issues. **(Action: SLBC Convener/BSNL/All Pvt Telecom service providers).**

The meeting then ended with thanks to the Chair.

-Sd/-
(V.K.Pipersenia IAS)
 Chief Secretary, Assam
 &
 Chairman, SLFIC


Memo No.FIF.17/2016/22-A

Dated Dispur the 30th Nov./2016

Copy forwarded to:-

1. S.O. to Chief Secretary to the Government of Assam for appraisal of Chief Secretary, Dispur for information.
2. The General Manager, (NW-I), State Bank of India (SLBC Convenor), Local Head Office, Dispur, Guwahati- 6 for information and necessary action. He is requested kindly to forward the minutes to all the member banks from his end.
3. Members present.

By order etc.


 Director,
 Finance (IF) Department.

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