

FM to review jail term clause for non-compliance of CSR

Assures Industry Of More Simplification Of Taxation

TIMES NEWS NETWORK

New Delhi:

Finance minister Nirmala Sitharaman on Friday assured India Inc that she would review the criminal penal provision for not complying with corporate social responsibility (CSR) mandates and also promised more simplification of the taxation system to end harassment.

Her assurance to industry comes against the backdrop of sharp criticism of the provision of a jail term of up to three years and stringent fines ranging from Rs 50,000 to Rs 25 lakh for executives of companies violating CSR provisions, which were added in the amended Companies Act 2013. This clause has jolted industry and triggered calls for a rollback.

Charges of harassment of company executives also surfaced after the suicide of coffee baron V G Siddhartha.

“She said CSR notices with retrospective effect ‘were unacceptable’ and she will put a stop to these notices,” a statement from industry body Confederation of Indian Industry (CII) quoted her as telling leading industrialists at an interaction in the national capital.

“We are looking at simplification of taxes,” Sitharaman said, adding that the report of the committee on direct taxes code is expected to be released on August 15. She told the businessmen that the government will immediately take this up for consideration.

“It is our intent to reduce tax on corporates,” said Sitharaman, emphasising that there was “no second thought” on this matter. The government would consider a uniform 25% tax rate for all categories of corporates after there was comfort that tax revenues were on an upward trend. Sitharaman also used the occasion to bridge what company executives say is a trust deficit between the government and industry.

Recognising that corporates have significant outstandings from government departments and agencies, Sitharaman said she was in the process of addressing the issue. Delayed payments to MSMEs are estimated at around Rs 48,000 crore. As a first step, the government will release amounts which are not under litigation.

FM also said ties between the government and Reserve Bank of India were cordial, which was helping investments. The Centre-RBI ties have improved after the appointment of former finance secretary bureaucrat Shaktikanta Das as governor of the central bank.

ADDRESSING HARASSMENT ISSUES

➤ FM **Nirmala Sitharaman** said she will be travelling around the country, including tier-2 cities, to first-hand hear and understand the tax harassment issues faced by companies

➤ A technology driven platform



will be set up where cases of harassment can be uploaded, either with or without disclosing the identity

➤ FM said her intent was to address issues related to harassment and ensure powers are not misused



At no point and on no score, do we want to make it difficult for industry — Sitharaman